Cornell William Brooks is the newly elected president and CEO of the National Association for the Advancement of Colored People (NAACP), the nation’s oldest, largest, and most widely respected grassroots based civil rights organization. In 2014, he became the 18th person to serve as chief executive of the Association, whose members in the United States and worldwide are the premier advocates for civil rights in their communities.
CORNELL WILLIAM BROOKS
18TH NAACP PRESIDENT & CEO

“Now is the time to stand for an NAACP which is multi-generationally diverse, multi-racially diverse, multi-ethnically diverse, diverse in every sense of the word, now is the time.”

Cornell William Brooks, NAACP President & CEO
Speech from 105th NAACP Annual Convention

Congress, Banking and the Politics of Diversity
American Money: 529’s A Higher Education Tool
NAACP Econ Enters 7th Year of Gateway to Leadership
A Year of Economic Advocacy
What’s New in Fair Lending: CFPB Anniversary
NAACP Econ Brings Economic Justice to Annual Convention
NAACP & Dunkin’ Brands Team Up to Increase Franchise Diversity
NAACP Econ Promotes Diversity in Financial Sector
NAACP Econ Hosts Summer Interns

“To be a poor man is hard, but to be a poor race in a land of dollars is the very bottom of hardships.” - W.E.B. Du Bois
Sometimes Congress gets it right. One of those times was in 2010, when it passed the Dodd-Frank financial reform law and included Section 342, which established the federal Offices of Minority and Women Inclusion (OMWIs) in the nation's most powerful financial regulatory agencies. Today there are real questions about whether we can maintain that forward momentum.

These offices matter. There is plenty of evidence that the subprime crash from which we are still recovering stemmed in large part from predatory loans marketed to communities of color, while regulators simply weren’t paying attention to what happened in those communities.

The OMWI’s job is to help make sure that doesn’t happen again by improving diversity in the financial sector. Among other things, the OMWI sets standards for workforce and supplier diversity for this multitrillion-dollar sector, ensuring that women and people of color are fully participating and benefiting from finance. Recent research from The Greenlining Institute and the NAACP revealed a shocking lack of both workforce and supplier diversity in the banking industry. In 2012, some of the top banks spent less than 6 percent of their total sourceable budgets with minority-owned businesses, and less than 20 percent of bank managers were people of color.

It’s crucial that all stakeholders -- from Congress to agency leadership -- support the OMWIs in their mission and hold them accountable to the crucial goal of improving the racial and gender diversity of our financial system. But in the three years since 20 OMWIs set up shop, we’ve seen the politics of the Beltway stall their progress rather than helping them move forward.

The OMWIs weren’t given very specific authority or oversight, and so how internal agency leadership choose to structure their mission is critical. Today, the internal politics of each agency shape each OMWI in terms of programming and data transparency.

Greenlining Institute has analyzed the OMWI’s Annual Reports to Congress -- which detail the offices’ progress over the past year in diversifying their workforces and supplier networks. The analysis showed great strides in the timeliness of published reports, a continued increase in data provided, and a general uptick in contracting with diverse businesses -- particularly by the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency. Unfortunately, many other OMWIs seem stuck, with little progress to report.

In those cases, a common cause of that stasis is lackluster data. Some agencies do a great deal of contracting with minority-owned businesses and some much less, but their reporting is all over the map. Some break down their data in great and useful detail, while others pile it all into a couple of indecipherable lumps. They can do better.

In order to make true progress, the OMWIs must be staffed by people who are able and willing to lead by example. They need the resources required to build up diversity programming, and must be dedicated to both transparency in metrics and to acknowledging and addressing disparities in a proactive fashion.

Some agencies have wholeheartedly embraced the OMWI process, setting an example others should follow. More active engagement from Congress can help the OMWIs increase their success.

Currently, the OMWIs’ annual reports have very broad content requirements that leave much room for interpretation and variation. Congress should create a standardized, robust reporting template that allows apples-to-apples comparisons across agencies. One approach would be to establish an advisory committee of advocates and representatives from industry to craft these improved metrics -- creating robust measurements that push the agencies to be industry leaders, rather than simply fulfilling an obligation.

In addition, Congress must: ensure that annual reports continue to be available to the public; hold an annual, public hearing where OMWI directors and their agency heads report on diversity progress and challenges; and establish a special joint committee to address diversity within the federal government as a whole.

Members of Congress who doubt the importance of this should review both the history of our recent financial crisis as well as the growing pile of data on the increasing influence of voters of color.

