

FIGHTING FOR ECONOMIC STABILITY IN A TIME OF UNCERTAINTY:
AFRICAN AMERICAN ECONOMIC DEVELOPMENT IN PHILADELPHIA 1940 -
1970

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By
Justin T. Gammage
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Examining Committee Members:

Ama Mazama PhD, Advisory Chair, African American Studies,
Molefi Asante PhD, African American Studies
Emeka Nwadiora, Ph.D, J.D., DSW, Human Behavior School of Social Administration
Zizwe Poe, Ph.D, External Reviewer, Lincoln University Department of History and
Political Science,

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ABSTRACT

The central problem that this research seeks to engage is the non-implementation of an Afrocentric movement for African American economic advancement. A wealth of research has explored external and internal factors that cause inequalities in wealth among African Americans and their White counterparts, but there has yet to be an adequate program that addresses African American poverty. The lack of an Afrocentric program has contributed to the formation of African American communities plagued by economic challenges. Social factors such as structural racism, poor educational institutions, generational transfer of poverty, urban removal etc. has had devastating effects on African Americans' opportunities of accumulating wealth. While wealth alone will not solve all issues that face African Americans, addressing economics realities from a social, political, and historical perspective will assist with the current movement for African American economic empowerment and contribute to the economic dimension of the struggle for African liberation. In focusing on economics, this research seeks to contribute to African liberation by providing a detailed Afrocentric historiographical perspective, an empirical analysis of current economic realities, and a model for economic liberation.

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CHAPTER 1

INTRODUCTION

Statement of the Problem

The movement for African liberation has been waged on all fronts (spiritual, psychological, social, political, physical, and economic) to preserve African people's humanity, history, and culture. Many social activists and intellectuals have concluded that the road to African peoples' freedom from systems of oppression lies in a movement for psychological decolonization and a collective commitment to African culture and humanity (Asante, 1980; 1987; 1990; Mazama, 2003; Akbar, 1996; Kambon, 1999; Azibo, 2003; Karenga, 2002; Chinweizu, 1987; Woodson, 1969). Through psychological and spiritual liberation, African people are best equipped to identify and resist anti-African philosophies (on an institutional and individual basis) while advancing and preserving African cultural principles. In the United States, these social movements have taken the form of equal education protests, fair housing campaigns, and movements for economic empowerment. While these movements produced different variations of success, African Americans are still impacted by past and present forms of institutional White supremacy. A look at the disproportionate distribution of wealth between African Americans and their European American counterparts best illustrates the issue of racial discrimination. Thus, this research focuses on economics as an indicator of racial inequality. In focusing on economics, this research seeks to contribute to African liberation by providing a detailed historical perspective, an empirical analysis of current economic realities, and a model for economic liberation.

The central problem that this research seeks to engage is the non-implementation of an Afrocentric movement for African American economic advancement. A wealth of research has explored external and internal factors that cause inequalities in wealth among African Americans and their White counterparts, but there has yet to be an adequate program that confronts African American poverty. The lack of an Afrocentric program has contributed to the formation of African American communities plagued by economic challenges. Social factors such as structural racism, poor educational institutions, generational transfer of poverty, and urban removal, etc. have had devastating effects on African Americans' opportunities of accumulating wealth. While wealth alone will not solve all issues that face African Americans, addressing economic realities from a social, political, and historical perspective will assist with the current movement for African American economic empowerment and contribute to the economic dimension of the struggle for African liberation.

When contextualizing African American's economic reality, we find that the problem of poverty is staggering. More than 150 years removed from enslavement, nearly fifty years from civil rights legislation and the proposed "War on Poverty" sponsored by the United States government, the issue of racial equality remains to be unsolved. Society still harvests a mixed legacy of racial progress (Oliver and Shapiro, 2006). While African American people have made invaluable progress in advancing education, intellectual discourse, civil rights legislation, innovational engineering, and political discourse, African American economics remains largely distressing. Only a small percentage of the African American population has been able to take advantage of

economic opportunities now available for some (Oliver and Shapiro, 2006). It is argued by some economists that a comparative socioeconomic analysis of African American economics reveals that African American people entered the 21st century the same way they entered the 20th, impoverished, powerless, and neglected (Anderson, 2001). Currently, African Americans make up slightly more than 12 percent of the total American population, but collectively control less than 3 percent of the nation's net worth and only 1.3 percent of the nation's financial assets. Even more alarming, 79 percent of African American households live with precarious resources and more than 63 percent retain zero or negative net financial assets (Oliver and Shapiro, 2006). The Survey of Income and Program Participation (SIPP), a national survey, tells us that 73 percent of all African American children grow up in households without financial resources (Oliver and Shapiro, 2006). These findings become much more significant when statistics suggest that individuals whose parents do not have financial resources are disproportionately more likely not to control wealth accumulating assets. (Chiteji and Frank, 1999)

The effects of structural White supremacy have historically hindered African Americans' economic opportunities. However, African Americans lack a progressive economic redevelopment program that addresses structural inequality and African American poverty. The prevailing analysis of the African American economic plight is that it is self-motivated and self-inflicted. Economists often attribute African American poverty to certain characteristics, such as underachievement in education, little to no work experience/training in skilled jobs, and a disproportionately high number of single

parent households. Data gathered by SIPP shows that individuals having one or more of these characteristics have significantly lower wealth holdings than those who do not. (SIPP, 1989) Thus, government agencies have used data compiled by SIPP and other national surveys to justify establishing educational programs, job training programs, and single parent government assistant programs. While several government-sponsored programs were instituted during the 1960s, the economic landscape of America has remained relatively the same. For example, African Americans' unemployment rate is double the rate of Whites. On average, African American college graduates only earn 80 cents for every dollar earned by their equally qualified White counterparts. Also, at the beginning of the 1960s, the collective wealth held by African Americans accounted for only 1 percent of the nation's wealth and today, African Americans still collectively hold 1 percent of the nations collective wealth.

Janice Joseph speaks to this issue when discussing the income disparity between African Americans and Whites. She states, "Although the income gap between [African Americans and Whites] narrowed in the 1960's, this phenomenon began to reverse itself starting in the 1980s." (Joseph, 1995; p.25) Statistics compiled by the U.S. Department of Commerce show that the income disparity between African Americans and Whites has progressively widened from 1980 until the present day.

African American economic empowerment is imperative for African liberation because wealth is a contributing factor in determining quality of life. Currently, the life expectancy rate of African Americans is 73.2, five years less than European American counterparts. A study conducted by the U.S. Department of Health and Human Services

reveals that, in 2005, 22.2 percent of African Americans lived without healthcare due to a lack of financial resources. African Americans' infant mortality rate is 13.6 per every 1000 children born. This is 31 percent higher than European Americans.

Many studies focusing on race and economics highlight the growing wealth gap between African Americans and Whites. Moreover, many initiatives have been concerned with closing this gap. This study is concerned with wealth disparity, but its primary concern is to suggest initiatives that adequately address structural inequality and cultural exclusion of African Americans as it relates to economics. Unlike some studies, this research's initiatives will be based on the historical experiences and cultural characteristics of African American people. Asante argues, "Afrocentricity proposes a cultural reconstruction that incorporates the African perspective as a part of an entire human transformation" (Asante, 1987; p.5). This study suggests that African American culture should influence structural retransformation.

Due to the extreme conditions of the United States economy, poor people throughout the nation have been negatively affected by the nation's economic collapse. According to data collected by Survey of Income and Program Participation (SIPP), 79 percent of African American families make up a significant proportion of poor households (Shapiro and Oliver, 2006). Consistent with the historic trend of "last one hired, first one fired" African American unemployment rates have steadily increased. In states with large African American populations such as New York, African American male unemployment rates have at times exceeded 50 percent. The need for a study

geared toward addressing the economic woes of African Americans is equally important now as it was during 1865.

Recent studies of wealth have concluded that the difference in wealth amongst African Americans and Whites stem from the difference in the transmission of wealth (Blau and Graham, 1990; Chiteji and Stafford, 1999; Chiteji and Stafford, 2000; Charles and Hurst, 2002). However, many of their suggestions are limited in that they fail to account for culture or structural white supremacy.

The collective economic conditions of African American people continue to be dire. It is evident that African American income, home ownership, and asset accumulations have increased between the late 1960's and the early 1980's, but the wealth gap since the 1980's have widened. An assessment of the impact of existing government programs and a review of the literature implies that a more sophisticated approach needs to be taken.

The central issue that has yet to be addressed by economists is the influence of historical and current systematic racism on the opportunities, psyches, and behaviors of African Americans. Thus, merely reporting statistical data of behavior patterns of African American people and society as a whole is misleading and disingenuous. This research uses an Afrocentric methodological framework to investigate the movement for African American economic development in Philadelphia. The city of Philadelphia will be targeted because of its large African American population and the influence that its local Civil Rights movement had on public policy for "War on Poverty". Accordingly, this research utilizes an Afrocentric historiographical analysis to explore the African

American movement for economic stability. An empirical investigation was conducted to gauge the current economic reality of Philadelphia's African American community. Most importantly, this research offers Afrocentric recommendations for African American economic empowerment.

Purpose of the Study

The purpose of this study is to identify systemic barriers that hindered African American economic advancement in Philadelphia, discuss African Americans' modes of resistance to those barriers, and explore implementations of models for African American economic empowerment. This study seeks to evaluate the effectiveness of government sponsored agencies and programs, community based programs/organizations, and the private sector's initiatives in Philadelphia geared toward addressing structural inequalities that affect wealth accumulation. Lastly, this research seeks to propose initiatives for economic empowerment. These initiatives will take into account African American people's historical experience in Philadelphia, the current climate of white supremacy, and African collective cultural characteristics. Initiatives will be consistent with the Afrocentric paradigm in that they will serve as an economic component of the spiritual and psychological transformation of African people.

Significance of Study

The significance of this research is its multidimensional approach that investigates the influence of culture, race, and history as related to African Americans' opportunity to accumulate wealth. The current study seeks to improve African Americans' economic condition, which in turn would improve their quality of life. This research has a unique

approach in that it centralizes African Americans' historical experience in providing an economic analysis. Previous research prioritizes current behavioral patterns to contextualize African Americans' economic state. The use of an Afrocentric methodological framework allows this researcher to fully investigate African Americans' within an accurate historical and cultural context. Thus, this study's historical examination will give context to present conditions. Furthermore, this research is unique in that it utilizes African cultural principles to guide economic recommendations for African American people. Therefore, the research positions economics as an extension of one's culture and will be used as a tool in the psychological transformation of African people. More importantly, addressing economic realities from a social, political, and historical perspective will assist with the current movement for African American economic empowerment and contribute to the economic dimension of the struggle for African liberation.

Research Questions

The Grand Tour Research Question for this project is "What role did race play in African Americans' pursuit for economic stability in Philadelphia between 1940 and 1970 and what methods (social, political, and/or economic) were explored to challenge institutional forms of White supremacy?" This research also explored other major and minor research questions.

The research seeks to address the following major questions:

1. What is Black economic development?¹
2. How has systemic discrimination affected African American economics?
3. What were African Americans' methods of resisting racial inequality in employment?
4. In what manner do African Americans hold wealth in Philadelphia?
5. What are the historical factors found in Philadelphia that contribute to disproportionate distribution of wealth?
6. What are the current initiatives implemented to address African American poverty?
7. How does structural White Supremacy affect African American economics?
8. How does structural racism affect wealth accumulation?
9. What are the contemporary manifestations of structural racism?

This research also addresses the following minor questions:

1. Why is historical context important when discussing wealth distribution?
2. What is the relationship between culture and economics?
3. Can Afrocentric initiatives be effective under a capitalist system?

¹ For the purpose of this research, Black economic development will be referred to as African American economic development. African American economic development refers to Black political economy movement in the mid-1960 which to produce and take advantage of public policy for improving impoverished communities.

CHAPTER 2

LITERATURE REVIEW

Introduction

This chapter is divided into three major sections. The first section explores the historical practices of institutional racism and its effect on African American economic development. It also provides a historical context for African American economic development. The second section reviews empirical research seeking to explain the current disproportionate distribution of wealth amongst African Americans and European Americans. The third and final section reviews literature addressing institutional and organizational efforts towards African American economic development.

The remainder of this chapter critically reviews contemporary literature regarding African American economic development. Early studies in this area (e.g., Cross, 1987; Woodson, 1987; Anderson, 2001; Kunjufu, 2002) generally concluded that African American entrepreneurship, political activism, and cooperative spending habits have been major contributing factors to the current economic conditions of African Americans. As Manning Marable (2000) and Melvin Oliver and Tomas Shapiro (2006) pointed out, these approaches all failed to accurately assess the overwhelming impact of structural racism and how America's racist history continues to shape its current economic landscape. Later studies have attempted to correct these errors and will be the focus of the review that follows.

Historical Overview of Institutional Racism in the United States

One of the most heated scholarly controversies in the area of racial equality and social justice over the past two decades concerns the dispute over the nature, causes, and meaning of economic changes occurring within the black community. The way in which one views these changes has enormous inherent implications for social policy. (Oliver and Shapiro, 2006; p.94)

The permanent economic depression which characterizes the Afrikan American community is in good part an outcome of American social history, particularly of historical White-Black race relations. These relations have been and are such that the largest number of Afrikan Americans have been excluded from full and equal participation in the American social-economic-political system. They are deliberately excluded by White racism from equal employment, equal access to capital resources, equal opportunities to develop their economic resources, and equal opportunity to reside and work in areas where economic growth and development is advancing instead of stagnating or rapidly declining. (Wilson, 1998)

Recent research reveals that the differential distribution of wealth amongst African Americans and Whites is symbolic of America's most historic dilemma, white supremacy (Du Bois, 1899; Cross, 1987; Anderson, 2001; Oliver and Shapiro, 2006). For the purpose of this research, White supremacy is defined as a

Historically based, culturally rooted, institutionally perpetuated system of exploitation and oppression of continents, nations and peoples of color by the social/political institutions of nations under the economic and political influence of Europeans and the European Diaspora; for the purpose of establishing, maintaining and defending a system of wealth, power, privilege and domination. (McDougal, 2007)

Racial inequality has served as the impetus for the structural disadvantages inherited by generations of African Americans for more than four centuries. Data suggests that institutional racism has had long lasting effects that continue to plague African Americans. (Noble, 1980 and 1976; Wright, 1985; Akbar, 1996; Kambon, 1999)

Discriminatory practices based on race have historically been reinforced by America's societal institutions (education, judicial, law enforcement, economy, etc.), which have provided overwhelming advantages for White Americans. Structural inequalities have afforded Whites the privilege to capitalize on endless opportunities while simultaneously denying African Americans the same opportunities, thus imposing a disadvantage for African Americans. Government-sanctioned programs and policies have historically legalized White privilege. Consequently, White supremacy has served as the structural lynchpin for a system of racial inequality.

Within the literature attempting to contextualize the historical experience of African Americans in the American economic context, White supremacy has been central to the discussion. One of the most destructive institutions affecting African American economic well being in recent history is the institution of enslavement. Historians and other social scientists have documented the social, political, and educational limitations forced on African Americans during the antebellum period, but recent scholars have attempted to gauge its economic impact. A historical analysis of African American economics starts with a look at the institution of enslavement in America.

While it is clear that African American economic opportunities have gradually improved since the eradication of enslavement, due to African American resistance, it is essential to apply a historical analysis to contextualize the impact of racist institutions such as enslavement, Jim Crow, so called de jure discrimination, and institutionalized racism. The findings of Blau and Graham (1990) show that the disproportionate distribution of wealth is largely attributed to intergenerational transmission, thus wealth is

passed from generation to generation. Moreover, historical practices of institutional racism have contributed to the current economic landscape of the African American community. Thomas Dye found that 39 percent of the wealthiest men in America came from the upper social class of 1900 (Oliver and Shapiro, 2006). Furthermore, in 1950, 68 percent of wealthy men were born into wealth; and that figure climbed to 82 percent by 1970 (Oliver and Shapiro, 2006). These statistics demonstrate the significance of a historical analysis. The works of Du Bois, Cross, Anderson, Kunjufu, etc. have provided a historical framework through which to view African American economic development. Furthermore, the works of Oliver and Shapiro, Chiteji and Stanford have identified the significance of focusing on historical and contemporary practices of institutional racism and their impact on the current disproportionate distributions of wealth.

The Institution of Enslavement in the United States

A consistent theme of the literature suggests that at the turn of the seventeenth century, Africa rapidly became a strategic source for wealth accumulation for the global economy. Walter Rodney, in his text *How Europe Underdeveloped Africa* argues that Africa's natural resources and human capital would eventually transform the capitalist market (Rodney, 1972; p.73). Natural resources such as gold, ivory, salt, as well as a thriving textile industry attracted attention from surrounding countries and Europe (Diop, 1987). African labor would also be essential in the rapid development of Europe and European satellites in the Americas (Williams, 1994). As related to this research, African labor during the 17th, 18th, 19th, and much of the 20th centuries contributed gravely to the speedy expansion of the United States. The large population extracted from Africa

served as the impetus to transform the United States into the current capitalist economic power. Du Bois and Eric Williams document the steady increase of Africans transported to the United States in the late 1600's through to the early 1800's. Du Bois states

...[The] numerical growth of the [African] population in American indicates his economic importance. The exact number of [Africans] exported to America will never be known. Probably 25,000 Africans a year arrived in America between 1698 and 1707. After 1713 this rose to 30,000 and by 1775 to over 40,000. (Du Bois, 1924; p.)

The increased influx of free African labor propelled the United States to be a dominant force within the global economy leading to America's control of selective agricultural industries. In his work, *Black Reconstruction*, and *The Gifts of Black Folk*, Du Bois discusses the rapid expansion of the United States' agricultural sector's critical crops. The increased production of crops such as cotton, tobacco, rice, and sugar illustrates the significance of African labor to America's economic stability. England, the initial chief customer, consumed 13,000 bales of cotton in 1781, 572,000 bales in 1820, 871,000 bales in 1830 and 3,366,000 bales in 1860. The United States raised 6 million bales in 1880, and at the beginning of the twentieth century raised 11 million bales annually (Du Bois, 1924; Zinn, 1980). Tobacco also steadily increased its annual production. In 1619, 20,000 pounds of tobacco were exported to England and by the 1770's, exports reached 100 million pounds annually (Du Bois, 1924). At the outset of the twentieth century, 800 million pounds were raised in the United States alone (Du Bois, 1924). Consistent with the trends of cotton and tobacco, sugar production also increased. By the middle of the nineteenth century a million tons of cane sugar were

cultivated each year and by 1900 sugar production increased to nearly 3 million tons (Du Bois, 1924).

The increase in production revitalized the United States' economy. In economic terms, the institution of enslavement aided in fortifying European economic markets both in Europe as well as for its colonies. Throughout the 17th, 18th and most of the 19th century, the exploitation of Africa and African labor was the central source for accumulating capital to be re-invested in Western Europe (Rodney, 1972). Enslavement shifted many of the world's economic markets, making agricultural products such as cotton, tobacco, sugar, and rice central to economic development among European countries. African American labor in the United States transformed southern farmers and northern manufacturing companies into major competitors in the capitalist market. African labor, coupled with Africa's natural resources, was major contributing factors in advancing European countries as well as the contemporary capitalist enterprise (Rodney, 1972). Historically, capitalism, for people of African descent, has translated to a system of exploitation and structural inequality. According to Cedric Robinson, in his text *Black Marxism*, forces of racism and nationalism influenced the historical development of world capitalism (Robinson, 2000).

The institution of enslavement in the American context is relevant to discuss because of the enormous amounts of capital produced exclusively for the benefit of the collective White population. In regards to African American economic development, the Western system of enslavement evolved to be an institution predicated solely on the basis of race (Du Bois, 1976). According to United States' census data, in 1860, five years

prior to the enforcement of the emancipation proclamation, enslavement denied nearly 90 percent of the African American population the opportunity of accumulating wealth or the right to capitalize on the fruits of their labor (Du Bois, 1976; Anderson, 2001; Oliver and Shapiro, 2006; Kunjufu, 2000). Moreover, enslavement aided in making Whites the primary shareholders of wealth collected from African American labor.

The Southern states dependence on uncompensated labor correlated to political disfranchisement for the overwhelming majority of African Americans. In the early south, voting rights and other forms of political participation were restricted to landowners. During the early antebellum period only a small percentage of free African Americans living in the north and south were allotted political rights. However, as the dependency on African American labor increased, restrictions mandated in public policy began to focus on race. Du Bois in his work *Black Reconstruction in America 1860-1880*, discusses the deterioration of African Americans' political rights beginning in the early 1700's. The political disfranchisement of African Americans goes hand in hand with their economic development (Karenga, 2002). The legalization of African American disfranchisement in the early 1700's marked a shift in the American financial productivity and vastly made African Americans second-class citizens in political and economic terms.

In 1723 Virginia enacted laws that would prevent African Americans, Mulotos, and Native Americans from participating in any political election (Du Bois, 1936). Delaware disfranchised African Americans in 1792, Maryland in 1783 and again in 1810, Florida in 1845, Louisiana in 1812, Mississippi in 1817, Alabama in 1819, Missouri in

1821, Arkansas in 1836, Missouri in 1821, and Texas in 1845 (Du Bois, 1936). The increasing productivity of African American labor threatened the freedom of all African Americans. Du Bois argues

As [enslavement] grew to a system and the Cotton Kingdom began to expand into imperial white domination, a free Negro was a contradiction, a threat and a menace. As a thief and a vagabond, he threatened society; but as an educated property holder, a successful mechanic or even professional man, he more than threatened slavery. He contradicted and undermined it. He must not be. He must be suppressed, enslaved, colonized. (Du Bois, 1936)

To further restrict the mobility and political power of African Americans, the Fugitive Slave Act of 1793 was enacted to lawfully combat the effectiveness of runaways and organizations offering assistance to runaways. In 1850, the Fugitive Slave Act was strengthened with policing agencies empowered to recover and punish runaways as well as their accomplices. The institution of enslavement in the United States was made up of interlocking institutions that stifled any opportunity of economic growth for 4 million enslaved Africans. This institution essentially dictated the political, economic, cultural, and social landscape of the United States for over two hundred years. Its impact on African American economic development is central. Ultimately, enslavement was successful in denying the overwhelming majority of African Americans the ability to accumulate wealth, fight for the lawful right to accumulate wealth, exposure to the nuances of the economy to learn to accumulate wealth, and the ability to legally protect their wealth. The physical restrictions of enslavement coupled with legal restrictions, political disfranchisement, and denial of formal education practically destroyed any

chance 90 percent of African Americans may have had to accumulate any wealth from their labor.

Reconstruction

The tragedy of Reconstruction is the failure of the black masses to acquire land, since without the economic security provided by land ownership the freedmen were soon deprived of the political and civil rights which they had won. (Oubre, 1978)

The conclusion of the Civil War transformed 4 million Africans to free United States' citizens (Oliver and Shapiro, 2006). However, the newly acquired social liberties had little to no immediate effect on the 90 percent of African Americans left with little to no material wealth. To address the dilemma of African American poverty, the United States government began enacting orders to make accommodations for the newly freed African American population. These orders would be the inception of the historical period known as Reconstruction. Reconstruction was intended to provide programs and services to assist African Americans with the transition from being enslaved to free citizens. More directly, Reconstruction was to address the structural disenfranchisement of African Americans. The first series of acts were designed to make African Americans landowners (Du Bois, 1935; Oubre, 1978). The Union's military generals, during the Civil War, proposed confiscating land from Southern rebels and distributing it to African American soldiers and refugees. Although the President overturned these acts, in 1861, Congress enacted the first confiscation act, recommended by Thaddeus Stevens of Pennsylvania, giving the president power to seize land from Confederate rebels (Oubre, 1978). Congress enacted that confiscated land would be redistributed to formally

enslaved African Americans. While Lincoln did not enforce the act passed by Congress, in a later address he proposed that Congress free the African Americans who had been seized under the act (Du Bois, 1935). In 1862, Senator Lyman Trumbull and House member Thomas Elliot pushed for the approval of a second act that was much more in-depth. However, the notion of land redistribution would never come to full fruition.

The often-cited implementation of the confiscation acts was Sherman's Order 15, which confiscated Southern plantations during the war and redistributed it to African American soldiers serving under the Union regiment. This act is commonly referred to as "40 acres and a mule," which promised freed African Americans land as compensation for military assistance and uncompensated labor. Sherman's order would later be rescinded and soldiers were forced to return their claims (Oliver and Shapiro, 2006). In 1866, the United States government attempted to facilitate the distribution of land to the formally enslaved population by enacting the Southern Homestead Act. Under the Homestead Act of 1866, the United States government had a total of forty-six million acres at its disposal to accommodate African American soldiers and refugees. Like previous strides to accommodate land redistribution, the Homestead Act of 1866 would fail to assist African Americans and hinder their opportunity to accumulate wealth.

Oliver and Shapiro move this argument forward by providing an illustration of how the Homestead Act of 1866 placed African American people at a disadvantage as it relates to accumulating wealth. The authors argue that consistent with the legacy of enslavement, Whites used Reconstruction as a means to secure an economic advantage through modifying the eligibility qualifications of applicants. By utilizing their collective

political power aided by their overwhelming amount of control over wealth accumulating assets, Southern Whites were able to systematically deny equal opportunity to the overwhelming majority of African Americans who desired to become landowners. Oliver and Shapiro illustrate the use of political power when stating

The Southern Homestead Act failed to make newly freed blacks into a landowning class or to provide what Gunnar Myrdal in *An American Dilemma* called ‘a basis of real democracy in the United States.’ Indeed, features of the legislation worked against its use as a tool to empower blacks in their quest for land. First, instead of disqualifying former Confederate supporters as the previous act had done, the 1866 legislation allowed all persons who applied for land to swear that they had not taken up arms against the Union or given aid and comfort to the enemies. This opened the door to massive white applications for land. One estimate suggests that over three-quarters (77.1 percent) of the land applicants under the act were white. (Oliver and Shapiro, 2006; p.14)

Moreover, during the passage of the Homestead Act of 1866, many African Americans were under work contracts that extended through the end of 1866 (Oubre, 1978). The work contracts provided the basic necessities of life, but did not allow an opportunity for saving or accumulating wealth. Between 1866 and 1870, approximately 6,500 freedmen received land via the Homestead Act but only about 1,000 of the recipients received the certificates of ownership (Oubre, 1978).

Leniency by Northern politicians allowed former plantation owners to reclaim an overwhelming majority of confiscated land. As discussed above, the institutions of enslavement awarded a significant degree of political and economic power to Southern Whites that would eventually correlate to racist policies. During the period of Reconstruction, the Union failed to honor its stated commitment to transform the newly freed African Americans into equal American citizens. Land redistribution for formerly

enslaved African Americans was one of the central issues left unaddressed and unresolved. The Southern Homestead Act of 1866, initially intended to make African Americans landowners, ultimately benefited former plantation owners.

The failure of Reconstruction was due to the ineffectiveness of Northern politicians to honor their stated commitment to the newly freed African Americans and to reform U.S. democracy (Du Bois, 1935; Myrdal, 1944). In addition to the ineffectiveness of the Southern Homestead Act of 1866, corrupt politics would also negatively affect the majority of African Americans and their opportunity for accumulating wealth. In “The Gift of Black Folk”, Du Bois discusses the work of the Freedmen’s Bureau and its efforts in collecting relief funds and organizing educational systems that would later serve as the nation public school system. To demonstrate the effectiveness of the Freedmen’s Bureau, the United States Treasury documented the progressive improvements of African American landowners, labors, and politicians. However, the ideal of African American as landowners and progressive politicians threatened the ideology of Southern plantation owners and beneficiaries of free African labor. Thus, Southern leaders had a monetary interest in the failure of reconstruction. The United States Treasury also documents the misappropriation of millions of dollars meant to address African American’s dire economic and educational plight (Du Bois, 1935). At the conclusion of Reconstruction, the majority of African Americans were still impoverished and landless. The U.S. Department of Commerce and Labor, Bureau of Census reveals that in 1900 only 174,223 African Americans out of 4 million owned their own farms in the South (Oubre; 1978). Thus, less than 1 half of 1 percent of African Americans owned southern farms.

Contemporary Forms of Structural Racism

While Reconstruction assisted with providing African Americans educational institutions, few political leadership positions, and few opportunities to lease and purchase land, it failed to address the immediate need for the mass of African Americans, land. Land would not have solved United States' racial dilemma, but it would have afforded African Americans a means to earn a living, accumulate wealth, and most importantly, escape debt ridden work contracts with former plantation owners (Oubre, 1978). For the masses of African American families, the road toward wealth has been made more difficult by Jim Crow's black codes and the decline of the United States' agricultural economy as well as the collapse of the nation's stock market during the Great Depression. Additionally, African Americans would be excluded from participating in America's most successful means of accumulating wealth, the suburban tract home (Jackson, 1985; Lipsitz, 1995; Oliver and Shapiro, 2006). During the early 1930's, the federal government finally supported suburban growth through taxation, transportation, and housing policy. Oliver and Shapiro argue "taxation policies provided greater tax savings for businesses relocating to the suburbs than to those who stayed and made capital improvements to plants in central city locations" (Oliver and Shapiro, 2006). The federal government also enforced transportation policies that encouraged "freeway construction and subsidized cheap fuel and mass produced automobiles" (Oliver and Shapiro, 2006). More importantly, government policies encouraged and subsidized suburban housing (Oliver and Shapiro, 2006). The suburbanization of American cities helped to revitalize the U.S. economy by providing affordable housing and reliable

employment on the boundaries of central cities. However, suburban track housing would be exclusively available to White families. African Americans would be restricted to purchase in metropolitan areas. Oliver and Shapiro state

While these governmental policies collectively enable over thirty-five million families between 1933 and 1978 to participate in homeowner equity accumulation, they also had the adverse effect of constraining black Americans' residential opportunities to central-city ghettos of major U.S. metropolitan communities and denying them access to one of the most successful generators of wealth in American history the suburban tract home. (Oliver and Shapiro, 2006; p.16)

Under the guise of Home Owners Loan Corporation (HOLC), the federal government began providing home loans to address the nation's growing mortgage crisis. By implementing agencies such as the HOLC, the government directly assisted with institutionalizing racially discriminatory practices that would result in eliminating African Americans' access to suburbs and to government mortgage money (Jackson, 1985; Oliver and Shapiro, 2006). The criterion used by the HOLC to assess the equitable value of homes and property diminished the value of African American homes and neighborhoods. According to Oliver and Shapiro, governmental agencies "methodically included in their procedures the evaluation of the racial composition or potential racial composition of the community" (Oliver and Shapiro, 2006; p. 17). Neighborhoods that were predominately African American were categorized as undesirable and placed in the lowest category. The racialized standard upheld by the HOLC would later be adopted by the Federal Housing Authority (FHA), which was established in 1934. Like the HOLC, the FHA disproportionately financed growth in suburban areas while neglecting the metropolitan cities. The underwriting Manual of the FHA stated, "if a neighborhood is

to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial classes". The FHA continued practices of legalized segregated housing and racialized appraisals up until 1949 when the Supreme Court ruled against racial restrictions in 1948. The enforcement of racial discrimination by the FHA created restrictions that limited African American ability to accumulate wealth. The historical trend of systemic racism has contributed to the current plight of African Americans' wealth portfolio.

More recent research has found that African Americans are still disproportionately denied mortgage loans by lending institutions. The practices of redlining and banking discriminations have further impacted African Americans' ability to accrue wealth. A Federal Reserve study declared that of the 6.4 million home mortgage applications surveyed, systemic patterns of institutional discrimination in the nation's banking system were found (Oliver and Shapiro, 2006). The Federal Reserve study reveals that the poorest White applicant was more likely to get a mortgage loan approved than an African American in the highest income bracket. More important, the study showed that structural racism impacted African Americans no matter their class or economic status.

In cities such as Washington, Boston, and Philadelphia, African Americans in the highest income group were financed for lower loans than Whites in lower income brackets. Moreover, banking institutions were denying African Americans' loans for repairs in old homes in the city. Lending institutions commonly approved African Americans with high interest loans with huge monthly payments.

The current state of the African American economy is attributed to the historical exclusion and exploitation of African Americans. Moreover, scholars in the social sciences have acknowledged that while African Americans have been excluded from economic and political competition and exploited for labor, they have greatly contributed to White's accumulation of wealth and political power. W.E.B. Du Bois argues that the labor of the African American positioned America at the center of the world's competitive capitalist market. Evidence clearly illustrates that African American labor transformed the political and economic structure of the United States. During the antebellum period, the nation's economy was centered around crops produced mainly on southern plantations. Thus, we find the bulk of the nation's economic production in the south. Furthermore, during the same period, Southerners, who were, for the most part, sympathetic to plantation owners or plantation owners themselves, dominated the nation's political leadership. This trend is also consistent with the industrial revolution that followed the civil war. The rise of industrialization shifted the country's economic focus to northern states. These trends demonstrate the capacity that economics have on the transfer of political power in the American context.

It is clear that the literature focusing on African American economic development suggests that the current state of the African American economy is directly related to the historical relationship held by African Americans and Whites. Institutions designed to block African Americans from full economic participation have contributed to the deterioration of African American economic opportunities. Furthermore, institutional racism has failed to be addressed, thus resulting in stagnation of the African American

economy. The failure to address structural racism has been illustrated in the disproportionate distribution of wealth and wealth accumulating assets. The literature also argues that the structure of the African American and White relationship in America is such that Whites are the beneficiaries of wealth and power while African Americans are consistently exploited.

Empirical Research

Recent empirical research has found racial differences in all levels of wealth holdings, both in the form of transaction assets and, more specifically, in the form of financial assets. (Blau and Graham, 1991; Oliver and Shapiro, 1995; Hurst, Luoh and Stafford, 1998; and Wolff, 1998) There are numerous studies that have examined wealth distribution in the United States and its various implications. Through this research we have at our disposal a wealth of statistical data and theories that seek to explain the disproportionate distribution of wealth across lines of race. This data aids in adding substance to the discussion about African American economic development. Studies of racial differences have found that Black and White wealth ratios ranging from 0.08 to 0.19 [Terrell, 1971; Smith, 1975; Soltow, 1972; Sobol, 1979] (Blau and Graham; 1990). Many studies contend that the wealth ratio stems from various demographic differences such as income, age, family size, marital status, educational achievement, etc. Of all the literature reviewed, one theme is consistent, that there are multi-variant factors contributing to the current condition of African American economics. However, there are variations among researchers' findings.

Early research asserts that income is the largest single factor that explains the

difference in wealth (Blau and Graham, 1990; Oliver and Shapiro, 2006). However, income and other demographic factors only account for one-quarter of the racial wealth gap. Oliver and Shapiro argue that empirical research shows that if society were able to eliminate all demographic disadvantages of African Americans relative to wealth, 78 percent of the wealth gap would remain (Oliver and Shapiro, 2006). Recent results find that the unexplained gap appears related to race. Moreover, 78 percent of the wealth gap has been attributed to the differences in intergenerational transmission of wealth. Racial differences in intergenerational transfers across groups particularly transfers such as human capital in children and funds provided as startup financing for housing investment have been linked to differences in outcomes in the recipient generation. (Loury, 1981; Oliver and Shapiro, 1997; and Charles and Hurst, 2000)

Intergenerational transfer has traditionally been referred to as bequeaths and inheritance in the form of financial assets passing from one generation to another. Furthermore, recent research has argued that an intergenerational transfer also refers to gifts in the form of low and/or no interest loans, business assets, down payments for homes and cars, and estate inheritance. We also see that intergenerational transfer could refer to the transfer of critical financial information, which in turn affects the wealth holdings of the receiving offspring.

The significance of exploring intergenerational transfer is to provide a broader context for a discussion of socioeconomic discrimination. Furthermore, transfers have been estimated to account for anywhere from 15 percent to 46 percent of household wealth (Kotlikoff and Summers, 1981; Kopczuk and Lupton, 2007; Chiteji and Stafford,

2000). Data collected by various national studies such as the National Longitudinal Surveys of young men and young women (NLSY), the Panel Study of Income Dynamics, and the Survey of Income and Program Participation (SIPP), all reveal that the aggregate difference of income and other sociological factors merely accounts for only one third of the wealth gap. Recent findings have concluded that the impact of intergenerational transfer is the leading contributor to the disproportionate distribution of wealth. The section that follows reviews scholarly research that attempts to bring clarity to the various dynamics that contribute to the wealth disparity and African American economics.

In 1990, Francine Blau and John Graham conducted the first studies that sought to examine racial differences in the magnitude and composition of wealth and identify the reasons for the disparity. In their study entitled *Black-White Differences in Wealth and Asset Composition*, Blau and Graham combined data collected in 1976 and 1978 by the National Longitudinal Surveys (NLS) of young men and young women. The researchers used datasets from 1976 and 1978 to expand the sample size and include more household types (i.e. married-couple families, families headed by single males or females, and one-person households) (Blau and Graham, 1990). Both samples' primary respondents were 24 to 34 years of age. Participants were restricted to families (or individuals) in which the respondent (or spouse) was the family head and neither spouse was enrolled in school (Blau and Graham, 1990). The survey given in 1976 consisted of 3,659 young male participants in which 847 were African American and 2,848 that were not African American (NLS of young men, 1976). The 1978 sample consisted of 2,398 young men and young women (NLS of young men and NLS of young women, 1978). In the 1976

sample, respondents were interviewed face to face by investigators. However, in 1978 respondents were interviewed via telephone.

Blau and Graham concluded that on average, young Black families hold only about 18 percent of the wealth of young white families and tend to hold wealth in proportionately different forms (Blau and Graham, 1990). They argue that the income difference was the largest single factor that explained the wealth disparity. However, Blau and Graham also find that when demographic factors such as income, education, work experience, age, etc. are controlled, there still remains a large disparity in wealth holdings among African American and Whites. The article supports the contention that this wealth gap stems from intergenerational transfer of wealth. Blau and Graham argue

First, while many of these families may not as yet have received substantial inheritances from their parents' estates, given current longevity and the typical age differences between generations, they are quite likely to have received gifts or "inter vivos" transfers in the form of, for example, money for college, a down payment on a house, or a share in a family-owned business. Second, given the importance of "liquidity constraints" [Tobin, 1972], even young families are likely to have engaged in substantial amounts of past saving to accumulate wealth as a cushion against unanticipated fluctuations in their income. Finally, differential information or access to certain asset markets and unequal capital gains especially on housing equity may cause rates of return to differ across families. (Blau and Graham, 1990; p.325)

Blau and Graham report that data collected from the NLS reveals that on average African American households had lower permanent income and are more likely to live in the central city (but less likely to live in the suburbs), have a higher proportion of families headed by women only, and, among married couples have wives who work a greater number of weeks on average; all characteristics associated with lower wealth (Blau and

Graham, 1990). The authors also observed that African Americans' estimated permanent income was 64.5% lower than White families.

Blau and Graham also concluded that there are large differences between African Americans and Whites in wealth and asset composition among younger families that cannot be explained by differences in income and other demographic and geographic characteristics (Blau and Graham, 1990). Moreover, they suggest that the large disparity in wealth appears not to be primarily the result of racial differences in saving behavior or rates of return. Blau and Graham assert that racial differences in inheritance and other intergenerational transfers play an important part (Blau and Graham, 1990). The authors go further to argue that the possibility of barriers to the accumulation of businesses and housing wealth among Blacks may also be contributing factors of the wealth differences. Blau and Graham maintain that the data reveals that to only focus on racial differences in income would only explain one-fourth of the wealth gap. The authors' work strongly suggests that the differences between Black and White in regards to income, saving behaviors, and adverse environments of African Americans, only make up one-fourth of the wealth disparity when selected demographics characteristics were controlled. The article does acknowledge that Blacks do have a significantly lower income level and have limited activity in the area of accumulating business assets. Furthermore, they argue that a large proportion of Blacks' assets are held in housing equity and car equity. However, the authors suggest that the racial barriers that limit Blacks' access to business and other liquid assets may explain this trend.

The limitation of this study is that the data used was from 1976 and 1978. The United States' economic landscape has drastically changed and the data collected during the late 1970's may not accurately depict the contemporary economic state of American families.

Kerwin Kofi Charles and Erik Hurst (2002) also strengthen the notion that intergenerational transfer plays a significant role in creating an African American/White wealth gap in their article entitled *The Transition to Home Ownership and The Black-White Wealth Gap*. Charles and Hurst examine disproportionate distribution of wealth holdings amongst African Americans and Whites by studying homeownership. The authors address the wealth disparity by examining homeownership because homeownership accounts for over 62 percent of African American wealth and 43 percent of White wealth. The authors sought to determine the differences in the likelihood that African American and White families become homeowners. Charles and Hurst used two datasets compiled by the Panel Study of Income Dynamics (PSID) to follow the same individuals over time and provide a comparative analysis of homeownership status. Furthermore, they sought to determine whether differences in less-formal credit channels, such as reliance on family assistance for down payment, partially explains the observed racial gap in homeownership (Charles and Hurst, 2002). Charles and Hurst's study also uses the generational transfer theory to explain the gap in homeownership, which also impacts the gap in wealth.

Charles and Hurst found that for the 1991 sample, White renters were much more likely than African American renters to become homeowners by 1996 even after

controlling for key variables such as the level of income, family demographics, and household wealth in the years around 1991. They found that African Americans were 73 percent more likely than Whites to be rejected after controlling credit proxies and demographics (Charles and Hurst, 2002). However, they assert that African Americans were less likely to become homeowners than Whites because they were less likely to apply for mortgages (Charles and Hurst, 2002). The researchers contend that African Americans were twenty points less likely than Whites to complete the mortgage application process, which they suggest, accounted for 93 percent of the gap in homeownership.

Charles and Hurst contend that two-thirds of the application gap can be explained by income and demographics, particularly variables describing family stability. They find that there is a large difference between races in the degree to which successful homebuyers relied on their families for help in financial down payments (Charles and Hurst, 2002). The researchers find that a large fraction of both African American and White households were down payment constrained in 1989, and people who applied for loans were much less likely to be drawn from this group. They also found that only 54 percent of Whites paid for their down payments entirely with their own savings. 15 percent of White participants got their down payments entirely from their families, and 27 percent got some help from their families in coming up with the down payment (Charles and Hurst, 2002). The other 45 percent of White households had resources other than their own savings to purchase a home. In contrast, 88 percent of African American homebuyers used their savings to pay their entire down payment. 6 percent of African

American participants relied entirely on help from family and virtually none of those who used savings received any family help (Charles and Hurst, 2002).

Charles and Hurst found that the influence of parental wealth is overwhelming in respondents transitioning from renters to homeowners. After controlling for variables such as income, income volatility, demographic factors, and a set of variables which are strongly correlated with banks' estimates of an applicant's credit risk from the 1996 PSID Financial Distress Supplement, the authors conclude that only about 30 percent of the racial difference in the probability of mortgage applications rejection can be explained. (Charles and Hurst, 2002). They found no racial difference in the terms of the mortgage offered to households who had their mortgage application approved. They suggest the assistance from parents and other family members play a large role in whether or not a household acquires a mortgage.

