

**EXECUTIVE ORDER NO. 262**

WHEREAS, New Jersey is among the most racially diverse states in the nation, as the 2020 Census demonstrated that over 48% of New Jersey's nearly 9.3 million residents are people of color; and

WHEREAS, New Jersey is estimated to have approximately 1.2 million residents who identify as Black or African American, and approximately 2 million residents who identify as Hispanic or Latino; and

WHEREAS, our diversity is one of New Jersey's greatest strengths, but there remain substantial disparities in the State that put Black and Hispanic or Latino families at a significant disadvantage in building and maintaining wealth across generations; and

WHEREAS, in order to rectify these disparities, we must grapple with our own history, including that New Jersey was the last northern state to eliminate slavery, and that the State Legislature initially voted against ratification of the 13th Amendment in 1865; and

WHEREAS, as we now seek to reaffirm our commitment to equality and justice, we recognize that there is a legacy of lingering and continuing impact from policies and practices that created and perpetuated systemic inequities; and

WHEREAS, significant wealth gaps exist in New Jersey, as the median net worth for white families in New Jersey is \$352,000, while for Black families in the State that number is \$6,100, and for Latino families the number is \$7,300; and

WHEREAS, these severe wealth disparities predominantly harm Black and Hispanic or Latino families, limit their access to fundamental and essential resources, severely limit socioeconomic upward mobility, and separate our communities; and

WHEREAS, there are significant disparities in race and ethnicity with respect to households that are unbanked or underbanked, and a lack of access to or use of banking services stands in the way of building wealth; and

WHEREAS, good credit is critical to building wealth, but statistics around credit scores and debt starkly reflect and perpetuate wealth disparities in the State, as a study of Newark by the Urban Institute found that while the median credit score in white areas was 615, the median credit score in areas that were predominantly nonwhite was 567, and, as of 2018, the share of people in communities of color in New Jersey with debt in collections was 37%, while the share of people in majority-white communities with debt in collections was 18%; and

WHEREAS, homeownership both reflects and contributes to a household's wealth, but homeownership rates further reflect deep-rooted disparities based on race and ethnicity in New Jersey and are the product of policies like redlining and restrictive covenants, as nearly 77% of white families in the State own their homes, while the same can be said for only 41% of Black families and 37% of Latino families; and

WHEREAS, entrenched disparities in the criminal justice system substantially limit the abilities of Black and Hispanic or Latino families and individuals to achieve financial success and build wealth, and as of 2016, Black people were incarcerated in New Jersey State prisons at a rate 12 times higher than white people, and Hispanic people were incarcerated at twice the rate of white people; and

WHEREAS, the possibility of racial and ethnic disparities, among other challenges, in New Jersey K-12 educational achievement and in obtaining college degrees potentially limit the ability to achieve future financial success; and

WHEREAS, wealth is inextricably intertwined with health and access to health care, but the percentage of white New Jerseyans with health insurance outpaces the percentage of Black and Hispanic New Jerseyans with health insurance, and the lack of health insurance contributes directly to an increased likelihood of incurring medical debt and insurmountable expenses related to health care, creating another barrier to building wealth; and

WHEREAS, the Coronavirus disease 2019 ("COVID-19") pandemic exposed and exacerbated both the wealth and health gaps based on race and ethnicity, and for that reason earlier this year I signed Assembly Bill No. 4004 (Fifth Reprint), creating the COVID-19 Pandemic Task Force on Racial and Health Disparities, which will, among other things, study how and why the COVID-19 pandemic "has disproportionately affected the State's minority and vulnerable communities, and the short-term and long-term consequences of the pandemic on these communities," as well as make recommendations for reducing and eliminating disparities "among the various racial and ethnic populations within the State's minority and vulnerable communities with respect to health status, access to high-quality health care, and utilization of health care services"; and

WHEREAS, despite the State's complex history and the many causes of wealth gaps in New Jersey, there have always been activists, advocates, community leaders, faith leaders, scholars, students, and professionals, as well as elected officials at the State and local level, who have worked tirelessly to lay bare and counteract all of the contributors to the wealth gaps that have been in place for far too long; and

WHEREAS, our State will only be stronger when we work toward ensuring equity and justice in our economy; and

WHEREAS, it will require sustained, collective action on the part of all of these leaders as well as the rest of the State to close these wealth gaps once and for all; and

WHEREAS, on June 18, 2021, I announced that I intended to create a task force focused on wealth disparities;

NOW, THEREFORE, I, PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. There is hereby established the Wealth Disparity Task Force (the "Task Force") to examine the causes of and remedies for the long-standing wealth disparities that affect Black and Hispanic or Latino New Jerseyans. The Task Force will be divided into five Working Groups, which collectively are charged with reviewing research, data, and analysis in order to provide a report and evidence-based recommendations to the Governor for remedying these long-standing wealth disparities, which may include recommendations for one or more future disparity studies.

