

Minnesota Now (MPR) | Minnesota Now Can \$50 million close the racial wealth gap in Minnesota and the Dakotas? 01GR9SPCX5PZ3734YZQCJ3FEDF

CATHY WURZER: Here's an awkward question. How wealthy are you? Second uncomfortable question, how much of your wealth is thanks to your family? Did a relative help you pay for school or a car or help with rent or a bill here and there? Did someone hook you up with a job at some point?

All of those advantages build wealth, wealth that's passed down from one generation to another. Because of racism and discrimination, both in the past and now, white households have a lot more wealth than Black households.

According to a report from the Federal Reserve, in 2016, white families posted the highest median family wealth at \$171,000. Black families, in contrast, had a median family wealth of \$17,600. That leaves many Black households without a personal safety net when an unexpected crisis comes along.

As part of our North Star Journey series we're talking to one St. Paul based organization that has \$50 million to change that situation. Danielle Mkali is a senior director at Nexus Community Partners. She's here to tell us more. Welcome, Danielle. How are you?

DANIELLE I'm doing well. Thank you so much. I'm really pleased to be here today.

MKALI:

CATHY WURZER: Well, thank you for taking the time to talk with us. \$50 million sounds like an awful lot of money, and it is. So tell me, where did the money come from? What's the spark here?

DANIELLE MKALI: Sure, the money, the \$50 million came from the Bush Foundation. In 2021, the Bush Foundation made an announcement that they were going to release \$100 million to go towards the Black communities and the Indigenous and Native communities in the region of Minnesota, North Dakota, and South Dakota. So \$50 million being directed towards Indigenous and Native folks and \$50 million being directed towards Black folks in that region.

And in both cases, part of the impetus on the foundation's behalf to release these dollars was an acknowledgment of the historical harms against both of these communities, and that acknowledging those harms and wanting to provide an opportunity for an organization or a group of organizations to become the stewards of those funds and to determine how they wanted those funds to be released.

The one big stipulation that the Bush Foundation put out there was that the funds should go directly into individual's hands, so different than a lot of foundations. They wanted the money to go right into people's hands, not into other nonprofit 501(c)(3) organizations.

CATHY WURZER: So what are the parameters for getting the money into someone's hands? What do they have to-- what's the idea? Do they have to prove anything?

DANIELLE MKALI: Well, you have to prove that, in our case, that you are a Black person residing in this region and that you and your family have experienced these historical harms that have put us into this really unfair, disadvantaged situation economically.

And part of the way that we're determining eligibility also is through engaging our communities about what makes someone eligible to receive these funds too.

CATHY Do folks have to have a plan as to how they would spend the money?

WURZER:

DANIELLE So right now, we're still in the planning and design phase of the grant program and fund. Our preliminary plan for the grant program is that the application process will ask questions about what is your plan? How do you want to be able to build your Black wealth?

MKALI:

We've been working with an advisory council. It's an external body to our organization. 12 folks from across the region of Minnesota, North and South Dakota, and we've been working with them in partnership with a local evaluation and research organization called Research In Action led by Dr. Brittany Lewis.

And through that process and through other engagement and community, we've lifted up five different areas that we're focusing on in the fund. So looking at just like financial repair and financial investment for individuals and families, looking for education investment, health, healing, and leisure, home ownership investment, business ownership, economic justice and solidarity. So right now, we're saying that folks will want to create wealth in any one of those five areas.

CATHY Let's talk about one of those areas, the importance of home ownership to building Black wealth. We know that, I think it's what? 3/4 of white families own a home in Minnesota, while only 1/4 of Black families do. So if more Black families owned homes, what do you think that would do? How would that raise up individuals?

WURZER:

DANIELLE I think what we've been hearing from community is across the board in our advisory council and survey responses, in our visioning sessions, home ownership is a really large concern. And so I think there's a few different components to why it's such a big concern.

MKALI:

I think, for one thing, rental costs and housing instability is just really at a high level right now in community. And so more and more folks are feeling very unstable in their situations. I think the other component is that we know that, if you're able to get to a good position to be able to move into home ownership, that can really be a transformative investment for your family and for generations to come.

If your home builds equity, you're able to draw of that equity and support things like maybe starting another business, maybe buying another home, maybe investing in your children's education. It can be leveraged in so many different ways that we know are really great ways to be able to build wealth.

CATHY Now, when and where should people who are eligible look for an application?

WURZER:

DANIELLE Yes, so please, look for-- and we'll be having all kinds of communications out about the program design and how the program will work. We'll be making that final announcement about how the program is designed. Look for an announcement in April.

MKALI:

And then in later spring, in June, we plan to open up the application, and we'll have lots of different ways that we'll be communicating in our communities. We'll have lots of different ways that we will be meeting with folks to assist folks for those applications. But in April, we'll make that initial announcement about the final program design.

CATHY You have a buoyancy in your voice that I can hear. You sound really excited about this.

WURZER:

DANIELLE I'm really excited. As we've been getting more feedback about what people imagine this wealth could mean to them and their families, we're hearing just incredibly transformative visions for what could happen. And it's hard not to feel excited about it. It's hard not to feel the energy from the promise of what these wealth-building grants can mean in our communities.

CATHY Well, I want to know more when April comes around. We'll maybe check back with you in the spring, into the summer, see how things are going.

WURZER:

DANIELLE We would really love to come back, for sure.

MKALI:

CATHY Excellent, Danielle, thank you for taking the time. Good luck.

WURZER:

DANIELLE Thank you.

MKALI:

CATHY Thanks. Danielle Mkali is the senior director with Nexus Community Partners, and this organization is creating a program to build Black wealth in Minnesota as well as in North and South Dakota.

WURZER:

This conversation, by the way, was made possible in part by the Minnesota Legacy Amendments Arts and Cultural Heritage Fund. It's part of our North Star Journey series that reflects the culture and history of communities in our state.