**Book Review: The Color of Money (2017) by Mehrsa Baradaran**

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Mehran Bardadaran is the author of *The Color of Money* Book that explains a vital aspect of financial structure that has led to racial discrimination among the United States (US) people. In his book, the wealth gap is a result of racial discrimination that emerges between Blacks and whites. Bardadaran, further explains how the blacks used the small military banks to invest and were later facilitated by the black willingness to bring about capitalism. For instance, the use of Freedman's bank was trusted as an investment pillar since it was supported by Abraham Lincoln[[1]](#footnote-1). However, Bardadaran argues aptitude of capital to thrive through credit is one of the paramount features. However, Freedman's bank did not lend to depositors, thus, not having such a feature. Throughout the book, Bardadaran demonstrates wealth inequality in the sense of racial discrimination that has resulted in political, social, and political discrimination. Bardadaran's book is not only a historical commentary of racial discrimination resulted from wealth inequality, but also a political economy tool in financial institutions which can be used to explain today's inequalities among individuals. *The Color of Money* offers the ability of self-help and ownership in preserving inequality to embrace structural changes.

Although Bardadaran's book focuses on the Black financial system, his book offers a wide overview of his examination. How blacks used to bank their finances during the colonial time is one of the major aspects Bardadaran has dealt with. According to his argument, "the Blacks were only allowed to bank in a small military banks which were formed during the Civil wars”[[2]](#footnote-2) The banks contained their wages which were a trusted means of banking since it was also incorporated Abraham Lincoln. However, this form of banking brought about racial discrimination among Americans and Blacks. Bardadaran gives an example of Freedman’s which was used to encourage investment as a form of capitalism. However, Bardadaran emphasized capitalism to proliferate money which was not for the blacks. Eventually, Freedman’s bank collapsed as a result of loans incurred by people from the West. Bardadaran argument is not only a historical, but a current context that has significantly resulted in inequality and racial discrimination. Racism is not only a moral imperative that makes the economy stronger but also strengthens economic development through financial institutions[[3]](#footnote-3). From his argument, the book is of major benefit in understanding how racism is a cause of the financial system. Bardadaran not only uses a historic overview but also figures out how the current African and American economies are behaving. Therefore, racial discrimination and inequality may be a result of financial institutions as it is evident with the past and current context.

The development of the Civil Rights movement remained elusive for the Blacks. The blacks were not allowed to own their own homes compared to the Bardadaran argues even though the blacks increased their business between 1917 and 1930, they remained powerless and did not receive insurance or credit cover. Fortunately, the development of the Civil Rights movement in 1960, meant the blacks would gain their economic, political, and social rights. However, after President Nixon took over office, capitalism for the black was blocked which limited any form of government integration. Bardadaran concentrates on a particular circulation that was used[[4]](#footnote-4). Any money that was deposited by the black eventually leave the black banking. Their investment was from the ghetto and had no government securities which resulted in them using financial mortgages from outside communities. At the end of the era, blacks were the most affected people since they would not access loan markets. Bardadaran, concludes his book by stating “53% of the blacks were affected due to financial crises that left them in a state of decline”[[5]](#footnote-5). From Bardadaran study, the acquisition of wealth and implementation of the rights imposed to ensure equal rights to individuals have been declined. As a result, a decline of post-war especially for the blacks has increased. According to the historical data, the whites have displaced the blacks from their community despite the laws. Continuing, most of the whites have benefited from the blacks and block them, from accessing their own homes[[6]](#footnote-6). This information greatly supports Bardadaran context on wealth acquisition of the blacks in the ancient and current era. Thus, through reading this book, one understands ownership and self-help.

*The Color of Money* offers the ability of self-help and ownership in preserving inequality to embrace structural changes. Bardadaran argues on racial and inequality discrimination of the blacks. Not only for the past but also the current eras. Thus, this book is an important tool of understanding the past event of a black in terms of financial systems that led to racial discrimination, and understand how this has been brought forward despite pf the laws. Thus, I would recommend everyone to read the book and get the deeper meaning of self-help and property ownership. Additionally, the book is important to the poor countries as the banks are considered as a mechanism of wealth accumulation.

List of Reference

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1. Baradaran, Mehrsa. "The Color of Money: Black Banks and the Racial Wealth Gap (2017)." In *Racism in America*, pp. 142-152. Harvard University Press, 2021. [↑](#footnote-ref-1)
2. Baradaran, [↑](#footnote-ref-2)
3. Losavio, Joseph. "What racism costs us all." *Finance & Development* 57, no. 003 (2020). [↑](#footnote-ref-3)
4. Baradaran [↑](#footnote-ref-4)
5. Baradaran [↑](#footnote-ref-5)
6. Solomon, Danyelle, Connor Maxwell, and Abril Castro. "Systemic inequality: Displacement, exclusion, and segregation." *Center for American Progress* 7 (2019). [↑](#footnote-ref-6)