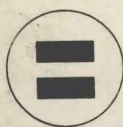
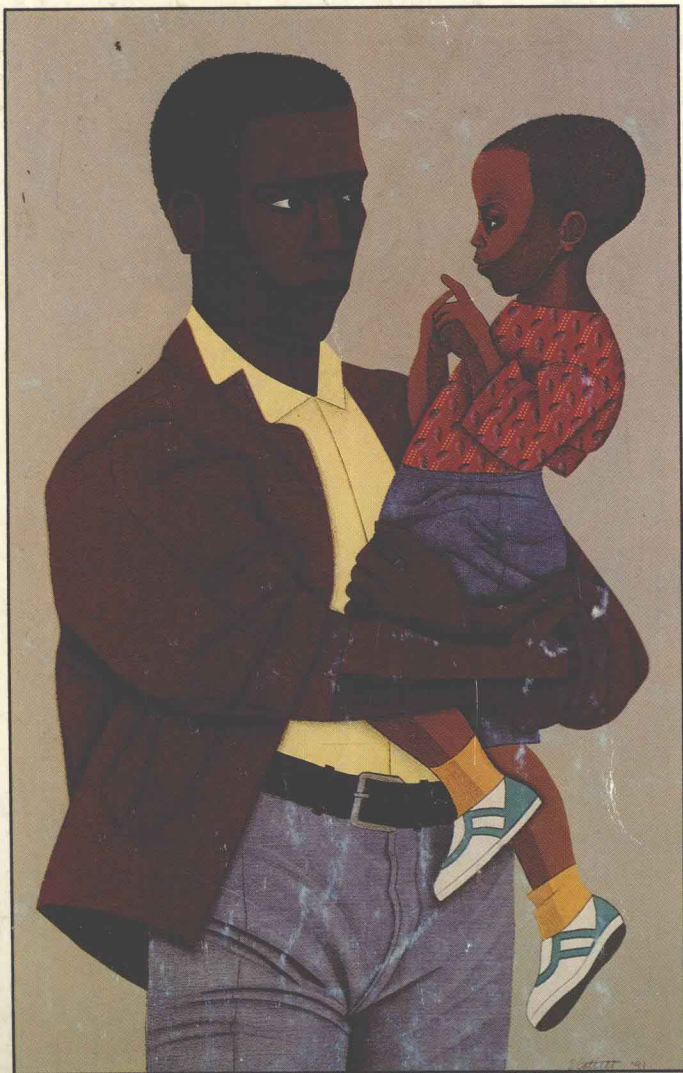


THE STATE OF BLACK AMERICA 1993



Published by **National Urban League, Inc.**

THE STATE OF BLACK AMERICA 1993



Published by **National Urban League, Inc.**
January 1993

THE STATE OF BLACK AMERICA 1993

Editor

Billy J. Tidwell, Ph.D.

Copyright © National Urban League, Inc., 1993

Library of Congress Card Catalog Number 77-647469

ISBN 0-9632071-1-3

Price \$24.95

The cover art, "New Generation," is the creation of Elizabeth Catlett. "New Generation" is the seventh limited-edition lithograph in the "Great Artists" series on African Americans commissioned for the National Urban League by the House of Seagram.

About the Authors

DR. WILLIAM D. BRADFORD

Associate Dean for Academic Affairs

Professor of Finance

Business School

University of Maryland - College Park

Dr. William D. Bradford served as Assistant and then Associate Professor of Finance at Stanford University before coming to the University of Maryland as Professor of Finance in 1980. During his 12-year tenure at College Park, he has also chaired the Finance Department.

Dean Bradford has been Visiting Professor at New York University, Ohio State University, Yale University, and the University of California at Los Angeles. He has served as Visiting Scholar at the Federal Home Loan Bank Board and the Board of Governors of the Federal Reserve System.

Dr. Bradford is a member of the Affordable Housing Advisory Council of the Federal Home Loan Mortgage Association.

Professor Bradford has published numerous books and articles on minority business development, entrepreneurship, corporate finance, and financial institutions. His teaching interests include financial institutions, corporate finance, and financial theory.

Dr. Bradford earned his bachelor's degree in economics from Howard University and his M.B.A. and Ph.D. degrees in finance and economics from Ohio State University.

DR. LYNN C. BURBRIDGE

Deputy Director

Center for Research on Women

Wellesley College

Dr. Lynn C. Burbridge, a trained economist, is an administrator and a researcher at Wellesley College. Her current research focuses on employment, welfare, and education issues with an emphasis on women of color.

