

RACE, GENDER, AND FINANCIAL WELL-BEING[‡]

Black Land Loss: 1920–1997[†]

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Black agricultural land ownership was at a peak just after the turn of the twentieth century; however, there was a nearly 90 percent decline in ownership from 1910 to 1997 (US Department of Agriculture (USDA) 1840–2012). In this paper, we use US Census of Agriculture (COA) data to estimate that the present, compounded value of the Black land loss from 1920 to 1997 is roughly \$326 billion.

I. Acquisition and Dispossession

A. Acquisition

At the end of the Civil War, Black families owned almost no land but demonstrated an almost universal desire to obtain it. African Americans soon acquired acreage at a rapid pace. DuBois (1907) estimated that Black families owned 3 million acres in 1875, 8 million in 1890, and 12 million in 1900. By 1910, African Americans had acquired more than 16 million acres (Daniel 2013). This was the most land they would ever own in the United States.

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B. Dispossession

Black farmers had acquired this land against a backdrop of extreme racial violence, sometimes directed at landowners. Planters conspired together to restrict land sales to African Americans (Grim 1998). Because many banks refused to lend to African Americans, they had limited credit resources when the Great Depression hit.

Even though the federal government enacted massive spending programs to halt the farm crisis of the Great Depression era, the insistence by Southern Democrats that these programs be administered at the local level effectively blocked Black farmers from receiving relief (Daniel 2013).

In addition to controlling government benefits, White Southern elites found other ways to take Black farmers' land. In one instance, a bank, a crop duster company, and federal officials conspired to force a reverend into debt and out of his land. Another common tactic was for a federal agent to delay a loan in order to cause a farmer to plant late, reap a smaller harvest, and end up in debt. All available evidence suggests schemes like these were widespread (Daniel 2013).

Black farmers made a direct attack on this system in the 1960s, when they worked with civil rights organizers to run election campaigns to integrate USDA county committees. White elites, however, used threats of job loss to repel voters and even resorted to blatant fraud, with no consequences (Daniel 2013).

A series of federal studies, along with numerous investigative reports, have found that USDA agents continued to discriminate against Black farmers after the Civil Rights Act of 1964 and that the USDA has never investigated civil rights complaints in a systematic way (Daniel 2013; Joyce, Rosenberg, and Stucki 2021). Many

landowners have also lost their property through forced partition sales (Mitchell 2001). By the end of President Barack Obama's first term, the COA reported fewer than 600 Black-owned commercial farms (USDA 1840–2012).

II. Estimating Black Land Loss

A. Data

County-level data on acreage and land values are available from the COA since 1920 in roughly five-year increments. These data are digitized and available through the Inter-university Consortium for Political and Social Research data repository (Haines, Fishback, and Rhode 2018). While state and national COA data date back to 1840, we restrict our analysis to the period for which county-level data are available, post-1920, and carry the analysis through 1997, the last COA documented in the twentieth century. Substantial changes were made to COA sampling procedures and adjustment methodology in the 2002 COA and after, making comparisons with earlier censuses difficult and potentially misleading (Rosenberg 2017).

We also restrict our analysis to the 17 states where almost all documented Black farmers resided—Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Montana, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia (USDA 1840–2012).

Acreage.—The COA records acreage values separately by ethnicity in all relevant sample years, allowing us to estimate the acreage owned by Black farmers. Acreage estimates are categorized as “fully owned,” “partly owned,” and “operated.”

An operator—a person who runs a farm—can own, part-own, or fully rent the land in their farm. The land in the farm of a “full owner,” who owns all the land in their farm, may not represent all of what they own if they rent some of their property out. Furthermore, an owner who only rents their land out and does not operate any will not show up in the COA. The land in the farm of a part owner includes land they rent, so the rented part must be subtracted out to get owned land. We bear these considerations in mind when we use land in farms of full and part owners.

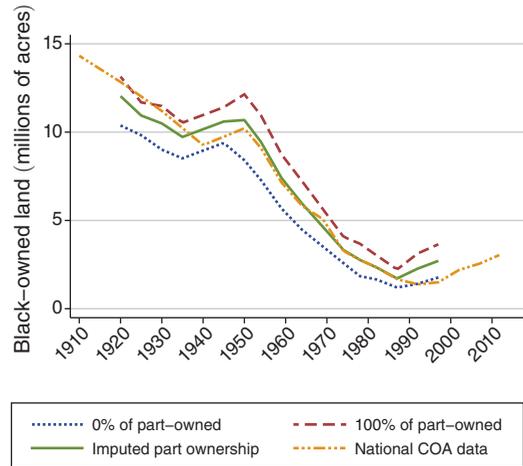


FIGURE 1. BLACK-OWNED FARM ACREAGE BY PART OWNERSHIP, 1910–2012

Notes: Authors' calculations from COA data. All lines include total fully owned acres. Partly owned acres are either excluded (0 percent), fully included (100 percent), or included at imputed shares based on COA estimates of 61 percent, 59 percent, and 54 percent in 1950, 1954, and 1964, respectively.

The 1950, 1954, and 1964 national COAs report the Black share of part ownership for partially owned Black acreage as 61 percent, 59 percent, and 54 percent, respectively (USDA 1840–2012). For our preferred acreage estimates, we include all fully owned acreage and add in shares of the reported partially owned acreage using a linear extrapolation of the reported shares for years between 1950 and 1964, using 60 percent for years prior to 1950 and 50 percent for years after 1964. We also report a range of our final estimates based on counting none of the partially owned acreage up to counting 100 percent of the partially owned acreage.

Figure 1 plots Black-owned acreage over time with no partially owned acres included, all partially owned acres included, and our imputed measure of partially owned acres included. We also plot the Black-owned acreage from the national COA data, which are available for a longer time horizon, and demonstrate consistency with our county-level measures.

