

## **HEATHER MCGHEE: RACISM COSTS EVERYONE**

**LAURA FLANDERS:** Do economic and political gains for people of color really mean losses for people who call themselves whites? Economic data says no, inequality saps the economy for everyone. Hierarchies aren't good for anyone's public health and short-term greed is bad for the planet on which all of us depend. So why do so many white Americans and the politicians they vote for continue to believe and argue that prosperity is a zero-sum game that only one race can win? To answer that question and figure out how to change it, Color of Change Board Chair Heather McGhee traveled across the United States to speak with everyday Americans about race, policy, and economics. The result of this journey is her recently-released New York Times bestselling book, *The Sum of Us: What Racism Costs Everyone and How We Can Prosper Together*. It traces the roots of racial inequity in America and puts forth examples of how people she met in towns across the States are right now mobilizing their diversity to make our society better for everyone. Heather, welcome to the show. I should say, welcome back to the show. I was kind of taken on a little journey reading the beginning of your book, recalling those years of the financial crash, the so-called Great Recession 2008, the Mortgage Meltdown, as it was called by so many, you came on our show then. But I realized from your book that even at that moment, you were having a kind of change. You were changing, in a sense, your organizing principles. How so, and what drove you to write *The Sum of Us*?

**HEATHER MCGHEE:** The story of the financial crisis is just one of the many stories of economic dysfunction that we often tell with the race part of the story backwards. We often talk about it in terms of, if we do talk about race, we say that it's people of color who stretched too far and got mortgages that they shouldn't have, and that was a key part of the financial crisis. But in fact, what I knew then, but was becoming even clearer to me in the aftermath of the crash, was that this was just one of many examples of racism ending up having a cost for everyone. Back in the early 2000s, the predatory lenders targeted black and brown home-owning neighborhoods. And the majority of subprime loans went to people with prime credit scores. It wasn't that the borrowers were risky. It was that the loans were risky. And yet the racist indifference and stereotyping that policymakers often had when they were looking at these rising foreclosures way back in the early 2000s allowed them to turn a blind eye to what was really happening. And that's really the sort of hidden story of the financial crisis, a real toxic American mix of racism and greed gone unchecked because the first victims, the canaries in the coal mines, were people of color.

**LAURA FLANDERS:** I've talked, and I know that you have in your research, to many people who describe the impact of racism on their lives, including white people. I'm thinking of Mab Segrest, who we did a feature on not so long ago. And I remember going to her town of Tuskegee where she described being at the front lines of the integration fights of that time in Tuskegee, Alabama and her town's solution to integrating was to close her school, which had

been the heart of the community. She lost her friends, the school deteriorated, the church was destroyed. I mean, we watched, we saw this town destroy itself rather than change.

**MAB SEGREST:** My childhood terrain's really gone.

**LAURA FLANDERS:** You tell an infinite number of stories just like that in this book. What does that got to do with the zero-sum argument that we were just sort of discussing?

**HEATHER MCGHEE:** The central metaphor at the heart of *The Sum of Us* is this idea of the drained public pool. The idea that this country had invested millions and billions of dollars in this high standard of living and well-being of its people in the 1930s and '40s, creating the greatest middle class the world had ever seen, those kinds of public goods that you talk about, including these public swimming pools. It's just one sort of cherry on the top of a broader social contract. And much of that social contract was racially exclusive, from the New Deal's massive subsidies of the mortgage market and housing through to the GI Bill, which should have benefited hundreds of thousands, at least, of black GIs, but didn't because of racial segregation and exclusion. And the public pools were often segregated and for whites only. Civil rights movement allowed black families to say, "Those were our tax dollars. We want our kids to swim too." And towns across the country drained their public pools rather than integrate them. The reason why that becomes a central metaphor in the *Sum of Us* is that it's exactly that kind of zero-sum idea made concrete, right? The idea that because something needs to be shared with people who are seen as on the opposite team, they'd rather not have it at all. And that is really a phenomenon that we saw happening across our economy in the wake of the civil rights movement as legions of white voters turned away from the party of the New Deal, that had guaranteed bare middle-class security, and towards the right wing. We know that Lyndon Johnson, after signing the Civil Rights and Voting Rights Acts will be the last Democrat to win the majority of white votes for president. And we saw a general shift among the white voting population, away from government solutions to more market-based solutions.

**RONALD REAGAN:** I've always felt the nine most terrifying words in the English language are, "I'm from the government and I'm here to help."

**HEATHER MCGHEE:** What has that gotten us? A society where 1% of the population owns as much wealth as the middle class and nearly half of adult workers are low wage. It hasn't worked.

