

U. S. Black Chamber: Economy game changer

Written by Hazel Trice Edney
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Pictured: National Bankers Association President Michael Grant; U.S. Black Chamber Inc. President Ron Busby and Industrial Bank President/CEO B. Doyle Mitchell Jr. celebrate the deposit that they believe could be the catalyst for a new Black economic movement.

WASHINGTON (TriceEdneyWire.com) - Ron Busby appeared reflective as he sat at the mahogany board room table at Industrial Bank, a Black-owned establishment, based in North West Washington, D.C. Busby, the president/CEO of the U. S. Black Chamber Inc. (USBC) then summed up his thoughts in one sentence:

"This is a game changer," he declared. Amidst an economic downturn that has pulverized segments of the Black community with record unemployment and loss of wealth across the nation, Busby had just opened a U. S. Black Chamber account with Industrial. The deposit was a calculated move to start a new relationship that he hopes will spread into a national movement that will strengthen Black financial institutions and ultimately uplift the community at large.

"I believe that Industrial has a success story that is unequalled," he continued in the interview. "And if you really look at the statistics in reference to not only Industrial, but other minority and Black-owned banks, you'll see that they are in our communities; they lend money to our businesses as well as our local communities. And so, for the average reader across the country that's going to pick this up, I think it is game changing because now you have a national organization that's not just talking about a solution but is actually actively participating in the solution."

The USBC deposit was in fact another significant stride in the history of the 75-year-old Industrial. The bank started with six employees and \$192,000 in assets in 1934 and now has

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150 employees and more than \$333 million in assets. With Industrial Bank pioneers Jesse H. Mitchell, founder, and B. Doyle Mitchell Sr., president, adorning the board room wall in portraits; Busby underscored the significance of the new business partnership.

"This will be our primary bank," Busby said. "We will probably do about a half million dollars of business a year that will run through this particular bank."

The 4-year-old Black Chamber, Inc. boasts about 108 chambers in 22 states and 240,000 members - mostly Black-owned businesses. The ultimate strategy, if it works as outlined by Industrial President/CEO B. Doyle Mitchell Jr., would benefit the community.

"The more deposits we have, the more we're able to lend out," Mitchell says. "In order to grow, you've got to have deposits."

Mitchell, also chairman of the National Bankers Association (NBA), envisions a spread of the movement. "I do see it as a partnership, but I also see it as an encouragement to other Black national organizations and Black companies to do more business with each other because I think we trail everybody in trying to do business with each other and keeping money in our own communities. I think with the U. S. Black Chamber being the top notch organization that they are, I think it's a big leadership step for them and for Ron to take that initiative."

Mitchell and Busby both serve on the Small Business Administration's Council on Underserved Communities, where they first began this conversation. They have concluded that - in addition to government initiatives - the African-American community must step up its activities to revitalize itself. To make that happen, Mitchell and Busby are strategizing with Michael Grant, president of NBA, which has a membership of 37 mostly Black-owned banks.

"This can be the catalyst to get other national organizations to see how important it is that we harmonize; synergize, and energize our efforts," says Grant as he listed several major Black organizations. "At the end of the day, all of these organizations have constituencies that go all over America, all of these organizations handle money and their members handle money... You start with the leadership of these organizations and you say 'Listen, we need to do a better job at harvesting our own wealth. Yes, we want to look to politicians to do things and yes we may ask the corporations to be more fair about their hiring and their contracting and so forth, but what are we supposed to do?'"

Grant continued, "To me, I don't think that we should keep asking others and passively sitting back and waiting for others to deliver for us. We should be proactive and aggressive about making sure that economic opportunity exists in the Black community. So, all of us are national organizations; we've already got people; we've already got constituents, right? We've already got resources. So, let's set the example."

A "national action plan" in this regard will be announced July 27 during the USBC's School of Chamber Management conference at Georgetown University in D.C., Busby says.

In a nutshell, the plan is described as a strategic national movement in which Black chambers -

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and ultimately Black businesses and Black organizations - will be encouraged to open accounts in Black banks. Among the initial cities are Phoenix, Ariz.; Austin, Texas; Atlanta, New York City, and Detroit, Busby said.

"And so we're going into those six cities and saying, 'Okay, here's your local Black bank. We need to make sure that they're successful as well. We need to move as many of our loans, our bank accounts, our savings accounts into Black-owned banks.'"

Busby points out that the strategy is actually a part of the USBC's "solution-oriented" mission statement, which deals with supporting African-American businesses and banks based on five pillars:

- *Advocacy: Fighting for legislation, programs and policies that promote small business growth.
- *Access to capital: Creating avenues "by which Black businesses can gain greater access to credit, capital and other financial instruments."
- *Contracting: Helping members "gain access to business opportunities" in private and public sectors.
- *Entrepreneurial training: Assisting Black business leaders in achieving "stellar performance and growth through entrepreneur and business management training."
- *Chamber development: The growth and expansion of new chambers around the nation.

The new strategy will focus mainly on three of the pillars. They are access to capital, contracting and entrepreneurial training, Busby said.

Throughout history, Black leaders have attempted various economic strategies to strengthen the Black community as whole, most of which have failed. Grant explains that the greatest hurdle to this movement will be galvanizing the masses in the same direction and convincing people to think about community rather than just about their own organizations or households.

"The civil rights movement was the last time that over time we came together and we all got some kind of agreement - if you will - on one accord about what we wanted. The civil rights movement ended up changing a lot of people's minds and attitudes because the reward was so close in front of them," Grant said. "If you want to change behavior, you have to use positive reinforcement so that rewards for the new behavior are strong enough."

Economist Julianne Malveaux lauds the plan but says prospective participants must ask hard questions in order to hold the banks accountable.

"This is a very welcome move because only one in 10 Black dollars goes into Black entrepreneurs and Banks. So, whereas a dollar may turn over seven or eight times in other communities that invest in themselves the African-American community's dollar may turn over only once; then go right out. So, the Black Chamber is modeling what Black folks supporting

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Black folks should be," Malveaux said.

However, the success of the movement will be contingent upon whether Black banks are serious about spreading the wealth in Black communities.

"There are a series of questions that people who are changing accounts will have to ask. And those are questions that minority banks will have to answer. Like, for this support, what are you offering? Is this support simply rhetorical or does this mean more lending in the Black community? Does it mean more opportunity for our young people? Does it mean more employment for our young people?"

Grant concludes, "The burden is on all organizations; including the Black bankers too...It's a two-way street. When you think about all the things our banks could do in their communities to help strengthen those communities, that burden is on us as it is on everybody else. What can we do to grow wealth in our community? All of us have a responsibility. Nobody's exempt."