Before assuming her position at Wellesley in 1989, Dr. Burbridge spent eight years as a researcher and policy analyst at The Urban Institute and—for a year—the Joint Center for Political and Economic Studies, both in Washington, DC.

Dr. Burbridge has written and published extensively, primarily about the impact of public policies on minorities, low-income women, and youth. She is strongly committed to public service and has served on a variety of boards and advisory committees of professional organizations, nonprofit service agencies, and special commissions.

Dr. Burbridge earned her bachelor's degree—with honors—in social and political theory from the University of California at Berkeley; she earned her master's and doctoral degrees in economics from Stanford University.

T. WILLARD FAIR

*President and Chief Executive Officer
Urban League of Greater Miami, Inc.*

T. Willard Fair has headed the Urban League of Greater Miami, Inc., for nearly 30 years. He is also President of the Council of Urban League Executives.

Under his tutelage, the Miami Urban League affiliate has crafted innovative programs and demonstration projects to ensure that the total needs of black family units are recognized and attended to, such as the establishment of the Clara B. Knight Early Childhood Learning and Developmental Center; the M&M Maison Townhouse Demonstration project, designed for single female heads of households; the Rainbow Club, an early prevention and intervention prototype for women who are either pregnant or have a child under the age of one; and Covenant Palms, a 137-unit housing complex for the elderly and handicapped.

A former adjunct professor at Bethune-Cookman College and Florida International University, Mr. Fair serves on numerous boards and committees. He has hosted television and radio talk shows. He has received several awards and citations for his achievements, including the 1989 Exemplar from the National Association of Social Work Managers.

Mr. Fair earned his bachelor's degree—cum laude—in sociology from Johnson C. Smith University and his M.S.W. degree from the Atlanta University School of Social Work.

DR. CHARLES V. HAMILTON

*Wallace S. Sayre Professor of Government
Department of Political Science
Columbia University*

Dr. Charles V. Hamilton is one of America's most widely respected political scientists. Before assuming his distinguished professorship at Columbia University, he taught at several other universities, including Tuskegee, Rutgers, Lincoln (PA), and Roosevelt—his undergraduate alma mater.

Professor Hamilton has been published extensively in national periodicals and journals. He is the author of six books on American government, race, and politics; the most recent is *Adam Clayton Powell, Jr.: The Political Biography of an American Dilemma* (Atheneum, 1991). The book with which he first gained national acclaim was *Black Power* (Random House, 1967), which he co-authored with Stokely Carmichael. His current research—in collaboration with his wife, Dr. Dona C. Hamilton—is a study of socioeconomic policies of civil rights organizations from the New Deal to the present.

Dr. Hamilton has received numerous awards and honorary degrees for scholarship and distinguished teaching, including the American Political Science Association's Urban Politics Award in 1989.

Dr. Hamilton earned his B.A. degree from Roosevelt University, his J.D. degree from Loyola University School of Law, and his M.A. and Ph.D. degrees from The University of Chicago.

DR. LENNEAL J. HENDERSON

*Distinguished Professor
Government and Public Administration
University of Baltimore*

Dr. Lenneal J. Henderson is a fiscal policy expert. In addition to his professorship, he is a Senior Fellow in the William Donald Schaefer Center for Public Policy and a Henry C. Welcome Fellow at the University of Baltimore.

Before assuming his current positions, Dr. Henderson was Head and Professor of Political Science at the University of Tennessee - Knoxville, a senior faculty member at the Federal Executive Institute in Charlottesville, VA, and a professor in the School of Business and Public Administration at Howard University.

Other academic accomplishments include his being a Ford Foundation/National Research Council Postdoctoral Fellow at the Johns Hopkins School

of Advanced International Studies, a Kellogg National Fellow, and a Rockefeller Research Fellow. He recently received the Distinguished Chair in Teaching at the University of Baltimore for 1992-93.

Professor Henderson has lectured or consulted in Canada, Europe, Japan, Mexico, sub-Saharan Africa, Egypt, Israel, India, Peru, the Caribbean, the former Soviet Union, and the People's Republic of China.

He has published or edited five books and numerous articles in many publications, including *The Urban League Review*, *The Review of Black Political Economy*, *The Annals*, *Policy Studies Journal*, *Howard Law Journal*, and *The Black Scholar*.

