



NCRC Conference Report, March 2006

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Economic Injustice: The Ongoing Hurricane

About 600 people gathered at the National Community Reinvestment Coalition (NCRC) annual conference held March 22-25, 2006, in Washington, D.C. Community reinvestment coalition advocates gathered from across the United States and abroad to discuss how to strengthen fair lending and community reinvestment in the United States, as well as lend support to the organization's ultimate goal of creating an International Community Reinvestment Coalition.

Wal-Bank: Hell, No!

The conference got off to a rousing start as members boarded buses to come to a rally held in front of the White House to protest Wal-Mart's application for a banking charter and its request for exemption to the Community Reinvestment Act provisions which require banks to make loans, investments, and services available to low- and moderate-income communities. Speakers at the rally included Executive Vice President of the AFL-CIO Linda Chavez Thompson and NCRC CEO John Taylor. Hundreds joined in on chants denouncing Wal-Mart's effort: "Wal-Bank ... Hell, no!"

"We shall be free"

After meeting with congressional representatives, the conference reconvened as a number of speakers addressed NCCED members. John Reich, Director of the Office of Thrift Supervision (OTS), said he was "willing to consider" bringing OTS in line with other federal regulators for Community Reinvestment Act compliance. (OTS, under Reich's predecessor, dramatically weakened CRA obligations for thrifts with between \$250 million and \$1 billion in assets). Senator Paul Sarbanes (D-Md.) noted that for post-Katrina reconstruction in the Gulf Coast, "Equal access to credit and private capital will be critical. We have built up the infrastructure. We have a lot of people who know how to do this if you just give them the resources." Representative Elijah Cummings (D-Md.), Chair of the Congressional Black Caucus, read the lyrics of the Garth Brooks song, "We shall be free" to implore the crowd to "stand straight, walk proud, have a little faith, hold out" in the struggle for social and economic justice.

Protecting Voting Rights in the Wake of Hurricane Katrina

The Rev. Jesse Jackson Sr. addressed attendees regarding the effects of Katrina on civil and voting rights for the citizens of New Orleans. "New Orleans is scheduled to have an election on April 22nd," Jackson observed. "But they don't have the infrastructure to conduct elections."

The election in New Orleans, Jackson said, amounts to "a public campaign with private voting rolls. It undermines easy access and undercuts 1-person-1-vote. Two thirds of the people live outside the state ... You need two witnesses to sign or an affidavit that is notarized and mailed to Baton Rouge to get an absentee ballot. There is no infrastructure for a free and fair election."

Jackson called on conference participants to march in New Orleans. A week after the conference, Jackson and thousands of others marched across a bridge crossing the Mississippi River from the Convention Center in New Orleans to Gretna, Louisiana to protest human rights abuses that occurred following hurricane Katrina and the upcoming mayoral elections on April 22. When people flooded by Katrina had tried to cross the same bridge, the "Crescent City Connection," last year, Gretna city police had forced many to turn back at gunpoint.

Finding Community Based Solutions for Eradicating Concentrated Poverty

Following Jackson's speech, John Taylor, CEO of NCRC, moderated a roundtable discussion of leading academic, thinktank, nonprofit and foundation leaders regarding how to best bring an end to the ongoing hurricane of economic injustice. James Carr of the Fannie Mae Foundation identified five key areas to work on: decent housing, education, good jobs, good health care, and a reliable social safety network. "Focusing on any one is insufficient, all five are necessary," Carr added. Sheila Crowley of the National Low Income Housing Coalition spoke of the importance of broad coalition building. "With the Trust Fund campaign, one of the things we concentrated on was getting endorsements from all across the country," she said. Greg Squires, Chair of the Sociology Department at George Washington University, emphasized the need to change the tenor of the political debate. "At least outside this room," Squires noted, "poverty is understood as defects of character. Until we overcome that there will be no serious discussion of poverty." Moises Loza of the Housing Assistance Council noted that, "One of the things that is missing is the community support and community involvement. I am very impressed in rural America at the way nonprofit groups are able to make a difference in their communities. There are many groups that have a vast amount of difference – the community is driving them. Maybe we don't have the political will to move the whole world. But if we tell the stories of the nonprofit movements driven by community... I think we can make a difference."

