

# Business Exchange

By William Reed,  
publisher of Who's Who in  
Black Corporate America.



## Sensibly approaching black economic development

Special to Sentinel-Voice

The catch-word among African-Americans used to be "Black Power." Now, it's "Economic Development."

Interestingly, it's the same people who took the microphones on black power now speak "economic development." For us to move ahead, we need to note that people who preached black power thought integration was the answer for blacks' parity. Now we know that integration only enabled blacks to "integrate" their money in mainstream society and disrupted an economic development process that was better for us than things are now.

In our quest for economic development, we'd be better off if we stopped following the empty suits of civil and human rights people on this issue and set our wagons behind people who have secured their economic parity rights.

While they are good at what they do, people in the Congressional Black Caucus, NAACP, SCLC and Urban League have yet to prove their acumen in American capitalism. They are good in helping a few friends get jobs, but the wealth-building of black entrepreneurs is the key to blacks building their own communities, characters and careers.

An *entrepreneur* is defined as "a person who organizes and manages a business undertaking, assuming risk for the sake of profit." Derived from the French word *entreprendre*, it means to undertake.

For African-Americans to attain economic parity, we have to undertake and support seven times more businesses than we have now. That rising tide of black businesses will lift more of us toward economic development.

Today's average black household's median income is \$24,900. Since the Black Power Movement, African-American families earning between \$50,000 and \$74,999 increased more than 30 percent, and black families earning over \$75,000 jumped more than 200 percent.

The problem is that the majority of these blacks benefited from affirmative action-generated jobs and took their increased income to suburbia. But, with proper vision there's still opportunity for a substantial number of us to move up the economic ladder.

More than three million households in this country have a net worth of \$1 million. They are people who started their own businesses — from garbage recycling to photocopying and retail outlet stores. Many millionaires are immigrants; many more are first- or second-generation Americans. People from Caribbean countries, and Asia, do extremely well in this country. It's not just immigrants that make good, it's people who have tremendous discipline and understand and appreciate the American free-enterprise system.

If more of us get the vision and internal support, just serving basic needs of 30 million blacks would make thousands more of us millionaires.

Bob Johnson has accumulated a net worth exceeding \$200 million supplying cable television to blacks, so has John Johnson in publishing, and scores of blacks are making money and jobs supplying hamburgers in our communities.

African Americans should support civil rights leaders and politicians in areas they have the expertise and clout. We need to be aware, and act on the fact, that we'll not attain economic parity through social services programs. We have to stop viewing ourselves as "victims," and each start to take responsibility for our own actions and attitudes. Blacks will advance en masse in American society if we bond together, buy from each other, invest with and between each other and create businesses to supply our basic needs.

Racism is alive and living in America, but as our forefathers did during the times of legal segregation we can set up our own successful enterprises to service our needs. More of us have to dare to dream.

For information on economic development, get the Business Exchange Newsletter, (\$3 for handling and shipping), from 2054 National Press Building, Washington, D.C. 20045.

# BUSINESS

## Choosing between fixed and adjustable mortgages

Special to Sentinel-Voice

Making the best choice among the financing options being offered means taking a careful look at your housing and financial goals.

Is the amount of the monthly payment the most important consideration in your financial planning?

Are security and stability chief among your needs, or do you have the flexibility to allow your interest rates to follow the market?

There are not right answers for everybody. Each family will have its own needs and requirements.

Primarily, the choice you make between a fixed-rate and an adjustable-rate mortgage will affect your monthly payments over the life of the loan.

Make this decision after carefully considering your estimates of income and expenditures for the term of ownership you contemplate, whether it be short, long or lifetime.

To be certain that the monthly payment for principal and interest will not vary during the term of your mortgage, choose a fixed-rate loan. This is especially advisable if you anticipate

## Real Estate Perspective

By Loretta Arrington



small increases in future income. The longer you plan to hold on to your property, the more likely you are to benefit from a fixed-rate mortgage.

Conversely, if you expect to sell within five years or less, or if you expect interest rates to go down, the ARM or

adjustable-rate mortgage, with its rate-changing features, might be more appealing. The principal advantage of an ARM for short-term home buyers is that the initial interest is usually lower than the best rate available on a fixed-rate mortgage.

Contact your lender for additional information on these mortgages and their current rates. They would be happy to answer any of your questions. However, make sure you understand fully before you sign on the dotted line!

As always, please contact a professional for all your real estate needs or write to me c/o Real Estate Perspective, Las Vegas Sentinel-Voice Newspaper, 900 East Charleston, Las Vegas, Nevada 89104.

Loretta Arrington, owner/broker, Arrington & Associates Realty Company.

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