



THE MINORITY REPORT

Derrick Johnson
President & CEO

Leon W. Russell
Chairman, Board of Directors

ST. LOUIS

ST. LOUIS METROPOLITAN AREA | ECONOMIC INCLUSION PLAN | VOLUME 1

MESSAGE FROM MARVIN OWENS JR.



Dear Community Members and Stakeholders:

When I joined the NAACP, I envisioned an Economic Department that would promote evidence-based approaches to improve the economic conditions of African American communities in cities across the nation. From that vision, came an opportunity to partner with Wells Fargo to develop Economic Inclusion Plans for communities of

color that would address racial and economic disparities in affordable housing, minority homeownership, minority entrepreneurship, employment, and educational attainment.

The NAACP understands that economic disparity is a contributing factor to social and political turmoil and, as a result, renews its commitment to support economic inclusion in the communities we serve through advocacy, and direct service. Through the Wells Fargo partnership, NAACP advances its goal of increasing financial and economic efficacy for citizens across the United States.

The NAACP Economic Department will continue to monitor the national socio-economic disparities and the widening gaps in wealth and income. With continued research, policy analysis, and program development, greater access and opportunities can be achieved for communities of color which will ultimately help in creating a more equal nation.

Sincerely,

Marvin Owens, Jr.

Sr. Director, Economic Programs

National Association for the Advancement of Colored People

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EXECUTIVE SUMMARY

Fifty years ago, an appeal for a national role in curing economic ailments was made by Dr. Martin Luther King at a U.S. Senate hearing on the Federal Role in Urban Affairs. At the hearing, Dr. Martin Luther King, Jr. called for a rebalancing of the nation's priorities and stated:



“The sorry record of income, public service, and education, indicates that we are not doing enough. A major reason for our failures is that we aim too low. Our goal is not to bring the discriminated up to a limited, particular level, but to reduce the gap between them and the rest of American society.”ⁱ

Thirty years ago, the call to action was renewed by Thurgood Marshall, former Justice of the United States Supreme Court when he stated:

“We must dissent from a nation that has buried its head in the sand, waiting in vain for the needs of its poor, its elderly, and its sick to disappear and just blow away. We must dissent from a government that has left its young without jobs, education or hope. We must dissent from the poverty of vision and the absence of moral leadership. We must dissent because America can do better, because America has no choice but to do better.”ⁱⁱ

King and Marshall, two of America's most profound justice warriors, recognized the need to address the nation's worst economic conditions in order to improve the greater economy and general welfare of the United States of America.

However, given the current economic reality in the United States, past leaders join present populations confined to the lower peripheral edges of American society in having their calls for action go unheard. In recent years, those groups have continued to speak out in a frequently dejected yet distinctly familiar language.

“Riot is the language of the unheard,” said Dr. King when speaking on the social unrests taking place across the nation during the American Civil Rights movement.ⁱⁱⁱ Indeed, unrests in the form of riots in peaceful protests have reemerged in recent years in response to the abhorrent police-involved shootings of adults and youth of color in communities already plagued by economic atrocities. No exception to the trend are cities like Baltimore, Charlotte, and St. Louis where recent shootings of African Americans by local law enforcement have forced thousands to pour into the streets in desperate attempts to be heard.

The Economic Inclusion Plan seeks to amplify the voices of economically deprived communities by highlighting persistent and well-documented historical racial and ethnic economic disparities in cities dealing with recent social unrest. The Report uses research, data gathering, data analysis, and interviews with community members to unearth the current economic conditions which exist beneath the issues of police distrust and continue to fuel community frustration. In particular, the Report assesses the historical and present economic concerns of black communities in affordable housing, homeownership, business development, unemployment, and education graduation rates.

The findings of the report reveal sharp similarities between the past economic realities of African Americans during reconstruction and legalized racism and the current economic realities more than 150 years after the abolishment of slavery and promise of freedom. With African Americans still living in highly segregated communities and school districts, comprising the lowest median household income, highest unemployment rate, highest poverty rate, and ongoing barriers to the creation of small businesses, the promise of freedom has been averted by racial discrimination.

To address these challenges, NAACP develops a comprehensive, data-based, economic agenda that both responds to flashpoints of economic injustice and promotes policy and programmatic solutions to addressing the pressing needs in unheard communities across the nation. It is critically important for all people, especially those invested in local, state, and national economic growth, to address the conditions of these communities, the failure of which has the potential to mark continued unrest.

The Troubled Relationship Between Poverty and Unrest in St. Louis, Missouri

Early resistance to the African American migration to the St. Louis metropolitan area set the stage for the continued community isolation marked with high rates of poverty and limited economic opportunity.

By 1917, African Americans were arriving to the area in large numbers seeking industrial jobs with better wages and work conditions than those found in the share-cropping south. The metropolitan area cities



ST. LOUIS

in the north held the promise of economic opportunity, security, and community building. However, the influx of new workers was perceived by existing labor groups as an economic threat and was met with violence. A documented 3,000 white men, led by job insecurity, flooded the streets of downtown East St. Louis, (a city located in Illinois and across the Mississippi river from St. Louis city) and began attacking African Americans. The violent attack became known as the East St. Louis riots and is regarded as one of the worst race-riots in U.S. history resulting in what the NAACP estimated at the time to be nearly 200 African Americans dead and 6,000 African Americans homeless after their homes were burned.^{iv}

Though, most interesting is the fact that, unlike the neighboring city of East St. Louis, the city of St. Louis had not experienced race-related riots. Because of this, the unrest after the killing of Michael Brown may have come as a surprise to come, but with a close tracking of the racialized politics in the city and surrounding counties, it becomes clear that community frustration was years in the making and the unjust killing of one member of the community is an affront to the entire race whose lives had been attacked through covert and overt racism for decades.

Indeed, specific and targeted laws and policies have been implemented to disenfranchise and deny African American entry into the economic mainstream, including police and judicial targeting of poor black communities with onerous fines and jail time for often

petty offenses that encourage perpetual poverty. The statistics are dramatic and provide proof that the past public policy objective of isolating, criminalizing, and disenfranchising St. Louis's African American community was a resounding success.

Today, racial tensions and unrest persist in the St. Louis metropolitan area as black residents continue to lack equal access to the American dream. The concept of the American dream is rooted in the Declaration of Independence and embodies ideals that all men are created equal and everyone, regardless of social class, should have the opportunity to achieve. However, in 2014, when unarmed 18-year old Michael Brown was shot and killed by law enforcement in Ferguson, Missouri, people of all races across the world began to protest a prevailing disregard for black lives. As of October 2017, protests broke out daily following the acquittal of a law enforcement officer who killed 24-year-old Anthony Lamar Smith. Brown and Smith lost their lives during police encounters but to fully understand the demonstrations behind these encounters, the historical and present-day perspectives of how black lives are impacted by government-sanctioned policies are critical.

In order to move past these social and human ailments, public policy must discover ways to unwind the cruel and vindictive policies of the past and find effective ways to enfranchise the African American population of St. Louis city and surrounding counties, and allow prosperity of isolated communities to be the catalyst for economic growth for the entire city.

HOUSING & THE ECONOMY



Government sanctioned policies and practices that disparately impacted black homeownership have created long-lasting economic implications for black families. These practices started with racial zoning which included decisions to allow nightclubs, liquor stores, and prostitution houses to exist only in black neighborhoods.^v But the practices continued through the city's creation of ghettos, segregated public housing, denial of municipal services, redlining and abusive mortgage lending practices. The culmination of these various methods of minority-disenfranchisement ultimately denied black families the ability to create wealth through home equity.

One year before the St. Louis riots, St. Louis devised an attack against African Americans on the housing front. In 1916,

a referendum was passed by the city that prohibited blacks from moving into white neighborhoods. The practice of zoning individuals based on race to certain neighborhoods through price hiking and the denial of services became known as redlining and created neighborhood^{vi} that were exclusively white. In fact, Ferguson, a city located in St. Louis County, was largely designed by federal, state, and local government policies to exclude blacks. Indeed, the policies enabled Ferguson to maintain a less than 1% black population until the 1970s.^{vii}

In 1974, the United States brought a civil rights action against a city in St. Louis County in the case *United States v. City of Black Jack* and alleged that the city had denied housing based on race and interfered with the right to equal housing

opportunities when it adopted a zoning ordinance prohibiting the construction of any new multiple-family dwellings, including proposed federally subsidized low-to-moderate income integrated town-house development. The Eighth Circuit determined that the discriminatory effect of the ordinance was oppressive and burdensome when considered with the fact that “segregated housing in the St. Louis metropolitan area was...in large measure the result of deliberate racial discrimination in the housing market by the real estate industry...federal, state, and local governments.”^{viii}

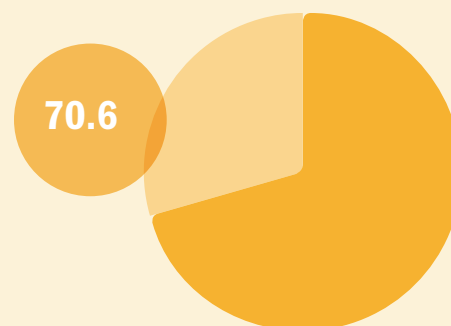
Despite the Eighth Circuit decision, denial of services like mortgage loans continued to be the city's primary method of maintaining residential segregation and eventually segregation was virtually used as a pretext for more redlining. As recently as 2016, the D.C. based non-profit, the National Community Reinvestment Coalition, revealed statistics showing that the racial composition of St. Louis neighborhoods is a determining factor in a bank's decision to offer a mortgage loan. A higher percentage of black residents translates to fewer mortgage loans offered. This implies that in a City that is predominately black, the road to homeownership and wealth building for the black population leads to a dead-end street.