Dr. Henderson earned his B.A., M.A., and Ph.D. degrees from the University of California at Berkeley.

DR. JEFF P. HOWARD

President

The Efficacy Institute, Inc.

Dr. Jeff P. Howard is a psychologist who—as part of his graduate studies—developed a theory of the psychological foundations of intellectual development. He combined that theory with a training method developed by Professor David McClelland, a Harvard psychologist specializing in motivation and achievement training. This synthesis resulted in the “Efficacy Seminar,” a training process to enhance academic performance and intellectual development.

The Efficacy Institute, incorporated in 1985, is a not-for-profit educational service organization involved in promoting the overall development of children of color. It works with both public school systems and social service agencies across the country. The Institute has developed curricula for elementary and high school teachers to instruct their students in the process of development. It also develops and supports programs that use adult volunteers from African-American and Hispanic professional communities to serve as role models and to provide direction to minority youth.

Dr. Howard is also chief executive officer of J. Howard and Associates, a management consulting company working with Fortune 500 clients to accelerate professional employee development, to increase retention and performance of minority and female professionals, and to improve managerial leadership skills.

Dr. Howard earned his undergraduate and Ph.D. degrees from Harvard University, where he initially enrolled as part of the first wave of black students sent to Harvard in the mid-1960s as a result of the Civil Rights Movement.

DR. DAVID H. SWINTON
Dean of the School of Business
Professor of Economics
Jackson State University

Dr. David H. Swinton is a nationally known economist and education administrator. He is recognized as a leading expert on the economics of social policy and minority groups and is often invited to testify before the U.S. Congress and national commissions.

As the chief academic officer for the Business School, Dean Swinton is directing the program through a major effort to develop a distinguished School of Business. Under his leadership, the school has introduced a quality assurance program to ensure that all graduates have the skills, competencies, and attitudes required for success in corporate America.

The former Director of Research for the Black Economic Research Center in New York, Dr. Swinton has also lectured at City University of New York; State University of New York - Stony Brook; and The Urban Institute in the District of Columbia.

Dr. Swinton is the former Director of the Southern Center for Studies in Public Policy and Professor of Economics at Clark College in Atlanta. While at the policy center, he was the principal fundraiser and architect of the research program.

Professor Swinton has published several books, monographs, and major research reports, as well as scores of articles. He is active in the profession and has served on the board or has been an officer of numerous professional organizations and journals, including a term as President of the National Economics Association.

Dr. Swinton earned his Ph.D. and M.A. degrees in economics from Harvard University, and his B.A. degree in economics—with honors, including Phi Beta Kappa—from New York University.

DR. BILLY J. TIDWELL
Director of Research
National Urban League, Inc.

Dr. Billy J. Tidwell is the Director of Research for the National Urban League, a position he has held since 1985. A widely respected commentator on social issues, Dr. Tidwell has authored numerous reports on the socioeconomic conditions of African Americans, including *Stalling Out: The Relative Progress of African Americans* and *The Price: A Study of the Costs of Racism in America*. Dr. Tidwell also authored the National Urban League's

influential report, *Playing to Win: A Marshall Plan for America*, which outlines a strategy for improving the nation's economic productivity and competitiveness.

Dr. Tidwell is editor of *The State of Black America*, the National Urban League's highly regarded annual assessment of the well-being of African Americans; he is a frequent writer of articles for edited volumes, journals, newspapers, and other publications. Among other affiliations, he is a member of the 2000 Census Advisory Committee and the Council on Diversity of the Cooperative Extension System.

A practitioner of public policy research for more than 20 years, Dr. Tidwell was formerly a Senior Researcher with Mathematica Policy Research, a private consulting firm in Princeton, NJ. He served in a similar capacity with the Gary Income Maintenance Experiment in Gary, IN, in association with Indiana University. Dr. Tidwell is also noted for having founded the Watts Summer Festival and Sons of Watts Community Enterprises in Los Angeles following the civil disturbances that occurred there in 1965.

Dr. Tidwell earned his B.A. and M.S.W. degrees from the University of California at Berkeley and his Ph.D. degree in social welfare from the University of Wisconsin at Madison.

DR. MICHAEL B. WEBB

Director

Education and Career Development

National Urban League, Inc.

