



PHOENIX POLICY  
INSTITUTE

# The Case For Reparations

Prepared by  
**ALEEZAH ADAMS**

Prepared by  
**TAMARA EVANS**

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# Abstract

This policy memo examines the history of government policies aimed at providing reparations or protections for certain groups in the United States, with a particular focus on policies related to black people. The memo discusses several key policies, including the Indian Self-Determination and Education Assistance Act, the Civil Rights Act of 1964, the Individuals with Disabilities Education Act, the Japanese American Evacuation Claims Act, and the Violence Against Women Act. Through a detailed analysis of these policies, the memo highlights the ways in which the government has sought to address historical injustices and provide protections for marginalized groups. The memo further examines recent policy proposals, passed by San Francisco's African American Reparations Advisory Committee and the Evanston Illinois' Housing Restorative Program, that showcase what reparations policies could look like and the potential barriers they face. Finally, the memo proposes several potential policy options for providing reparations specifically to black people in the United States, drawing on the lessons learned from past policies aimed at redressing historical injustices.

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# Problem Definition

The legacy of slavery and its lasting impacts on black communities in the United States has been well-documented, with one of the most striking examples being the persistent racial wealth gap. Despite the passage of several policies aimed at addressing this issue, including the Civil Rights Act of 1964 and the Fair Housing Act of 1968, the gap remains stubbornly wide (Shapiro, Meschede, & Osoro, 2013). In fact, according to a recent report by the Brookings Institution, the median wealth of white households is now 12 times that of black households, a disparity that has actually increased in recent years (Carr & Kastanis, 2020). This problem is exacerbated by the fact that black Americans are more likely to experience poverty, unemployment, and other economic challenges (Mullainathan & Shafir, 2013).

This persistent racial wealth gap is, in many ways, a direct result of the legacy of slavery and the subsequent policies that were implemented to maintain racial inequality. For example, after slavery was abolished, black Americans were largely excluded from many of the programs that were created to promote economic growth and upward mobility, including the Homestead Act and the GI Bill (Hamilton & Darity, 2010). This exclusion was often explicit, as in the case of the GI Bill, which explicitly excluded black veterans from many of its benefits, or through more subtle forms of discrimination, such as redlining and discriminatory lending practices (Rothstein, 2017).

These policies have had a lasting impact on black communities in the United States, contributing to the persistent racial wealth gap that exists today. This gap, in turn, reinforces other forms of inequality, making it more difficult for black Americans to access quality education, healthcare, and other opportunities (Darity & Hamilton, 2018).

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# Racial Economic Inequalities

**\$188,200**

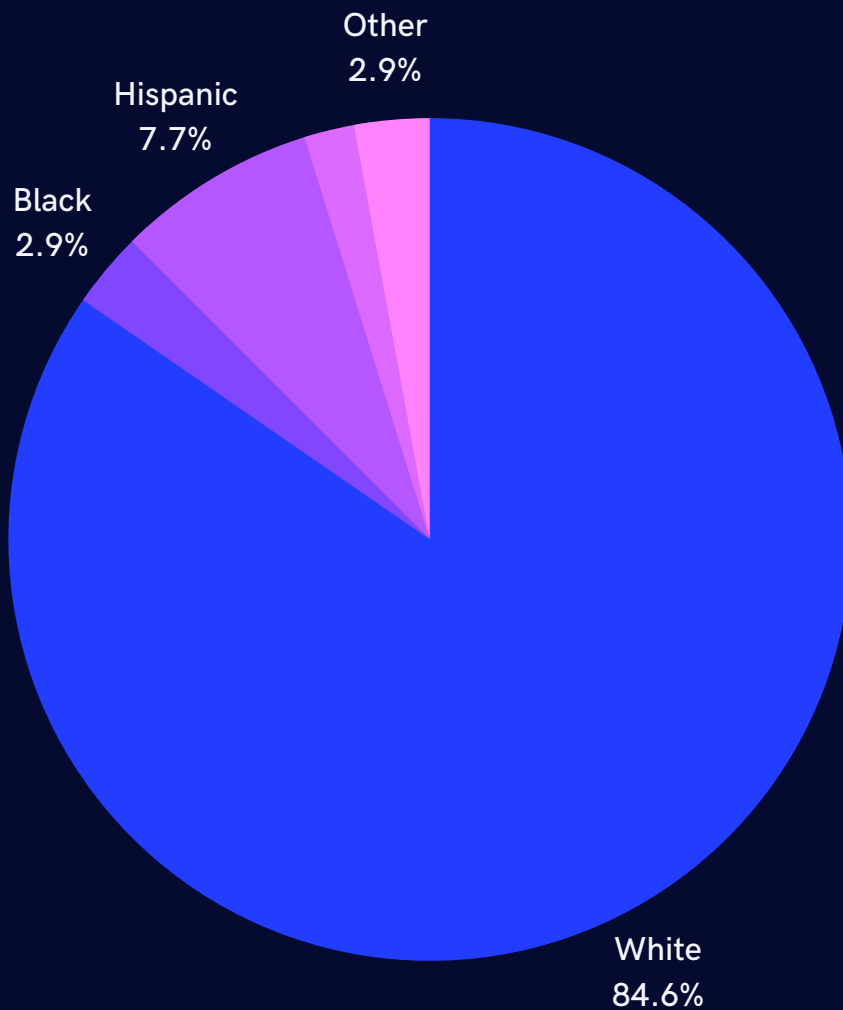
Median net worth of white households in the U.S ( 2019)