Destroying barriers to homeownership is one of the quintessential economic solutions for minority economic inclusion. Indeed, home equity is the primary vehicle for building household wealth for the

Segregation Measures

DISSIMILARITY INDEX (2010)

With a dissimilarity index above 70, the St. Louis MSA has an extremely high level of black-white segregation.



average homeowner in America[™] making homeownership a critical financial base which contributes to stable families and communities. But the American dream of homeownership continues to be challenged even when mortgage loans are offered due to predatory lending practices. This was the case in 2008 when black homeowners were disparately impacted by the financial crisis after some of the nation's largest banks steered African Americans into mortgage loans with oppressive interest rates while engaging in fraudulent insurance practices.^x During this crisis, redlining was reimagined and devastated the racial wealth gap in America.

One of the ways redlining is practiced today in St. Louis is through low-balling. Low-balling is the practice of making an excessively low appraisal in relation to the purchase price on the basis of prohibited considerations. A mortgage lender offers loans based on at least two major criteria: the homeowner's income and the property's value. A mortgage lender must rely on an appraiser to determine the property value. If the appraiser has a desire to promote segregation, White privilege or both, the appraiser's subjectively determined opinion will return an excessively low value of that property.

To add insult to injury, appraisers in St. Louis have, unfortunately, made up their own rules to ensure a consistent application of these low-balling practices. The appraisal process involves research of recent home sales activity. This research is required because an appraised value

is directly tied to the availability of comparable home sales, also known as "comps." If a home of similar age, construction, square footage, number of bedrooms and bathrooms, etc. has sold recently, the sales price of the sold home could be used as the basis for determining the appraised value of the subject property.

This requirement to find a comp has enabled appraisers, who have the ability to make up their own rules in each case, to ensure the final appraisal can be consistent with the low-ball scenario. In one year, the rule may be that the comp cannot be located across a major boulevard or intersection from the appraised property. In another year, crossing a major intersection may be entirely allowable and acceptable. In either case, these rules adversely affect an affluent homeowner's value when that home is located next to a poor or low-income neighborhood and the only comps available come from that low-income neighborhood.

Over the years, low-balling has been a way in which mortgage lenders and appraisers could combine efforts to prevent black families from moving to or from certain areas. This is yet another factor that has contributed to the maintenance of segregation as well as the dissolution of predominately black neighborhoods. Rather than be subjected to and hampered by this abuse and uncontrollable deterioration of wealth, financially capable African Americans sought homes in higher income, usually White, neighborhoods. Be advised, though, that

this practice has not ended. Low-balling is alive and well in 2017 and its impact is reflected in the statistics from the U.S. Census Bureau.

Today, with a dissimilarity index above 70, the St. Louis metropolitan statistical area (MSA) has an extremely high level of black-white segregation which is consistent with the fact that African Americans have the lowest homeownership rate and lowest median home values in the St. Louis MSA.

This reality presents a dilemma for a city whose budget is sustained, in part, by annual real estate tax collections. Real estate tax collections are based on assessed property values. The city calculates the assessed property value by taking a stated percentage and multiplying that percentage by the properties' market value. If the market value of black homes is considerably less than the market value of white homes, this result culminates into less real estate taxes assessed and collected to fund the city's budgeted operations. This is especially critical when you consider African Americans make up almost half of the city's population. The solution for both the home buyer and city is clear: Expanded opportunities to homeownership means a brighter future for the Greater St. Louis economy.

To achieve this, the NAACP urges federal, state, and local officials to adopt the housing recommendations at the end of the EIP.

Share of Population

BLACK 18.1%



WHITE 73.9%



HISPANIC 3.0%



Home Ownership Rate

Today, African Americans have the lowest homeownership rate and lowest home values in the St. Louis MSA

BLACK

40.2%

WHITE

75.8%

HISPANIC

52.9%

Median Home Value

The high degree of black-white residential segregation is consistent with the low median home value of African Americans.

BLACK

90,100

WHITE

175,800

HISPANIC

159,200

EDUCATION & THE ECONOMY

Resistance toward neighborhood integration has been inextricably linked to the resistance toward school integration. Historically, children went to the public school closest to their neighborhood. For cities engaged in racial zoning, this meant keeping blacks out of certain neighborhoods and their children out of certain schools. By no coincidence, St. Louis managed to create the second largest segregated school district in the country.

In 1954, after the nation's highest court outlawed segregated public schools, public school districts were ordered to desegregate. The desegregation program implemented in St. Louis led to mixed income school districts and proven academic success for all students. Bright outcomes for black students in particular lasted nearly two decades.^{xi} However, white families abandoned school districts and neighborhoods in droves to avoid ending what the United States Supreme Court described as a deprivation of "equal educational opportunities." The push toward equal education was further complicated when Jay Nixon, then Attorney General and former State Senator, began advocating an end to the program.

The combination of white flight and school districts no longer committing to desegregation led to concentrated low-income



black schools and diminished resources. One school district in particular became Missouri's only 100 percent black school system.^{xii}

Today, one of the nation's most racially segregated metropolitan areas, which had one of the nation's largest segregated school districts, and became the nation's first city to require racial housing segregation by popular ballot, still have two of the worst-performing schools in the nation and troubling statistics in educational attainment. *Notably, Jay Nixon eventually became Missouri Governor and only ended his career in public office in 2017.*

Bachelor's Degree or More

BLACK 19%

WHITE 37%

HISPANIC 26%

African Americans in the St. Louis MSA, when compared to the white and Hispanic population, have a grim outlook in Educational Attainment.

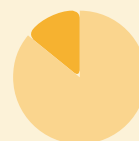
U.S. Census Bureau,
2016 American Community Survey.

Lincoln Middle School

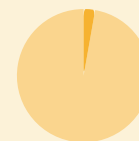
In September 2017, Lincoln Middle School, located in the Greater St. Louis area, was found to be the worst public school in the United States.^{xiii}



Only 8% of students in the school are considered ready for the next academic level



English Language Arts proficiency rate: 14%



Math proficiency rate: 3%

Some College or Associate's Degree



BLACK

36%



WHITE

31%



HISPANIC

25%

African Americans, when compared to the white and Hispanic population, have the largest share of adults 25 or older with only some college or associate's degree.

Less than high school diploma or high school graduate



African Americans, when compared to the white population, have the largest share of adults 25 or older with no education beyond high school. However, in this category, the percentage of Hispanic with no education beyond high school exceeds the black population by nearly 9 percentage points and triples the percentage of white adults.

Missouri State Conference of NAACP v. Ferguson-Florissant School District: In the wake of the Michael Brown killing, the ensuing protests in Ferguson, Missouri, and the Department of Justice's scathing report regarding discriminatory police and prosecutorial practices in Ferguson, the Missouri State Conference took aim at another public body that critically impacts the quality of life for African Americans in Ferguson: the local school board. In 2015, the Missouri State Conference, represented by the American Civil Liberties Union, led a federal lawsuit alleging that the at-large system for electing members of the Ferguson-Florissant School Board deprives African American voters of an equal opportunity to elect representatives of their choice in violation of the Voting Rights Act of 1965. For example, although African Americans comprise almost half of the voting age population in the school district, only one of the seven current members of the School Board is African American, due largely to the at-large election system. In August 2016, the court issued an order ending that the at-large election system violates Section 2 of the Voting Rights Act by unlawfully diluting the votes of African Americans. It enjoined school board elections until the system is remedied. The parties are currently preparing arguments to the court on the issue of remedies. Although the school district has requested review by the U.S. Court of Appeals for the Eighth Circuit (based in St. Louis), it seems unlikely that the trial court's decision will be reversed anytime in the foreseeable future.

To achieve better education opportunities and outcomes for the black residents of St. Louis, the NAACP urges federal, state, and local officials to adopt the education recommendations at the end of the EIP.

37% ENGLISH

26% MATH

In St. Louis Public Schools, only 37 percent of students who took state tests last year met at least the minimum score for proficiency in English and only 26 percent did so in Math.^{xiv}

31% RESIDENTS OF COLOR

100% WHITE SCHOOL BOARD

In St. Louis County, while the resident population is 31 percent of color, the school board is 100 percent white.

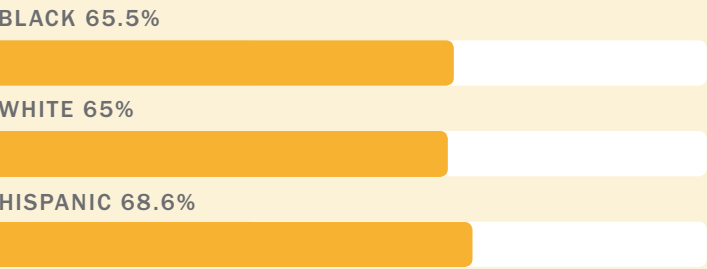
~30% WHITE POPULATION

60% WHITE SCHOOL BOARD

In Ferguson, while the population is less than 30 percent white, the school board is 60 percent white.

