

Fact Sheet 3: Economic Justice and the TBE Racial Justice Initiative



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What is Economic Justice?

The disparity between the “have’s” and “have-not’s” is more extreme today than at almost any other time in US history. Net worth—a person’s or family’s assets—is influenced by one’s parents, grandparents and earlier generations such that 80% of private wealth in the US is inherited. And not only does inheritance include financial resources, but also inheritance of their families’ education and social contacts.

In 2015, the Federal Reserve of Boston’s reported that the household median net worth for multi-generational White families was \$247,000, compared to \$8.50 for African American families. Similarly, the 2017 Report of United for a Fair Economy 2017 noted that richest 1% now owned 41% of the wealth while the poorest 90% hold only 22.8%. When race was factored in, they found an even greater disparity such that for every dollar owned by the average White family in the US, the average family of color has less than a dime.

Economic justice is a subset of social justice ideas focusing on building economic institutions that create opportunity for every person to maintain a sufficient material foundation in order to have a productive and creative life.

What We Learned From Temple Israel’s Economic Justice Program

At the March Racial Justice Initiative quarterly meeting, Andy Tarsy introduced Temple Israel’s (TI) Economic Justice Initiative (EJI). Encouraged by the positive response from many RJI members, Sheri Kassirer and Ediss Gandelman initiated exploratory talks with several potential resources. TI has organized its efforts along two lines: Supporting Black-Owned Businesses and Impact Investing. TI pointed to evidence that Black-owned businesses are more likely to hire Black people and foster economic improvement for Black families and communities. TI’s website summarizes their aspirations in this way: “When we make a meaningful effort to spend dollars in line with our hopes for the world around us, we are participating in the drive for economic justice.”

TI’s work with Black Business. Working with Temple Israel’s Executive Director and his administrative staff, TI’s Economic Justice team reviewed potential opportunities where the Temple might apply its purchasing power to support Black-owned businesses. As a result, Temple Israel redirected more than \$30,000 of catering purchases to a Black-owned business (Fresh Food Generation). As the team looked at other opportunities, they also launched an educational outreach campaign to individual congregants to support vendors on a vetted list of local Black-owned businesses. The list is prominent on the Temple’s website and includes vendors families might use for special events but also restaurants for a night-out.

TI's Approach to Impact Investing Impact investing refers to investments in companies, organizations, and funds that are not only socially beneficial but also yield a financial return. With monies from a restricted account available for investment, TI's Economic Justice team researched several local organizations devoted to building the infrastructure and capacity of Black-owned businesses and Black community development. These organizational funds identify and evaluate businesses that would benefit from financial investment but also provide mentoring support and guidance to help these business owners. The Organizational Funds into which TI has invested are:

- Blue Hub Capital (formerly Boston Community Capital) — mission to help building health communities where low income people live and work through three affiliates:
 - BlueHub Loan Fund — lending for community and economic development
 - BlueHub SUN — foreclosure prevention by partnering with families to provide distressed homeowners with 30-year mortgages;
 - BlueHub Energy — develop financial tools and renewable energy projects primarily for affordable housing and non-profit sectors.

Plus, New Market Tax Credits — investments in communities and economic development projects that create jobs and opportunities in economically distressed communities

- Boston Impact Initiative — focused on economic justice to invest in opportunity for all people to lead a dignified and productive life. The effort uses a range of integrated capital tools (e.g. loans, credit enhancements, equities investments) paired with mentoring and coaching by seasoned business professionals.
- Boston Ujima Project—a democratic investment fund that uses a participatory budgeting process in combination with traditional underwriting to put economic development decisions in the hand of community members. Ujima is open to individual donors for as little as \$50.