

Racial Capitalism & Implications for Philanthropy

Introduction

Cedric Robinson first coined the term racial capitalism in his work, *Black Marxism* in 1983. He describes racism and capitalism as deeply intertwined; the latter being developed while race was also being constructed. The term describes how labor is racially stratified, leading to the overrepresentation of historically marginalized groups such as Black, Indigenous, and other people of color communities in low-wage work, meaning that these communities bear the brunt of undervalued labor to create profit and maintain capital at their own expense¹.

As stated by Robin D. G. Kelley, capitalism emerged within the feudal order and flowered in the cultural soil of a Western civilization already thoroughly infused with racialism. **“Capitalism and racism, in other words, did not break from the old order but rather evolved from it to produce a modern world system of ‘racial capitalism’ dependent on slavery, violence, imperialism, and genocide.”**

Origins

Genocide of Indigenous people

Take a moment to consider how large the United States is. Many groups, tribes, communities, and peoples that make up the Indigenous population of this part of Turtle Island (or what is now considered North, Central, and South America). Each of these communities have been deeply impacted by the violence of European contact, genocide, and colonization. While Native communities are still here, the loss of life and cultural erasure across generations had an immeasurable adverse impact on those that have survived and has deep implications on our current culture, economy, and ecosystem.

Enslavement of Black people

The theft of life and labor from enslavement has been immense, with lasting impacts on generations that still continue. The legacy of enslavement continues in many layers through systemic racism and is baked into culture - it was even used to develop modern systems of business management and accounting². While it is difficult to quantify the financial impact, it is estimated that the present value of labor extracted from enslaved Black people is estimated to be \$5.9–14.2 trillion³.

Additionally, the concentration of extracted and stolen labor that generated wealth in the hands of few was then passed on for generations, while efforts towards reparations have yet to concretize.

Examples of further exclusion⁴

- The Homestead Act of 1862 gave white people 160-acre of land while blocking Black people and Native Americans, from whom it was taken, from the benefit.
- The Chinese Exclusion Act of 1882 prohibited Chinese immigration for 10 years (renewed in 1892, made permanent in 1902, and repealed in 1943).
- The Indian Citizenship Act of 1924 finally granted Native Americans U.S. citizenship.
- The New Deal in 1935 blocked agricultural and domestic workers from receiving benefits, many of whom were African American.
- Racist financial practices, such as denying loans or offering subprime loans

...that's a lot of stolen wealth!

Snapshot: Challenges Faced by Low Wage Workers

We see that low wage workers, such as those in construction, retail, and care work, have the least job security, least opportunities for advancement and income increases, and least benefits. Policies that improve conditions for low wage workers are routinely blocked from passing, such as state preemption of increased minimum wages, reducing eligibility for overtime pay, eliminating health and safety protections, and otherwise deprioritizing worker benefits and job security.

- In 2024, the median wage for direct care workers was \$17.36 per hour; in 2023 median annual earnings were \$26,000.⁵
- In 2021, between 10-19% percent of the construction industry's workforce, an estimated 1.1 to 2.1 million workers, were misclassified or paid "under the table."⁶
- The National Institute for Workers' Rights found that 54% of gig workers do not have access to employer-based benefits.⁷
- Black women in particular experience significant occupational segregation in the health care industry. Estimates show that they comprise 13% of the health care workforce, while being overwhelmingly concentrated in lower-paying roles⁸; and that 36% of Black immigrant women worked in health care between 2020–2024.

Looking Further: the Carceral System, Detention, and Militarism

Incarceration brings in profits through underpaid/unpaid labor extracted from incarcerated people. Additional profits come from the cost of phone and video calls and commissary purchases. We must also consider the stolen wealth for those who provide financially for their families. Currently 2 million people are incarcerated in this country, and over 5 million are under supervision of the criminal legal system⁹ (often at their own expense¹⁰) Financial exploitation continues once folks are out through parole fees and barriers to employment.

Immigration detention extracts life, labor, and money from people solely based on their citizenship status at mass profits for the corporations contracting with the government. Considering the history of racist immigration policies in the U.S., this also continues the punitive dynamics for immigrants of color. Examples include:

- targeted deportations of Southeast Asians¹¹ for decades
- the termination of Temporary Protected Status (TPS) for Haitian, Venezuelan and other migrants in 2025¹²
- ICE hires contractors to act as bounty hunters, often using surveillance technologies to do so - and making millions in profits.¹³

Militarism and the US military industrial complex functions to shift taxes and government money into the military (rather than into public resources such as education and health) and generate mass wealth for defense contractors, who are often contracting with the federal government leading occupation and destruction of life, land, and societies. This occurs both through direct occupation and military presence (the United States currently has 750 bases in more than 80 countries). This happens at the expense of the loss of millions of lives around the globe, with immeasurable impacts on the environment, economy, and civil society; while also funnelling low-income people of color into the military, often lured by promises of class mobility.

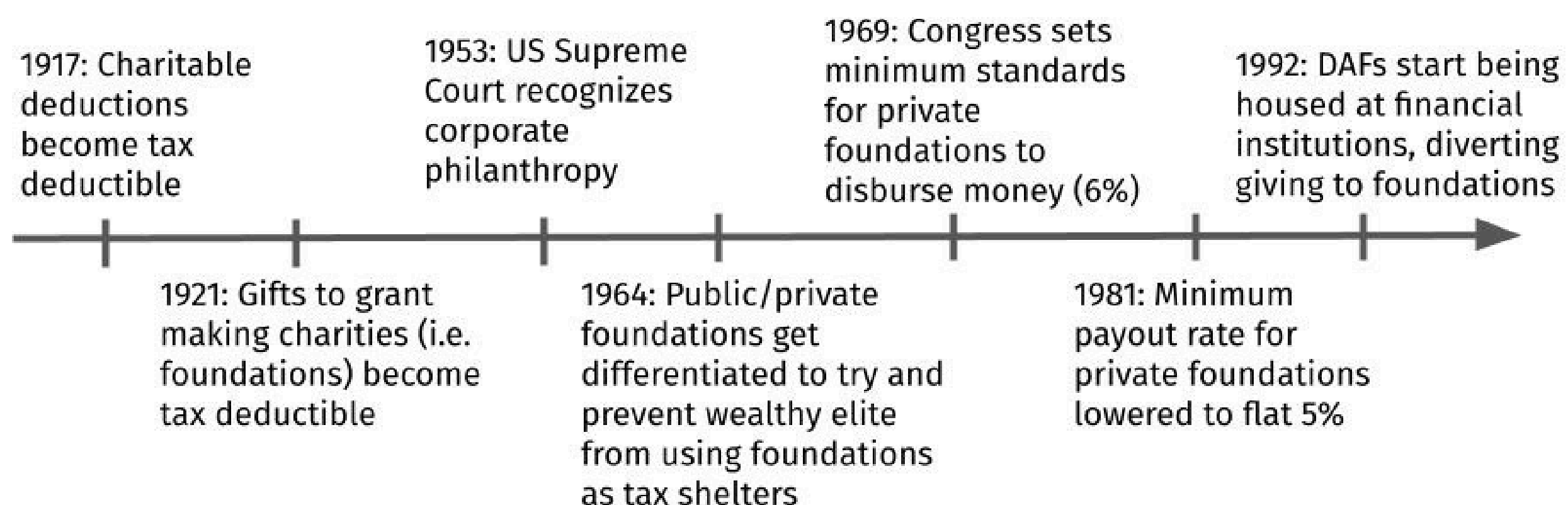
**“Capitalism requires inequality,
and racism enshrines it.”**

- Ruth Wilson Gilmore

Implications for Philanthropy

Philanthropy benefits greatly from racial capitalism through its origins of theft and extraction of life and labor, and generational amassing and then hoarding of wealth. [Justice Funders](#) invite us to reflect on the below historical events to re-imagine how philanthropy can operate in ways that redistribute wealth, democratize power and shift economic control to communities¹⁴.

PHILANTHROPY & RACIAL CAPITALISM



Data from Stifled Generosity, created by Justice Funders

Where do we go from here?

The origins of wealth, including the resources contained in philanthropy, from historical and current theft and exclusion exemplify the impacts of racial capitalism on our communities. As such, it is important to hold a liberatory framework in how we think about navigating our roles in philanthropy, and stewarding as much of the return of resources to Black, Indigenous, and low-income communities of color as possible.

Given what has already been stolen, how much can we return?

What is possible within your sphere of influence?

Sitting with these questions can help clarify our unique roles within an ecosystem of change.

Sources

1. This is a brief, brief definition of racial capitalism, of which there is an incredibly large body of work.
2. <https://www.library.hbs.edu/working-knowledge/the-messy-link-between-slave-owners-and-modern-management>; <https://www.scirp.org/journal/paperinformation?paperid=134827>
3. <https://inclusiveaction.org/blog/aw1895uewg8iakoq28pfa6wg40wtdr/>
4. Many of these examples have been presented together by our friends at Liberation in a Generation in the NFG Racial Capitalism Community of Practice.
5. <https://www.phinational.org/policy-research/key-facts-faq/>
6. <https://prospect.org/2025/04/09/2025-04-09-construction-bosses-schemes-harm-workers/>
7. https://niwr.org/wp-content/uploads/2024/01/Gig-Economy-By-The-Numbers_The-Institute_2023.pdf
8. <https://www.nelp.org/app/uploads/2024/12/Occ-Seg-of-Black-Women-Workers-in-Health-Care-Data-Brief-Final.pdf>
9. <https://www.sentencingproject.org/reports/mass-incarceration-trends/>
10. <https://finesandfeesjusticecenter.org/articles/50-state-survey-probation-and-parole-fees/>
11. <https://www.theguardian.com/us-news/2025/sep/29/ice-deportation-south-east-asians-vietnam-war>
12. At the time of this writing, the termination of TPS for Haiti has been blocked by a federal judge. <https://www.npr.org/2026/02/04/nx-s1-5697068/the-trump-administrations-efforts-to-end-tps-for-haitians-was-blocked-for-now>
13. <https://theintercept.com/2025/12/23/ice-bounty-hunters-track-immigrant-surveillance/>
14. Find the full timeline here: <https://justicefunders.org/stifled-generosity/>