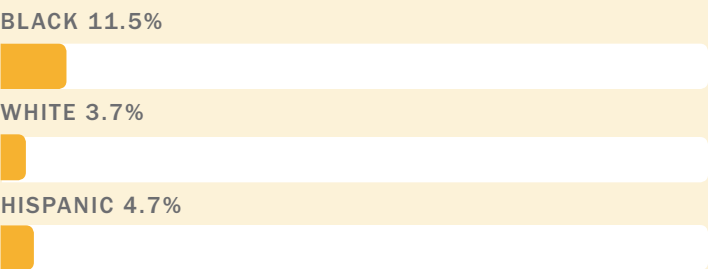


Labor force participation rate



U.S. Census Bureau, 2016 American Community Survey.

Unemployment rate



A division of a people in the beginning will inevitably lead to later challenges to create unity. This notion was expressed in a speech by Former President Barack Obama in October 2017. The evidence of its truth lives in the barriers to employment for African Americans in the St. Louis area after decades of discrimination. In 2017, the U.S. Census Bureau reported alarming disparities in income, poverty and unemployment. *became Missouri Governor and only ended his career in public office in 2017.*

According to one study, the top employing industry in the St. Louis region were professional, scientific & technical services, and administrative & support services respectively.^{xv} However a report examining data during the same period noted a disproportionate distribution of black men in the service, production, transportation, and materials moving industries.^{xvi} The report highlighted that the professional and management industries, which employed relatively small numbers of black men, were also the highest paying industries in the St. Louis area.^{xvii}

A number of factors account for income and employment disparities across races. Discriminatory hiring practices where employers exclude applicants based on names and zip code are just a few hiring practices that limit diverse workforces. However other factors such as: lack of education, work experience, criminal background inquiries and job skills training also lead to barriers to employment for African Americans.

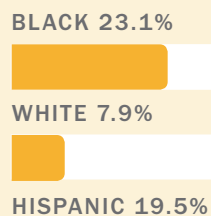
But these problems can be addressed with collective action around new and improved policies and programs designed to create diversity and inclusion in the workforce, and create stable employment opportunities, focused on strengthening the financial well-being of families that need it the most.

Median household income

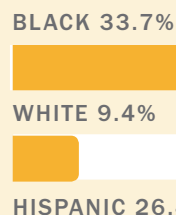


To achieve better employment opportunities for the black residents of St. Louis, the NAACP urges federal, state, and local officials to adopt the employment recommendations at the end of this plan.

Poverty rate (All people)



Child poverty rate (under age 18)



SMALL BUSINESS DEVELOPMENT, ENTREPRENEURSHIP & THE ECONOMY



St. Louis has historically enjoyed considerable advantages in the area of business development and entrepreneurship. In 1904, St. Louis hosted the World’s Fair and was recognized as the fourth largest city in America. Its geographic location led to the designation as the Gateway to the West. At the same time, the industrial age helped boost the prominence

of trains and automobiles and by the end of the 1900’s, Kansas City and St. Louis, respectively, were ranked as the second and third largest railway hubs in the country.

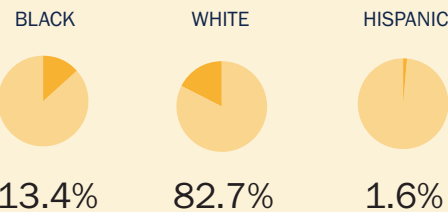
St. Louis is also a prominent hub for agriculture due to its location at the convergence of the Missouri and Mississippi Rivers. The Missouri River, the longest

river in North America, flows from west to southeast; the Mississippi River, the second largest river in North America, flows from north to south. This natural water supply has provided both a transportation channel as well as sustenance to surrounding plants and animals. The agriculture this eco-system supports and the wildlife these natural resources attract and sustain may also explain why Missouri has the second largest number of farms in the country, even as recently as last year, second only to the state of Texas.

In 2016, the U.S. Census Bureau reported that in recent years 8 million minority-owned businesses contributed to over one trillion dollars in revenue and added over 7 million jobs to the economy.^{xviii} Notably, St. Louis is home to the largest black-owned business in the world. But the data on overall minority business development and entrepreneurship for the St. Louis reveals significant disparities.

In September 2012, the Census Bureau reported that, despite comprising only 70 percent of the population,

Percent of total business ownership



Average annual business revenue



Average annual payroll per employee



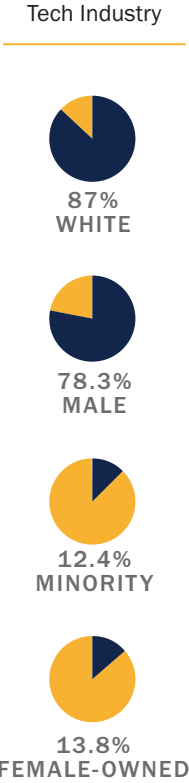
2012 Survey of Business Owners, U.S. Census Bureau

white residents make up over 80 percent of total business ownership. On average white residents brought in more than twice the business revenue as Hispanic business owners and over \$500 thousand more compared to black business owners.

In terms of innovation and entrepreneurship, St. Louis ranked below the national average in economic business survival. For business survival in particular, over half of new businesses created in St. Louis region in 2009, were no longer operating by 2014.^{xix}

In the tech industry, there is an overall lack of diversity on the national and local level. In 2016, the U.S. Equal Employment Opportunity Commission presented findings that minorities and women are missing in tech related industries, especially in leadership position.^{xx} Likewise, in the St. Louis area, tech related startups are predominately owned by white males.^{xxi}

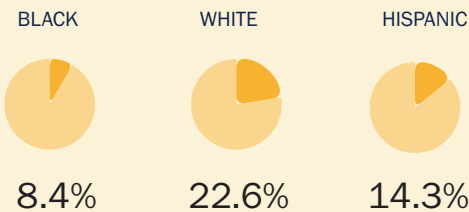
To achieve better small business and entrepreneurship opportunities for the black residents of St. Louis, the NAACP urges federal, state, and local officials to adopt these recommendations:



RECOMMENDATIONS

- Increase financing and contract opportunities for the creation and retention of jobs and small businesses
- Support legislation and programs focused on studying and eradicating business and workforce disparities particularly in STEAM fields (science, technology, engineering, art, and mathematics)
- Support policy provisions that allow for the enforcement of fair lending practices and require the reporting of lending practices that discriminate against women and minorities.
- Create policies and programs aimed at creating equal access for small business owners to participate in bond construction projects
- Provide services at the local agencies to consult with small business owners about sales and forecasting, market feasibility studies, operations management and quality control, construction bidding, and manufacturing facility leasing
- Partner with corporations to set up and fully fund incubators for minority entrepreneurs and community-based economic empowerment initiatives such as urban farming coops
- Provide student learning opportunities and skills training programs to expand the pipeline and increase participation in small business enterprises

Share of business with employees



Average number of employees



CRIMINAL JUSTICE & THE ECONOMIC IMPACT OF FINES AND FEES

According to the Department of Justice report, in Ferguson, although the roads are traveled largely by white motorists, 85 percent of traffic stops involved black motorists, a rate almost 20 percent higher than the total black population in Ferguson.

Stops for African Americans were reported to be twice as likely to lead to searches and twice as likely to lead to arrests when compared to white residents despite the fact that whites were two-thirds more likely to have contraband. Furthermore, the year before the tragic death of Michael Brown, Ferguson issued over **9,000 warrants** for missed court appearances and unpaid fines.^{xxii}

To make matters worse, citizens who failed to appear or to pay fines that were **frequently triple their monthly income** were likely to be jailed. Those with outstanding warrants were further disenfranchised by being **rendered ineligible** for forms of public assistance and government-funded social services while the city continued to generate millions in court fines. The excessive fines, coupled with the denial of social services and public housing for some resulted in homelessness.

