



(FSIC)

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Financial Services Innovation Coalition's (FSIC) Modern Economic Journal focuses on the policy changes that can ensure all communities have a chance to thrive in the modern economy

Through a combination of research, programming, and advocacy, we aim to bridge gaps, empower underserved groups, and create opportunities for inclusive growth. Join us as we explore actionable insights, innovative strategies, and collaborative efforts that pave the way for more equitable participation in today's dynamic economic landscape.

Learn more about FSIC



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Letter from the Editor in Chief

Building Fairness in a Shifting Economy: FSIC's Push for Equity and Opportunity

By: Kevin B. Kimble, Esq. Editor in Chief
September 2025

Dear Readers,

As we enter September, the economy shows mixed signals. Inflation is easing, but housing, childcare, and everyday costs remain high. Small business optimism continues to dip, and new data reveal that Black women and lower-wage workers are bearing the brunt of recent job losses.

At the Financial Services Innovation Coalition (FSIC), we're responding with solutions that go beyond policy talk. Our Minority Policy Priority Task Force is pushing Congress to address disparities in contracting, credit access, and civil rights enforcement. FSIC's Housing Task Force is tackling racial bias in appraisals and mortgage lending, while our Antitrust Task Force is spotlighting how market consolidation hurts underserved communities.

Across states, FSIC chapters are driving reform where it's needed most. In New Jersey, for example, we found that Black-owned construction firms made up over 9% of the market but received only 0.14% of public contracts—a gap we're working to close through legislative and community advocacy.

Economic fairness isn't abstract—it's the foundation of strong families, small businesses, and thriving communities. Through research, policy engagement, and coalition-building, FSIC will keep pressing for the change working Americans deserve.

Kevin B. Kimble, Esq.
Chief Editor

Black Women Take the Hardest Hit in Trump-Era Job Losses

By: Carrie Gibson
September 2025

Recent U.S. Bureau of Labor Statistics (BLS) data reveals a sharp and disturbing trend: Black women lost more jobs in a single month than any other demographic group. In April, employment among Black women dropped from 10.325 million to 10.219 million, a loss of 106,000 positions. Their unemployment rate climbed from 5.1% to 6.1%, the largest month-to-month increase across gender and racial groups. Meanwhile, the broader economy gained 177,000 jobs and the national unemployment rate held at 4.2%.

By contrast, white women saw no change in unemployment (staying at 3.3%), and Hispanic women's rate held at 4.6%. The overall Black unemployment rate edged up to 6.3% (from 6.2%), while Black men saw a slight improvement: their rate fell from 6.1% to 5.6%.

Analysts tie the disproportionate losses among Black women to cuts in federal employment and the dismantling of diversity, equity, and inclusion (DEI) roles—areas where Black women have been overrepresented. The BLS reported a drop of 9,000 federal jobs in April, with a cumulative loss of 26,000 since January. Economist William Michael Cunningham argues that for Black women “the jobs that have traditionally been a path to stability are disappearing.”

These figures push past ordinary economic cycles. They underscore how intersecting race and gender biases magnify vulnerability in downturns. Black women face systemic barriers: constrained access to high-growth sectors, fewer safety nets, and added caregiving burdens. These structural disadvantages amplify job loss impacts.



Policy responses must be targeted. Restoring and protecting federal and DEI employment is one step. Expanding workforce development programs for Black women in growth sectors (tech, green energy) is essential. Enhanced unemployment benefits, childcare support, and retraining subsidies would help buffer future shocks.

This sends a stark message: when crisis hits, Black women don't just lose jobs—they lose ground. Ignoring their experience isn't just unjust, but it undermines the resilience of the entire labor force.

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Reagan's Tax Reversals: The Hidden Side of the 1980s Revolution

By: Brady J. Buckner, Editor

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Ronald Reagan's 1981 Economic Recovery Tax Act slashed income tax rates across the board—cutting the top rate from 70% to 50% and reducing middle-income brackets by 23% over three years. The move embodied supply-side economics, aiming to spur growth through lower taxes. Initially, revenues dropped sharply, widening the federal deficit as defense spending climbed and inflation subsided.

But the early tax relief proved short-lived. Facing ballooning deficits, Reagan soon reversed course. In 1982 he signed the Tax Equity and Fiscal Responsibility Act (TEFRA), which economists widely consider one of the largest peacetime tax increases in U.S. history, raising roughly \$100 billion over several years. The law rolled back corporate tax breaks, tightened depreciation rules, and trimmed personal deductions.

Then in 1983, as part of a bipartisan deal to rescue Social Security, Reagan approved another major tax hike—a payroll tax increase for both Social Security and Medicare. This change affected nearly every working American, since payroll taxes apply to all wages up to a set cap. For middle-class workers, the increase cut directly into paychecks, reducing the net gain from earlier income-tax cuts. Federal payroll tax rates rose gradually from 10.4% in 1980 to 12.12% by 1990, divided evenly between employers and employees.

As these hikes took hold, federal revenues rebounded. By 1984, total federal tax receipts had returned to roughly 19% of GDP—the same share as before the 1981 cuts. Reagan also approved additional deficit-reduction packages in 1984 and 1987 that further closed loopholes and boosted excise taxes. Altogether, these follow-up bills recovered about half the revenue initially lost to the 1981 cuts.

Though Reagan maintained his reputation as an anti-tax conservative, the historical record tells a more nuanced story. Between 1982 and 1988, his administration enacted 11 separate tax increases, shifting the burden toward payroll and consumption taxes. As one commentator noted, Reagan “raised taxes a lot” after his first big cut—an ironic but necessary correction to sustain Social Security, stabilize deficits, and keep his economic program afloat.

FINANCIAL SERVICES INNOVATION COALITION (FSIC)

WHAT WE DO

Research & Policy

"Finding Solutions"

FSIC researches issues related to economic empowerment in underserved communities and develops solutions based on this research.

Programs

"Solutions in Action"

AIOF has created award winning programs in many rural and minority communities and has successfully impacted many individuals and families.

Advocacy

"Educating Policy Makers"

FSIC forms coalitions to advocate for legislation at the federal, state, and local levels, with the aim of reducing barriers and improving access to wealth building opportunities

