Trump’s economic policies have exacerbated skyrocketing rates of inequality while failing to support working people, especially families of color.

This brief offers an initial framework for understanding the historic inequities in our economy, beginning with an analysis of racial capitalism, which has shaped and continues to define how the American economy works and for whom.

It includes an overview of the myriad ways that the Trump Administration’s economic policies have worsened these problems while failing to deliver on promises to protect workers and to provide financial relief to working families. Trump and his administration have gutted vital work protections, undermined workplace safety, attacked workers’ right to form a union, and ignored the nation’s crumbling infrastructure while fueling the climate crisis.

In 2020, policymakers can begin to advance the vital policy change needed to build an economy that works for all. This brief highlights the urgent need for economic policy solutions that are part of the Center for Popular Democracy (CPD) and Center for Popular Democracy Action (CPDA) Federal Platform, adopted by our network of over fifty grassroots organizations in July 2019.

**CPD/A Federal Platform**

To fully address the historical legacies and present day manifestations of racial capitalism, policymakers must enact federal policies that:

- Ensure that all workers across the country receive at least a $15 minimum wage and continue raising pay towards a wage that ensures all families can thrive, pass paid sick and family leave, fair workweek standards, and affordable childcare
- Abolish all forms of forced arbitration and other corporate tactics to undermine worker and community protections
- Strengthen the freedom of workers to join a union or other form of worker organization and end arbitrary termination for all workers
- Protect and expand the rights of transgender and other gender-non conforming people, including in employment, housing, education, health care, the criminal legal system, public accommodations, and the military
- Pass a Green New Deal that ensures a just transition, creates family-supporting jobs, ends the extraction and use of fossil fuels by investing in a clean energy economy, and drives resources to front-line communities
- Invest in a comprehensive infrastructure plan, paid for by the corporations and elites most responsible for the climate crisis, that supports major publicly-controlled investments
Section I: The History of Racial Capitalism in the United States

We live in a society operating under racial capitalism. In the U.S., our specific history of white supremacy, particularly anti-Black racism, slavery, and settler colonialism, has both provided the foundation and the context for the development of capitalism and our economic system as it exists today. Policy solutions advanced in 2020 must be rooted in an understanding of racial capitalism, in order to effectively address historic wealth stripping and inequality faced by Black and Brown communities. While this section focuses on anti-Black racism historically and today, it is important to note that racial capitalism also impacts Indigenous, Latinx, and other communities in unique and enduring ways.

The concept of “racial capitalism” recognizes that capitalism has developed through and continues to be profoundly shaped by racist ideology and policy, and white supremacy. Since before the establishment of the United States, the ability to amass wealth--and whether white people in power could strip a person of their wealth, land, and labor--was tied to a person’s racial status, indigeneity, country of origin, and gender. The development of capitalism cannot be disentangled or understood apart from global histories of slavery, gender oppression, imperialism, and colonial exploitation, nor can these histories of oppression be understood apart from capitalism.

The U.S. system of slavery was foundational to the development of U.S. capitalism. So too was settler colonialism as the U.S. government, since its inception, has illegally and violently stripped Native American communities of tribal lands and sold enormous swaths to white frontiersmen. U.S. capitalism, as well as the nation more generally, has always relied on this land to grow and thrive. Wall Street was originally an official trading post of enslaved people. The physical wall that eventually formed Wall Street was built by enslaved people on land stolen from the Lenape Tribe. The United States’ most lucrative export during its early years was cotton grown and picked by enslaved people on land stolen from Native communities. White slave owners not only exploited the labor of enslaved people, they also used them as capital. Big banks developed securitized slave bonds that enabled Southern slave owners to borrow money for new land and reap massive profits. According to historian Walter Johnson, in 1860 the value of enslaved people “was equal to all of the capital invested in American railroads, manufacturing, and agricultural land combined.” Southern slave owners, in coordination with Northern textile mills and business owners, extracted enormous profits from the cotton trade.

After slavery was abolished, white people in power maintained and expanded racial capitalism through new structures and systems. These systems were designed to extract wealth from and limit economic opportunity available to Black people. They included laws that prevented most Black people from owning land; the system of sharecropping in which Black farmers were forced to give over almost all or even more than the profits of their work to white landowners; sweeping Jim Crow laws that blocked Black people from exercising their voting rights or having access to equal public services and goods; domestic terrorism that targeted Black business owners and activists for lynching and other violence; police forces that arbitrarily arrested Black people and put them in jail where they could be forced to work under horrible and violent conditions, without pay, for private companies and public institutions.

Throughout the nation’s history, the government systematically aided white families in home and land ownership-- key avenues for wealth creation and asset-building--while systematically excluding Black families from owning land or homes. After the abolition of slavery, many states enacted laws to seriously restrict Black land ownership or outlaw it all together. Despite the challenges, in the 45 years following the Civil War formerly enslaved Black people managed to acquire 15 million acres of land. There were 925,000 black-owned farms at one time. In response to these advances, federal and state governments subjected Black families to discriminatory lending and land grabs, which pushed many Black families off their land.
The current racial wealth gap is a glaring legacy of U.S. slavery and subsequent systems within racial capitalism that violently economically dispossessed Black people. The median family wealth for white people is $171,000, compared with just $17,600 for Black people. It is worse on the margins: the Economic Policy Institute (EPI) finds that 19% of Black families have zero or negative net worth (compared to 9% of white families). These disparities are not naturally occurring phenomenon but, rather, the result of policy interventions to uphold racial capitalism. Until we replace these policies with reparative interventions, this racial wealth gap will only get worse: “[C]urrent trends tell us that it will take median Latino families over 2,000 years to just match the wealth of white households own today. For median Black families, an unaddressed racial wealth divide will leave them with zero wealth during the second half of this century. Essentially, Black families at the median will never ‘catch up’ to their white peers under current circumstances.”

Modern Manifestations of Racial Capitalism

Today, and throughout U.S. history, our economic, social, and political systems and structures have been imbued with racist ideology. The modern manifestations of racial capitalism include:

- Skyrocketing rates of inequality that oppress Black people, Brown people, women, and immigrants;
- A system of mass incarceration and structural racism in our criminal legal system;
- A school-to-prison pipeline that under educates and criminalizes Black and Brown children, which limits opportunities to advance while funneling children into prisons;
- Exclusion of jobs most often performed by Black and Brown people and women from workplace protections, as well as unequal pay between men and women that puts women of color at the bottom of the economic ladder;
- Exclusion of millions of people, by design, from democratic participation--from the disenfranchisement of large swaths of Black and Brown communities to the brutal exclusion of migrants and asylum seekers at our borders; and
- The degradation of our planet, the impacts of which are felt most acutely in Black and Brown communities and, when crisis hits, receive the least support.
The Problems of Neoliberalism

Neoliberalism describes the current era of capitalism, characterized by privatization, deregulation of Wall Street and the corporate sector, as well as austerity and the dismantling of the social safety net (which is often rooted in racist ideology that frames communities of color as undeserving drains on the public purse). Emerging in the early 1980s, neoliberalism has not only shaped the U.S. and global economy for decades, but has also informed public policy that encourages and profits from mass incarceration, imperialism, and war.22

Neoliberalism is rooted in the false beliefs that markets occur naturally and are apolitical. These beliefs reinforce a myth that all people can currently participate and benefit equally in the economy. Neoliberalism was, in part, a regressive response to the victories of social movements in the 1950s, 60s, and 70s and is a modern iteration of racial capitalism.23 In the last thirty years, neoliberal policies have led to skyrocketing inequality and deepened racial disparities by pushing market-based policies that concentrate wealth and treat inequality as an individual failing rather than a systemic issue.24

Black Americans saw some relative progress in the years following WWII, however, 1970’s Reagan-era neoliberal policies effectively halted what little economic progress had been achieved by communities of color, by attacking labor unions, slashing social safety nets, and failing to address racial systemic discrimination in housing, education, and the workplace. In the last forty years, Black communities have faced pervasive and persistent racial disparities in wages, wealth, housing access, and job quality, all while being targeted by predatory financial institutions and violent police forces.25