The limitation of Charles and Hurst's study is that it focuses solely on homeownership. As illustrated above, home equity accounts for a significant proportion of household wealth, but wealth in the form of equity is restrictive due to it not being a liquid asset. The relevance of this research to my study is its findings in the area of parental assistance. Parental assistance strengthens the notion that intergenerational transmission plays a significant role in disproportionate distribution of wealth.

Ngina Chiteji and Frank Stafford (1999) further advance the intergenerational transfer theory in their article *Portfolio Choices of Parents and Their Children as Young Adult; Asset Accumulation by African-American Families*. Chiteji and Stafford's work provides context for the wealth gap discussion in that they present the raw statistics that

help explain disproportionate distribution of wealth. The authors attempt to determine why African American households' portfolios compositions are less likely to contain wealth-accumulating assets. The researchers utilize data compiled by the National Longitudinal Surveys of young men and young women (NLSY) to determine the impact of household ownership of assets on future generations. The article concedes to the assertion of Blau and Graham, that income and other demographic factors only explain one fourth of the wealth gap among African Americans and Whites in the United States. Chiteji and Stafford's findings suggest that African Americans are less likely to invest in stocks, and become shareholders due to the intergenerational transfer of assets, knowledge and experience. The article argues that parents who invested in and own assets directly influenced their children's ownership of assets. According to the article, the large cause of the wealth gap between African Americans and Whites in the United States stems from portfolio composition differences. The researchers found the differences in portfolio composition alarming after determining that African Americans are less likely to own certain financial assets such as stocks and transaction accounts when compared to other households with similar family income, age, education, and comparable demographic characteristics.

Chiteji and Stafford contend that the disproportionate ownership in stock and transaction accounts is important in understanding the wealth gap in that investment in stocks and share holdings are what help produce wealth. Statistics show that individuals who invest in stocks have a higher holding of wealth than those who do not. The researchers conclude that given the strong performance of the United States' equity

market in the past decade, portfolio choices of stocks have been vital to wealth building. (Chiteji and Stafford, 1999) Furthermore, the article argues that, as of the mid 1980's, African Americans have been less likely to own stocks and are disproportionately less likely to have become shareholders over the period of 1989 – 1994.

The article also discusses the correlation between children that grow up in households that own stocks and the percentage of them who go on to invest in and own stocks themselves. The article concludes that young adults who own stocks are more likely to have grown up in a household of stock owning parents. Chiteji and Stafford report that among families that participated in the PSID, and whose households owned stocks, children went on to have a higher stock balance than those children coming from households that did not own stocks. The authors contend that in 1996 the average stock balance of children whose parents owned stocks was \$12,210 while those children whose parents did not own stocks held an average of \$7,792. The authors also find that 43.8 percent of children growing up in households where parents owned stocks go on to own stocks and only 24.1 percent of children whose parents did not own stocks go on to own stocks. The article revealed that only 42.7 percent of African American parents had bank accounts and only 16.2 percent of African American parents held stocks.

Furthermore, Chiteji and Stafford contend that the disproportionate holdings of wealth directly impact the intergenerational transfer of assets, contributing to the wealth gap. As stated above, 16.2 percent of African American parents hold stock and only 42.7 percent had bank accounts. The article illustrates this when stating,

Our finding that a young family's likelihood of owning transaction accounts and stocks is affected by whether parents held these financial assets reveals another way that the economic environment of the home in which a child grows up affects the child's adult outcomes. Parents can be influential options. This approach suggests that parental choice of home-ownership and other assets may have similar carryover across generations. (Chiteji and Stafford, 1999; p.380)

While intergenerational transfer is traditionally recognized as wealth passed down through generations, Chiteji and Stafford explore other means that transfer could affect an offspring's wealth holding (Chiteji and Stafford, 2000). The researchers' further advance the theory of intergenerational transfer in their work entitled *Asset Ownership Across Generations*. Chiteji and Stafford's research emphasizes different forms of transfers and the role of financial knowledge from family. The researchers used data collected in the periods of 1984-1994 from the PSID.

The PSID is a nationally representative, longitudinal survey that collects data on economic, financial, and socio-demographic information about United States' families. The households used in Chiteji and Stafford's sample ranged from age 25 to 53 with a mean age of 33 for the household heads. The mean educational level for household heads in the sample was 13.3. Of the households that participated, 77.1 percent were male headed. 51.6 percent of the households were married while 48.4 percent came from single parent households. 80 percent of the parents in the sample owned bank accounts and 32.6 percent held stocks. African Americans accounted for 14.8 percent of the households in the sample.

The generational model was the theoretical framework used in the study. Unlike many studies using the generational model, Chiteji and Stafford's study is unique in that

it applies the generational model toward the transmission of knowledge and/or economic behavior. Their study attempts to examine the effects that the transfer of knowledge have on children's wealth outcomes (Chiteji and Stafford, 2000). Chiteji and Stafford assert that the variants of the generational models of attributes used in biology serve as a good framework for organizing one's thinking about asset knowledge transfer across generations (Chiteji and Stafford, 2000). The study sought to explore whether the transfer of knowledge had an effect beyond direct transfers, via gifts or bequests (Chiteji and Stafford, 2000).

The authors' interest in investigating the impact of informational transfer stems from recent findings that conclude that the family is an important transmitter of information and economic behavior (Chiteji and Stafford, 2000). More importantly, social scientists found that parents are significant distributors of information. The authors contend that financial behavior and other ownership patterns (housing for example) can be shaped by the family (Chiteji and Stafford, 2000). The researchers posit that children of parents, who hold a particular asset such as stock, would be more likely to hold stock themselves (compared to children of non-stock owners). The major contention is that an individual's exposure to specific assets by his or her parents will affect asset choices, and the development or cultivation of asset-specific knowledge that is relevant to decision making and asset ownership (Chiteji and Stafford, 2000).

The article finds that there are ownership differences that arise from family-based exposure to assets. The 1994 dataset reveals that 82.2 percent of young families whose parents held bank accounts went on to hold a bank account themselves, while only 52.37

percent of young families whose parents did not hold accounts went on to hold accounts. Furthermore, on average, those whose parents held bank accounts had twice the amount of holdings than those whose parents did not (\$9,249 opposed to \$4,546). 43.79 percent of young families whose parents owned stocks went on to own stocks while only 24.07 percent of those whose parents did not own stock, went on to own stock themselves.

Even more alarming is the racial breakdown of the data collected in 1994, which reveals that only 34.78 percent of African American households owned bank accounts while 83.46 percent of other households owned a bank account. The average balance held in African American owned bank accounts was \$2,648 while the average balance for other households was \$9,296. The article also maintains that 10.55 percent of African American households held stocks compared to 33.98 of other households. The differences of young African American families whose parents held bank accounts were 42.7 percent compared to 86.5 percent of other household whose parents owned bank accounts. Only 16.2 percent of the sample's young African American family's parents owned stock while 35.5 percent of the other households' parents owned stocks.

Chiteji and Stafford conclude that there are intergenerational correlations in asset ownership that suggest that exposure to assets by parents may be an important source of information about individual assets (Chiteji and Stafford, 2000). The article illustrates how the data collected by the PSID during the periods of 1984-1994 supports this assertion while highlighting the disparity between African Americans' wealth holdings and other ethnicities. The researchers also conclude that the exposure to certain assets gives individuals the opportunity to observe and participate in financial decision-making

and investments. Chiteji and Stafford go further to contend that the knowledge gained from this exposure can be clearly seen in the disparity in wealth holdings between those who did not grow up in asset holding households.

Institutional and Organizational Efforts towards Economic Development

Various shifts in America's political, social, and economic landscape have led to a unique approach to address African American economic development. Despite institutional racism, African Americans have organized to preserve their economic security. Even during the period of enslavement, African Americans formed cooperatives such as the Free African Society established in Philadelphia in 1787, led by Abalom Jones and Richard Allen (Ofari, 1970) to address their economic needs. By 1838, there were an estimated one hundred similar cooperatives in Philadelphia alone, geared toward providing mutual aid for African Americans communities (Ofari, 1970). In 1832, free African Americans throughout the nation held the Black Convention to discuss the needs of African Americans, their security, freedom and economic stability. The philosophies of Fredrick Douglass, Henry Highland Garnet, Booker T. Washington, WEB Du Bois, Marcus Garvey, and Callie House etc. all contributed to a movement of resistance and African American self-sufficiency. The literature focusing on African American economic development identifies three major areas of interest: Entrepreneurial movement community development cooperatives and campaigns for cooperative spending. Thus, this section of the literature review explores the development of each component of African American economic development.

Entrepreneurship

Among the literature reviewed, entrepreneurship played a significant role in the movement for African American economic development. Arthur Lewis identifies the functions of entrepreneurship as supplying capital; organizing production and marketing; and bearing uninsurable risks; (Lewis, 1985; p.78). Robert Woodson argues that the legacy of entrepreneurship has been the backbone of the African American quest for economic development (Woodson, 1987; p.6). African Americans' resistance to economic discrimination and exploitation during enslavement fostered their community with hundreds of lucrative businesses in the North and the South. According to Woodson, in the 17th and 18th centuries African Americans owned and operated inns, stables, construction firms, barbershops, tailoring, catering establishments, restaurants and taverns (Woodson, 1987; p.6). At the eve of the Civil War, African American business owners had an estimated wealth of \$25 - \$50 million in the South and \$25 million in the North (Woodson, 1987; p.2). At the turn of the 20th century African Americans were collectively worth \$700 million (Woodson, 1987; p.6).

In 1900, African American Entrepreneurship took to the forefront of economic development with the push of Booker T. Washington and the founding of the National Negro Business League (NNBL). The NNBL assisted with the growth of African American businesses. Cities such as Mound Bayou, Mississippi; Nicodemus, Kansas; and Boley, Oklahoma were all formed by way of the entrepreneurial movement among African American business owners (Woodson, 1987; p.6). With booming economic enclaves throughout specific sectors of the nation, entrepreneurship was central to African American employment and wealth accumulation.

Amos Wilson also discusses the importance of entrepreneurship in regards to African American development. Wilson contends that the development of African American businesses assisted with economic stability. Like many economic scholars, Wilson regards the African American community as a separate entity (Douglass, 1852; Tabb, 1970; Anderson, 2001). Wilson argues that entrepreneurial endeavors would help aid against the various shifts and changes in America's economy and the larger global economy. Wilson suggests that entrepreneurship and business cooperatives would assist with addressing African Americans' economic and political crisis. He suggests that without a strong network of businesses stirred by business cooperatives and entrepreneurship, the shifts of the United States economy specifically, and the global market in general, would have the ability to devastate entire communities. He refers to the effects that General Motors (GM) had on African American employment opportunities after moving its manufacturing plants to Korea. As a result of GM's contract with a Korean automobile manufacturer to produce subcompact, thousands of jobs were eliminated, thus disturbing a significant number of African American families.

While GM is only one multinational corporation, the move to outsource foreign labor has become common among corporations within the past three decades. The declining manufacturing and service sectors of the economy has left African Americans incessantly vulnerable to debt, poverty, and economic dependency (Wilson, 1998). The State of Black America, the annual report of the National Urban League, contends that

The still heavy dependence of African Americans on the manufacturing sector of the economy and on the service sectors which are likely to decline in the near future, means that there is a "bad fit" between the

current distribution of the African American work force and the reconfiguring industrial and service base. (Wilson, 1993; p.)

Outsourcing has directly impacted the U.S. economy and shifted economic growth in the African American community. The literature reveals that dependence on multinational corporations at the expense of entrepreneurship has limited opportunities and competitiveness of the African American business sector.

Claude Anderson's Powernomics model also argues that African American entrepreneurship is a vital component for economic empowerment. Although Anderson asserts that the majority of African American owned businesses are only stable enough to employ the owner, he states that business development by way of entrepreneurship would lead to an independent African American economy. Anderson stresses the need for the African American community to strive to form ethnic enclaves and a Black Nationalist ideology. He states that if Blacks had become production-oriented rather than consumption-oriented; it is quite unlikely that today they would not have a hidden national unemployment rate of 34 percent (Anderson, 2001; p.74). While Anderson recognizes the need for African American business development, he argues that without collective communal consciousness, African American businesses would serve no purpose but for individual advancement. He asserts that all functions within the African American community should be owned and controlled by African Americans.

Community Economic Development Corporations

The Economic Opportunity Act of 1964 commissioned mass federal funding for urban and rural development and introduced the nation's proposed "War on Poverty" launched by the Johnson administration. The act spearheaded the construction of Community Development Corporations (CDCs) that would provide funding and training for impoverished community. CDCs were designed to promote economic and social growth in low-income communities by way of federal assistance. Randy Stoecker asserts that the primary purpose of the first wave of CDCs was for job creation (Stoecker, 2008; p. 2). The National Advisory Council on Economic Development projected CDCs to be a means to "break the cycle of poverty in low-income communities by arresting tendencies toward dependency, chronic unemployment, and community deterioration" (Berndt, 1973; 10). The underlining assumption was that these programs would tackle poverty by encouraging the principles of self-help and community mobilization. The ultimate intent was to "improve the quality of economic and social participation in the community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits" (Berndt, 1977; p.32). Thus, CDCs served as a partnership between the community, government, and the private business sector (Berndt, 1977; p.33). The practice of self-help was strongly emphasized in the formation of CDC as it was thought to be essential to urban economic development. The Federal government sponsored CDCs under the assumption that the economic system of capitalism was fine and that poverty was created by a lack of participation and productivity. However, a wealth of literature disputes this and argues that poverty stems from a combination of external and internal factors.

Stoecker contends that the second wave of CDCs essentially focused on housing development. A contributor from the Ford Foundation's Grey's Area Program, support groups, and the Community Service Act of 1974 funded urban redevelopment. Moreover, funding provided from the federal government for CDCs between 1966 and 1980 exceeded \$500 million. Out of the shift from economic development to housing development, we find federal agencies such as Housing and Urban Development that were created. The National Congress for Community Economic Development reports that CDCs produced 320,000 houses in 1991 (Stoecker from The National Congress for Community Economic Development, 1995).

From a historical perspective, urban CDCs grew from African Americans' historic struggle for civil rights, the Black Power Movement, the Ford Foundation's Grey Area Program, and the federal government's Community Action Agency (CAA) programs (Berndt, 1977; 32). CDCs in African American Communities were designed to provide professional training and sponsor entrepreneurial growth. However, the function and purpose of CDCs have been debated among various scholars with different perspectives. Patterson argues that communities and community-based organizations have expressed mixed feelings toward CDCs due to the inconsistencies of approaches taken across different communities. Patterson cites Steward Parry, director of the Center for Community Economic Development, stating that the face of CDCs change depending on the community space they occupy. Some CDCs have emphasized social and political goals while others have sought to maximize profit (Patterson in Cash and Oliver, 1975; p.276).

From a structural perspective, CDCs are argued to be community-controlled projects in which community members are in the position to define the problems and needs of the community. Moreover, community members are to be the agents that implement the recommended solutions. Advocates of CDCs argue that through this method, African Americans would meet business owners and government agents as equal partners investing in a business interest (Berndt, 1977; p.33). Proponents of CDCs stress that for CDCs to work, community members, government agencies, and businesses from the private sector must share this underlining understanding.

The effectiveness of CDCs has been widely debated. Detractors have argued that CDCs programs are, in large part, underfunded and unequipped to handle the severe conditions found in urban communities. From a statistical perspective, it is argued that programs over exaggerate production numbers and fall short on their projected production (Stoecker, 2008; 3). In addition, many African American communities do not have CDCs at their disposal. Stoecker argues that at times CDCs are concentrated in one part of the city consequently neglecting other urban areas. Furthermore, CDCs have been criticized for not developing working relationships with community members. Critics of CDC also argue that business owners have undermined the authority of community members and have not provided services and skill training to meet the needs of the community.

Cooperative Spending

The concept of economic development is complex and encompasses political, social, psychological, economic, and educational elements. These various components make up African American economic development. Both conservative and liberal proponents of African American economic development agree on one aspect, cooperative consumer and corporate spending is a fundamental cornerstone for economic development. Cooperative spending has been argued by recent scholars to be the tool through which the African American community could influence political support, corporate sponsorship, and even forge independent economic sectors within their communities (Kunjufu, 1991; Wilson, 1998; Anderson, 2001; Morial, 2006). The principle of cooperative spending is not a new concept. The philosophy of Henry Highland Garnet and later espoused by Marcus Garvey aided in guiding African Americans toward a nationalist ideology. Jawanza Kunjufu argues that the concept of cooperative spending was evident at the economic convention organized by Martin Delaney in Rochester, New York. Out of the conference, slogans such as “Buy Black” and “Double Duty Dollars” were started (Kunjufu, 1991; 24). Nationalist philosophy was widely supported during the Great Depression of the early 1930’s when various African American communities launched the “Don’t Buy Where You Can’t Work” movement. Through cooperative spending in the 1930’s, African American communities were able to secure employment with White owned businesses who previously refused to hire African American labor. By-products of this movement emerged in Washington D.C. with the “Buy Where You Can Work – Buy Where You Can Clerk” and the “Buy Black” campaigns of the late 60’s and 70’s.

For conservative economists, spending habits are one factor contributing to an individual's wealth portfolio. From a conservative approach to wealth accumulating, consumerism has been a detriment for African American economic wellbeing. Anderson indirectly supports the philosophy as it relates to community economic development among African Americans. As stated above, Anderson argues that if African Americans focus more time and energy toward a production-orientation as opposed to a consumer-orientation to economics, the issue of African Americans unemployment would be less prevalent. Moreover, Anderson asserts that through cooperative spending African American businesses would increase their success rate and competitiveness among other businesses within the same market.

Anderson discusses the poor spending choices of African Americans and their adverse affect on the success rate of African American businesses (Anderson, 2001; p.70). He contends that African Americans spend 5 percent of their annual disposable income in their community and only 3 percent of that with African American-owned businesses (Anderson, 2001; p.71). Anderson advances his argument by asserting that social integration destroyed African American businesses by destroying a principle carried by African Americans for centuries; cooperative economics. During the period of segregation, the dynamics of the African American community encouraged the practice of communal economics. For Anderson, as well as for other scholars, integration opened the market for large corporations to compete with African American businesses and afforded middle-class African Americans and business-owners an opportunity to relocate to suburban neighborhoods. Moreover, Anderson argues that with the authority of urban

renewal policies, Whites abandoned urban cities and drove expressways through the most prosperous African American business districts and communities throughout the nation (Anderson, 2001; p.71). Anderson espouses that these historical events contributed to the shift of African American spending habits.

Kunjufu also discusses the necessity of African American cooperative spending in relation to economic development. He found that collectively the African American community has an estimated annual income of \$550 to \$600 billion (Kunjufu, 1991; p.8). If viewed as an independent nation, African Americans' annual income would rank as the ninth wealthiest nation/colony in the world (Kunjufu, 1991; p.8). Kunjufu, like Anderson, argues that integration laws deteriorated the African American economic sector and the practice of cooperative spending. Kunjufu suggests that segregation provided African Americans the needed circumstances for booming enclaves. He acknowledges the disadvantages of the segregated system but he explains how the system forced African American to depend on one another (Kunjufu, 1991; p.44). Kunjufu argues that African American nationalism generally has been the only consumer support that African American businesses receive. Anderson also contends that White America has collectively boycotted African American businesses in practice for centuries. Kunjufu proposes that African Americans channel their annual income to support the development of the African American economic sector.

Amos Wilson's Blueprint for Black Power argues that cooperative spending is the foundation of African American economic well being. Wilson's analysis of African American economic development is multi-dimensional in that it encompasses a domestic

and international dimension. At the foundation of his analysis African American behavior modification in regards to cooperative spending is a necessary component of economic development. Like Kunjufu and Anderson, Wilson argues that the African American community has historically operated as an independent entity due to institutional and structural inequalities. He suggests that like during legal segregation, African Americans should strategically focus their collective spending power to influence the political and economic landscape. Wilson suggests that African Americans' spending habits is a political tool that, if used properly, could provide political support for elected politicians and businesses within the African American Community.

The economic platform of "The Covenant" also suggests the use of collective spending power to influence elected officers and business owners. The Covenant stresses the importance of African Americans holding political officials accountable for service promised to African Americans by way of channeling their spending. Through cooperative spending, the Covenant suggests that economic support be given to the candidates who address the needs of African Americans. Furthermore, it proposes that businesses that are consistent with the community's political support be patronized. Although the platform offered by "The Covenant" is not structurally sound, it does however recognize the power of cooperative spending.

Cooperative spending has been a part of the legacy and quest for collective economic stability for African Americans since their arrival to the Americas. While the economy has shifted and transformed throughout history, African Americans have remained on the periphery and have used cooperative spending as a means of survival.

Thus, cooperative spending has been identified by economists to be one factor that gravely effects African American economic development.

CHAPTER 3

METHODOLOGY AND PROCEDURES

Primary Framework of Analysis

The historical practice and current state of white supremacy gravely contributes to the historical and cultural displacement of African people. The Eurocentric intellectual project has been highly successful in standardizing European's cultural and methodological approach to understanding the universe and studying human inquiry. Moreover, research employing the Eurocentric orientation has consistently misunderstood African American phenomena and has failed to prescribe effective recommendations.

At the crux of intellectual warfare lie the negative effects that Eurocentric research has had on the masses of African American people and the overwhelming impact that it has had on public policy recommendations and government funding initiatives for improving African American communities. Many scholars in the field of African American Studies maintain that methodology is culturally specific; thus discrediting the myth of universalism advanced by Eurocentricism. Accordingly, the primary framework of analysis for this research is Afrocentricity as articulated by Molefi Kete Asante. African American people will be the primary focus of this research and African culture will be the force guiding its methodological approach. Culture is defined as "a general design for living and patterns for interpreting reality" (Nobels, 1985; p.102). Asante argues, "The Afrocentric enterprise is framed by cosmological, epistemological, axiological, and aesthetic issues" (Asante, 1990; p.8). In this regard, the Afrocentric method pursues a world voice distinctly African centered in relationship to external phenomena.

According to Asante “Afrocentricity is a philosophical perspective associated with the discovery, location, and actualizing of African agency within the context of history and culture” (Asante, 2003; p.2). In response to recent historical events such as the European Slave Trade, colonization, and world white supremacy, African people’s historical and cultural space has been systematically interrupted. Afrocentricity is an academic, social, and psychological theoretical framework that seeks to revitalize an African centered reality. Mazama states, “.... what defines Afrocentricity is the crucial role attributed to the African social and cultural experience as [a] ultimate reference” (Mazama, 2003; p.9). Afrocentricity contends that the centralization of African social and cultural phenomenon is essential for providing a relevant historical and cultural context for investigating African people. The Afrocentric paradigm is divided into three essential aspects: 1) the affective, cognitive, and conative aspect; 2) the structural aspect; and 3) the functional aspect.

Ama Mazama identifies three dimensions that make up the affective, cognitive, and conative aspect of the Afrocentric paradigm: 1) metaphysical; 2) sociological; and 3) exemplars. The metaphysical aspect acts as the organizing principle. Afrocentricity’s organizing principle is “...the centrality of Africa for African people” (Mazama, 2003; p. 9). For the theory of Afrocentricity, Africa represents not only a geographical location, but more importantly, a historical and cultural space for African people throughout the world. Historically, Kemet (Egypt) serves as the origin of African civilization, values and ideas. Culturally, the theory pulls from the works of Diop, Karenga, and various African centered psychologists to identify the essence of shared African cultural

characteristics. Karenga acknowledges seven core cultural characteristics: 1) the centrality of the community; 2) respect for tradition; 3) a high level spirituality and ethical concern; 4) harmony with nature; 5) the sociality of selfhood; 6) veneration of ancestors; and 7) the unity of being (Mazama, 2003; p.9). Afrocentricity espouses the cosmological, aesthetical, axiological and epistemological components of African culture to collect and analyze data regarding African phenomena.

Afrocentricity's metaphysical aspect also provides the underlying assumptions of its organizing principles. A Pan African perspective, which means that the theory is applicable to a common African experience the world over, guides the theory. A Pan African perspective identifies all people of African descent as African; thus making them inhabitants of a shared African historical experience. As stated above, Afrocentricity also stresses that people of African descent share a common cultural matrix. The theory makes it clear that Africans may exhibit different physical manifestations (myths, motifs, rituals, etc.) but maintain a similar deep structural matrix. The organizing principle also has a deep commitment to African agency and consciousness of victory.

The metaphysical dimension draws from four fundamental philosophical branches of African thought. Asante recognizes the impact and significance of Marcus Garvey's philosophy, the Negritude movement, Kwaiaida theory, and Cheikh Anta Diop's historiography. While these are acknowledged as foundational blocks for Afrocentricity, the theory diverges with Garvey, the Negritude movement, and Diop's historiography due to its commitment and reliance on indigenous African culture. As mentioned before, Afrocentricity is organized around the concept of cultural reclamation/restoration. Both

Kawaida and Afrocentricity seek to utilize the African cultural matrix as a means to liberate African people from spiritual, psychological, and intellectual subjugation. However, Afrocentricity diverges from Kawaida in its conceptualization of African culture. Kawaida, in essence, argues that African culture is in a developmental stage while Afrocentricity argues that indigenous African culture exists and is manifested in ancient Africa and in the present day African Diaspora. The Kawaida theory also draws heavily on and centralizes the African American experience at the expense of a collective African world experience of subjugation.

The sociological dimension of the Afrocentric paradigm refers to the institutionalization of an intellectual framework that is guided by a particular set of metaphysical principles, methodology approaches, and set of theories (Mazama, 2003; p.23). The conceptualization of the Afrocentric paradigm finds its origins within the context of African American Studies and the Black Power Movement. A representation of the sociological dimension of Afrocentricity is the field of Africology, which is the Afrocentric study of African phenomena, events, ideals and personalities (Asante, 1990). The underlying principles of Afrocentricity's sociological dimension guides its methodological approach to inquiry. The chief principle is that the African experience must direct all inquiry. This principle centralizes the dynamics of African phenomena when conducting and analyzing data. In researching African phenomena, the Afrocentric paradigm asserts that accurate conclusions are made when the correct questions are asked. The Afrocentric methodological approach also contends that African phenomena could only be accurately understood when the spiritual realm is represented and

accounted for in any analysis. The investigator must immerse her/him self in the area of study and apply a holistic approach. Consistent with indigenous African culture, Afrocentricity affirms that not all variables are quantifiable or measurable. Lastly, the sociological dimension seeks to guide scholars to offer knowledge that is liberatory in nature for people of African descent.

The sociological aspect of the Afrocentric paradigm also facilitates its conceptual apparatus which are the concepts employed by Afrocentric scholars (Mazama, 2003; p.25). Modupe refers to the Afrocentric conceptual apparatus as the Afrocentric Framework (Formal academic Framework). He identifies three components that make up the Afrocentric Framework: 1) grounding; 2) orientation; and 3) perspective. The theory of Afrocentricity stresses that Afrocentric scholarship be grounded in that it seeks “the acquisition of knowledge and experience centered in the history and culture of people of African descent” (Modupe in Mazama, 2003: p. 62-3). The Afrocentric orientation is to “have and pursue intellectual interest in Africa and the formation of a psychological identity direction, based upon the interest, in the direction toward Africa” (Modupe in Mazama, 2003; p.63). The Afrocentric perspective is a “self conscious way of seeing and shaping the world which reflects the best interest of Africans (Modupe in Mazama, 2003; p.63).

Modupe expands further on the sociological dimension of the Afrocentric paradigm in his discussion of theoretical constructs. He explores three important Afrocentric concepts: 1) Agency; 2) Centeredness; and 3) Situatedness. Agency, which is vital for Afrocentric thought and praxis, “argues for and employs the philosophical

‘should’ of Africans being subjects of history and culture, an efficacious habit of being in which the African acquires the ‘desire’ and ‘capability’ of recognizing and effecting African subjectivity” (Madupe in Mazama, 2003; p.65). Modupe defines centeredness as

The philosophical ‘should’ of Africans having knowledge and understanding of their historical origins and cultural development which provides connectedness to and the necessary reverence for the ancestors and thus an efficacious perception of self in culture. (Madupe in Mazama, 2003; p.65)

Afrocentric Situatedness stresses that Africans acquire and/or create an effective intellectual and psychic space, a “place to stand,” for an anchored and proactive stance from which to form the “proper attitude” toward African phenomena in general and data in particular” (Madupe in Mazama, 2003; p.65).

The third and final dimension of the Afrocentric paradigm described by Madupe is the Exemplars dimension. The exemplars dimension confirms Afrocentricity’s necessity, validity, and efficacy. The exemplars are the volumes of works produced by Afrocentric scholars that serve as a guideline for others seeking to investigate African phenomena. These works take the form of dissertations, scholarly publications, books, programs, etc.

The structural aspect of the Afrocentric Paradigm consists of the various intuitional spaces that make Afrocentric research a reality. These institutional spaces are where “a community of practitioners” utilizes and advances the principles of the Afrocentric paradigm (Madupe in Mazama, 2003). These spaces are, but are not limited to, the first Ph.D. Program in African American Studies at Temple University, The Diop

Conference, the Journal of Black Studies, and the Graduate Students Conference annually held at Temple University.

The functional aspect of the Afrocentric paradigm is reflected in the transcendence of research geared toward Africa, African people, ideas, and behaviors. Mazama borrows from Asante to argue that the functional dimension of the Afrocentric paradigm can be detected in at least three areas: 1) the exhibition of cultural phenomena, such as music and dance clearly informed by Afrocentric consciousness; 2) the emergence of a new political discourse and praxis; and 3) the building of institutions, such as schools and spiritual centers in Africa and in the Diaspora.

The seven Africological fields are communicative, social, historical, cultural, political, economic, and psychology (Asante, 1990; p.12, Mazama, 2003; p.24, McDougal, 2007). This research primarily focuses on the fields of economics and history. The research is Afrocentric in that it centralizes African American people's historical experience and cultural characteristics in formulating recommendations for African American economic empowerment in Philadelphia. Thus, the theoretical lens through which this research will be conducted and analyzed is Afrocentricity. Afrocentricity's importance for this research is its continuous spiritual, psychological and intellectual thrust towards cultural reclamation (Asante, 1990; Madupe in Mazama, 2003). Its functional objective is to achieve a communal cognitive will of psychological and cultural liberation for people of African descent (Mazama, 2003)

Afrocentricity is also essential for this research due to its concentration on African culture and its emphasis on historical origins as an important dynamic in understanding

African phenomena. Asante asserts, "...adequate understanding of African phenomena cannot occur without a reference point in the classic and most documented African culture" (Asante, 1990; p.14). This research seeks to advance the Afrocentric intellectual project by centralizing the economic plight of African American people in Philadelphia and provide solutions that are consistent with their historical and cultural context. Furthermore, it attempts to seek out initiatives that reflect the ontology, cosmology, axiology, and aesthetics of the African American community in Philadelphia. (Mazama, 2006; p.26) It seeks to accomplish three initiatives consistent with the Afrocentric paradigm: African American agency, victorious consciousness (conceptual and structural economic solidity), and Cultural Centeredness as related to economics. As mentioned above, Asante identifies four major fundamental blocks of Afrocentricity, which are Garvey's philosophy, the Negritude movement, Kawaiida, and Diop's historiography. Garvey's philosophy conceptually outlines African American agency that is dependent on two ideas: a conception of power as a divine attribute, and a deep commitment to the Ancestors. (Mazama, 2003; p11) African American agency is central to this research in that African Americans are the agents of change and harnesses the power and the ancestral support to address their economic plight.

The relationship between culture and economics has recently become central in the discussion of wealth accumulation. The work of Baumol (1990) Cole, Mailath, and Postlewaite, (1991) Benabou (1991) and Chaim Fershtman and Yoram Weiss (1993) all conclude that culture influences variables that effect wealth accumulation such as employment opportunities, educational opportunities, and marital patterns. Furthermore,

the essential values and principles of capitalist corporate America are dominated by European cultural characteristics. Cheikh Anta Diop as well as Black psychologists such as Wade Nobles, Kobi Kambon, Daudi Ajani Ya Azibo, Naim Akbar, D. Philip McGee, Linda James Myers, and others has done extensive empirical research on worldview and cultural differences between European and African people. Fershtman and Weiss take into account cultural differences and their impact on wealth accumulation when stating

Cultural differences among societies may translate into different status of occupations and can, therefore, affect the choice of education and occupation and, consequently, the equilibrium level of output and wages. Conversely, the economic choices of individuals influence the social status of occupations. (Fershtman, 1993)

The late great thinkers Jacob Carruthers and Paul Robeson accurately chart the direction of future scholarship when charging African intellectuals with the task of equipping themselves to engage in intellectual warfare. The use of inappropriate methodological approaches in studying African phenomena has led to ineffective economic programs, the physical displacement of African American communities by way of urban renewal in African American communities, and a cut in government spending in urban communities that are predominately African American. Historically, intellectual warfare has been waged primarily around the issues of structural inequality, intellectual integrity and cultural hegemony within the academy. The theory of Afrocentricity as a methodological approach affords the researcher the autonomy to appropriately investigate African American people's complex economic history in Philadelphia. More importantly, Afrocentricity stresses the use of African cultural characteristics as a reference point for recommendations for economic development.

This research will be geared toward Victorious Consciousness in that African Americans are not seen as permanent victims, but agents of change. The concept of consciousness is drawn from Asante's articulation of the Afrocentric consciousness matrix. Modupe discusses the notions of consciousness for psychic liberation and consciousness for cultural reclamation. (Mazama, 2003; p.5) This concept is also consistent to Asante's articulation of the Afrocentric idea when stating, "Afrocentricity proposes a cultural reconstruction that incorporates the African perspective as a part of an entire human transformation. (Asante, 19987; p.5) The component of Victorious Consciousness seeks to also debunk the notion that structural white supremacy is a natural part of the human order.

The component of Cultural Centeredness seeks to influence recommended programs and initiatives to assure that they are culturally congruent with African Americans. As stated above, culture and cultural reconstruction are central to the theory of Afrocentricity; thus it is this study's aim to seek culturally appropriate recommendations.

Secondary Framework of Analysis

A secondary component of this study will focus on the disproportionate distribution of wealth as related to the African American community. The theory of intergenerational transmission, articulated in the work of Francine Blau and John Graham and Ngina Chiteji and Frank Stafford, will be used to provide a historical context for wealth differences. Intergenerational transfer will also be used to help determine the impact of bequeaths, low interest loans, critical financial information, and exposure to

financial transactions on wealth portfolios. Blau and Graham proposed that intergenerational transmission of wealth accounts for more than three fourths of the wealth gap. (Blau and Graham, 1990) Utilizing the theory of intergenerational transmission will aid in investigated structural barriers that have historically contributed to the growth of the wealth gap. In addition to assisting with a structural analysis, the theory helps with evaluating the impact of the transfer of financial knowledge and exposure to wealth. While the theory of intergenerational transmission alludes to the importance of parental wealth, it does not consider culture and the implication of culture and economics. However, its emphasis on historical context in investigating the causes of wealth differences is fitting for African American economic development.

Intergenerational transmission addresses the most vital aspect of investigating wealth disparity—history. The theory is historically based in that it attempts to follow the flow of wealth through observing the accumulation of wealth across generations. The literature dealing with African American economic development has consistently pointed toward racial discrimination as a means of causing the wealth gap. Finally, the theory of intergenerational transfer will allow this researcher to explore and contextualize the current disproportionate distribution of wealth.

Procedures

This study will observe external and internal factors that contribute to the economic plight of African Americans in Philadelphia. External factors refer to programs developed at the federal, state, and local levels designed to enhance African American people's ability to accumulate wealth. In addition, these factors also include

business and/or organizations in the private sector that operate in African American communities in Philadelphia and provide employment. External factors also include ideologies that influence investment patterns, spending habits, and community involvement as it relates to the improvement of African American economic well-being.

Internal factors refer to behavioral patterns adapted by African Americans that affect their ability to accumulate wealth. Further, internal factor also refers to the adoption of ideologies and philosophies that are beneficial or detrimental to the economic well being of African American community in Philadelphia. These internal factors may be in response to the exposure to certain external factors or stimuli. External and internal factors will be identified by the literature and various empirical studies.

This research seeks to evaluate African American economic conditions in Philadelphia, identify the factors that plague African American economic stability, and prescribe recommendations that effectively address economic empowerment. The primary methods utilized to carryout this research is Afrocentric historiography, questionnaire, and interviews. The historiographical section of the research will investigate the historical progression of African American economic development in Philadelphia. The historiographical analysis will be divided into two major sections:

- 1) The first historical section explores the significant shifts in African American economic development in Philadelphia during 1940 – 1955. This sets a historical context for the African Americans' economic conditions and seeks to investigate African American activism in Philadelphia moving into the Civil Rights

Movement. Furthermore, it provides evidence that the Civil Rights era extends beyond 1954 – 1965.

- 2) The second historical section investigates African American modes of resistance to economic barriers during 1955 -1970. More important, this historical analysis examines the implementation of models for African American economic development. This section seeks to provide recommendations to explain why the national wealth gap grew after the 1970s. Also, this timeframe allows the researcher to evaluate the effects of Civil Rights legislation and the “War on Poverty” on African American economic development.

Both aspects of the Afrocentric historiographical section will investigate the government, private sectors, and the African American community’s response to historical factors that helped in shaping African American economic development. I will use primary documents such as books, manuscripts, articles, government documents, and other relevant materials to obtain information.

To supplement primary sources I will conduct interviews with activists of the Civil Rights era. Interviews will also be conducted with relevant figures in the intellectual community that have a knowledge base of African American economic development in Philadelphia during 1940 -1970. Interviews will also be conducted with selected Black business owners to gauge their involvement with African American economic development. Interviews with Black business owners will seek to assess the impact of urban renewal on the expansion of the Black business sector. Moreover, these

interviews will gain Black business owner's perspective on necessary aspects of improvement for the larger African American community in Philadelphia.

The third section of this research will present an Afrocentric analysis of pertinent literature that seeks to address African American economic development in Philadelphia during 1940 -1970. With the use of governmental documents, local statistical data, and literature proposing economic initiatives for African Americans in Philadelphia, this research will document and evaluate program of African American economic development during 1940 – 1970.

The fourth section of this research engages the current economic status via questionnaires administered to members of the African American community in Philadelphia. Data collected will seek to identify the current spending patterns of African Americans in Philadelphia. Further, the questionnaire surveys African Americans' knowledge of available economic resources and gauge their commitment to cooperative spending. The questionnaire will also assess the availability and quality of Black owned business from a Black consumer perspective.

The final section prescribes Afrocentric recommendations for economic empowerment for the African American community in Philadelphia. The initiatives will be guided by the historical overview discussed above, the statistical data gathered from the studies observed, and data collected by questionnaires. In addition, these initiatives will be four pronged in that they will present: 1) family center recommendations; 2) local recommendations; 3) national recommendations; and 4) international recommendations. The primary initiative is to address economic empowerment in Philadelphia, but to also

aid the global movement for African economic liberation. In accordance with Afrocentricity, these recommendations seek to address a collective communal approach to economic empowerment.

CHAPTER 4
AFRICAN AMERICAN ECONOMIC DEVELOPMENT AND THE
INADEQUACY OF LIBERALISM

Introduction

At the close of the 19th century, the American Industrial Revolution (1820 – 1870) signified not only a shift in the United States’ economic focus, but also indicated a redistribution of political power and a repositioning of the nation’s economic center. The defeat of the confederate forces in 1865 cemented this economic shift under the guise of liberalism² and solidified the rise of liberal politics. The move toward industrialization helped expand America’s economic infrastructure as well as weakened the stronghold that southern agricultural industry had on the country’s economy. The industrialization process helped to revitalize local economies in many of the northern and western cities, transforming them into outposts for mass production. As a result, increased employment opportunities in cities such as Philadelphia, Pennsylvania attracted millions of African Americans at the turn of the 20th century.

The expansion of the manufacturing industry, coupled with wartime employment opportunities and the decline in cotton production in many southern states, influenced a consistent flow of African Americans to Philadelphia seeking employment between 1910

² The fundamental principle of liberalism is the prioritization of individual citizens’ liberties, equal rights and the restriction of government interference in economic affairs. This research leans on Lizabeth Cohen and James Wolfinger’s articulation of liberalism in that it is a “political orientation that deploys the power of the state to improve the lives of working people through legislation and programs that protect their homes and jobs. A liberal or Democratic coalition, then, is an alliance of ordinary people who seek to implement the vision.

and 1940. The failure of Philadelphia's political leadership to adequately address the needs of African Americans heightened the issue of African American economic development³ and lent support for the growing liberal constituency. The transformation of Philadelphia's racial demography, due to the presence of the African Americans and their need for financial security, eventually became the impetus for the rise of local liberalism and the Liberal Reformist Movement⁴ (1940 – 1955) in Philadelphia. The Liberal Reformist Movement and their commitment to liberalism, forced the central issues surrounding African Americans economic development to the forefront of the liberal⁵ political platform and the local political discourse.

The body of literature written on African American economic development as it relates to liberalism and the Civil Rights Movement has primarily focused on antidiscrimination legislation (public policy), integration (socially, politically, and economically) and the role of liberals contributing to protest and financial assistance. To move the discussion further, this chapter investigates the implementation of local liberalism in Philadelphia and the approaches taken by liberal politicians to address discrimination in employment practices, segregated work forces, and the inability of liberal politicians to secure equal opportunities for the African American community in Philadelphia.

³ African American economic development is the movement of African Americans fighting to secure their collective economic opportunities for financial stability.

⁴ LRM is the collaborative of liberals to restore democracy and transform Philadelphia's local municipal government to a system committed to liberalism.

⁵ A political philosophy that advocates for the freedom of individuals rights and acceptance of new and diverse alternatives for political and economic reform.

This chapter explores three central variables that contributed to the movement for African American economic development. These variables include: 1) The evolution of the Reformist Movement and the efficiency of African American organizations and other civic groups to move the issue of racial restriction in employment into the political discourse; 2) the racial transformation of Philadelphia and the resulting political and social impact; and 3) the historical “bad faith” of the Republican Party in regards to civil rights. The chapter begins by examining early reformist movement launched in Philadelphia. This section discusses the scope of the early reformist movement and its relation to African American economic development in Philadelphia. The next section investigates the impact of the “Great Migration”⁶ on Philadelphia. This section gives a thorough analysis of the rapid increase of Philadelphia’s African American population and the physical and political impact of this phenomenon. The final section of the chapter evaluates the revitalization of the Liberal Reformist Movement (LRM) in Philadelphia during the 1940s and 1950s. This section analyzes the approach taken by reformists⁷ to address racial discrimination and a failing democracy. In addition, this section identifies the strengths and weaknesses of the reformist approach.