As Director of Education and Career Development, Dr. Michael B. Webb oversees the National Urban League's educational programs and projects, needs assessments, research, and program development. He is also director of the International Youth Leadership Institute at the Teachers College, Columbia University, where he develops and coordinates seminars on global studies and overseas programs for African-American and Hispanic high school students. Further, he is a Senior Research Associate at the Institute for Urban and Minority Education at Teachers College.

Dr. Webb is an avid Africanist who worked for two years at the American University in Cairo; he also spent a semester as a guest lecturer in the Gumel Advanced Teachers College in Nigeria.

Dr. Webb has held research and policy positions with the Far West Laboratory for Educational Research and Development, the Governor's Advisory Committee for Black Affairs, and the State University of New York African American Institute.

Dr. Webb's writings have appeared in professional and educational journals, monographs, and the Educational Resources Information Center (ERIC) Clearinghouse, where he served six years as Associate Director of Urban Education.

Dr. Webb earned his B.A. degree in English/African studies from St. John Fisher College, his M.A. degree in educational technology from San Francisco State University, and his Ed.D. degree from Columbia University.

TABLE OF CONTENTS

| | |
|--|-----|
| About the Authors | vii |
| Black America, 1992: An Overview <i>John E. Jacob</i> | 1 |
| The Third Movement: Developing Black Children for the 21st Century <i>Jeff P. Howard</i> | 11 |
| African Americans and the 21st Century Labor Market: Improving the Fit <i>Billy J. Tidwell</i> | 35 |
| Promoting Priorities: African-American Political Influence in the 1990s <i>Charles V. Hamilton</i> | 59 |
| Toward Economic Self-Sufficiency: Independence Without Poverty <i>Lynn C. Burbidge</i> | 71 |
| Empowerment through Enterprise: African-American Business Development <i>Lenneal J. Henderson</i> | 91 |
| Money Matters: Lending Discrimination in African-American Communities <i>William D. Bradford</i> | 109 |
| The Economic Status of African Americans During the Reagan-Bush Era: Withered Opportunities, Limited Outcomes, and Uncertain Outlook <i>David H. Swinton</i> | 135 |
| Case Studies | 201 |
| Programs for Progress and Empowerment: The Urban League's National Education Initiative <i>Michael B. Webb</i> | 203 |

| | |
|---|-----|
| Coordinated Community Empowerment: Experiences of the Urban League of Greater Miami <i>T. Willard Fair</i> | 217 |
| Recommendations | 235 |
| Appendix | |
| Fast Facts: African Americans in the 1990s <i>Billy J. Tidwell with Monica B. Kuumba, Dionne J. Jones, and Betty C. Watson</i> | 243 |
| Chronology of Events 1992 | 267 |
| Index of Authors and Articles | 311 |

Black America, 1992: An Overview

John E. Jacob
President and Chief Executive Officer
National Urban League, Inc.

At the risk of oversimplifying, I would categorize the state of Black America in 1992 as one of bleak despair countered by fresh hope.

The despair was rooted in the effects of a long, debilitating recession that drove many black families deeper into poverty and diminished already stagnant employment opportunities.

The hope was based on the election of a new administration pledged to chart a different course for the nation and on a new thrust toward empowerment through self-development within the African-American community.

The recession exacerbated the most intractable problem faced by African Americans—disproportionate employment.

Since the start of the recession, black unemployment climbed by better than 16 percent. Officially, black unemployment was just over 14 percent in the third quarter of 1992, more than double the white rate. But adding discouraged workers and part-time workers who want full-time jobs to the officially unemployed brings total joblessness in the African-American community to almost four million, or more than one of every four black workers.

As Dr. David H. Swinton documents in his article, "The Economic Status of African Americans During the Reagan-Bush Era: Withered Opportunities, Limited Outcomes, and Uncertain Outlook," the erosion of the black economy continued throughout the economic boom of the 1980s and accelerated in this recession. The long slowdown's effects cut across virtually all demographic and occupational categories, imperiling the survival of the many millions of low-income African-American families while undermining the vulnerable, insecure middle class.

At year's end, many economists were saying that the recession was ended and that the recovery was underway. But there was also a consensus that the resultant economic growth would be at half the rate of previous recovery periods; too feeble to make much of a dent in unemployment. That view is reinforced by almost daily reports of new plant closings and large-scale corporate layoffs.

As an example of the changed economic environment, in a normal recovery period, we would expect a company like General Motors to rehire 100,000 laid-off auto workers. Instead, GM announced that it will be downsizing over the next several years, eliminating 74,000 more jobs. Add to that the

shrinking of the defense industry and the reduction in our military forces, which were prime sources of employment opportunities for African Americans, and prospects for the black economy looked very bleak indeed.

