

# National Black Church Initiative

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## **THE NATIONAL BLACK CHURCH INITIATIVE IS HOLLERING FROM THE TOP OF THEIR LUNGS, “IT IS TIME TO GET OUR ECONOMIC LIFE TOGETHER THROUGH STRONG FINANCIAL LITERACY”**

*This recession has been an economic tsunami and Katrina combined for the Black community*

*The Black community must save its money over the next five years*

Over the past three years the Black community has experienced what amounts to an economic tsunami. Hundreds of billions of dollars have left the Black community through the foreclosure crisis, the devaluing of existing homes owned by African Americans, the devaluing of African American retirement plans and 401Ks and the loss of employment and business opportunities. The root of these bad economic times can be laid at the door of Wall Street. Wall Street helped nurture and flame the appetite of greed. This was the most grievous demonstration of lying, cheating and stealing we have ever seen and they had little to any regard for those African Americans that they pleaded with to invest in the stock market. This is a devastating breach of trust and it cannot be understated.

It is important to point out, however, that African Americans are not solely the victims in this crisis, but also the perpetrators. There were many African American business people, especially in Real Estate, who took advantage of young, Black, single and married couples by introducing them to subprime mortgages without a full and comprehensive explanation as to the downsides of such an investment. These realtors knew that someone making \$50,000 a year could not afford a \$300,000-\$400,000 house. There was consistent trickery, lying and pure greed. However, because African Americans do not own the large mortgage companies they became the target of an industry bent on maximizing its profit under the banner of helping to improve Black homeownership. The problem with this is that the opportunity for Black homeownership was built on quicksand. This cannot be forgiven in any way.

The industry would have us believe that this recession or downturn in the economy is nothing new; that this is just a natural part of the ebb and flow of the economy, but in no way is this true for the Black community. When you add up the costs in terms of the loss of homes, the loss of income, the loss of a job, the loss of investment, and the cost of a broken family this clearly was a monumental loss in terms of the billions of dollars within the Black community. We can no

longer argue that the Black community is worth 300-400 billion dollars because this no longer true after this recession.

Recently, I picked up a copy of *Black Enterprise*, and on the cover, like on every cover of the magazine, they have a happy, smiling Black family. I was surprised to see that *Black Enterprise* had approached this crisis from strictly a marketing perspective and had not sounded an alarm that the Black community had not only be robbed, but financially gutted. I would question if the Black family that they put on the cover of the magazine is smiling today, knowing full well that the family might have lost their jobs, house, money in their 401K or that their marriage may be faltering. NBCI cannot believe in any way that this is a normal ebb and flow of the economy. This has been a human and natural disaster for the Black community. It has been an economic Katrina for the entire Black population.

We do not know to date how much money the Black community has lost, because as it is now we are still going through this crisis. This crisis started for African Americans around 2006, and here we are five months before 2010 and African Americans are still reeling through this crisis. One can imagine the tens of billions of dollars the Black community has lost. Therefore, it is simple arithmetic; if we no longer have those billions of dollars we can no longer demand respect from our white counterparts and the gap between Black and White on every level has widened by at least 25 percent. There does not exist sufficient numbers to illustrate how deadly this economic recession has been to the Black community.

It is enormously surprising, but not unexpected that the Congressional Black Caucus and those who look out for the political and financial interest of the Black community are not talking about the necessity of this crisis as a true emergency. This is an economic emergency for the Black community and we need to hear our leaders and those who are experts in our community talk about this and the manner in which this crisis has devastated our community, and called into question the very structure of this community. We must also hear what they will be doing to safeguard the Black community against another crisis. They have yet to offer any kind of comprehensive reform that will minimize the effect on the Black community during future recessions. Where is the Black Caucus' reform package of legislation?

Even though we have an African American President in the White House, the unemployment rates of African American males in the inner city are at 50 percent. This economic crisis has threatened the existence of the Black community. When you have 50 percent of the Black male population unemployed, that can only lead to catastrophe for the Black family. This is on top of the fact that the Black family is already in crisis given the devastating divorce rates.

This is why the National Black Church Initiative is hollering from the top of their lungs that we desperately need to change our economic behavior. The very first thing we need to do is cut down on spending in every single area of our economic lives and build what we are calling an economic check-up list that consists of savings, cutting spending, getting a lawyer, creating a business and having an economic recovery plan over the next five years. It is clear that even under President Barrack Obama the Black community will not be getting a bailout.