Early Reformist Movement in Philadelphia

The seventy years that preceded the LRM of the 1940s created a political climate that influenced several political transformations at the local level in Philadelphia.

⁶ The mass exodus of African Americans from Southern states to the north and west states between 1910 and 1940.

⁷ A liberalist committed to the transformation (politically, socially, and economically) of institutions to reflect liberal democracy.

Philadelphia, one of the nation's original colonies, has a lengthy political history that was instrumental in the way African American economic development was handled politically. The English tradition, as well as the Quaker's Society of Friends, has historically influenced Pennsylvania's political tradition (Petshek, 1973). Likewise, Philadelphia has had a tradition of conservative⁸ leadership dating back before the era of the Revolutionary War. From the 1680s until the mid-1800s, the Quakers dominated Philadelphia's political leadership. From the middle of the eighteenth century until the early 1950s, political leadership remained within a small community consisting of the city's wealthy families. Kirk R. Petshek argues, "... an American democratic community dominated by an aristocracy of relatively few 'well-born'... exercise a power far in excess of their numbers." According to Dixon Wecter, Philadelphia's political leadership during this period was "...[a] group of families with a common background and racial origin... fortifies itself ...by friendship and intermarriage" (Petshek, 1973; Wecter, 1937).

The change in political leadership from the Society of Friends to the city's wealthy families deterred the city's long tradition of civic service to a system that prioritized revitalizing the city's economic sector. The wealthy class of Philadelphia marginalized the issue of social inequality, in terms of public policy, but applied a method of charity to address the issue of poverty and structural injustice. Like the Quakers, the wealthy elite employed a system of charity opposed to political and social

⁸ A political philosophy that supports the preservation of traditional government and rejects reform. United States' conservatism has traditionally sought to preserve the political and economic status of its wealthy White constituency.

reform. However, unlike the wealthy elite, Quakers established a long history of assisting enslaved African Americans during the 1800s. The Society of Friends played a central role in the Underground Railroad and the implementation of public policy opposing the system of enslavement in the United States. Prominent individuals from the Quakers community in Pennsylvania helped to make the state one of the first anti-enslavement states in the early 1800s. However, despite the Quakers' approach to civic service, Philadelphia's wealthy elite was successful at shifting the political paradigm to fulfilling a conservative agenda.

Due to a decline in Philadelphia's economic production during the 1830s, the wealthy elite seized control of leadership positions with the intent of shifting the local political philosophy and revitalizing the city's economy. This strategic move in the mid-1800s was largely influenced by Philadelphia's declining economic activity and the rise of New York as the economic capital of the nation. In 1836, the Bank of the United States moved to New York, thus repositioning New York as the center of the growing American economy. Previously Philadelphia was the home to the first and second banks of the United States. The transformation of Philadelphia's local political philosophy during the mid-1800s, assisted in the rejuvenation of the city's economy. With the rise of industrialization and Philadelphia's political leadership focus on economic revitalization, Philadelphia became the prime location for the new industrialized economy of America during the mid to late 1800s. Petshek argues, "...Philadelphia's development was more directly affected by its economic activities. A prominent port had made it a mercantile center, which served a rich hinterland in Pennsylvania and southern

New Jersey” (Petshek, 1973; Wecter, 1937). After the move of the Bank of the United States to New York, the “old Philadelphia families” that established their wealth during the height of the Philadelphia’s thriving economic production, began to immerse themselves into politics, shifting the city’s political focus on solidifying their dominance economically and politically. The “old Philadelphia families” maintained control of political leadership for more than a hundred years.

Between the periods of 1870 and the mid-1940s, Philadelphia’s political structure went through several transformations. Toward the end of the nineteenth century, there were a number of attempts to organize a reformist movement and “restore integrity to City Hall” (Petshek, 1973; p.9). In the 1870s, a left wing liberal movement was cultivated to address the political and economic corruptions that had infested Philadelphia politics. According to Philip S. Benjamin, Philadelphia’s municipal government “ran the city in the interest of the Republican party and its financial backers...[The] Republican party, was corrupt in Philadelphia; it therefore could not serve as a vehicle for reform” (Benjamin, 1970). Philadelphia developed a reputation for “election frauds, graft, and political jobbery” (Benjamin, 1970). During this era, the “Citizens' Municipal Reform” was formed which led to the formation of “The Reform Club in 1872” (Benjamin, 1970). Of the liberal reformist movements during the Reconstruction era, the mugwump movement gained the most political traction of the liberal reformist of this era. The mugwump movement consisted of left wing liberals and Quakers devoted to transforming Philadelphia’s local politics to a system that serves the majority of its voting constituents. The most productive organization developed out of the mugwump movement was the

“Committee of One Hundred” which was successful in electing mayor Samuel King in 1881. The significant of this movement is its ability to elect a reformist during a period when Republicans were majority. Further, the Committee of One Hundred consisted mostly of members of the Society of Friends that accounted for less than 1 percent of the total population of Philadelphia. For Quakers, who traditionally absolved themselves from participating in politics since the early 1800s, the Committee of One Hundred was perceived as a means to actively participate in local politics and aid in restoring the “civil service” tradition (Benjamin, 1970). The movement was successful in forming various “watch-dog” groups to monitor elections, and to resolve the “gas ring scandal.”⁹ Unfortunately, the organizations that came out of the mugwump movement were short lived. In 1884, William B. Smith, a conservative concerned with meeting the needs of the business community and wealthy families of Philadelphia, was elected as mayor and the mugwump committees were immediately disbanded.

Although the mugwump movement did not have a long-lasting impact on Philadelphia’s political machine, it marked the beginning of an era of liberal reform. The first notable reformist movement that followed the mugwump movement was the middle and upper class revolt that came out of the Progressive Movement. Between 1910 and 1916, middle and upper class businessmen waged a “status protest... against corporations and corrupt politicians...” (Petshek, 1973; p.10). Unlike the mugwump, this protest was

⁹ The “gas ring scandal” was a scandal that involved the use of Philadelphia’s Gas Trust, under the direction James McManes to develop political and corporate alliances. McManes controlled thousands of jobs and dictated contract bids, which gave him the power to “systematically mulct the city of funds while the utility he directed provided the poorest service”

centered on the status and prestige of wealthy families. While this movement was largely unsuccessful, it had residual value for the working class and poor in regards to public policy that cut government spending and saved taxpayers millions of dollars. In 1912 Rudolph Blankenburg, a reform mayor, followed the traditions of the mugwump movements characterizing his administration as one committed to the “principles of good government and civil service” (Petshek, 1973; p.10, Benjamin, 1970). Furthermore, Blankenburg was successful in organizing the new Transportation Department that sought to expand public transportation in the city.

Like the mugwump movement, this movement was short lived, as Blankenburg was a one-term mayor. The Republican machine was able to defuse many of the accomplishments made by Blankenburg’s administration and his liberal supporters. Although the wealthy were few in number, they were successful in exercising their power as bosses.

A supporting constituency of the Republican Party in the Philadelphia was the newly arriving European emigrants in the early 1900s. According to Petshek “The political machine that persistently blocked any emerging reform spirit in Philadelphia’s city government was further strengthened by the ever increasing number of emigrants mostly from Ireland, Italy, and Poland who debarked at Philadelphia’s port” (Petshek, 1973; p.10). The support of European emigrants, through electoral politics, solidified Republican dominance of Philadelphia political leadership and as well as public policy. European emigrants and the wealthy class developed an oppressive relationship that

ultimately solidified the wealthy class' economic and political power in the city and the emigrants' space in the labor force.

Despite the influence of the Society of Friends and other prominent liberal politicians, the numerous attempts to transform Philadelphia's local government into an institution committed to civil service were unsuccessful between 1870 and 1940. However, while these movements failed, they lent insight for social movements that followed. Most notably, it illustrates

- 1) Philadelphia's long political tradition of disregarding the responsibility of civil service and civil rights,
- 2) The change in the social and political climate of Philadelphia due to the influx of African Americans and European emigrants, and
- 3) The rise of Liberalism as a political philosophy in Philadelphia.

The section that follows discusses the influx in Philadelphia's African American population at the turn of the century. This increase was pivotal in the rise of local liberalism and the LRM during the 1940.

The Great Migration and Philadelphia

In the middle of the twentieth century, the African American presence in Philadelphia was an essential factor that helped disrupt the common practice of systematized racism and fueled the LRM and the civil rights movement. African Americans were the driving force that made economic development a primary issue that provoked protest by local organizations, selective municipal agencies, and prominent individuals. Likewise, the racial transformation of Philadelphia greatly influenced the nature of the local reform movement. The massive increase of Philadelphia's African

American population was motivated by a number of social, political and economic variables. However, data collected in a survey conducted in 1924 by Charles S. Johnson, argues that people of African descent relocating to Philadelphia were largely motivated by perceived availability of employment opportunities (Miller, 1984). Thus, in order to understand liberalism and the movement for African American economic development in Philadelphia, we must explore the change in Philadelphia's racial demography in the early 1900s.

To accurately position Philadelphia's African American community and the issue of economic development, I will begin by discussing the dynamics that contributed to this drastic transformation of Philadelphia's racial demographic. Up until the 1900s, Pennsylvania had a relatively small African American population when compared with other states. Yet, at the conclusion of World War I (WWI) and World War II (WWII) the racial demography of Philadelphia was drastically altered; thus shifting Philadelphia's voting base and transforming Philadelphia political landscape. Between 1910 and 1930, large industrial cities like Philadelphia saw a major influx of African Americans from the south seeking employment. This period is commonly referred to as the "Great Migration". Johnson's research conducted in Philadelphia in 1924 included over 500 recently arrived African American families. The findings give us insight into the ambitions and living conditions of African Americans in the mid-1920s. The majority of

the new population came from the rural south such as Georgia and South Carolina (Miller, 1984).¹⁰

Historians generally attribute the Great Migration to two central factors: 1) disparaging and work conditions of southern plantations and the prevalence of racism coupled with the decline of the agricultural cotton economy of the south; and 2) increased employment opportunities in industrial cities.¹¹ Great migration historians apply the push-pull theory to explain the mass move of African Americans. This framework suggests that social restrictions, low wages, cruel work conditions on plantations, and the decline in production of cotton pushed large numbers of African American people out of the cotton belt states.¹² Conversely, the theory suggests that higher wages, thriving industrial economies, better schools, and employment opportunities pulled African Americans to northern industrial cities.¹³ These factors have been proven to be active

¹⁰ According to the 1910 census roughly 73 percent of the nation's African American population lived in rural areas and 89 percent still resided in the South. For more readings of African American Migration refer to Fredric Miller *The Black Migration to Philadelphia a 1924 Profile*, Allen and Farley *The Shifting Social and Economic Tides of Black America, 1950 – 1980*, Robert Higgs *The Boll Weevil, the Cotton Economy, and Black Migration 1910 – 1930*.

¹¹ The impact of the boll weevil beetle on the southern agricultural economy is well documented. Also the erosion of the soil crippled the crop industry. WWI and WWII opened temporary employment opportunities for African Americans in large industrial cities in the north. For factors contributing to the "Great Migration" refer to Du Bois *Black Philadelphia* (pg 135), Charles S. Johnson *Survey*, Fredric Miller *The Black Migration to Philadelphia a 1924 Profile*, and Higgs *The Boll Weevil, the Cotton Economy, and Black Migration*.

¹² The Boll Weevil epidemic devastated cotton production in southern states across the nation and made African Americans' opportunity for economic advancement nearly impossible.

variables in the mass move, and this is evident by Johnson's findings, which show that African Americans in Philadelphia were influenced primarily by economic factors.

Table 4.1 provides an illustration of the survey responses of 122 individuals in 1924 regarding their decision to relocate to Philadelphia (Miller, 1984). This data supports the notion that the African Americans settling in Philadelphia during this time were motivated by the opportunity for economic advancement. Despite the wide use of the "Push-Pull" theory, this research argues that social dynamics of the south were secondary factors for explaining the Great Migration. The work of Johnson and Higgs attempts to debunk the Push-Pull notion empirically and theoretically. Higgs argues that African Americans' dissatisfaction with the social conditions of the south was of minor concern and this is evident by their unwillingness to relocate earlier. While Higgs suggests that social factors were insignificant, this author argues that social factors were central and they were best reflected by the restriction of political and employment opportunities in the south.

As the production of southern cash crops decrease, restrictions for African American employment opportunities became more and more evident. Between the years of 1865 and 1915, the steady flow of African American Southerners moving to northern and mid-western cities is trivial in comparison to the decades that followed.

¹³ It is worth noting that the decline in European emigrants also was a factor in African Americans perceiving the North as being a place of opportunity. Historically, European emigrants have been competitors with Blacks for employment. Also, restrictions on foreign immigration during World War I and World War II created more opportunities for African Americans.

Between 1910 and 1920, seven percent (554,000) of the African Americans population living in the south relocated to northern and mid-western states.

Table 4.1 Migration: Motivation and Process Reasons for Migrating

Head's Occup. in the South	Reasons for Migrating						Family Came Together?	
	Boll Weevil	"Took a Notion"	Lack of Work	Contact s in Phil.	More Money	Social Conditions	Yes	No
Farmer Owner (6)	5	0	0	0	0	1	3	3
Tenant Farmer (42)	23	8	2	4	1	4	14	30
Farm Laborer (3)	1	0	0	1	1	0	1	2
Unskilled Worker (38)	2	12	9	9	6	0	27	13
Domestic (11)	0	6	0	4	1	0	8	4
Services (9)	0	1	3	4	1	0	7	3
Skilled Worker (12)	0	4	5	2	0	1	6	6
Business Owner (1)	0	0	0	0	1	0	1	0
Total (122)	31	31	19	24	11	6	67	61

Statistics and Table provided by Miller's "*The Black Migration to Philadelphia a 1924 Profile*"

During the 1920s, ten percent (902,000) of the remaining African American southern population relocated (Miller, 1984). Between September 1922 and September 1923, the United States Department of Labor, Division of Negro Economics states that over 500,000 Black southerners relocated to northern and mid-west states (Kennedy, 1930; p.35). By 1930, more than two million African Americans were residing in northern and mid-west cities dropping the percentage of African Americans living in the south from 89 percent in 1910 to 78.7 percent in 1930 (Miller, 1984)

The Great Migration not only increased the African American population in Philadelphia tremendously, it transformed Philadelphia's African American community. According to the Census Bureau, in 1910 Philadelphia's African American population was 84, 459 (5.5 percent of the population).¹⁴ By 1930, African Americans accounted for nearly 11.5 percent of the total population (219,599).¹⁵ According to Miller, in 1930 only 30 percent of the African American population in Philadelphia was Pennsylvania-born. African Americans were attracted to Philadelphia's manufacturing industries as well as the defense industries that increased production due to WWI and WWII. Companies such as Pennsylvania and Reading Railroads, United Gas, Baldwin Locomotive, Philadelphia Rapid Transit, Midvale Steel, Cramps Shipyard, Wastinghouse, Atlantic-Refining, and Lukens Steel were industrial companies located in or near Philadelphia that employed African Americans at low-level positions.¹⁶ However, the African American migrants created a new economic dynamic due in part to the overwhelming majority of African Americans relocating to Philadelphia being unskilled workers. Of the 122 respondents, 42 of these respondents were tenant farmers but only 6 of them became skilled workers in Philadelphia and 27 became unskilled laborers.¹⁷

¹⁴ *U.S. Census of Population and Housing, 1910: Summary Population and Housing Characteristics: Philadelphia*. Washington: Government Printing Office, 1911..

¹⁵ *Ibid*

¹⁶ *Ibid*.

¹⁷ *U.S. Census of Population and Housing, 1910: Summary Population and Housing Characteristics: Philadelphia*. Washington: Government Printing Office, 1911.

Prior to the Great Migration, Philadelphia had the nation's second largest African American population.¹⁸ In the century preceding the Great Migration, African Americans in Philadelphia had success in industries such as catering, real estate, domestic service, and the restaurant industry (Saunders, 1964). Prominent African American entrepreneurs formed successful businesses in the catering industry that would ultimately lead to African Americans dominating catering for more than a century in Philadelphia. Despite the successful African American businessmen that flourished in Philadelphia, Philadelphia, like most American cities with large African American populations, formed impoverished communities that resided in the city's ghettos. W.E.B Du Bois, the late social scientist, contends that slum areas were heavily populated by African Americans (Du Bois, 1967). According to Du Bois, slums where African American resided were the worst neighborhoods in Philadelphia. The bulk of the slums occupied by African Americans were both north and south of South Street and Locust Street. According to Du Bois, over half of Philadelphia's African American population resided in the city's 4th, 5th, 7th and 8th Wards (Du Bois, 1967). The illustration below shows a map of the Philadelphia in 1890 and the population breakdown of African Americans in the city. This illustration shows that the Philadelphia's Black community was highly concentrated before the Great Migration, which would later be a direct source of tension as it relates to the reform movement of the late 1940s through the 1950s. The African American population in Philadelphia was highly concentrated in the area now known as Center City/The Historic District and on the south border of Old City. The Great Migration

¹⁸ Ibid

increased the number of African American inhabitants in the central wards mentioned above. However, Johnson's survey illustrates that the newly arrived African American population not only changed the economic status of Black Philadelphia, they also expanded the physical location of the Black community. We see a drastic shift in the sections of the city in which African Americans are concentrated as Du Bois points out in his epic sociological study, *The Philadelphia Negro* in 1899. Unlike late 1800s and early 1900s, Black Philadelphia in the 1930's begun to see large numbers of African Americans began to settle in the western part of the city.

According to the 1930 Census, over 55 percent of Philadelphia's African American population was concentrated in the 7th ward (8,430); 20th ward (14,849); 24th ward (13, 041); 30th ward (19,537); 32nd ward (14,476); 34th ward (15,400); 36th ward (30,322); and 47th ward (13,768).¹⁹ In the late 1940s we will see the African American population pushed out of the Center City area due to the reform movement "slum clearance program." Also, in 1930, the African American population of Philadelphia increased to nearly 12 percent of the total population. The increase in numbers created space for the shift to liberal politics that would alter City Hall and begin to transform public policy in the late 1940s. In the 10-year span between 1930 and 1940, the African American population in Philadelphia only increased to 250,880 but would spike in 1950 to 376,041, an increase of 125,161 from 1940.²⁰

¹⁹ *U.S. Census of Population and Housing, 1930: Summary Population and Housing Characteristics: Philadelphia*. Washington: Government Printing Office, 1931.

²⁰ *U.S. Census of Population and Housing, 1940: Summary Population and Housing Characteristics: Philadelphia*. Washington: Government Printing Office, 1941.

The African American population would continue to increase through the 1960s. The shift in Philadelphia's political tradition reflects the influx of African Americans and their unique social challenges. The common practice of racial discriminatory employment practices and the increase in African Americans from the south made the issue of fair employment a central issue for the African American community and the reformist movement. While some historians may attribute Philadelphia's political shift toward liberalism to the European emigrants that migrated to northern parts of the country, we must keep in mind that the influx of European emigrants slowed down tremendously during the Great Migration. In fact, the Great Migration was partly motivated by the decreased numbers of European emigrants coming to the United States. Race relations among African Americans and European emigrants have historically been a relationship grounded in racial tensions. Thus it was the Great Migration that set the stage for a political and social movement that took place in Philadelphia in the 1940s, 50s, and 60s. Liberal politics of the early 1950s reflected not only a shift in Philadelphia's political tradition, but issues that directly surrounded the African American population in Philadelphia.

African Americans have historically voted disproportionately for liberal leadership within the American political construct. This is in large part due to the lack of more radical alternatives as it relates to American politics. The split in the White vote in Philadelphia made the African American population key in electoral politics of the 1940s and 1950s. African Americans' voting power converted the Black community into a political entity. Moreover, the rash demonstrations of civil disobedience also proved to

Figure 4.1 African American Population Map 1940

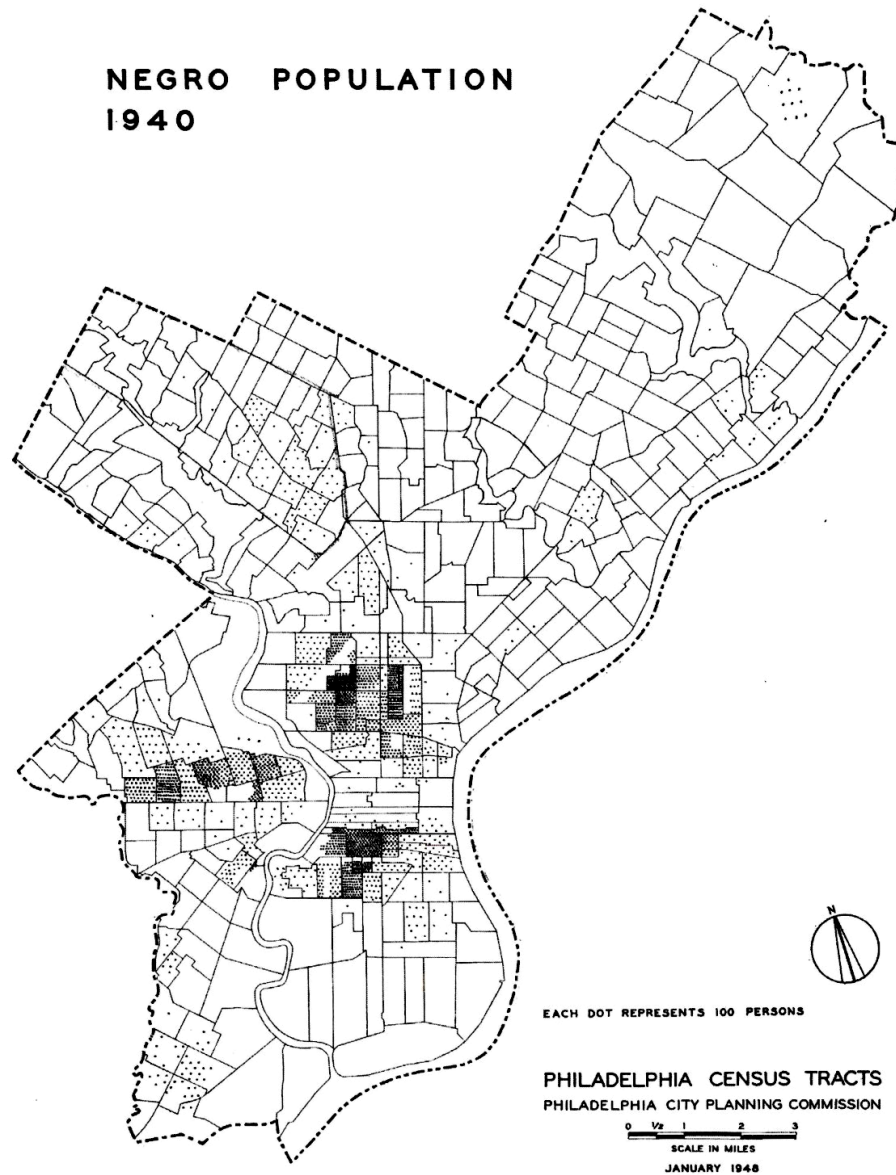


Figure 4.1. Distribution of African American Population in Philadelphia during 1940. This map illustrates the concentration of the African Americans community in three primary areas of the city. Map provided by the Philadelphia City Planning Commission. © 1940 City of Philadelphia. All rights reserved.

influence the enforcement of public policy in Philadelphia. The new demographics of Philadelphia coupled with “New Deal” politics proposed by Franklin D. Roosevelt helped to carve a new space for liberal politics in a highly conservative city. Collectively, the Great Migration, discriminatory employment practices, displacement of African American communities (due to the Urban Renewal Project), segregated housing, the relocation of manufacturing factories to newly formed all White suburban areas and redlining by lending institutions made economic development a central issue for the African American population in Philadelphia that shaped much of the local movement for civil rights. These factors were largely motivated by the growing numbers of African Americans and their active engagement with local and state law makers.

African Americans Shifting the Political Tide

The mobilization of African Americans in Philadelphia during the first and second “World Wars” polarized the issues of race, economic deprivation, and the nation’s hypocritical stance on fascism abroad while sanctioning domestic racial inequality. Additionally, increased wartime employment opportunities in Philadelphia’s industrial sector and the failure of “New Deal” politics to protect African Americans’ employment and housing rights further heightened the contradiction. Socially accepted practice of race exclusion helped to manufacture an African American economic crisis in Philadelphia that devastated the overwhelming majority of African American households. Philadelphia’s social movement to resist economic and housing discrimination could best be illustrated by African American abandonment of the Republican regime through electoral politics in the 1932 Presidential election.

President Franklin Roosevelt's proposed "New Deal" resonated with the African American community's charge for economic opportunities and an improvement in housing. Philadelphia's African American community, overwhelmingly impacted by the Great Depression, sought to express this through electoral politics. In the 1932 presidential election, 26.7 percent of Philadelphia's African American voters changed their political allegiance to Democratic, demonstrating their dissatisfaction with the nation's Republican leadership (Countrymen, 2006). Furthermore, the change illustrated the power of the collective African American vote. Locally this power was revealed through the rise of elected African American officials. As discussed by Countryman, Rev. Marshall Shepard, an African American Baptist minister, was elected to the state legislature on a Democratic ticket after being rejected by the Republican Party. African American political activities during the 1930's solidified itself on the national and local level (Countrymen, 2006). During the 1930's, African Americans increased its voter's registry by nearly 40 percent. During the 1936 and 1940 Presidential elections, Roosevelt received 68 percent of African American votes. This shift in African Americans' electoral political activities aided the rise of local liberalism in Philadelphia and transformed the LRM into a viable political movement. African Americans' commitment to social and economic reform help to generate a base for the LRM in a city that had been dominated by Republican leadership for nearly 100 years.

The second illustration of African American's influence on the political shift is revealed in February of 1935 when the *Philadelphia Tribune*, the city's premier Black newspaper, and the National Negro Congress (NNC), a rising socialist organization

geared toward promoting economic reconstruction through inequality of African Americans, launched a campaign to improve African American housing. While the movement focused on housing, it exposes the politicization of African American local activism and the call for federal and local governmental intervention.

The campaign was aimed at gaining federal assistance for Philadelphia who had yet to receive funding for public housing, which was a main component of the “New Deal” machine through the Home Owners Loan Corporation (HOLC), the Federal Housing Act of 1934, and the Federal Housing Authority (FHA). Philadelphia’s political leadership, dominated by conservative Republicans, rejected the philosophical underpinnings of Roosevelt’s “New Deal” politics, thus largely ostracized from federal programs. Nonetheless, the *Tribune* sought to paint a descriptive picture of African Americans’ most economically impoverished communities and highlight prominent African American communities to demonstrate the benefit in investing in public housing for African Americans. The issue of housing was closely associated with the labor movement in that housing conditions worsened during the “Great Depression” due to the rapid rise in the African America unemployment rate. In 1927, 24 percent of Philadelphia’s African American population was unemployed and by 1930 it had reached as high as 61 percent (Countrymen, 2006). According to James Wolfinger, “[b]etween 1928 and 1933, the city auctioned off more than ninety thousand homes” (Wolfinger, 2009; p790). Thus, desegregated housing coupled with economic hardships forced African Americans in concentrated sectors of the city. Over populated communities, comprised of mostly older building structures, produced a depiction that implied it was

unfit for human life. NNC, an interracial socialist organization, targeted housing as a means of illustrating an unfair “distribution of the nation’s resources [amongst] all of its citizens, [with regard to]... class or color” (Wolfinger, 2009; p.792).

To contextualize the housing condition of many African American families, the *Tribune* reported that the average age of houses occupied by African Americans were 53 years old compared to 33 years of age of those occupied by their White counterparts.²¹ Aging structures coupled with relaxed enforcement of housing standards led to out dated amenities in a significant portion of African American homes. It was found that 47.3 percent of African American households resided in a home more than a 100 years old.²² According to the report, 21.1 percent of structures were without restrooms and 6.5 percent were without gas or electricity.²³ More alarming, 855 structures were not equipped with heat.²⁴ While the report deemed that the majority of the structures were occupied by African Americans, it was also expressed that the buildings rapidly deteriorated due to aged structures and overpopulation. The *Tribune’s* housing piece tried to appeal to sensibilities of local and federal representatives.

In addition to the *Tribune’s* efforts, African Americans as well as organizations initiated a letter campaign directed at Secretary of the Interior, Harold Ickes, demanding slum clearance in Philadelphia. Philadelphia’s African American community overwhelmed Ickes and President Roosevelt with letters and telegrams depicting the

²¹ *Philadelphia Tribune*, “Local Negro Housing Needs ‘Face Lifting’” September 10, 1936. Pg. 9.

²² *Ibid*

²³ *Ibid*

²⁴ *Ibid*

harsh elements that a significant number of African Americans endured. The collective trust of the *Tribune*, African American citizens, and organizations led to Philadelphia's Public Works Administration (PWA) being awarded \$10 million in the summer of 1935 to improve slum areas.²⁵ While the total would not solve the issue of substandard housing, it underlined the power of collective action and marked the momentum of the national movement for African American liberation. In the local context, Philadelphia's African American community illustrated their value as a political entity federally as well as locally. The issue of poor housing conditions gained national attention in December of 1936, when two housing structures collapsed in South Philadelphia. The collapse led to an explosion of media coverage, which warranted an immediate response by political leaders. Mayor Wilson increased the number of housing inspectors and committed to eliminating hazardous housing.

Under the leadership of the NNC, the Tenants League was formed to aid victims of the collapse and campaign for a viable solution for poor housing. According to Wolfinger, NNC established an agenda to petition for federal funding for public housing, enact fair housing legislation, and implement a system that monitors who buys tenement housing and make sure the homes maintain legal living standards. Throughout the mid and late 1930s, the NNC played an active role in the fight to improve housing conditions for the African American community. The collective collaboration of African Americans paired with the unfortunate tragedy of the collapse that claimed six lives and injured more

²⁵ *Philadelphia Tribune*, "Local Negro Housing Needs 'Face Lifting'" September 10, 1936. Pg. 9.

than twenty, help to galvanize the African American thrust for liberation in Philadelphia and politicize the social movement for African American economic development.

The national thrust for equal opportunity in employment also ignited local organizational efforts to resist discrimination in the labor industries. Influenced by Abram Harris during the 1930s, the National Association for the Advancement of Colored People (NAACP) modified its organizational focus and became one the leading advocates for the African American labor movement. The rise of discriminatory practices in employment in Philadelphia during the 1930s also made Philadelphia a prime location for NNC's 1937 conference focusing on the issue of African American employment, illustrating the significance of racial restriction in labor and the rise of communism in the African American community as well as among its intellectual leadership.²⁶ Moving into the 1940s, the politicization of the African American thrust for civil rights was heightened in 1941 by A. Phillips Randolph's scheduled march on Washington and Roosevelt's enactment of Executive Order 8802 making racial discrimination in the nation's defense industry during war illegal. Furthermore, Roosevelt formed the federal Fair Employment Practices Committee (FEPC), which

²⁶ During the late 1920s into the 1930s communists developed a large following of unemployed and underemployed African Americans. The effects of the "Great Depression" in addition to the disbanding of organizations like the UNIA help galvanized African American support. Furthermore, organizations such as NAACP refused to engage issues of poverty and unemployment. African American intellectual leadership during the 1930s, nationally found United States' economic woes and military investment to be contradictory and reflective of its commitment to a system of racial subjections. For further discussion of the rise of communism in the African American community refer to Stanford, Maxwell C. *Revolutionary Action Movement (RAM): A Case Study of and Urban Revolutionary Movement in Western Capitalist Society* and Mathew Countryman, *Up South*.

would investigate and report violations of order 8802. Philadelphia, one the nation's largest defense manufacturing industries, became an incubator for social conflict but also a launch pad for the movement for African American economic development. Armed with the federal mandate in addition to becoming a political entity in local politics, African Americans became the key factor in shaping the LRM and the public policy that came out of it.

The national call to end racial discrimination, which undermined the notion of democracy during a war against fascism, made Philadelphia an ideal space for a political shift. Although the rise of liberalism across the nation was wide spread, the rapid change in Philadelphia's local politics at the beginning of the 1940s reflect African American presence and activism.

In the section that follows, I discuss the reform movement that was sparked in the 1940s and an analysis of its accomplishments as well as its many failures. The significance of the reform movement of the 1940s, as it relates to African American economic development, was the great impact it had on African American communities. Secondly, the reform movement of the 1940s also influenced the Black Liberation movement of the 1950s and 1960s in Philadelphia.

Liberalism and Civic Service Organizations

Early reform movements that were organized and led by White liberal reformists succeeded in uprooting the conservative elite but failed tremendously in their intent to change the culture of the city's political system and improve the welfare of its citizens. However, in the late 1940s, the face of Philadelphia, like many of the large northern

metropolitan cities, drastically changed. A new political and social climate was forged by the city's new racial make-up. It became evident that the liberal idea of social reform in Philadelphia during the 1940s, 1950s and 1960s were distinctly different from African Americans' desires for social, economic, and political justice. Consequently, the conflict between public policy and the application of social justice for African Americans altered the political climate in Philadelphia and forced African Americans to partake in direct action to impart social reform. These distinctions will be discussed in later chapters. Nonetheless, a look at the White LRM in Philadelphia highlights distinctions between the reform movement and the Black Liberation struggle. The limitations of liberalism offer us a rubric to measure the gains as well as the inadequacies of the LRM.

Entering the 1940s, Philadelphia's political and social landscape reached a pivotal shifting point in which civil rights legislation became the center of discussion at the state and local levels. Fair employment dominated the discourse and liberal reformists were the driving force to enact laws prohibiting employment discrimination. As discussed above, the drastic increase in the African American population made the issue of employment discrimination key. The newly arrived voting constituency forced the Republican Party to alter their traditionally conservative agenda. Between 1945 and 1953, the Republican Party endorsed the enactment of a Fair Employment Practice (FEP) bill in their political platform.²⁷ The deviation from previous platforms illustrates the

²⁷ It is significant to acknowledge the Republican Party's platform because they controlled the General Assembly, the House, and the Senate during this period. These are the political bodies that legislation would have to pass through before becoming law. Many of the voting record for FEP legislation could be found in the Temple University

importance of African Americans to the LRM and the shift in Philadelphia's political climate.

While the reform movement was politically oriented, civic service organizations served as the structural matrix of the movement. The Great Depression and the movement for Urban Renewal largely influenced the White LRM in Philadelphia during the 1940s, 1950s and early 1960s. Petshek describes the White LRM²⁸ as a collaboration of

Lawyers, academicians, writers, and other professionals joined to form new citizens' organizations, as the ethnic and occupational associations and neighborhood clubs, first started after the Industrial Revolution, lost importance. These new organizations laid the foundation for the reform movement of the mid-twentieth century, which cut much deeper than earlier Progressive era reforms in some cities, especially those in Philadelphia. (Petshek, 1973)

Following the tradition of earlier political reform movements in Philadelphia, reformists of the 1940s centralized the concept of civic service. Heavily influenced by the Society of Friends, in 1940, reformists created numerous civic service organizations aimed at creating a platform that would afford the public a space to participate in municipal affairs. This platform gave voice to many civic organizations that were integral in galvanizing support from politicians and common citizens to advocate for civil rights provisions.

Urban Archives in the Commission on Human Relation collection, the NAACP collection, the Urban League collection and the Fellowship Commission collection.

²⁸ It must be note that the author terms this movement as the White Liberal Reform Movement.

The start of the new wave of liberal reformists grew out of the movement to revise the Philadelphia's home rule charter in 1939. While the movement failed to accomplish its goals, the movement produced the City Policy Committee officially established in 1940. In addition, a young group of "professionals" that fought for the new charter pushed the concept of civic service forward and later formed a professional civic group commonly referred to as the "Young Turks". The Young Turks served as a foundation for the White LRM during the early 1940s. They were a band of lawyers, bankers, businessmen, architects and planners seeking to utilize their specialized skills to reform Philadelphia's local municipal government (Petshek, 1973); p.18). The Young Turks were the offspring of the wealthy elite, who had been educated at Ivy League universities and returned to Philadelphia committed to improving the city and transforming its reputation. According to Nathaniel Burt, the Young Turks were graduates "...from Harvard, Yale and Princeton, mostly, during the depression ... They were ... New Dealers. They believed that the city could be planned back to prosperity, and that politics could be radically and even permanently reformed" (Petshek, 1973; p.18)

The Young Turks were committed to liberalism and the principals of the "New Deal" politics. Despite the Young Turks' early failures in 1939, under the leadership of Walter Phillip it optimistically harnessed the movement's momentum to target the issue of municipal reform (Petshek, 1973; p.19, Kleniewski, 1987; p.39). Like previous reform movements, the Young Turks were concerned with reforming Philadelphia politics, however their approach was much different. The Young Turks' initial approach was to

focus on the physical appearance of City Hall. Between 1940 and 1942, the Young Turks formed a number of city planning groups that would eventually band together to form the Citizens' Council on City Planning (Kleniewski, 1987; p.39). The Young Turks efforts through the Citizens' Council on City Planning were largely responsible for the city's decision to revitalize the City Planning Commission in 1942. In 1944, lawyer Walter Phillips, planner Robert Michelle, and architect Oscar Stonorov collaborated to develop a proposal for the "The Better Philadelphia Exposition". "The Better Philadelphia Exposition" was an expositional model that displayed what a refurbished central Philadelphia would look like after its urban renewal project. In 1947, the exhibit appeared on the ground floor of Gimbel's Department Store and attracted the attention of many businessmen and politicians. The Better Philadelphia Exposition would ultimately serve as the blueprint for the urban renewal program that was implemented in Philadelphia and in other cities throughout the nation. According to Bacon, former Executive Director of the City Planning Commission, The Better Philadelphia Exposition was the foundation for everything that materialized in Philadelphia's Urban Renewal project.²⁹

With the momentum of the City's Planning Commission, in 1945, Philadelphia's Redevelopment Authority was established to revitalize areas that the city deemed slums. Philadelphia was the first city in the nation to form a Redevelopment Authority and to embark on Urban Renewal (Kleniewski, 1987; p.38). The formation of the

²⁹ Interview for Walter Phillips' Oral History Project. November 13 (1974) Temple University Urban Archives

Redevelopment Authority in 1945 was seen as a tremendous accomplishment given that the federal legislation had not been passed under Title I of the Housing Act of 1949 that assists with local Urban Renewal. The Better Philadelphia Exposition and the early attempts at Urban Renewal looked to target slum areas surrounding City Hall like wards 8, 9, and 10. The Turk's focus on wards heavily populated by African Americans intensified the issue of housing and forced the reformists to engage in African American displacement.

As the Young Turks sought to improve the physical appearance of City Hall, they applied the method of committee collaborations intended to maximize individuals' strengths and build an extensive political and professional base. Committee collaboration was a staple for the LRM approach at social and political reform in Philadelphia. According to Petshek, the Young Turks "...studied local issues in small subcommittees, using professional help and advice, and suggested policy positions which the groups as a whole should take" (Petshek, 1973; p.19). The collaboration of committees helped to rejuvenate and solidify the liberal philosophy of reform in Philadelphia. This transformation was reflected in public policy initiatives and litigation that targeted social inequality. Civic service groups became the linchpin of the liberal approach to addressing civil rights. Between 1940 and 1950 the City Policy Committee, the City Planning Committee, Citizens' Council on City Planning, the Better Philadelphia Exhibition, and the Greater Philadelphia Movement were formed. By 1951, the LRM had developed enough momentum to pass a new city charter that would change the Philadelphia's municipal system. The formation of the Fellowship Commission was one

of the significant civic organizations ushered in by “New Deal” reformists. The Commission was a collaboration of political agencies and liberal organizations to address the growing concerns of Philadelphia’s African American constituency as well as other communities experiencing structural inequalities. The existence of the Commission marked a change in political power and helped to usher the era of liberalist politics.

Guian McKee argues

By the end of World War II, and for at least two decades afterwards liberalism attained a position of preeminence as the nation’s leading political philosophy. This dominance was buttressed by the Democratic Party coalition of union members, big city political organizations, racial and ethnic minorities, intellectuals, and Southerners that had built the New Deal. (McKee, 2008; p.5)

Prior to the 1940s Philadelphia’s political leadership, essentially dominated by Republicans, marginalized issues of racial and religious discrimination. However, political and corporate corruption coupled with a system entrenched in structural White supremacy bred a political and social climate perfect for the new LRM. Like the early reformist movements mentioned above, the new wave of reformists prioritized civic service. While the issue of racial inequality began to make its way to the forefront of a national discussion, Philadelphia’s conservative constituency attempted to appeal to African American and Jewish constituents by instituting a central commission geared toward resolving matters of structural inequality. On October 11, 1941, under the political leadership of mayor Bernard Samuel, the Fellowship Commission was

established to “promote the understanding of racial, religious, and nationality groups”³⁰

The Commission was essentially organized for three central reasons:

1. “Promote the belief in and observance of the fundamental principles of justice and democracy and to seek to apply those principles to the relief of and solution to racial, religious, nationality or social tensions and problems
2. “Further a widespread appreciation of the cultural contributions of all elements in American life.
3. “Help members of all racial, religious and ethnic groups to work together and to live together democratically and constructively by equalizing their treatment, enlarging their opportunities and deepening mutual understanding and cooperation.”³¹

The influence of early reformist movements is evident by the Commission’s organizational structure. The Commission was developed to serve as a private metropolitan human rights organization. In the outset, the Fellowship Commission was comprised of four constituent agencies: The Philadelphia Council of Churches, Race Relations Department; the Society of Friends; the Fellowship House; and the Anti-Defamation League.³² A year later, the Philadelphia Branch of the National Association for the Advancement of Colored People and the International Institute joined the Commission. Finally, in 1943, the Philadelphia branch of the National Conference of

³⁰ Facts About Fellowship Commission. This document is a fact sheet of the inception of the organization and its early activities. Fellowship Commission Acc. 626 Records 1941-1986, Box 1 folder1. Temple University Urban Archives.

³¹ Fellowship Commission: A Brief Review. Commission’s objectives stated in the organization’s original bylaws. It also identifies the Commission’s goals and purpose. Fellowship Commission Acc. 626 Records 1941-1986. Box 1 Folder 4. Temple University Urban Archives,

³² The Philadelphia Fellowship Commission. Three page document of questions and answers about the Philadelphia Fellowship Commission. Fellowship Commission Acc. 626 Records 1941-1986 Box 1 Folder 1. Temple University Urban Archives.

Christians became the final organization to make up the original constituents of the Fellowship Commission.

