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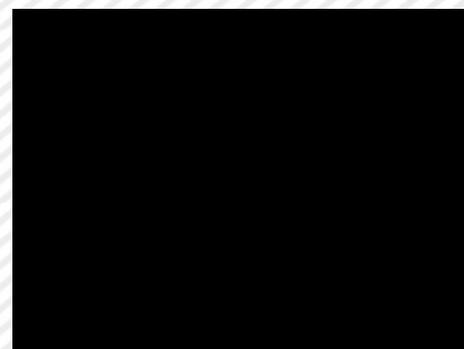
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Business Exchange: Moving your Green into Black Banks



October 14, 2013 NNPAFreddie Op-Ed Comments Off



By William Reed
NNPA Columnist

"If you are just able to give a nickel, let us put it up for you to help buy food, clothing and shelter; and start farming and building factories and plants." – Elijah Muhammad

The greatest challenge facing African-American leaders is increasing our collective wealth. Toward this end, the Congressional Black Caucus Foundation, Inc. (CBCF) has made a model \$5 million investment in African-American-owned banking institutions. The move is part of a broader effort that will increase the availability of loans for businesses and individuals in African-American communities. The CBCF selected banks in the North, South, East and Midwest regions in an effort to achieve geographic balance in an ambitious initiative that could prove crucial in lifting the economic fortunes of Black communities. In all, five banks will receive \$1 million each: the Industrial Bank in Washington, D.C.; Liberty Bank & Trust Company in New Orleans, La.; Mechanics & Farmers Bank in Durham, N.C.; Seaway Bank & Trust Company in Chicago, Ill.; and, City National Bank of New Jersey in Newark, N.J.

"Historically, and still today, minority and women-owned banks remain an important source of credit and accessible financial services," said Rep. Chaka Fattah, chair of CBCF's board. "CBCF has invested in this partnership because we need these institutions to grow and thrive." But, today's Black Americans have an aversion to putting money in another African-American's hand. African Americans deposit approximately 0.43

BlackPressUSA Highlights

Editor's Note

We are in the process of updating our design, adding new features, expanding content and a proving a better navigation system for the site. Please follow us over the next few weeks as we continue to roll out additional improvements.

George E. Curry
Editor-In-Chief
NNPA News Service and
BlackPressUSA

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percent of their \$1.1 trillion buying power in Black banks.

With this move, the CBCF shows itself as a stakeholder in America's Black banks. "Minority banks play an important role toward the economic empowerment of minority communities," said A. Shuanise Washington, CBCF president and chief executive officer. "We hope this investment will spur much-needed economic development, provide critical support to small businesses and inspire others to invest in minority banks."

The CBCF action illustrates a way Blacks can increase their collective wealth: "buy and bank Black." National Bankers Association President Michael Grant says that: "It is time for us to start investing in ourselves." Since the establishment of the first bank organized and operated by African Americans in 1888 these have always been sources of financing for entrepreneurs and home buyers. To this day, Black banks represent Black community financial mainstays. Today, there are 21 African-American-owned banks in the U.S. with assets totaling approximately \$4.7 billion. The nation's largest bank, Bank of America has \$2.3 trillion in assets.

B. Doyle Mitchell, Jr., president and CEO of Washington's Industrial Bank, points out that "Black banks are still relevant in the post-civil rights society." Too many Black Americans have gone "post-racial" when it comes to fundamental economics. In reality, a bank is the most important institution in any community. A bank is a stabilizing force in the community it serves. It loans money to small businesses to help them expand and create jobs. It assists religious and community organizations in their pursuits. It helps individuals to become homeowners and helps existing homeowners make repairs and additions to their property. The bank does this because it gets the money it uses to make a profit from the community it's located in. This is how it works in every community except the Black community.

More Blacks bank at Bank of America that they do with all America's Black banks. It's time Black Americans realized and discussed that Black-owned banks' resources are limited because Black Americans refuse to deposit money in them. Black people have more than a trillion dollars in spending power; however most Black banks can't get Black people to deposit their money in them. The CBCF action is "elementary economics" that illustrate how fundamental Black banks are to America's urban areas. The CBCF has made "a clarion call" that Black banks need all the help they can get to continue as vehicles for African-American families to build their futures.

William Reed is publisher of "Who's Who in Black Corporate America" and available for projects via the BaileyGroup.org.

- business exchange
- Congressional Black Caucus Foundation
- national bankers association
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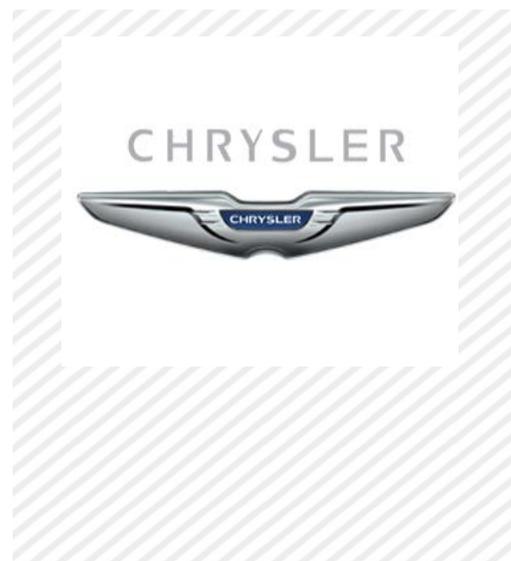
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