This piece was originally published in The Hill.
American Money:
529s A Higher Education Tool

By Dedrick Asante Muhammad, Sr. Director of NAACP Economic Department

For many consumer items, especially homes, interest rates remain near historic lows. But for new borrowers of college education loans, who number about 12 million each year, the steady uptick of rates is reason to consider updating your financial strategy.

On July 1, rates on federal student loans rose to 4.6 percent, up from last year’s 3.86 percent. While that increase will only add about a $138 per year in repayment fees to a typical borrower (rates are locked in for all but new borrowers) it still adds to what has become a mountain of debt for students who need to finance their education. When new graduates collect their diploma and enter the job market that debt can take away from money that could otherwise be invested in important early career wealth-building activities, such as purchasing a home, starting an Individual Retirement Account, or buying a car.

These days about 70 percent of college students take out loans. A typical college graduate leaves school with $25,000 to $30,000 of debt while countless other graduates of law school, business school or medical school rack up bills of $100,000 and higher. Nationally, collective student debt exceeds $1 trillion.

While college loan rates remain a pretty good deal for consumers, minimizing the amount of money you borrow is the best way to avoid a whopping tab when you finish school. One of the most effective savings vehicles is known as a 529 plan. A 529 is an IRA-like education investment account that allows consumers to invest in mutual funds, withdrawing the money later to cover tuition, books and other educational fees.

Gains in 529 accounts are tax deferred when used to pay for college education and upon withdrawal they avoid federal taxes entirely. 529s are also easy to manage -- you pick a mutual fund (index funds pegged to market performance are a common choice), make regular contributions of any size you wish, and let the money accumulate.

529s are also open to anyone without income restrictions and contribution caps are as high as $300,000 in some states. For two parents who file jointly, there is an annual $28,000 limit on how much money they can put into a 529 for a college-bound child.

In this fast-moving world the value of a college education has never been higher. Most observers would agree that entry into the job market and adopting new skills become much more difficult without the foundation of higher ed. But building financial security also depends on wise use of credit and on building assets from as early an age as possible. Using tools such as 529 accounts to offset the expense of college education is a smart way to fund higher education and to get a leg up on savings.

This piece was originally posted in HuffingtonPost.com
The annual orientation of the “Gateway to Leadership Student Leadership Conference” kicked off at Catholic University Of America May 28th-May 30th, 2014 to celebrate the arrival of its newest cohort. This year’s conference commenced with a site visit to the Securities Exchange Commission, as well as the Office of Minority and Women Inclusion, where students learned about the day to day operations and diverse job opportunities available for recent graduates.

The second day of the conference began with an opening address by Dr. Willie Jolley, International Motivational Speaker, who emphasized the importance of seizing your moment of opportunity as a leader. Students also participated in workshops on critical thinking, project management, business writing and career readiness all of which are crucial in career development.

The final day of the conference began with Honoree guest Alphonso Jackson, Former Secretary of HUD/ Vice Chair of J.P. Chase, addressing students on how he navigated his career path to success, the challenges he faced, relationship building and building his professional brand.

Several other industry experts were on site and offered insight into financial markets, financial reform, and accountability in the industry. Industry veteran Ken Webb, Director of Investment Product Sales & Marketing at AXA Advisor, LLC gave a compelling speech on “Why Diversity Matters in Financial Services” and the importance of having various perspectives in the financial industry. This led to an interesting discussion on how various ethnicities and cultural backgrounds can be beneficial to financial analysis. Students were then greeted by Gateway to Leadership alum Jordan Thompson who is currently a Branch Analyst at Morgan Stanley. He spoke on his experience in the program, the knowledge that he acquired in his internship and how he leveraged his Gateway to Leadership opportunity into a fulfilling career.

The conference ended with an overview by the NAACP Economic Department Director of Strategic Partnerships, Lillian Singh and Youth Organizer, Jahmaiah Lewis, on the importance of being the next generations of leaders.

The NAACP Economic Department is excited to continue its partnership with the Gateway to Leadership Program and looks forward to the exciting career paths of its participants.

The application process for the 2015 Gateway to Leadership program begins October 1, 2014 and will conclude mid December 2014.
A YEAR OF Economic Advocacy

Over the past year, the Economic Department has engaged in economic justice work with NAACP units across the country, including with the Alaska, Washington and Oregon State Conference, Portland NAACP and Seattle – King County NAACP in the areas of minority contracting, minimum wage hikes, halting foreclosures and curbing gentrification.