To gain access to governmental aid, the Fellowship Commission was incorporated as a non-profit, non-political, tax exempt, educational program in July 1945. The Commission became very active in the enactment of legislation outlawing employment restrictions based on race, religion, and nationality. As a result of the strike of 1944 by employees of the Philadelphia Transportation Company (now known as SEPTA), the Fellowship Commission's organizational constituents felt that it was vital to expand the federal wartime FEP and enact a permanent Fair Employment Practice Commission. The Fellowship Commission helped to intervene in the PTC strike that was organized by White workers resisting the War Time FEP enacted by President Roosevelt.³³ In 1945, the Fellowship Commission in collaboration with the State Council for Fair Employment Practices, began drafting the Fair Employment Practice Ordinance. In 1948, the commission was successful in passing the Fair Employment Practice Ordinance.

In 1949 the Fellowship Commission played a leading role in drafting the Home Rule Charter, particularly the preamble and the civil rights provisions, as well as the establishment of the Commission on Human Relations.³⁴ To assist with the efforts of fair employment legislation, the Fellowship Commission funded the entire budget for the

³³ The wartime FEP made provisions for African Americans to be promoted to positions not previously occupied by Blacks. The FEP called for Blacks to be promoted to address labor shortages.

³⁴ , 1970, January 12. Report from Fellowship Commission's Executive Director. Fellowship Commission Acc. 626 Records 1941-1986 Box 1 folder 1. Temple University Urban Archives.

Council for Equal Job Opportunity. In addition to its work on fair employment legislation, the Fellowship Commission was active in writing the ordinance against discrimination in public housing and the section of the Pennsylvania law forbidding discrimination in redeveloped housing. The Fellowship Commission helped write and enact the Philadelphia and Pennsylvania Fair Housing laws affecting public redevelopment and private housing. The Commission was involved with eliminating questions concerning race and designated racial or religious preferences, and for the elimination of real estate advertisements that affirmed restrictive covenants. By 1951, 5000 individuals and more than 300 cooperating organizations were members of the Fellowship Commission.

The work of the Fellowship Commission helped to establish other prominent organizations committed to the mission charted by liberal reformers during the 1940s and 1950s. In 1948 the Greater Philadelphia Movement formed and became an essential organization for the White LRM. Much like the Young Turks, The Greater Philadelphia Movement was made up of business professionals, educators, political officers with a stated purpose of improving the living conditions and expanding industry, business and employment. The group claimed that it was effective largely due to two central principles: 1) an executive board that was small in numbers; and 2) an executive board that had a nonpartisan commitment to the organization. According to membership guidelines, board members could not allow their business, professional, or political relationships to influence their involvement in organizational stances and activities. Thus, executives had to be independent. The Greater Philadelphia Movement aimed at

becoming the central civic service organization of the reform movement. The organization hoped to serve as the umbrella organization for several civic organizations and the intellectual engine of the LRM in Philadelphia. Additionally, it sought to resolve civic issues by applying a broad structural approach opposed to focusing on specific issues. Its aim was to be constantly engaged with the citywide civic agenda by resolving one major project at a time. The organization positioned itself as the civic service liaison for the Clark and Dilworth administration that stemmed from 1952 – 1962. This period solidified the Greater Philadelphia Movement as a fundamental organization for the LRM. Countryman argues that the Greater Philadelphia Movement was the most important of the wave of liberal reform civic service organizations (Countryman, 2006). Consistent with the early wave of reformists, the Greater Philadelphia Movement sought to reform Philadelphia politics. In addition, the group of young professionals targeted urban renewal to revitalize Philadelphia's economic infrastructure.

The Greater Philadelphia Movement played a significant role in the selection process for the Fair Employment Practice Council charter commission that was responsible for authoring the Home Rule Charter of 1951. The organization was actively involved with the Home Rule of 1951, the historic legislation that shifted Philadelphia's municipal government by redistributing power to the Mayor and civic groups. The Greater Philadelphia Movement became a central organization that had the political support of the mayor and many civic groups. This support essentially placed the Greater Philadelphia Movement at the forefront of the White LRM during the end of the 1940s and midway through the 1950s. While the Greater Philadelphia Movement played a

significant role in restructuring political power in Philadelphia's municipal government, various committees gave form to the new political system now leading Philadelphia's LRM. The Greater Philadelphia Movement would serve the purpose of intervening in civic issues and resolving the conflict through systematic investigations that was impartial to their own economic, political, or social interest. However, as mentioned above, the Greater Philadelphia Movement was developed by a group of business professionals interested in revitalizing the economy and industry of Philadelphia. Social issues surrounding race and African American poverty were not the primary concern of the Greater Philadelphia Movement or the White LRM.

Consequently, organizations such as the Commission on Human Relations became a vital component for the White LRM during the 1950s. The Commission on Human Relations was established in 1951 to service as the political entity to reinforce civil rights legislation. At the beginning of the civil rights movement, the Philadelphia Commission on Human Relations assumed the responsibility of investigating and resolving violations of the city's Fair Employment Practices ordinance, which became state law in 1955, and the Fair Housing Act that followed.³⁵ Thus the Commission on Human Relations was responsible for resolving issues that would later become the linchpin of the civil rights movement in Philadelphia. The thrust of the White LRM was the passing of legislation that made hiring practices based on race, ethnicity, and gender unlawful. However, agencies such as Commission on Human Relations highlighted the

³⁵ 1953, April 20. The General Assembly of Pennsylvania House Bill No. 1165 Session of 1953. A copy of House Bill 1165 to be introduced during the 1953 General Assembly. Fellowship Commission ACC 626 Box 1 Folder 1. Temple University Urban Archives.

failure of LRM and further intensified the movement for civil rights and direct protest activism. The three central issues that heightened the civil rights movement in Philadelphia were: 1) Education; 2) Equal employment opportunities; and 3) Housing. After the passing of the 1948 Fair Employment Practice Ordinance, the 1951 House Rule ordinance, and the 1955 Pennsylvania Fair Employment Practice Law, Philadelphia's political machine created a three-prong approach to addressing the city's social challenges while conforming to new Civil Rights legislation. The LRM's approach to ensuring that these issues were addressed, were: 1) educating citizens of the advantages of integration; 2) creating agencies that monitored violations of the Fair Employment Practice Legislation and the Housing Act; and 3) holding violators legally accountable. Thus, the Commission on Human Relations was a critical component of the LRM in that it sought to reinforce the philosophical and legislative aspects of the reformist movement.

The civic service organizations that made up the reform movement in Philadelphia were the backbone of the reformist movement. The collaboration of organizations helped to solidify the legacy of political reform in Philadelphia. As it relates to African American economic empowerment, the reform movement's enactment of FEP legislation contributed greatly to the movement to establish African American economic stability. The next section of the chapter will explore the process and impact of key legislation that came out of the reform era.

Liberal Reformists and Legislative Justice

The ratification of civil rights legislation was the strength of the reform movement in Philadelphia. 1945 was the first year that the Fair Employment Practice (FEP) legislation was introduced to the state's General Assembly for enactment. The focus of employment practices indicates the severity of the issue and the influence of the African American community. During the 1945 session, five bills for Fair Employment Practice was introduced. Although Philadelphia's Republican Party advocated for Fair Employment Practice, their voting record in the House of Representatives and in the Senate on Fair Employment Practice reflects Republican's lack of commitment to eradicating discriminatory practices in the labor industry. Representatives Homer Brown (D), Samuel Weiss (D), Samuel Salus (R), and Senators Kephart (R), and Rosenfeld (D) each respectively introduced a Fair Employment Practice Commission bill. Of the proposed bills introduced, Brown's bill was widely supported. The Congress of Industrial Organizations (CIO) was the first organization to endorse Brown's bill and later all state labor bodies followed suit.³⁶ Brown's bill was granted a public hearing that was held during the session in the House Chamber. Despite pressure from numerous civic organizations, the Republican controlled General Assembly made no headway on Fair Employment Practice legislation during the 1945 session. Brown's bill (H.B. 354) was rejected by the House with a vote of 96 to 102 and by the Senate with a vote of 18 to

³⁶ The State Council for a Pennsylvania FEPC. 1956, January. A Brief Record of the 1955 Legislative Report to Gain a Fair Employment Practice Law for Pennsylvania. A brief historical overview of the legal and community activities to pass FEP legislation. Fellowship Commission. Acc. 626 Box 34 Folder 14 Temple University Urban Archives.

28. Although no proposals for Fair Employment Practice legislation made it out of the House of Representatives or the State's Senate, the period marked the beginning of a decade long battle for a statewide Fair Employment Practice law. Furthermore, 1945 could conceptually mark the beginning of the liberal reformist participation in the civil rights movement in Philadelphia.

In the General Assembly session held in 1947, again several Fair Employment Practice bills were introduced but all failed to be approved for a public hearing. During the session, Fair Employment Practice Commission House Bill 644 failed to be discharged by a vote 39 to 152. Only 3 of the 155 Republicans present voted in favor of the bill to be discharged. Despite the lack of support for Fair Employment Practice legislation in 1945 and 1947 General Assembly sessions, the discourse on Fair Employment Practice began to intensify. Consequently, the State's Republican Platform declared its commitment to a Fair Employment Practice Commission Act for the 1949 session. Further, the House supported the formation of a council devoted to creating, advocating for, and informing legislators of Fair Employment Practice legislation. On May 7, 1949, a preliminary organizational meeting was held to chart the scope of a Fair Employment Practice law and plan a statewide conference to inform legislators, employers, and the general public of the benefits of Fair Employment Practice. On May 20, 1948, the unofficial committee met with the State's Governor James Duff (R) to establish a working relationship and to solicit his support. Governor Duff assured his support and assigned a member of the Justice Department to council. Consequently, on June 11, 1948, 42 people representing 37 different organizations formed the executive

committee of the State Council for a Pennsylvania Fair Employment Practice Commission for the purpose of creating legislation for Fair Employment Practice.³⁷ Clarence E. Pickett was appointed as Chairperson, Frank S. Reizenstein was named the Co-Chair, and a 13 person Executive Committee was established. The office of the Council for Equal Job Opportunity (CEJO) of the Fellowship Commission was made the temporary headquarter.

The issue of discriminatory employment practices spearheaded much of the civil rights dialogue during the mid and late 1940s. The Philadelphia Transportation Company (PTC) strike of 1944 highlighted employment discrimination and helped catapult the thrust for public policy for the Fair Employment Practice. At the close of the 1940s, liberal reformists contributed significantly to advancing the discussion and made it a statewide concern. During September of 1948, Governor Duff agreed to appoint a committee to study Fair Employment Practice Commission.³⁸ While the committee failed to be formed, Duff's willingness to expend government resources and the Republican Party's acknowledgement of the issues of fair employment in their political platform illustrated the efficiency of liberal reformists and civic organizations. Despite the lack of support by the House and Senate, on November 15, 1948, the legal committee of the State Council completed the first draft of the proposed Fair Employment Practice

³⁷ The State Council for a Pennsylvania FEPC. 1956, January. A Brief Record of the 1955 Legislative Report to Gain a Fair Employment Practice Law for Pennsylvania. A brief historical overview of the legal and community activities to pass FEP legislation. Fellowship Commission. Acc. 626 Box 34 Folder 14 Temple University Urban Archives.

³⁸ Ibid

Commission bill. The bill was advertised and advocated by the state's leading newspapers, most notably the Pittsburgh Post-Gazette.

The campaign to enact Fair Employment Practice legislation for the 1949 General Assembly was successful in galvanizing support by Democratic legislators, civic leaders, and a verbal commitment by Republican legislators. At the beginning of 1949, Governor Duff's address to the General Assembly reiterated the shifting tide in Pennsylvania. On January 21, the State Council reviewed and accepted a bill that was to be presented to legislative leaders for introduction as the Administration Fair Employment Practice Commission Bill. After numerous modifications, the bill was approved and was distributed to members of the House. However, Mason Owlett, President of the Pennsylvania Manufacturers Association, publicly expressed the Republican Party's apprehension for FEP. In an interview on March 15, Owlet stated that the Republican Party was united and would not actively oppose a Fair Employment Practice Commission bill but expressed that it was unlikely it would be passed during the upcoming session.³⁹ On March 21, Governor Duff solicited the support of Representative Adam Bower, Chairman of the House Labor Committee, to no avail.

Like the 1945 and 1947 General Assembly sessions, 1949 sessions had several Fair Employment Practice Commission bills introduced. On February 22, 1949, the House of Representatives failed to discharge a new Fair Employment Practice

³⁹ The State Council for a Pennsylvania FEPC. 1956, January. A Brief Record of the 1955 Legislative Report to Gain a Fair Employment Practice Law for Pennsylvania. A brief historical overview of the legal and community activities to pass FEP legislation. Fellowship Commission. Acc. 626 Box 34 Folder 14 Temple University Urban Archives.

Commission bill (H.R. 4453) that was approved by the House Committee. In the 1949 General Assembly, H.B. 975 introduced by Mintess and Sax, failed to be discharged by a vote of 89 to 119. It should be noted that even Sax and Mintess, both African American Republicans, voted against having their bill sent to the floor for discussion and action. Only 1 of the 120 Republican Representatives present voted to have the bill discharged. All 88 Democrats present voted in favor of the bill. In the Senate, bill S.137 written by Rosenfeld, Barr, and Leader was presented but was also defeated by a vote of 15 to 35.⁴⁰ During the 1949 session, the momentum for Fair Employment Practice legislation began to look improbable. In fact, on March 19, the State Chamber of Commerce came out strongly against Fair Employment Practice Commission. The Republican controlled House and Senate had block all legislation that would make discriminatory employment practices based on race unlawful. On April 5, the Senate Committee on Judiciary General held a secret ballot to delay action on the Meade-Frazier bill and it was killed by a vote of 14 to 8. Consequently, on April 8, Governor Duff held a news conference assuring the citizens of Pennsylvania that Fair Employment Practice Commission legislation would pass and would comply with the Republican platform pledge.⁴¹ However, on April 21, the Senate rejected the final bill introduced at the 1949 General Assembly. On April 22, the Senate passed a resolution for research to be conducted to

⁴⁰ The State Council for a Pennsylvania FEPC. 1956, January. A Brief Record of the 1955 Legislative Report to Gain a Fair Employment Practice Law for Pennsylvania. A brief historical overview of the legal and community activities to pass FEP legislation. Fellowship Commission. Acc. 626 Box 34 Folder 14 Temple University Urban Archives.

⁴¹ Ibid

determine the need and effectiveness of FEPC by the Joint State Government Commission. The final action of the 1949 General Assembly was the House's rejection of the Senate's adopted resolution calling for a study to be made to determine the possible need for such legislation.

In 1951, Pennsylvania's Republican representatives and Liberal Reformists renewed their commitment to enacting Fair Employment Practice legislation. On May 23, 1951, during the General Assembly, the House accepted House Bill 55 by Mintess with a vote of 160 to 38 in favor of the legislation.⁴² However, the Senate Judiciary General Committee killed the bill on two different occasions. On July 10, the Senate voted 14 to 9 against the bill and on August 14, the bill was denied by a vote of 12 to 12. The Senate did not reconsider further action on the bill following the tie vote. In the 1953 General Assembly, House Bill 1165 was passed in the House with a vote of 153 to 29 but the Senate Judiciary General Committee killed the bill with a vote 16 to 8. Finally, in 1955, the House passed H.B. 1165 with a vote of 178 to 5. The Senate also passed the bill with a vote of 43 to 5.⁴³ Thus, in 1955, Pennsylvania became one of the first states to enact Fair Employment Practice legislations.

The second major legislation produced during the LRM that affected African American economic empowerment was the Home Rule of 1951. The new Home Rule

⁴² The State Council for a Pennsylvania FEPC. 1956, January. A Brief Record of the 1955 Legislative Report to Gain a Fair Employment Practice Law for Pennsylvania. A brief historical overview of the legal and community activities to pass FEP legislation. Fellowship Commission. Acc. 626 Box 34 Folder 14 Temple University Urban Archives.

⁴³ Ibid

not only redistributed political power for the local municipal government, it elevated the role of civic organizations in social issues. By “increasing the powers of the mayor’s and other executive-branch offices, reducing the size of the city council, and shifted of municipal jobs to an independent civil service board” civic service groups were empowered to intervene in civil disputes concerning racial discrimination” (Countryman, 2006; p.13). Under the Home Rule, local politicians were able to form governmental committees geared toward addressing racial discrimination. More specifically, the new city charter placed a ban on discrimination based on race, religion and nationality in city employment, services and contracts. The ban stemmed from the ordinance established in 1948. As mentioned above, on March 11, 1948, Philadelphia enacted the Fair Employment Practice Ordinance that was responsible for producing the Fair Employment Practice literature in the new city charter. The Ordinance was formed to prohibit

...discrimination in employment because of race, color, religion, national origin or ancestry by employers, employment agencies, labor organizations and others; providing for the creation of Philadelphia Fair Employment Practice Commission; prescribing its duties and powers; and providing penalties.⁴⁴

The ordinance acknowledges disproportionate employment practices in Philadelphia and its residual effects. The ordinance argues that discriminatory employment practices

...prevented and threatens to prevent the gainful employment of large segments of the people of Philadelphia and has created and tends to create breaches of the peace; and has been and will continue to be detrimental to

⁴⁴. The Philadelphia Fair Employment Practice Ordinance Enacted, March, 11 1948. A original copy of the Philadelphia FEP ordinance. Fellowship Commission, Acc. 929 Box33 Folder 31. Temple University Urban Archives.

the health, welfare and safety of the City of Philadelphia and its inhabitants.⁴⁵

The ordinance sought to prevent employers, labor organizations, and employment agencies from inquiring about and allowing race, religion, and national origin or ancestry to be a factor in decisions regarding employment or membership. Furthermore, the ordinance prohibited the publications or circulation of any notice or advertisement relating to employment or membership that indicated any preference, limitation specification or discrimination, based upon race color, religion, national origin or ancestry.

The ordinance established the Fair Employment Practice Commission that was responsible for “receiving and investigating and seeking to [resolve] all complaints of unfair employment practices.”⁴⁶ The commission was also responsible for formulating and carrying out a comprehensive educational program designed to eliminate and prevent prejudice and discrimination. Employers, labor organizations, and employment agencies found to be violating the ordinance were subject to a fine not exceeding one hundred dollars and judgment of imprisonment not exceeding thirty days by the City Solicitor for each violation.

As mentioned above, the Fair Employment Practice Commission that came out of this ordinance played a significant part in developing the fair employment practices

⁴⁵ Ibid

⁴⁶ 1956, October 29. State FEP Program In Action. This is a letter from the Fair Employment Practice Commission to the Fellowship Commission to galvanize support for enforcing new legislation. Fellowship Commission Acc 626 Box 33 Folder 5. Temple University Urban Archives.

provisions in the new home rule of 1951. The ordinance made Philadelphia the first city to enact fair employment provision. The new home rule shifted the discourse on unfair employment from a social issue to a legal matter. The ordinance and the home rule gave African Americans in Philadelphia the legal grounds to challenge discriminatory employment practices and racially exclusive labor unions.

Although the Fair House Act of Pennsylvania was not enacted during the reform era, reformists helped to create a platform for the issue to be discussed. The City Charter Commission, heavily influenced by the reform movement, included provisions that promised housing reforms in the 1951 Home Rule charter.⁴⁷ Like the issue of Fair Employment Practice, reformists helped to highlight the severity of living conditions for those living in the city's slum areas. As mentioned above, the "slum" areas were predominately populated by African Americans. Reformists were successful in establishing numerous committees to research the issue of fair housing opportunities and identify troubling trends in housing.

On August 5, 1954, Mayor Joseph Clark Jr., a reform mayor, signed the Housing Code that spearheaded the "slum clearance" movement that reformists felt would increase the living standard of Philadelphians and refurbish the look of City Hall.⁴⁸ The Housing Code defined the standards that would be fit for human occupancy. Clark also

⁴⁷ 1951, January-February. Issues Publication. NAAP monthly publication January – February 1951 issue. Philadelphia Branch of the NAACP URB 6 Box 9 Folder 195. Temple University Urban Archives.

⁴⁸ 1954, August-September. Issues Publication. NAAP monthly publication August – September 1954 issue. Philadelphia Branch of the NAACP URB 6 Box 16 Folder 322. Temple University Urban Archives.

expanded the city's budget for increasing the number of housing inspectors in the Department of Licenses and Inspections. Clark and supporters were confident that these provisions would translate into an improvement in housing conditions for African Americans and other discriminated groups. Unfortunately, this issue of housing discrimination was not addressed with the new housing code.

According to a 1959 report published by the Commonwealth of Pennsylvania, Department of Labor and Industry, in 1956 Philadelphia had 17,600 dilapidated dwelling units, and of these, African American families occupied 11,300. More than one third of the units occupied by African American renters were substandard.⁴⁹ In addition to the poor living conditions African Americans were subjected to, homebuyers were disproportionately unable to buy homes outside the slum areas. Discriminatory housing practices forced many African American families to purchase older homes that were not comparable to their earning power. While the primary concern of the reform movement was an aesthetic improvement to Philadelphia housing, they did not address the issue of housing discrimination.

Strengths of the LRM

The strengths of the LRM of the 1940s and 1950s can be categorized by three key factors: 1) its contribution to the shifts in Philadelphia political discourse as it relates to civil rights; 2) the enactment of vital Civil Rights legislation; and 3) the formation of enforcement agencies to uphold civil rights legislation. Through much of the 19th century

⁴⁹ 1959 Philadelphia Branch of the NAACP URB Box 6 Folder 157. Temple University Urban Archives.

and half of the 20th, the wealthy class dominated Philadelphia politics and thus focused much of its efforts toward maintaining and revitalizing of the city's economy. As mentioned above, between 1870 and 1920 the wealthy class contributed heavily to Philadelphia's reputation for corporate and political corruption. However, at the end of the 1800s, reformists were mildly successful in challenging the Republicans with a platform that was committed to social responsibility and civic service. They gained success by establishing a wide political constituency made up of civic organizations and focusing on anti-discrimination policy.

Due to the new employment opportunities available to African Americans as a result of the federal wartime Fair Employment Practice policy, the large influx of African Americans in Philadelphia between 1920 and 1940, posed new challenges for the Republicans' disregard for racial discrimination. The reformist movement's advocacy for equal employment opportunities appealed to the new African American population of Philadelphia. The wide appeal influenced the Republican Party in Pennsylvania to shift their political platform between 1945 and 1951 to include fair employment. The Republican controlled House and Senate's reluctance to enact Fair Employment Practice legislation during three consecutive General Assemblies ultimately resulted in a transfer of political power and a rise of liberalism as a political philosophy. The reformist ability to appeal to the concerns of civic organizations and the African American population of Philadelphia ultimately reshaped the political discourse in Pennsylvania in general and Philadelphia specifically.

The enactment of legislation, which is the second strength of the reformist movement, reflects the shift in the political discourse. By 1951, voters enacted a new Home Rule that banned discriminatory practices in employment and redistributed political power at the local level and helped to alter the prevailing inaction to address racial inequality in employment. The immediate effect of the power shift could be illustrated in 1952 when a liberal reformist was elected mayor for the first time in more than 60 years. Three years later, the state enacted House Bill 1165 outlawing unfair employment practices. The drastic shift in public policy in Philadelphia and Pennsylvania reflects the preeminence of liberalism. This change in social and political discourse heavily contributed to the civil rights movement that outlasted the reformist movement. The LRM was not the impetus for the civil rights movement but the shift in the political discourse equipped civil rights advocates and activists with the platform to challenge civil rights issues legally opposed to morally. The legislation opened the door for African Americans to challenge governmental agencies to use the law as the rubric for social justice.

The reformists also developed enforcement agencies designed to investigate and hold violators of civil rights legislation accountable. The common practice of racial discrimination in all aspects of the society made for a difficult task for government agencies to intervene and impose punishments for violations of the law; however, the construction of the Commission on Human Relations became the apparatus for which civil rights organizations could have their complaints investigated and legally addressed. Furthermore, the Commission on Human Relations was the institution charged with the

task of developing educational programs to inform communities, businesses owners, and organizations of the benefit of adopting the equal opportunity philosophy. It was anticipated that the Commission on Human Relations would be equipped to mediate issues of racial and religious tension and provide adequate solutions. The various law enforcement agencies, criminal justice system, and the City Solicitor were at the disposal of the Commission on Human Relations to reinforce the Fair Employment Practice legislation.

Weaknesses of the LRM

The primary weakness of the White reformist movement in Philadelphia was its inability to critically engage the direct and residual effects of White supremacy on African American life, specifically as it relates to improving African American economic reality. The LRM's focus on equal opportunity was essential in assisting with addressing the most evident symptoms of institutional racism. However, the social, cultural, economic, psychological, and spiritual encroachment by White America on the life chances of African Americans remain evident in the disproportionate distribution of wealth among African Americans and their White counterparts. The LRM's inability to address this core issue, in effect rendered its approach to problem solving inadequate. Pennsylvania legislatures failed to implement a program that would prepare the rest of society to deal with African Americans as equal citizens. Moreover, liberal reformists advocated for a subjective system that granted employers, who previously practiced racial discrimination, to make judgments on the qualifications of African American labors. The legislation seeking to disband discriminatory practices based on race, religion and

nationality in employment, union organizations and government targets the symptoms of a society deeply rooted in White supremacy.

While legislation that was created during the reformist era challenged social barriers, its affect on African American employment opportunities had minimal affects for African Americans in Philadelphia. Many of the industries now available for African Americans to advance remained exclusively White. Hundreds of African Americans filed claims of employment discrimination with the Commission on Human Relations only to be deemed unqualified, thus lawfully denied employment. The issue of Fair Employment Practice taken on by the LRM was carried over into the civil rights movement of the 1960s and the Black power movement of the late 1960s and 1970s.

The LRM initiative to restore City Hall and other decrepit parts of Philadelphia contributed to the displacement of hundreds of African American families. The LRM's inability to secure fair housing made programs such as the slum clearance initiative detrimental for the African American community in Philadelphia. In 1959, the Commonwealth of Pennsylvania Department of Labor and Industry reported that African American communities in Philadelphia had three characteristics: "dilapidation, poor sanitation, and overcrowding"⁵⁰.

In theory, anti-discrimination legislation was one of the strengths of the LRM. Unfortunately reformists failed to support their philosophical approach with practical

⁵⁰ 1959, May. Philadelphia Commission on Human Relations Bulletin. *The Expanding Ghetto*. The month newsletter of the CHR, which included a article focusing on the expanding ghetto. NAACP URB1 6/1/98 Box 4 Folder 98. Temple University Urban Archives.

implementation. The LRM contradicted their philosophical approach of anti-discrimination by granting governmental contracts to construction companies in violation of the State's Fair Employment Practice Commission policy. In the late 1950s, demonstrations conducted at the construction site of a school in Strawberry Mansion by the NAACP, under the leadership of Cecil Moore in collaboration with community advocates, illustrated LRM inability to enforce Fair Employment Practice public policy. Similar demonstrations were held at construction sites in City Hall. Throughout the 1950s and 1960s, the LRM failed to effectively address the racial climate of Philadelphia, which ultimately set the stage for the local civil rights movement.

Like New Deal politics, the tradition that influenced the reformist movement, the reformists were unwilling to investigate the causal factors that contributed to the instability of African American's economic status. Historical disenfranchisement of African Americans, socially, politically and most important as it relates to this research, economically, produced social ills that could not simply be solved by legislation. A more extensive program that addressed social, political, and cultural transformation of society would have been more appropriate in combating the effects of racism. Consequently, the failure of reformists to critically engage complete transformation of the culture of Philadelphia and to truly uphold the concept of liberty proved to be its demise as it relates to the African American economic development.

Conclusion

The reform movement that preceded the events of the civil rights era was key in changing the political and social climate of Philadelphia during the 1940s. The

legislation produced by liberal reformists armed civil rights advocates with the tools to combat racial inequality on legal grounds. Reformists were effective in mobilizing around civic service issues and prioritizing problems that were central to marginalized communities. The rapid growth of the African American community at the turn of the 20th century, aided in transforming the LRM into a political entity that would eventually challenge the dominance of the Republican Party in Philadelphia. In the span of seven years (1945 -1952), reformists began to alter Philadelphia's political discourse and take control of Philadelphia's municipal leadership. The reform movement positioned the issues of economic development at the forefront matters of civil rights and created a foundation for later movements that directly address improving the economic status of African Americans. During the late 1940s, the reformists were successful in making Philadelphia the first city to enact fair employment provisions based on race.

The importance of the reform movement for the civil rights and the Black power movements is that it exposed the limitations of liberalism as it relates to African Americans' economic development in Philadelphia. The inability of Philadelphia's liberal reformists to deal with the crux of African American issues demanded for a more advanced and direct approach. Reformists' failure to fulfill their promise of equal opportunity created a mistrust and bad faith for liberalism amongst African American leaders and the larger community. Agencies such as the Commission for Human Rights, created under the political leadership of the reformists, were ill equipped to address the challenges of enforcing fair employment legislation. As the method of discrimination evolved, the Commission on Human Relations was unable to deter racial discrimination

in employment practices. Furthermore, equal opportunity was an inadequate approach for the social and political climate of the 1940s and 1950s. The systematic denial of access to professional training, experience with mid and upper level positions, and experience with industrial companies outside of the war industry, ill equipped the overwhelming majority of African Americans to excel in Philadelphia's industrial economy. Thus, the inability of liberal leadership to eliminate the barriers that denied African Americans the right to be equally equipped to compete for employment, created a new challenge for African American economic empowerment. The approach of equal opportunity failed to challenge the authority of racially biased institutions that made subjective decision about the qualifications of African Americans. Subsequently, during the LRM, fair employment legislation was rendered ineffective due to its inability to identify the underlining effects of structural racism and prescribe a sufficient solution.

Although a small percentage of African Americans during the reformist movement, and arguably few presently, benefited from Fair Employment Practices laws, the overwhelming majority of the African American community in Philadelphia was unable to excel in their industries and compete on an equal playing field within the economy. The frequent reports of discrimination through the Commission on Human Relations, the African American poverty rate, and the disproportionate distribution of wealth, reflected the effects of structural inequality and the unsophisticated approach of equal opportunity. In my assessment, liberalism underestimates the impact of white supremacy. The reformists' philosophical approach sought to eradicate the mere practice of racial discrimination without investigating the social, psychological, physical, and

economic impact of a system deeply imbedded in White privilege and the effects White supremacy had on both Black and White communities in Philadelphia. As a result, the passage of legislation without a multifaceted enforcement program failed in detracting the practice of racial discrimination both on a structural level as well as on an individual basis.

Despite the great contributions of liberal groups such as the Society of Friends, Young Turks, The Great Philadelphia Movement, and numerous civic organizations, liberalism as a political philosophy proved to be ineffective in combating white supremacy. Thus, the local Black liberation movement in Philadelphia represents the demand for a radical transformation of Philadelphia's political, social, and economic culture. Bad faith, developed out of the empty commitments by both the conservative and liberal constituencies, which helped to advance the Black liberation movement and its approach to address racial discrimination. While the liberal reformers made strides to implement equal opportunity, their unsophisticated approach created a different challenge for the African American community in Philadelphia. The next chapter will explore the approach of the local civil rights movement in Philadelphia for African American economic empowerment.

CHAPTER 5

AFRICAN AMERICAN RESISTANCE AND PROTEST: THE ANTI-DISCRIMINATION MOVEMENT

Introduction

The movement for African American economic development in Philadelphia, as well as other northern cities with large African American populations, indicates that the roots of white supremacy were firmly woven in the fabric of American culture and not just in the south. The rise of liberalism and the enactment of civil rights legislation that came out of the Liberal Reformist Movement (LRM) (1940 – 1965) was a direct result of African American active revolt and demand for democracy in American cities throughout the United States. In Philadelphia, FEP legislation that sought to increase employment opportunities for African Americans in industries that previously did not exist, was a reflection of African Americans' importance as a political entity and the systemic assault on African American economic opportunities. During the Philadelphia's LRM, African Americans were the agents for change in the form of voters, intellectuals engaging in critical discourse on race and economics, architects of social and labor organizations, and producers of numerous self-help programs to address discrimination in the labor industry. African Americans' discontent with American hypocrisy, the lack of economic opportunities, and the philosophical principles of capitalism, resulted in the search for new ideological frameworks for obtaining justice.

As employment opportunities in the military and defense industries became readily available for African Americans during WWI (1914 – 1918) and more

specifically WWII (1939 – 1945), the African American community continued to rapidly grow. Following WWII, the shift toward deindustrialization and the expansion of the private sector offered whites higher paying occupations and the opportunity for upward mobility; thus creating vacancies in municipal and federal jobs as well as the declining industrial sector. The African American community, now a political entity of liberal leadership, became the beneficiaries of many of those openings. As African Americans began to move into those positions, the collective economical conditions of African Americans appeared to improve. According to Leon Sullivan, Philadelphia’s City Hall was commonly referred to as “Uncle Tom’s Cabin”.⁵¹ By the end of the 1950s, 12 percent of African American workers earned more than \$4000 per year compared to only 2 percent in 1950 (Countryman, 2006).⁵² However, racial discrimination still hampered the overwhelming majority of African Americans seeking employment and those seeking mid and high level positions. Sullivan argues that African Americans, throughout the 1950s and 1960s heavily occupied menial positions. Countryman states

Up to 1958 in Philadelphia, although the black population comprised one-fourth of the city’s population, less than one percent of the sensitive, clerical, and “public-contact” jobs were held by Black people. The jobs Blacks held fell mostly into the “service” field and into the most menial work categories. (Countryman, 2006; p.67)

⁵¹ For discussion on the transformation of governmental employment in Philadelphia refer to Sullivan, 1969; p.88. For a more in-depth analysis of the expansion of the private sector and new employment opportunities for African Americans in post-war Philadelphia refer to Mathew Countryman, 2006; G. McKee, 2008; Wolfinger, 2007.

⁵² For further insight on the increase in African American annual income refer to Leon Sullivan Build Brother Build pg. 86-97.

At the close of WWII, the city's major industries began to decline and many of the major manufacturing and factory jobs began to dissipate and/or relocated to the outskirts of Philadelphia, which affected the collective economic conditions of African Americans. The failure of liberal reform and the principle of equal opportunity began to become overwhelmingly obvious for the movement of African American economic development. Even prominent African American advocates for liberalism in Philadelphia started to question the approach of liberal reform and the capability of political, economic and social reform under the current capitalist context. During the LRM, there was a spike in African American membership in socialist organizations as a response to the economic condition and the elusion of democracy. The growing appeal of African Americans to communism in Philadelphia during the LRM is illustrated by the impact that it had on the NAACP intra organizational administrative conflicts. The inability of the reformist movement to effectively resolve the issues of poverty and discrimination of African Americans in employment, union membership, and lending, called for a radical alternative to African American economic development.

This chapter explores the redirecting of strategic approaches taken by community organizations to protest the practice of discrimination in the labor industry and the local municipal government. The first section explores direct action taken by the NAACP to protest employment practices of major retailers and their use of the Commission for Human Relations (CHR). In this section, I give accounts of the NAACP and protest efforts. The second section evaluates the 400 ministers and the "Selective Patronage" campaign waged on businesses that refused to desegregate their workforce. This section

explores the effectiveness of collective participation and economic withdrawal. The final section of the chapter focuses on the protest demonstrations directed at Philadelphia's local government. These demonstrations look to illustrate the limitation of White reform liberalism and the support it lends to a tradition of discrimination.

Commission on Human Relations and the NAACP: Passive Protest

The tradition of protest was the springboard for which the movement for African American economic development was ignited and would be the platform for which fair employment opportunity would be implemented. For most of the 1940s and 1950s, African American leadership and their supporters committed themselves to the principles of liberalism and believed that the enactment of legislation would strengthen the fight to protect their right to secure employment. Through collective resistance, African Americans and White liberal civil rights advocates were successful in enacting FEP legislation. The provisions for fair employment outlined in the 1948 city ordinance and the Home Rule of 1951 reflected African Americans' presence as a political entity and their resistance toward discrimination in employment opportunity.

The active involvement of the NAACP, the Urban League, and various agencies helped to create the CHR, the municipal agency responsible for investigating and resolving violations of racial discrimination in employment. For the LRM, the CHR would serve as the central agency to resolve incidents of employment discrimination, but for African American leadership it was the mediator and buffer between the African American workforce and White racist employers and labor unions. To address employment discrimination, the CHR established a program that was heavily focused on

educational workshops and training seminars that sought to inform and better prepare job seekers for employment. However, the NAACP began challenging the CHR to conduct investigations in hiring practices in many of the exclusively White industries throughout the city. The difference in approach led to the civil rights protest era.

The commission, an institution rooted in the principles of the White LRM, felt that racial tension and discrimination could largely be attributed to ignorance. Thus, the educational component remained a central focus in its method to address issues of race. In 1952, the commission established a basic plan of organization that would later be implemented in 1953. The commission's philosophical approach to resolving discrimination in employment was made evident in pamphlets produced by the commission targeting African American youth. In a leaflet entitled *Your Chances For a Job*, the commission stressed the importance of being prepared for employment. The leaflets asked African American youth to take a stock of what they want out a life by identifying five items to be considered by prospective workers: 1) Successful career; 2) Home and family; 3) Nice clothes; 4) Travel; and 5) Friends. Beneath the stock check the leaflet states, "These things are what most young people want...and they're what the parents of young people want for them... In order to get these things, you need a job. But want or need isn't enough. You have to prepare for that job."⁵³ The emphasis placed on qualifications was a theme and central framework for the CHR platform. The leaflet goes further to state "Just going to an employer and saying you want just any old job isn't

⁵³ Commission on Human Relations. *Your Chances for a Job in Philadelphia* A promotional leaflet for the commission. The Philadelphia Branch of the NAACP URB 6/1/98 Box 4 Folder 98. Temple University Urban Archives.

enough. You have to know the kind of job you are ready for. Have you any skills, training and ability?"⁵⁴ The leaflet concludes by outlining qualities that employers are looking for: promptness, doing work well, honesty, loyalty, cleanliness, good manners interest in the job, and pleasing personality.

Although the leaflet is insignificant in stature, it illustrates how the CHR framed the problem of employment. At the point of distribution, the CHR had not conducted any investigations on discrimination in employment, but was prepared to launch an educational program that sought to address the issue of African American unemployment and underemployment. The commission's educational platform was problematic in method and made critical assumptions that transformed the context for the movement for equal opportunity in employment. The central assumptions that prohibited the CHR from impacting and resolving legalized discrimination were: 1) If qualified, African Americans would be afforded a fair assessment and consideration for employment; 2) Disproportionate numbers in unemployment and underemployment between African Americans and Whites were partially due to African American's lack of knowledge of hiring firms; 3) African Americans do not take full advantage of job placement agencies; and 4) White employers were receptive to the rapidly changing racial makeup of Philadelphia and interested in the benefits of integrating their industries. The NAACP's approach was much different and demanded the CHR to take direct action.

⁵⁴ Commission on Human Relations. *Your Chances for a Job in Philadelphia A* promotional leaflet for the commission. The Philadelphia Branch of the NAACP URB 6/1/98 Box 4 Folder 98. Temple University Urban Archives.

In an attempt to maximize the political power of the commission and resolve the issue of discrimination in employment, the NAACP, in conjunction with the Council for Equal Job Opportunity (CEJO), formed a working relationship with the CHR to act as a liaison for African Americans and aid with filing complaints for racial discrimination.⁵⁵ The NAACP had established a reputation within the African American community for advocating for equal opportunity. The organization played an active role on many of the committees formed as part of the rise of the reformist movement and hoped to serve as a medium through which the community could feel comfortable with and an organization that had a long standing in the movement to deconstruct discrimination. To further advance the notion of equal opportunity, Walter Wynn, executive director of the CEJO, and Charles Shorter, Executive Secretary of the NAACP, requested that the Commission investigate the hiring practices in the hotel industry, specifically in the area of waiters and waitresses in major restaurants, department stores, and hotel dining rooms. In their complaint they argue that African Americans are “virtually excluded or completely segregated in [those fields]”⁵⁶. The commission complied with the request and published their findings in their 1953 annual report.

⁵⁵ Wynn, Walter. 1954, November 4. A letter distributed on November 4, 1954 by Walter Wynn to Herman Fisher, President of Bucks County Branch of the NAACP discussing a collaboration of NAACP branches and the CEJO. The Philadelphia Branch of the NAACP URB 6/1/117 Box 5 Folder 117 Temple University Urban Archives.

⁵⁶ Wynn, Walter and Charles Shorter. 1954, January 21. A letter from Wynn and Shorter to Mr. George Schermer, Executive Director of the Commission on Human Relations requesting a investigation into the restaurant industry. The Philadelphia Branch of the NAACP URB 6/1/98 Box 4 Folder 98. Temple University Urban Archives.

In the annual report produced by the commission, it reported that between June of 1948 to 1953, 1001 complaints were filed charging discriminatory employment practices.⁵⁷ The report indicated the 706 (70 percent) of the documented complaints were ruled that employers did not discriminate or the complaints were dismissed for lack of jurisdiction or withdrawn by complainant. 61 percent of the initiated complaints concluded that the employer was lawful in denying complainant employment. The report reveals that the Commission only initiated a total of 116 investigations for unlawful employment practices. The report shows that 81 percent of the complaints initiated by the Commission resulted in unlawful employment practices by the employer. During 1953, the CHR received 174 complaints of unlawful employment discrimination and 80 percent of those concluded that the employer was lawful in their employment practices. In 1953, 80 percent of the complaints filed were on the basis of race.

To intensify its involvement, the NAACP asked major downtown retail stores to complete a survey of their hiring practices and a demographic breakdown of their working staff. When the retailers refused to release their records, the NAACP protested by urging members not to patronize the business. Of the retailers that completed the survey, the NAACP found three stores in particular that were not in line with city's FEP ordinance. On October 29, 1954, the NAACP drafted letters for the three companies that

⁵⁷ City of Philadelphia: Annual Report. 1953. Annual Report of the Commission on Human Relations for 1953. The Philadelphia Branch of the NAACP URB 6/1/98 Box 4 Folder 98. Temple University Urban Archives.

had not integrated their workforce.⁵⁸ Charles Shorter, Executive Secretary of the NAACP, sent letters to the executives of Bonwit Teller & Company, The Blum Store, and B.F. Dawees, Inc.⁵⁹ After an assessment of the companies' files, the NAACP compiled a list of qualified sales agents that would meet the qualifications defined by each company. The proactive approach of the NAACP sought to target businesses with low or no African American employment in certain fields that excluded them. In this way, the NAACP offered a direct action method in resolving discrimination in employment practices.

On January 12, 1956, the commission launched their "Professional Workers' Seminar" that was intended to serve as a forum to discuss the dynamics of community race relations and the importance of professionalism when dealing with issues of racial conflict.⁶⁰ While the seminar mainly focused on the conflict due to the racial change in neighborhoods, the seminar revealed the thrust of the CHR approach to combat discriminatory practices in employment. The CHR initiated a duo educational campaign that would inform employers of the changing racial dynamics of Philadelphia and the benefit in integrating their living spaces and workforce. Secondly, the commission organized training programs that sought to inform unemployed and underemployed job

⁵⁸ Shorter, Charles. 1954, November 17. Three letters from Charles Shorter to Maurice Spector of The Blum Store, Tomas Wriggins, President of B.F. Dawees, Inc. and Lewis C. Davis, President of Bonwit Teller and Co. requesting that the companies reveal their employment demographics. The Philadelphia Branch of the NAACP 6/1/117 Box 5 Folder 117. Temple University Urban Archives.

