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## Wealth Building in Rural America



# **Center for Social Development**



George Warren Brown School of Social Work

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#### African-American: Building the country, losing the land

#### Trina R. Shanks

Given the history of African Americans in the United States, it is often presumed that as a group they have always been poor and disconnected from the larger economic system—at least until perhaps the 20<sup>th</sup> Century as the Civil Rights movement began to galvanize. Particularly as the institution of slavery developed and became entrenched in the South, the image that remains is of downtrodden plantation workers that generated wealth for their masters, but owned nothing themselves. In reality, acquiring assets has always been a reality for at least portions of the African American community. Although wealth holdings and net worth rarely approach the level of similar whites, Blacks have been property owners both before and after slavery. Prior to Emancipation, some slaves planted and sold their own crops from gardens, sold their own labor for money, and raised their own livestock. During the same time in the South, free Blacks began to acquire property and businesses (Schweninger, 1990). Even in the face of oppressive laws and difficult circumstances, the pride and independence of being a landowner was desired and attained by many. In fact, "by 1860, 16,172 free persons of color in the fifteen slave states had accumulated \$20,253,200 worth of property, or \$1,252 per individual property holder" (Schweninger, 1990, p. 96).

African American farmland ownership was actually higher a generation or two after Emancipation than it is today. According to U.S. Agriculture Census data, African American farmers owned 15 million acres in 1910, yet owned less than a sixth of that by 1997. The 1999 Agricultural Economics and Land Ownership Survey (AELOS) found that 68,000 African Americans own 7.8 million acres of agricultural land valued at \$14 billion. Although both sets of statistics reveal a definite decline in rural land ownership since 1910, the seeming discrepancy in these numbers is that the Census of Agriculture studies farmers while the AELOS studies land owners. Unlike most other groups, the majority of African American owners rent their land to others, with only a third operating their own farms (Gilbert, Wood & Sharp, 2002). Accurate data, however, is limited. Although the AELOS data is more complete and documents a higher number of Black rural landowners, even it would not include non-producing farmland or land that might be used for non-farming purposes (Mitchell, 2005).

The Federation of Southern Cooperatives Land Assistance Fund has identified 7 common causes of African American land loss (Thomas, Pennick & Gray, 2004). First, through heir property ownership the land is passed down to multiple co-owners making management and decision making difficult. Second, a lack of estate planning leaves no specific instructions. Third, the land is loss to tax sale if taxes go unpaid. Fourth, the court orders a partition sale, where the land is sold to the highest bidder and divided among heirs. Fifth, land is loss through voluntary sales to those outside of the African-American community. Sixth, the land is loss through other means such as violence, exploitation, and injustice. Seventh, land is loss through inaccessibility to legal counsel.

#### Personal narrative

The story of my great grandfather, Portland Nichols, illustrates many of these harsh realities. Born October 1, 1894, he was a logger and an entrepreneur who lived most of his life in Carlton, AL—a small Southern town in Clark County, located approximately 60 miles north of Mobile. In his prime, he earned a living as a hired hand, cutting timber from other people's property and bringing logs to the local sawmill to earn money.

Over time, Mr. Nichols saved money and purchased plots of land for himself. With his children, he was then able to cut timber and bring logs to the mill from his own property and taught his children to do the same. Like many rural residents of his day, the land was not made into a commercial farm, but rather used to build a home, plant a garden, and maybe harvest a little corn and sugar cane for sale.

By the time he was 50 years old, my great grandfather had accumulated approximately 2800 acres, made up mostly of timber and swampland. This was an impressive accomplishment for a Black man with no inherited wealth or formal education. Typically, these assets would have brought him and his descendents prosperity and financial security. Several factors made this unlikely. First, farm life was demanding and his children like others from a younger generation didn't value the land enough to stay, preferring to move to larger cities for jobs and professional employment. Second, white landowners frequently would go in to his property and harvest and sell the timber without permission or compensation. Third, the legal system favored whites when these types of disputes arose, so there was never any real restitution.

