

Black banks struggling to keep doors open

By Heather Faison
Special to Sentinel-Voice

WASHINGTON (NNPA) - Independence Federal Savings Bank, one of the nation's oldest Black-owned financial institutions, based in Washington, D.C., was taken over in an aggressive buyout by a White developer last week, sending a chilling message to the already diminishing Black financial industry.

"This was quite a loss and unfortunately when one Black bank closes there is a big sore, but when one bank from a majority-own closes it is not as devastating," said Norma Hart, President of the National Banker's Association.

Less than two decades ago, there were nearly 50 Black-owned banks. But, according to the Federal Reserve, there were only 31 certified operations in 2006. That number decreased when the takeover of Independence Federal Savings in Washington, D.C., by developer Morton A. Bender, was finalized. After a ruthless five-year battle, during which Bender held up the bank in

multibillion-dollar lawsuits, federal regulators allowed him to acquire 51 percent of the company's stock, which gave him control of the bank's executive board.

"That's really a sad day; especially since the owner believed in the community and, had he still been alive, I believe that would not have happened," said Hart.

Black-owned banking institutions have opened doors to financial opportunities for African-Americans since the Jim Crow Era when White-owned banks denied service. Whether it was helping a small business get off the ground or a family move into their first home, these institutions have a legacy of service to communities and neighborhoods and are fighting to maintain ownership and keep their doors open.

The Consolidated Bank & Trust Company of Richmond, Va., was founded in 1903 by Maggie L. Walker, an African-American and the first female bank president in the United States. Consolidated had been the oldest continually operating Black-

owned bank in the nation until two years ago when the struggling bank merged with Abigail Adams National Bancorp, Inc., the parent company of The Adams National Bank.

Growing in a fickle economy that is challenging large majority-owned banks, many Black-owned banks are struggling with decreases in mortgage lending, loan delinquency, and recovering from the brunt of Hurricane Katrina.

These institutions are also vying for customer attention against White-owned goliath banks that have become one-stop shops, wooing more customers with an assemblage of financial services. True to their traditions, Black-owned banks have remained stable, offering basic checking, savings and mortgage services, but several of these institutions are diversifying their portfolios and maximizing profits.

"These banks, providing a greater array of financial products, will help secure their survival and help them be more competitive in this

age of mergers and consolidation," said William Michael Cunningham, a social investment advisor for Creative Investment Research, Inc.

Not all Black-owned banks are suffering.

In recent years, several Black-owned banks have expanded their financial services by breaking the boundaries of traditional services. Assets at the 25 Black-owned

banks highlighted in Black Enterprise Magazine's Annual Report on Black Business published this month, have increased 7.4 percent to more than \$5.7 billion since 2005.

The Boston-based OneUnited bank ranked at number two on the top 25 list and was lauded for successfully launching the first Black-owned Internet bank. The bank received national

attention in 2006 when they announced their online saving accounts with an annual percentage yield of 5.3 percent, which was above the national average.

The additional online accounts brought close to \$42 million in deposit growth according to *Black Enterprise*. Their online presence puts the bank on the playing field with mega online financial (See Banks, Page 16)

Unfair treatment in the workplace can kill you

By Amber English
Special to Sentinel-Voice

WASHINGTON (NNPA) - After 27 years of unrealistic expectations from supervisors, systemic racism and long workdays, Sharon Sterling left her career with Hennepin County in Minneapolis, Minn., behind. But her decision to resign came from more than simple frustration.

"I suffered from chronic insomnia and depression," said Sterling of her health prior to resigning. In addition, Sterling says her blood pressure was up and her doctor expressed concerns that if her work situation didn't improve, she might face 'sudden death.'

Sterling's physician was apparently right. Researchers in London found that people who report unfair treatment at work, face a greater risk of heart attack, high blood pressure and other factors that lead to heart disease.

The study, published in the *Journal of Epidemiology and Public Health*, was conducted by Dr. Roberto De Vogli of University College London. De Vogli and his team followed over 8,000 London civil service workers for an average of 11 years.