⁵⁹ Ibid.

⁶⁰ NAACP Philadelphia Branch Urban Archive Temple University; URB Box 4 Folder

seekers of new openings and stress the necessity of professional development to meet job qualifications.

While the state's HR 1165 bill of 1955 prohibited racial discrimination in employment practices, many industries legalized their discriminatory tactics by critiquing the qualification of African Americans applicants. The affects of the commission's miscalculation of the issue of race and employment had devastating affects on African American's collective quest for economic stability. In January 1956, the issue of the *Inside Facts*, the CHR monthly publication, documented their findings of a review of construction jobs noting that the practice of discrimination was obvious.⁶¹ Sullivan also weighed in on the matter by suggesting:

Of the thousands of young people in our files who wanted jobs, many had finished high school and a large number had finished college. Their obstacle was their color. The only places where colored people could get jobs that amounted to anything were in the city government and in some Federal installations – mostly the Post Office Department. Even in these places, advancement to high-level jobs was reserved for only a lucky few. (Sullivan, 1969; p.67)

The reluctance of CHR to engage in a direct action method of eliminating employment discrimination hindered them from making any significant impact. The difference in the NAACP and the CHR revealed a growing wedge that was forming between the White LRM and African Americans. More important, the “no action” attitude exhibited by the commission prompted the NAACP to move outside the scope of public policy and into protest. The NAACP performed indirect forms of resistance

⁶¹ The Philadelphia Branch of the NAACP URB 6 Box 4 Folder 98 Temple University Urban Archive.

through demanding that retailers audit their workforce and outline their hiring procedures. Through selective patronage, the NAACP was able to force individual businesses to open their records. This act was successful for gaining a minimal number of jobs for African Americans, but it marked a divergence with liberalism's passive approach.

Selective Patronage Movement

A key figure in the movement to improve African American's economic conditions in Philadelphia was Reverend Leon Sullivan. In 1950, Sullivan, who formerly trained under Adam Clayton Powell and A. Philip Randolph, became the presiding pastor of Zion Baptist Church located in the heart of North Philadelphia. During most of the 1950s, Sullivan spent a significant amount of his attention and leadership toward organizing around issues of juvenile delinquency and youth employment. While in New York, Sullivan embarked on similar programs. In 1953, Sullivan was instrumental in forming an alliance called the Philadelphia Citizens Committee Against Juvenile Delinquency and Its Causes (CCAJDIC).⁶² The CCAJDIC sought to engage the "problems of crime and ineffectual law enforcement and mutual disrespect between citizens and the law" (Sullivan, 1969). Sullivan's position was that the issue of juvenile delinquency was plaguing the African American community in Philadelphia and Harlem.

In his observation, juvenile delinquency was partially attributed to high rates of youth unemployment. Sullivan argued that the high dropout rate during the 1950s left

⁶² Sullivan, Leon Build Brother Build. Pg.63. Further discussion on the CCAJD can be found in Countryman's Up South pg. 84 - 86

large numbers of African American youths with unsupervised idled time, which translated to delinquency. He asserted, “Few boys got in trouble who were employed either full time or part time” (Sullivan, 1969). Consequently, Sullivan’s first attempt to address unemployment rates in the African American community and discriminatory practices in employment was with the Youth Employment Program (YEP). YEP served as an inter-racial job placement agency for youth. The program collaborated with other state funded job placement agencies to assist with directing youth to employers with openings.

Through working with the CCAJDIC and YEP, Sullivan recognized one painful reality: the existence of an overwhelming prevalence of discriminatory practices based on race and its use by many of the industries in Philadelphia. Difficulties with placing African American youth made the common practice of discrimination obvious. Sullivan commented on YEP’s youth job recommendations when saying, “Every day the want ads in the newspapers begged for workers. And when we sent white boys and girls to apply, they were hired. But when we sent colored boys and girls, the response was usually different: ‘We will call you later.’ The telephone never rang” (Sullivan, 1969). In June of 1960, the issue of racial discrimination in youth employment gained local attention when an article entitled *Local Ministers Organize For Youth Employment Opportunity* was published in the *Philadelphia Tribune*. Due to the challenges of placing African American youth, the article reported that formation of an alliance of African American

clergymen to launch a “selective patronage” movement.⁶³ After measures taken by the CHR, the NAACP, and other civic organization during much of the 1950s failed, Sullivan called a small meeting of ministers that ultimately served as the impetus of the selective patronage demonstrations.

Beyond serving as a spiritual sanctuary for the African American community, Sullivan envisioned the Black church as a “formidable network of communication and cooperative power” (Countryman, 2006). He identified the fundamental power of the Black church as the African American minister’s independence and impartiality in regards to political and economic affiliation. Thus, in structuring a movement that centralized selective patronage, Sullivan went to the heads of Black churches for collective cooperation. His conceptualization of the church was very similar to how the church was utilized by his mentors Powell and Randolph. Similar to the national civil rights movement that was currently in motion, Sullivan sought to transform Philadelphia’s Black churches into the active headquarters for a social movement geared toward resisting discrimination in employment. Furthermore, he attempted to cement the African American minister as the spiritual and public head of the movement. In an article published in the *Baltimore Afro-American* titled *Ministers Wage Economic War on Discrimination*; the author reported that “...the ministers agreed that they [could] not, in good conscience, remain silent while their members support companies which are

⁶³ Philadelphia Tribune, *Local Ministers Organize For Youth Employment Opportunity*. June 4, 1960

violating not only Philadelphia laws, but human rights of those who are the victim of job discrimination.”⁶⁴

From that small meeting of ministers, a priority group was formed that would serve as the nucleus of the collaborative. The group would be responsible for charting the course of action and selecting a new spokesperson for each campaign. This central group was made up of leaders of denominational conferences and other ministers that were active and vocal on civil rights (Sullivan, 1969). The organizational structure was based off of Sullivan’s, as well as his successor Reverend Gus Roman’s, belief that any significant social movement that was rooted in the African American community was successful because it was grounded in the church.⁶⁵ Further, Sullivan regarded the African American minister as the most respected leader within the African American community. While many of the ministers were active in previous demonstrations in Philadelphia, Sullivan sought to devise a method that deviated from the liberal political reform approach and reestablished the grassroots bases that were responsible for the emergence of the liberal reformist movement in Philadelphia.

The first action of the priority group was to solicit the support of African American ministers in which they received a strong base of 400 ministers. The priority group then investigated several businesses’ workforce demographics and employment practices and made recommendations for which companies were to be targeted. The

⁶⁴ Baltimore Afro-American. *Ministers wage economic war on discrimination*. June 11, 1960

⁶⁵ Ibid. In a discussion with Rev. Gus Roman regarding African American economic development and the role of Leon Sullivan and the OIC on (date) he emphasized this point emphatically

informational meetings were the venue where all 400 supporters could discuss the recommendations of the priority group and outline the specific courses of action. Of the selective demonstrations conducted, the group of 400 demanded a meeting with the executives of the targeted company. The organizations outlined their concerns regarding selective employment based on race. The ministers established a timeframe for which the executive had to meet the collective's demands. In the case that executives refused to meet with the ministers, the collaborative would negotiate with the executives for the established timeframe, in most cases 4 weeks, and then move to action if demands were not met. It must be noted that the demands established by the 400 ministers were minimal when compared to the devastating affects that racial discrimination in employment had on African American poverty rates. Sullivan states "...the minimum requests were never really excessive. Really, what was being asked was a concrete, visible change of employment practices as far as the colored worker was concerned" (Sullivan, 1969). This collective act of resistance, at minimum, attempted to achieve what the White LRM failed to, afford African Americans access to employment in industries and companies that were exclusively White.

When companies did not comply with the demands presented by the group of 400 ministers, the collaborative would encourage their congregation not to patronize the businesses' and/or their products. The strategy of the collective was to force businesses to acknowledge their racist employment practices by redirecting the spending power of the members of 400 Black churches. The idea was that if a significant number of African Americans withheld their support, it would have a devastating blow for businesses that

heavily relied on African Americans' dollars. Moreover, Sullivan's philosophy was that the most effective strategy for negotiating with business owners was through direct action that affected their pocketbooks. Sullivan states "...our desire was not only to get black men and women into sensitive positions they had never held before, but also to break the company's entire pattern of discriminatory employment practices" (Sullivan, 1969).

One of the pivotal demonstrations of selective patronage organized by the group of 400 ministers was directed at the Tasty Baking Company (TBC). Throughout the late 1950s, Tasty Baking Company had a thriving business that sold products in nearly every convenient and grocery store in the African American community. African Americans supported their products despite being excluded from employment as salespeople, delivery drivers, office workers, and production line workers. As a result, the priority group targeted the TBC and demanded five assurances:

- 1) "That the recently assignment [African American] driver salesmen and two in training be given 'fixed routes and that more be added in the immediate future,
- 2) A minimum of two [African American women] be included on the clerical force of the company, and additional colored office personnel be added in the immediate future,
- 3) That bulletin board announcements declare the end of restroom and locker room Jim Crow for women employees,
- 4) That [African American women] be given equal opportunity for upgrading, and
- 5) Assurance is given that these policies will be continued and not slighted if and when the campaign is declared ended."⁶⁶

⁶⁶ Philadelphia Tribune, *Pastors Reject Tasty Baking Co. Compromise*. July 9, 1996.

The TBC initially rejected the demands outlined by the 400 ministers. TBC refused to acknowledge the disproportionate number of African American employees in low-level positions compared to skilled and managerial positions. On June 16th, 1960, the group of 400 launched their selective patronage campaign against TBC with Sullivan serving as the spokesperson for negotiations. The TBC rejected the minister's claim of discriminatory hiring practices and responded by outlining the company's commitment to the hiring of African American workers and hiring based on qualifications. On June 28th TBC ran the advertisement *Tasty Baking Company Outlines Fair Employment Program Obvious Misunderstandings is Corrected* providing their explanation for low numbers of African Americans in skilled positions. The ad states

With our extremely low turnover and unusually large amount of employment applications, our standards and qualifications are high so that we have become the envy of the industry, and the sole consideration for anyone in the regard irrespective of race, color, or creed is their qualification as compared with all others applying for employment.”⁶⁷

TBC also challenged the legality of the “selective patronage” tactic by requesting that the CHR investigate the demonstration. The CHR later declared that the demonstration was within the law. During the demonstration, 150 convenient stores throughout African American community in Philadelphia refused to sell TBC products.⁶⁸ The *Tri State Defender* reported that at the height of the demonstration, 250,000 people

⁶⁷ Philadelphia Tribune, *Tasty Baking Company Outlines Fair Employment Program Obvious Misunderstandings is Corrected* June 28 1960.

⁶⁸ Baltimore Afro-American, *New England Baptists Endorse Selective Patronage Campaign Against Tasty Baking Company*. For further discussion on the TBC protest refer to Stacy Sewell The ‘Not-Buying Power’ of the Black Community: Urban Boycotts and Equal Employment Opportunity, 1960 – 1964 . Also refer to Mathew Countryman’s *Up South*.

were actively participating.⁶⁹ The overwhelming support of community members and local businesses forced TBC to accommodate all five demands outlined by the ministers. On August 7, the ministers discontinued the campaign after three months of economic withdrawal and negotiation. TBC began to hire a minimal numbers of African Americans as sales people, delivery drivers, office workers and production-line workers. Shortly after, TBC addressed the remaining demands.

The demonstration on the TBC was the first and one of the longest demonstrations organized by the 400 ministers. More important, the demonstration was pivotal in that it provided the momentum for future campaigns organized by the ministers. The demonstration's success was gained without the support of the local and many of the national daily publications. The minister did not call on any government agency to intervene. Nonetheless, the network organized via the church, helped to gain the community's confidence in the method and immediate prestige and sense of urgency for the group of ministers within the business community in Philadelphia. In the reader's response section of the *Philadelphia Tribune*, a community member's response to the minister's organizational efforts stated "...besides liking the manner in which they're doing it, I am overwhelmed by the momentum their 'selective patronage' campaign is picking up steam."⁷⁰ Ultimately, the TBC demonstration also illustrated the tremendous power of collective participation. Grassroots methods of organizing community activism were able to accomplish what liberal politics and reformist legislation failed to. It forced

⁶⁹ Tri State *Defender*, *Preachers Call Halt To Selective Buying*. August 20, 1960

⁷⁰ Philadelphia *Tribune*, *Hails Ministers Campaign* June 21, 1960. Pg.4

a White owned business that practiced discriminatory hiring in selective departments of the corporation to immediately abandon that practice.

Following the demonstration against TBC, the ministers chose a new spokesperson and research committee to target Freihofer's, a local bakery. Partially due to the success of the TBC protest, the ministers reached an agreement with Freihofer's without having to utilize selective patronage (Countryman, 2006; p.108). The group of 400 ministers and the act of selective patronage began to gain a reputation for its effectiveness. The Tri State Defender reports

This campaign was one of the most effective ever waged against what has been termed 'Gross Discrimination in Northern Industry' and had the cooperation of all segments of the [African American] community in Philadelphia and nearby areas, -clergy, business, fraternal, civic and youth.⁷¹

Through protest, the negotiation process between civil rights advocates and big businesses in Philadelphia began to drastically change. After reaching agreements with two of the largest baking companies, the ministers directed their protest tactics against the bottling industry. On October 2nd, the ministers targeted the local Pepsi Cola bottling company for selective patronage. On October 4th, the *Philadelphia Tribune* announced the demonstration and reported that Pepsi Cola's bottlers only had two employees that were not White on its staff. In the article *400 Preachers Aim Selective Patronage Guns*

⁷¹ Tri State Defender, *Preachers Call Halt To Selective Buying*. August 20, 1960

at *Pepsi-Cola*, the *Tribune* reports that the ministers encouraged their followers to refrain from purchasing Pepsi products.⁷²

In less than a week, the Pepsi Cola Bottling Company made assurances to accommodate the ministers' demands. The Pepsi Cola protest, like TBC, solidified the group of 400 ministers and the method of selective patronage. Soon after the Pepsi Cola victory, Philadelphia's Coca Cola and Seven Up bottlers complied with the demands made by the ministers. Demonstrations launched on Philadelphia's baking industries and the soda bottling industries were strategically planned so that the companies were targeted during what was perceived to be the company's most profitable business quarter. This approach made any business heavily depended on African Americans' patronage extremely vulnerable. This further dramatized the protest and contributed to its success. The same tactics were used when targeting the city's petroleum companies. During the winter months, the group of 400 launched selective patronage demonstrations during the petroleum industry's most profitable quarters.

The group of 400 ministers first targeted Atlantic Richfield and Standard Oil. The two companies entered negotiations immediately and reached an agreement with the ministers without the pressure of protest. As Countryman points out in his text *Up South*, the significance of Atlantic Richfield's compromise with the ministers was that after being investigated by the CHR and declared discriminatory in their employment practices, the CHR had failed in forcing Atlantic to integrate all departments within their

⁷² Philadelphia Tribune. *400 Preachers Aim Selective Patronage Guns at Pepsi-Cola*. October 4, 1960.

corporation (Countryman, 2006; p.106). The inadequacy of liberalism was most evident by this protest. While local liberals were initially sympathetic to businesses targeted by the ministers, the agencies responsible for resolving discriminatory employment were largely ineffective. The next major selective patronage demonstration organized by the ministers was directed at the local Gulf Oil retailers. On January 15, 1961, the 400 ministers launched a selective patronage campaign against Gulf Oil to demand that African American workers be hired in the company's offices and as salesman drivers on oil and gasoline trucks.⁷³ Unlike Atlantic Richfield and Standard Oil, Gulf refused to make assurances to the minister's demands. The minister's research of Gulf found that African Americans were only employed in the company's cafeteria. The Pittsburg Courier reported that Gulf assured that they were willing to make immediate steps to set a fair employment policy and requested the ministers to assess progress over a seven-day observation period.⁷⁴ The ministers rejected Gulf's request and reemphasized their commitment to continue the campaign until all demands were met. Immediately after the campaign was announced, Gulf customers sought to terminate their home heating contract. In addition, the Tri State Defender reports that 1000s of African American motorists immediately discontinued use of Gulf's filling stations. After a week of protest, Gulf made assurances to meet the ministers' demands. Gulf hired an African American accountant, a sales representative and several oil truck salesman drivers.⁷⁵

⁷³ Tri State Defender. *Gulf Hires Negroes, Boycott Called off*. February 3, 1961

⁷⁴ Pittsburgh Courier, *Atlantic, Esso Cooperating With Philly Ministers*. January 14, 1961

⁷⁵ Chicago Daily Defender. *Gulf Hires Negroes, Boycott Called off*. January 24, 1961

The Sun Oil Company (SOC) was the next firm targeted by the group of 400 ministers. The Sun Oil campaign illustrated the stark difference between the African American fight for economic liberation and White liberalism's conceptualization of equal opportunity. Sun Oil was generally accepted by liberals due the high number of African Americans employed by the firm. However, the ministers were clear that volume did not correlate to equal opportunity. The ministers initiated negotiations with SOC on February 3. Due to the large number of African Americans employed at the refinery, SOC rejected the ministers' demands. The SOC strongly felt that they complied with the state's fair employment practices policies. After a month of negotiating, the ministers announced that SOC did not meet the minimal demands put forward and had declared the beginning of a selective patronage campaign on March 19, 1961. On March 20th, leaflets were distributed throughout the African American community entitled "No More Dollars for Discrimination". SOC launched a public relation campaign of their own sending letters to various employees and distributing a press release to local and statewide papers. The SOC went as far as distributing letters to protest participants outlining the progress made.

The ministers intensified their campaign by incorporating the African American Masons. Countryman states, "At an April press conference, the 400 Ministers kicked off the second phase of their campaign against Sun with the announcement that the state leader of the [African American] Masons had ordered Pennsylvania's 25,000 masons to stop buying Sun products" (Countryman, 2006; p.109). The SOC finally made assurances that they would comply to all of the demands of the ministers. On June 11,

1960, the ministers terminated the selective patronage campaign. Sullivan states that between 1959 and 1963, the ministers were successful in over 29 selective patronage campaigns. He argued, "It has been estimated that as a result of these campaigns in Philadelphia more than two thousand skilled jobs were opened directly to colored workers. Indirectly, the number reached several thousands more, because there was a chain effect" (Sullivan, 1969). Barriers of discrimination were being broken solely by African American collective cooperation. Multimillion-dollar corporations such as TBC, Sun Oil, Pepsi Cola, Coca Cola, Seven Up, Gulf Oil, Atlantic Richfield and Standard Oil were forced to reconstruct employment practices because of selective patronage.

Selective Patronage was a grassroots method of resisting discrimination in employment. The minister's ability to direct and redirect the spending patterns of many African Americans in Philadelphia allowed them to dictate the content of meetings and forced some of the most powerful companies to engage in business agreements on the terms outlined by the minister. The ministers stepped out of the restricted scope of liberalism and reclaimed their agency. Through the act of protest they were able to form a movement that was exclusively controlled by African American leadership and independent of outside aid. This method allowed African Americans to define the criteria for justice and made all other negotiating groups honor and adhere to that standard.

However, while the selective patronage movement was largely successful in breaking the racial barriers in some of the Philadelphia's largest industries and gained employment for thousands of African Americans, it did not have a significant impact on eliminating discriminatory practices in employment. Many corporations satisfied the

minimum demands and allowed an insignificant number of African Americans in mid-level and skilled positions. Further, the basis of the movement sought to demand entrance of African Americans in a hostile White institution. Fundamentally, the selective patronage movement was an integrationist model that sought reform. In this regard, the selective patronage movement was a direct extension of the White LRM. It failed to explore ways of directing African American spending toward developing a self-sustaining market that was owned and operated by African Americans. After meeting the demands of the ministers, the companies went on to dominate their industries with the support of the Black dollar. The selective patronage movement had the capacity to forge African American industries that would be competitive with firms who did not honor equal opportunity. African Americans could have taken control of many of the industries that relied on the African American dollar and challenged racism and eliminated African Americans' reliance on racially exclusive businesses.

Protesting Government-Sanctioned discrimination

In December of 1955, the American Federation of Labor and the Congress of Industrial Organizations (AFL-CIO) vowed to make eliminating racism within trade unions a primary goal. Later, in December of 1958, the state of Pennsylvania, through the Pennsylvania Fair Employment Practice Commission, enacted the Pennsylvania Fair Employment Practice Act. In addition to provisions outlined for equal employment, the FEP Act made provisions for federally funded contracts. The FEP Act explicitly states

The Commission may properly attempt to enforce the several provisions in various Pennsylvania Laws which require that contracts between the State of Pennsylvania and a contractor for the construction, alteration or repair

of certain public buildings and public works 'shall contain a provision by which the contractor agrees that in hiring employees for the performance of work under this contract or any sub-contract hereunder, no contractor, sub-contractor ...shall by reason of race creed or color, discriminate against any citizen of the Commonwealth of Pennsylvania who is qualified and available to perform the work to which the employment relates.⁷⁶

Despite the provisions outlined by the state, employment discrimination based on race was prevalent in Philadelphia's building trades unions well into the 1960s. In a report produced by the NAACP's Labor Department in 1961, it was revealed that

...discriminatory racial practices by trade unions are not simply isolated or occasional expressions of local bias against colored workers, but rather, as the record indicates, a continuation of the institutionalized pattern of anti-Negro employment practices that is traditional with large sections of organized labor and industrial management.⁷⁷

Countryman also discusses the issue of racially selective employment by asserting

As late as 1963, not a single black skilled craftsperson was employed on city construction projects and the 7,300 combined members of the local plumbers, electricians, and steamfitters' unions included only one single black electrician (Countryman, 2006; p.64).

More important, the issuing of federally funded contracts to companies that widely practiced discrimination undermined the foundation that liberalism rested on and shattered the illusion put forth by Philadelphia's liberal constituency. Civil rights activists were well aware of the challenge of selective employment by contractors and the racially exclusive unions that were hired on city contracts. While protest was a staple in

⁷⁶, Urban League URB 1. Box 2 Folder 34. Temple University Urban Archives

⁷⁷, Urban League URB 1. Box11 Folder 199. Temple University Urban Archives. This is a NAACP report entitled *Racism Within Organized Labor: A Report of Five Years of the AFL-CIO 1955 – 1960*.

the movement for African American economic development, entering the 1960s a shift in tactic illustrated the bad faith of the liberalism, a flaw in its philosophical approach, and the hopelessness of public policy. The fundamental principle of liberalism was being effectively used to maintain racial exclusivity in the mid-level and skilled positions in essentially all industries in Philadelphia.

The CHR and other local agencies such as the Philadelphia Council for Community Advancement (PCCA) were ineffective in ending the practice of discrimination by the enactment of legislation alone and they were not empowered to make violators comply with the local and state provisions for fair employment. Movements like selective patronage possessed a power component that government agencies were missing. In addition, these movements deviated from the committee collaboration approach adopted by reformists, yet still showed commitment to the tenets of liberalism. The protest era of the civil rights movement and the thrust for economic development was a direct critique of liberalism and the ineffectiveness of liberal politics. By 1963, the NAACP joined the Congress of Racial Equality (CORE) in engaging in protests methods that were used in the southern struggle for equal opportunity and equal rights. However, unlike the selective patronage movement, the protest era of the 1960s began by shifting their focus from isolated institutions of employment to exposing the contradictions of local liberal reformists. The shift revealed the changing attitude of the masses of African Americans with liberalism and passive protests. In essence, African Americans began to iron out the stark differences in the liberal quest for equal opportunity and the African American movement for liberation.

In 1963, in an effort to advance the movement for anti-discrimination in employment, CORE requested that James Tate, former Philadelphia mayor (1962 – 1972), meet to discuss the refusal of subcontractors to hire African Americans as skilled workers on the new City Hall project at 15th and Arch Street.⁷⁸ Discussing federally funded construction contracts directly indicted the city's endorsement of racial discrimination. Tate and the CHR had been unable or unwilling to deconstruct the rigid racial barriers within the building trades-unions, which directly affected many of the city's construction sites. Tate initially declined the meet and immediately became the target for protest by CORE. Like the selective patronage movement, CORE strategically attacked at the height of election year. On April 13, seven protesters with signs picketed for two hours outside the home of Tate.⁷⁹ Among the protesters was Louis Smith, the chairperson of Philadelphia's local chapter. Smith publicly stated CORE's position on anti-discrimination in the construction industry when stating, "...the city is morally bound to insure non-bias even if it means using non-union men."⁸⁰ CORE also formed a line of 25 picketers around City Hall to further publicized Tate's refusal to address discrimination in trade unions and on federally funded construction sites. Tate publicly responded by recommending that CORE "should be picketing the building trades unions."⁸¹

⁷⁸ New Pittsburg Courier. *Philadelphia Mayor Finds Negro Set to Fight*. June 8, 1963

⁷⁹ Philadelphia Tribune. *Mayor Tate 'Unhappy' With CORE Pickets at His Home*. April 16, 1963

⁸⁰ Ibid

⁸¹ Ibid

CORE targeted Tate for what Smith defined as his “refusal to end job discrimination in the construction of city administration building on Reyburn Plaza.”⁸² In a letter, Smith charged Tate with deceiving African Americans by taking the stance that he was powerless in ending racial discrimination in employment on city construction projects. In a comment to the *Philadelphia Tribune*, Edward Mauerman, Deputy Commissioner of Public Property, defended Tate by stating that the selection of works was entirely up to the contractors.⁸³ Mauerma, like Tate, attempted to exempt City Hall from the responsibility of employment discrimination. In his letter, Smith reiterated provisions of the Equal Employment Opportunities section of the City’s Standard Contract Requirements, which states that the city has the power to terminate any contract in which the contractor is guilty of discrimination. Consequently, CORE targeted Tate, an elected officer, with the power to deny a contract or seizing an existing contract with any company using discriminatory hiring practices.

On April 19th, CORE intensified the pressure on Tate by staging an all-night sit-in in the Mayor’s suite and the hallway of the mayor’s office. The *Philadelphia Tribune* reported that the demonstrators arrived equipped with food and prepared to stay until Tate ended discrimination in the construction industry. After an hour of demonstrating, Tate issued a letter requiring an investigation be conducted by the CHR on the hiring practice of the construction company working on the city’s Municipal Services Building (MSB). He also requested that the CHR report their findings and recommendation within

⁸² Philadelphia Tribune. *Mayor Tate ‘Unhappy’ With CORE Pickets at His Home*. April 16, 1963

⁸³ Ibid

30 days. CORE immediately ended their demonstration. On May 1st, the CHR began their 4-day hearing for individuals that could attest to selective employment in the construction industry. CHR identified 4 categories of potential witnesses.

1. If you can testify to the fact that you applied for a job on a city construction project and were refused or if you have applied to join a union which works on city construction project and were refused;
2. If you have been refused work on non-city contraction jobs;
3. If you have been classified as a helper and have not been upgraded or if as a helper you have been performing tasks of a union member while being denied the right to carry a union card;
4. If you can present facts to prove that there are none or very few Negroes in any building trade union.⁸⁴

As the CHR conducted hearings, Tate expressed the he would allow construction on the MSB to resume. As a result, CORE resumed demonstrating at the construction site. On May 11th, CORE formed a picket line on the MSB construction site with over 200 demonstrators. Like before, CORE expanded their protest on May 14th with 21 demonstrators. Participants manned Tate's office and vowed to stay until construction was seized and a plan for making the construction industry anti-discriminatory. After 23 hours of protest, Tate met the demonstrators' demands by stopping construction on the MSB until contractors agreed to incorporate fair employment practices. On May 20, the CHR officially released a report with the same findings as the NAACP's 1961 report by its labor department. The CHR report concluded that 6 craft unions, 2 electricians, 2

⁸⁴ Philadelphia Tribune, *Mayor's Office Sit-In Forces Building Trades Study*. April 27, 1963;

plumbers, a steamfitter, sheet metal workers, and roofers and 3 contractors were not in compliance with the city's and state's nondiscrimination provisions (Countryman, 2006; p.134).

Out of this protest, two things of significance were achieved: 1) Construction on MSB was immediately halted due to the protest efforts of CORE; and 2) Contractors working on the MSB agreed to hire at least one African American at a skilled position and had committed to hiring every qualified African American craftsmen who applied for a position. In addition, the unions committed to accept African Americans as members when hired. Although a collaboration between AFL-CIO local leaders and selected African American leaders was formed to identify and strategically address discrimination in construction, this replicated the traditional liberal approach of solving racial discrimination. Legislation and previous commitments made by companies did not end racial discrimination, but such policies illustrated a shift toward structural change through social disobedience. CORE's demonstrations did not create equal opportunity in construction; it demonstrated to African Americans that direct action protest demanded immediate action by the city's political elite. It forced contractors and unions to break the tradition of racial exclusivity. In a movement seeking reform, immediate action is the highest gain. While I do not consider the protest movement, Black Power, it is a shift in the liberal reform approach to social reform.

NAACP, under the leadership of Cecil B. Moore, also engaged in protesting government-sanctioned discriminations. Moore sought to expose the United States Postal Services (USPS), a federal agency, for discriminatory promotion practices. In July

of 1963, Moore criticized the USPS for practicing discrimination in employment and promotion. In a telegram sent to J. J. Doherty, Regional Director of the Post Office, Moore argued that of 177 jobs in the regional office with salaries ranging from \$7100 to 19,500 none were held by [African Americans]...of a total of 370 persons employed by the office only 35 are African Americans.⁸⁵ Moore further pointed out that “although approximately 40 percent of the total work force is African American, a microscopic number of African Americans have been promoted beyond Grade 6-7.⁸⁶ In an effort to investigate the issue and negotiate a resolution, Moore entered in discussions with Philadelphia’s Postmaster Anthony Lambert and Congressmen Robert N.C. Nix. However, Moore declared negotiations unproductive due to the presence of Nix. Moore charged Nix with being a “racial apologist” and refused to resume negotiations with Nix present. After Lambert refused to resume negotiations without Nix, Moore contacted Lambert’s superiors in Washington D.C. to force him to resume but was denied. Consequently, on July 25th, Moore declared that if the issue was not resolved, the NAACP would have 2000 picketers in front of the 30th Street Post Office starting Monday July 29th, to disrupt mail trucks from going in or out of the building.

Despite a congressional sub-committee hearing on the problem of promotions within the USPS set for August 8th, Moore planned to carryout the protest and labeled the committee powerless. On July 29th, Philadelphia’s NAACP became the first organization to protest the government’s largest agency, the USPS. After a month long protest, the

⁸⁵ Philadelphia Tribune. *NAACP Levels New Blast At Bias in Post Office*. July 20, 1963

⁸⁶ Philadelphia Tribune. *NAACP Selects PO, Greyhound As Next Targets*. July 13, 1963.

NAACP reached an agreement with local postal officials that allowed the branch to review postal promotions in the city for one month for evidence of discrimination. While the protest did not provide immediate promotions for African American postal workers, Moore placed the NAACP in a position to actively engage discrimination and demand government intervention. Although the state and local governments had shown negligence in enforcing anti-discrimination in employment the protest began to made government take responsibility to take action on issues in the labor movement.

Both examples of protest in the local movement in Philadelphia demonstrate the departure of African American leadership from the liberalist passive committee collaboration approach. Organizations began to take direct action to address the needs outlined by African American leadership. The articulation of the problems and the contradiction of liberalism came to the forefront of the movement and were illustrated by direct action protest.

Conclusion

The movement for African American economic empowerment transitioned from a movement committed to the principles of liberalism to a direct action protest. This transition illustrates African Americans' frustration with liberalism and the empty promises of civil rights legislation. Moreover, the protest era demonstrates the philosophical differences between equal opportunity and African American liberation. The use of protest marked the period where African American leadership began to frame African American problems outside of the lens of the dominant political party and through the lens of the struggling masses. The tactics used required grassroots methods

that existed outside the lines of liberal reform. The selective patronage movement diverged from the NAACP's work with the CHR. Sullivan's 400 ministers claimed their agency and began to define the rule of engagement and the desired outcome. The protest on City Hall's construction sites was a direct implication of liberalism's support for discrimination. CORE's ability to force the mayor to discontinue construction for five days revealed the commitment of discrimination in the construction industry and the "do nothing" politics of liberal leadership.

Although these two forms of resistance are assimilations in nature, they demonstrate the inadequacies of liberalism. In the following chapter, I discuss more nationalist forms of resistance and identify the ideological shift in the movement for African American economic empowerment.

CHAPTER 6

CIVIL RIGHTS AND NATIONALISM: AFRICAN AMERICAN ECONOMIC DEVELOPMENT MOVEMENTS

Introduction

As the movement for economic development gained momentum in the mid-1960s, it was clear through the use of new modes of resistance that African Americans were beginning to sharpen their philosophical lens when charting out a course for addressing race and economic stability in the socio-economic climate of the United States. More apparent was the necessity to abandon the basic tenets of liberalism. The transition from the liberal reform movement to the civil rights movement illustrated that liberalism had far outlived its usefulness. The failure of local, state, and federal legislation, and the agencies that enforce them, to guarantee African American economic opportunities led to more radical methods of protecting African Americans' economic security. Moreover, the declining conditions of African American communities made it clear that economic stability for the masses of African American people would be gained by utilizing grassroots methods of resistance that was not dependent on assistance from the dominant political party. Committee collaboration that was a staple of the White LRM since the passing of the 1951 new Home Rule, began to have less significance as African Americans devised more effective ways to create results.

As the movement for African American economic development shifted protest methods from passive resistance to direct action, factions in the African American

community began to develop and implement institutions rooted in Black Power. To this point, Philadelphia's demonstrations were geared toward eliminating racial barriers that excluded African Americans from securing stable employment. Moreover, these approaches were assimilationist in that they sought inclusion in exclusively White industries. The new wave of African American intellectual leadership in Philadelphia began to move toward independent institutions and rejecting imperialism on a domestic and international front. With the emergence of African leaders in independent countries, such as Kwame Nkrumah in Ghana, the movement became more critical of international factors of African exploitation. Aspects of a Pan Africanist⁸⁷ approach emerged and influenced modes of resistance and economic models as an alternative to capitalism. More important, the struggle was being redefined and expanded outside the national borders to the international community. With the change in the national economy and the expansion of imperialism to Africa, Asia and Latin America, the movement to address White supremacy became a fight against international dominance.

New forms of resistance provided a much broader analysis of the African American condition within an international context. These new forms sought to reclaim African American agency through protest. The quasi-Nationalist factions sought institutional formation as a means of protest but still sought to be competitive in the

⁸⁷ A Pan Africanist approach to economic development is collective commitment to African economic liberation that extends beyond geographic borders. This concept takes from Marcus Garvey and Kwame Nkrumah philosophical conceptualization of a united African front for African liberation. I also lean on Dr. Zizwe Poe's assertion of Pan Africanism in that it is "a set of ideas and actions that seek to establish an optimal zone for macro African agency." Further Pan Africanism is concerned with centralizing collective African agency.

current socio-economic system without acknowledging capitalism's exploitive activities in Africa. A nationalist constituency formed which leaned on the philosophical positions espoused by Martin Delaney, Marcus Garvey, Elijah Muhammad, and Malcolm X. This faction sought Black power and independence from White racist institutions. Lastly, the Pan African perspective emerged which linked Africa and its Diaspora in a unified struggle against economic and cultural oppression. Thus, an Afrocentric analysis of the economic activities of the United States was beginning to influence methods of obtaining African American economic stability in Philadelphia. African Americans in Philadelphia, as well as Blacks throughout the nation, sought to identify the links that bind Africans throughout the world and other exploited communities. More important, more culturally inclusive ways of economic development were offered. Activists began to identify strategies that allowed them to act with a sense of social responsibility while disrupting the production of an oppressive system.

In Philadelphia, there are three distinct methods of resistance that formed three alternatives for African American economic development. These methods are: 1). Quasi-Nationalist "Black Capitalist", 2). Nationalism through Black Power and 3) Pan Africanist through international resistance to imperialism and exploitation. In this chapter, I discuss the climax of the assimilationist resistance and the formation of the "Black Capitalism," in Sullivan's 10-36 program and African American industrial ownership. In the first section, I discuss the methods of resisting White supremacy and the alternative Sullivan suggests for African American economic development. The next section investigates the Black Economic Development Conference and the Black

Manifesto's call for reparations. This discussion examines the formation of the Black Manifesto and its recommended alternatives for economic development. In the final section, I discuss the need for a Pan African movement as a means of securing African American economic stability, and provide examples of Pan African resistance and a charge to move toward African economic empowerment.

Progress Movement and the Zion Investment Associates

if we build a thousand OICs and establish AAEs all across America, or if similar kinds of training and outreach programs are established by other people... Black men must not only train for jobs but create jobs and add to the American economy -Leon Sullivan 1969

While Rev. Sullivan is well known for his role in organizing the “Selective Patronage” movement and the formation of Opportunities Institutionalization Center (OIC) training program, this research focuses on the role of Zion Investment Associates (ZIA) as a model for African American economic development. Focusing on ZIA allows us to analyze Sullivan's contributions to “Black Capitalism” and the quasi-Nationalist approach to African American economic development in Philadelphia. In my assessment, ZIA exemplifies the height of Sullivan's work in Philadelphia and gives us a clear understanding of his philosophical approach to gaining African American economic stability. It is my contention that while Sullivan's OIC programs were beneficial to the labor movement and a key component of economic development in Philadelphia, the program was also an extension of a vicious cycle that rationalized African American poverty. The rationalization of African American poverty in the new liberal reformist context constituted illegitimate prejudice in employment opportunities based on unequal

qualifications. The philosophical approach of professional training programs is one that suggests that African Americans possessed a personal pathology, a defect that implied that they were unfit for advancement in employment.⁸⁸ During the LRM's fight for equal opportunity, White racist industries used qualifications as rational for not employing African American workers, thus programs such as OIC were a reactionary response to unverified claims. Furthermore, the program was similar to projects previously established in the 1940s and 1950s such as the Defense Training program and programs initiated under the 1962 Manpower Development and Training Act. OIC's unique contribution was its Feeder Program and courses that were culturally and historically specific for African Americans. This does not diminish the value of the OIC; it simply repositions it as an extension of the LRM and suggests that it moved away from the protest and resistance tactics that were pivotal in the 1960s.

Brief overview of Opportunity Industrialization Center

Despite the influence that social protest had on creating employment opportunities for African Americans in Philadelphia, a new challenge of meeting job qualifications created new barriers in the struggle for equal opportunity in employment. Still committed to liberalism, Sullivan's position was that "... we had to be just as militant in getting our people ready for the jobs as we were in opening up the jobs for them." The OIC was designed to be a multi-cultural program, however, its location in the heart of the

⁸⁸ For discussion on the impact of Racism and the perception of African American workers refer to Gunnar Myrdal, *An American Dilemma: the Negro Problem and Modern Democracy*. Also refer to Guian McKee, *The Problem of Jobs; Liberalism, Race, and Deindustrialization in Philadelphia*.

African American community at 19th street and Oxford, illustrates its commitment to African Americans. The purpose was to serve as a training program that would give African Americans proficiency in skills needed to work in various industries that Philadelphia offered.

Following the success of the “Selective Patronage” movement, Sullivan recognized the slow rate of African Americans integrating into skilled positions, management positions, and gaining union membership. According to the United States Bureau of Labor, Whites made up 91.3 percent of the male professional and technical jobs, 93.8 percent of the managerial and proprietor positions, 85.7 percent of the clerical and sales jobs, and 85.6 percent of the craftsmen and foremen in 1960.⁸⁹ The limiting opportunities for African Americans in skilled and managerial positions made African Americans extremely vulnerable to poverty in a declining industrial economy. As a result, Sullivan instituted the Opportunity Industrialization Center (OIC), a multicultural professional and industrial training center geared toward preparing African Americans for skill trades and industrial labor. From Sullivan’s perspective, “Our people were getting jobs, but it was becoming more and more difficult to find people to fill some of the jobs. These were jobs that [African American] people had never had the opportunities to hold before in sizeable numbers” (Sullivan, 1969; p.86). Sullivan saw the OIC as the platform through which African Americans could gain necessary skills to take advantage of

⁸⁹ *U.S. Census of Population and Housing, 1960: Summary Population and Housing Characteristics: Philadelphia*. Washington: Government Printing Office, 1961. Also refer to Guian McKee’s *The Problem of Jobs: Liberalism, Race, and Deindustrialization in Philadelphia* 2008 pp. 115.

employment opportunities produced by protest. The OIC, like the “Selective Patronage” movement, was viewed as a grassroots program rooted in the tradition of self-help and self-reliance. It deviated from the White LRM approach of public policy and picked up where protest left off. Although the formation of OIC deviated from the White LRM and protest movement of the early 1960s, it sought the same ends, integration. Sullivan expressed his motivation for OIC when stating, “I could see that integration without preparation was frustration” (Sullivan, 1969; p.86). Thus, the OIC was intended to serve as the structural mechanism to resolve what Gunnar Myrdal, a social scientist, termed a “personal pathology” which suggests that African American poverty is rooted in uneducated and unskilled labor.

The Civil Rights Movement’s and Sullivan’s inability to resolve structural inequality in employment practices through protest and the failure of the education system led to a much subtler method of economic development. Sullivan chose to target the issue of professional training. McKee contextualizes the issue of professional development in Philadelphia’s African American community and the challenges of securing skilled positions when arguing

A number of factors created this dilemma. First, many employers based their requirements for entry-level jobs on the assumption that an employee would eventually be promoted to more demanding positions. As a result, hiring criteria often required skills that exceeded those actually needed for the initial job. Second, the combination of inadequate educational opportunities and years of discrimination had often made it difficult for [African American] Philadelphians to obtain skills, and even harder to take full advantage of skills that were developed. (McKee, 2008; p.124)

Demonstrating his commitment to the liberal pragmatic method of civil rights, Sullivan assembled a research committee to investigate the plausibility of an effective job-training program in Philadelphia. The committee established the criteria for a community-based program that would embody three central characteristics: 1) The program would provide specific training for skills needed for advancement in the local economy; 2) In addition to professional skill training it would provide remedial education and Black history courses; and 3) It would be rooted, physically and administratively, in the community it served. Due to the failure of previous job-training programs initiated by the federal government, Sullivan sought to make OIC specifically geared toward the African American community in Philadelphia. Many of the job training and job placement programs established to fight poverty largely excluded the African American community.