**LAURA FLANDERS:** So talk about, I mean, you go around the country and you've read this history, you know this history, you understand it intellectually but you're there talking to somebody, I remember in St. Louis, you see a woman, a couple who remember where the pool

used to be, this fantastic pool that got filled in. Can you make that connection between zero-sum and that emptied pool one more time?

**HEATHER MCGHEE:** Well, I think the idea is, first of all, let's talk about the who is actually making this decision, right? It's always the powerful people who have the ability to close a pool, right? The ability to change policy and shut down, in the instance of Montgomery, Alabama where I visited, the city council voted to close the entire parks and recreation department for a decade, Laura. And so this is an instance of the powerful people in a community and powerful white people in a community making a decision that ultimately punished everyone in the community. But think about how you might experience this if you were an everyday white person who went from having these beautifully, well-funded public goods and amenities to suddenly the civil rights movement happening and they were gone, who would you blame? Would you blame powerful white folks? Or would you blame the people of color for somehow leading to the loss of what you once had? And if you think about the Trumpist message, which is really just an amplification of a long right-wing story that has been told really since the Nixon era, that's what it is. It's saying, "We used to have great things, we used to be great, and what happened was brown and black people came and took something from you that should have been yours by right." Now, the story doesn't really make sense in the sense that black and brown people are not richer than white people. They're not getting jobs that white people aren't. The unemployment rate of Black America has been twice as high as that of white Americans for generations now. And in fact, it's been the majority of white Americans who have been voting for the party that has created the lion's share of this inequality with their government cuts, and tax cuts, with their union bashing. And yet somehow the politics that asks white Americans to choose their race instead of their class has proven more compelling.

**LAURA FLANDERS:** We have not yet emerged from the COVID pandemic but we have learned a lot about our healthcare system and kind of lack thereof, a system that is. Can you just quickly tell us the history of that? 'Cause there was a moment we could have had it and racism sort of partnered up with red-baiting to snatch it away.

**HEATHER MCGHEE:** Healthcare is a story of racism preventing us from ever really filling in the pool of public goods in the first place. In the mid 1940s, President Harry Truman proposed a national health insurance plan, but it was defeated by an alliance between the Dixiecrat segregationist caucus, its own party who wouldn't go along with them. The Southern block defeated it because it was going to be an egalitarian, non-discriminatory health insurance plan. And they were aided by a massive medical lobby that used red-baiting, scaring about how national health insurance would mean an end to the American way of life. And you really can't understand the valence of red-baiting and socialist attacks without understanding what in the average white American mind, sort of equalizing of society would have meant to white supremacy. And so these things are always intertwined, even to today's politics. And of course

we know that white Americans have never had majority support for the Affordable Care Act, for even that modest inclusion program that helped over 20 million people get healthcare has been unpopular with the majority of white Americans even though white Americans are the largest share of the uninsured today.

**LAURA FLANDERS:** Do you think changes on the way right now and in this moment, is it true what a lot of people are saying? And I think I'm kind of feeling that we're maybe having a bit of a reassessment of our relationship to government and to that public pool of goods that you talk about.

**HEATHER MCGHEE:** Across the journey that I took to write *The Sum of Us*, I encountered people who were rejecting the zero-sum, who were linking arms across lines of race and unlocking what I began to call the solidarity dividends. These gains that we can only accomplish together and in a diverse society, only through a multi-racial coalition, whether it was higher wages through the Fight for 15, cleaner air with environmental justice advocacy, or the revitalization of sort of dying white towns through immigrants of color participating in the economy and becoming part of the people. Today we have such a massive example of this, right? It was a multiracial coalition that came together in November, and then again improbably, in January to give Democrats governing control in Washington after a period of time where racial justice created the largest mass movement in the history of the country was the number one issue in the exit polls that people said animated them to vote. And then what have we got since then? We've had an American Rescue Plan that has something in it for every single American, but it also includes money to redress discrimination against black farmers, the biggest pot of money to indigenous communities in modern history. And then of course the American Jobs Plan which has just been proposed which would be a massive refilling of the pool of public goods. Infrastructure is one of the most glaring examples of the way that we have drained the public pool, of we have the way that anti-government sentiment has cost everyone, whether it's Texas freezing or its bridges collapsing, the American Jobs Plan that's proposed would rip up 100% of the lead pipes in this country. I can think of no more important thing that advanced economies should be able to do as a bare minimum for our people, is make sure that the water that we drink out of the tap is safe. And yet these are the kinds of things that have been neglected from this racist, anti-government ethos over the past 50 years. And we are now finally within a glimpse of reversing that tide.