Minority contracting

The Senior Director of Economic Department, Dedrick Asante-Muhammad and NAACP Alaska Oregon and Washington Area State Conference (AOWASC) leadership held a press conference in Seattle, Washington to respond to findings that the Washington Department of Transportation (WSDOT) failed to address racial discriminatory practices or meet federal diversity and inclusion standards particularly in regards to the federally funded Alaska viaduct construction project with Seattle Tunnel Partners. Since the press conference, the Alaska/ Oregon/ Washington NAACP State Conference and the NAACP Economic Department met with Lynn Peterson, Secretary of WSDOT, and representatives of FHWA and reported a major black business owner was recently offered a position with Seattle Tunnel Partners signifying progress.

Minimum Wage Fight

The Seattle NAACP were part of a broad based coalition that successfully led to voters in SeaTac, home to the Seattle area’s airport, narrowly approving a $15 minimum for workers doing airport-related work last year. That victory spurred interest in doing the same thing on a bigger scale in the city of Seattle. In June of this year, the Seattle City Council’s historically voted to raise the minimum wage to $15 per hour – the highest in the United States.

Halting Foreclosures

Seattle housing officials estimate about one-fifth of the city’s homeowners are underwater on their mortgages. In December of last year, the Seattle NAACP participated in a meeting that helped urge the Seattle City Council members to vote in favor of exploring options to help homeowners facing foreclosure. Homeowners, who roughly owe between $65,000 and $130,000 more on their mortgages than their homes are worth, will be eligible for assistance.

Curbing Gentrification

The NAACP Economic Department lent its support to the Portland NAACP, who along with a broad based coalition protested a multibillion-dollar development project by Majestic Reality, a California based company, which would have displaced many members of Portland’s historic African American neighborhood and one of the fastest gentrified zip codes in the nation. The criticism halted the project and resulted in city officials returning to the negotiating table; this time inviting community representatives and their input.
Since its inception on July 21, 2011 the Consumer Finance Protection Bureau (CFPB) has taken great steps to limit the potential harm which financial tools and companies can impart on Americans. In many cases, the victims of these abuses are people of low and moderate income (LMI). Since 80% of African American families fall into this definition, the NAACP has worked closely with and monitored the impact of the CFPB.

To date, a list of the accomplishments of the CFPB is an impressive one.

• A total of $4.6 billion has been returned due to CFPB enforcement actions to 15 million individual consumers.

• A process now exists where any person can file a complaint against a regulated company and that company must respond. If the response is not accepted a CFPB investigator reviews the file and determines if the company has indeed violated the law. This database is online and will soon offer more detail than ever about the circumstances leading to the complaint. This transparency allows the public to understand more about what the CFPB does and what their rights are when they are involved in a dispute.

• The CFPB provides a portal for consumers to ask about financial tools and services and get straight answers. Questions that consumers need answered, like “How does foreclosure work?” or, “what is the difference between fixed and variable APR?” are things all consumers need to know, yet there were surprising few good places for them to ask before the CFPB existed.

• The Home Mortgage Disclosure Act (HMDA) data was locked away in a format difficult to access and almost impossible to use. A major initiative of the CFPB that the NAACP consulted on was how to make this data more readily available. Soon, local advocacy groups can expect to be able to view who is lending in the community and where those loans are going.

• Research into payday lending and public forums with borrowers and lenders have revealed a culture of debt, where loans made without verifying the ability to repay lead to a cycle of loans which strip wealth from the community.

• The CFPB Office of Minority and Women Inclusion (OMWI) has met with the NAACP to discuss the Opportunity and Diversity Report Card on the banking industry which the NAACP released this year. The OMWI is charged with assessing diversity in the CFPB itself as well as developing a tool so its regulated entities can self-assess their workforce and supplier diversity.

As the CFPB continues to mature and define its regulatory role, the NAACP hopes that they will take a stronger look at the structural racism inherent in the provisioning of credit to people of color and its impact. Higher cost attached to credit, or the denial of any credit in communities of color widens the racial wealth divide and helps confine black and Latino families into areas of concentrated poverty. The NAACP believes that the CFPB, as the only federal regulator solely focused on the financial needs of the consumer and their financial protection, can play a key role in helping to shrink the wealth divide which has remained unchanged for more than 40 years in America.
During the month of July, the NAACP Econ Department planned and executed programming for the 105th NAACP Annual Convention held in Las Vegas, NV. The Department hosted a variety of events to share our economic justice work as well as connect attendees to resources that address important economic issues.

National NAACP Job Fair
NAACPEcon successfully managed the National NAACP job fair that attracted professionals of color to meet and connect with the top employers in the region. Employers ranged from health services to business finance and were eager to meet with the talented professionals in attendance. The Economic Department’s booth featured the NAACPJobFinder.com, a job search website for job opportunities with employers who are actively seeking diverse talent.