So Black America in 1992 was in the throes of a devastating economic depression whose effects will be felt throughout the remainder of the decade.

It is small comfort to realize that white Americans are similarly situated—our economy is experiencing structural dislocations that affect all, regardless of race. Those powerful economic changes have been largely responsible for the decline in real incomes experienced by American workers over the past two decades.

But while economic distress cuts across race and class lines, African-American workers have been hit hardest, by virtue of their concentration in the most marginal and vulnerable sectors of the economy, thanks to discriminatory patterns that retain their powerful role in shaping our lives.

Survival in a new global economy characterized by the relatively unhindered flow of goods, capital, and jobs across international borders will require major structural changes in our society that make us more productive and competitive. Those changes have often been narrowly defined in terms of greater public investments in the infrastructure and in the advanced technology that supports economic growth. But perhaps more relevant are changes that develop the human resource infrastructure—those that advance the education and skills of the work force and create a societal environment in which America's diversity is honed into a competitive strength. Dr. Billy J. Tidwell's article, "African Americans and the 21st Century Labor Market: Improving the Fit," is illuminating and hard-hitting on this issue.

Our failure to see beyond the narrow confines of the present to build for the future and our terrible failure to develop all the resources represented by all our people have led not only to economic decline but also to a serious erosion of the bonds that tie our society together.

Those failures underlie the troubling racial tensions that plague our society and led to the despair that erupted in the Los Angeles riots in April.

The immediate cause of the riots was a familiar one: a miscarriage of justice that sent a message to African Americans that their lives and their rights are expendable. The acquittal of the policemen who brutally beat an unarmed black man despite overwhelming evidence of their guilt led not only to the Los Angeles riots but also to disturbances in many other cities.

What is remarkable about those disorders is not that they took place but that there were so few of them, for the conditions of despairing anger that drove so many Los Angelenos into the streets were duplicated in virtually every city in this nation. The Los Angeles experience was predictable and inevitable; it could have happened in almost any of our communities.

Many Americans would resist that conclusion, and yet it is proved by the way so many cities went on red alert as soon as word spread of violence in

southern California; even Wall Street was literally shut down, as businesses closed early and sent employees home.

And while Los Angeles is thought of as an explosion of African-American protest, it actually was America's first interracial, multicultural riot. More Latinos than blacks were arrested, and one of every seven people taken into custody by the police was white—a reminder that while racism condemns disproportionate numbers of African Americans to lives of poverty and despair, anger based on economic inequality cuts across racial and ethnic lines.

Many preferred to interpret the riots as simple lawlessness, but others understood that when people loot and burn under the noses of the same police force that beat Rodney King half to death, they are telling us through their behavior that they have so little hope that they feel they have nothing to lose. Any society is in deep trouble when so many of its citizens feel they have no stake in it and are so angry that they will strike out regardless of the consequences.

Unfortunately, there seems to be little evidence that the nation is willing to respond adequately to the challenge of reconnecting masses of alienated citizens to the societal mainstream. The riot was followed by a presidential visit, and, just as in the 1960s, there was a commission report, some small-scale efforts to improve conditions, a feeble urban aid bill in Congress, and a bit of some pious rhetoric followed by a monumental national silence. Surely a more positive response was demanded by this test of whether our nation of diverse peoples can learn to live together with respect and dignity for all.

The riots—and America's inadequate response to the cries of pain they represented—demonstrate once again that the state of Black America is deeply influenced by the state of White America's continuing prejudice and stereotypes. It is increasingly clear that all Americans need to understand that issues such as race, ethnicity, poverty, and the survival of our cities will determine our national future for good or for ill.

Los Angeles was also a test of America's diversity, and America failed that crucial test. The riots exposed to view a complex network of interethnic rivalries and frictions that set group against group—African Americans against Koreans and Latinos from Central America against Latinos from Mexico, among others. Such rivalries poison the environment in many of our major cities, increasing tensions and questioning whether our diversity is a national strength or a weakness.

The answer to that question will be critical for African Americans and for the nation's future. For we are evolving into a society in which there will be no single "majority" racial group. Before the decade is out, the majority of Californians are expected to be members of a racial minority—black, Asian, and Latino. The United States as a whole is expected to have a "minority majority" sometime around the middle of the next century.