In July 1963, under the leadership of Sullivan, a group of ministers officially announced the establishment of OIC. Reverend Thomas Ritter was named the director; Sullivan served as the chairperson for the Board of Directors; and five ministers, five teachers, a lawyer, and a psychologist made up the remaining board members. After establishing the organizational structure and the ideological framework for OIC, Sullivan organized an operational meeting to draft instructors and administrative personnel. These positions were voluntary but critical in transforming OIC into the program that produced results for African American professional development training. According to Sullivan, OIC could not be an experiment but a solution based program that prepared African Americans for local jobs that existed.

In the latter part of 1963, with the assistance of Councilman Thomas McIntosh, Mayor James Tate signed an ordinance granting OIC's board of directors a lease for \$1 per year for 99 years (Sullivan, 1969;). The lease gave OIC a physical location in the heart of North Philadelphia, one of the most densely populated African American communities during the 1960s. Ironically, OIC's location, a dilapidated jailhouse, became the humble beginnings for a program intended to free an African American community imprisoned by poverty. The poor condition of the converted police station presented the board of OIC with another extraordinary task of renovating the facility. According to McKee, the program invested \$102,000 for renovations, hiring staff, acquiring equipment and supplies and developing the program's curriculum (McKee, 2008; p.). The funds were raised by a massive fundraising campaign that solidified the community's support as well as private investors.

Shortly after, a meeting with the executive director of the Chamber of Commerce of Greater Philadelphia, Keeton Arnett, president of Wanamaker Department store, Richard Bond, and Sullivan, helped to form a working relationship that gained OIC support from the business community (Sullivan, 1969;). In the mist of public protest of the business community and the construction trade unions, OIC became the beneficiary and outlet for the business community targeted by demonstrations for economic development. This union produced funding, training equipment, technical assistance, and most important jobs. Among supporters, General Electric Company proved to be one of the most crucial. In addition, Bell Telephone Company, the Philco Corporation, Smith, Kline and French Laboratories, Sharpless Corporation, the Western Union Company, the

Budd Company, Westinghouse, and IBM and unions such as the International Ladies Garment Workers Union and the Restaurant Union made up the supporting cast of OIC supporters (Sullivan, 1969; pg 92). An estimated value of \$200,000 worth of equipment and \$50,000 in liquid assets were donated to OIC, which helped to jump-start the program (Sullivan, 1969; McKee, 2008). In all, the union with the business community, more specifically the Chamber of Commerce, allowed the leadership of OIC to navigate through the murky political terrain of the business industry during a racially charged climate of protest centered on discriminatory employment practices and African American poverty.

On January 26, 1964, OIC held its dedication ceremony before a crowd of more than 8,000 community members, ministers, political dignitaries, businessmen, and reporters. Sullivan's address emphasized the shift from protest to institutional formation and professional preparation. Sullivan stated

In this center, we shall lift the competencies and the spirits of our children, and we shall prove to the world that genius is colorblind. We shall help our boys and girls to know, that it is not the color of a balloon that determines how high it can fly, but what it has inside of it.⁹⁰

The following day OIC opened its doors for applicants and on March 2, admitted its first class. On May 18th, OIC produced its first 20 graduates. More important than graduation, all 20 trainees had secured employment (Sullivan, 1969; McKee, 2008). OIC later incorporated a mandatory Feeder Program that offered remedial education courses (reading, writing, and mathematics), professional etiquette courses, and courses that were

⁹⁰ Transcript of Leon Sullivan's address at OIC dedication ceremony on January 26, 1964. Video provided by <http://www.philaoic.org/sullivan.htm>

culturally and historically relevant to African Americans (Sullivan, 1969:). The Feeder Program was OIC's indirect response to substandard education that crippled many of the trainees and was prevalent in Philadelphia's African American community. Thus, the OIC served as a professional training program and community up-lifting center. OIC expanded itself and established a national base in large metropolitan cities throughout the United States and eventually in 6 different countries.

OIC's rapid growth was due in part to the federal funding it received from the government's proposed "War on Poverty" (WOP). In 1964, under the Lyndon B. Johnson administration, the United States' government passed the Economic Opportunity Act (EOA), which charted the government's course for attacking poverty. In 1964, the Area Redevelopment Administration (ARA) awarded OIC a \$50,000 grant.⁹¹ During the same year, the Department of Labor's Office of Manpower, Automation, and Training awarded OIC \$458,000 for the Feeder Program. Under the EOA, the Office of Economic Opportunity (OEO) was formed to service the state and local governments through programs that were geared toward improving the health, education and social welfare of poor populations. To address the Anti-poverty movement sponsored by the United States government, the OEO formed programs such as Volunteers in Service to America (VISTA), Head Start, and the Job Corps (Augenbraun, 2010; p.7). Like the approach taken by the CHR, Johnson's WOP through the EOA provided funds for employment preparation and job skills training. On June 23, 1965, OEO financed OIC with a

⁹¹ Eric Augenbraun, (2010) *Stand on Your Feet, Black Boy!: Leon Sullivan Black Power, Job Training, and the War on Poverty*. Also so discussed in McKee, 2008. *Countrymen* 2006.

\$1,756,163 grant that gave OIC its financial stability (McKee, 2008). Between 1966 and 1971 the Philadelphia Council for Community Advancement (PCAA) allocated \$14,465,832 to Philadelphia's OIC. The federal support for OIC demonstrated two important factors: 1) The program was consistent with the government's philosophical approach of addressing poverty; and 2) The OIC was a conservative alternative to more radical means of African American economic development. The escalation of racial tension in Philadelphia in 1964 and the rise of Black Power politics created a political climate conducive for OIC. Thus, programs like OIC, the Black Coalition, and early programs like the Defense Training Program were largely funded and supported by the federal government as a means to addressing poverty. At the outset, OIC operated with the support of private supporters, lenders and Zion Baptist Church to sustain its operating budget (Sullivan, 1969; Countryman, 2006; McKee, 2008). However, shortly after OIC was established, the Ford Foundation and the federal government became major contributors.⁹²

OIC, under the leadership of Sullivan, produced business coalitions that helped to bridge the gap between industry and community. The OIC movement founded partnerships with federal and local government agencies as well as some of the most successful business minds across the nation. One of the key coalitions formed was the National Industrial Advisory Council (NIAC) and the National Technical Advisory

⁹² Opportunity Industrialization Center of America. Acc 688 Temple University Urban Archives Also refer to Sullivan, 1969; McKee, 2008; Countrymen, 2006.

Committee (NTAC). The NIAC/NTAC was OIC's national industrial support network.⁹³ The NIAC was a collaborative of roughly 35 business leaders that offer their personal expertise, influence, and their company's resources, in advising and assisting the Chairman of the Board in OIC matters. This coalition was formed to assure industry's commitment at the national and local levels and to enrich and update programs in addition to developing new systems and ideas to advance the productivity of OIC. The NIAC was vital in instituting the computerized management information system. Due to the advisement of Pfizer, Inc., International Business Machines, Inc., The Sun Co, Metropolitan Life insurance Co and The Sperry and Hutchinson Co. This system was formed to expand the OIC's technological management.⁹⁴ The NTAC was a committee appointed by the NIAC to provide advice and related assistance to the National Executive Director.⁹⁵

Zion Investment Associates

The success of the social protest movement revealed two significant things for the movement for African American economic development: 1) that structural change, no matter small or great, would only occur through protest and revolutionary resistance; and 2) that professional development and integration did not correlate to equal opportunity within a capitalist matrix. Sullivan's Selective Patronage campaigns were effective in breaking racial barriers in many of Philadelphia's leading industries, but it was only able

⁹³ Opportunity Industrialization Center America. Acc 688 Box 1 Folder 23. Temple University Urban Archives

⁹⁴ Opportunities Industrialization Center America Acc 688 Box 74 Folder 35 Temple University Urban Archives

⁹⁵ Ibid

to force companies to relinquish a minute number of mid-level and skilled positions for a rapidly growing African American population. Furthermore, OIC's professional development did not challenge the dominance of White businessmen on the local political economy and the nation's economic activities. Negotiations with some of the executives of leading industries helped Sullivan to conclude that the most efficient way of contributing to African Americans in Philadelphia was to develop institutions that would have the capacity to transform African Americans into owners of industry. Demonstrations petitioning Whites for entrance into their institution would not sustain African Americans' economic well being moving as it moved forward into the future.

Despite the expansion of OIC and its efficiency, the program still made many African Americans vulnerable and reliant on a changing economy that often times still rejected African Americans for high-level positions. Furthermore, the issue of deindustrialization and urban renewal created a new dynamic for the African American labor struggle in Philadelphia. The relocation of urban industries to exclusively White suburban communities, coupled with the discriminatory lending practices of the banking industry, created a new form of economic exclusion that limited African American opportunity for economic advancement (Oliver and Shapiro, 2006; p. 16-19). This mode of structural inequality had an adverse affect on Philadelphia's African American community and heightened the racial tensions in many of the city's integrated communities. By the mid-1960s, it was painfully obvious that deindustrialization and discriminatory practices in housing had devastating affects on urban communities: 1) the ghettoization of urban communities resulting in a decline in property value coupled with

restricted funding for renovation; 2) over populated communities that led to rapid deterioration of homes; and 3) impoverished communities that led to high levels of delinquency. McKee discusses the shifting climate and liberalism's inability to reform structural causes of poverty when stating,

...unwilling to alter basic economic structures, unable to address non-cultural causes of poverty and inequality and uncertain in challenging systematic dimensions of racism, liberals during the 1940s, 1950s, and early 1960s restricted political life to pluralist bargaining among interest groups, economic policy to a commercial Keynesian focus on overall growth and antipoverty efforts to remedies for the cultural and behavioral characteristics of the poor themselves. (McKee, 2008; p.9)

As a result, Sullivan developed the blueprint for a program that would once again redirect African American dollars for the purpose of investing in developing independent industries. Like the patronage movement, Sullivan's plan was rooted in the church and funded by members of Zion Baptist Church (Sullivan, 1969). This would serve as the peak of the assimilationist thrust for African American economic stability.

When Rev. Sullivan took over as presiding pastor of Zion in 1950, it had a membership of no more than 600 but grew to exceed 5,000 by 1969 (Sullivan, 1969). With a large congregation and a strong reputation in the community, due in part to his involvement with the selective patronage movement and the formation of the OIC, Sullivan was able to call on his members for a collaborative investment program. According to Sullivan, "Our ultimate aim is to become involved in the full circle of national and international economics and affairs" (Sullivan, 1969; p.161). Sullivan's OIC had benefitted from President Lyndon B. Johnson's WOP, now it was time to advance his resistance to discrimination by institution building.

Influenced by the philosophies of Booker T. Washington and Marcus Garvey, Sullivan sought to engage in a project that embodied the principles of self-help, self-reliance and ownership. Sullivan understood that in order for African Americans to equally participate in the nation's economy, they would have to own homes and businesses, as well as provide jobs for their own community. Sullivan argued

Blacks had bought the second-hand and third-hand houses from whites that took the money and ran like mad to all white suburbs to escape the black plague... Nor was there a single shopping center built and owned by black people anywhere in the Delaware Valley of which Philadelphia is a part. There was not a single factory, or an industry of any consequence that employed large numbers of black people or was owned and operated by African Americans. (Sullivan, 1969; p.166-7)

The wealth holdings of African Americans nationally, had not increased in the 100 years between 1862 and 1962 (.5 percent of the nation's wealth). Sullivan stated further that "we hold no more than one-half of one percent (point five percent) of the business and entrepreneurial wealth of the country" (Sullivan, 1969; p.165). Until that point, the protest movements organized in Philadelphia sought only to dismantle racial borders in employment but failed to build competing industries. Sullivan had abandoned the liberalist approach of political intervention due to the limitations of legislation and its governing bodies. As a result, Sullivan introduced his 10-36 proposal to the congregation of Zion in June of 1962.

The dominance of White businessmen in the African American community was illustrated by the 1964 Drexel Institute of Technology study that reported Whites owned 60 percent of all businesses in the African America community (McKee, 2008; p.183). Furthermore, Sullivan predicted that by the year 2000, half of the jobs people held would

no longer exist; new jobs will have taken their place (Sullivan, 1969; p.144). As a result, Sullivan stressed the need for a shift in strategy from direct and indirect protest to investment and institutional formation. To this end, Sullivan instituted Zion Investment Associates. He felt the resistance had to exist in a form that was adequate in combating new manifestations of institutional racism. He asserted, “Emancipation is achieved socially when people move in protest against injustice and deprivation. But economic emancipation is gained by knowledgeable bargaining, careful fiscal management and control and open competition” (Sullivan, 1969; p.162). Sullivan’s new approach to African American economic development was his own form of “economic emancipation”. According to Sullivan, “My intention was not to change the order of things so much as to demonstrate what could be done by consolidating the economic resources of a dedicated few” (Sullivan, 1969; p.166). Sullivan argued, “...We were living on a different kind of plantation, except that we went to our own homes at night” (Sullivan, 1969; p.168).

Sullivan explained that African Americans had become completely dependent on outside industries for employment, housing and lending. He argued, “The black man was an economic beggar. He rented himself out to white employers for a weekly paycheck and owned little of significant commercial value” (Sullivan, 1969; p.168). Through economic collaboration and institutional development, African Americans could stand on their own ground economically. The study published by Drexel Institute of Technology also reported that in 1964, African Americans owned 4,242 businesses that accounted for

9 percent of the city's total. The report revealed that only 13 of the businesses were in manufacturing and only 14 were in wholesaling. McKee states

eight of the manufacturers and eight of the wholesalers were either producers or distributors of beauty products. Hairdressers, barbershops, and restaurants, almost all of them small and extremely marginal in profit making, stability and physical conditions, accounted for 46.5 percent of the remaining black owned businesses in the city. (McKee, 2008; p.183)

The labor movement in the United States, while in the beginning contained some great leaders in the struggle against the absolute control of the economy by the industrial giants, essentially fought only for more money.

Sullivan's 10-36 program proposed a platform that transcended liberal legislative intervention and the pragmatic approach of committee/community cooperatives. The 10-36 was a program that Sullivan felt responded to the changing economy, deindustrialization, and the declining opportunities for African Americans in a racialized society. Aside from the boost in the defense industrial production, by the 1950s, the industries that still remained in Philadelphia were on the decline. Shortly after WWII, industrial production across American cities experienced a decline, most notable those in Detroit, Chicago, and Philadelphia. The empty promises of the New Deal of the mid-1930s and 1940s left thousands of disappointed African American migrants in Philadelphia. African Americans employed by manufacturing industries were limited to the lowest-paying, dirtiest and most dangerous jobs (McKee, 2008). African American women were limited to domestic service jobs. The limitations of industrial opportunities coupled with discriminatory practices in nearly all industries forged an economic climate

that produced an African American community largely ravaged by poverty and dependency.

Grounded in the Black church, Sullivan utilized a Bible scripture, Luke 9 verses 10 – 17, as the spiritual and philosophical foundation for the 10-36-50 business venture. The principle taken from the verse was that collective resources of a small group could be invested to produce businesses that had the potential to feed many. Sullivan termed it “The Gathering of Fragments for the Emancipation of Our People” (Sullivan, 1969). On June 15, 1962, Sullivan introduced the basic framework for the 10-36-50 plan to his congregation. The 10-36-50 plan had 4 major objectives: 1) accumulate community capital; 2) community development of its own needs; 3) community involvement in its own destiny; and 4) a basic belief in the self-help concept.⁹⁶

At the conclusion of his sermon, Sullivan asked 50 members of his congregation to invest \$10 per month for a total of 36 months to establish the Zion Investment Associates, Inc. (ZIA)⁹⁷. A strong base of 227 members volunteered. The overwhelming response from the parish caused Sullivan to change the titled to simply 10-36 plan. To establish a consistent flow of cash, the plan stipulated that dividends could not be expected immediately. Participants’ investments were funneled into two different aspects of the Progress Movement; 1) An Investment Corporation for profit making purposes

⁹⁶ The 10-36 “Development Manual” Opportunities Industrialization Center of America ACC 688 Box 75 Folder 23. Temple University Urban Archives

⁹⁷ Ibid Also refer to L. Sullivan, Build Brother Build, McKee, The Problem of Jobs; Liberalism, Race and Deindustrialization in Philadelphia, Countrymen, Up South; Civil Rights and Black Power in Philadelphia, Augenbraun, Stand on Your Feet, Black Boy!”; Leon Sullivan Black Power, Job Training, and the War on Poverty.

(ZIA) established in 1965 and 2) A Non-Profit Charitable Trust, (The Trust) that was established in 1966.⁹⁸ ZIA, the for profit business component of the Progress Movement, invested in real estate and business ventures that sought to expand ZIA capital and investment power. Concluding the three-year investment period, participants were endowed one share of stock in all ZIA enterprises. Participants were free to retrieve their investment at any time but without any interest accrued on dividends and forfeiture of the right to rejoin the investment corporation.⁹⁹

Sullivan stressed that collective commitment over time would lead to strong investment cooperative and cause ZIA's stock to consistently increase its value. By 1965, the investment corporation reached 600 investors. In all, ZIA grew to more than 5,000 stockholders.¹⁰⁰ ZIA's first active investment came in 1964, with the purchase of a \$75,000 apartment building in a predominately White community. Due to the escalating tensions of discriminatory housing practices and its effects on the quality of African American housing, this venture embarked on a critical component that contributed heavily to African American poverty. After a landlord of the 8-unit building discriminated against a couple of Sullivan's congregation, Sullivan and ZIA associates moved to purchase the property (McKee, 20008). This venture accomplished two major achievements as related to Philadelphia's racial politics: 1) it alleviated the use of legislation and government intervention in desegregating housing; and, most importantly

⁹⁸ Ibid

¹⁰⁰ Temple University Urban Archives Opportunity Industrialization Center of America ACC 688 Part 4 Box 74 folder 26

2) it provided stockholders with ownership and power to dictate the management of housing.

Later in 1965, the “Zion Non-profit Corporation” broke ground on Zion Gardens, its first construction project. The project was a \$1 million construction of a 96-unit apartment complex at Girard Avenue and 11th street in North Philadelphia.¹⁰¹ The project made history, being the first site developed and owned by African Americans in Philadelphia. The project also marked the first community intervention of the slum clearance projects taken on by the LRM during the 1950s that contributed to overpopulated communities. By 1966, Zion Gardens was completed and fully occupied with 400 families on the waiting list. Financing for Zion Gardens was partially provided by “The Trust” and private loans made available by the Department of Housing and Urban Development (HUD) under Section 221 (d)(3) of the National Housing Act (McKee, 2008; p.187). Sullivan and associates were able to take advantage of the Department of Housing and Urban Development Act of 1965 to provide quality housing for low and middle-income families in urban communities.

In 1967, ZIA invested \$2 million in the construction of the Progress Plaza Shopping Center, a 2.4 acres shopping center in North Philadelphia at Broad Street and Oxford. Progress Plaza became the first Black-owned and managed shopping center in Philadelphia. Sullivan reported that in the outset, Progress Plaza consisted of 16 stores, 10 owned by African American entrepreneurs and the other 6 establishments were leased

¹⁰¹ Opportunities Industrialization Center American Acc 688 Box 74 Folder 34. Temple University Urban Archives. Sullivan, Build Brother Build, McKee, The Problem of Jobs: Liberalism, Race and Deindustrialization.

out (McKee, 2008). The 6 establishments were major corporations such as First Pennsylvania Bank and Trust, Mary Hat Shop, a Marriott Restaurant, North Carolina Mutual Life Insurance Company, Bell Telephone, and Atlantic & Pacific Supermarket (A&P). ZIA stipulated that all retail stores in Progress Plaza were to be managed by African Americans. The twenty-year, \$1 million contract with A&P Supermarket solidified Progress Plaza and helped to attract other major businesses. According to Sullivan, the lease was the largest agreement ever made with an African American group in the history of America. The shopping center illustrated the capability of community cooperatives and provided an example of the significance of Black ownership. ZIA placed itself in a leadership position to create employment opportunities and construct racial provisions on management positions as well as the racial demographics of Progress Plaza's work force.

To further expand on the economic development component, ZIA established three subsidiaries: Progress Aerospace Enterprises, Inc. (PAE) in May of 1968, Progress Garment Manufacturing Company, Inc. (PGM) in August of 1968, and Progress Enterprises, Inc. (PE).¹⁰² According to Sullivan, PAE was "born at breakfast" in an April meeting between Sullivan and Mark Morton, The Vice President of General Electric's Missile and Space Division in Valley Forge Pennsylvania. In the meeting, Sullivan introduced his idea of incorporating an aerospace company. Like the feeder component of the OIC training program, Sullivan sought to diversify ZIA's enterprise in a

¹⁰² Opportunity Industrialization Center America. Acc. 688 Box 74 Folder 26. Temple University Urban Archives

sophisticated industry as a form of inspiration. He argued that PAE would demonstrate that “[African American] owned and managed businesses [could] compete profitably in more sophisticated sectors of American industry.”¹⁰³ Following the meeting, Sullivan gained General Electrics’ (GE) support in establishing ZIA’s new venture. In addition to contractual support, GE provided ZIA with the technical personnel for its infrastructure. Sullivan eventually hired Benjamin W. Sallard as production manager as well as other African American GE employees to make up PAE’s management and technical staff (McKee, 2008; p.191). PAE was a manufacturer of sophisticated electronics that demanded the use of engineering and skills. In June of 1968, Sullivan introduced the new investment to stockholders and by July, PAE was fully operational in its new location at Windrim Avenue (McKee, 2008). PEA also collaborated with the U.S. Department of Labor and the National Alliance of Businessmen (LNAB) to form Job Opportunities in the Business Sector (JOBS), a training program for the unskilled/unemployed populace. LNAB funded PAE \$522,000 for the training program (McKee, 2008).

GE awarded PAE’s its first contract for nearly \$2.6 million to produce subcomponents for its space program. In August of 1968, PAE delivered its first completed product to GE, less than 2 months after establishing a physical location for production. PAE received contracts from NASA, U.S. Air Force, Boeing , Philoco-Ford,

¹⁰³ 1973, Summer. Progress Parade. This is the newspaper of the PAE and Progress Produce Company. Opportunity Industrialization Center America. Acc. 688 Box 74 Temple University Urban Archives.

and Westinghouse (Sullivan, 1969; McKee, 2008). By the end of 1976, PAE employed approximately 100 people and had a backlog of work of roughly \$7,000,000.¹⁰⁴

In August of 1968, ZIA launched the Progress Garment Manufacturing Enterprises (PGM), an enterprise in Philadelphia's apparel industry. With the support of the International Ladies' Garment Workers Union and Villager Corporation, PGM was able to secure subcontracts to insure immediate production. According to Sullivan, "hundreds of thousands of garments were subcontracted by the Village [Corporation] to the PGM." The Village Corporations also provided technical assistance and management training for the "whole garment-manufacturing process." The Singer Corporation also provided the PGM with equipment and within a year the company was producing its own label, 10-36 Fashions by Progress. The PGM operated out of the Windrim location and started with 16 employees but quickly grew to 50 by 1970 (McKee, 2008). PGM secured a contract from Sears Roebuck producing women skirts. However, PGM was short lived. In 1970, PGM's reliance on contracts by Villager Corporation was illustrated when the contact was ended. PGM was unable to secure a significant contract and was forced to discontinue production within a year. By mid 1971, PGM discontinued contracts in the apparel industry and began accepting contracts in electronics. ZIA then restructured the subsidiary and transformed it to Progress Product Company (PPC).

PPC was a commercial electronics manufacturer that dealt with high production of basic electronics that required labor-intensive work. PPC secured small-scale

¹⁰⁴ Opportunities Industrialization Center America ACC 688 Box 74 Folder 26. Temple University Urban Archives

contracts from Delco and IBM and large-scale contracts from General Motors, where Sullivan now served on the board of directors. At one point, PPC employed 149 people and had a backlog of roughly \$3,000,000.¹⁰⁵ In addition to PPC, PE was a small volume of commercial electronics and owned a complex of industrial buildings that housed all of ZIA's manufacturing operations. In 1976, ZIA's investment ventures created 263 jobs.¹⁰⁶

ZIA continued to expand its economic development activities in early 1970 by incorporating "Our Markets", its own line of convenience stores. Despite the presence of A&P Supermarket, Our Markets intended to provide inexpensive food products to urban communities. With a \$200,000 grant by the Ford Foundation, ZIA opened its first store in February of 1970 and by spring of 1971 expanded to 4 locations. Like Progress Plaza the stores were managed and staffed by African Americans. Also in 1970, ZIA incorporated its own construction company. Unfortunately, ZIA's construction company was only successful in completing construction on Zion Baptist Church.

On the community development component, the charitable trust emphasized job training, community improvement, and community development. The non-profit trust funded educational and scholarship benefits for children and initiated other projects servicing the African American community and other impoverished communities in need of development. The Trust concentrated on community development in two areas: 1) Physical development in the rehabilitation of homes and the selling of those properties to persons indigenous to the targeted community; and 2) Assisting individuals with

¹⁰⁵ Opportunities Industrialization Center America ACC 688 Box 74 Folder 26. Temple University Urban Archives

¹⁰⁶ Ibid

entrepreneurialism through professional consultation, and financial packaging at no cost. The two-prong program established funds for community development in education, health and social welfare programs as well as business development in the local market.

Programs created under “The Trust” such as Entrepreneurial Development Training Center (EDTC), focused on business management training and business ownership. The EDTC training site was located in Progress Plaza and also received funding from Ford Foundation and federal agencies such as the Office of Minority Business Enterprises (OMBE) and the Department of Commerce.¹⁰⁷ EDTC helped to fuel the federal funding of programs for small businesses that provided participants with business cost planning and operation projections for entrepreneurs. It provided prospective business owners with financial and technical planners. Through EDTC, individuals would have their business plans put on paper and organized into a presentation for lending institutions. EDTC, as well as other OIC programs, were an extension of Johnson’s WOP. The central aim was to promote economic development and eliminate poverty through financing entrepreneurship. Also under the umbrella of “The Trust”, was the Progress Educational Project (PEP), a tutorial program for junior and senior high school students to help prepare them for the transition to college. PEP had a high success rate, sending 90 percent of participants to the college of their choice.¹⁰⁸ The Trust, through EDTC and PEP, provided students with college counseling,

¹⁰⁷ Opportunities Industrialization Center America ACC 688 Box 74 Folder 26. Temple University Urban Archives

¹⁰⁸ Opportunities Industrialization Center America ACC 688 Box 74 Folder 45. Temple University Urban Archives

college tours, college placements, as well as scholarships and emergency funding for students in need.

In addition to the “The Trust’s” involvement with the Zion Garden’s construction project, the program also sponsored the Progress Community Development Corporation (PCDC), an on the job training vehicle that had subsidiaries in real estate, construction, real estate renovation, and real estate management. Through its subsidiaries, the program was able to give participants on job experience in various aspects of real estate. The real estate subsidiaries were not for profit, but rather a means through which students could get experience and allowed the “The Trust” to rehabilitate neighborhoods by purchasing properties, rehabilitating them and selling them to members of that community. By 1976, “The Trust” had acquired more than 60 properties and was able to intervene in the deteriorating of community housing (McKee, 2008).

Despite the rapid growth of the Progress Movement and the wide range of investment and entrepreneurial activities of ZIA, it faulted both on an operational level and on a practical level as it related to its philosophical foundation. On an operational level, many of ZIA’s subsidiaries struggled to remain profitable in the early years. PAE, PPC, and Progress Plaza were extremely dependent on major corporations and contracts by the United States government, specifically its defense industry. Although PAE won contracts by numerous companies, it was dependent on contracts from GE which accounted for 78 percent of its work, and 94 percent of its total production was associated

with federal sources.¹⁰⁹ Despite the security of GE and government contracts, PAE reported a loss of \$279,885 in 1972 (McKee, 2008). In addition to PGM folding in 1971, largely due to losing a contract with Villager Corporation, PAE's financial stability was contingent on its relationship with GE. "Our Markets" also recorded losses in 1971 (\$67,000) and 1972 (\$167,395). According to McKee, ZIA's and its subsidiaries lost more than \$2.3 million between 1968 and 1972. Despite PAE's turnaround between 1972 -1978, PEA succumbed to debt in September of 1980 (McKee, 2008). Progress Plaza and PPC remained marginally profitable but was unable to sustain the accumulated debt of ZIA subsidiaries. PPC was unable to continue their production by 1982 due to cost of production and outdated equipment.

ZIA did undergo reconstruction in 1977 and changed its name to Progress Investment Associated and maintained control of the Progress Plaza. In 2007, Progress Plaza's refurbishment under the state of Pennsylvania's Fresh Food Financing Initiative. The contradictions between ZIA's practical application and its philosophical objectives were illustrated both in the nature of contracts and its response to financial hardship. When met with financial strain, ZIA responded in the same fashion as typical corporations operating in a capitalist system. In 1973, ZIA laid off more than 37 percent of its work force. Thus, its commitment to job creation was compromised in the face of adversity. Aside from its promotion of African American management, ZIA operated as any other corporation. This is expected in a harsh capitalist market. This highlights the

¹⁰⁹ 1973, Summer. "Zion Expands Plant Facilities" in Progress Aerospace Enterprises Inc. Progress Parade newspaper. Opportunity Industrialization Center of American ACC 688 Box 74. Also discussed in McKee The Problem of Jobs pg 197.

weakness of capitalism and illustrates the limitation of African American economic empowerment within a capitalist structure.

The nature of ZIA contracts also contradicted its philosophical intent. Due to much of ZIA's contracts being funded by federal dollars, a large percentage of its production contributed to military commodities during the Vietnam War where large numbers of African American lives were lost. In addition to African Americans losing their life at a disproportionate rate, the war symbolically represented the expansion of Western dominance and capitalism. Equally important, these military goods helped to solidify Americans' presence in Africa countries as a means for exploiting African labor. The expansion of American corporations in Apartheid South Africa was made possible by military occupation that was fortified by the manufactured goods produced by ZIA subsidiaries. Thus, the jobs created by ZIA contributed indirectly or directly to African exploitation.

The collaboration of industry and community was the strength of the Progress movement, which grew out of OIC and was implemented by ZIA investments. While the OIC was instrumental in massive job and professional training programs, the activities of ZIA and its subsidiaries directly engaged African American economic development under a capitalist context. Sullivan and his industrial ventures sought to gain ownership of industry and get returns on investment in the local economy. Through ZIA's investment group, a collective of African American investors, Sullivan was able to purchase Zion Gardens, Progress Shopping Center, industrial properties for manufacturing firms, and real estate throughout Philadelphia. These ventures empowered stockholders to dictate

management positions, construction contracts, and receive return on dividends from a wide variety of investments that fell under the umbrella of ZIA. In addition to the ownership aspect of ZIA, The Trust established ZIA as a community development program by way of its real estate and refurbishment projects that it undertook. Due to the negative effect that the Federal Housing Act of 1949 had on African American's housing prospects and the refurbishment of older properties, The Trust was a program rooted in the community to intervene in the deteriorating conditions that many African American families experienced. Neglect by the federal and local sectors of the government and its inability and/or unwillingness to address the discriminatory practices in housing contributed to communities that were overpopulated and forced African Americans to purchase or rent homes that were older, which in essence produced what is generally referred to as the ghetto. Although ZIA did not address the government's role in the formation of poverty stricken communities, The Trust targeted properties that were in African American communities helping to increase the value of African American property. Also, ZIA helped to bridge the gap between government spending and housing through its real estate projects. The economic development activities of ZIA and its subsidiaries were the peak of Sullivan's contribution to African American economic development in Philadelphia and have remained visible to this day.

The ZIA model for African American economic development was not designed to resolve poverty, rather create investment opportunity for the African American middle class. The investment aspect of ZIA provided opportunities for those whom had expendable capital to invest. ZIA investment ventures were not geared toward solving

the issue of poverty. Statistics suggest that more than 70 percent of African American households have zero or negative assets, thus the overwhelming majority of African Americans in Philadelphia as well as throughout the country would have been unable to participate (Oliver and Shapiro, 2006; p). The model supports “the rich get richer and the poor get poorer” model that often times is found in capitalist societies. Sullivan and ZIA investors accept the underlining principles of capitalism without engaging the devastating effects that it has had on African communities throughout the world. In essence, the ZIA model champions the imperialist aspect of capitalism and fails to address economic development and the racial factors that have historically influenced it. The ZIA model is a manifestation of “Black Capitalism” in that it attempts to capitalize on investment opportunities in and around African American communities with out critically evaluating the larger scope of poverty. In essence, the ZIA model was a program that further widened the wealth gap between the African American middle-class and the poor.

The Black Manifesto: Black Power and Reparations

The struggle for black power in this country is the struggle to free these colonies from external domination...Black power is more than a slogan; it is a way of looking at our problem and the beginning of a solution to them. It attacks racism and exploitation, the horns of the bull that seek to gore us.
- Kwame Ture (Stokely Carmichael)

When the missionaries came to Africa they had the Bible and we had the land. They said, ‘Let us pray.’ We closed our eyes. When we opened them we had the Bible and they had the land. -Bishop Desmond Tutu

Another significant model for African American economic development in Philadelphia came out of the Black Power era with the call for reparations by the Black Economic Development Conference (BEDC). Although this movement was directed at

White religious institutions (White Christian churches and Jewish synagogues), its critique on capitalist exploitation, the role of religious institutions in expanding capitalism, and the need for African American reparations became the foundation for the current movement for reparations and the repairing process of African Americans' psychological, economic, cultural, and spiritual reality. The BEDC was not only a response to African American poverty but also the White religious efforts toward urban economic development. In September 1967, religious leaders formed a liberal interfaith group consisting of 23 individuals to form the Interreligious Foundation for Community Organization (IFCO), in an attempt to direct church funds toward organizations that fought against poverty and social injustice in urban communities.¹¹⁰ The IFCO served as the religious community's response to wide spread poverty in urban communities and the rise of the Black Power movement across the country. A year after the inception of the IFCO, arrangements were made to institute a National Black Economic Development Conference (NBEDC) to bring African American leaders together for discussions and action on the economic aspects of the Black Power movement.¹¹¹ In October 1968, the National Committee of Black Churchmen (NCBC) expressed disappointment with White religious establishments efforts and called for Black control of white funded community development projects.

¹¹⁰ Countryman, Matthew. *Up South*. University of Pennsylvania Press 2006. Also for discussion on the history of the Black Manifesto movement refer to Robert Lecky and L. Wright. *Black manifesto; Religion, Racism, and Reparations*. Sheed and Ward, Inc., 1969. Arnold Schuchter, *Reparations: The Black Manifesto and its Challenge to White America*. J.B. Lippincott Company. Philadelphia PA.1970.

¹¹¹ Time Magazine. *Churches: A Black Manifesto*. May 16, 1969.

However, in April 26, 1969, at the NBEDC in Detroit, a group of activists, including James Forman, took over the conference and the BEDC emerged. The organization formed chapters in cities across the country, including Philadelphia. The BEDC adopted the “Black Manifesto”, a document that demanded financial compensation for systematic economic exploitation through slavery and institutional racism via Jim Crow de facto discrimination. The manifesto was passed by a vote of 187 to 63 out of roughly 500 participants (Lecky, 1969). According to Muhammad Kenyatta, national administrative vice chairmen for the BEDC and the chair of the Philadelphia chapter, African Americans are owed back capital as a result of free labor during enslavement and for further exploitation for 100 years after enslavement. The Black Manifesto marked the first call for reparation for African Americans and outlined an extensive action plan for African American liberation. The BEDC, through the Black Manifesto, called for a complete reorganization of the American political, economic and social infrastructure of the United States. The Black Power movement, as well as aspects of the Socialist Left, influenced the call for the reorganization of economic and political power.

Under the leadership of Kenyatta, the Philadelphia chapter of the BEDC presented the Black Manifesto to local Episcopalian Bishops seeking a commitment to their demands for reparations. Kenyatta gained support of some African American clergymen after a meeting with Paul M. Washington, the presiding pastor of The Church of the Advocate. Washington, an active participant in the Black Power Conference of 1968, organized a meeting with the leadership of the BEDC and immediately was impressed by

the presentation and clarity in which Kenyatta was able to articulate the rationale for their demands. For Washington, the Black Manifesto served as a prophetic voice calling for the repentance of the Episcopal clergy. Washington also arranged a meeting between Kenyatta, himself, Bishop Robert DeWitt and others at the Church of the Advocate for Kenyatta to present the Black Manifesto. Bishop DeWitt, who had been interested in the concept of reparations, became a supporter of the Black Manifesto and committed to presenting demands of the manifesto to his diocese and the members of its Executive Council (Washington, 1994; p.88).

On May 1st, the Black Manifesto gained national attention when Forman disrupted the service of the Episcopal Church Center in New York City to present their demands. 12 days later, Forman, through the BEDC, made a formal written request to Bishop John Hines, presiding bishop of Episcopal Church Center, demanding \$60 million, 60 percent of the church's profit on assets each year and an accounting of the total assets of the Episcopal Church in all its dioceses (Washington, 1994; p.8). The presentation of the manifesto to White churches and soon after Jewish synagogues, was an indictment of the White faction of the Christian and Jewish clergy for its beneficial relationship with capitalism and their direct involvement in the exploitation of African Americans. Soon after gaining national attention, the mid-Western division as well as the Philadelphia chapter, increased their activities and became active in the public discussion of the manifesto and the notion of reparations.

According to Washington, Kenyatta's Philadelphia chapter of the BEDC had developed an efficient public relations campaign that publicized the demands of the

manifesto and began highlighting other critical issues of injustice affecting the African American community (Washington, 1994; p.88). By the mid 1960's, Philadelphia had become a bedrock for the Black Power movement, which heightened the sensibilities of the federal, state and local government agencies. Furthermore, due to Philadelphia being the host of the 1968 Power Conference, the federal government and the local police department targeted organizations associated with Black Power, which made police brutality a growing concern for the African American community and the local spokesperson for the BEDC. Like Forman, Kenyatta disrupted local Episcopalian church services to present the manifesto. According to Bishop DeWitt, Kenyatta intruded on a service at Holy Trinity, Rittenhouse Square, recited the demands of the manifesto then marched to the altar and picked up the offering dish and flung the money on the floor. This act symbolically represented the hypocrisy of the "holy" offering in an institution that neglected to assume responsibility for the historical exploitation of African Americans. In July 1969, Kenyatta formally wrote Bishop DeWitt demanding reparations from the Diocesan of Pennsylvania (Washington, 1994; p.88).

Although acts of protest by members of the BEDC had been staged in cities throughout the nation, Philadelphia's chapter was effective in gaining support of active clergymen that played an active role in the push for reparations. Kenyatta, a charismatic leader, gained the support of both Washington and DeWitt, members of the Pennsylvania Diocesan. On June 4, 1969, Kenyatta and other activists protested the Westminster Press United Presbyterian Church and demanded \$20,000 for a NBEDC campaign and office space (Lecky and Wright, 1969). The BEDC steering committee took the church's

typewriter but returns it 8 days later. A week later on June 11th, Black Manifesto supporters occupied a Quaker settlement house in Chester. The escalated activity by the BEDC influenced the Sixth Annual National Workshop on Christian Unity in Philadelphia to allow Kenyatta to present the manifesto on June 19th. On July 3rd, the Philadelphia's BEDC took over Cookman United Methodist Church and occupied it causing church services on July 6th to be cancelled and protests continued. However, two days later, Cookman church officials demanded that protesters evacuate the premises and threatened with court action. On July 14th, five of the eight clergymen demonstrating were arrested as police ended occupation of Cookman Church. In addition, the group of clergymen refused to meet with Judge Robert Nix. However, on August 3rd, Judge Nix subpoenaed 5 BEDC leaders to warn against church occupations (Lecky, 1969).

At the behest of DeWitt, Kenyatta was invited in July 1969 to a meeting of the Diocesan Council to present the manifesto's demands (Washington, 1994; p.89). With the collective support of Washington and DeWitt, the Diocesan formed a committee chaired by Rev. Richard Hawkins to research African American poverty and the plausibility of the Diocesan to contribute funds toward structural intervention. On July 10th, the Council of Episcopal Diocese rejected Kenyatta's demand but Bishop DeWitt and local delegates formed a special denominational convention in August to support NBEDC to endorse the manifesto.

On July 13th, Kenyatta addressed the Abington United Presbyterian Church and threatened to demonstrate if reparations were not paid. Later, a 160-person city coalition (Reparation Action Project) of Protestants, Catholics and Jews supported

reparations. On August 13th, BEDC was given permission to keep the Quaker settlement house in Chester for one year after earlier demonstrations (Lecky and Wright, 1969).

The BEDC was largely unsuccessful in their goal of seizing the funds from White religious institutions for the purpose of community and economic development. The Philadelphia chapter of the BEDC was able to get a commitment from the Diocesan Council to establish a \$500,000 Restoration Fund for antipoverty projects in the Philadelphia African American community. However, the Restoration Fund did not fund BEDC's projects or proposed charities. The Quaker's religious community also formed an ad hoc committee of the yearly meeting that was to appropriate \$100,000 toward African American economic development projects. The BEDC received \$5,000 total in individual donations. The Council of Black Clergy donated \$1000 and church groups in other cities gave similar amounts (Countryman, 2006). In all, the BEDC movement was ineffective in accumulating capital for economic development activities or convincing White religious institutions of its financial debt to African Americans for aiding in African American economic exploitation.

However, the movement did provide a critical analysis of capitalism and presented the platform for reparations. The discourse of African American economic development and the process of repairing the dire conditions of the African American community were forged to the forefront of the national discussion. The plea to religious leaders did not receive the desired response of BEDC activists but it created the self-evaluating mirror for White Americans to conceptually face. More significant, the movement was effective in articulating the devastating affects of capitalism, through a

socialist lens. Despite the Marxist perspective, activists centralized the African American community and developed a platform that sought to address racism and economic exploitation from a Nationalist orientation. The BEDC movement abandoned the liberal approach to economic development as well as alternatives that sought inclusion in the capitalist system. Like the Black Power movement, the BEDC began to explore new alternatives for African American liberation. According to Kwame Ture,

...more and more of us were realizing that our problems would not be solved by the enacting of these laws. In fact, these laws did not begin to speak to our problems. Our problems were an inherent part of the capitalist system and therefore could not be alleviated within that system (Carmichael, 1967)¹¹²

Although I do not agree with the philosophical principles of the movement, the BEDC movement marks a shift in the evolution of the African American economic development. The Black Manifesto presents a Nationalist approach to gaining economic stability. It marks the deviation from previous approaches of White coalitions, committee collaborations, and White leadership.

Conclusion

The two models discussed progressed the struggle for African American economic development beyond protest for equal opportunity in employment. ZIA of the OIC, targeted ownership of industry and the BEDC sought to: 1) gain reparations for African Americans for exploitation and institutional White supremacy; 2) establish nationalist institutions that were geared toward community and economic development;

¹¹² Carmichael, Stokely. Black Power and the Third World. Address to the Organization of Latin American Solidarity, August 1967. Third World Information Service. Thornhill Ontario.

and 3) reconstructing the political and economic infrastructure of the United States. Ultimately, these models failed to accomplish many of the goals charted by their respective organizations, but in their failures critical lessons were left for the current movement for economic empowerment.