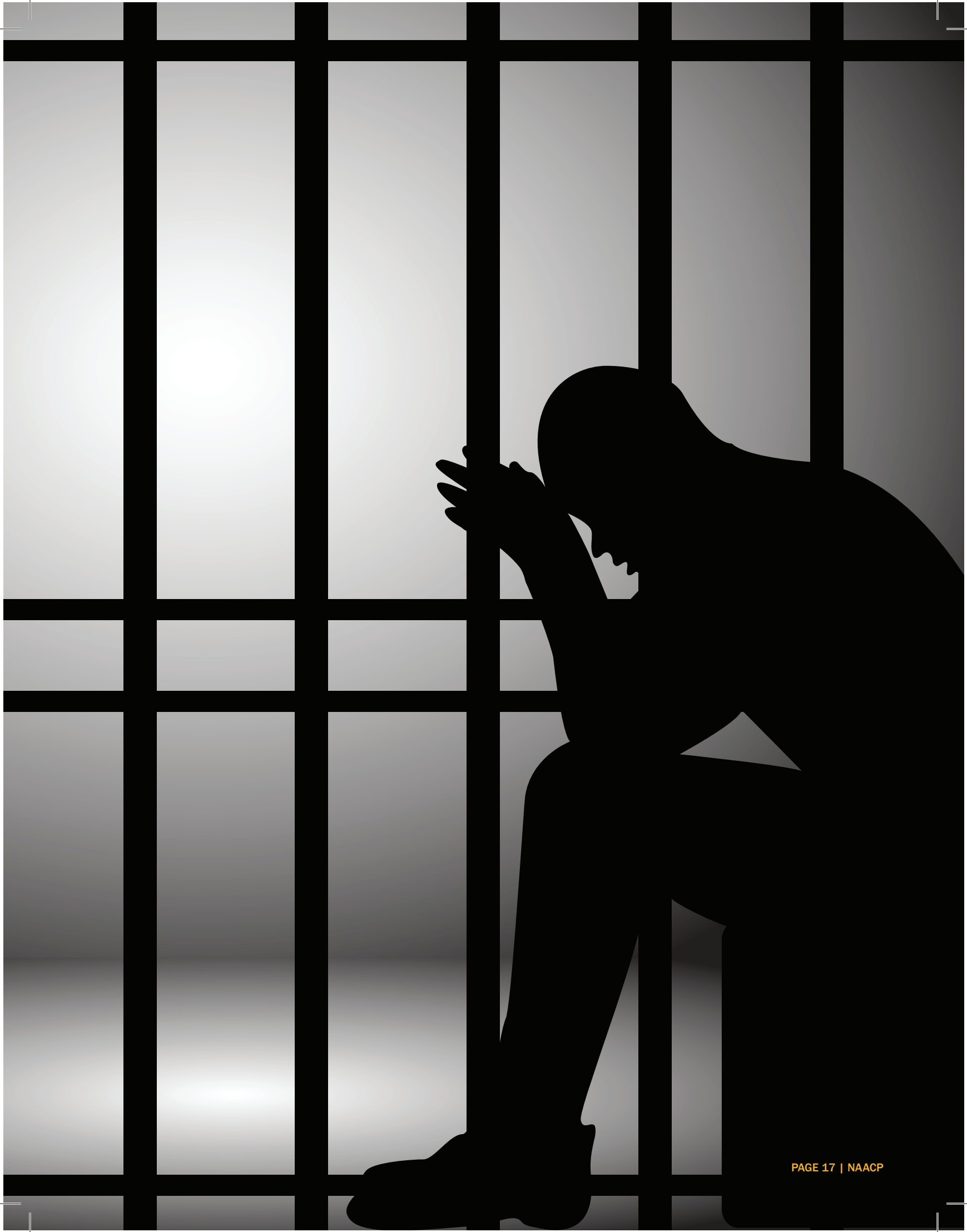
The city's practice of aggressively collecting fines and fees to build its budget while maintaining "debtor's prisons" perpetuated cycles of poverty and continues to disenfranchise the poor and communities of color. In fact, in 2016, one group filed 10 federal civil rights lawsuits involving cities and police departments in St. Louis, St. Louis County and St. Charles for its practice of jailing individuals for their inability to pay a debt.^{xxiii} This suit led to a \$4.7 million settlement and payments to almost two thousand

Stops for African Americans were reported to be twice as likely to lead to searches

RECOMMENDATIONS

To further address harsh economic penalties imposed on the poor and communities of color, the city should:

- Base payments of fines and fees on what people can afford
- Offer community service and other alternatives to incarceration for those who cannot pay civil debt
- Allow flexibility in responding to court summons so that residents can avoid unnecessary absences from work
- Appoint an independent commission to conduct on-going studies on the consequences and impact of the collection of fines and fees and use of debtor's prisons
- To address criminal justice-related barriers to economic inclusion for the poor and communities of color, the city should:
- Extend "ban the box" policies to cover public housing and college applications
- Create re-entry programs that produce position results for reintegration and lead to employment



HOUSING POLICY PRESCRIPTION

In accordance with our research and data gathering at the local level and NAACP's federal legislative priorities, the following recommendations are necessary to solve the aforementioned disparities African Americans continue to face in housing.

PROMOTE UNIVERSAL, DECENT & AFFORDABLE HOUSING

For close to half of American families, owning an affordable home or even finding a safe and affordable rental unit is financially unattainable. In fact, the problem is getting worse. The number of American families with "worst case" housing needs continues to grow, while the inventory of affordable housing shrinks. Furthermore, statistics show that race and age play a significant role in the ability of a family to own a home. While 71% of Caucasian households own their own home, only 47% of African American and 46% of Hispanic American families own their residences.

Renting a home has also become harder in the last decade. Between 1996 and 1998, rents rose by 1.6% while the median income of renter households grew by only .3%. From 1995 to 1997, the income of the poorest 25% of renter households fell by 2.6%, while rental costs increased by 4.5%. At the same time, well over 100,000 units of housing for very low-income families was demolished without replacement. Lack of safe affordable housing has an enormous impact on American families and our communities.

Families with high housing costs are forced to choose between paying for housing and putting food on the table. Children who live in substandard housing are more likely to suffer from debilitating conditions such as asthma and lead poisoning.

In 2008, the NAACP-supported National Housing Trust Fund (NHTF) was created at the federal level. The NHTF will provide funds to states and local municipalities across the nation for the production, construction, preservation and rehabilitation of badly needed homes that are affordable and secure for the lowest-income Americans. In his budget request for fiscal year 2010, President Obama requested that Congress fund the NHTF at \$1 billion as an initial capitalization.

Under the legislation that created the NHTF, 90% of the funds must be used for rental housing that extremely low-income families can afford. Data from a 2008 survey shows that nationwide, for every 100 extremely low-income renter households, there were only 37 homes available which they could afford, for less than 30% of their income.

The NHTF would also create American jobs: it is estimated that a \$1 billion investment in the NHTF will create 15,100 construction jobs and 3,800 jobs in on-going operations. Furthermore, when low-income Americans are not spending over 30% of their income on housing, they can afford to spend more on food, child care, transportation, and other basic human needs.

ENACT A COMPREHENSIVE PROGRAM TO COMBAT HOMELESSNESS

About 3.5 million people in America are likely to experience homelessness in a given year. Of these, 39%, or 1.35 million are children. People of color – particularly African Americans – are a disproportionately large percentage of the homeless population. A 2002 study showed that the urban homeless population is estimated to be 50% African American, 35% white, 12% Hispanic American, 2% Native American and 1% Asian American. Approximately 40% of men who are homeless are American veterans. The composition of the average homeless family is a single parent household headed by an African-American female. Unfortunately, these numbers appear to be on the increase.

To try to address this problem the NAACP supports the comprehensive legislation which includes resolutions putting Congress on record as supporting housing as a basic human right, Universal Health Care and a Living Wage; a dramatic expansion of federal resources for affordable housing and homelessness programs; a dramatic expansion of health care and services for people experiencing homelessness; greater income and work supports for people experiencing homelessness; temporary worker protections; and civil rights protections for people experiencing homelessness.

PROVIDE ADDITIONAL FUNDS FOR TESTERS TO UNCOVER HOUSING DISCRIMINATION IN AMERICA

Currently, despite the enactment of the Fair Housing Law more than 40 years ago, experts estimate that as many as 4 million fair housing violations occur each year. Yet less than 8% of these violations are actually reported to federal, state or local housing authorities and only a handful of those are investigated and result in charges. The result is, sadly, that housing discrimination is alive and well and allowed to flourish in America today.

The NAACP therefore supports increases in funding for both the Fair Housing Initiatives Program ("FHIP") and the Fair Housing Assistance Program ("FHAP"), through which the federal government provides assistance to states and local governments to investigate and enforce Fair Housing complaints within their jurisdictions.

Families with high housing costs are forced to choose between paying for housing and putting food on the table.



**ADDITIONAL RECOMMENDATIONS
AT THE COMMUNITY LEVEL INCLUDE:**

- Fully fund the Affordable Housing Trust Fund. In 2002, voters passed a bill requiring a \$5 million minimum annual allocation to the Affordable Housing Trust Fund, however, the city has not complied with the requirement since 2011 further depressing an already unsettled housing market.
- Offer market-rate apartments in the affordable housing market to create communities that are indistinguishable from apartment complexes in more affluent areas removing the stigma of public housing. Renee Glover, former head of the Atlanta Housing Authority, used this approach in establishing the successful mixed-income model in Atlanta, Georgia.
- Regularly examine the lending practices of banks and hold accountable any institution with racial disparities in interest rates, denial rates, origination rates, and the overall volume of lending.
- Develop strong community partnerships that support diverse neighborhoods.
- Commit to credit counseling and predatory lending awareness to address concentrations of high-cost predatory lending in low-income communities.
- Ensure low-income families have access to banking in low-income neighborhoods.
- Develop strategies that allow for housing development to exist without displacement.

EDUCATION POLICY PRESCRIPTION

In accordance with our research and data gathering at the local level and the NAACP's federal legislative priorities, the following recommendations are necessary to solve the aforementioned disparities African Americans continue to face in education.

REDUCE FINANCIAL DISPARITIES BETWEEN SCHOOLS

Despite the equal protection clause of the U.S. Constitution, decades of civil rights laws and volumes of talk about improving our schools, a dramatic disparity in the quality of public education continues to plague our nation. The quality of our children's educations, and the amount of resources dedicated to our schools, varies radically based on where you live; yet all children must take the same standardized tests regardless of the conditions of their school. Schools are then rated on how the students performed on these tests, regardless of any other factors, such as the number of certified teachers at the school, the quality and quantity of the textbooks being used, whether modern technology is available, including computers and internet access or the size of the classrooms. A glaring example of this inequity can be found in the State of New York, which recently released information showing that in the Bridgehampton Union Free School District in Suffolk County, the per pupil expenditure is \$33,408 per year; the Portville School District in Cattaraugus County has an annual per pupil expenditure of \$6,229, a spending gap of more than \$27,000 per pupil per year. The *Students' Bill of Rights* would require states to work on reducing these disparities between school districts.