Section 2: Overview of Trump's Economy

Despite Trump’s claims that the GOP will become a “worker’s party” under his leadership, and that he “will be the greatest jobs producer that God ever created,” Trump’s regressive policies have hurt American workers. The Trump administration has failed to prevent factory closures and cuts to manufacturing jobs, gutted key worker safety protections, attacked and undermined unions and worker organizing, and discouraged the Department of Labor (DOL) from investigating and enforcing labor law. While low-income families and families of color struggle under stagnant wages, poor job quality, and rising costs of living, Trump’s tax bill exacerbated racial inequality and benefited the nation’s wealthiest. Trump has failed to deliver a sweeping infrastructure investment that would generate the estimated 11 million new jobs needed to revive our crumbling roads, bridges, schools, and hospitals. In fact, Trump’s proposed infrastructure plan would burden cash-strapped states while enabling private investors to build luxury developments instead of vital local projects. Trump has also rolled back key climate change regulations and attacked bold policy ambitions like the Green New Deal, which is designed to avert the looming climate crisis and generate millions of high-quality jobs.

Wages Stagnate for Working Families While CEO Pay Skyrockets

While Trump touts positive economic growth indicators, the vast majority of workers are not feeling the effects. Wages, when adjusted for inflation and rising costs of living, only grew 1.9% in 2018.26 Among Black workers, wages have been nearly stagnant in the past ten years.27 Trump has attempted to dispute government data showing wage stagnation.28 In reality, when you factor in inflation and the rising cost of living, working peoples’ wages have largely flat lined since Trump took office.29
Meanwhile, CEO compendation is soaring. According to the Economic Policy Institute, CEO pay rose 940% since 1978 while the compensation for the typical worker grew only 12%.

In 2019, the average Fortune 500 CEO earned 287 times more than the average worker. In recent years, average CEO pay, including stock options, has grown by 9.9% to $14.0 million. As a result of racially exclusionary policies and practices, white men continue to dominate the corporate power structure, and in 2018 only three Fortune 500 CEOs--or 0.6%--were Black.

Trump’s tax policies have exacerbated rising inequality. At the signing of his Tax Cuts and Jobs Act, Trump predicted corporations would be “giving billions and billions of dollars away to their workers.” Some employers, like Walmart and AT&T, made splashy public announcements of worker bonuses while quietly laying off thousands of workers shortly after. Only 4.3% of workers received any one-time bonuses or wage increases from their employers after the tax bill, and EPI found “bonuses are up one cent in 2018 since the GOP tax cuts passed.”

No Movement on Federal Minimum Wage

Trump falsely claims he “already created a minimum wage because wages have gone up more than anybody in many decades right now.” In reality, the federal minimum wage of $7.25 hasn’t increased in a decade. This is the longest period without an increase since the federal minimum wage was created more than 80 years ago. Today, the federal minimum wage is worth 17% less than 2009 and 31% less than it was worth in 1968, when workers were earning the equivalent of $10.54 per hour. In 2019, Trump threatened to veto a bill passed in the House that would gradually raise the federal minimum wage to $15 per hour. If the federal minimum wage increased to $15 per hour by 2024, nearly 40 million working people would see a pay increase. Women of color and single parents would especially benefit from this wage increase.

Failing to Address Racial Disparities in Unemployment

Trump often touts the low unemployment rates; however, Trump’s job gains are largely a continuation of those seen under President Obama and slightly lower totals than the number of jobs Obama created in his first two years. Regardless, many communities of color are not seeing the benefits of these low unemployment rates. Discrimination, unequal access to opportunity, and structural disinvestment means that unemployment rates in Black communities are consistently at least twice as high as white unemployment, which has continued under Trump. Additionally, there are 4.2 million part-time workers who want full-time employment but cannot secure it; Black and Latinx workers are more likely than white workers to be underemployed.

Manufacturing Job Losses and Factory Closures

Throughout his campaign and presidency, Trump has repeatedly made promises about the number of jobs that would be created under his tenure. According to 2019 analysis by ProPublica, as President, Trump has made 35 claims that his policies and actions would lead to the creation of 8.9 million American jobs. In reality:

- Only 154,000 of those promised 8.9 million jobs were created, as of May 2019.
- Only 797 jobs are directly attributable to Trump’s policies.