**\$24,100**

Median net worth of black households in the U.S ( 2019)

**\$36,200**

Median net worth of hispanic households in the U.S ( 2019)



**HOMEOWNERS IN THE UNITED STATES**

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# Proposed Solutions

## HOUSING RESTORATIVE PROGRAM (EVANSTON, ILLINOIS)

Evanston, Illinois is one of the first cities in the United States to establish a reparations program for Black residents who have been impacted by discriminatory housing policies. In March 2021, the city council voted to approve a plan that will provide \$10 million in reparations over the next decade (Bauer, 2021).

The program is aimed at addressing the historic racial wealth gap caused by discriminatory housing policies, such as redlining and housing discrimination. The reparations will take the form of direct payments to eligible Black residents, as well as funding for initiatives such as homeownership assistance and economic development in Black communities (City of Evanston, 2021).

## THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA) OF 1975

This act was passed to provide special education and related services to children with disabilities. The IDEA guarantees children with disabilities the right to a free, appropriate public education, and requires schools to provide accommodations and individualized instruction to meet their unique needs. The act aimed to address the historical exclusion of children with disabilities from mainstream education and to ensure that they have access to the same opportunities as their peers.

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## THE JAPANESE AMERICAN EVACUATION CLAIMS ACT OF 1948

This act provided compensation to Japanese Americans who were forcibly relocated and interned during World War II. The law granted a total of \$38 million in reparations to more than 26,000 Japanese Americans who were held in internment camps (Takaki, 1993). The act was a significant step toward acknowledging the unjust treatment of Japanese Americans during the war. However, it did not fully address the trauma and economic losses suffered by those who were interned. In 1988, the U.S. government passed the Civil Liberties Act, which formally apologized for the internment and granted additional reparations to surviving Japanese American internees (National Park Service, n.d.).

## THE VIOLENCE AGAINST WOMEN ACT (VAWA) OF 1994

This act aimed to address the pervasive problem of domestic violence and sexual assault against women. It provided funding for shelters and hotlines for victims, established new penalties for abusers, and strengthened the ability of law enforcement to prosecute these crimes. The act recognized that women have historically faced discrimination and violence based on their gender, and aimed to provide some measure of protection and support to survivors. (Office on Violence Against Women, n.d.).

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# Policy Formation

## RESTORATIVE HOUSING PROGRAM ( EVANSTON, ILLINOIS)

The Restorative Housing Program of Evanston, Illinois is a reparations program aimed at addressing the harm caused by discriminatory housing policies to the city's Black community. The program was established in 2019 and is the first program of its kind in the United States (McGuire, 2019). The program provides eligible Black residents with financial assistance of up to \$25,000 to help with homeownership, home improvement, and mortgage assistance (McGuire, 2019). The program prioritizes individuals who are direct descendants of individuals who resided in Evanston between 1919 and 1969, and who suffered discrimination in housing as a result of the city's policies and practices (Evanston, n.d.).

According to Evanston's city website, the Restorative Housing Program has already had a positive impact. As of April 2021, the program has disbursed \$537,000 in funding to eligible recipients, with an additional \$719,000 awarded to recipients pending verification of eligibility (Evanston, n.d.). The city also notes that the program has helped to stabilize home ownership rates among Black residents in Evanston, which had declined significantly as a result of discriminatory housing policies (Evanston, n.d.).

