



**BlackEconomics.org®**

## “Black Americans Have Little Economic Power?”

**Purpose:** To remind Black Americans that humans have the power to be self-defining. It is a travesty when we (Black Americans) permit others (including Black Americans who have not experienced mind renewal) to define who we are. It is a disaster when Black Americans attempt to define ourselves, but fail to correctly identify who we are—especially economically.

### Introduction

We live in troubled times. Times that the nation and the world have never seen. Unfortunately, Black Americans, unclear about who we are and unable to recognize all our power, fail to act as we have in the past as a moral compass and barometer for the world. Hence there is the prospect that global geopolitics could deteriorate precipitously, WWII could ensue, and civilization could be reduced to a state of anarchy and, later, to a morass that could require a centuries-long recovery.

Ideally, what could Black America do to fulfill our role as the world’s savior and Earth’s vicegerent? Identify the force that appears to be precipitating conditions that could lead to the implosion of favorable geopolitics and act to slow and weaken its economy and reduce its capacity to operate as a troublemaker. Is this possible?

Black Americans do not hesitate to point to our over \$2.0 trillion in annual spending power. Yet, we recognize that that spending power is not solely from our earnings or investments; a considerable portion (about 14 percent) of it is from government transfer payments in the form of Social Benefits.<sup>i</sup> Also, it is readily acknowledged that, for many Black Americans, paycheck-to-paycheck living is a reality. Therefore, what economic power do we have to “save” the world, show our unparalleled fortitude in preventing the material world that we know today from crashing and burning and returning all of us to the “dark ages?”

### Action, Not Words

In 2016, BlackEconomics.org published a monograph entitled, *21<sup>st</sup> Century Protests: A Handbook for Black America*. That volume contains 12 strategies that are suggested for Black Americans to improve our overall wellbeing. The fifth strategy, “Save more and spend less,” is a strategy worth focusing on today. It is consistent with other BlackEconomics.org submissions that highlight the potential result of our power to operationalize “delayed gratification” and generate war chest financial resources.<sup>ii</sup>

We believe that Black America’s leadership—including its scholars—should focus less on comparing our socioeconomic condition with that of our opposers’. They should give due consideration to our condition and how it can be leveraged to our advantage. Accordingly, a window could be opened onto Black America’s economic power, which could stimulate our self-confidence and enable us to have a clear view of our prospects for helping prevent the world economy from suffering an immense setback.

Table 1 (next page) presents statistics from the Bureau of Labor Statistics’ (BLS’s) 2024 *Consumer Expenditure Survey (CEX)* and from the Bureau of Economic Analysis’s (BEA’s) *National Income and Product Accounts (NIPA)* Tables on Personal Consumption Expenditures (PCE) to estimate Black America’s PCE, which can serve as a partial estimate of Black America’s spending power. The latter measure can then be used to estimate our potential for withholding spending and building a war chest mentioned above. [iii](#), [iv](#)

A tour of the table reveals that the second column presents consumption expenditure categories: In each row, the first title is from Table 2100 (Race of reference person) of BLS’s *CEX*; and the second title is a closely matching category from BEA’s *NIPA* Table 2.5.5 (PCE by Function). We link the two categories so that we can use an estimate of the **ratio** of Black Americans’ average annual household spending per category (**column A**) and apply it to (multiply it by) the average annual household spending (**column B**) by the entire nation as reflected in the *NIPA* Table 2.5.5. Afterwards, we proceed as follows.

- We use **column C** to roughly estimate the total value of Black Americans’ PCE by multiplying the household PCE value in **Column B** by the number of households (18,187,000) reflected in BLS’s *CEX* statistics. Row 15 of the table shows that our rough estimate of Black Americans’ PCE is \$2,359.2 billion.
- In **column D** we adjust our rough estimate of Black Americans’ PCE by a .6711 factor because BLS’s *CEX* statistics show that Black Americans’ mean household income (\$73,152) is about 67 percent of nonBlack Americans’ mean household income (\$109,011). As stated in the BlackEconomics.org submission cited in Endnote ii, [“How Black America Could Save Billions: Households At Least \\$500,”](#) we believe it is important to realize that:

“Black America cannot make progress on the economic front by earning less income than nonBlack America yet continuing to consume at a rate equal to, or greater than, the rate at which non-Black America consumes.”

When we reduce Black Americans’ PCE to about 67 percent of the total reflected in **column C**, total PCE for Black Americans falls to \$1,583.3 billion; about a 33 percent lower level.

- **Column E** suggests that, if Black America is capable of willfully shrinking its consumption to a level consistent with its relative income position, then we may also be capable of slicing another 10 percent from the already reduced consumption level. This would be consistent with religious tithing. Ten percent of the total of column D appearing on line 15 of the table is \$158.3 billion.