Estimates of Black-owned land from other contemporaneous sources, such as state tax

records, USDA land surveys, COA coverage measurement studies, and spot checks indicate that the COA may consistently undercount Black-owned farm acreage by 15 percent or more (DuBois 2004; Emergency Land Fund 1980; Rosenberg 2017). We adjust the COA acreage estimates for a 15 percent undercount in our analysis.

Land Values.—A benefit of using county-level data is that land values vary by county, allowing us to create loss estimates that are more fine-grained than using national averages for land values. After 1945, the COA reports the county average value of land and buildings per acre as the only measure of value. Prior to 1945, it reported three different values: total value of farms (operators), total value of land and buildings (full owners), and total value of land and buildings (part owners). Since the pre-1945 data are measured as total farm values instead of per-acre values, we divide the total values by the corresponding acreage data for operators, full owners, or part owners. This gives us per acre values comparable to the post-1945 measure.

For comparison purposes, Figure 2 presents the nominal county-level dollar per acre values using all four value measures available in the data. Each dot represents a year-county observation. In the pre-1945 period, when the values overlap, the average value per acre for part owners appears on top in the figure, however there are county-years where the values diverge and the higher values are more visible. For our estimates of the present value of Black land lost, we use the consistent value measure for the post-1945 period, and for the pre-1945 period, we report a range of estimates using either the within-county minimum, maximum, or mean of the three value measures—value per acre of operators, value per acre of part owners, and value per acre of full owners.

B. Methodology

Our data are available in roughly five-year increments. However, we would like to compound land losses yearly, so we calculate yearly land losses as even losses between two reported acreage end points. For example, if 1,000 acres were lost in a county between 1920 and 1925, we would attribute 200 lost acres yearly between those two end points.

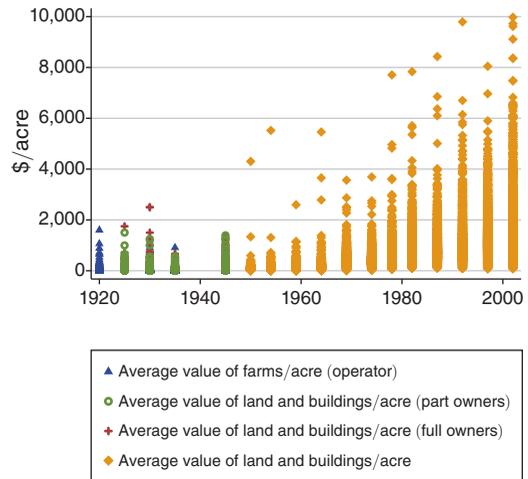


FIGURE 2. LAND VALUES, 1920–2002

Notes: Authors' calculations from COA data. Each dot represents a year-county observation. After 1945, the county-level COA data have one value for the average value of land and buildings per acre. Prior to that, there were three different values: *total value of farms (operators)*, *total value of land and buildings (full owners)*, and *total value of land and buildings (part owners)*. Dollars per acre values are calculated using the corresponding acreage data for operators, full owners, or part owners.

We do the same with land values, calculating yearly changes in land values as the average between two recorded end points. This gives us a county-year dataset with both yearly changes in acreage (typically losses) and yearly nominal land values. We then multiply the yearly land acreage losses by the yearly land values to get yearly land loss values.

Finally, we calculate cumulative loss values over time by compounding the yearly values. We apply returns to these values for both the appreciation of the land and the net income the land would provide. Research studies find very high returns to agricultural land in the United States—over 10 percent after the Great Depression. Even higher returns have been estimated for the South during periods when rates of Black land loss were high (Lins, Sherrick, and Venigalla 1992), particularly in very fertile areas like the Mississippi Delta region (Gertel 1982).

We compound yearly land loss values from 1920 to 1997 at a rate of return of 6 percent per year for appreciation of the lost land values and a return of 5 percent for the income the land

would provide—an 11 percent return. While we stop accumulating land losses in 1997, we continue the compounding to 2020.

C. Results

Our preferred specification—using the imputed part-ownership share and the corresponding pre-1945 value measures—yields a cumulative value of Black land loss of roughly \$326 billion. Depending on the specification, our results yield a low of about \$265 billion (if none of the part-owned acreage is included and the minimum land values are used) to a high of about \$359 billion (if all part-owned acres are included and the maximum land values are used).

Put in context, \$326 billion is nearly as much as the market capitalization of Ford Motor Company, Starbucks, and Target combined (\$327 billion in Jan 2022), yet it is only 3.3 percent of the estimated racial wealth gap of \$10 trillion (Williamson 2020). Thus, while the value of Black agricultural land loss represents a significant source of lost wealth, it is still only part of the story of the overall racial wealth gap.

III. Discussion

We consider our estimate of \$326 billion in Black land loss to be a conservative one for multiple reasons. First, the COA combines Black-owned acreage with acreage owned by other ethnic minorities. In the early twentieth century, there were very few non-Black farmers that would be included in the measures in our selected states, but over the course of the twentieth century, those shares increased. Thus, we likely have an overestimate of Black-owned land in the latter part of the century, which would mean an underestimate of the loss.

Second, if Black families had not been intimidated off their land, they might have used their land to invest in more land, which had a high return in the twentieth century. Our estimates do not model this potential counterfactual. Third, due to data limitations, we started our estimate in 1920 instead of 1910, which was the peak of Black land ownership. This is a decade of losses that we do not include in the current estimate.

Finally, we do not capture all the potential returns to land, including the greater likelihood

of landowners to be able to invest in more education for their children, engage in more political activism, and have more control of their labor and free time.

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