The principals of collective cooperation and industrial investment during the 1960s sought to eliminate racial discrimination through business ownership and competition. The rapid return on ZIA's investment capital made collective cooperation within the capitalist market appear highly lucrative for African Americans. However, the ZIA movement failed in two critical areas: 1) It did not produce a large number of jobs; and 2) It failed to directly challenge structural White supremacy. While ZIA was able to temporarily dictate the hiring practice of businesses that partnered with the ZIA subsidiaries, the number of positions was minimal and the act of racial discrimination was still widely practiced throughout the 1970's and arguably today. Currently, Progress Plaza does not house an African American owned business and African Americans manage few businesses in the plaza. While the racial climate of the United States is relatively similar to the 1970's, ZIA's racial policy has changed, leaving African Americans at a disadvantage.

The failure of ZIA to directly address White supremacy during Philadelphia's deindustrialization process only contributed to making African Americans' economic condition worse in that as jobs began to move to suburban communities, the quality of jobs decreased and the opportunity for upward mobility decreased. Moreover, the unwillingness of ZIA to explore other means of economic development outside of

capitalism, perpetuates the systems' exploitative characteristic domestically as well as other international communities. ZIA's leadership commitment to liberal structural reform undermined a more Pan African perspective to African American economic development.

The BEDC did call for reparations, however, the movement also relied on the moral conscience of White religious institution. While the movement sought to establish independent institutions, it was heavily dependent on White liberal sympathy. Moreover, it charged African Americans to seize positions of leadership as a means of restructuring the political and economic infrastructure of the United States, which is essentially reformist. The movement failed to develop international relationships with Africana Diaspora communities and extend the movement beyond the borders of the United States. The exploitation of African Americans to fuel the advancement of the United States was the same as US exploitation in Africa yet the movement did not include other African communities. Due to its nationalist approach, the BEDC sought to develop institution in the United States independent from Africa and its Diaspora. However, the movement made a critical assessment of capitalism and the need for reparation addressing African American economic development.

As the movement for African American economic development moves forward, I recommend that a Pan Africanist perspective be used in approaching economic development. Movements that unfolded in Philadelphia have taken aspects of Pan Africanism. Take for instance the Coalition to stop Rhodesian and South African Imports in the early 1970s, which sought to disrupt capitalist activity and develop solidarity

between other African communities that were exploited by the United States. While this movement was relegated to demonstration, it forged a bond of activism to resist a common enemy. The two movements that were implemented above failed to establish this bond and were largely dependent on and committed to capitalism. In the following chapter, I will assess the current state of African Americans' economic reality and provide recommendations for the next step in the movement for economic empowerment. While many phases of protest and institution formation have left us with a wealth to consider, the next stage must address our current economic context and the most pressing needs of our community.

CHAPTER 7

ASSESSING AFRICAN AMERICANS' CURRENT ECONOMIC STATUS IN PHILADELPHIA

Introduction

To advance the historical analysis of the movement for African American economic empowerment in Philadelphia, this research seeks to assess the current economic state of the African American community in Philadelphia and offer recommendation for obtaining economic stability. This chapter utilizes the African American Economic Development Questionnaire (AAEDQ), a 37-item questionnaire designed by Justin Gammage, to explore five variables of economic. The five dimensions examine the following factors as they related to participants' financial status and their experiences in Philadelphia as consumers, investors, and employees: 1) Money storage and investments; 2) Use of assistance programs (home buying programs, professional workshops, etc); 3) Household spending habits; 4) Satisfaction with employment opportunities in Philadelphia and opportunities for professional advancement; and 5) Satisfaction with Black-owned businesses.

The questionnaire was randomly distributed to African American heads of households for the purpose of identifying some of the residual affects of structural inequality. The questionnaire provides a multidimensional analysis that is more accurate of current and historical factors that make up the current economic conditions of the African American community in Philadelphia. Therefore, the questionnaire assessed demographic circumstances, in addition to participants' ratings on issues that may help

improve the economic condition of African American communities in Philadelphia. Majority of the questions were weighed on scales that ranged from 2-points to 15-points. The questionnaire also contained questions that required participants to provide open-ended responses.

Data collected by the AAEDQ allows this research to bridge the gap between the historical movement for economic development and the current context of African Americans' economic stability. The findings helped to guide a statistical analysis of the current circumstances surrounding African American economic empowerment in Philadelphia, and inform recommendations for stability and growth moving forward.

In the next stage of the struggle against economic exploitation and White supremacy, African Americans must maintain their agency, and plot a course that maximizes our strengths and seeks to elevate our weaknesses. In the sections that follow, four major research questions are explored which include an analysis of the findings. First, a description of participants is provided followed by a discussion of the measurements used for the AAEDQ. The data analysis section introduces the tools used to analyze the data and the results section discusses the findings of the major research questions. Finally, the discussion section provides an analysis of the findings and their significance.

Participants

Questionnaires were administered at community and professional organizational meetings, public venues, and numerous residential districts in Philadelphia. There were 181 participants that completed the questionnaire. Participants were African American

men (n = 58) and women (n = 105) heads of households. Participants' ages ranged from 19 to 77 with the mean age of 45.6 with a standard deviation of 13.5. Participants' average marital status ranged from single, never married (n = 71) to widowed (n = 5); with 24.3 percent of participants reported currently being married. in 78.5 percent of participants resided in Philadelphia for 21 or more years and reported residing 45 different area codes in Philadelphia. The majority of the participants reported being employed (71.8 percent), while 17.7 percent of participants were unemployed. 65.1 percent of participants reported annual household incomes below \$50,000, with an average household size of 2.6 with a standard deviation of 2.1. Participants' education levels ranged from high school (completed _- grade level in high school, n = 11; completed high school n = 33) to Doctorate or other professional or terminal degree (n = 3); with 20.4 percent of participants having completed some college. Additional demographic information is located in table 7.1.

Measures

The *African American Economic Development Questionnaire* (AAEDQ) contains two components: 1) a demographic profile; and 2) the economic development survey. The demographic component consists of 9 items that gather participants' background information such as marital status, education level, age, and annual household income. The economic development component is made up of 37 items that are grouped into five subscales: Money Storage and Investment; Assistance Programs; Satisfaction with Job Opportunities; Percentage of Income Spent; and Satisfaction with Black Owned Businesses. The Money Storage and Investment subscale consisting of 18 items

measured on a 2-point scale with 1 = No and 2 = Yes. The Satisfaction with Job Opportunities subscale contained five items measured on a 5-point scale ranging from very dissatisfied to very satisfied, and never to always. The Satisfaction with Job Opportunities subscale mean score is 12.1 with a standard deviation of 4.9. The Assistance Programs subscale included three items measured on a 5-point scale ranging from never to always. The Assistance Programs subscale's mean score is 6.4 with a standard deviation of 3.2. The Percentage Income Spent subscale consisted of five items on a 15-point scale ranging from 1 = 0% to 15 = 66% or more. An example item in the Percentage Income Spent subscale is "What percentage of your household's monthly income is used to pay rent/mortgage?" The Satisfaction with Black owned Business subscale is compiled of five items measured on a 5-point scale ranging from strongly disagree to strongly agree; strongly dissatisfied to strongly satisfied; and never to always. The Satisfaction with Black Owned Businesses subscale's mean is 15.0 with a standard deviation of 4.5.

Data Analysis

SPSS was used to analyze the data compiled by the AAEDQ. To test the reliability of the AAEDQ, a Cronbach's alpha was conducted for the instrument's five subscales, in which all five produced high reliability result. The Cronbach's alpha calculated for the Money Storage and Investments subscale was .799 and was comprised of 18 items. The Cronbach's alpha score computed for the Job Opportunity subscale was .653 and contained five items. The Assistance Programs Subscale consisted of three items and the Cronbach's alpha score was .793. The Cronbach's alpha score for the Percentage

Income Spent subscale was .651 and included five items. For the final subscale, Black-Owned Business, the Cronbrach's alpha was .761 for the five subscale items.

To assess the validity of the AAEDQ, a principle component factor analysis was conducted. Extracted values contained items with a factor loading greater than .35. The factor solution was composed of 37 items grouped into five factors that accounted for 100 percent of the variance. Factor 1, Money Storage and Investments (eigenvalue = 1.636) accounted for 32.71 percent of the variance and included 18 items about the modes in which money was stored and invested by participants and their parents. Factor 2, Assistance Programs (eigenvalue = 1.669), accounted for 21.38 percent of the variance and was composed of three items about the participants' usage of assistance programs. Factor 3, Job Opportunity (eigenvalue = .904), accounted for 18.07 percent of the variance and comprised five items about participants' satisfaction with employment opportunities in their neighborhood and in Philadelphia in general. Factor 4, Percentage of Income spent (eigenvalue = .782), accounted for 16.65 percent of the variance and was comprised of five items about the percentage of monthly income spent on rent/mortgage, food expenses, transportation expenses, savings, etc. Factor 5, Satisfaction with Black Owned Businesses (eigenvalue = .609), accounted for 12.19 percent of the variance and included five items about participant's satisfaction with the service and products of Black owned business.

Table 7.1 Demographic Information

EmploymentStatus * HouseholdAnnualIncome * LevelofEducation Crosstabulation

Count

LevelofEducation			HouseholdAnnualIncome									Total	
			Missing	1-10,000	10,001-20,000	20,001-30,000	30,001-40,000	40,001-50,000	50,001-60,000	60,001-70,000	70,001-80,000		80,001-more
Completed _____grade in High School	EmploymentStatus	Missing		0	0	1	0	0		0		0	1
		Employed		0	2	1	1	1		1		1	7
		Unemployed		1	1	0	0	1		0		0	3
	Total		1	3	2	1	2		1		1	11	
Completed High School	EmploymentStatus	Employed	2	2	3	3	3	1	0	2	1	6	23
		Unemployed	1	2	0	1	1	0	0	0	0	0	5
		Other	0	1	0	0	0	2	2	0	0	0	5
	Total	3	5	3	4	4	3	2	2	2	1	6	33
GED	EmploymentStatus	Employed	0	0	1	2		1					4
		Unemployed	1	2	0	0		0					3
	Total	1	2	1	2		1						7
Some College	EmploymentStatus	Employed	3	0	2	3	5	2	4	5	2	4	30
		Unemployed	1	1	1	0	1	0	0	0	0	0	4
		Other	1	1	0	0	0	0	0	0	0	0	2
	Total	5	2	3	3	6	2	4	5	2	4	4	36
License or Certification	EmploymentStatus	Employed	2	1	2		4	2					11
		Unemployed	2	1	2		1	0					6
	Total	4	2	4		5	2						17
Associates Degree but less than Bachelors	EmploymentStatus	Employed	1		1	2	1		1		2		8
		Unemployed	1		0	0	1		0		1		3
		Other	0		1	0	0		0		0		1
	Total	2		2	2	2		1		3			12
More than Associates	EmploymentStatus	Employed	2	0	1	0			2	1		1	7
		Unemployed	0	1	0	1			0	0		0	2
	Total	2	1	1	1			2	1		1		9
Bachelors	EmploymentStatus	Employed	4		1	2	2	1	1	3	3	2	19
		Unemployed	0		0	2	1	0	0	0	0	1	4
		Other	1		0	0	0	0	0	0	1	0	2
	Total	5		1	4	3	1	1	3	4	3		25
More than Bachelors but less than Masters	EmploymentStatus	Employed		1					0	3		2	6
		Other		0					1	0		0	1
	Total		1					1	3		2		7

Results

Data collected from the *African American Economic Development Questionnaire* (AAEDQ) will address the following research questions:

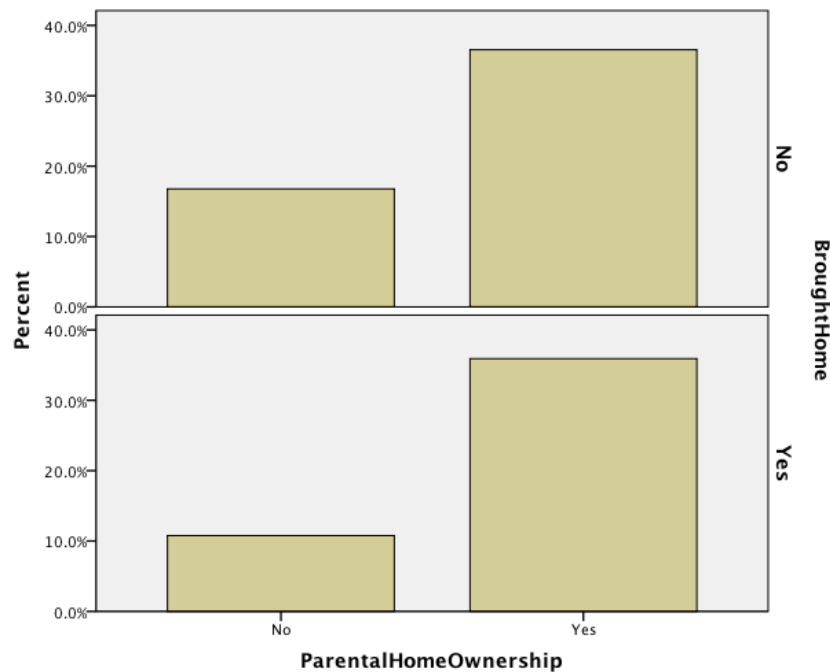
1. To what extent does intergenerational transfer of wealth influence African Americans' wealth in Philadelphia—via assets such as homes and businesses—accumulation?
2. To what extent are African Americans' spending habits conducive to generating wealth?
3. To what extent does job availability affect employment and job satisfaction?
4. How does the experience of African Americans with Black-owned businesses affect their frequency in patronizing such businesses?

Research Question #1: To what extent does intergenerational transfer of wealth influence African Americans' wealth in Philadelphia— via assets such as homes and investments—accumulation?

To explore the phenomenon of intergenerational transfer of wealth, this research examines the role of parental wealth accumulation on African Americans' assets accretion. There are 18 variables in the subset designed to address the individual wealth and 6 questions to address parental assets. First, the questionnaire asked participants to report whether or not they own a checking account and whether or not their parents have/had a checking account. 49.7 percent of participants stated that they, as well as their parents, have a checking account, while 13.2 report that neither they nor their parents have a checking account. 42.5 percent of participants reported that they, as well as their parents, have a saving account. Another set of questions asked participants to report their investments in stocks, bonds, and credit derivatives. The majority of participants reported

that neither they nor their parents possess any stocks (53.5%), bonds (63.5%), or credit derivatives (59.6%). In terms of home ownership, 68 percent of participants' parents owned their homes while only 45.9% of participants bought a home—and of those only 40% of participants currently own their homes (see figure 7.1).

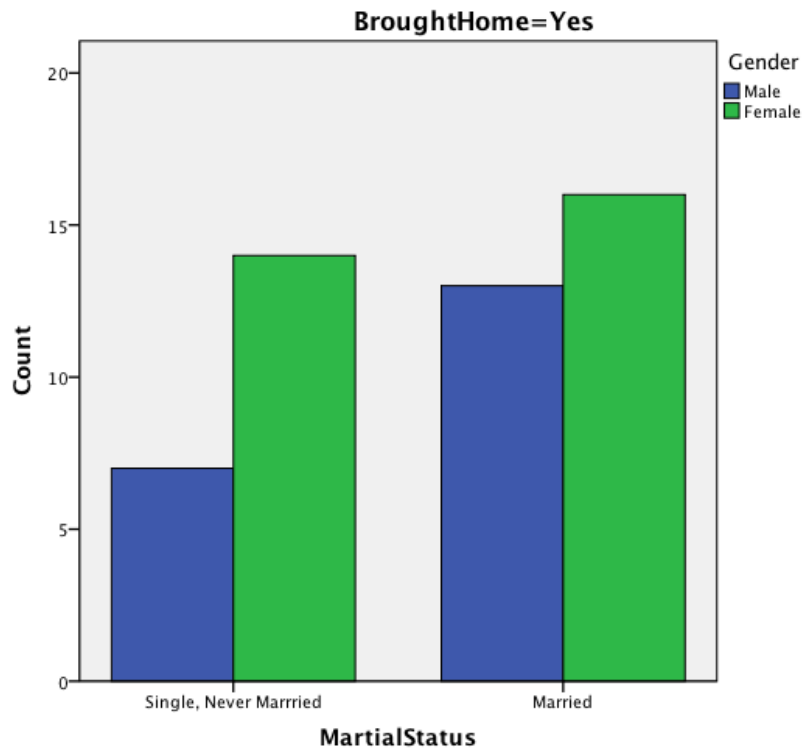
Figure 7.1 Homeownership by Parental Homeownership



To further address the research question, a Pearson correlation coefficient was calculated for the relationship between participants' parental money and investments and individuals' money and investments. A weak positive correlation was found ($r(179) = .168, p < .024$), indicating a significant relationship between the two variables. Thus, participants whose parents accumulated wealth tended to also accumulate wealth. In addition, a crosstabulation of home ownership by gender and marital status revealed that

married females (55%) and single, never married females (66%) purchase homes at a higher rate than their male counterparts (see figure 7.2).

Figure 7.2 Homeownership by Gender and Martial Status



Further analysis revealed that 86.5% African American participants do not receive assistance from family members when obtaining home ownership. Only 17.6% of participants who were granted assistance with acquiring a home received assistance from family resources.

To account for any other contributing factor to African American asset accumulation this research analyzed the role of education and income in homeownership. A Spearman *rho* correlation coefficient was calculated for the relationship between participants' level of education and homeownership. An extremely weak correlation that

was not significant was found ($r(174) = .059, p > .05$). Findings reveal that level of education is not related to homeownership. A second Spearman *rho* correlation coefficient was calculated for the relationship between participants' income and homeownership. A moderate positive correlation was found ($r(171) = .515, p < .001$), indicating a significant relationship between income and homeownership.

Data collected revealed that the direct transfer of wealth from one generation to the next is significantly low. Respondents illustrate that families did not significantly contribute to the purchasing of homes. Historically, African Americans' wealth assets have overwhelmingly resided in homeownership. However, the trend of intergenerational transfer of knowledge regarding handling assets and financial resources appears to be high among respondents. The rate of having checking and savings accounts from one generation to the next exceeds the 2008 national average for African American household heads. This illustrates that African Americans are storing their money, at a higher rate, in institutions that help establish credit and interest accruing accounts. In all, African Americans' ability to transfer wealth from one generation to the next is extremely restricted by their low levels of wealth accumulation.

Research Question #2: To what extent are African Americans' spending habits conducive to generating wealth?

To examine the ratio of wealth accumulation to spending patterns, this research investigates African Americans' household spending habits. This includes an analysis of the distribution of monthly income, investments, and savings. Descriptive statistical analysis provides evidence of how African American participants' distribute their

monthly income. In order to address this research question, an independent-samples t test comparing the average annual household income of African American males and females. No significant difference was found ($t(157) = .544, p > .05$). The mean of males ($m = 4.3$ (\$30,001 to \$40,000), $sd = 2.8$) was not significantly different from the mean income for females ($m = 4.0$ (\$30,001 to \$40,000), $sd = 3.0$). A one-way ANOVA was computed comparing the level of education and household annual income. A significant difference was found among participants ($f(10, 160) = 2.15, p < .05$). Tukey's HSD was used to determine the nature of the differences between annual household incomes. This analysis revealed that participants with more than a Master's degree but less than a Doctorate degree made more than participants that earned a GED or License/Certificate. In addition, participants that earned a Master's degree made more than participants that earned a GED or License/Certificate. Participants with more than a Bachelor's but less than a Master's degree made more than participants that earned a GED, License/Certificate, and Associates degree. Participants with a Bachelor's degree made more than participants that earned a GED and a License/Certificate. Participants with some college made more than participants that earned a GED and License/Certificate.

Additional descriptive statistics were used to calculate African American participants' monthly spending habits. It was found that 60 percent of participants put less than ten percent of their monthly income aside for savings. On average, African American participants spent between 20 and 25 percent of their monthly income on expenses such as credit cards, utilities, etc. Another 16 to 20 percent of participants'

income is spent on food and 44.5 percent of participants spent 11% to 30% of their monthly income on transportation.

The first component of this research question explores the relationship between income and investments. A Pearson correlation coefficient was calculated for the relationship between household's annual income and participants' savings and investment practices. A moderate positive correlation was found ($r(145) = .553$, $p < .001$), indicating a significant relationship between household annual income and wealth accumulation. Therefore, as African American household annual income increases their rate of investment also increases.

Analyzing African Americans' spending habits is an essential component to understanding wealth accumulation and its affect on intergenerational transfer of wealth. In studying this matter, it is important to examine income distribution on goods (i.e. rental housing) versus investments (i.e., homeownership). A Spearman *rho* correlation coefficient was calculated for the relationship between amounts spent on rent/mortgage and current home ownership. A weak negative correlation was found ($\rho(179) = -.238$, $p < .001$), indicating a significant relationship between homeownership and spending on housing. Thus, those who own their homes tend to spend less on housing than those who rent.

The final component of this research question explores African American participants' investments patterns. A Pearson correlation coefficient was calculated for the relationship between participants' percent of income in savings and their wealth accumulation. A weak positive correlation was found ($r(179) = .281$, $p < .001$), indicating

a significant relationship between saving and generating wealth. Moreover, those who set aside funds for savings tend to invest in wealth generating venues at a higher rate than those who do not save.

Findings in this section of the research revealed that level of education significantly influence household annual income. The importance of advancing in education is key to increasing household annual income. Furthermore, the results expose that the majority of African American participants were unable or unwilling to contribute to their savings each month. Participants that had low rates of saving invested at a lower rate than those who contributed at higher rates to their savings. The ability to invest and save impacts individual's ability to accumulate wealth and transfer wealth to future generations. More important, the data illustrates that homeownership positively impacts participants' spending on mortgage/rent; thus creating more opportunities to save and/or invest. These findings are consistent with previous studies that conclude that African Americans transfer wealth from one generation to the next at a low rate. However, these findings deviate from previous findings in that African Americans' money storage is not affected by where parents stored their money. African Americans in Philadelphia stored their money in checking and savings accounts at a higher rate when their parents did not own a checking or savings account.

Research Question # 3: To what extent does job availability affect employment and job satisfaction?

To investigate the extent to which job availability in Philadelphia affect participants' job satisfaction, this research asked participants a range of questions that

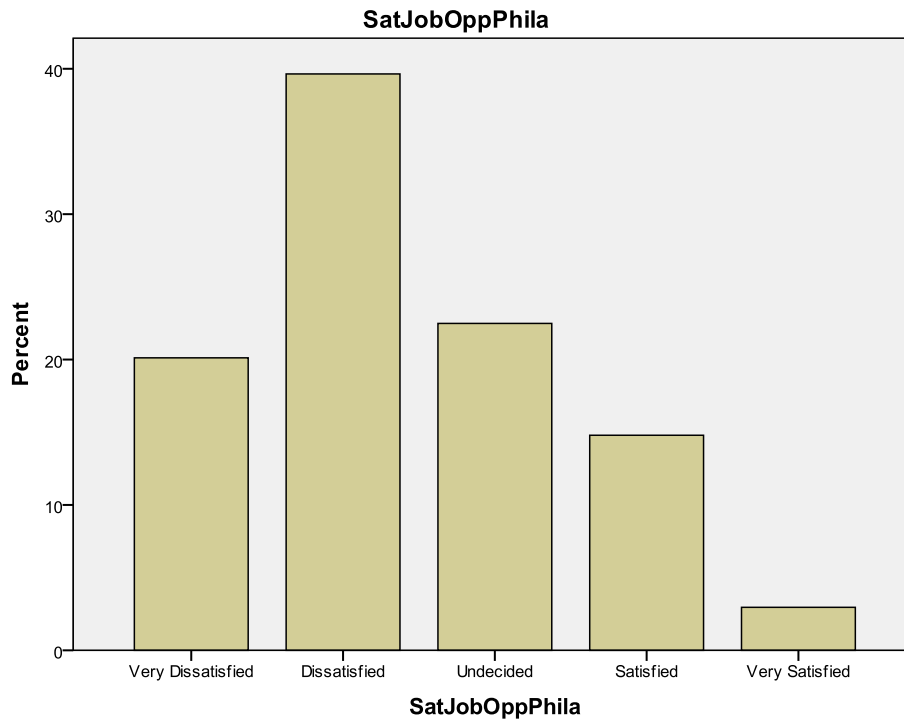
were used to examine their satisfaction with job opportunities as well as the frequency of opportunities in their neighborhood. This research found that job availability is a vital component in economic development. In this analysis, correlations are used to calculate the relationships between employment status and attending job workshops, satisfaction with job opportunities and satisfaction with jobs in neighborhood.

A Spearman *rho* correlation coefficient was calculated for the relationship between satisfaction with jobs found in their neighborhoods and in the greater Philadelphia area, and employment status. An extremely weak negative correlation that was not significant was found ($r(175) = -.056, p > .05$). Thus, participants' satisfaction with job opportunities offered in their neighborhood did not influence participants' employment status. It was also found that an extremely weak negative correlation that was not significant was found for employment in the greater Philadelphia area ($r(162) = -.57, p > .05$). In addition, an extremely weak negative correlation that was not significant between employment status and participants reporting that Philadelphia had jobs for their skills ($r(165) = -.069, p > .05$). It is also noteworthy to state that no significant correlation was found between employment status and attending job workshops ($r(175) = .039, p > .05$).

A Spearman *rho* correlation coefficient was calculated for the relationship between Philadelphia job opportunities related to participants' professional skills and satisfaction with job opportunities in Philadelphia. A moderate positive correlation was found ($rho(179) = .364, p < .001$), indicating that a significant relationship between job opportunities related to participants' professional skills and satisfaction with job

opportunities in Philadelphia. Such that 60 percent of participants are very dissatisfied to dissatisfied with employment opportunities and only 17.8 percent are very satisfied to satisfied (See figure 7.3).

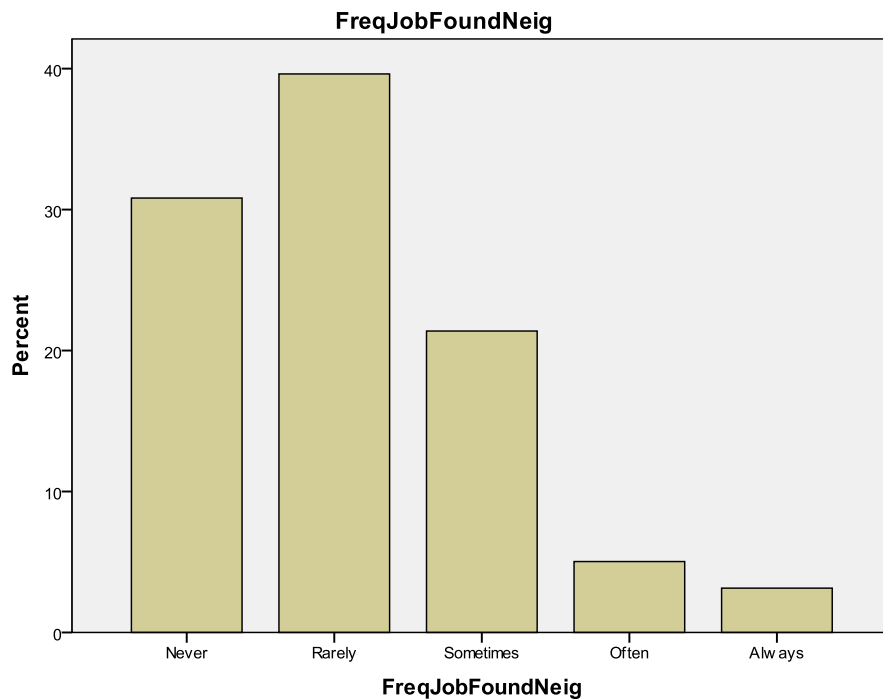
Figure 7.3 Satisfaction with Job Opportunities in Philadelphia



A Spearman *rho* correlation coefficient was calculated for the relationship between frequency of jobs found in neighborhood and satisfaction with job selection in neighborhood. A moderate positive correlation was found ($\rho(179) = .334, p < .001$), indicating a significant relationship between frequency of jobs found in neighborhoods and satisfaction of the selection of jobs in neighborhood. 59.6 percent of participants expressed dissatisfaction with job opportunities in their neighborhoods. Moreover, 70.4

percent of participants stated that they never or rarely find jobs in their neighborhoods (See figure 7.4).

Figure 7.4 Frequency of Jobs Found in Neighborhood



This research provides evidence that nearly half of the participants were either very dissatisfied or dissatisfied with employment opportunities in Philadelphia. The rate of dissatisfaction of participants with job opportunities in Philadelphia illustrates that African American unemployment rate (16.3 reported by Department of labor and 17.7 percent of African American participants) may be influenced by the availability of employment opportunities and/or the selection of job opportunities. African Americans' high rate of unemployment could be a contributing factor to the current wealth gap. Furthermore, findings show that nearly 70 percent of African Americans never or rarely are able to find employment in the areas where they live. This suggests that employment

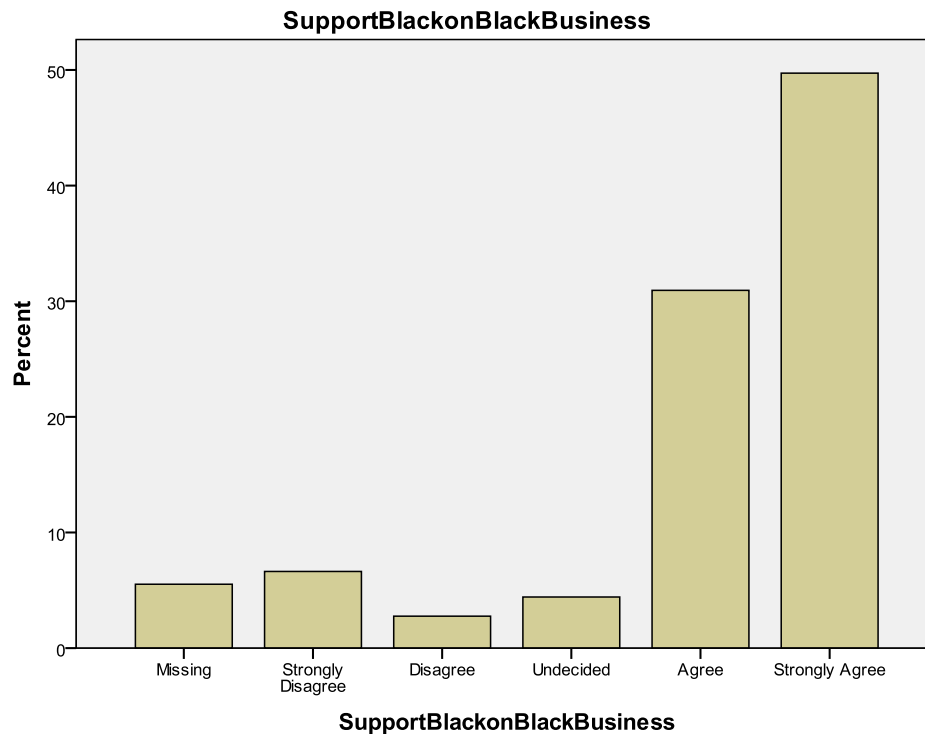
opportunities are more readily available outside their own communities. This not only forces the overwhelming majority of Africans to travel further for opportunities, but reflects the state of economic development in African American communities. This research does not assume that income is correlated with wealth, but it suggests that income could be used to generate wealth via investments, savings, purchase of real estate, etc. Thus, participants' dissatisfaction with the availability of employment opportunity may impact employment rates. This finding is also consistent with the historical analysis, in that as deindustrialization impacted the local economy of Philadelphia, the availability of employment opportunities also decreased. The struggle for equal opportunity in Philadelphia reflects that African Americans' quest for employment has consistently been rejected.

Research Question #4: How does the experience of African Americans with Black-owned businesses affect their frequency in patronizing such businesses?

To explore participants' satisfaction with their experience with Black-owned businesses, this research examines participants' frequency of patronizing Black-owned businesses, satisfaction with the services of Black businesses, and participants' satisfaction with Black businesses products. This analysis provides descriptions and correlations between participants' satisfaction and frequency of patronization. A statistical analysis supports that 15 percent of African American participants report owning a business. Of the business owners, 40 percent owned businesses for less than five years. Among the businesses, 13 different types of businesses were reported ranging from barbershops to law firms. 85 percent of African American participants state that

they agree (n =56) or strongly agree (n = 90) that they should support Black-owned businesses (see figure 7.5). While in actuality, less than 40 percent of participants report often (48) or always (14) shopping at Black owned businesses.

Figure 7.5 Support Black Owned Businesses



In examining the research question, this analysis entailed a correlational assessment between participants' experiences with and their thoughts about Black-owned businesses. A Spearman *rho* correlation coefficient was calculated for the relationship between support of Black-owned businesses and frequency of shopping at Black-owned businesses. A moderate positive correlation was found ($\rho(179) = .436, p < .001$), indicating a significant relationship between support of Black-owned businesses and the

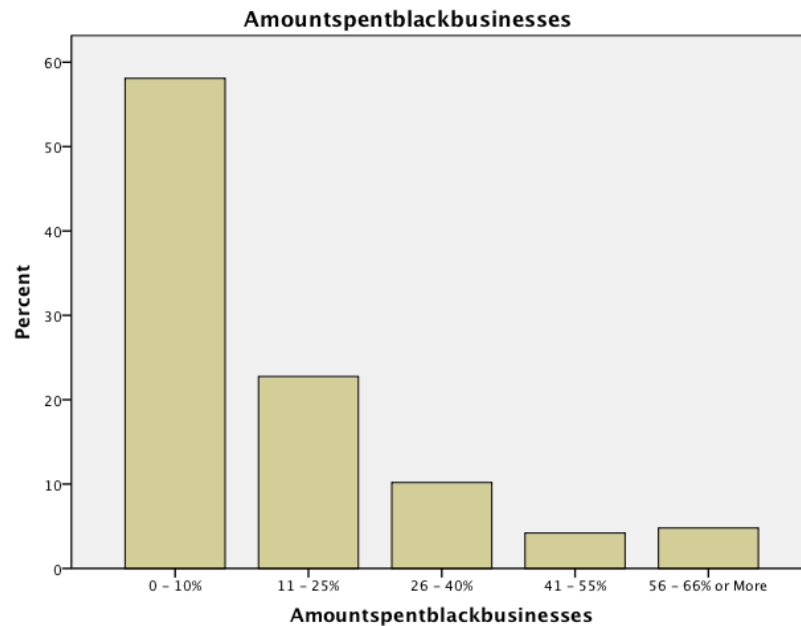
frequency of participants shopping at Black-owned businesses; such that 47 percent of participants report that they sometime shop at Black-owned businesses.

An interesting finding was that 43 percent of participants reported spending less than 5 percent of their income at Black-owned businesses. To explore this phenomenon further, a Spearman *rho* correlation coefficient was calculated for the relationship between supporting Black owned businesses and percent of monthly income spent at Black owned businesses. A strong positive correlation was found ($rho(179) = .212, p < .004$), indicating a significant relationship between support for Black owned businesses and percentage of monthly income spent at Black owned businesses. Another Spearman *rho* correlation coefficient revealed a moderate positive correlation ($rho(179) = .307, p < .001$) that was significant between supporting Black own businesses and satisfaction with products sold. It was found that 60 percent of participants were satisfied with products at Black owned businesses.

To further explore the research question, a Spearman *rho* correlation coefficient was conducted to assess the relationship between spending habits with Black owned businesses and the satisfaction with those products. A moderate positive relationship was found ($rho(179) = .333, p < .001$) which indicates a significant relationship between spending habits at Black-owned businesses and product satisfaction. Interestingly however, it was found that 76 percent of participants were undecided ($n= 55$) or expressed dissatisfaction ($n=41$) with customer service at Black owned businesses. A Spearman *rho* correlation coefficient supports this assertion. A low positive correlation was found ($rho(179) = .250, p < .001$) which indicates a significant relationship between

amount spent at Black owned businesses and satisfaction with customer service at Black-owned businesses.

Figure 7.6 Percent of Participants' Monthly Income Spent at Black Owned Businesses



The second component of the research questions sought to examine whether gender significantly influences ratings of Black-owned businesses. An independent-samples t test was calculated comparing the mean score of male and female participants and their patronization of Black-owned businesses. No significant difference was found ($t(161) = .413, p > .05$). The mean for males ($m = 15.62, sd = 4.47$) was not significantly different from the mean for females ($m = 15.34, sd = 3.89$).

To further explore this component of the research question, a one-way ANOVA was conducted comparing Black-owned businesses ratings by level of education. No significant difference was found ($F(13, 166) = .669, p > .05$). Rating of Black-owned

businesses did not differ significantly based on level of education. Another one-way ANOVA was computed comparing employment status and participants; rating of Black-owned businesses. A significant difference was found among the different employment categories ($F(2, 173) = 3.223, p < .05$). Tukey's HSD was used to determine the nature of the differences between employment categories. This analysis revealed that respondents that were in other ($m = 17.85, sd = 4.1$) category (student, retired, etc) rated Black-owned business significantly higher than participants that were employed ($m = 14.7, sd = 4.5$). There were no other significant differences.

This research provides evidence that African American participants felt strongly that African American people should patronize Black-owned businesses. However, data revealed that nearly 60 percent of participants spend less than 10 percent of their monthly income at Black-owned businesses. More important, 43 percent of participants spent less than 5 percent of their monthly income at Black-owned businesses. This finding is consistent with other research in that members of the African American community support Black-owned businesses at a low rate. Despite the fact that 60 percent of participants felt satisfied with the products from Black-owned businesses, participants still patronized them at a low rate. Low rates of support by the African American community and relatively no support by other communities may explain the low success rate for Black-owned businesses. African American business ownership is an important component of African American economic empowerment in that it has the capacity to create jobs, maximize African American spending power, and provide alternative for markets that have historically been exclusively White. The lack of support also prevents

Black-owned businesses from expanding and competing with businesses within their respective markets.

This research also suggests that Black business owners in Philadelphia may need to explore strategies for improving customer service. Participants' low rates of support may be explained by their unfavorable rating for Black business customer service. However, discussions with participants reveal that African American participants had a low tolerance level for Black-owned businesses. Participants were more likely to continue patronizing businesses that were not Black owned despite unfavorable ratings in customer service. Dr. Jawanza Kunjufu discusses the psychological impact of racism on African Americans' assessment of Black owned businesses. In his analysis, White ice is colder than Black ice, he suggests that African American consumers have been socialized to believe that the quality of goods sold at White owned stores are superior to that sold at Black businesses despite being the same product. In my discussions with participants, it was evident that African American participants were more likely to stop patronizing Black businesses for what was perceived to be poor service when compared to White, Asian, Middle eastern, etc. Moving forward, African Americans must investigate the impact of racist social stimuli regarding Black owned businesses and our assessments of Black owned businesses.

Discussion

In conclusion, the transfer of wealth across generations affects African American participants' heads of household wealth accumulation such that, the lack of intergenerational transfer of wealth results in reduced asset accumulation. According to

national statistics, African Americans invest 64 percent of their wealth in functional assets such as homes and vehicles. Data from this study is consistent with previous findings, in that African Americans invested in income-producing and financial assets at low rates. Only 28.8% of participants report stock ownership; 19.3 % own bonds; 15.5 % own real estate outside of their personal home; and 18.2 % report investments in other income producing assets. It was also found that 45.9% of participants report having purchase a home. Of the 40 percent of African Americans that currently owned homes, 86.5 percent did not receive assistance from their family. Moreover, the rate of homeownership between generations declined, where 68 percent of African American parents owned their home compared to only 40 percent of their African American children. As we investigate the impact of poverty on African American households, we find that intergenerational wealth plays a major role in alleviating or perpetuating trends that contribute to poverty. Intergenerational transfer of wealth also affects African Americans ability to take advantage of many of the benefits of homeownership and other positive investment practices. While intergenerational transfer of wealth is low for African American participants, this could be an indicator of African American's inability to transfer wealth from one generation to the next due to their mean annual income and sparse investment in wealth accumulating assets. Furthermore, we find that the previous strategies for economic development presented in the historical analysis merely expand the gap between the middle and poor class without fully addressing the historical causal factors that contribute to poverty. This research does not merely suggest that

higher levels of intergeneration transfer of wealth will decrease poverty; it simply charts the trends of generational transfers and uses those trends as an indicator of inequality.

The section that assessed African Americans spending habits, explored whether African American spending patterns were conducive to accumulating wealth. It was found that on average, African Americans in Philadelphia earned household annual income between \$30,000 and \$40,000. Data from this research proves that as African American household income increases, their rate of investment increases. Accordingly, African Americans in the range of \$30,000 to 40,000 displayed poor investment practices. This suggests that the average annual household income for African Americans does not leave much room for investment. It was revealed that African Americans spent the majority of their household income on rent/mortgage and other debt (credit card, phone, utility, etc). More than 57 percent of African Americans were unable to save more than 10 percent of their monthly income. Thus, this research concludes that African Americans in Philadelphia are unable to save or invest largely because of their low levels of annual income, which influences their investment power.

This research also found that African Americans, on average were dissatisfied with employment opportunities in Philadelphia. The data shows that employment availability in African American communities is essentially nonexistent. This finding may be attributed to high rates of African Americans making less than \$40,000 annually. This research found that more than 50 percent of African Americans felt that Philadelphia had jobs for their professional skills. More telling however, was the fact that majority of African Americans were not satisfied with their jobs.

Finally, this research provided evidence that African Americans in Philadelphia rarely support Black owned businesses. Despite expressing the need for African Americans to support Black owned businesses, African Americans rarely implemented that philosophy in practice. As a result, African American businesses remain relatively small. This finding is also attributed to the fact that Whites on average exclusively boycott Black owned business in practice. African Americans in Philadelphia may benefit from an evaluative system that would improve the customer service at Black-owned businesses, which may lead to increased support.

Limitations

A limitation of this study was its participant size. The study collected data from 181 African American household heads. This clearly reveals that the findings are representative of a small sector of the larger African American community in Philadelphia. In addition, the AAEDQ did not explore the accessibility of Black-owned businesses. The accessibility of Black-owned businesses in certain industries may impact the frequency of African American patronage.