Trump also campaigned on a series of promises to stop factory closures and keep jobs in the U.S. The actions of several large U.S. employers indicate he is unable to keep these promises. When Trump spoke at the Indianapolis-based Carrier plant in 2016, he said “these companies aren’t going to be leaving anymore” while discussing a deal he had brokered with Carrier to keep 1,000 jobs from moving to Mexico. However, ultimately, Carrier laid off 632 workers. In 2017, Trump took credit for a General Motors plans to add or keep...
7,000 jobs in the U.S. and invest $1 billion in U.S. manufacturing sector. In November 2018, General Motors announced it would be closing five plants in the U.S. and Canada which represented a 15% cut in its workforce and 14,700 fewer jobs. In response to Trump’s failures, some working people are organizing to fight for what Trump has failed to secure. For instance, in September 2019, 50,000 GM workers went on strike to demand GM keep jobs in the U.S. and re-open shuttered factories.

Overall, Trump has failed to bring manufacturing jobs back to the U.S. The United States still has 1.4 million fewer manufacturing jobs than it had during its pre-recession high in 2006. Black workers are disproportionately represented in the hardest-hit manufacturing sectors. For instance Black workers are 12.3% of all manufacturing workers but 16.7% of motor vehicle manufacturers and 17.4% of tire manufacturers in the U.S. Unfortunately, job losses in the manufacturing sector have been shown to have significant ripple effects throughout the economy. Analysis from the Economic Policy Institute finds that for every 100 manufacturing jobs lost, there are 744.1 indirect jobs lost. That is because when manufacturing factories are closed, suppliers that provide materials for manufacturing suffer while laid-off workers no longer have an income to spend in the economy which hurts local businesses they serve.

**Gutting Vital Worker Protections**

The Trump administration has used the power of the Department of Labor to erode and undermine hard-fought workplace rights, while actively opposing policies that would help curb corporate abuses.

**Undermining Wage Theft Protections**

Employers stealing their workers’ wages—or wage theft—is rampant in low-wage jobs and costs workers more than $50 billion each year. Wage theft can range from forcing a person to do unpaid work before or after they have clocked into work, withholding tips, or failing to pay overtime. People of color, immigrants, and women are concentrated in sectors with more wage theft. The Trump administration is making it harder to hold businesses accountable for wage theft:

- When employers commit wage theft, Trump’s DOL now allows those employers to avoid penalties and fines by self-reporting, determining the amount of back-pay that is owed to workers, and hold themselves responsible for paying their workers back.
- Trump’s DOL withdrew an Obama-era rule designed to broaden the types of employers who could be held accountable for wage theft or other labor law violations. This rule protected franchisee or contract workers, whose employers often shirk responsibility for wage theft violations.

**Undermining Workplace Safety Protections**

Despite Trump’s campaign claim that “we need regulations for safety and environment and things,” he has undermined vital worker safety protections. Specifically, the Trump administration has:

- Reversed a ban on chlorpyrifos, which is a toxic pesticide that harms farm workers and causes neurological harm to children.
- Blocked an Obama-era rule requiring employers to keep accurate logs of any injuries and illnesses at their workplace. In practice, this makes it harder for workers to assess how dangerous their workplace is and to hold employers accountable for workplace hazards.
- Attempted to weaken mine safety rules until a federal court ruled that was not acceptable. Trump’s DOL has also rolled back worker safety rules on offshore oil rigs and meat processing plants.
- Relaxed child labor rules, allowing 16 and 17 year olds to operate frequently hazardous patient lift machines in nursing homes.
Attacking Workers’ Right to Form a Union

Trump’s appointees to the National Labor Relations Board (NLRB) have not only reversed Obama-era worker protections but are challenging long-held labor law designed to support workers. Union filings to the NLRB for unfair labor practices have fallen 11% since Trump was elected. Unions are increasingly concerned the conservative-dominated NLRB will rule against their unfair labor practice filings and will use these cases to create new legal precedents that will hurt workers in the future. Trump has also overturned anti-discrimination guidance, making it easier for anti-union companies—as well as those that consistently violate wage, sexual harassment, and racial discrimination laws—to again be able to secure lucrative federal contracts they were previously barred from receiving. With the sole Obama-appointee set to term out of her role on the NLRB at the end of the year, Trump is poised to stack the five-member board with corporate-friendly members serving 5-year terms.