**LAURA FLANDERS:** What will it take to make it happen? Because it can get through Congress. It can even get through the Senate thanks to budget reconciliation, but there still needs to be adoption, not just of the money and maybe the plan, but of the, as you said, the ethos, the idea that we're all in it together, that this is a good thing, so that we don't in four years find ourselves fighting the same old fight.

**HEATHER MCGHEE:** Well, nothing is guaranteed, there is no silver bullet, but the thing that I discovered over the course of the journey to write *The Sum of Us* was that the most powerful, enduring rejections of the zero-sum came from people of all races who had rolled up their sleeves and organized together. All of these places where people had a common problem, low wages, a lack of a voice on the job, a dying mill town, a big corporate polluter in their neighborhood, and it was impacting everyone, though often, never quite equally, but it was a problem for everyone. And so they came together, used their strength in numbers across lines of race to make things better. If we, if I could bet on one thing to help create those solidarity dividends in a durable way, that ethos you asked about, it is true that collective bargaining, being in a union, understanding that what you do together shapes any individual's outcomes and makes their lives better is the most powerful thing that we can do to have people reject the zero-sum.

**LAURA FLANDERS:** Very quickly, tell us one of those Lewiston stories 'cause they were, as I think we mentioned before when we chatted, some of those stories seemed almost too good to be true.

**HEATHER MCGHEE:** So I'll tell you the story of Cecile who grew up speaking French, Franco Canadian immigrant to Lewiston, Maine, this sort of dying mill town, in her retirement, was totally isolated. We're starting to see the picture of these depths of despair. And yet she had a renewed lease on life and found community when she brought together a group of Francophone African Muslim refugees, and the white elderly Mainers who had lost their French after generations of assimilation, together so that the black folks could teach the white Mainers how to speak French again, sort of reclaiming the language of their childhood. That's one of the kinds of stories that I found across the country of recognizing that we have so many bonds in common that are so much deeper than what divides us.

**LAURA FLANDERS:** I want us to underscore how much is at stake right now. How much is riding on people having a good experience of this American Rescue Plan? And putting those two together, multi-racial alliance to elect an administration that talked a little bit about public goods and the good. If the money just goes to corporations to build that infrastructure, we'll be in trouble, won't we?

**HEATHER MCGHEE:** Yeah, I think it's really important that this implementation happen well and that it strengthen community organizations, as that community organizations are the ones to pull the lever to make sure that it goes the last mile deeply into communities. Little things that are so huge, like the fact that there is FEMA grant money for people to deal with funeral expenses around COVID. Think about how important that is and how little that's known across the country for the 500,000 families that have lost someone. Those are the kinds of things that if you have that strong grassroots power, you can really make sure that people in community know

about them and experience them. I think an essential part of what the Biden Administration has been putting together has been to revive the idea of public jobs.

**PRESIDENT JOE BIDEN:** When I think of climate change, I think of, and the answers to it, I think of jobs. A key plank of our Build Back Better recovery plan is building a modern, resilient climate infrastructure and clean energy future that will create millions of good-paying, union jobs.

**HEATHER MCGHEE:** Public service jobs, like an executive order where he directed the Department of Interior to revive the CCC, the Civilian Conservation Corps, to give people across the country the real experience of being part of meaningful work to help rebuild this country. And not just white men in hardhats, as so often is the image, but also people doing caregiving and knowing that that job has been made possible by public investment to care for the public.

**LAURA FLANDERS:** Are you watching what's happening in Evanston, that suburb of Chicago where they are experimenting with a \$400,000 reparations plan to African-American families who were victims of redlining and segregation?

**HEATHER MCGHEE:** I think it's so exciting. I mean, we absolutely have to see these local models. Usually that's the only thing that works. At the end of my book, I visit with groups in Dallas who have put together this Truth, Racial Healing & Transformation effort, which in many ways can be a precursor to reparations. It gets stakeholders together to get people on the same page before we can begin to turn the page. But I think absolutely, reparations are an important part of what we need to do. Not only to write the wrongs of the past, but to look towards the future. I think reparations are the seed capital for the America that we're becoming. Today, a black college graduate household has less average wealth than a white high school dropout household. How is that possible in a meritocracy? It's about the way that history shows up in your wallet. The way that explicitly racist policies, denying property ownership to black families for generations has meant that black families, no matter how hard they work, how much education they have, are always a step behind. We need to recognize that it's not a zero-sum. It's not taking money from white people's pockets and giving it to black folks' pockets. It's investing in our common future. It's the government, governments who segregated, governments who discriminated, governments who excluded, who have to pay for the future that we need and deserve.