FULL FUNDING FOR FEDERAL EDUCATION PROGRAMS

On December 15, 2015, at a White House ceremony, President Obama signed into law the final version of S. 1177, *the Every Student Succeeds Act*, otherwise known as the reauthorization (or updating) of the Elementary and Secondary Education Act (ESEA) or No Child Let Behind (NCLB).

The Every Student Succeeds Act of 2015 builds on past versions of the ESEA / NCLB law while addressing some of the key challenges currently being faced. Included in the final version of the legislation are provisions which:

- Puts in place new assessments, accountability, and improvement systems that will close achievement gaps with evidence-based strategies that meet the unique needs of students and schools;
- Requires states to set high standards for all children;
- Requires meaningful state and local action in every school where students – or any subgroup of students – aren't learning. It requires that any action taken to support school improvement is driven by student outcomes – and that

poverty can't be used as an excuse for not stepping up to better serve students;

- Supports teachers and school leaders with resources and professional development;
- Provides dedicated funding to improve student access to critical support and community services and improved technology in our nation's most disadvantaged schools;
- Helps states and school districts reduce the overuse of exclusionary discipline practices by allowing funding to be used for Youth PROMISE plans;
- Drives federal dollars to the schools and communities that need them the most. It requires transparent reporting of data to ensure schools are responsible for not only the achievement of all their students, but also for the equitable allocation of resources to support student learning. States and districts will be required, for the first time, to address resource inequities in school improvement;
- Recognizes the importance of early learning by authorizing a program to ensure our nation's most vulnerable students aren't starting kindergarten late;
- Ensures the federal government maintains authority to implement the law and to hold bad actors accountable for not complying with federal law.

PUBLIC SCHOOL CONSTRUCTION, REPAIR AND RENOVATION

While the average U.S. public school building is 40 years in age, most experts agree that a large percentage of school buildings in low income, urban communities are decidedly older. Surveys have indicated that many of our nation's school districts are facing costs they can't afford for new construction, repair, renovation, modernization and deferred maintenance needs. Conservative estimates suggest that our nation has a school maintenance and repair backlog totaling \$270 billion.

Problems include dysfunctional HV/AC systems; broken plumbing, roofs, windows, and doors; fire code and other safety issues; interior and exterior painting needs; sidewalks and parking lots in desperate need of repaving; electrical and lighting upgrades; locker and boiler replacements; bus-depot repairs; masonry repairs; security systems; and outdated technology. Students already encounter numerous distractions throughout the school day without having to work around such issues as cold classrooms in the winter and/or asbestos falling from the ceilings. School districts across the country have been delaying such school improvements for years, even as student enrollment levels have continued to rise, a problem exacerbated during this recession.

At the same time, our national unemployment rate – which remains above 9% – rate is unacceptably, stubbornly high. The unemployment rate among African Americans is roughly double

the national rate, nearing 17%. Approximately 25 million Americans are currently unemployed or underemployed.

To help address these two major problems, the Fix America's Schools Today Act, or the FAST Act would immediately put people back to work by investing \$25 billion into deferred maintenance and repair of our nation's public K-12 schools. The \$25 billion investment in public school infrastructure will modernize at least 35,000 public elementary and high schools. An additional \$5 billion would be invested in renovating and modernizing facilities at our community colleges, the first step in providing a pathway to higher education for millions of Americans. Such a national project would create jobs for construction workers and others affected by the jobs crisis making improvements to the health and safety of our schools with positive ripple effects throughout the U.S. economy. It is estimated that every \$1 billion invested in school construction would create up to 10,000 jobs.

OPPOSE DISCRIMINATORY "HIGH-STAKES" EDUCATIONAL TESTING OF PUBLIC SCHOOL STUDENTS

Many states are relying on a single examination to determine important decisions (such as graduating from high school or promoting students to the next grade). While these "high-stakes" tests serve an important role in educational settings, they are not perfect and when used improperly can create real barriers to educational opportunity and progress. Furthermore, one-time, standardized tests may have a disparate impact on students of color, many of whom have not had the benefit of high quality teaching staff, adequate classroom resources, or instruction on the content and skills being tested by the standardized tests. The NAACP supports legislation to require that "high stakes" decisions be based upon multiple measures of student performance and, when standardized tests are used by schools and school districts, that the tests be a valid and reliable, measure of what the student was taught and provide appropriate accommodations for disabled children. The NAACP also supports legislation to require that individual students are not unfairly denied critical educational opportunities because of their performance on a single, standardized test.

OPPOSE PUBLICLY FUNDED PRIVATE SCHOOL VOUCHERS

The NAACP has consistently supported investments in our public schools that will benefit all students, not just potentially a few. School vouchers do not offer a collective benefit. Vouchers take critical resources away from our neighborhood public schools, the very schools that are attended by the vast majority of African American students. Furthermore, private and parochial schools are not required to observe federal nondiscrimination laws even if they receive federal funds through voucher programs. In fact, many voucher proposals often contain language specifically

intended to circumvent civil rights laws, and many proponents insist voucher funding does not flow to the school but instead to the parent or student precisely to avoid any civil rights obligations. This specificity in language allows private institutions to discriminate on the basis of religion, gender, disability and language proficiency – and even merit, again, despite the fact that they are receiving taxpayer funds.

MAINTAIN THE FEDERAL ROLE IN ENSURING A DECENT PUBLIC EDUCATION AVAILABLE TO ALL

The federal government has, for the past 50 years, played an important and historic role in public education, most notably through the Elementary and Secondary Education Act (ESEA). During the 50 years since the ESEA was originally passed the federal government has promoted educational opportunity and protected the rights and interests of students disadvantaged by discrimination, poverty, and other conditions that may limit their educational attainment. This role must be maintained in any bill to reauthorize the ESEA, along with ensuring that each state adopts college and career-ready state standards, aligned state-wide annual assessments, and a state accountability system to improve instruction and learning for students in low-performing schools.

REPEAL LAW DISALLOWING STUDENTS CONVICTED OF MINOR DRUG OFFENSES FROM RECEIVING FINANCIAL AID

Under a current federal law that took effect in 1998, if you need some financial help in order to go to college, one drug conviction can make you temporarily ineligible, and multiple convictions may lead to a permanent bar on receiving aid. While the goal of this law, to ensure that drug dealers do not set up shop on our nations college campuses with federal backing, was laudable, the result is in fact racially and economically discriminatory and adversely impacts tens of thousands of lower-income young adults.

In fact, as a result of this law, more than 93 thousand young men and women, a disproportionate number of whom are racial and ethnic minorities and the vast majority of whom come from families with total annual incomes of less than \$30,000, though they've paid their debt to society, are being unfairly and unnecessarily denied access to a higher education, the only sure way to end the cycle of drug addiction, crime, violence poverty and incarceration. Instead of affecting major drug dealers, the group this law was intended to affect, this provision has in-fact primarily impacted students convicted of minor possession and nonviolent related offenses.

EDUCATION POLICY PRESCRIPTION – CONTINUED

INCREASE FUNDING FOR HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

There are 103 historically black colleges and universities (HBCUs) across the nation. In 1965, Congress officially defined an HBCU as an institution whose principal mission was the education of black Americans and was accredited and established before 1964. HBCUs play a critical role in the American higher education system. For most of America's history, African Americans who received a college education could only get it from an HBCU.

Today, HBCUs remain one of the surest ways for an African American, or student of any race, to receive a quality education. Although HBCUs amount to only 3.3 % of all institutions of higher education, HBCU's award nearly 50 percent of all bachelor's degrees received by black students in the natural sciences, a little more than 25 % of all bachelor's degrees awarded in engineering and nearly 25% of all bachelor's degrees to black Americans. Furthermore, fifty percent of African American teachers with four-year degrees graduate from an HBCU and HBCUs graduate disproportionate percentages of African Americans who go directly into graduate or professional schools. HBCUs are among the most diverse colleges and universities with 30% student diversity and 40% faculty diversity, on average. Perhaps one of the most amazing features about HBCUs is that even with all of these successes, HBCUs cost, on average, \$10,000 is less than their private counterparts in higher education.

Despite the compelling and quantifiable positive attributes HBCUs provide to African Americans and our nation as a whole, HBCUs receive disproportionately fewer public and private dollars than other private colleges and universities. The federal dollars awarded to HBCUs have not kept pace with the increasing campus costs associated with expenditures for technology, energy, security, and other expenses.

Make college more affordable for all Americans / Increase funding for Federal Pell Grants: Federal financial student aid is perhaps more important now than ever before. For years, college costs have risen at rates higher than inflation. Over the last 30 years, tuition at public 4-year colleges has increased by about 50%, and tuition at private 4-year colleges has increased by a whopping 110%. In 2003 the average costs were \$12,841 per year for students attending public colleges and universities, and \$27,677 per year for students at private colleges and universities. Given the growing cost of college, and its increased importance, most (62%) full time postsecondary students received some sort of financial aid, including student loans, Pell Grants, fellowships, scholarships, and work study. The typical student now graduates from college with \$17,500 in total federal student loan debt. According to the US Department of Education, as many as 200,000 potential college students are forced to delay or forgo attending college due to the cost.

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Furthermore, it has become increasingly important for workers to possess a college degree. In 1997, college graduates earned 1.7 times more than Americans with a high school diploma. Over a lifetime, an individual with a college degree will earn more than \$1 million more than someone without their postsecondary degree. Currently, although more than 16% of college-aged Americans are black, African Americans represent only 11% of the current college population. Furthermore, 16% of African Americans had a bachelor's degree or higher, compared to 32% of white Americans.