Table 1.—Estimating Black American PCE, Adjusting for the Black-White Income Gap, and Saving with a Purpose

Line No.	Consumption Expenditure by Major Type of Product*	(A) Black American Spending Percentages of Consumption Expenditures from BLS CEX Table 2100 (mean per household)	(B) National Personal Consumption Expenditures from BEA's NIPA Table 2.5.5 for 2024 (mean per household) (US Dollars)	(C) Rough Estimate of Total Black American PCE [C = ( B * 18,187,000 (BLS's Estimate of Black American Households in 2024))] (Billions of dollars)	(D) Total Black American PCE Adjusted for BLS CEX's 2024 Black-to-nonBlack Household Income Ratio [D = (C * .6711)] (Billions of dollars)	(E) A 10 Percent Tithe [E = D * 0.10] (Billions of dollars)
1	Food at home (Food and nonalcoholic beverages purchased for off-premises consumption and food produced and consumed on farms)	0.6907	\$ 9,218.1	\$ 167.7	\$ 112.5	\$ 11.3
2	Shelter (Housing) [Services]	0.8724	\$ 23,190.9	\$ 421.8	\$ 283.1	\$ 28.3
3	Utilities, fuels, and public services (Household utilities and fuels)	0.9263	\$ 3,558.6	\$ 64.7	\$ 43.4	\$ 4.3
4	Household furnishings and equipment (Furniture, Furnishings, and floor coverings)	0.6976	\$ 4,215.2	\$ 76.7	\$ 51.4	\$ 5.1
5	Household operations (Routine household maintenance)	0.7069	\$ 1,660.3	\$ 30.2	\$ 20.3	\$ 2.0
6	Apparel and Services (Clothing less Cleaning, repair, and rental of clothing plus Footwear)	0.9015	\$ 3,910.1	\$ 71.1	\$ 47.7	\$ 4.8
7	Transportation (Transportation)	0.7497	\$ 13,319.8	\$ 242.2	\$ 162.6	\$ 16.3
8	Healthcare (Health)	0.6793	\$ 30,127.5	\$ 547.9	\$ 367.7	\$ 36.8
9	Telephone services (Communication)	0.9671	\$ 2,534.3	\$ 46.1	\$ 30.9	\$ 3.1
10	Entertainment (Recreation)	0.4636	\$ 13,805.5	\$ 251.1	\$ 168.5	\$ 16.8
11	Education (Education)	0.4175	\$ 2,658.1	\$ 48.3	\$ 32.4	\$ 3.2
12	Food away from home (Food services)	0.6205	\$ 10,530.6	\$ 191.5	\$ 128.5	\$ 12.9
13	Other lodging (Accommodations)	0.3311	\$ 1,460.6	\$ 26.6	\$ 17.8	\$ 1.8
14	Miscellaneous (Other goods and services)	1.0378	\$ 9,529.1	\$ 173.3	\$ 116.3	\$ 11.6
15	<b>TOTALS</b>		<b>\$ 129,718.5</b>	<b>\$ 2,359.2</b>	<b>\$ 1,583.3</b>	<b>\$ 158.3</b>
16	<b>Potential War Chest Savings (Billions of dollars)</b>				<b>\$ 617.6</b>	

Sources: BLS; BEA; and BlackEconomics.org's computations and visualization.

In combination, **column D and E** reveal that if Black Americans are willing to perform significant belt tightening, then we can build a sizeable war chest in just one year to the tune of over one-half trillion dollars.

Note that we should not be compelled to use just one source to deposit these saved funds; although we need to identify a reliable, trustworthy, and safe place for sizeable sums in the near term. However, Table 1 clearly shows that, if Black Americans can change our mindset and halt the fantasy about securing Reparations any time soon, then we can begin act forcefully on our own behalf. **Rev. Al says keep it real!** Well, a potential reality is that with a war chest of about \$617 billion (see line 16 and the rightmost column of Table 1), then, we could leverage the political economy across the nation to ensure speedy passage of legislation that would stimulate movement on the Reparations front. Such a political economy effort should be designed to produce a Reparations Bill that could be voted up or down. That vote would send a definitive message to Black Americans—once and for all—concerning prospects for Black American Reparations and our future in this country.