**LAURA FLANDERS:** What else do white people need to get our heads around? Because there is some unlearning that we have to do, that I have to do, about glorious moments in progressive history, like the New Deal, about history before that, what we do with that, as you described, quoting Wendell Berry, the wound, The Hidden Wound, of the knowledge of what racial capitalism really was. How we built the society that has given us wealth, disproportionately us

white people. We've also lived through this period of neo-liberalism and scarcity. I know I feel it as I try to figure out how to maintain a nonprofit project. Everything always feels scarce. You took a leap at Demos, when you were there, to expand. And I'd like you to perhaps just quickly tell us how you did that in an organization that was doing great work, good people, but very white-dominated.

**HEATHER MCGHEE:** When I became president of Demos, it was 75% white. and I was the only person of color in the executive team. I'd grown up really in the organization, started working there an entry-level job when I was 22, I loved it. We were doing great work, as you said. But it felt like we needed to go deeper. And so we took a leap on this racial equity organizational transformation process. And the result was over four years when I stepped down to go on the journey to write this book, we were a majority-person-of-color organization. And we had doubled in size and doubled our revenue because we had gotten smarter about the role that race and racism plays, about the strategic imperative of diversity and inclusion. The fact that we have got to recognize that in this country, so many of the inequalities that Demos was designed to attack have at their core this racial capitalism. And so we both brought in more people of color, created more diverse teams. And we made sure that the white team members were also savvier and smarter and more strategic and competent to be able to talk about race and be able to lead and work in diverse groups. If you've got fringe left-wing groups like McKinsey, and City Group, and the Federal Reserve Bank of San Francisco calculating the cost to our economy, of the racial economic divide, and the wealth divide, and the racial and gender divide, respectively for all three of those groups being in the trillions of dollars a year, you've got to recognize that we have to do better. We have to include more of our people who contribute to this country's prosperity in the benefits of it.

**LAURA FLANDERS:** Well, I want to thank you for *The Sum of Us* and I'm going to live with a long, for a long time with the line that you have at the very beginning of the book about this country's founding. And how the people that were fleeing oppression and discrimination elsewhere, white people, but from Europe, when they came here, I think you say somewhere they couldn't imagine a world without hierarchy. They just wanted a different one. They just wanted it not to be them at the bottom of it. I feel that our work in the media and in independent media like this is to try to imagine something different. But I'd like to ask you where you get your confidence from. And is there an experience where you weren't just imagining but you felt, "Oh, we really can do this," this kind of huge systemic change that you're talking about?

**HEATHER MCGHEE:** This journey to write *The Sum of Us* made me encounter many of those moments. When I was walking down the main street in Lewiston, Maine, and I saw white and black Mainers, I saw a part of the street, that used to have vacant storefronts and boarded-up windows, sort of give way to the part of the street that had more new shops, and cafes with hijabs and kaftans in the windows. And it felt like this was about the revitalization of the core social

fabric of this town that had been decimated by corporate greed and de-industrialization, and that it wasn't a zero-sum. That made me feel extremely hopeful. When I talked to the town administrator and he just was bullish on how new people, new Mainers had saved this town from demise and irrelevancy, that made me feel extremely hopeful. And the fact that those new Mainers were black, African Muslim refugees and immigrants, made me feel even more hopeful that we can get over our divides and recognize our common humanity.

**LAURA FLANDERS:** Beautiful, Heather McGhee's book is *The Sum of Us: What Racism Costs Everyone and How We Can Prosper Together*. It is out now from One World Press. You can find our unedited conversation at our website. Heather, thank you so very much. It is wonderful to see you again. You give me not hope but confidence that we could do this. There'll be more for me in just a second. Stay tuned, everybody.

I've thought a lot about that day in St. Louis, the day the public pool was filled in. What happened on that day? Had families arrived with their kids ready for a picnic? Were teens playing by the side of the pool? Did children cry, dogs howl? What happened? And how many of us would it have taken? How many of us whites would it have taken to stop that concrete from pouring in? What happened on the day the concrete mixer arrived on the day the concrete was about to be poured? How many people would it have taken to stop it and to preserve that public good? And how many of us would it require to rebuild that notion of a big, broad 'We' that deserves some public goods for all the public welfare? I think about *The Sum of Us* but I think about also some of us. How many of us would be required and where would we need to be today? I'm Laura Flanders for *The Laura Flanders Show*. Till the next time, stay kind, stay curious. Thanks for joining me.

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