

The ReSET – The Racial Wealth Divide in Baltimore

Article By:

Newton B. Fowler, III

[The Center for Enterprise Development](#), with support from JP Morgan Chase, published a study on the racial wealth divide in Baltimore. Baltimore is hardly alone in struggling with the challenges of wealth inequality which, according to this report, has been expanding in urban centers such as Baltimore. “This growing inequality has manifested through gentrification and concentrated poverty in communities of color.” It’s not hard to envision that separation in Baltimore: barely four miles lie between Penn-North, the epicenter of the unrest after Freddie Gray’s death two years ago, and the Inner Harbor. Two worlds separated by a ten minute drive.

Mind the Gap. The CFED report provides plenty of detail, but the take away couldn’t be clearer. For Baltimore, a majority minority city, Black residents fare worse than African Americans nationally; White residents fare better than the national averages (and the national average itself isn’t acceptable). The CFED report highlights in particular the disparities in education and employment. The difference between Whites and Blacks with college degrees is over three times; the unemployment rate differential is also three times.

The Legacy of One Baltimore. As a region, we’re not without a desire to make a difference. After the unrest two years ago, many opened their wallets and sent millions in support of then Mayor Rawlings-Blake’s initiative to fund change in our most distressed communities. As explored in yesterday’s Baltimore Sun article, One Baltimore has since folded and there is a shared sense of a missed opportunity to effect real change. So how do we align the desire to make a difference with an approach that actually does so?

Building High Impact Nonprofits. CFED is not without its own perspective on this question – how to effect lasting change in our most distressed communities. For CFED, it involves focusing on “build[ing] the capacity of organizations of color working in economically marginalized communities to support wealth-building efforts.” Word choice can be revealing: “strengthening the capacity of nonprofits of color” – grants are important but helping an organization with mentoring, talent, expertise, insight, networks, support – turn those grant dollars into a sustainable, strategic investment. Word choice can be revealing; CFED’s goal for such efforts with nonprofits is to address “racial economic inequality at the local level.” For CFED, to raise an increasing number of families out of poverty requires ensuring the effectiveness of the nonprofits that serve these communities.

CFED speaks of their project as “building high impact nonprofits of color.” Perhaps this approach

requires rethinking how the well-intentioned among us, be they individuals, businesses or foundations, donate and work with nonprofits. In the technology world, there is an adage that one would rather fund a winning team with a decent idea than an unproven one with a great idea. Ideas matter, but as CFED suggests in their initiative, people who execute matter more.

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