Pell Grants are awards provided by the Federal government on a need-based basis to low-income undergraduate and certain post-baccalaureate students in order to promote access to postsecondary education. Unlike student loans, Pell grants do not need to be repaid, and are thus increasingly important as student debt is a growing reality for too many Americans. Need-based grants such as Pell grants increase college enrollment among low-and-moderate income students, and Pell Grants make post-secondary options possible for millions of Americans. Furthermore, they are utilized disproportionately by racial and ethnic minority students: more than 60% of African-American undergraduates and half of Hispanic undergraduates rely on Pell Grants to attend school. Nearly nine million Americans overall depend on Pell Grants to attend and complete college. Research has shown that need-based grant aid, like Pell Grants, increases college enrollment among low- and moderate- income students and reduces their likelihood of dropping out.

Furthermore, a college education is increasingly important: Young adults with only a high school diploma are almost 3 times as likely to be unemployed, and earn less than three-fifths as much as those with a bachelor's degree.

Despite this obvious need for Pell grants, over the last five years Congress has approved their diminishing capacity. As recently as in the 1980s, the maximum Pell Grant covered more than half the cost of attending a four-year public college. In the next school year, however, the maximum Pell Grant (\$5,730) is expected to cover less than one-third of the cost of a public 4-year college—the lowest purchasing power level since the start of the program. As a result of the decreasing power of the Pell grant, grant recipients are already more than twice as likely as their non-Pell peers to have student loans (61% vs. 29%). 9 out of 10 Pell recipients have additional student loans that are on average \$4,750 more than their non-Pell peers. Compounding this problem is the increasing cost of college: due largely to cuts in state education budgets, college tuition has grown by 50% from 2004 to 2014.

To address this problem the Middle Class CHANCE (Creating Higher Education Affordability Necessary to Compete Economically) Act would increase the maximum Pell Grant award by \$4,040, restore

year-round awards so that more students may continue their studies in the summer, and increase a student's Pell eligibility to 15 semesters so that it aligns with existing satisfactory academic progress regulations. These are critical improvements that will allow the Pell program to better accomplish its mission of helping low- and moderate-income students' access to college.

ADDITIONAL RECOMMENDATIONS IN ACCORDANCE WITH THE NAACP EDUCATION GAMECHANGERS:

- Create partnerships with corporations and local businesses to sponsor in-school enrichment programs
- Fund and implement paid internship programs with local businesses, including summer jobs programs
- Provide seed money for student-initiated entrepreneurship and community service ideas like urban farming
- Create community based projects and provide school credit for student participation.
- Ensure federal Title 1 dollars are directed to high-poverty schools and districts that need them the most.
- Use data to identify model schools supporting students at the very highest levels of achievement;
- Expand the school's reach to the community to create broader support systems for struggling students.
- Reduce the rate of out-of-school suspensions and explore alternative forms of school disciplinary practices.
- Ensure school boards reflect the demographics of the community

PREKINDERGARTEN PREP FOR ACHIEVEMENT:

- **Quality early learning environments.** Support early childhood community-based organizations and providers, such as religious institutions and homecare businesses, to adopt quality factors that promote language and literacy development.
- **Seamless transitions.** Encourage local school officials to make connections between elementary schools and early childhood programs that serve the same neighborhoods.
- **Support quality literacy and language development.**
 - Support state and federal efforts that focus on:
 - Expanding the reach of high quality programs.
 - Increasing the quality of existing childcare programs.
 - Providing funding for professional development for teachers.
- **Language-rich-environments.** Bring awareness to parents, caregivers, childcare workers, preschool teachers, and early elementary teachers about the value and components of rich, daily conversations with children.

- **Coherent support for literacy and language development.** Coordinate literacy activities among early childhood education, local community institutions (such as churches, libraries, and community centers) and elementary schools to ensure alignment with the kindergarten material children need to be prepared for and to facilitate a smooth transition into formal schooling.

EFFECTIVE TEACHING:

- Support collaborative learning and teaching among teachers in struggling schools.
- Demand improved performance-based assessments at key decision points along a teacher's career path.
- Pay focused attention to developing the pipeline that generates future educators.

MORE TIME FOR MORE LEARNING:

- Advocate for broad-based, coordinated, student-centered enrichment that extends beyond the regular school day, year, and curriculum.
- Increase access, enhance quality, and reduce costs associated with expanded learning options.
- Identify agencies and organizations within the community that are providing needed services, prepare an "asset map" of the community, and establish school-community- district partnerships to provide any other critical services not currently available or accessible.
- Advocate for community-school models with wrap-around services.
- Formalize expanded learning within the school.
- Revise school and district improvement plans.
- Include workforce and leadership development skills.

TARGETED SPENDING FOR WIDE-SPREAD SUCCESS

- Use federal rules, funds, and incentives to identify and compensate for how well states balance inequities among wealthy and poor districts.
- At the state level, target additional resources to districts with high concentrations of low-income students and tie additional dollars to accountability.
- Require that funding align with student need.
- Invest in early childhood education programs.
- Incorporate policies that promote the recruitment and retention of high-quality teachers and principals in high-need schools.
- Coordinate education, health, and social services to ensure the most effective use of resources.
- Aggressively and simultaneously pursue school desegregation efforts focusing on both race and socioeconomic status.

EMPLOYMENT POLICY PRESCRIPTION

In accordance with our research and data gathering at the local level and NAACP's federal legislative priorities, the following recommendations are necessary to solve the aforementioned disparities African Americans continue to face in employment.

END EMPLOYMENT DISCRIMINATION

It is currently legal in 27 states to discriminate in hiring decisions based on an individual's perceived sexual orientation. *The Employment Non Discrimination Act* expands federal protections against employment discrimination to include sexual orientation. It also allows every American the right to be free from discrimination because of personal characteristics unrelated to successful job performance.

ENABLE WORKERS TO JOIN A UNION

For almost a century, unions have helped American workers increase their standards of living for themselves and their families on many fronts. Currently, union workers earn 26% more in median weekly wages than non-union workers; unionized women earn 31% more than their non-union counterparts, and black union workers earn 29% more than non-union African Americans. Furthermore, 75% of union workers have health benefits, compared to 49% of non-union workers. 69% of union workers have short-term disability coverage, compared to 30% of their non-union counterparts. Finally, 82% of union workers get life insurance, compared with 51% of non-union workers.

The impact of unions – ensuring that all working Americans are treated well and share in the prosperity cannot be overstated. Despite the continuing strength and advocacy power of unions, however, some employers continue to treat workers poorly, not paying them a fair wage or providing them with necessary benefits: the purchasing power of workers' wages is 5% below where it stood 30 years ago.

CEO pay has continued to rise and is currently more than 1,000 times the earnings of the average worker. The richest 13,000 US families have nearly as much income as the poorest 200 million combined. And some employers continue to fight the legitimate organization of unions. 70% of American employers in manufacturing threaten to close the plant if workers choose a union.

Furthermore, in the 1950's, when 30% of workers belonged to unions, only a few hundred workers suffered retaliation for trying to organize a union; in 1969, the number of workers suffering retaliation was just over 6,000 and by the 1990's more than 20,000 workers each year were victims of discrimination when they tried to organize a union.

To address this situation, the "*Employee Free Choice Act*" will make sure workers have a fair chance to exercise their democratic right to choose a union by making it easier for a union to act as a mediator for workers if the majority of workers have provided



authorized signatures indicating that they want the union to act as their representative, and increasing penalties for violations against employees who are trying to organize a union.

SUPPORT EQUAL PAY FOR EQUAL WORK

According to the U.S. Census Bureau, women who work full time still earn, on average, only 77 cents for every dollar men earn. The statistics are even worse for women of color. African-American women make only 62 cents, and Hispanic women only 54 cents, for every dollar earned by white, non-Hispanic men. These gaps translate into a loss of almost \$20,000 a year for African-American women and almost \$24,000 annually for Hispanic women.

The Equal Pay Act of 1963, mandates that employers pay equal wages to men and women who perform substantially the same work. While the Equal Pay Act has helped to narrow the wage gap between men and women in our workforce, significant disparities remain and must be addressed. To eliminate these continuing disparities, the NAACP supports the Paycheck Fairness Act. *The Paycheck Fairness Act* closes loopholes in the Equal Pay Act of 1963 that have diluted its effectiveness in combating unfair and unequal pay.

The Raise the Wage Act will deliver long-overdue raises to a large segment of the workforce: more than 1 in 4 workers.

ENACT COMPREHENSIVE, AGGRESSIVE JOB CREATION LEGISLATION THAT FOCUSES ON THE NEEDS OF AMERICAN COMMUNITIES AS WELL

Unemployment rates nation-wide are critically high. In August 2011, the official national unemployment rate was reported at over 9%. Among African Americans, the rate is much higher, at 16.7%. For African American males the rate is 17.5%, and for black teens it's nearly 41%. 1.4 million African Americans have been out of work for more than 6 months. That is why the NAACP was so encouraged by President Obama's jobs proposal –announced September 9, 2011 – and his statement that “inaction is not an option”. The NAACP applauds the President and Congress, which has now begun to focus on the need for an aggressive, national job creation program and address an issue that the NAACP has been calling a very real and crucial need for a long time.