So Rodney King's questioning plea during the riots: "Can't we all just get along?" transcends the boundaries of its time and place to suggest the key challenge faced by a nation undergoing vast demographic transformations.

Many people found a hopeful answer to the challenge of diversity in the election of a presidential candidate who appeared to have mastered the ability to unite Americans of vastly different ideologies, races, and ethnic and economic backgrounds into a winning electoral coalition. Some of the important dynamics of this election and the strategic importance of the black vote to the outcome are examined astutely by Dr. Charles V. Hamilton in his essay, "Promoting Priorities: African-American Political Influence in the 1990s."

While an election campaign is very different from governing, and winning votes from diverse groups is very different from constructing firm biracial, multi-ethnic alliances, it is still remarkable how much hope has been sparked by the Clinton victory. Even among hardened cynics, there is a feeling that—for the first time in years—the nation has a leader who not only believes in diversity but also is willing to champion it with youthful vigor and powerful communication skills. Whether these expectations will be realized remains to be seen, but a note of guarded hope for the future characterizes the state of Black America at year-end.

That hope got a lift from the sudden popularity of reformist ideas that had been ignored for too long, ideas such as universal health insurance, a national youth service, a revived civilian conservation corps, preschool learning programs, neighborhood-based skills training centers, and encouragement for job-creating small businesses.

But that hope is also tempered by a new realism within the African-American community. It recognizes the limits of what government can do to improve the state of Black America—but it also recognizes the considerable amount that government *can* do. This volume contains a broad range of thoughtful suggestions, including those in Dr. Lynn C. Burbridge's chapter, "Toward Economic Self-Sufficiency: Independence Without Poverty"; the article by Dr. Lenneal J. Henderson, "Empowerment through Enterprise: African-American Business Development"; and the essay by Dr. William D. Bradford, "Money Matters: Lending Discrimination in African-American Communities." The National Urban League's policy proposals across different areas are presented in the Recommendations section of this book.

The legacy of a dozen years of conservative rule has left a huge federal budget deficit that serves as a barrier to ambitious social programs. But that legacy also includes two other important positive features that, if acted upon, can enhance government's role in empowering minority people to control their own future.

First, the realization that government's role is critical to creating a climate for better race relations. African Americans are convinced that the manipulation of racial fears for political purposes characterized recent administrations

and fostered racial tensions. They now expect the new president—who speaks eloquently about racial justice, who won the black vote by overwhelming margins, and who counts among his top advisers former Urban League officials Vernon E. Jordan, Jr., and Ronald H. Brown—will work to create an environment that is favorable to civil rights and improved race relations.

A second feature that engenders hope is the growing national consensus behind the need to invest in our human resources—a need born of an extended period of public disinvestment in the nation's productive assets, especially in its people.

President Clinton campaigned on an economic renewal strategy that included heavy new investments in both the physical infrastructure that undergirds a nation's productive capacity and the human resources that determine a nation's competitiveness.

The National Urban League has urged a Marshall Plan for America that would make similar investments; there is considerable convergence between our plan and the Clinton economic strategy. The Urban League's Marshall Plan is a coordinated, targeted, accountable investment strategy to develop our nation's physical and human resources to make this nation competitive again. Both the Urban League's Marshall Plan and the Clinton economic strategy share the same rationale: that such investments are necessary to improve the nation's economic productivity and competitiveness in a global economy. Both emphasize the importance of increasing productivity of our work force through training and education, including preschool, elementary, and secondary education, with a strong emphasis on meeting the needs of disadvantaged children.

But the League's plan is bolder: it would commit more resources for a longer time frame and would be structured in a more accountable fashion, with a Cabinet-level Marshall Plan coordinator who would have expanded authority and responsibility for the plan's components.

The basic difference, however, is that the Marshall Plan for America would be sharply targeted to improving education, skills training, and job opportunities for the disadvantaged. That would empower minorities to shape their economic futures, and it would pull all Americans into the mainstream. That targeting feature separates the Marshall Plan from a piecemeal approach that could easily bypass the areas of greatest need. And it is the key to America's renewal, for improving America's productivity and making its diversity into an economic competitive strength require the full utilization of its shamefully neglected disadvantaged people, especially its black and minority populations.

The Clinton administration should build on the existing similarities between its campaign proposals and the Urban League's Marshall Plan for America. Even if it does not adopt our entire plan, the administration must develop a sound economic strategy that sharply targets the poor and minori-