### Conclusion

The content of this Analysis Brief may appear to be a “quick fix” and too good to be true. Neither of the two statements is true. That is, the prospective Black American effort that we describe herein is a permanent fix. When we implement the effort properly, it will build an unbelievable level of **confidence** in our People. Each of us will know that we can sacrifice for the Black American Cause. No organization should be tasked with collecting funds: They should just disseminate the **word**. Households should test their own willpower to save. At the end of a year-long discussion on designing our Reparations Plan, Black American households should be invited to use their saving to benefit our smaller nation—each household receiving credit for its effort.

Importantly, our estimates may be on the generous/high side. That is, certain expenditure categories in Table 1 may not lend themselves well to saving up to the level that we suggest. For certain categories, expenditures are accounted for by Social Benefit payments over which households have little-to-no control. Moreover, calculation of the per household requirement to meet the \$617.6 billion saving target is likely to be quite onerous. Hence, Table 2 offers a set of four expenditure/saving alternatives.

**Table 2.—Estimated Black American PCE, Spending Alternatives, and Saving, 2024**

Line No.	Categories	Alternative A	Alternative B	Alternative C	Alternative D
1	Estimated Black Americans' Total PCE (\$'s)	\$ 2,359,200,000,000	\$ 2,359,200,000,000	\$ 2,359,200,000,000	\$ 2,359,200,000,000
2	Spending/Saving Percentages	75/25 Percent	80/20 Percent	85/15 Percent	90/10 Percent
3	Spending Amount (\$'s)	\$ 1,769,400,000,000	\$ 1,887,360,000,000	\$ 2,005,320,000,000	\$ 2,123,280,000,000
4	Total Saving (\$'s)	\$ 589,800,000,000	\$ 471,840,000,000	\$ 353,880,000,000	\$ 235,920,000,000
5	Saving per household (\$'s)	\$ 32,430	\$ 25,944	\$ 19,458	\$ 12,972

**Sources:** BLS; BEA; and BlackEconomics.org's computations and visualization.

The context for viewing Table 2 is that average (mean) Black American household income for 2024 was \$73,152 before taxes, and that households included 2.4 members. Hence, for households with income below the mean and given the US cost of living, it may be a significant challenge for

Black American households to squeeze out a thousand dollars per month from their budgets—\$12K over a year. That scenario is featured in the right-most column of Table 2 (Alternative D), which entails saving at a 10 percent rate. The point being that, even with this level of spending/saving, a war chest totaling over \$235 billion would arise from a one-year effort. Moreover, we should recognize the **power** and **confidence** that will envelop us when we realize what we have done.

We invite you to review this Analysis Brief again and be clear concerning our suggestions. Each interested one of us should commit to the idea, and Black American leadership and their organizations should go all out to support the effort. Our scholarly leadership should organize and finalize the related action plan and facilitate its implementation. In the end it is quite simple, but stark. We are suggesting that each Black American household save a considerable portion of its income. While ideal, Table 1 results in estimated saving amounts that are likely to be too challenging. Hence, we provided Table 2 showing alternative spending and saving plans.

What is undeniable is that Black America permitted our leadership to lull us into a near 40-year wait for approval of US legislation to conduct a Reparations Study. If Reparations are to arrive, a high-intensity strategy to secure Reparations should be developed and implemented. Unfortunately, CBC members who have led the Reparations effort have not informed us that dollars are the way to legislative approvals. Thus, if we go to the US Congress without rolls of cash, then our efforts are likely to be thwarted. This Analysis Brief reminds us that we can produce rolls of cash cause “We Got the Power” to do so through saving. Do we have the will?

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## Endnotes

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<sup>i</sup> Statistics from the Bureau of Labor Statistics’ 2024 *Consumer Expenditures Survey* show that about 13.7 percent (\$10,008) of total Black American income before taxes for the average (mean) household (\$73,152) was comprised of Social Benefit Payments; including Social Security, Public Assistance, (Supplemental Security Income and Supplemental Nutrition Assistance Program), and Unemployment and Workers’ Compensation and Veterans’ Benefits).

<sup>ii</sup> A good example of these submissions is: Brooks Robinson (2019). “How Black America Could Save Billions: Households At Least \$500.” BlackEconomics.org. <https://www.blackeconomics.org/BEFuture/savebillions.pdf> (Ret. 042826).

<sup>iii</sup> Bureau of Labor Statistics (2025). “Table 2100. Race of reference person: Annual expenditure means, shares, standard errors, and relative standard errors.” *Consumer Expenditure Surveys, 2024*. US Department of Labor. <https://www.bls.gov/cex/tables.htm#calendar> (Ret. 042826).

<sup>iv</sup> Bureau of Economic Analysis (2026). “Table 2.5.5. Personal Consumption Expenditures by Function.” *National Income and Product Accounts*. U.S. Department of Commerce. <https://bea.gov/itable/national-gdp-and-personal-income>.