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# Policy Formation

## DRAWBACKS OF RESTORATIVE HOUSING PROGRAM

While the Restorative Housing Program in Evanston, Illinois has received significant praise for its efforts to address historic discrimination, it has also faced criticism from some individuals and groups.

One of the primary criticisms of the program is that it is not enough to address the scope of the harm caused by historic discrimination. Some critics argue that a one-time payment of up to \$25,000 does not come close to compensating individuals and families for the wealth and opportunities that were denied to them for generations (Lee, 2019). They argue that the program is a symbolic gesture rather than a substantive effort to address systemic racism.

Another criticism of the program is that it does not go far enough in targeting those who were most affected by discriminatory policies. While the program prioritizes individuals who are direct descendants of those who suffered from discrimination in housing, some critics argue that this approach leaves out many others who were also impacted by systemic racism (Friedersdorf, 2019). They argue that the program should be expanded to include all Black residents of Evanston who experienced discrimination, regardless of their ancestry.

Despite these criticisms, the Restorative Housing Program in Evanston represents an important step forward in addressing historic injustices and working to build a more equitable future for all residents of the city.



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# Policy Formation

## SAN FRANCISCO'S AFRICAN AMERICAN REPARATIONS ADVISORY COMMITTEE

The San Francisco Board of Supervisors created a reparations task team in March 2021. Direct payments to qualified people and community or educational investments will be examined by the task committee.

Slavery reparations began in San Francisco. The program's implementation and funding are unknown. San Francisco's 5.5% Black population may be affected by the program. The resolution says the scheme will address the wealth gap caused by historical prejudice and compensate victims.

According to the San Francisco Chronicle, the reparations scheme would award \$10 million over 10 years to Black people who can prove they resided in the city between 1960 and 2021 and endured discrimination due to racist laws (Fracassa, 2021). The city's general revenue and corporate, philanthropic, and individual donations will finance the initiative. The task team will analyze cash transfers and investments in companies and communities to establish per-person payouts. The program addresses systematic racism through direct payments and healthcare, housing, and education improvements.

Due to historical prejudice, San Francisco's Black community has a wealth imbalance that the reparations program is meant to remedy. Black households in San Francisco earn \$47,000, compared to \$117,000 for white households, according to the National Equity Atlas (Sampson, 2021). The program addresses this inequality by directly supporting victims of discriminatory legislation and engaging in community activities that develop wealth and economic opportunity.

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# Policy Formation

## DRAWBACKS ON SAN FRANCISCO'S REPARATION PLAN

Critics of the San Francisco reparations plan have expressed concerns about its feasibility, effectiveness, and potential unintended consequences. One of the main criticisms is that the program is too narrowly focused on Black residents who can prove they lived in the city between 1960 and 2021 and suffered discrimination as a result of racist policies (Sampson, 2021). Some critics argue that this eligibility criteria may exclude many individuals who have been harmed by systemic racism but do not meet the narrow requirements of the program.

Another criticism is that the program may be too costly and may not achieve its intended goals. Critics argue that the \$10 million allocated for the program over a period of 10 years may not be sufficient to address the deep-seated and pervasive effects of historical discrimination (Sampson, 2021). In addition, critics argue that cash payments may not be an effective way to address the root causes of racial inequality, such as housing segregation, educational disparities, and unequal access to healthcare.

Overall, while the San Francisco reparations plan has been praised as a groundbreaking initiative, it has also faced significant criticism and skepticism from some quarters. The task force will need to carefully consider these concerns and work to ensure that the program is effective, equitable, and sustainable in the long term.

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# Considerations:

## LIMITED FUNDING

Limited funding is one of the potential challenges that could limit the effectiveness of reparations policies towards black communities. Reparations programs can be costly, especially if they involve significant payments to individuals or families impacted by historical injustices like slavery or segregation. The costs associated with such programs could potentially exceed the available resources, resulting in limited coverage and impact. Furthermore, securing additional funding for reparations programs at the local, state, or federal level may be challenging due to competing policy priorities, budget constraints, and political pressure. Some individuals or groups may also oppose the idea of reparations, making it difficult to allocate significant funding towards such programs. As a result, advocates for reparations may need to explore different funding sources, such as private donations, corporate contributions, and government grants. They may also need to make a strong case for the economic and social benefits of reparations programs, including their potential to reduce longstanding disparities in wealth and opportunity, promote healing and reconciliation, and improve social cohesion.

