

Economy affects races in U.S. very differently

By James Wright
Special to Sentinel-Voice
 WASHINGTON (NNPA) — Barely a week in office as president of the United States, Barack Obama is facing one of the worst economic downturns since the Great Depression of the 1930s. The nation's economic woes top the new president's agenda even as the war in Iraq continues and the conflict in Afghanistan heats up.

For African-Americans like Carl Gray, a D.C.-based freelance videographer and entertainer, with a wife and two children, things always seem bad. Gray suspects that because he is Black, he will suffer economic discrimination, much of it subtle at times.

"I voted for Obama because I wanted someone in the White House who understood what I was going through," Gray said. "I know he does but the question is does he know the answer?"

When it comes to Blacks and the economy, two old sayings seem to sum up the struggle: "last hired, first fired" and "when Whites are in a recession, Blacks are in a depression."

The income disparity among Blacks and Whites is striking. For every one dollar a White man makes, a Black man generates 70 cents, followed by White women with 68 cents and Black women with 59, according to a book by Claud Anderson, "Black Labor, White Wealth: The Search for Power and Economic Justice."

A 2007 study conducted by researcher Julia Isaacs of the Brookings Institution showed that a typical Black family had only 58 percent of the income and assets of a typical White family. Blacks lag behind Whites in two wealth-producing instruments, homeownership and owning a business.

A 2006 U.S. Census Bureau survey showed that while 75 percent of White families owned their homes, only 47 percent of Blacks did so. A 2005 U.S. Department of Commerce survey showed that barely 5 percent of the nation's businesses are Black-owned.

Algernon Austin, an economist and director of the Race, Ethnicity and Economy Program at the Washington, D.C.-based Economic Policy Institute, said that recessions are hurt-

ful, particularly to the "poor and socially marginalized populations."

He said in an essay, "As we face the second recession of the decade and consider the merits of various stimulus packages, it is useful to examine what a recession would mean for Black America...What a recession means for Black America."

He added, "In the best of times, many African-American communities are forced to tolerate levels of unemployment unseen in most White communities...For example, the 2002 recession pushed the White annual unemployment rate up from a low of 3.4 percent in 2000 to a high of 5.2 percent in 2003. During the same period, the Black unemployment rate shot up from 7.6 percent to 10.8 percent."

Austin said that national recessions take African-Americans from a bad situation to a worse one.

"In 2007, the Black unemployment rate was 8.3 percent...This figure is still above the pre-recession low and more than twice the White unemployment rate. Goldman Sachs estimates that a new recession would increase the national unemployment rate to 6.4 percent by 2009."

The Black unemployment rate has already passed 11 percent.

To combat those numbers for all Americans, the Obama administration has designed a stimulus package to fuel the economy by building thousands of quality schools, lower electricity bills and increase health coverage for millions who lose insurance.

"National recessions take African-Americans from a bad situation to a worse one...Our economy could fall \$1 trillion short of its full capacity, which translates into more than \$12,000 in lost income for a family of four," he said in his five-minute Jan. 25 radio address. "And we could lose a generation of potential, as more young Americans are forced to forgo college dreams or the chance to train for the jobs of the future. In short, if we do not act boldly and swiftly, a bad situation could become dramatically worse."

Daunting statistics faced by Obama include:

—The United States lost 2.6 million jobs last year, the most in any single year since World War II.

—Manufacturing is at a

28-year low.

—The potential for unemployment could top 10 percent before the recession ends.

—One in 10 homeowners is at risk of foreclosure, and the dollar continues its slide in value.

Corporations continue to suffer. Circuit City is closing and Microsoft announced recently it will lay off 5,000 workers nationwide. Most governors are asking for help

in the stimulus package as they face staggering deficits because of lack of revenue from faltering local economies and the growing need of Medicaid and children's health insurance programs.

Obama said that his plan would create 3 to 4 million jobs over the next few years by emphasizing public works projects, increasing the federal portion of public assistance programs that states manage, some tax cuts and

taking on some uninsured Americans through a new, comprehensive healthcare plan.

"There are millions of Americans trying to find work even as, all around the country, there's so much work to be done," he said.

But Obama cautioned again against expecting instant results: "No one policy or program will solve the challenges we face right now, nor will this crisis recede in

a short period of time."

Gray, the videographer, said he understands that things will take time and he will be patient.

"At least I know that Obama is trying," he said. "That is the important thing — that somebody high in the government understands that people are hurting and trying to do something about it."

James Wright writes for the Afro-American Newspapers.

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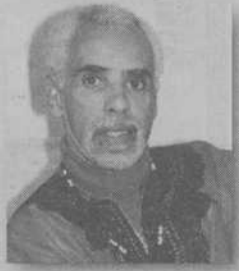
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