The *Journal* researchers found that people who reported unfair treatment were 55 percent more likely to suffer a heart attack, develop heart disease, or have chest pains.

They were 46 percent more likely to report poor physical health and at an increased risk for poor mental health.

"Most illnesses have a basis in psychological stress," said Dr. John M. Taborn, licensed psychologist and president of J. Taborn associates. "Health problems can result as a part of the person's physiological

response to stress."

Taborn has dealt extensively with issues of racism in the workplace. He has treated victims of workplace racism, and even served as an expert witness when cases are taken to court. Once a patient is adequately coping with a situation of racism in the workplace, Taborn sometimes suggests they take "administrative steps" in the event legal action takes place.

According to the Equal Employment Opportunity Commission nationally, 27,238 charges of discrimination based on race were filed in 2006. Of these, 22,457 charges were filed for discrimination on the basis of African-American descent.

"Unfairness is an independent predictor of increased coronary events and impaired health functioning," the *Journal* study concluded.

Though the study in London did not go into the nature of the unfair treatment, other psychologists agree that racism in the workplace can lead to similar health issues.

Aside from heart problems and high blood pressure, Taborn mentioned that depression, migraines, and sleeplessness can also result from perceptions of unfairness in the workplace.

"Perceptions of unfairness can cause internal feelings of hurt and hopelessness. If they can't cope with those feelings, anger is another behavioral response," said Taborn.

Though Sterling initially sought the advice of an attorney in her case, she did not continue to litigation. "I just reached a point where I wanted to get release," said Sterling. "Now I'm living the best life I ever lived in 51 years."

Democrats

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said Obama, who voted against the bill.

"And I feel that the best approach is to be in a phase redeployment that provides the troops the funding they need, but also provides them a new strategy that starts bringing them out of Iraq. We presented such a bill to the president. He vetoed it. And the bill that was on the floor last night was, I believe, a blank check that placed no restraints on him and no responsibility on the Iraqi government."

Democrats had fought adamantly for a funding bill that included deadlines for the withdrawal of troops, but Bush had vowed to veto any bill with such restrictions. Instead, the bill contains 18 benchmarks for progress in Iraq on which Bush must start reporting July 15, a much lighter option for accountability.

The deployment battle was actually a big loss for Democrats. Last November's election that resulted in a Democratic majority in Congress for the first time since 1994 was largely viewed as a mandate by voters to end the war. Congress approved the funding package May 24 with a vote of 80-14 in the

"I feel real good about what we've done. I think that we've changed direction as far as policy is concerned."

— James E. Clyburn
House Majority Whip



Senate and 280-142 in the House.

Democrats are putting a smiley face on the bitter-sweet moment by boasting about the \$6.4 billion in hurricane recovery assistance in the Gulf Coast; a minimum wage hike from \$5.15 to \$7.25 an hour; \$393 million to restore funding for emergency healthcare for children in 11 states among gains; and \$3 billion for Agriculture Disaster Relief for farmers and ranchers.

"This is the first time in 10 years that we've been able to raise the minimum wage," said Clyburn. "But, not only did we do that. We put together a package of about \$4.8 billion in tax cuts for small businesses... And everybody keeps beating up on Democrats for raising taxes." Clyburn, whose job it is to

establish as much unity as possible among Democrats, says he voted for the war-spending aspect of the bill in order to remain consistent.

"I think that I did not want to be hypocritical. I thought that I needed to bite the bullet on that as I was asking people to bite the bullet... I've tried to lead by precept and example," he said.

Despite the clear Democratic loss on the war-spending bill, Clyburn says Bush also had to ease his resistance to the Domestic spending, which Bush had strongly criticized for being in the bill.

"We passed a bill that provided assistance in several areas that the President has deemed, 'unnecessary spending,'" said Clyburn in a statement. "I cannot think of more 'necessary' or vital funding than this."



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