CHAPTER 8

CONCLUSION AND RECOMMENDATIONS FOR AFRICANA ECONOMIC EMPOWERMENT

Overview

The disproportionate distribution of wealth and the collective wealth holdings of African Americans is an indicator of the failure of the African liberation struggle to resolve African American economic exclusion and exploitation. More important, it illustrates the historical affects of past and present forms of institutional White supremacy on African American economic stability. Although economic stability alone doesn't solve all challenges that stifle the collective African American community, it must be investigated as it historically has had devastating effects. Local and national demonstrations have proven that collective consciousness and directed spending have been an effective method of combating racial discrimination. However, moving forward, African Americans must strategize ways of: 1) institutionalizing an economic philosophy that is consistent with our history and culture; 2) seek to resist and uproot institutions of White supremacy and its adverse effects in influencing African economic consciousness; and 3) strengthen national and international relationships of the African Diaspora as it relate to our collective economic reality. In our historical analysis, we must engage past models of African American economic development and assess the strengths and weaknesses of those philosophies and methods to inform future models.

The African American economic development movement in Philadelphia gives us three models to examine: 1) a Integrationist model; 2) a Black Capitalist model; and 3) a

Nationalist model. Through an Afrocentric historical analysis, we are able to locate each approach and draw upon the components that would be useful moving forward. In chapter four I discussed the evolution of the LRM, the rise of liberalism, and African American economic development. African American resistance through electoral politics helped shift Philadelphia political leadership and ignite the rise of local liberalism. Philadelphia, having an extensive defense industry during the 1930s and 40s, increased production of military goods coupled with the labor shortage during wartime, attracted thousands of southern African Americans seeking social equality and economic advancement. The influx of African Americans during the first and second “World Wars” transformed the economic and political landscape of Philadelphia. The presence and active resistance of the African American community forced the issues of discrimination in employment practices to the forefront of social and political discourse. With the help of the African American vote, liberal reformists were able to pass the new home rule of 1951 and elected Joseph Clarke in 1952, its first Democratic mayor in nearly 75 years. The Liberal Reform Movement (LRM) and the rise of liberalism initiated significant public policy and government intervention on the issue of employment discrimination.

Progressive legislation was the strength of the LRM. However, the prevalence of discrimination in employment and housing, and the inability of Philadelphia’s liberal political leadership to enforce public policy was the root of its downfall. Moreover, the integrationist model conceptually conflicted with African Americans’ understanding of liberation. The integrationist notion of equal opportunity did not and does not have the

capacity to address White supremacy and its residual effects. Fundamentally, the integrationist model fails to adequately account for historical aspects that contribute to African Americans' economic reality. In addition, it failed to address the present manifestations of White supremacy. Philadelphia's liberal leadership was forced, through African American collective demonstration, to directly confront discrimination; however, liberalism as a political philosophy does not advocate for any significant structural reform to eliminate racial inequality. In many cases, Philadelphia's liberal leadership sanctioned racial inequality, and incorporated racial bias as a means for integration. The liberal concept of integration is illustrated by mayor Tate's response to the demonstration on the Strawberry Mansion construction site, organized by the NAACP under the leadership of Cecil B. Moore. Tate forced the construction contractors to hire five skilled African American trades-men but did not engage the exclusion of African Americans from builder trade unions. Thus, liberalism and integration does not correlate to equal opportunity. William Melvin Kelley discusses one of the central downfalls of the integration model with stating,

By calling upon the black man to integrate himself into American society, the black integrationist can only mean that, despite his black skin and his black experience, the black man must become as "white" and as "American" as possible. He is also asking the black man to ignore and renounce all that has and will happen to him until the day of Total Integration.¹¹³

The integrationist model forces African Americans to reject our experience here in America and does not engage structural reform.

¹¹³ Kelley, William Melvin, *On Racism, Exploitation and the White Liberal* in the Negro Digest. January 1967 issue. Johnson Publications

Likewise, the Integrationist model suggests that African Americans should immerse themselves in American society and resist for inclusion and equal opportunity. During the early 1960's, the movement for African American economic development shifted to direct action and protest. Demonstrations such as the "Selective Patronage" movement redirected African American spending to protest industries whose work forces were racially exclusive. Although African Americans shifted their method of protest from electoral politics and liberal reform to direct action, the means sought were integrationist in nature. This period of protest demonstrated the inability of liberalism and the LRM to truly resolve the issue of race and economic development. More important, these demonstrated implicated liberalism as a collaborator of inequality. Demonstrations targeting racially exclusive construction sites that received federal funding illustrated the failure of the liberal reformist. Although LRM instituted agencies such as the Commission on Human Relations (CHR) to investigate and resolve violations of civil rights legislation, it proved itself to be powerless. Demonstrations targeting the mayor and other federal agencies marked a significant changing point from liberal reform to direct action.

The change in strategy from targeting individual industries to focusing on governmental compliance with structural inequality offered a more sophisticated method of resistance within the integrationist model. Furthermore, the shift highlights the fundamental contradiction between liberalism and African American liberation. This change demonstrated that the liberal notion of equal opportunity could not eliminate White supremacy. Despite its integrationist approach, the "Selective Patronage"

movement illustrated the power of collective cooperation. Through collective cooperation, the “Selective Patronage” movement was able to integrate mid-level skilled and management position in the city’s major industries, a task that liberal reformists failed. Although this only produced a small number of openings for African Americans, it emphasizes the bad faith of liberalism.

Leon Sullivan’s The Progress movement exemplifies a Quasi-Nationalist approach. Sullivan’s mission to develop and expand “Black Capitalism” allows us to examine the Quasi-Nationalist alternative for African American economic development. The two-pronged approach (“The Trust” and ZIA) of the Progress movement illustrates another shift in African American economic development from resist and reform to “Black Capitalism”. As an extension of OIC, the Progress movement focused on African American ownership of industry and community development. Although Sullivan stayed committed to an integrationist approach, his Progress movement embraced the principle of capitalism and developed a race specific platform for business formation and investment. Through ZIA, the Progress movement produced one of Philadelphia’s earliest cooperative investment groups that excelled in creating employment opportunities for African Americans and produced businesses that were owned and controlled by members of the African American community.¹¹⁴ Although cooperative economics has been used within the African American community, ZIA advanced the typical model and organized subsidiaries in sophisticated technological industries

¹¹⁴ The author uses the term “members” because initially, ZIA was exclusively open to members of Zion Baptist Church. Also, to liquidate debt, ZIA shares were sold to Ford Foundation and government agencies during the early and late 1970s.

(Progress Aerospace) and manufacturing of minor electronic goods and apparel. In addition, the Progress movement was effective at channeling federal funding for small businesses to African American entrepreneurs. Thus, with the assistance of the Progress movement, African American owned businesses grew during the late 1960s and early 1970s.

However, the Quasi-Nationalist model, much like the integrationist, forces African Americans to reject their historical experience in American and embrace aspects of self-exploitive behavior. ZIA, like any typical military industrial manufacturer, depended heavily on federal contracts that were driven by the defense sector. The overwhelming majority of ZIA contracts were provided by the government's defense budget during the Vietnam War, a war in which African Americans were disproportionately forced to fight compared to any other cultural group. Furthermore, the expansion of American corporations' investment in Africa, with the aid of United States' military presence, in an attempt to gain political and economic hegemony, fundamentally contradicts the philosophical principles of the Progressive movements. Although Sullivan became an active advocate in the Anti-Apartheid movement, during the 1970s, ZIA was primarily funded by the United States defense industry. The Progress Movement, exemplified the potential of cooperative economics, but was unable to sustain itself without major corporations and government agencies that had a divested interest in African exploitation and economic hegemony on communities that were not capitalist.

The Black Economic Development Conference (BEDC) and the Black Manifesto marked another major shift in Philadelphia's local movement for African American

economic development in its call for monetary reparations. The Black Manifesto was organized on the fundamental principles of Black Nationalism with a socialist influence. Born out of the Black Power movement, the Black Manifesto developed an agenda that sought to establish an independent Black controlled social, political, and economic infrastructures and demanded the reorganization of United States' political and economic leadership. While the movement was largely unsuccessful, it instituted a new perspective for solving African American poverty. While the restructuring of United States' economy had been staple of the local socialist leadership and the concept of reparations had been articulated before, the BEDC attempted to institutionalize the concept and targeted White religious institutions and the federal government. In all, the movement failed to gain massive support and only succeeded in producing the formation of numerous committees with budgets to invest in African American community development project. The movement did not materialize a significant amount of capital to institute its ideas for African American economic development. However, the movement's demand for reparations is a component in the current movement for African American economic development.

Philadelphia's local movement for African American economic development from 1940 – 1970 has left us an important history worth investigating and informing the current movement for African economic empowerment. Through the African American Economic Development Questionnaire (AAEDQ) I was able examine factors that may contribute to the disproportionate distribution of wealth and the wealth gap between African Americans and their White counterparts. Our historical analysis reveals that

African American's economic woes have been directly (institutional racism and discriminatory employment practices) and indirectly (intergenerational transfer of wealth and lack of exposure to generational investment practices) which influences our current economic behavior. Nonetheless, the AAEDQ allowed us to explore African American spending habits, investment patterns, views about African American owned businesses, views of employment opportunities in Philadelphia, and the ability for upward mobility. Data collected from the AAEDQ revealed that African Americans were overwhelmingly dissatisfied with employment opportunities in Philadelphia, and more than 50 percent of participants (n = 149) had never been offered a promotion at their place of occupation. More important, more than 17 percent of household heads were unemployed. The rate of intergenerational transfer was extremely low, and support for African American owned businesses was also low.

The historical analysis of Philadelphia's local movement for African American economic development coupled with the data collected by the AAEDQ will be used to formulate recommendations for advancing the current thrust for the movement to gain African American economic empowerment. My recommendation is the Afrocentric Economic Empowerment Model¹¹⁵, which consists of three major components: 1) Institutional Economic Network; 2) Africana National Economic Network; and 3) Africana Network for International Economic Security.

¹¹⁵ Developed by Justin Gammage in 2011 for use in his dissertation research entitled "Fighting for Economic Stability in a Time of Uncertainty: African American Economic Development in Philadelphia 1940-1970".

Recommendations

Afrocentric Economic Empowerment Model

There has been a wealth of literature written on African American financial empowerment, strengthening individual's wealth portfolios, and social economic responsibility for community economic development (Rodney, 1972; Kimbro and Hill, 1991; Wilson, 1996; Kiyosaki and Lechter, 1997; Anderson, 2001; Kunjufu, 2002). With the exception of the extensive work of Amos Wilson's *Blue Print for Black*, these proposals focus primarily on African American economic consciousness (spending habits, investment patterns, frequency of patronizing African American owned businesses and cooperative economics). In addition, these platforms offer an individualist, communal, and national analysis but completely disregard a Pan African component. The Afrocentric Economic Empowerment Model suggests that African American economic security is dependent upon the strength of its Africana Economic Network. However, the Africana Network can only exist if there is an individual commitment to local, national and international economic cooperation. In order for this model to be effective, Afrocentric institutions and organizations must adopt it and implement it as an economic framework. Through Afrocentric institutions and organizations, this model could aid in the active conceptual and behavioral transformation of Africana people so that we may see the world and our role (economic, social, political, intellectual, etc.) in it from its proper vantage point. These institutions must be Afrocentric in that they prioritize Africana communities and engage in economic activities as Africans oppose to Christians, Muslims, Philadelphians, Ghanaians, etc. The Strength of Africana people

and this model is collective agency. Therefore, this model will only materialize through existing institutions and organizations as well as those forthcoming. Thus, the first component of the Afrocentric Economic Empowerment Model, the Institutional Economic Network, starts where other platforms end, individual's economic consciousness and institutional formation.

Figure 8.1 Afrocentric Economic Empowerment Model: Economic and Institution Formation

Afrocentric Economic Empowerment Model

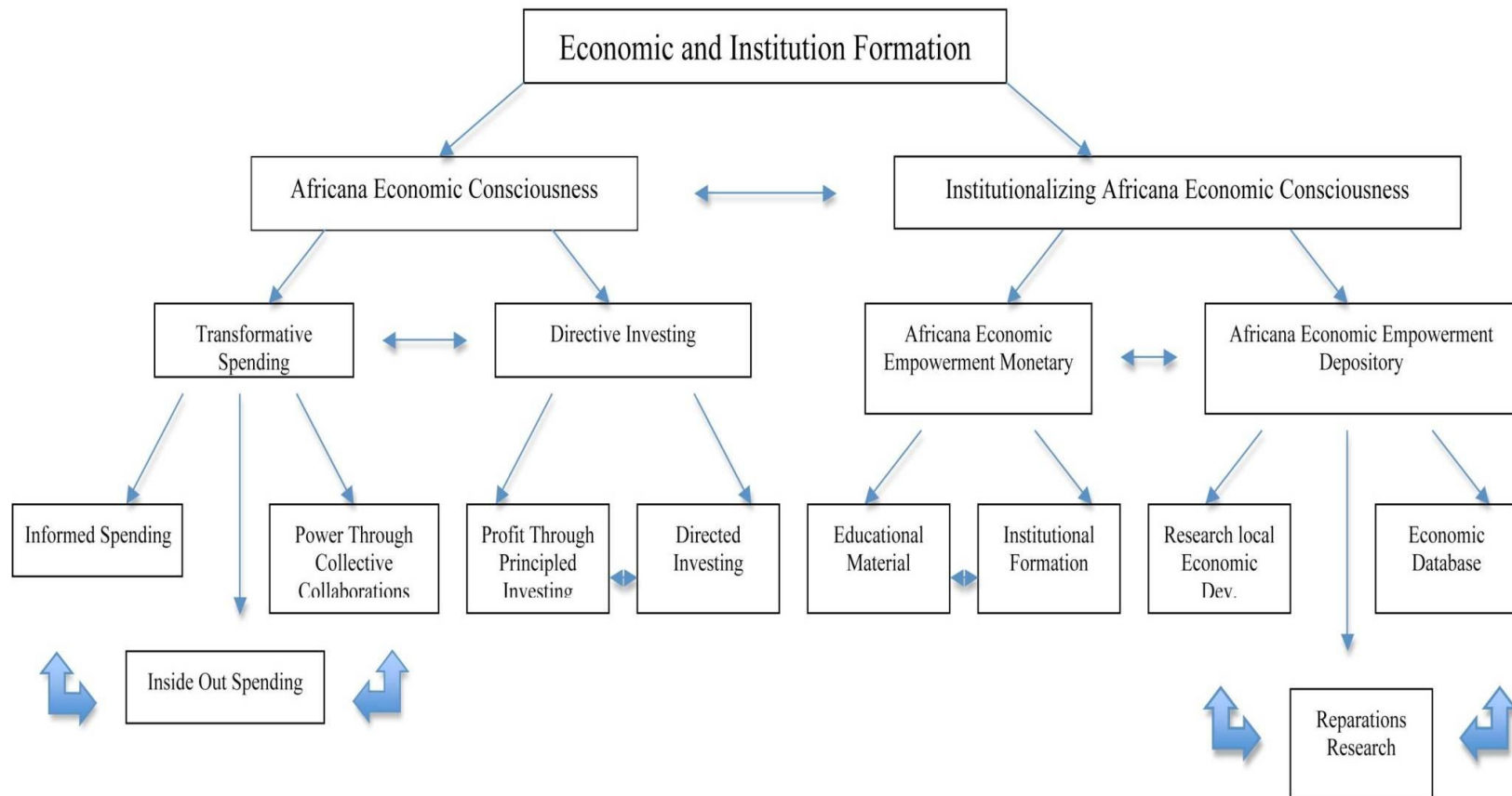


Figure 8.2 Afrocentric Economic Empowerment Model: Africana National Economic Network

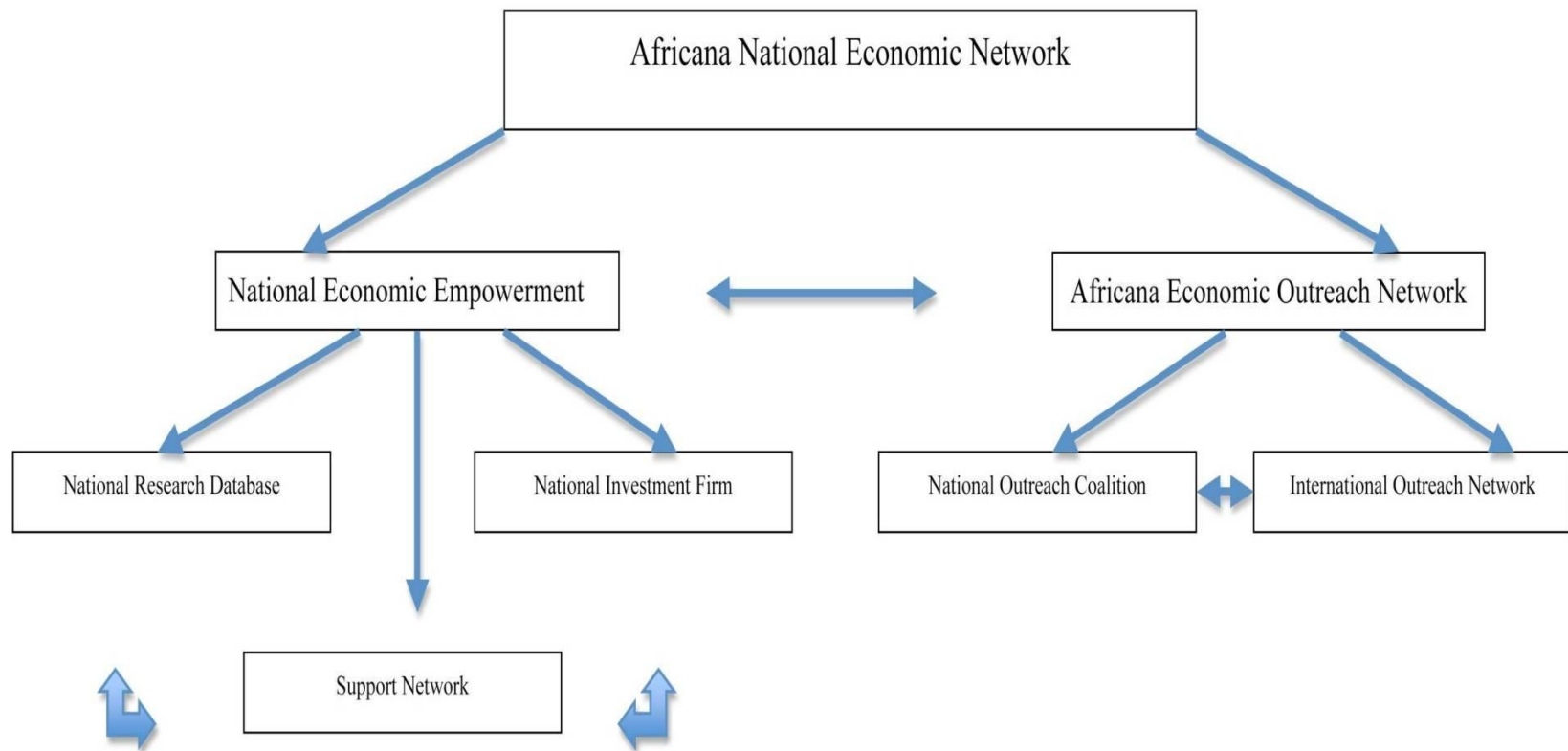
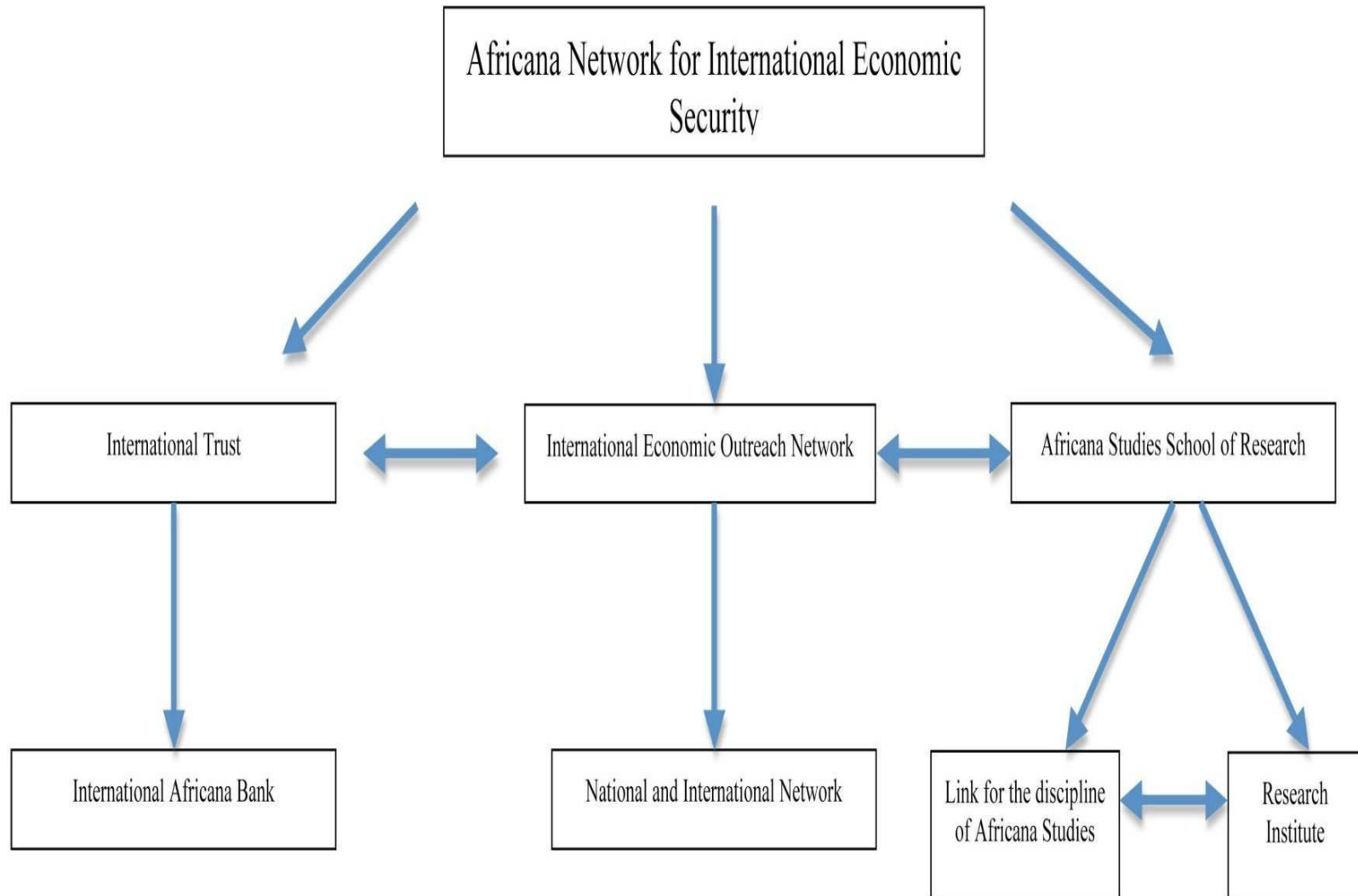


Figure 8.3 Afrocentric Economic Empowerment Model: Africana Network for International Economic Security



In the contemporary movement for economic empowerment, the African American community must work to institutionalize an economic philosophy that addresses the factors that challenge our economic stability as well as strengthen the economic pillars that fortify our community's local, national, and international economy. This component of the economic empowerment platform particularly focuses on transforming (revolutionizing) the individual's economic perspective. Thus, it serves as a charge to form and strengthen existing social institutions that normalize Afrocentric economic behavior. The Economic and Institution Formations is divided into two subcomponents: 1) Africana Economic Consciousness and 2) Institutionalizing Africana Economic Consciousness. Africana Economic Consciousness is the essential ingredient for transforming Africana peoples' economic reality through Africana collective agency. The Africana Economic Consciousness subcomponent seeks economic transformation through psychological decolonization and reposition how the business industry (Capitalist, Socialist, Communist, etc) engages the Africana community by activating collective Africana agency. The Africana Economic Consciousness subcomponent contains two dimensions that focus on transforming the spending and investment practices of African Americans. The two dimensions are: 1) Transformative Spending and 2) Directive Investing. While the first dimension focuses on Africana peoples' economic behavior, it does not prioritize individual advancement such as the Black Capitalist model. Rather, it seeks to harness Africana peoples' collective agency to produce resources for the Africana community and transform the current exploitive relationship between Africana people and business corporations. These dimensions offer

African Americans a criterion for Afrocentric spending and investment practices that would aid in strengthening the households' wealth portfolio, the local African American business community, and the Africana National Economic Database, which will be discussed later in the chapter. The Transformative spending dimension endorses three tenets that attempt to direct/redirect African American spending patterns: 1) Informed spending; 2) Inside out spending; and 3) Spending Power through collective collaboration.

The informed spending tenet specifically focuses on household budgeting, directed spending, and unified spending. The fundamental tenet is to direct household spending to businesses that have financial and institutional commitments to the movement for African American economic empowerment. Additionally, we seek to tax businesses that occupy space in African American communities for the purpose of community and economic development projects. Similar to earlier models, informed spending attempts to transform African American spending power into a tool for social, political, and economic transformation. This component advises heads of household to itemize household spending and place a priority on saving to establish an investment base. Furthermore, it recommends the household to eliminate and/or limit spending on luxury items. Inform spending seeks to limit African American consumers' participation in counterproductive and over consumption spending (Christmas, Valentine Day, Black Friday, Tax return season, etc.) as a means to establish a tradition of investment and eliminate over consumption. This tenet does not seek to diminish the spiritual or cultural significance of these celebrations, but rather asks African Americans to redirect focus to

the spiritual and cultural purpose and disregard the consumption component that has been attached to these seasons. Lastly, the informed spending component advises African American consumers to follow the African American Economic Database annual report for directing spending to companies that invest in the Africana Economic Empowerment Monetary and away from corporations that are strictly for-profit.

The inside out spending tenet seeks to establish a strong consumer base for the African American business community and establish a tradition of recycling African American dollars. It advises African Americans to purchase goods from African American businesses first, and then extend to other businesses for products that cannot be found within the African American business community. While this may prove to be more expensive initially, we will find that as African American business support increases and the demand for goods increase and prices will decline. The second aspect of the inside out spending is to report vacant industries within the African American business community to the Africana Economic Empowerment Depository. The inventory of business vacancies will be used to inform entrepreneurs of untapped industries that are desired by African American consumers. The idea is to empower African American consumers through their spending power to dictate the businesses they feel are needed in their communities and with the local African American business community.

The final tenet under the transformative spending subcomponent is Spending Power through Collective Collaboration, which advises African Americans to commit to and participate in collective spending strikes on local businesses that do not contribute to community development projects within the African American community and as well as

businesses offering substandard products. Thus, this suggests that consumers may forfeit convenience and personal experience with a particular business for the greater good of the collective. Through reports produced by the African American National Economic Depository, consumers will be informed of businesses that do not meet the standard for contributing to community and economic development nor are not willing to make adjustments to comply. Thus, consumers will commit to African American economic development before personal comfort through their spending practices.

The second dimension of the Afrocentric Economic Consciousness subcomponent is Directed Investment, which seek to establish Afrocentric guidelines to channel investment practices toward collective African American economic stability. The investment dimension advocates that African Americans steer investments toward businesses that have a divested interest in improving social and economic conditions of the African American community. The investment aspect suggests that African Americans commit to two investment tenets: 1) Profit through Principled investing; and 2) Innovative Investing. Profit through Principled tenet recommends that investors gage investment's profitability on social impact first, and monetary gain second. While this may seem contradictory within a capitalist context we must keep in mind that this platform is based on African cultural principles with a goal of revolutionizing African economic reality. Therefore, this tenet is influenced by a principle espoused by the late John Henrick Clarke when stating, "For a people to be free, they have to produce one sacrificial generation. That generation must be the role model for other generations to

come." (Clarke, 1998) Those in a position to invest must invest in the future of African American economic stability and establish a standard for next generation to follow.

The Innovative Investing tenet recommends that African American homebuyers and potential homebuyers seek to purchase homes within the African American community. This commitment seeks to establish a strong community base in which African Americans are invested in the development of their community. Secondly, it seeks to reconnect the middle and upper class with impoverished African American community such as those before "desegregation". The presence of professional and skilled labors adds a social component and aims at transforming neighborhoods into communities. This does not assume that the presence of middle and upper class individuals is what makes a community; it simply suggests that ownership of property is an important component of community control. Furthermore, the issue regarding property value must be investigated and strategically addressed and this fight will be waged primarily by African American homeowners and prospective homeowners that are committed to uplifting Black communities. The flight of middle and upper class families from economically deprived communities does not help the community or fight against racialized property value estimations. This is an area rarely addressed in economic development platforms but vital given that the overwhelming majority of African American wealth is stored in home value and equity.

Institutionalizing Africana Economic Consciousness, the final subcomponent of the Institutional Economic Network, is the second critical aspect in the dual process of institutionalizing the movement for Africana economic empowerment. Like social

movements of the past, this subcomponent is responsible for producing educational material and forming social institutions that work to educate/reeducate the Africana community on the principles and significance of Afrocentric economics. Thus, this component suggests that Africana economic behavior is informed by socialization and institutional support. Institutionalizing Africana Economic Consciousness subcomponent is charged with infusing the Afrocentric Economic Empowerment framework into educational, social, and political institutions that serve the Africana community. The Institutionalizing Africana Economic Consciousness component consists of two dimensions: 1) Africana Economic Empowerment Monetary; and 2) Africana Economic Empowerment Depository. The Africana business community will be responsible for collaborating to establish both institutional networks and will reap the benefits of the network by galvanizing Africana consumers. The Africana Economic Empowerment Monetary (AEEM) will serve as a cooperative investment Group that will be responsible for community development projects and a funding base for business formation. Much like the Progress movement, AEEM will be two pronged but will focus on producing educational material on the local Africana economic condition. Also, AEEM will seek to establish Afrocentric educational institutions to address substandard education, professional development, and social economic responsibility of Africana people. AEEM educational institutions will be rooted in an Afrocentric curriculum and include an economic educational component that teaches youth the value of community responsibility. Furthermore, educational material would articulate the local and broader Africana economic reality in its historical context and centralize the need for institutional

and monetary reparations. In addition to its institutional activities, AEEM will be responsible for contributing annually to the Africana National Economic Network.

The Africana Economic Empowerment Depository (AEED) dimension would serve as a research think-tank. The AEED will be charged with investigating local movement for Africana economic stability and compile important data of past strategies of resistance and community—controlled models for economic development. This information will arm AEED in developing models for local institutional and monetary reparations. AEED will also survey the local community to establish lines of communication between community and Africana business community. AEED will inventory the community's satisfaction with Africana owned business and find voids within the Africana businesses community. AEED will work to expand the local Africana business market by consulting entrepreneurs and recommending that they fill voids in the African American community. More important AEED will solicit financial contributions from businesses located in Africana communities for economic development programs. Businesses that do not contribute to AEED will be protested by methods similar to the "Selective Patronage" movement. The intent is to enforce the principle of community responsibility, and promote Afrocentric Economic Empowerment.

The Afrocentric model is flexible to local factors, but must adhere to the Afrocentric economic principles identified above. History has taught us that human behavior is largely reflective of our culture, experiences, socialization, and our interaction with society's social, political, and economic institutions. Thus, this component seeks to

establish social institutions that act as education incubators. This encompasses a collaboration of numerous institutions that distribute the cultural values and principles that directly influences our behavior. The central institutions include, but are not limited to, family, religious institutions, community action networks, educational institutions, as well as a media component. Collectively, these institutions have the capacity to begin to revolutionize Africana people's economic philosophy and economic behavior. Finally, AEEM would be the liaison for between the local network and the National Economic Empowerment Monetary, which will be discussed in the national component of the Afrocentric Economic Empowerment Model.

The Africana National Economic Network, the second component of the Afrocentric Economic Empowerment Model, contains two subcomponents: 1) National Economic Empowerment Monetary; and 2) Africana Economic Network Outreach. The National Economic Empowerment Monetary (NEEM) serves as the national body for direct action for the movement of Africana economic empowerment. The dimensions of NEEM will be to research national conditions of Africana communities and distribute findings to local networks. These reports should include progress of local movement as well as spending and investment pattern of Africana communities. In addition, NEEM will provide support for local movements. Lastly, the monetary will establish a National Investment Firm, which would work to invest the contributions made by local networks. The investment firm would seek to expand and strengthen corporation that have establish a commitment to the movement for Africana economic empowerment. Furthermore, the

firm would contribute to the Africana Economic Network Outreach, which works to strengthen Afrocentric Economic Empowerment Model's support base.

Africana Economic Network Outreach, the second component of Africana National Economic Network, includes two strategic dimensions of outreach. First, the outreach network seeks to establish communication and informational exchange with regional, state, and local networks. The national network outreach component would solidify a strong national coalition and harnesses the momentum of local movements to forge a national movement for economic transformation. In addition, the Africana Economic Network Outreach will establish communication and informational exchange with the Africana Network for International Economic Security. Thus, the network's outreach subcomponent would have the vital task of connecting local movements to form national thrust as well as creating a link to the international component.

The Africana Network for International Economic Security, the third component of the Afrocentric Economic Empowerment Model, consists of three dimensions: 1) the International Trust; 2) the International Economic Outreach Network; and 3) the Africana Studies School of Research. The International Trust would serve as the International Bank for the international Africana community. Contributions from national economic networks will be combined to establish the international trust and as the local, national, and international model. To generate momentum, the international trust would work to form national and local banks. The trust will aid in recycling Africana dollars and gain investment power on the national and international levels. The benefit of an international

trust is that it would not be tied to the fluctuation in local economies and it would have an international support base, opposed to simply national.

Similar to the national outreach network, the International Economic Outreach Network (IEOW) would serve as the model's international coalitions. IEOW would be responsible for establishing communication and informational exchange with national Africana networks to further strengthen the transformative base and link local movement to an international movement for economic empowerment. The networking dimension of the model will be vital in the expansion of the Africana international business community and may possibly serve as a means of an international exchange of goods, which could decrease pricing. This also creates new avenues for Africana industries (transporting, manufacturing, distribution, etc.).

The Africana Studies School of Research (ASSR) will serve as an international research wing of the Afrocentric Economic Empowerment Model. First, it would look to collaborate with Afrocentric schools to conduct research on local, national, and international aspects of Africana poverty. This research will seek to address some of the structural causal aspects of poverty and prescribe solution. Furthermore, the ASSR will research and formulate models for economic development and new economic models that would be more receptive to Africana people's economic reality and culture in the present economic climate.

The Afrocentric Economic Empowerment Model seeks to utilize resources (spending power, investment resources, social institutions) within our local communities to forge an international movement geared toward Africana economic empowerment.

The model suggests a movement to transform the economic conditions of the overwhelming majority of African people rooted in the African community and ignited by those who suffer most from economic deprivation. This model seeks not to imply that these conditions are due to African consumer practices, but that they can be transformed by transformative spending, directed investing, and institutional formation. These challenges, though not created by African people, will only be solved through strategic planning and collective action. The Afrocentric Economic Empowerment Model seeks to be the base of action in the area of economic development.

Limitations

A limitation of this research was the sample size of respondents of the AADEQ. Despite exceeding 180 participants, a larger sample size may have possibly given the researcher a deeper understanding of some of the local factors that contribute to the economic condition of Philadelphia's African American community. In addition, my analysis was heavily reliant on historical research opposed to other research methods. The use of more empirical methods may have aided in drawing a stronger link between the historical components and the contemporary factors. Additionally, my focus on Philadelphia only, restricted my research to explore selective models for African American economic development. The inclusion of local models implemented in Detroit, Chicago, Los Angeles, etc. may have given the research various models to explore and add clarity to the national movement for African American economic stability. Lastly, my historical analysis did not fully explore class. Focusing primarily on social movements left the researcher little room to investigate issues of class, which may have

advanced my analysis and engaged intricate aspects of institutional racism and explore theories that suggest economic reconstruction based on class collaborations.

KEY TERMS

African American economic Development

African American economic development is the movement of African Americans fighting to secure their collective economic opportunities for financial stability.

Afrocentric historiography

Afrocentric historiography refers to the examinations of the past through written documents, oral accounts, and traditional or epic stories. Afrocentric historiography is distinct in that it specifically accommodates the various methods that Africans used to record their historical narrative. Further, Afrocentric historiography holds high the centrality of culture as a means to truly understanding a people's traditions, rituals, and historic events. Afrocentric historiography differentiates itself from other methods of historiography in that it places equal value on oral and traditional stories and written history. In addition, it centralizes African culture as the chief factor in analyzing phenomena.

Afrocentricity

As articulated by Molefi Kete Asante, Afrocentricity is a philosophical perspective associated with the discovery, location, and actualizing of African agency within the context of history and culture.

Conservative

A political philosophy that seeks to preserve traditional government and reject reform. United States' conservatism has traditionally sought to preserve the political and economic status of its wealthy White constituency.

Great Migration

A mass exodus of African Americans from Southern American cities to Northern and Western cities in the United States between 1910 and 1960.

Intergenerational Transfer of Wealth

The transfer of liquid assets, wealth accumulating assets, financial knowledge, as well as investment and spending philosophy from one generation to the next. The theory focuses on the transfer of parental wealth to offspring or extended family.

Liberal

A political philosophy that advocates for the freedom of individuals rights and acceptance of new and diverse alternatives for political and economic reform.

Liberalism

The fundamental principle of liberalism is the prioritization of individual citizens' liberties, equal rights and the restriction of government interference in economic affairs.

This research leans on Lizabeth Cohen and James Wolfinger's articulation of liberalism in that it is a "political orientation that deploys the power of the state to improve the lives of working people through legislation and programs that protect their homes and jobs. A liberal or Democratic coalition, then, is an alliance of ordinary people who seek to implement the vision.

Liberal Reform Movement

LRM is the collaborative of liberals to restore democracy and transform Philadelphia's local municipal government to a system committed to liberalism.

Pan Africanism

A Pan Africanist approach to economic development is collective commitment to African economic liberation that extends beyond geographic borders. This concept takes from Marcus Garvey and Kwame Nkrumah philosophical conceptualization of a united African front for African liberation. I also lean on Dr. Zizwe Poe's assertion of Pan Africanism in that it is "a set of ideas and actions that seek to establish an optimal zone for macro African agency." Further Pan Africanism is concerned with centralizing collective African agency.

Reformist

A liberalist committed to the transformation (politically, socially, and economically) of institutions to reflect liberal democracy

Standard of Living:

Standard of living generally refers to the consumption of goods and services of individuals or a group that would in turn increase one's well being. However, this research argues that the term "standard of life" is culturally specific in that one's culture defines the desired standard of life for its members. For the purpose of this research, the desired "standard of living" refers to economic stability, spiritual groundedness, and an active community involvement. This research's desired standard of living diverges with others in that it is not solely dependent on economic factors. The spiritual component as well as the community involvement holds equal importance as the economic component. Also my analysis of desired standard of living takes into accounts an individuals or group's involvement with securing an environment that celebrates, reinforces, and honors their cultural characteristics and historical reality. This study does not take the stance that economics solely dictate standard of life. However, economics is one of various social factors that contribute to one's standard of life. Economics, like spiritual groundedness, education, living environment etc., have the potential to affect one's life experiences and aspirations/desires, which help to make up one's standard of life. Standard of life refers to, but is not limited to, the quality of healthcare one receives, ability to purchase quality food, the quality education available. But it also refers to the individual's consciousness and involvement in the process to continually transform their reality to reflect an environment that is receptive to an African way of living.

Wealth from an Afrocentric perspective

Similar to the general definition of wealth, the Afrocentric understand of wealth refers to the difference in money and/or anything holding monetary value or exchange value against liabilities. In addition, the Afrocentric concept of wealth extends beyond monetary goods and requires an individual or group to be spiritually centered, and to have an unwavering commitment to the African American community. As with all other aspects of African reality, spiritual centeredness is essential for the physical accumulation of wealth and a located consciousness that guides the use of those material assets. The metaphysical component of wealth serves as a necessary foundation that connects the individual with creator and the larger African community. Further, the spiritual component helps to bind and secure African people's commitment to one another. The commitment to the African American community refers to active involvement in procuring the external and internal security of African American people's space. Further, it refers to a conscious commitment to addressing structural attacks that challenge the economic well being of the African American community. The Afrocentric paradigm suggests that wealth is reflected in a harmonious balance of the spirit, material possessions, and active involvement in the community.

White Supremacy

Historically based, culturally rooted, institutionally perpetuated system of exploitation and oppression of continents, nations and peoples of color by the social/political institutions of nations under the economic and political influence of Europeans and the European Diaspora; for the purpose of establishing, maintaining and defending a system of wealth, power, privilege and domination. (McDougal, 2007)

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APPENDIX A

African American Economic Development Questionnaire

1. What month and year were you born?
2. What is your current zip code?
3. How many years have been a resident of Philadelphia?
4. What is your employment status?
5. What is your annual income?
6. What is the highest level of education that you completed?
7. How many people currently live in your household including you?
8. What is your current marital status?
9. What is your gender?
10. Do you have a checking account?
11. Do your parents have a checking account?
12. Do you have a savings account?
13. What is your current savings?
14. Do your parents have a savings account?
15. Do you own any stocks?
16. Do your parents own any stocks?
17. Do you own any bonds?
18. Do your parents own any bonds?
19. Do you own any credit derivatives (CDs)?
20. Do your parents own any credit derivatives (CDs)?
21. Do you own your own business?
 - 21a. If yes, how long have you owned your business?
 - 21b. What type of business do you own?
22. Do you currently own your home?
 - 22a. If yes, how long have you owned your home?
23. Did you receive assistance for paying your down payment on your home?
 - 23a. If yes, who provided assistance and what percentage of your total down payment did that assistance account for?
24. Do you own any real estate in addition to your home?
 - 24a. If yes, what types of other real estate do you own?
25. Have your parents ever owned a house?
26. Do you keep your money in any other place not mentioned above?
 - 26a. If yes, please list them.
27. I am _____ with the job opportunities in my neighborhood.
28. I am _____ with the selection of job opportunities in my neighborhood.
29. When looking for a job, I _____ find employment opportunities in my neighborhood.
30. I am _____ with the job opportunities that are available in Philadelphia.

31. Philadelphia has jobs for my work skills.
32. Have you ever been offered a promotion at your job?
 - 32a. If yes, how many times have you been promoted?
33. I have _____ attended assistance programs available to me.
34. I have _____ attended job workshop(s).
35. I have _____ attended a job fair(s).
36. Have you bought a home?
 - 36a. If yes, did you use a first time homebuyers program?
37. What percentage of your household's monthly income is used to pay rent/mortgage?
38. What percentage of your household's monthly income is used to pay food (grocery) expenses?
39. What percentage of your household's monthly income is used to pay transportation expenses? (Transportation expenses include car notes, auto insurance, gas, public transportation, etc.)
40. What percentage of your household's income is put into savings?
41. What percentage of your household's monthly income is used to pay other expenses? (Credit Card bills, Utility bills, etc.)
42. I shop at Black owned businesses.
43. I think it is important for Black people to support Black owned businesses?
44. I am _____ with the customer service from Black owned businesses.
45. How much of your household's monthly income is spent in Black owned businesses?