The American Jobs Act will expand opportunities for the long-term unemployed to reenter the workforce, provide incentives for businesses to hire and make investments in revitalizing schools, infrastructure and neighborhoods. It also extends unemployment insurance to benefit the long-term unemployed and their families. The plan supports summer / year-round jobs for youth. The tax cuts portion will benefit over 100,000 African American small businesses and will help African American owned small businesses access capital.

The American Jobs Act is also proposing to invest \$15 billion in a national effort to put construction workers on the job rehabilitating and refurbishing hundreds of thousands of vacant and foreclosed homes and businesses. In addition, his plan would invest \$25 billion in school infrastructure to modernize at least 35,000 public schools, with the funds targeted at the lowest income districts. The bill would also invest \$35 billion to prevent layoffs of up to 280,000 public school teachers, while hiring tens of thousands more teachers and keeping first responders, such as cops and firefighters on the job.

Lastly, the American Jobs Act would target the long-term unemployed by proposing a tax credit of up to \$4,000 to employers for hiring workers who have been looking for a job for more than 6 months. The President's plan also specifically prohibits employers from discriminating against unemployed workers.

The NAACP is committed to keeping job creation and anti-employment discrimination a priority for American lawmakers until people and our economy are back at work. As such, we will continue to review and assess all job creation plans and strongly promote and advocate for those which will offer the greatest amount of help to those most in need.

SUPPORT FOR A FAIR MINIMUM WAGE

The Raise the Wage Act will increase the federal minimum wage to \$12.00 by 2020 by first raising it to \$8.00 and then increasing it by \$1.00 per year until it reaches \$12.00 in 2020; the bill will gradually eliminate the sub-minimum wage for tipped workers; and it will index the minimum wage to median wages, so as wages grow for the workforce overall, they will also grow for the lowest-wage workers in this county.

At a time when wage stagnation and income inequality pose serious threats to our families and our economy, the Raise the Wage Act would begin to reverse that cycle and raise pay broadly across the bottom of the workforce. By raising the minimum wage to \$12 by 2020, it will restore the minimum wage to roughly half of the average wage—which is where the federal minimum wage stood 40-50 years ago when the nation enjoyed strong growth and low unemployment.

The Raise the Wage Act will deliver long-overdue raises to a large segment of the workforce: more than 1 in 4 workers. That workforce is composed not of teens, but almost entirely adults—nearly 90 percent. The average age of workers who would get a raise is 36, nearly half have some years of college education, and 20 percent hold associate's degrees or higher. More than 27 percent are working parents with children, and half currently have family incomes of less than \$40,000 per year.

These are the frontline workers who make America run. Yet they are struggling as our economy enjoys strong growth but remains tilted towards low-paying jobs. The time for the *Raise the Wage Act* is long overdue, and we cannot delay in working toward its passage.



African Americans and other ethnic minorities tend to be at the low end of the earning scale over their lifetimes, they are generally more dependent upon Social Security in their retirement years.

PROTECT UNION / COLLECTIVE BARGAINING RIGHTS OF PUBLIC EMPLOYEES

The governors of Wisconsin, Ohio and Indiana, as well as an additional two dozen other states have introduced budget proposals which attempt to limit, restrict, reduce or eviscerate the salaries, benefits and collective bargaining rights of state employees. Affected employees include teachers, nurses, police officers and firefighters among others. The NAACP is steadfastly opposed to initiatives which would balance state budgets on the backs of hardworking employees and their families, and intends to fight them at the local, state and federal levels.

The NAACP urges state governments to focus on sustaining and creating living wage jobs and restoring the middle class. Our firefighters, teachers and nurses as well as other public servants are critical, taxpaying members of our communities who provide vital services. Budgets should not be balanced by harming American families. We cannot cut our way out of the recession. Job creation, the development of living wage, sustainable employment, increases our tax revenues and consumer dollars which are the policies that will grow our economy and ultimately reduce our deficit. We strongly urge the restoration of a balance and the growth of America's middle class. We are further convinced that working Americans need to be able to use the strength of collective bargaining rights to fight for better wages and benefits, jobs security and safer work places for everyone.

Many states are considering similar draconian cuts which may have a debilitating effect on the rights of public employees to form or join a union and bargain collectively for their salaries and benefits from this year on. If enacted, the impact of these cuts and new restrictions will have serious and adverse impacts on middle class Americans, as well as those aspiring to the middle class. This is especially true of the African American middle class, since 25% of all black college graduates are currently employed in the public sector.

On a larger scale, these fiscal attacks on the American middle class, American families and unions are but one of several areas in which some states are trying to turn back the clock on progress it has taken us so long to obtain. Eliminating the rights of state employees to collectively bargain is the beginning of a state strategy being implemented to curb our rights. The NAACP is also deeply concerned about state attempts to restrict voting rights through discriminatory photo identification requirements and to re-segregate public education.

BAN THE USE OF CREDIT CHECKS BY POTENTIAL EMPLOYERS

The practice, used by a growing number of employers, to check a person's credit score when considering him or her for a job, is both superfluous and discriminatory. Due to misleading and miscalculated credit scores, African Americans and Hispanics have, on average, substantially lower scores than for Caucasian Americans. The practice is also counterproductive, because normally an individual's credit score in no way indicates or predicts the type of employee he or she may be. Sadly, the use of credit checks to determine employment is not only misleading and discriminatory, but also a growing trend.

Despite the fact that several studies by well respected, unbiased groups have confirmed that an individual's credit history does not predict job performance, currently 60% of all employers admit to performing credit checks on potential employees. This number is up from just over 40% of all employers less than two years ago. This growing trend is extremely problematic for the NAACP, as there appears to be a consensus that credit scores are discriminatory. According to one recent study, the average credit score of African Americans and Hispanics is roughly 5% to 35% lower than the score for white Americans. Furthermore, given the on-going and perilously high unemployment rate among Americans, and the fact that the unemployment rate is consistently almost double

the national rate when you are talking about racial and ethnic minority Americans –and the impact unemployment can have on a person's credit history – the NAACP is concerned that these disparities in credit ratings will only grow in the future. Thus reviewing a person's credit background as part of a pre-employment check is akin to subjecting an individual to a classic "catch 22", and this is disproportionately a predicament being faced by people of color.

PROTECT SOCIAL SECURITY

Under the current system, Social Security will be unable to meet its financial obligations to beneficiaries by the year 2032. Therefore, over the last few years politicians and others have sought ways to "save" Social Security. While some proposals call for a reduction in benefits, others call for Social Security funds to be invested in the stock market, or "privatized." Because African Americans and other ethnic minorities tend to be at the low end of the earning scale over their lifetimes, they are generally more dependent upon Social Security in their retirement years. For this reason, any changes in Social Security are of special importance to the NAACP. Specifically, the NAACP has pledged to oppose any proposal that would reduce monthly benefits or eliminate the guarantee of a minimum monthly benefit; or that would raise the retirement age, as African Americans tend to have shorter life expectancies and would thus be disproportionately hurt by any such increase.

SUPPORT PAID SICK LEAVE

The Family Medical Leave Act (FMLA) was signed into law in 1993 by President Bill Clinton, and it allows workers to take up to three months of unpaid leave to care for themselves, a newborn child, an ill parent, or another family member facing a serious illness without the fear of losing their job or their health insurance. Since enactment 13 years ago, the FMLA has been used by American workers more than 200 million times. The *FAMILY Act* builds upon the success of the of FMLA in that it provides American workers with up to three months of paid sick leave in the event of a serious illness, the birth or adoption of a new child, or if they need to care for a very sick family member. The *FAMILY Act* is modeled after successful programs in several states, including California, New Jersey, Rhode Island and most recently New York. The *FAMILY Act* will allow employees to allocate part of their wages to take off up to 60 workdays, or 12 workweeks, in a year to address their own serious health issue or to care for a family member and will provide 66% of their highest annual earning over the last three years. Some of the covered health issues include pregnancy, childbirth, or adoption; caring for an ill family member; and for specific military caregiving and leave purposes. Under this legislation, both employees and employers would contribute a small amount every pay period to a self-sustaining fund. The eligibility rules of the *FAMILY Act* would allow younger, part-time, or low-wage workers to contribute and benefit, regardless of their employer's size or their length of time on the job.

ADDITIONAL RECOMMENDATIONS AT THE COMMUNITY LEVEL INCLUDE

- Amend the existing state and local contract procurement scoring systems to create a preference for employers offering new employment for targeted employees (e.g. the hard-to-employ).^{xxv}
- Increase the state's minimum wage. In May 2017, voters in St. Louis passed an ordinance that raised minimum hourly wage to \$10. However, in August 2017, city's minimum wages were rolled back to \$7.70 when the state passed a law prohibiting cities from setting minimum wages higher than the state.
- Repeal measures that make it harder for individuals to sue for workplace discrimination.
- Increase funding and access to job training and wage support programs for new hires (e.g., St. Louis Agency of Training and Employment program using Department of Labor funds).^{xxvi}
- Expand opportunities for low-income job seekers to receive employment counseling and guidance that lead to gainful employment in the St. Louis metropolitan area.
- Establish hiring best practices for employers to include: (a) Recruiting through community organizations (b) developing hiring strategies to make the workforce reflect the community, and (c) allowing existing employees to make referrals allows your business.

ADDITIONAL OPPORTUNITIES TO IMPROVE & SUPPORT ECONOMIC GROWTH

SUPPORT, PRESERVE AND PROTECT EQUAL OPPORTUNITY PROGRAMS

Despite the fact that equal opportunity programs, such as affirmative action, have proven to be an effective tool that gives qualified individuals equal access to participate and contribute; access that has been historically denied, they have come under attack again in recent years.

