

## OUR VIEW

## Diversity Good For Enterprise

What a difference five years can make. In the summer of 2000, MGM Grand Inc., found itself on the hot seat after the local chapter of the National Association for the Advancement of Colored People reamed the company's paltry spending on minority-owned businesses and its lack of managerial diversity. During regulatory hearings for MGM's \$6.4 billion purchase of the Steve Wynn-owned Mirage Resorts in May 2000, then-NAACP President Gene Collins battered MGM for only spending \$850,000 with minority businesses over the previous years, compared Mirage Resort's figures — between \$5 million and \$10 million spent over the same period. The criticism caught MGM off guard, forcing chief executive officer J. Terrance Lanni to make an internal assessment and recalibrate what diversity initiatives (some critics said there were none) were already in place.

Cowed, at least somewhat, by repressive media coverage, the newly formed MGM Mirage came out swinging in the ensuing months and years — meeting with NAACP and community officials; hosting a gaming diversity conference; adopting initiatives targeted toward Hispanics; hiring an advertising agency to help the company pursue ethnic markets; and teaming with the Urban Chamber of Commerce to find qualified minority vendors. Though civil rights activist Al Sharpton said in July 2002 that the company hadn't improved one iota, by February 2003, improvement was tangible — creating a Diversity Committee chaired by former Labor Secretary Alexis Herman and a Diversity Council responsible for corporate diversity initiatives and implementing a policy to not accept construction bids that don't include a component from a minority or women-owned business or disadvantaged business. Two years later, the improvement continues.

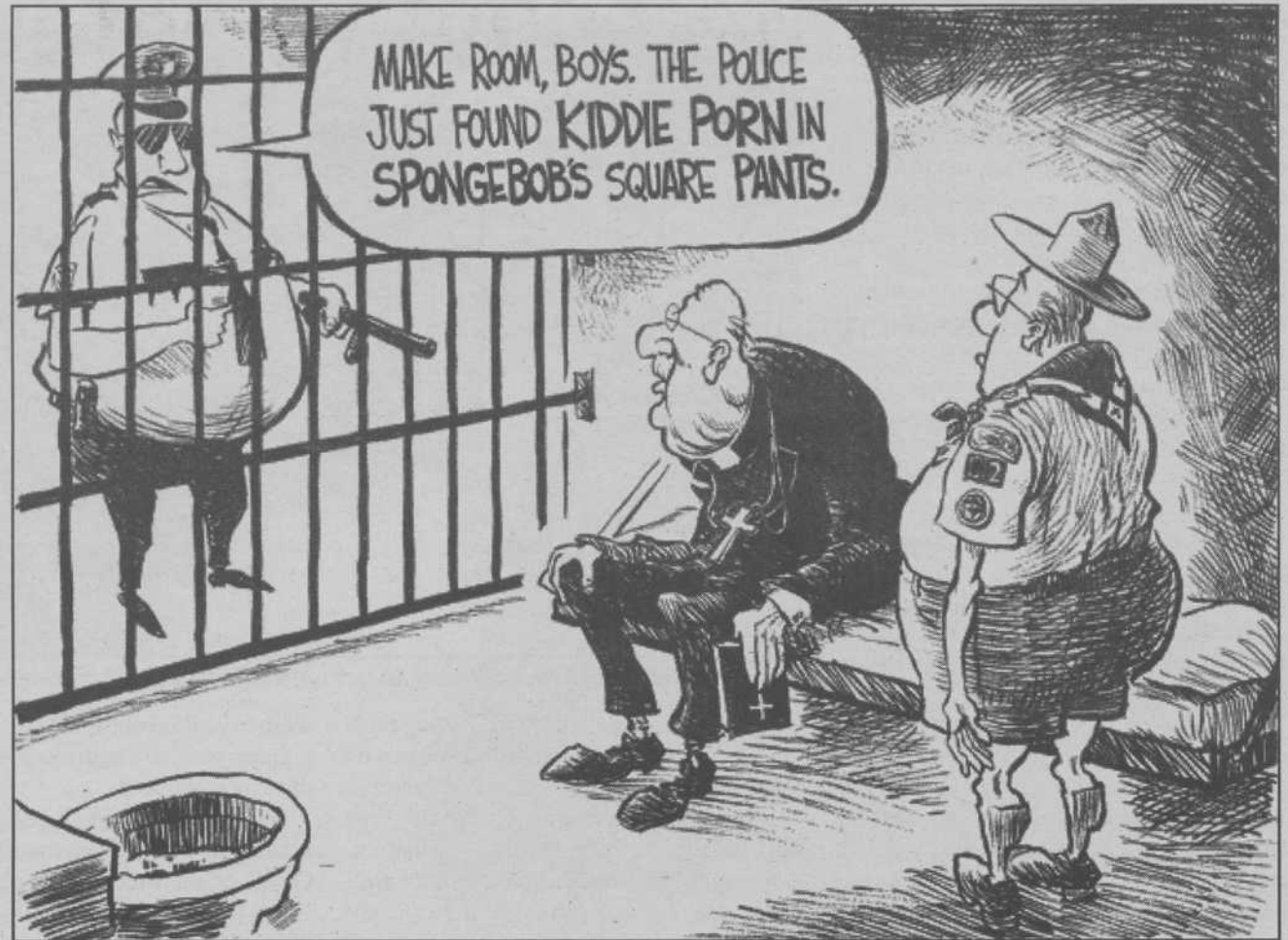
Minorities comprise 54.38 percent of the 36,000-employee workforce, up from 50.48 percent in 2001. Other comparisons from 2004 to 2001 include: management (minorities make up 31.16 percent of management, up from 26.31); procurement (\$79.3 million spent with minority, women and disadvantaged business enterprises, compared with \$8 million in 2001); purchasing (\$77.4 million spent on MBEs, WBEs and DBEs compared to \$24.3 million).