Unfortunately, when my great grandfather died unexpectedly and tragically in 1952, he didn't leave a will or any type of succession plan. The estate was to be divided evenly between his wife, my great grandmother Floretta, and his surviving children. Although the family grew up on the land and knew it well, all the children but one had left Carlton and established a life in larger cities where there were perceptions of greater opportunity. In addition, the problem of monitoring these large landholdings and keeping others from stealing had never been resolved. Thus, there was little interest in continuing to develop the land (or pay the annual land taxes). In short, the multiple inheritors never came to agreement about what should be done with the property. After several years of inactivity, the land was sold to a white landowner. The money was divided among the surviving inheritors, including my grandfather Conrad Nichols Sr.

Although the family did receive compensation for the land, this money wasn't nearly what could have been realized by continuing to manage and cultivate the land and maintaining the mineral rights. As a footnote, oil eventually was found in the area and these mineral rights became even more valuable, including what had been part of my great grandfather's family estate. If the property had been maintained and remained in the family, it would be a valuable asset today. Instead, it is one more example of how even among Blacks that managed to attain significant amounts of property post-slavery, many were unable to keep it or pass it along to succeeding generations. This is just one family's story and may not be representative of all Black rural landowners, historically or currently, but it does illustrate some of the issues that often precipitate land loss in the Black community.

In recognition of this problem of rural land loss among African Americans, grassroots activists and legal assistance programs have organized to support Black households in danger of losing their land and to encourage others to establish or retain ownership. Examples include the Land Loss Fund that was created in March of 1983 to provide technical assistance to economically disadvantaged land owners in rural North Carolina (http://members.aol.com/tillery). Another example is the Federation of Southern Cooperatives Land Assistance Fund that offers management initiatives, assists in land-based economic development, provides legal and financial assistance, as well as builds coalitions with other similar advocacy groups (www.federationsoutherncoop.com).

The most public and powerful result of such organizing efforts has been the classaction lawsuit filed against the U.S. Department of Agriculture in August of 1997. Black farmers charged that USDA agencies systematically discriminated against them for years by denying them disaster loans and other benefit payments. A final settlement was approved in 1999 and by mid-September, nearly 15,000 Black farmers had joined the class-action settlement. Although still unsatisfactory to many, it was the largest civil rights settlement in U.S. history (Pigford vs. Glickman, No.97-1978; Wood & Gilbert, 2000).

In addition to organizing and legal action, researchers recently have attempted to document the land loss issue and provide evidence of current conditions. By following trends in African American landownership between 1982 and 1997, Wood and Gilbert (2000) suggest that although the number of farmer-operated farms (as defined by the U.S. Agricultural Census) continues to decline rapidly, a significant portion might be willing to return to farming if conditions improve. Through interviews, they find evidence that not only do some Blacks continue to retain ownership of their land, but also that they would re-enter farming with the proper incentives and better access to credit.

A longitudinal study of farmsteads in Halifax County, NC compares the white section of Roanoke Farms with the black section of Tillery Farms (Mitchell, 2005). Through careful analysis of historical documents and deed records, findings verify that the white farmers were advantaged by many decisions made along the way. These include being given larger plots at a much lower price per acre and receiving tobacco allotments. In addition, the Black land was located on a flood plain, which led to frequent destruction of crops and property and its owners also were consistently undercapitalized. Sixty years later, a higher rate of land loss has occurred in the Black section, primarily due to foreclosure. In addition, the land that does continue to be owned by Blacks is more likely to be fallow and generally less productive.

#### Conclusion

The future of rural landownership among African Americans is uncertain. Whether considering the number of farmers or the amount of land owned, available data demonstrates that African Americans are less likely to build and maintain assets in rural areas today than during the period following Reconstruction. Although there is evidence of disparities between blacks and whites in other categories of financial wealth such as homeownership and stock portfolios, the story of rural land loss is particularly tragic. If newly emancipated slaves could have been given a fair chance to participate in the agricultural economy of the South and build upon the entrepreneurial spirit that existed at the time, outcomes for their children and future generations might have been quite different. Instead, the people that were exploited as slaves to help build the country and make it a wealthy industrial nation were in most cases also neglected and exploited when granted freedom. Thus those that built the land also loss much of the land they came to own, leaving future generations economically vulnerable.

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