The fact of the matter is that our nation still needs equal opportunity programs in education, employment and contracting. Approximately 18% of all college students are African American, Latino, or American Indian compared with 28% of the college age population. African American men and women comprise less than 2.5% of total employment in the top jobs in the private sector. Based on their number, minority-owned firms received only 57 cents for every federal dollar they would be expected to receive if they were not a minority-owned firm. Equal opportunity programs are making sure that we have competent, educated leaders from and for all communities in the United States.

Equal opportunity programs are the epitome of the great American ideal of self-reliance; they give people the opportunity to help themselves.

**We need to make
our voices heard,
and demand that every
member of Congress,
as well as the President,
stand in support of
equal opportunity
programs including
affirmative action.**

ELIMINATE POTENTIAL DISCRIMINATION IN “FAITH BASED” INITIATIVES

Because of our Nation’s sorry history of bigotry, for decades it has been illegal to discriminate in employment and make hiring decisions based on race or religion. The only exception is faith-based organizations, which are exempted from anti-discrimination provisions in programs using their own money; although until now they had to adhere to basic civil rights laws when using federal monies to support a program.

Under the existing rules, many faith-based organizations of all types get hundreds of millions of taxpayer dollars, are still able to pursue their religious missions, and comply with existing anti-discrimination laws. Yet under new proposals from the Bush Administration, faith-based organizations, some of whom, unfortunately, may use religious discrimination as a shield for racial or gender discrimination, will be allowed to legally discriminate against tax-paying Americans in the course of spending federal dollars.

The NAACP recognizes, celebrates and supports the crucial role faith-based organizations have played throughout our nation’s history in addressing some of our country’s most serious ills. Yet led by our Religious Affairs Department, the NAACP remains in firm opposition to any initiative, including the “faith-based” approach that may result in legalized and federally funded discrimination.

Sadly, some lawmakers appear intent on lacing provisions into individual bills that would allow faith-based institutions to discriminate against people because of their religion when implementing programs funded by federal taxpayers’ dollars while eliminating anti-discrimination safeguards.

ELIMINATE HIGH-COST LOANS, SUCH AS DEBT PERPETUATING “PAY DAY” LOANS:

Predatory lenders strip cash from the earnings of working people at astounding rates. Predatory loans, including high-cost lending such as payday loans, car title loans and refund anticipation loans cost American families nearly \$5 billion in fees per year. They trap people in debt and make it impossible for individuals or families to save money, build nest eggs, or sometimes even to simply survive. Nearly 12 million Americans are caught in a cycle of five or more high-cost payday loans per year.

“Payday loans” are perhaps the most common predatory loan. Payday lenders offer small, short-term loans while charging annual interest rates of up to 400%. One of the biggest problems with payday loans is that consumers who use payday lenders are often in desperate debt, and the high interest rate makes it

so hard to pay back the loan that they quickly find themselves on the perpetual debt treadmill. When they cannot pay back the original loan, they extend it, often paying the fees and interest several times over. The end result is that many consumers end up paying far more in fees than what they originally borrowed. This is so common that 99% of all payday loans go to repeat borrowers; the typical payday borrower pays almost \$800 on a \$325 loan.

The sad truth is that many payday lenders locate themselves in low-and moderate income neighborhoods as well as communities with large concentrations of racial or ethnic minorities and areas surrounding military bases. One study found that African American neighborhoods have three times as many payday lending stores per capita as white neighborhoods in North Carolina, even when the average income of the neighborhood is taken into account. Another study showed that in Texas, where 11% of the population is African American, 43% of the payday loans were taken out by blacks. In too many cases, payday lenders are the only financial institutions in a community of color.

The NAACP supports legislation which would establish a new Fee and Interest Rate (FAIR) calculation that includes all interest and fees and creates a cap of 36% for all consumer credit transactions, including all open-end and closed-end consumer credit transactions, including mortgages, car loans, credit cards, overdraft loans, car title loans, refund anticipation loans, and payday loans. That rate is similar to usury caps already enacted in many states and is the same as the cap already in place for military personnel and their families, and we must also ensure that this federal law does not preempt stricter state laws.

PROTECT MEDICARE & MEDICAID

Created in 1965, Medicaid currently serves more than 50 million Americans. It was originally intended to provide health care to low-income Americans who would not otherwise be able to afford it. Medicaid is jointly funded by the states and the federal government, and is managed by the states.

Dramatic cuts to Medicaid would be disproportionately severe among racial and ethnic minority Americans since we currently comprise 56% of the Medicaid population. Specifically, in 2009, 27% of African Americans—10 million people, including 6 million children—were covered by Medicaid. African Americans account for 1 in 5 Medicaid enrollees. In 2009, 27% of Hispanic Americans—13 million people, including 9 million children—were covered by Medicaid; Hispanics account for 1 in 4 Medicaid enrollees.

To compensate for the steep reductions in federal funding, states would be forced to make up the difference by contributing more or, if they cannot or will not provide additional funding they will likely cap enrollment, substantially scale back eligibility, and / or

curtail benefits. Since most states in our country are suffering from budget shortfalls now, it is unlikely they will be able to compensate for any reduction in the federal contribution. Those most at risk of not receiving adequate health care under this proposal are seniors (communities of color currently make up roughly 43% of the elderly Medicaid population); people with disabilities (communities of color currently make up roughly 43% of the Medicaid population with disabilities); children (59% of children currently enrolled in Medicaid represent communities of color); working parents and pregnant women (communities of color represent 61% of the adult (parents and pregnant women) Medicaid population).

STUDY PROPOSALS FOR REPARATIONS FOR DESCENDANTS OF THE TRANS-ATLANTIC SLAVE TRADE

For almost 20 years, Congressman John Conyers (MI) has introduced legislation (which has consistently been given the number

H.R. 40) to establish a Commission to Study the Reparations Proposals for African Americans. This commission would be charged with reviewing the institution of slavery, the resulting economic and racial discrimination against African Americans, and the impact these forces have had on living African Americans. The bill would also acknowledge the fundamental injustice, cruelty, brutality and inhumanity of slavery in the United States.

DEVELOP A FEDERAL BUDGET THAT INVESTS IN PUBLIC EDUCATION, HEALTH CARE, JOB TRAINING AND THE PROTECTION OF CIVIL RIGHTS

A nation's budget is, in its aggregate, a statement about the values and priorities of its people. Each year, the President submits his budget proposal for the following fiscal year to Congress in late February, which sets off the budget process which, ideally, culminates in a federal budget by the beginning of the fiscal year, which is October 1st (for more information on the budget process, see the NAACP Washington Bureau publication, "The path to a federal budget.")

The NAACP has historically supported budget proposals that invest in the American people, all the American people, by ensuring that the health, education, crime prevention, protection of civil rights needs and employment needs are met. Furthermore, we will continue to oppose changes to the budget which might result in a decrease in the "federal safety net," programs that serve and assist the most vulnerable among us, including Social Security, Medicare and Medicaid and long-term unemployment benefits.

FINAL CALL TO ACTION

The NAACP Economic Department is committed to advocating for policies, programs, and reforms that effectively address the economic concerns of St. Louis, Missouri and urge policy-leaders to take action to eradicate discrimination and restore the promises of equity and equality for all people regardless of race and ethnicity.

The Department recognizes the importance of the economy and economic issues in advancing an equal opportunity society and aims to address the challenging economic realities facing our country including poverty, lack of jobs and disproportionate high unemployment, lack of affordable housing, foreclosures, etc. Further, the Department will continue to work toward enhancing the capacity of African Americans and other underserved groups through financial economic education; individual and community asset building initiatives; diversity and inclusion in business hiring, career advancement and procurement; and monitoring financial banking practices.

The success of these goals requires the commitment and participation of national, state, and local stakeholders. Success demands a commitment from the President of the United States who has the duty to enforce laws that were created long ago to protect some of the nation's most vulnerable citizens. Success also demands cooperation by local, state and federal legislators who have a duty to provide for the general welfare of St. Louis, the state of Missouri and the United States of America.

We must also hold the nation's biggest financial institutions accountable for decades of preferential lending and predatory practices that stunted the economic growth of African Americans across the country. It is critical these institutions now take affirmative steps to reach all communities regardless of racial composition and to use fair and equitable approaches to increasing access to homeownership, especially in communities suffering from disparities in housing, education, employment, and business development.

Lastly, equal protection of the law and the pursuit of life, liberty and happiness are not merely civil rights issues of our time. Instead, these ideas, which are apart of the American fabric, should endure forever and extend to future generations. Accordingly, it is vital that laws designed to maintain these values are applied equally and not diluted or invalidated by subsequent laws. Progress must be sustained. To achieve this, we must strive for a diverse judiciary, meaningfully address implicit biases, and stand against regression from American's best moments.

As a Department, it is our mission to empower local communities with the necessary education, resources and partnerships to develop sustainable economic models that advance diversity and equity and to ensure that government and industries are knowledgeable, and committed to bridging racial inequality particularly as it relates to employment, wealth, lending and business ownership.

With the Economic Inclusion Plan, we aim to grow a movement of concerned citizens and organizations who work together to produce an inclusive and strong middle-class economy for the 21st century and beyond.

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THE MINORITY REPORT

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**WELLS
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For more information about this
report, contact James Gilmore,
Director of Research & Policy
Economic Programs, NAACP.