

## THE RACIAL GAP IN LAND RETENTION, ACQUISITION, AND DEVELOPMENT

### The Issue

Land ownership, including the resources on and under it, provides a fundamental basis for economic and political power. In rural areas, land ownership, rather than home ownership, is the main form of wealth. Over the course of US history, there has been a vast transfer of land particularly from Native Americans to European settlers. And in the 20<sup>th</sup> century, both Native Americans and African Americans have each lost two-thirds of the land they held at that time, mainly due to government's failure to protect minority land rights, and from discriminatory practices by federal and state governments in granting access to credit to minority farmers. Currently, White Americans own 97% of the value of all privately owned agricultural land, and 98% of the acreage.<sup>1</sup>

Today, people of color either own or have just claims to potentially valuable land assets. Tribes own at least 45 million acres held in trust by the federal government, and individual American Indians own at least 10 million acres of land also held in trust.<sup>2</sup> African Americans own at least 7 million acres of agricultural land conservatively valued at nearly \$14.5 billion dollars, as well as hundreds of thousands of acres of non-agricultural undeveloped land. The State of Hawaii holds billions of dollars worth of land in trust for Native Hawaiians and individual Native Hawaiians also own valuable land.

### The Obstacle

Much of the land owned by Native Americans is not under their own control. Both tribal and individually owned land is held in trust by the federal government. The Bureau of Indian Affairs' failure to account for billions of dollars worth of revenue generated from managing land "on behalf" of Indian beneficiaries has left Native Americans "land rich but dirt poor." Similarly, Native Hawaiian land held in trust by the state has never been accurately inventoried, making it difficult to claim ownership. Individual Native Hawaiians also own valuable land but it is often subject to legal processes that render ownership unstable. For Latinos, Chicanos in states that were part of Mexico before 1848 were supposed to maintain their property rights through the Treaty of Guadalupe Hidalgo but lost their land through fraud or coercion, and many claims are still unsettled. Newer Latino immigrants often live in informal settlements (colonias) which are denied basic infrastructure such as roads, access to utilities, and sanitation. For all these groups, forced sale of land due to property structures in which land is sub-divided among more and more heirs over generations has led to loss of land and sales below fair market value.

Maintaining and claiming ownership are usually legal questions. Access to legal assistance in rural communities is a challenge for those with limited cash; and in a Catch-22, their ownership of land causes them to surpass the asset limits for subsidized aide; moreover, there are far too few lawyers in rural areas. Lack of access to federal funds including farm loans, commodity payments, and rural economic development programs are also barriers to building wealth through land-related activities.

## The Opportunities: Strategies and Policy Objectives

Love of the land and deep knowledge of sustainable agricultural methods and land management techniques that precede European settlement are valuable assets as concern grows over the wasteful and toxic uses of agricultural land over the last century. Ensuring stability in land ownership and providing the opportunity for development cannot only eliminate poverty and build economic security in rural areas, but can contribute to the greening of our food sources, resource extraction, and our economy.

### *Recommendations related to the 2008 Farm Bill and beyond:*

- Monitor the implementation of the 2008 Farm Bill, particularly the Beginning Farmers and Ranchers section and the Sale of Land in USDA Inventory section which gives farmers of color first rights to purchase. These provisions could help stem land loss and actually increase minority land ownership.
- Improve implementation of the USDA Minority Farm Registry and census collection methods.
- Increase access to affordable credit from both public and private sectors, but especially through the USDA.
- Restructure the commodity program so that payments are made to limited resource farmers.

### *Legal Recommendations:*

- Develop a uniform heirs' property law that supports family retention of fractionated land.
- Redesign "trust ownership" to stabilize landownership and provide Native American and Native Hawaiian communities' greater autonomy over their land assets.
- Increase access to legal services by increasing funding to rural legal service offices and by reforming asset limits for eligibility so cash-poor landowners can obtain services.
- Create a National Legal Service Corps similar to the National Health Service Corps which would provide scholarships to law students of color, preferably from rural areas who commit practicing law in minority rural communities for a given number of years. Research on the NHSC shows that most rural physicians came from the NHSC, and that those that stayed beyond their term of service were themselves from rural backgrounds.

### *Educational Recommendations:*

- Incubate the development of land use and real estate professionals of color.
- Support community based organizations which are trusted sources of information and assistance particularly in minority communities. These organizations provide critical legal information and support, and other land preservation and management strategies.

The Insight Center for Community Economic Development is a national research, consulting and legal organization dedicated to building economic health in disenfranchised communities. This factsheet was produced as part of our **Closing the Racial Wealth Gap Initiative**, a national effort to close the racial wealth gap for the next generation by injecting over 140 members of the **Experts of Color Network** into the national debate on America's future. Experts on this issue include: [Thomas Mitchell](#), [Rudy Arredondo](#), [Teresa Cordova, Ph.D.](#), [Terry Janis](#), [Savi Horne](#), [Moises Gonzales](#), [Hokulei Lindsey](#), [Jerry Pennick](#), [Cris Stainbrook](#), and [Robert Wynn](#), all members of the Experts of Color Network. For more information please visit [www.racialwealthgap.org](http://www.racialwealthgap.org) and [www.expertsofcolor.org](http://www.expertsofcolor.org).

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<sup>1</sup> Jess Gilbert, Spencer Wood and Gwen Sharp, "Who Owns the Land? Agricultural Land Ownership by Race/Ethnicity" *Rural America*, 19, no.4 (Winter 2002): 55-63.

<sup>2</sup> Meizhu Lui, Barbara Robles, Betsy Leonard-Wright, Rose Brewer and Rebecca Adamson, *The Color of Wealth: The Story Behind the U.S. Racial Wealth Divide*, The New Press, 2006.