## Are we offering a Hand-Out or a Hand Up?

## Why choose? Both are needed.

Sometimes people tell us, "We don't need a hand-out, just a hand up." To those people we say, "Congratulations. Tell us more specifically what you need."

Meanwhile, across the county, an immigrant family escaping violence in their own country has walked most of the length of Central America, has suffered physical danger, near starvation, exposure to the elements, and a passel of other pains and worries. With the help of others, they arrive in your area. They're financially broke, have little other than what they're wearing, and may be ill after so arduous a journey. What are they looking for at that moment: a Hand-out or a Hand up? Sure, eventually, a hand up. But when you're worn out and half-starved, a hand-out and a little TLC is what saves the day.

**Some people need a hand-out, some need a hand up**. Some agencies provide one, some provide the other. It's kind of a luxury for those who themselves no longer need a hand-out to make a hand-out sound like something unworthy or denigrating.

Is it somehow insulting to give students a good breakfast so they can stay awake in school, or access to clean and attractive clothes so they aren't teased and bullied when they get there? Or to give their parents furniture so everyone in the family can have a decent night's sleep? Or are these hand-outs really hand-ups? In real life, the distinction can be fuzzy.

Nonetheless, the legitimate point behind this distinction is that people who don't need a handout often do still have needs, such as a hand up, and quite possibility the combination of a handup *and* a hand-out.

It is not the purpose of the Racial Fairness project to decide what people need. It's our purpose, working through existing local organizations, to help provide it, whatever it may be.

## **The Old White Boys Network**

Despite the dramatic percentage increase (274%) from 2000 to 2020 in Fortune 500 CEOs who are <u>not</u> white males, this is just another case of "the more things change, the more they stay the same." At the end of this same period, and after half a century of progress, 9 out of 10 Fortune

500 CEOs were still white males.<sup>1</sup> Nor are the impediments just at the top: A 2016 *Harvard Business Review* study found that the consequence of diversity programs in U.S. business was that diversity (by gender and race) actually *worsened*.<sup>2</sup>

It's not necessarily better in small business. There's racial discrimination in small business lending,<sup>3</sup> which is critically important because entrepreneurial success is almost always dependent on access to capital. But there are other obstacles as well, including, among black small business owners, a lower likelihood of prior experience in a family business than white small business owners have, and lower average levels of education, too.<sup>4</sup>

Clearly a lot of People of Color can use a hand-up: yes, opportunities (especially for education, training, employment, and entrepreneurship), but also help taking advantage of those opportunities when they come along. A hand-up can mean fair access to job openings (through non-discriminatory practices and, dare we say it, affirmative action). It can also mean educational tutoring, business or social mentorship, training in specific skills, and other interpersonal or professional hands-on support. It can also mean domestic assistance, freeing a parent to get a job or create one, or transportation help, so someone without a car or a license can get to work.

And yes, a hand-up can mean cold hard cash – a scholarship to a good school<sup>5</sup>, start-up or emergency funding for a small business, equipment for whatever someone is trying to do, whether it's cooking or sewing or heavy-duty excavation.

In other words, a hand-out can be a hand-up at the same time, if the gift is really suited to the individual need and is provided at just the right time.

The Racial Fairness project is about all of these things (and more).

<sup>&</sup>lt;sup>1</sup> Richard L. Zweigenhaft, "<u>Diversity Among Fortune 500 CEOs from 2000 to 2020</u>," posted January 2021 to the U. Cal. Santa Cruz website, *Who Rules America?* 

<sup>&</sup>lt;sup>2</sup> Frank Dobbin and Alexandra Kalev, "Why Diversity Programs Fail," Harvard Business Review, July-August 2016.

<sup>&</sup>lt;sup>3</sup> Sterling A. Bone, *et al.*, "Shaping Small Business Lending Policy Through Matched-Pair Mystery Shopping," *Journal of Public Policy & Marketing*, February 26, 2019. See also: Anneliese Lederer, "Mystery Shopper Tests Show Continuing Racial Discrimination in Small Business Lending at Banks, Made Worse by a Dash of Socioeconomic Bias," National Community Reinvestment Coalition, December 28, 2021.

<sup>&</sup>lt;sup>4</sup> Robert W. Fairlie and Alicia M. Robb, "<u>The Causes of Racial Disparities in Business Performance</u>," National Policy Center brief, October 2008.

<sup>&</sup>lt;sup>5</sup> An important historical example: W.E.B. Du Bois, an icon of early 20<sup>th</sup> century civil rights and black literature, was able to go to Harvard because the white people of his hometown recognized his brilliance and pitched in to pay his expenses. How would his own history, and African-American history more broadly, been stunted if he'd never left his generous but small community of Great Barrington, Massachusetts?