Productive discussions of Black reparations have emerged in the post–George Floyd era, spurred by important works of Darity and Mullen (2022; Box 1), Logan (2023), and others. These exchanges focus on who should pay reparations, who should receive them, and how much should be paid (e.g., Darity & Mullen, 2022). There is much less consideration of the delivery design. How can reparations be delivered in a way that protects and builds assets over time? How can designers ensure that the delivery model is sustainable?

In response to this “delivery gap” in the discussion of Black reparations, we conducted an evidence-based analysis that drew upon the policy model for delivering Child Development Accounts (CDAs), and we detailed a proposal to adapt that model for reparations (Shanks et al., 2024). This brief summarizes options for delivering reparations, discusses the policy model for delivering CDAs, and elaborates that model’s implications for the structure of a reparations policy.

Delivering a Policy for Black Reparations

In general, there are three policy options for delivery of Black reparations: direct cash payments, trust funds, and savings plan structures (summarized in Box 2; Shanks et al., 2024). In addition, specific reparations preferences among Black adults include financial assistance for housing, business ventures, and educational opportunities (Pew Research Center, 2022). These preferences underscore the desirability of facilitating long-term asset protection and growth.

Overall, a savings plan structure may be the most promising option for the effective delivery of Black reparations. It offers a way to address historical wealth disparities and distribute funds with full property rights, individual access, and control. A savings plan structure also promotes long-term economic development and equity through asset protection and growth, as well as through investing assets for individual development (e.g., postsecondary education, housing, and entrepreneurship).

CDAs as a Delivery Model for Black Reparations

CDAs offer an example to learn from. They are delivered in a savings plan structure and aim at fostering wealth accumulation for all children, particularly those from economically disadvantaged and minoritized backgrounds.
Originally proposed as a means to address historical injustices, including the stripping of assets from Black Americans, CDAs are designed to accumulate assets for development purposes such as education, entrepreneurship, and homeownership. CDAs are viewed as the first step in and foundation for lifelong asset-building policy (Sherraden, 1991).

The SEED for Oklahoma Kids (SEED OK) experiment serves as a comprehensive study of statewide CDAs (see Box 3). It tests a policy delivery structure and provides robust evidence on the potential of a CDA-like policy model in supporting delivery of Black reparations (see Table 1).

The observations in Table 1 are consistent with the core features of the CDA policy model summarized in Sherraden et al. (2018). As Figure 1 illustrates, the model suggests that CDAs with these features can support purposeful structural changes toward racial-wealth equality through Black reparations.

The SEED OK policy model is based on a transformed 529 college savings plan (529) policy platform. It is important to note that the SEED OK experiment has robustly demonstrated that all children can be included in asset building—that is, 529 policy that has served about 6% of the population is, with the adaptations indicated in SEED OK, capable of serving 100% (Shanks et al., 2024).

As a result of this evidence, CDAs have been enacted in seven U.S. states and over five million U.S. children have assets in CDAs (Clancy, Beverly, and Sherraden, 2019a, 2019b; Sherraden and Clancy 2005; Sherraden, Clancy, and Beverly 2018). The CDA policy model accounts for over 95% of the accounts in child wealth-building policy in the United States. Most of the rest are bank accounts that provide little investment return and banks are reluctant to administer.

**Conclusion**

The idea of Black reparations has gained momentum in discussions about racial equity, with several U.S. cities enacting...
Research on delivery strategies will be expanding. The CDA policy, built on a transformed 529 platform, offers a promising model for the delivery of a nationwide reparations policy, one that is inclusive, efficient, bipartisan, and sustainable. If CDAs are adapted for the purpose of delivering Black reparations, the model has the potential to improve family outcomes and reduce the racial wealth gap.

### References


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