Eviscerating Employment Law - Using Forced Arbitration to Undermine Due Process

A growing number of corporations are using forced arbitration agreements to require workers to waive their right to sue in court. Instead, workers are required to take disputes to private arbitrators. Corporations set the rules in arbitration and use their leverage at the time of hire, to rig the rules in their favor. Arbitrators have an inherent bias and monetary interest to preserve the relationship with the corporations paying for their services. Arbitration makes it impossible for individual workers—who have faced discrimination, harassment, or wage theft—to secure justice. Businesses win in arbitration the vast majority of the time. Even if workers win, they often receive less money than they would be awarded in court. Trump’s Supreme Court appointee Neil Gorsuch recently wrote the majority opinion in Epic Systems v. Lewis, arguing that it is legal for companies to force employees to use such arbitrations and surrender their access to the courts. Unless federal policy action is taken, by 2024, more than 80% of private-sector, nonunion workers will be subject to forced arbitration clauses. The House recently passed the Forced Arbitration Injustice Repeal (FAIR) Act which would outlaw forced arbitration and restore the access to courts for 60 million people. Unfortunately, Trump indicated he “strongly opposed” the bill and would use his veto power if it reaches his desk.

Attacking the Rights of LGBTQ Workers

The Trump administration has been deeply hostile to lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities. Trump and Vice President Mike Pence have actively dismantled laws, regulations, and programs designed to protect and support the LGBTQ community. As a result of widespread discriminatory practices and structures rooted in transphobia, white supremacy, and patriarchy, transgender and gender non-conforming people face high rates of poverty, unemployment, housing insecurity and homelessness, culturally incompetent healthcare, and violence and criminalization. Employers frequently refuse to hire trans workers or create hostile environments for trans people once they are on the job. Transgender communities are often unable to obtain identity documents that match a person’s gender identity which creates enormous barriers to employment, voting access, and social services. According to the national U.S. Transgender Survey, “transgender people are four times as likely to have a household income under $10,000.” The unemployment rate for trans people of color is four times higher than the overall U.S. unemployment rate.
The Trump administration’s record on LGBTQ and especially transgender issues has been abysmal. The Trump administration has:

- Argued trans people should not be covered by federal anti-discrimination law;
- Proposed rules that would enable federal contractors to use “religious criteria” to bar LGBTQ employees;
- Blocked most asylum-seekers, impacting all asylees facing anti-LGBTQ violence;
- Removed anti-LGBTQ discrimination requirements for agencies receiving homelessness funding, as well as federal Housing and Urban Development-run homeless shelters;
- Began dismissing all discrimination complaints from transgender students;
- Allowed religiously-affiliated adoption agencies in certain states to discriminate against LGBTQ caregivers;
- Proposed a final rule that encouraged healthcare providers to deny care to patients based on “religious or moral beliefs;” and
- Banned transgender service members in the military.

Federal protections do not currently prohibit discrimination based on sexual orientation, gender identity, and gender expression, and the Trump administration has urged the Supreme Court to rule that anti-discrimination laws do not cover them.

**Trump Ignores Crumbling Infrastructure While Fueling the Climate Crisis**

**Failing to Invest in America’s Infrastructure**
America’s infrastructure has fallen into serious disrepair. The American Society of Civil Engineers recently gave American infrastructure a D+ grade in its most recent report. Trump committed to “build new roads and highways and bridges and airports and tunnels and railways all across our wonderful nation.” Although Trump initially promised a $1.5 trillion infrastructure package, his administration later proposed only $200 billion in federal funding, arguing the remaining $1.3 trillion should come from state and local governments or the private sector. Trump’s plan, which requires states to pay $4 for every $1 of federal funding they receive, would burden cash-strapped states. Many states and cities are facing budget constraints and financial volatility and are not positioned like the federal government, to make large-scale infrastructure investments.

