

Organizations that pledged funds in light of George Floyd's death should focus on closing the racial wealth gap as a sustainable strategy. Here's why.

Today is the 3rd anniversary of George Floyd's death.

On May 25, 2020, Derek Chauvin, a former police officer from Minneapolis murdered George Floyd, a 46-year-old unarmed Black man. In response to Floyd's tragic death, many corporations, endowments, foundations, and other organizations collectively pledged about [\\$340 billion](#) toward racial equity initiatives.

The pledge announcements caused many of these organizations to benefit financially, socially, and also resulted in better morale among dismayed employees who felt encouraged that their employer was advancing a good cause.

Unfortunately, over the last three years, many of these organizations have either reneged on their commitments, lack an effective deployment strategy, or lack relationships with organizations (outside of legacy organizations) that possess innovative and sustainable solutions to address the racial wealth gap.

Additionally, many organizations that focus on addressing racial equity matters generally provide services that focus on short-term fixes and often lack long-term sustainable solutions. Furthermore, a significant number of these organizations lack the capacity to take in millions in funding, making the deployment of pledged funds difficult and the assessment of long-term impact opaque.

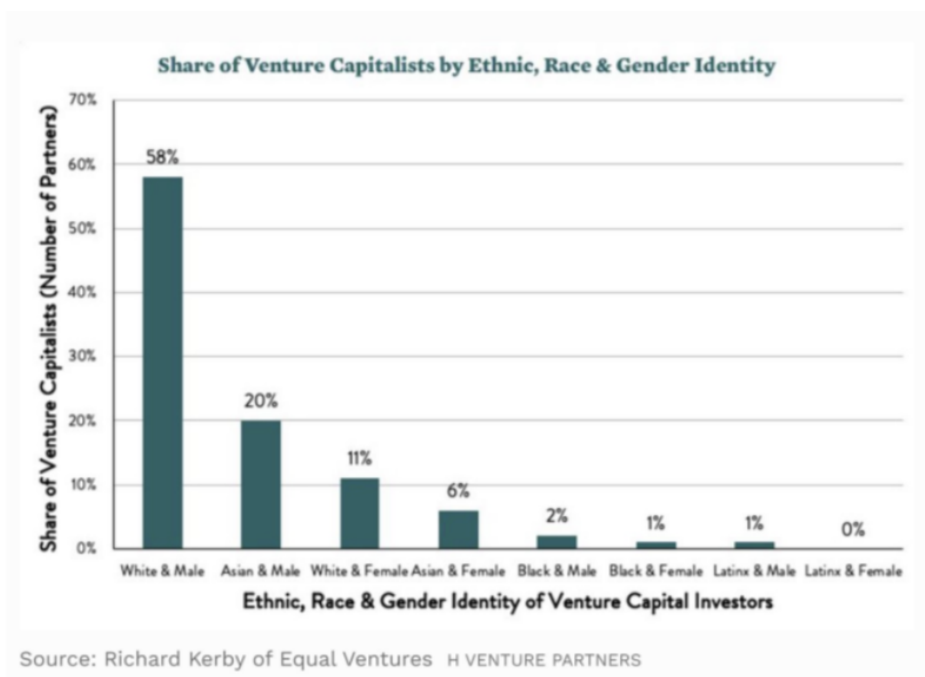
According to a McKinsey & Company [study](#), businesses from the financial sector accounted for the majority of pledges. However, three years later, on average, less than 20% of the pledged \$340 billion has been deployed to advance racial equity.

Campaign to End the Racial Wealth Gap

Closing the racial wealth gap is the most efficient macro strategy to ameliorate racial inequities. Why? Because we live in a society based on capitalism, where capital impacts virtually all areas of our lives. Increased wealth in Black and Brown communities is the closest tool we have to a silver bullet for sustainably addressing racial disparities in healthcare, crime, education, housing, and many other areas.

As part of a larger mission to help bridge the racial wealth gap in America, a [listening session](#) was hosted at the White House in February. More than 70 emerging Black venture capital (VC) and private equity (PE) stakeholders joined the discussion to explore ways of cultivating a Black Investor Class in order to close the racial wealth gap and strengthen the overall U.S economy. The White House listening session has now resulted in the formation of a Working Group tasked to develop a Black Wealth Agenda to collaborate with the Biden Administration to implement policies aimed at closing the racial wealth gap.

Why initially focus on VC and PE space? Historically, VC and PE have been the primary drivers of wealth creation in America, yet the Black community has not experienced equitable access to wealth generation compared to their white counterparts.



Closing the racial wealth gap, with Black Americans fully participating in the economy, which includes increased access to VC and PE opportunities, would add over \$1.5 trillion to the economy by 2028, as outlined in a [Mckinsey study](#).

Call-To-Action to Racial Equity Pledgers

To help close the racial wealth gap, corporations, foundations, and endowments, especially those who have made racial equity pledges, are encouraged to immediately and fully deploy the pledged funds with Black-led organizations with the infrastructure to leverage those funds effectively and sustainably.

Hashtags

#GeorgeFloyd #InnovationCenterforUrbanEntrepreneurship #RacialWealthGap
#Investing #VentureCapital #PrivateEquity #InvestmentStrategy
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#anniversaryofgeorgefloyd #BlackInvestorClasss #BlackWealthAgenda