2. The five Working Groups shall consist of the following:
- a. Working Group on Economy, which shall be responsible for examining the many interwoven factors in the economy that contribute to the persistence of the racial and ethnic wealth gaps, including disparities affecting Black and Hispanic or Latino New Jerseyans in income levels, unemployment, business ownership, and access to quality banking, credit, and financial services, and for developing recommendations to address these issues;

- b. Working Group on Housing, which shall be responsible for analyzing the root causes and short-term and long-term consequences of the substantial differences in homeownership rates and access to stable housing for Black and Hispanic or Latino families as compared to white families, the ways in which renting as opposed to owning a home limits a household's ability to build wealth, and proposing solutions to ensure equal opportunity to own or rent a home and build wealth whether or not the household has access to home equity;
- c. Working Group on Criminal Justice, which shall be responsible for identifying disparities in the criminal justice system with respect to the Black and Hispanic or Latino populations, researching the ways in which release from incarceration and a criminal record inhibits a person's ability to find a home and maintain a steady living, identifying unnecessary barriers to successful reentry, and suggesting ways that New Jersey should be supporting returning residents as they attempt to build wealth and stability;
- d. Working Group on Education, which shall be responsible for examining potential disparities both inside and outside the classroom and how such disparities may lay the groundwork for perpetuating the racial and ethnic wealth gaps from a young age, and for identifying innovative solutions and interventions at all grade levels and in higher education to make sure Black and Hispanic or Latino students are set up for success; and

- e. Working Group on Health, which shall be responsible for exploring the links between health and access to health care, on the one hand, and wealth, on the other, for developing strategies to ensure that racial or ethnic disparities do not lead to the failure to receive medical treatment because of a lack of health insurance or because of the cost of health care and that medical bills do not interfere with a family's ability to build and maintain wealth, and coordinating with the COVID-19 Pandemic Task Force on Racial and Health Disparities where appropriate.

3. The Task Force shall be led by four chairpersons, who shall be the Lieutenant Governor in her capacity as Commissioner of the Department of Community Affairs, the Commissioner of the Department of Banking and Insurance, the President of Rutgers University, and the President and Chief Executive Officer of the Council of New Jersey Grantmakers. The four chairpersons shall participate on a steering committee which shall also include the Commissioner of the Department of Health, the Commissioner of the Department of Labor and Workforce Development, the Commissioner of the Department of Education, the Attorney General, the Secretary of Higher Education, the Chief Executive Officer of the Economic Development Authority, the Director of the Division on Civil Rights, the Chief Policy Advisor to the Governor, or their designees, and any additional members who shall be appointed by and serve at the pleasure of the Governor, and who may include additional government officials, academic researchers, and faith and community leaders.

4. The Governor shall designate at least two co-leads of each Working Group, who shall be selected from among the members of the steering committee.

5. The Governor may, as determined to be appropriate, appoint additional members, and may designate these additional members to serve on any of the Working Groups or as generalists to serve as members of the Task Force as a whole. These additional members shall also serve at the pleasure of the Governor. All members of the Task Force shall serve without compensation.

6. The Task Force shall organize as soon as practicable after the appointment of its members, and the Working Groups shall convene at least as often as requested by the Governor or chairpersons.

7. Each Working Group shall issue a report with its recommendations to the Task Force on a date to be determined by the co-chairs. The co-chairs shall then submit a final comprehensive report to the Governor no later than 18 months after the effective date of this Order. The report shall be made available to the Legislature and the public at the same time.

8. The Task Force shall expire upon submission of its final report.

9. The co-chairs of the Task Force are authorized to call upon any Executive Branch department or agency to supply it with information or other assistance available to such agency as the Task Force determines to be necessary to discharge its duties under this Order. Each Task Force department and agency is hereby required, to the extent not inconsistent with law, to cooperate fully with the Task Force and to furnish such assistance on as timely a basis as is necessary to accomplish the purpose of this Order. The Task Force may consult with experts and other knowledgeable individuals in the public or private sector on any

aspect of its mission.

10. For purposes of this Order, "Executive Branch departments and agencies" shall mean any of the principal departments in the Executive Branch of State government and any agency, authority, board, bureau, commission, division, institution, office, or other instrumentality within or created by any such department, and any independent State authority, commission, instrumentality, or agency over which the Governor exercises executive authority, as determined by the Attorney General.

11. The Task Force may elicit public input from individuals, including those associated with institutions of higher education, organizations, community groups, and other interested parties.

12. The Task Force shall be purely advisory in nature and shall provide advice to the Governor and other Executive Branch departments and agencies as requested.

13. This Order shall take effect immediately.

GIVEN, under my hand and seal this  
 14<sup>th</sup> day of September,  
 Two Thousand and Twenty-one,  
 and of the Independence of  
 the United States, the Two  
 Hundred and Forty-Sixth.

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor