

Issue: Inequality

Talking Points: The Racial Wealth Gap

The disparity in wealth in the United States is high and growing. Typical Black and Hispanic households possess just 6% and 8%, respectively, of the wealth of white households. Programs such as the GI Bill benefited whites but excluded minorities, putting them at a huge disadvantage in amassing wealth.

Policy reforms that address the issues below would aid in decreasing the racial wealth gap in Virginia:

Predatory mortgage loans

Predatory mortgage, payday and car loans have exorbitantly high interest rates, often necessitating further loans and creating a downward spiral of debt.

Suspended driver's licenses

Drivers' licenses can be suspended for minor offenses that are unrelated to driving such as littering and failure to pay court fines. Without a license, people may not be able get to their jobs.

Cash Bail

The current bail system does not consider the likelihood of a defendant not turning up for their trial. Fees for bail can be an unaffordable expense for the poor, while wealthier defendants are able to avoid jail.

Credit Checks

In Virginia, employers may use credit checks in hiring, which has been shown to depress the hiring of minorities. However, there is no correlation between poor job performance and weak credit.

State Income Tax Rates

The highest income tax rate kicks in at incomes of \$17,001 so wealthy Virginians pay the same tax rate as the poor.