Wells Fargo Homebuyers Reception
The team co-hosted the Wells Fargo Homebuyers Reception with nearly 80 attendees that highlighted the success of the Homeownership Initiative conducted in June 2014 for National Homeownership Month. President and CEO, Cornell William Brooks gave the opening remarks, highlighting the importance of homeownership in the AA community. NAACP and Wells Fargo hosted Homebuyer Forums in 5 target cities, including St. Paul, MN; Washington, D.C.; Ft. Lauderdale; Las Vegas, NV; and Houston, TX. Participants in each city engaged in discussions about pathways to homeownership, had an opportunity to speak face-to-face with Wells Fargo Home Mortgage consultants and other industry professionals, as well as receive information on down-payment assistance. Reception attendees heard from Illinois, Florida and Texas state leadership about the positive outcomes of each homebuyer’s forum as a part of their micro-grant work.

The Economics of Higher Education Workshop
The team hosted the “Making the Money Add Up: Economics of Higher Education Workshop” seminar for over 70 youth and college attendees. The workshop helped raise awareness on the economic challenges of the higher education system and its impact on African American youth.

Micro-grantee Pre-Orientation
The team met with state and local reps from target areas that have been highly recommended for the 2014-2015 micro-grants. The team reviewed the micro-grant timeline, activity expectations, and guidelines with potential grantees to ensure a smooth transition into the implementation phase. This orientation proved successful in further clarifying information and further developing relationships with local and state leadership.

Take it To the States
Dedrick Asante - Muhammad, Sr. Director of the NAACP Economic Department and Dr. Sheley Secrest, Economic Development Chair, Seattle – King County NAACP participated in the plenary session, “Taking It To The States”. The plenary session featured departmental overviews from program directors in the areas of criminal justice, health, economics, education and voting rights, followed by examples of local units’ initiatives.

Luncheons and Dinners
NAACP Economic Staff, Dawn Chase with support from the team led in coordinating and supporting the military luncheon and labor luncheon. The NAACP Economic Department nominated this year’s recipient of the Keeper of The Flame award, accomplished Economist Bill Spriggs.

Program Area at Exhibition Space
The team supported in staffing the program area of the Exhibition space throughout the four days in which it was open and engaged NAACP members and the local community around economic issues, resources and opportunities for advocacy.
At this past 105th NAACP Convention, The NAACP and Dunkin’ Brands, Inc. (parent company of Dunkin’ Donuts and Baskin-Robbins), announced their partnership to increase franchise opportunities for people of color through a new program, “The Diversity in Franchising Initiative.”

The NAACP and Dunkin’ Brands hope to use this new initiative to develop a diverse candidate pipeline for the franchising sector that will increase the number of franchise businesses owned by people of color in the United States, both in quick service restaurants and across the spectrum of franchise concepts.

“Franchising can be a powerful economic tool that further enables the African-American community to realize the American dream of business ownership,” said Cornell William Brooks, President and CEO of the NAACP.

“We are excited to announce this unique partnership with Dunkin’ Brands and improve opportunities for people of color in the franchising sector because of the substantial impact these agreements have on empowering and employing people of color.”

Through the partnership, Dunkin’ Brands and the NAACP Economic Department will conduct education workshops in the fall of 2014 to engage members, units, and the general public around franchising opportunities. The workshops will offer in-depth franchising “education, networking opportunities and information on critical topics including access to capital and training,” said Dedrick Asante-Muhammad, senior director of the NAACP Economic Department.

For more information about the Diversity in Franchising Initiative Workshops, visit the “EVENTS” tab at www.naacp.org/econ.
As a part of ongoing efforts to promote diversity in the financial sector workforce, last week Dedrick Asante-Muhammad, Dawn Chase, and Jason Richardson participated in a two-day summit with the Greenlining Institute. The first day, the NAACP Econ staff met with and presented their findings to the Office of Minority and Women Inclusion (OMWI) staff from several regulatory agencies. These officials sought the advice of the NAACP in developing practices for measuring diversity in the banking sector.

The following day, the Economic Department staff, along with the NAACP Washington Bureau Chief Hilary Shelton, presented key findings on our Opportunities and Diversity Report: Banking Industry, at the Capitol to Congressional staff. Representative Maxine Waters, member of the House Financial Services Committee, gave the keynote address stating, “…diversity in the financial sector must be a priority to making this key sector more responsive to the needs of minorities.”

Yesterday, NAACP presented to the Consumer Financial Protection Bureau (CFPB) on the report and offered advice to this critical agency on how best to monitor banks on their diversity practices.

