About the course

- DLE (discovery learning experience) course
- Winter session – 5 weeks/4 days/~3hrs each meeting
- Open to grad and undergrad students across campus
- Objectives:
  - Understand how laws, regulations, and corporate policy are applied and impact access to opportunities along demographics
  - Explore historical and institutional choices that impact current outcomes and status quo in business
  - Critically evaluate the potential for wealth-building along ethnoracial groups
  - Critically evaluate corporate policies and responses around issues of race
  - Problem solve around the core issues of race and equity in corporate policy
Course basics

- Instructor led discussions based on lectures & videos
- Small group and individual responses to instructor prompts
- Weekly written student reaction to readings material
  - How did material resonate with you?
  - Any changes in your thinking or intent? Why? Why not?
  - What’s new and how does it relate to your discipline?
- Weekly case analysis - HBS
- Final comprehensive project
Foundation Topics

- Origins of the concept of Race
- Implicit bias
- Doctrine of discovery
- Manifest destiny
- History of Non-Whites in America (focused on contracts & business/economic events):
  - The Native American Experience
  - The Black Experience
  - The Mexican experience (Californios & Tejanos)
  - The Asian American experience
- The link between US economic wealth and slave ownership and products dependent on slave labor
Key policy areas that drive economic differences

- Real Estate and the taking of land from Black & Brown people
- Redlining and Insurance segmentation based on race
- Transportation and the U.S. Highway System
- Education
- Health and Medical Services
- The Prison Industrial Complex and prison labor exploitation
- Advertising, marketing and racial disparities
Redlining and Insurance

- Redlining
  - 1930s: Home Owners Loan Corporation (HOLC)
  - Race-based mapping
- GI Bill housing provision – Boosted wealth accumulation ~ predominantly for Whites
  - Black neighborhoods excluded; racial restrictive covenants
  - Blacks obtained 2/3,200 loans issued in MS and less than 100/67,000 in NJ
- Insurance segmentation based on race not risk
  - Higher rates for similar profiles in redline vs. non-redline areas
  - Excessive premium rates to achieve applicant refusal
  - Limited availability of personal vs. commercial property coverage
  - Auto and life premiums driven by house location over driving record
Real Estate & Property

- Real Estate policies favor richer & whiter populations
  - Property tax exemptions offset owners’ but not renters’ costs
  - Bias detected in credit-scoring
- Land grab
  - US broke 370+ treaties w/ Native Americans, e.g., Fort Wayne Treaty: US govt acquired 2.5 million acres @ $.02/acre; part of larger deal
    - Used unauthorized signatories and a divide and conquer strategy
  - Appropriation of land from Black Farmers
  - Californios – land dispossession; barred access in the gold rush
  - California’s anti-Chinese immigration and property laws
Land Grab & Transportation

- **Transportation (2nd highest household expense)**
  - The U.S. Highway system
    - Many routes cut through Black business communities & neighborhoods; on/off ramps placed in White business areas
  - **Transportation apartheid**
    - Whites drive while Blacks & Browns use public transit
    - Taxes disproportionately spent on roads over public transit
    - Avg. commute: car = 20 mins; bus = 38 mins; train = 45 mins
    - Lack of access to transportation is tied to delays in obtaining health care and increased healthcare cost, which disproportionately impacts URMs
    - Public transit does not service many employer locations

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Education and Health Opportunities & Services

Education Funding
- Real estate biases drive disparities in school funding
- Historic funding by explicit Jim Crow formulas create de facto segregation
- American fiscal federation system relies on state level implementation of (and local bias in) federal policies (and the associated $$)

What are the drivers of health?
- Heredity
- Environmental (work and residence)
- Lifestyle (culture, norms, beliefs, behaviors)
- Insurance coverage
- Socioeconomic conditions (Education; Nutrition; Occupation/Employment)
- **Socio economic and environmental factors account for 80% of health outcomes**
Health gap
Health disparities are costly to employers and society

- Higher burden of disease and mortality among minorities results in a less healthy nation and higher costs for health & rehabilitative care.
- Poorly managed chronic conditions or missed diagnoses can result in avoidable, higher subsequent healthcare costs.
- Ethnoracial groups are not completely isolated from the rest of the US population, so compromised care for URMs will impact the entire population’s health (e.g., Covid).
- Markey: “First to get the virus, the first to stay on the job, the first to die but last to get the relief”; vaccine roll-out can be added to that list.
Prisons as a source of exploitation

- Imprisonment of Blacks as a source of labor directly followed end of slavery
- Contemporary issues
  - Rise in prison population and imprisonment of URM youth
  - Imprisonment prior to conviction; bail favors the richer & whiter
  - Financial burdens of imprisonment born by prisoners and their family (e.g., toiletries; telephone; internet)
  - Social and financial burden of increasingly locating prisons far away from the prisoner’s home and family
- Prison industrial complex incentivizes expansion, but that expansion has not enhanced safety for the general population
Meet the Prison Profiteers

$2.32 billion
in federal contract revenue went to ten major contractors to federal agencies that run immigration and corrections in 2018.

(Compiled by Prison Legal News)
Advertising and marketing

Businesses are starting to understand how institutions and policies can contribute to multi-generational ethnoracial disparities.
Diversity is important for business

Figure 3: Areas of business activity that benefit from diversity-led innovation
(Source: 2008 EBTP diversity survey)
Diversity boosts performance

**EXHIBIT 1**

Companies with **below-average** diversity scores:
- 26% average innovation revenue reported by companies.

Companies with **above-average** diversity scores:
- 45% average innovation revenue reported by companies.

*Source: BCG diversity and innovation survey, 2013 (n=1,683).
Note: Average diversity score calculated using the Blau Index, a statistical means of combining individual indices into an overall aggregate index.*
Comprehensive Project: Evaluation of JPMC’s Initiative

- Review and obtain a complete understanding of JPMC’s initiative to address racial disparities ($30 billion over 5 years).
- Critically evaluate JPMC’s diversity initiative
- How will you determine whether JPMC is fulfilling its stated goals?
- JPMC’s $30 billion initiative
  
  I. Promote and expand affordable housing and homeownership in underserved communities
  
  II. Grow Latinx and Black-owned businesses by giving 15,000 loans to small businesses and spending $750 million on Black and Latinx suppliers.
  
  III. Improve access to banking and financial health within these Black and Latinx communities
  
  IV. Build a more diverse and inclusive workforce