

From: john@zenviba.org
To: [submissions \(Banking\)](#)
Subject: Liquidity into African-American communities
Date: Tuesday, March 21, 2017 6:41:17 PM

Our10Plan: reducing economic disparities for African-Americans

Dear Senators Crapo and Brown,

The largest depressant on American growth is the credit crunch for African-American households and businesses. As co-founder of the [14th National Black Business Month](#) with Frederick E. Jordan Sr., I annually assess the State of Black Business each May.

Since the 2008 recession, business lending to African-American businesses has fallen 75 percent. Although small businesses employ 70 percent of all workers, only six percent of African-American workers are hired by black-owned businesses. Of the close to 3 million such firms, only 100,000 have employees.

Raising that number to 300,000 to 500,000 would eliminate the two-to-one unemployment disparity between African-Americans and the general population. What would it take to make that happen? Meet the \$50 ! billion annual credit requirements of African-American businesses.

There are things the Banking Committee can do that do not require legislation. In a 2014 submission to the Federal Reserve, I was joined by Dr. Timothy Bates, emeritus professor from Wayne State University, and Anthony W. Robinson, founder of the Minority Business Legal Defense Fund, in calling for the central bank to allocate one-tenth of its quantitative easing, approximately \$3 billion monthly towards facilities for providing credit to businesses in communities most impacted by the 2008 recession, and predatory lending.

I urge the committee, on a bipartisan basis, to join that simple request. The current stimulus has had the impact of accelerating income inequality and raising housing prices in communities which have not had corresponding economic growth.

Equally unfair is the distribution of settlement funds from federal and state enforcement actions against financial institutions for questionable transactions. The communities most affected have not benefited from those settlements. Again, significant proportions should be allocated to the institutions which make the majority of business and residential loans in communities shattered by predatory lending.

In *Our10Plan: State of Black Business*, our analysis indicates that sufficient credit allocation would bring liquidity to communities such as Chicago, which would have a very positive impact on the fiscal status of cities, counties and states, and improve the ability of families to afford to educate their children, insure their health and maintain their homes.

In *Silicon Ceiling 15*, we noted that not one of the 174 "unicorns" that have achieved billion-dollar status is led by an African-American.

Contrary to stereotype, African-American businesses are more likely to be run by college graduates, who have more than 20 years of experience in their industry. But the majority of black businesses ! surveyed in Texas have never even gotten a bank loan.

Imagine a card game in which only one side had funds. They would win no matter what hand they played.

In the *Journal of Black Innovation*, we chronicle companies every two months which have innovations which are competitive on the global market. But those firms do not get the access to capital for global growth.

With 20 percent of black businesses in health care, your decisions on health care access are supremely important. The initiative of New York Gov. Andrew Cuomo to invest \$1.4 billion

in Brooklyn, primarily in expanded health clinics, is a model for national policy. You should also direct greater resources into health research at historically-black colleges and universities so that they can provide the same employment impact as the likes of the Cleveland Clinic, Johns Hopkins and UC-San Francisco.

Howard University President Dr. Wayne A.I. Frederick has been able to turn around Howard University Hospital in a short period of time, indicating that serving this population can be done profitably.

The current financial markets resemble major league baseball before Jackie Robinson. Addressing the liquidity needs of African-Americans as an ongoing indicator--just as important as the monthly employment, trade and consumption indices--will allow the committee to create the same kind of growth in the overall economy that Major League Baseball has experienced since Jackie Robinson.

Forty million African-Americans want to play ball in the economic coliseum, just as we do in the college arenas and domed stadia. Raising African-American income from six percent of GDP (for 13 percent of the population) to ten percent creates a stimulus greater than the response to the 2008 recession. It is your role to be the Branch Rickey of the new millennium.

John William Templeton

Executive Producer

ReUNION: Education-Arts-Heritage

a Zenviba Ventureprises company

1691 Turk St.

San Francisco, CA 94115

(415) 240-3537

john@zenviba.org

Featured in Gina's Journey, a 2017 official selection Pan African Film Festival, Houston Black Film Festival and Oakland International Film Festival

Contributor, *The Hill*, NYSSA, *Today's Engineer*, *San Francisco Chronicle*

Co-Founder, National Black Business Month

Curator, California African-American Freedom Trail

2016 Visionary Award, California Black Chamber of Commerce

Ruling Elder, Presbyterian Church U.S.A.

Library Laureate, Friends of the S.F. Public Library

former editor, *San Jose Business Journal*, *Richmond Business Journal*, *Richmond AFRO-AMERICAN & Winston!* -*Salem Chronicle*