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**What Befalls a Man, Befalls Him by His Own Hand  
Smoke and Mirrors  
By Lloyd Wynn**

**BlackCommentator.com Columnist**

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While you wait for that stimulus check and the house-approved foreclosure prevention bill to make its way through the senate and to the president's desk, we have a genuine crisis unfolding in the Black community. Neither one of those measures will provide the relief needed within the Black community. We need a true economic stimulus package, comprehensive in scope. As of this day, we, as a community, do not have an economic agenda to mitigate the disaster seizing the Black community. Our fundamental weakness is about to be exposed again and culpability lies with the entire race. We were all on notice that the Black community is in dire need of a comprehensive economic development plan when our shame and helplessness played out before the world stage during and after Katrina. The moment has arrived to stop the delusion of "fake it till you make it". Frankly, we should be freaking out from a lack of job security, threatened retirement plans, mountains of consumer debt, and dismal career prospects.

The message of self-help pre-dates the Civil War when men such as Martin Delany, co-editor with Frederick Douglass at the *North Star*, said, "We prefer to stay in their hotels, ride in their wagons and wear their clothes, than make our own". But for every ancestor admonishing us to do for self, there were unlimited voices of opposition pleading for integration. Fredrick Douglass' message of integration annulled Delany's exhortations of nationalism. Similarly, Dubois' and the NAACP were effective in their campaign against Booker T. Washington for teaching Blacks vocational skills, Ida Wells for developing an independent school system, A. Phillip Randolph for encouraging Blacks not to enlist in the military during WWI and Marcus Garvey for establishing a parallel economy. Most recently, the Nation of Islam attempted to establish an

economic development program at the 10th anniversary of the Million Man March but tepid support and negative press has all but closed that window of opportunity. Encouraging though, are the many grass-roots organizations assisting Black and poor families with a variety of unmet needs.

The primary concern here is that the color blind theory has impaired our ability to learn from the past. Label me angry, irrelevant and out of touch but history says when the US economy goes into a recession, Blacks will be the last hired and the first fired. According to a study published in the Stanford Law Review, during a recession, there is a dramatic increase in the number of employment lawsuits filed in federal court. The single largest predictor in employment discrimination case filings is the national unemployment rate, when the economy booms, employment discrimination case filings fall in the next half-year; when the economy slumps, case filings rise over the next half-year. The U.S. Equal Employment Opportunity Commission received a total of 82,792 private sector discrimination charge filings in fiscal year 2007, the highest volume of incoming charges since 2002 (the end of the last recession) and a 9.0% increase over fiscal year 2006. Even that venerable weapon called education is not a viable hedge against discrimination during a recession. In December, 2000, college-educated Blacks and Whites had unemployment rates nearly equal at 2.0%. In December, 2004, 2 years after the recovery from the 2001 recession, college-educated Blacks' unemployment rate was 5.0% and college-educated Whites' unemployment rate was 2.0%.

Emphasis is being placed on employment since the job market is a lagging indicator in an economic downturn. To that end, we are in deep trouble. There is no consensus when the liquidity and foreclosure crises will be resolved. The foreclosure chaos will not end within the next 24 months if Congress and the President are relying upon the prevention measure recently passed by the House [the bill passed by the House is actually more toxic than the version I evaluated in, "[Moral Hazard: Economists and Policymakers \(Liberal and Conservative\) Leading Homeowners Down A Blind Financial Alley.](#)"]

The liquidity crisis has so many layers, players and liars, one does not know where to begin evaluating the conflicting statements. In spite of the different positions taken by various Federal Reserve District heads, Carlyle Group Chairman David Rubenstein's and former World Bank President James Wolfensohn's statements offer, in my opinion, somewhat more of an accurate assessment. Mr. Rubenstein said there are still "enormous losses" from bad loans they have not yet recognized and it will take about another year to account for the losses. He also stated sovereign wealth funds have lost \$25 billion of the \$60 billion provided to financial institutions last fall. Mr. Wolfensohn, head of World Bank from 1995-2005, believes total losses will equal \$1 trillion worldwide; so far financial institutions write-downs equal \$329 billion.

Taking the most optimistic point of view, the liquidity and foreclosure crises will be over in late 2009, we must account for the lagging nature of the job market. Recovery from job loss will be slow and painful. In previous recessions we turned to the manufacturing and technology sectors to boost the economy. Those jobs are history; market forces and trends have guaranteed their permanent exile to other countries.

The nascent green economy is beginning to attract some attention due to

sustainability issues as well as soaring energy costs. Both Democratic candidates reference green-collar jobs when they speak of the new economy and job creation. Green collar jobs are primarily jobs in green businesses – that is, jobs in businesses whose products and services directly improve environmental quality. State and local governments across the country are increasingly adopting public policies designed to improve urban environmental quality in areas such as solar energy, waste reduction, materials reuse, public transit infrastructures, green building, energy and water efficiency, and alternative fuels. The goals and programs associated with these public policies increase business opportunities for green enterprises which results in an expansion of green collar jobs.

The crown jewel of green-collar jobs would be the careers requiring LEED (Leadership in Energy and Environmental Design) certification from institutions with US Green Building Council approval. Architects, real estate professionals, facility managers, engineers, interior designers, landscape architects, construction managers, lenders and government officials all use LEED to help transform the built environment to sustainability. On the other end of the spectrum are green-collar jobs such as landscape or weatherization technicians which require as little as 25 hours of training to the more skilled craft of photovoltaic (solar panel) installation requiring 300 hours or more of training.


These ideas represent only a tiny fraction of the options available to the Black community if an economic development plan were a priority on the agenda, as it should be. An economic initiative should have many components but central to any plan should be a platform to recognize or create revenues that will support other aspects of the initiative.


Remember the Fed chief’s advice: deleverage, raise new capital and assume good risk management strategies.

**BlackCommentator.com** Columnist, Lloyd Wynn was a consultant in the secondary market. Lloyd is the author of Residential Real Estate Finance: From Application Through Settlement. Click [here](#) to contact Lloyd Wynn.

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