

## BUSINESS

## Blacks wanting to open more businesses

By Lee Hubbard

Special to Sentinel-Voice

Fulfilling a dream of starting businesses is something two-thirds of African-Americans would like to do, according to the recently released "State of Black America" report by the National Urban League. The report, which interviewed 800 African-Americans nationwide, showed that blacks at unprecedented levels, want to open their own businesses and be their own bosses.

Blacks polled in the Urban League survey were upbeat about the economy and there are many reasons for this. In the mid-1990s, new business started by blacks rose 26 percent, three times higher than in the general population during the same time, according to Census Bureau statistics.

There are over a million black businesses in the country and minority businesses accounted for more than 15 percent of American business in 1997, representing a 30

percent growth rate.

According to the Urban League survey, three-fourths of blacks surveyed felt they had more opportunities than their parents, and 40 percent of those polled said that affirmative action had contributed to this success.

Blacks have traditionally gravitated towards jobs in the public or private sectors based on job security, instead of taking the risk to start their own enterprises. But due to the nature of the private sector and the downsizing of government, many of the secure jobs they could count on are drying up.

In September, the black unemployment rate reached a record low at 7.2 percent, while the white unemployment rate was only 3.5 percent. This past June, the black unemployment jumped to 8.4 percent, twice the white average. Some economists are pointing to an economic slowdown, which will probably lead to more black unemployment.

Many of the areas expected to get hit with layoffs and cuts are concentrated in the manufacturing sector of the economy, areas where blacks are concentrated.

"The economy slowing down means that blacks and latinos are the first to see their gains go," said William E. Spriggs, a labor economist and director for the Institute for Opportunity and Equality at the National Urban League.

The manufacturing sector is seeing a slump reminiscent of the recession of 1990-1991, and due to the current signs of an economic downturn in the economy, blacks may be forced to operate their own businesses in order to stop black hemorrhaging from the public and private sectors.

James Clingman, author of the book "Blackconomics," saw a similar situation in the early 1990s when, America was in a recession. As a job facilitator and founder of the Cincinnati Black Chamber of Commerce, he encouraged

unemployed blacks to create their own opportunities. He said that mantra still holds today.

"People coming out of these companies facing layoffs should be directed towards entrepreneurship," said Clingman. "Just look at the statistics. Four-fifths of all jobs are created by small businesses." He said there are two ways to create wealth in America—investing or business ownership.

"It would be ridiculous not for us to move to start our own businesses," said Clingman. "But it should not stop there. Just starting a new business is not the total answer. We have to look at business support and carving out a niche in certain industries that we can control."

He said that an example of controlling an industry could be derived from immigrant groups like Korean immigrants, who control a large stock in the hair care supply industry, and East Indians, who control two-thirds of the

motel industry.

According to the Selig Center for Economic Growth at the University of Georgia, blacks earned over \$572 billion last year. That income has the potential to create a huge market for black-owned businesses and black-controlled industries.

"The money is there for us. You can see the figures every year," said Clingman. "But we have to learn to redirect our consumption spending towards our own businesses, and use some of the money being spent with other folks to help jump start our own businesses."

One area over which blacks have a level of control and in which some economic opportunities have been created for black people, has been the hip hop industry. From clothing lines to the record labels to all of the jobs in and around the hip-hop culture, blacks are tapping into the subset of black culture that comes from the streets, in order to create economic opportunities.

But while black businesses are growing, they are very small. According to a new U.S. Commerce Department Study, typical black-owned businesses earned an average of \$86,500, compared to Asian and Pacific Islander-owned companies, which had average annual gross receipts of \$336,200.

Some 85 percent of black businesses are sole proprietorship or businesses with few employees. It is in this area that Clingman says blacks have to move towards cornering industries to help create more jobs and income.

"We need to own more income-producing assets, such as hotels. For every hotel room you have, it creates seven jobs," said Clingman. "Hotels get 49 percent of every tourism dollar. If we own more hotels, we would have more money as a community."

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## New NABJ president faces fiscal concerns, industry blackout

Special to Sentinel-Voice

Condace Pressley, a reporter at WSB radio in Atlanta, was elected president of the National Association of Black Journalists late last month.

Pressley's election highlighted the NABJ 26th national convention held at Disney World in Orlando, Fla. Pressley defeated *Newsday* reporter Herbert Lowe for the post and became just the fourth broadcaster and woman to lead the organization.

Pressley's election also comes at a time when the NABJ is in a financial crisis and large numbers of African-Americans are leaving the newsroom, both of which Pressley has vowed to correct during her term.

Both issues were prominent at the convention.

During a meeting to dis-

cuss finances, several arguments developed and there was criticism of outgoing President Will Sutton, who many say oversaw the decline of the organization. NABJ is under \$500,000 in operating debt and has lost nearly that much from investments in the stock market.

Sutton apologized for his role in the fiscal crisis and said he should have been more involved.

A financial oversight committee was also created to help the organization regain its financial footing.

Members also passed a controversial proposal to take money from alcohol companies, a move that did not go over well with some members.

"I think using alcohol companies is an easy way out," said member Joe Davidson. "I'm opposed be-

cause of what alcohol represents to the Black community and the health of our community."

However, other members disagreed, saying the organization's dire fiscal problems allow for creative solutions.

Ray Metoyer of Atlanta said since companies are already selling to the Black community, "they should give something back."

Some members also took issue with the decision to hold the national convention at Disney World during the financial crisis.

One member, who asked not to be named, said the money spent on things like a lavish party during the second night of the convention and a breakfast with basketball star Grant Hill, which supposedly cost \$12,000 and was attended by only 100

people, could have been put to better use.

"They could have gone to a much cheaper place and had money left to deal with the finances," the member said.

Members weren't alone in criticizing NABJ. Veteran entertainer and conference speaker Harry Belafonte chastised the organization for having its convention at Disney World rather than Harlem or Watts, where it would have increased the visibility of Black journalists in areas with greater numbers of Black people.

"What a curious thing, Mickey Mouse and Black journalists," Belafonte said.

Although there seemed to be general agreement with Belafonte on the issue of the convention location, organizers point out they did sponsor a UNITY town hall meeting

preceded by a voter registration campaign in Orange County, Fla., where Orlando and Disney are located. The meeting also featured discussion on several issues of concern to people of color, organizers said.

The town hall meeting was opened by Florida Gov. Jeb

Bush, who was met by grumbling from the audience since many felt the governor's actions in Florida during the election helped his brother, George W. Bush, win the presidency last November—despite cries of disenfranchisement of Black voters in the sunshine state.

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