The Opportunity and Diversity Report Card on the Banking Sector was released in January of this year. In the report, the workforce and supplier diversity data for five of the nation’s largest retail banks are analyzed and grades are assigned to each bank. This report comes at a critical point in the recovery of our financial sector, and continues to have a major impact on how diversity is measured by regulators moving forward.
This summer the NAACP Economic Department welcomed four new volunteers to the Financial Freedom Center.

All four summer volunteers are enrolled in the University of California and are participating in the UCDC program, a program where students live, intern, and take classes in Washington, DC. Each of the new volunteers are excited to work with the NAACP Economic Department to address the challenging economic realities facing people of color.

Neruda Atako is an incoming 4th year student at UC Santa Barbara. “I was interested in interning with the NAACP because I wanted to further my knowledge on economic issues that foster racial economic disparity in America,” she states. Neruda hopes to gain exposure and experience in the practices of the banking system.

Alex Berenfeld just finished his 4th year at UC Davis. Alex is interested in “…analyzing economic data to identify discrepancies in loan rates given past discriminatory practices.” Alex wants to gain practical experience in finance while at the same time trying to make a positive impact on communities.

Humera Durrani just finished her 4th year at UC Davis. What attracted Humera to the NAACP was the history of “…advocacy for social justice and equal rights.” Humera wants to expand her professional skills and increase her understanding of racial economic inequalities that are still prevalent in the United States.

Andrew Soriano is an incoming 4th year student at UC Santa Barbara. Andrew believes that “…understanding the intersection between public policy and economics on both the state and national levels is the key to identifying – and eventually solving – the disparities within communities of color.” Andrew wants to gain experience in identifying widespread economic issues and promoting methods to solve them.
Gateway to Leadership

Application opens October 1, 2014 and closes mid December 2014. For more information, visit www.naacp.org/econ.

Professional Diversity Networking Fairs

September 9th in Minneapolis, MI
October 15th in Philadelphia, PA
October 22 in Washington D,C.
November 4th in Chicago, IL
November 20th in Los Angeles, CA
Economic Department Staff

**Dedrick Asante Muhammad:** Dedrick is the Senior Director of Economic Programs for the NAACP and Executive Director of the Financial Freedom Center. Mr. Muhammad’s responsibilities include the totality of work coming from the NAACP Economic Department, overseeing the Financial Freedom Center as well as leading the NAACP Economic Department in meeting the great economic challenges faced by the nation.

**Lillian Singh:** Lillian is the Director of Economic Research and Strategic Partnerships for the NAACP. Ms. Singh’s responsibilities include working in the areas of economic equality and education by cultivating strategic partnerships to provide valuable resources to communities suffering from the current mortgage crisis and providing research insights to help the unemployed.

**Charles R. Lowery, Jr.:** Charles is the Director of Fair Lending and Inclusion for the NAACP. Mr. Lowery’s responsibilities include working on consumer financial services issues such as predatory lending and asset building; monitoring the activities of financial institutions which have signed on the NAACP Responsible Mortgage Lending Principles; and working with NAACP units on consumer finance advocacy campaigns.

**Dawn Chase:** Dawn is the Manager of Diversity and Inclusion at the NAACP. Ms. Chase’s responsibilities include cultivating partnerships and programs that create opportunity for enhancing the economic stability of people of color. She is also responsible for managing over fifty corporate partnerships that support our corporate fairness and diversity initiative.

**Nicole E. Kenney:** Nicole is the Communications Associate, Economic Programs for the NAACP. Ms. Kenney’s responsibilities include managing all communications including publications, communications operations and online presence to advance the Department’s campaigns and providing strategic support around special projects.

**Jason Richardson:** Jason is the Fair Lending & Inclusion Campaign Specialist. Mr. Richardson coordinates and supports NAACP Economic Department fair lending campaigns at the state conference level. Jason also assists in advancing campaigns around payday lending, mortgage lending, and predatory or discriminatory lending along with aiding the NAACP Economic Department in building capacity of state conferences to monitor and advocate around state budgeting.

**Heather Qader:** Heather is the Executive Assistant to the Senior Director of Economic Programs & Coordinator of the NAACP Financial Freedom Center. Heather also manages the department’s internship program.

**Sabrina Terry:** Sabrina is the Economic Program Specialist for the NAACP National Economic Department. She provides research and project management support to the Director of Strategic Partnerships including developing activities, tools and programs to promote the department’s economic advocacy agenda and strengthening and developing a racial economic inequality narrative that is used throughout the department’s work.

Want Mobile Economic Updates sent to your phone? Text ECON to 62227

Contact Us
Like us at: Financial Freedom Campaign
Follow us at: NAACPMecon
Watch Videos at: NAACPenon
WWW.NAACP.ORG/ECON