Trump’s proposal also relies on private funds, which would enrich private developers pursuing luxury development projects to the detriment of local communities. When done right, infrastructure investments are one of the most cost-effective ways to spur economic growth and create high-quality well-paying jobs that can sustain families. Trump’s inaction in infrastructure is hurting local communities and denying millions of workers new jobs needed to revive our crumbling roads, bridges, schools, and hospitals.

**Ignoring the Climate Crisis While Attacking the Green New Deal**
Trump has been a vocal opponent of the Green New Deal, calling it “preposterous” and characterized the resolution as “a massive government takeover that would destroy our incredible economic gains.” In reality, the Green New Deal is designed to invest in our infrastructure, bolster the economy, and avert the climate crisis. The Green New Deal would open up enormous potential for jobs in renewable energy facilities, green building construction, and in factories that produce energy-efficient products. Early estimates on the potential impact of the Green New Deal cutting 100% of emissions indicate that the U.S. might be able to create a net 6.8 million jobs in attaining this ambitious emissions goal.

Unlike Trump’s stalled infrastructure plan which would burden state economies and enrich private developers, the Green New Deal is designed to invest in infrastructure while averting the worsening climate crisis.
The Green New Deal is vital for communities of color, who are already bearing a heavy and disproportionate burden of climate change and environmental injustice. People of color are more likely to live near a hazardous waste site and to live within a few miles of an Environmental Protection Agency-designated Superfund Remedial site. While only making up 38% of the U.S. population, people of color make up half of all people living within 3 miles of a toxic waste site. Communities of color have faced decades of heavy exposure to fossil-fuel pollution from factories, refineries, and industrial sites in their backyards. Pressing climate impacts can range from rising sea-levels, droughts, and wildfires, to public health crises resulting from toxic exposure to pollution.

Recognizing that the vast majority of Americans are concerned about the looming climate crisis, Trump has, at times, attempted to fabricate a good record on climate. The American public isn’t fooled by Trump’s falsehoods: a recent Washington Post-ABC News poll found that only 29% of Americans approve of Trump’s climate policies (the lowest approval rate of any issue polled). In addition to Trump’s decision to withdraw from the global Paris Agreement, his administration has significantly weakened the power of the Environmental Protection Agency (EPA) while appointing key fossil fuel executives and lobbyists into government positions. Trump has rolled back, or plans to reverse, over 80 environmental rules and regulations such as key regulations designed to combat air pollution and emissions and safety protections to limit toxic substances and water pollution. In June 2019 the Trump administration issued an Affordable Clean Energy (ACE) rule that replaced Obama’s Clean Power Plan (CPP). According to the Environmental Protection Agency’s own analysis, “ACE will result in up to an additional 1,630 premature deaths, 120,000 asthma attacks, 140,000 missed school days, and 48,000 lost work days in 2030 compared to the CPP.”

**The Path Forward:**
A Set of Solutions from the CPD/A Federal Platform

In light of these troubling trends, policymakers must take immediate steps to support working families through bold policy solutions. To fully address the historical legacies and present day manifestations of racial capitalism, in 2020 policymakers must enact policies that:

- Ensure that all workers across the country receive at least a $15 minimum wage and continue raising pay towards a wage that ensures all families can thrive, pass paid sick and family leave, fair workweek standards, and affordable childcare
- Abolish all forms of forced arbitration and other corporate tactics to undermine worker and community protections
- Strengthen the freedom of workers to join a union or other form of worker organization and end arbitrary termination for all workers
- Protect and expand the rights of transgender and other gender-non conforming people, including in employment, housing, education, health care, the criminal legal system, public accommodations, and the military
- Pass a Green New Deal that ensures a just transition, creates family-supporting jobs, ends the extraction and use of fossil fuels by investing in a clean energy economy, and drives resources to front-line communities
- Invest in a comprehensive infrastructure plan, paid for by the corporations and elites most responsible for the climate crisis, that supports major publicly-controlled investments
Endnotes


Alexia Fernández Campbell, “GM workers are on strike to accomplish what Trump couldn’t,” Vox, September 17, 2019, https://


