May 3, 2010

Dear Senators Harkin and Enzi:

Reform of our lagging education system is a necessary prerequisite to racial economic equality. Education is an asset that allows a young person to move up the economic ladder and attain economic security. But with the average family of color owning only 16 cents of wealth to the white family’s dollar, it’s difficult for some to afford the cost of school supplies for their children, let alone college tuition. There is a direct link between the racial wealth gap and the under-education of youth from low-wealth communities of color.

Past public policy failures to provide equal educational opportunities to people of all races are a major determinant of current racial gaps. Without meaningful reform, stark racial economic disparities will continue to divide our nation for yet another generation. By closing student achievement gaps, we can fuel a 21st century economy by unleashing the diverse intellectual resources and the entrepreneurial energy that have been left to stagnate in segregated neighborhoods.

The Closing the Racial Wealth Gap Initiative of the Insight Center for Community Economic Development, a 40 year old organization dedicated to building and sustaining economic security in poor communities, has organized over 150 experts of color in the asset building field. We have identified a number of interventions that could help close the racial asset gap, including the gap in educational attainment. We respectfully submit these recommendations on the proposed reauthorization of the Elementary and Secondary Education Act.

- **Students of color are poorly served by basing school funding on local property taxes.** Residential segregation and the lack of employment, financial services, or business development in communities of color means that the least resources are generated for those most in need of educational opportunities. Neighborhoods of opportunity should be mandated to include people of all races, and region-based school funding would increase local resources.

- **Financial education should be mandated as a “life skill for the 21st century”** under the proposed bill’s Basic Program Requirements. Our national leaders and our financial institutions have encouraged consumption beyond our means, much to the detriment of our national economy. This hasn’t always been the case. After World War II, children in school were invited to own US Savings Bonds by saving little by little, week by week. That generation continued to save throughout their lifetimes; whereas today, instant gratification on borrowed money is a siren song left unrefuted by our schools. Financial education, both through curricula and practical projects, needs to begin as early in life as possible.
• **Age-appropriate entrepreneurial skills should be taught from the earliest years through high school.** Learning how to monetize talents and ideas into profitable business endeavors is an important 21st century skill that should be encouraged. The nation’s small businesses are the primary employers of workers in this country, and will be needed to provide new jobs and grow the economy. Due to disparities in business ownership, children of color are less likely to learn how to start and run businesses from their family members. Our education system can bridge that gap.

• **The provision that disaggregated racial and ethnic data be collected as part of the “closing the gap in student learning” goal is essential.** We have found that data is generally lacking for many racial and ethnic groups, particularly Native Americans and Asian ethnic sub-populations. Without data disaggregation, we cannot know where the gaps are. For example, the Hmong might get put into the same category as Chinese, masking critical differences and leaving the needs of sub-populations unaddressed.

• **A one-size-fits all testing approach does not serve children of color well.** Allowing greater latitude in performance assessment so that different cultural learning styles and values can be incorporated will provide better measurements of student learning, and not produce “failure” for children who are highly motivated and ready to go to the next level.

• **An educational pipeline targeted to children of color can prepare them for degrees in science, technology, engineering, and math.** Our nation is preparing to generate jobs in emerging energy and technology sectors; but neither people of color nor women are being targeted for training in those fields in which they are currently underrepresented. Widening race and gender economic inequality is assured unless decisive action is taken.

We appreciate your willingness to give input into your process. If you have any questions or want more information, please feel free to contact us.

Respectfully,

Meizhu Lui, Director

Closing the Racial Wealth Gap Initiative

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