## NARROW ELIGIBILITY CRITERIA

Some individuals or groups who have been impacted by historical injustices may not meet the eligibility criteria for reparations due to factors such as immigration status, mixed-race heritage, or limited documentation of their experiences (Muller, 2021). For instance, the descendants of enslaved Africans who were brought to the United States and suffered generations of systemic oppression are likely to be eligible for reparations, while black immigrants or individuals with mixed-race heritage may face greater difficulty proving their eligibility. This can create tension and controversy within black communities, potentially exacerbating existing disparities and undermining the broader goal of reparations to promote unity and justice (Muller, 2021).

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# Considerations:

## LACK OF CONSENSUS ON WHO IS ELIGIBLE FOR REPARATIONS

Another potential limit of reparations policies towards Black communities is the lack of consensus on who is eligible for reparations. While there is broad agreement that reparations should be directed towards individuals who have been subjected to harm and discrimination as a result of slavery and other forms of racial injustice, there is significant debate about who should qualify for such compensation. Some argue that reparations should be limited to individuals who can demonstrate a direct link to slavery or other forms of government-sanctioned discrimination, while others contend that reparations should be extended to all Black Americans, regardless of their individual family history.

## CHALLENGES IN DETERMINING THE APPROPRIATE FORM OF REPARATIONS

Another potential limit of reparations policies towards Black communities is the challenge in determining the appropriate form of reparations. Reparations can take many different forms, including direct payments, land grants, educational opportunities, healthcare access, and other forms of support. However, there is debate about which forms of reparations are most appropriate and effective in addressing the legacy of slavery and racial injustice.

Determining the appropriate form of reparations is further complicated by the fact that different individuals and communities may have different needs and priorities. For example, while some Black Americans may prioritize financial compensation, others may prioritize access to healthcare or education. This can make it challenging to design policies that effectively address the diverse needs of Black communities, and may result in reparations programs that are limited in their impact.

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# Recommendations:

## APOLOGY

The government should issue a formal apology for the harm caused by slavery and the ongoing legacy of discrimination and oppression against Black Americans. This apology should be accompanied by a public acknowledgement of the historical and ongoing impact of racism on the lives of Black Americans.

## COMMISSION TO STUDY REPARATIONS

A commission should be established to study the impact of slavery and discrimination on Black Americans and to recommend specific forms of reparations. This commission should be composed of a diverse group of scholars, experts, and community members, including representatives from Black-led organizations and institutions.

## DIRECT PAYMENTS

Direct payments should be made to descendants of slaves, as well as to Black Americans who have experienced systemic discrimination and disadvantage as a result of government policies and practices. These payments should be calculated based on the wealth gap between Black and white Americans and should aim to address the economic harms of racism.

For example, a direct payment program will provide a federal baseline standard of \$10,000 per year for ten years to eligible recipients. This amount can be raised in states that can afford to pay more. To be eligible, an individual must be a descendant of slaves or have experienced systemic discrimination, and must be able to demonstrate a certain level of financial need. Payment frequencies would be adjusted based on factors such as income, assets, and family size.

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# Recommendations:

## EDUCATION AND JOB TRAINING

The government should provide resources for education and job training programs that specifically target Black Americans who have been disadvantaged by systemic racism. This could include funding for historically Black colleges and universities, as well as apprenticeship and job training programs that prioritize Black applicants.

For example, States are required to offer job training programs that provide funding for apprenticeships in industries that have historically excluded or marginalized Black workers, such as construction or manufacturing. The program would prioritize Black applicants and provide additional support and resources to ensure their success. States are also required to allocate at least 15% of their education budget towards school districts that have high concentration of black students.

## INVESTMENT IN BLACK COMMUNITIES

The government should invest in Black communities and institutions that have been historically underfunded and neglected. This could include funding for infrastructure projects, such as affordable housing and community centers, as well as for Black-led businesses and non-profit organizations.

For example, The government can establish a federal program that provides down payment assistance and low-interest mortgage loans to help black families become homeowners. The government could also provide matching funds to local governments or non-profit organizations that offer down payment assistance to black families, with the goal of making homeownership more accessible and affordable. .

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