Name

Professor name

Subject

Date

Reflection

Baradaran has highlighted many issues such as racial wealth gap. This argument influenced me because it provided clear distinction and factors behind the wider gap between the blacks and whites. I agree that blacks have contributed to survive in deprived conditions and rarely found any chances of improving their financial status. Compared to blacks, whites enjoyed better statuses and also maintained wealth throughout history. The author for such evident wealth gap also criticizes the banking policy. This encouraged blacks to demand equality resulting in the creation of black banks. The purpose of black banks was to show resistance against the social inequalities. The blacks claimed that whites are non competent to run the banks in black communities (Baradaran 8).

Blacks believed that the whites running banks have been the reason for blacks poverty. To overcome wealth gap blacks decided to open black banks. Baradaran has evaluated black banks through critical lens stating that they have never contributed to their improvements. These banks according to the author have been the cause of poverty. The statistics are used for proving this claim such as 60% of the black population is under banked and unbanked (Baradaran 8). Blacks have been caught into the debt trap which they are unable to escape. On small loans they have to pay high interests which minimize their possibilities of paying back debts. This is because they are relying on black banks which are fringe banks. They are also paying high fee from small services. The author has argued that all these factors are thus contributing to black poverty. However they are inclined to rely on black banks due to their irrational belief that white banks are looting their money or are insincere with them. If black banks were effective they would have eliminated poverty by now.