"We are the leaders we are looking for"

Noted author and intellectual Dr. Julianne Malveaux focused her address on the development of America into a two-tiered society. "I just read a wonderful book of fiction. Its title was the *Economic Report of the President 2006*," Malveaux deadpanned. "It says our economy is stable with growth of 3.5% projected out to the year 2011." Yet Malveaux acknowledged that the economy does look good – *for some*. "The gains for the top quintile offset the losses for the rest," Malveaux observed. "So we have macroeconomic ecstasy and microeconomic angst."

Malveaux pointed out that the disease affects local as well as the federal government. In Washington, DC, Malveaux noted that the illiteracy rate is 40 percent "but we are spending \$611 million – surely it will end up being over \$700 million — on a baseball stadium ... it's absurd." Instead, Malveaux intoned, "We need to ask 'revitalization for whom?' To what end? Our libraries are falling apart, like the MLK library at 9th & H. Our education system is falling apart. But we have world-class gentrification... There is something wrong with a system that generates the level of outcomes we have."

The problems, Malveaux insisted, go deeper than the current administration. "If Hilary were to become president, how would the economy change?" Malveaux asked. We need to develop values "at the state level – it needs to trickle up... We have to be the leaders we are looking for."

Awards

NCRC gave out three awards at the conference. The Henry Gonzales award (for public service) went to Wilson Goode Jr. of the City Council of Philadelphia, who spearheaded a citywide credit disparity study that led to an increase in minority lending from 39% in 2001 to 54% in 2004. The Color of Money award (best documentary or reporting) went to Ed Rosenstein for his film *Waging a Living*, which follows the economic struggles of four working class families and will air on PBS's *Point of View* series around Labor Day. The James Rouse award (best urban nonprofit) went to Robert Valagada of the Los Angeles-based, Valley Economic Development Corporation, for his organization's work to bring banks and credit unions to Pacoima.

Building a Global Movement

John Taylor of NCRC noted that, as part of NCRC's Global Fair Bank Initiative, ten conferences over the past twelve months had been held: one in Brazil, several in the United Kingdom, and one in the United States. "We've organized an international conference [to be held in Brussels at the end of April] to begin to pull together a European component that would be parallel to NCRC and hopefully an international component," Taylor said. "We have a network of over 300 organizations representing 65 nations that are collaborating." Discussing these efforts were Udo Reifner of the Institute for Financial Services of Germany, Manuel Tehdim of the Instituto do Estudos do Trabalho e Sociedade (IETS) of Brazil, Dova Solo of the World Bank, and Jeanne Miner of the International Association of Democratic Lawyers.

Reifner noted that while Europe has traditionally maintained strong community control over finance, "There is a threat that the European Commission will abolish all kinds of social protection." Sometimes, "American pension funds are the drivers of [this threat]," Reifner added. Dova Solo from the World Bank noted that in the developing world, "Savings are concentrated in a small group (20%) and the rest live in an informal world that is much more costly." In Brazil, this separation is compounded by stark regional disparities. As Manuel Tehdim pointed out, "Savings is basically concentrated in the southeast and south. You have to have a mechanism to regions where you have no capacity." Jeanne Miner noted that there were some commonalities between the different credit needs of the global North and South around which a coalition can be built. "The right to harness capital to people's needs," Miner argued, "must be a central organizing principle to build a durable international coalition."

Preparing for Future Disasters

The NCRC conference closed with a plenary discussing the role of community organizations in disaster recovery. Bob Zdenek of Alliance for Healthy Homes stressed the importance of "having your own disaster response plan. Be ready to be up and running in 48 hours." A silver lining of Katrina, Zdenek said, is that "a lot of us work in our own little silos. [Now] we are beginning to build bridges." Vaughn Randolph Fauria of the New Orleans-based Newcorp Business Assistant Center stressed how Katrina had provided a wake-up call for a New Orleans that was in deep trouble even before the hurricane hit. "What must change: in a word, is everything. Social and economic justice must be the mantra," Fauria said. Doug Johnson of the American Bankers Association observed that, "An emergency is no time to exchange business cards" and advised building regional coalitions to be prepared before disaster strikes. Irvin Henderson, President of NCRC emphasized that for community reinvestment activists after a disaster "financial counseling may be the most important service we can provide."