At the company's March 29 diversity presentation, Collins, one of MGM Mirage's most vocal critics, praised the company's concerted diversity efforts, while Herman recalled being recruited by the company in 2001. "I reflected back on that visit to the Culinary Training Academy," she told the audience. "I recall being deeply moved by the industry's commitment to people — and the underlying premise that success is assured when companies invest in people and provide them with meaningful opportunity to develop to their highest potential for contribution to the business... Today marks an opportunity to celebrate accomplishments over the past four years — and there have been many."

During his speech, Lanni acknowledged that initially the gaming giant didn't do well by diversity. "In the beginning, we faced significant challenges. We had diversity practices — not then known by that name — in pockets throughout the organization, but we did not have an overall policy framework to govern this work. That was the genesis of our Diversity Committee. Under Alexis' leadership, our Diversity Committee has energetically undertaken this mission."

Lanni's use of the term of journey is apropos. Diversity is an ever-expanding concept, ethnic diversity being as important as diversity of thought. For companies smart enough to realize that they're better served by viewing diversity as a way of doing business rather than a quantifiable goal, the journey to achieving it will be paved with higher community cachet and profits. For those still unwilling to take the first step (releasing figures on minority employment and procurement is a good first step), remember the power of negative press, circa May 2000.

## POINT OF VIEW



## The impact of predatory lending

By Dora LaGrande  
Special to Sentinel-Voice

Last Friday the Nevada Senate voted 12 - 9 to abolish the cap on interest rates that pawn shops can charge a customer, which opens the door for yet another predatory lending practice. This act raises questions as to whether or not these legislators understand the impact of predatory lending. Or, do they really not care because predatory lenders prey on minorities, working class and poor people?

At a time when Congress has several issues pending regarding predatory lending and its harmful, deceitful practices, our Nevada Senators, in their infinite wisdom, vote to expand yet another venue by which abusive lending practices can harm consumers, homebuyers and homeowners in our state. Do we have any legislators who will have the moxie to do what's right for low to moderate income Americans of all ethnicities? Nevada State Assembly, here's your chance to just do the right thing for "the least of these" and not special interests. We implore you to vote this measure down.

In the 1980s the U.S. Congress decided to no longer protect the rights of consumers and threw out interest-rate caps and other vital protections. Supporters of deregulation said it would drive



## ON THE RECORD

By Dora LaGrande

rates down. That has proven to be true for people who drive BMWs and Mercedes, but it actually drove rates and prices up for the poor, working class, and minorities across America. The American Dream has turned into a nightmare for millions of Americans mainly because of predatory lending practices. At the same time predatory lending increased in minority neighborhoods, conventional prime lending decreased in those same neighborhoods.

Predatory lending has spread its tentacles far and wide. I will discuss some of the various businesses that profit from unsavory lending practices and the impact on the communities in which they are domiciled.

Since I started the commentary as a result of Senate Bill 334, I will begin with pawnshops. The numbers of pawnshops have tripled in the past decade, and several of them are publicly traded. The symbol PWN that runs across the New York Stock Exchange electronic ticker stands for Cash America (SuperPawn on the West Coast) — a chain of 360

pawnshops (20 in Southern Nevada, six in Northern Nevada). SuperPawn charges up to 200 percent annually on its loans. With the removal of the cap that the Senate has just approved, the annual loan rate can go up to and beyond 300 percent. Tell me, what's right about taking advantage of someone who is in dire straits? — if they weren't they wouldn't be going to a pawnshop. Why can't our legislators see this?

Rent-to-own stores (20 Rent-A-Centers in Southern Nevada) have replaced local furniture stores and have grown to a \$10 billion industry serving some 5.8 million customers. Rent-to-owns

charge effective annual percentage rates from 16 percent to 275 percent for televisions and refrigerators. Of 100 Rent-to-own stores surveyed, over 70 percent of them charged effective annual percentage rates of over 100 percent. The industry lures customers who want to own merchandise by selling them dreams. Unfortunately, they never tell customers that the total cost of that dream is more than double the cost of buying the same TV at a store or that the interest rate could be as high as 200 percent annually, or more.

In addition to the millions of minorities, working class and poor people targeted by payday lenders, even those who give their very lives for this country aren't protected or even shielded from them. An April 2005 study conducted by Christopher Peterson, a University of

(See LaGrande, Page 11)

NEVADA'S ONLY AFRICAN-AMERICAN COMMUNITY NEWSPAPER  
**LAS VEGAS Sentinel Voice**  
GRIOT COMMUNICATIONS GROUP, INC.  
THE TRUTH SHALL SET YOU FREE

Nevada's only African-American community newspaper.  
Published every Thursday by Griot Communications Group, Inc.  
900 East Charleston Boulevard • Las Vegas, Nevada 89104  
Telephone (702) 380-8100  
Email: lvsentinelvoice@earthlink.net

Contributing Writers:  
Tanya Flanagan  
Tasha Pope  
Dianna Saffold  
Lés Pierres Streater  
Photographer:  
Isaac Sawyer

Ramon Savoy, Publisher, Editor-in-Chief  
Kathi Overstreet, Associate Publisher  
Parker Philpot, Assistant Copy Editor  
Don Snook, Graphics  
Ed & Betty Brown, Founders

Member: National Newspaper Publishers Association  
and West Coast Black Publishers Association