


# **A Case for a State/Regional Coalition in the Rural South: Focus on Victims of Recent Hurricanes**

Ntam Baharanyi  
Tuskegee University

January 28, 2008  
West Palm Beach, FL



# Major Points

- Tuskegee University, south central Alabama & Southern Black Belt counties: focus on persistent southern rural poverty
- Southern rural poverty is not about income; it's about assets as well; huge inequities along racial lines
- Homeownership, education, savings, home ownership, etc. lead to wealth, better well-being, & community development
- Asset-based policies have made a difference for some
- Katrina highlighted the fact that many Americans live in abject poverty, without any assets to draw upon in bad times
- Organizing in terms of State/regional Coalitions is the way to go for a more inclusive public policy on asset building

# Background

## Tuskegee University and the Alabama Black Belt

### 12 Counties+

- Barbour    - Hale                      - Montgomery    - Greene
- Bullock    - Lowndes                      - Perry            - Marengo
- Dallas      - Macon - Sumter - Wilcox

**Black Belt/State/US Black population:                      67% 25% 13%**

**Black Belt/State/US poverty:                                      25% 15% 12%**

Similar conditions in about 400 southern Black Belt Counties

**Work with other 1890 institutions and CBOs**

# The Rural South and the Race Factor

• Race	Total	Rural	Perc.
Blacks	4.7 m	4.3 m	91%
Hispanics	2.5 m	1.3 m	52%
Whites	43 m	16 m	38%

Poverty rates for the three groups:

- 31 percent, 30.1 percent, and 13.5 percent, respectively
- 25.6 percent, 25.9 percent, and 7.4 percent (metro)

# Edward Glaeser's 3 Worlds

- Prosperous places: mostly on the coasts
  - Production of new ideas
  - Finance or high technology
  - High wage and very expensive
- Lower-middle income areas: vast areas of America
  - “buying things at Walmart”
  - “relatively decent life”
- Truly disadvantaged: in America's inner cities
  - “around manufacturing and services that were not able to re-invent themselves”

The Yard, Fall/Winter 2007

# Rural High Poverty Areas

- NC, SC, GA, AL, MS, LA: **Black**, 210 counties
- TX, NM, ... FL, GA, MO, WA: **Hispanic**, 74 counties
- Northern Plains, Southwest, OK, AK: **Native American/Alaskan Native**, 40 counties
- Southern Highland: WV, KY, TN: predominantly **White**

# Poverty & Income Inequity:

	White (\$)	Black (\$)	Hispanic (\$)
Bottom 25%	23,369	11,685	12,658
Median	42,843	24,343	23,369
Top 25%	74,002	48,685	46,738

Source: Survey of Consumer Finances, Federal Reserve

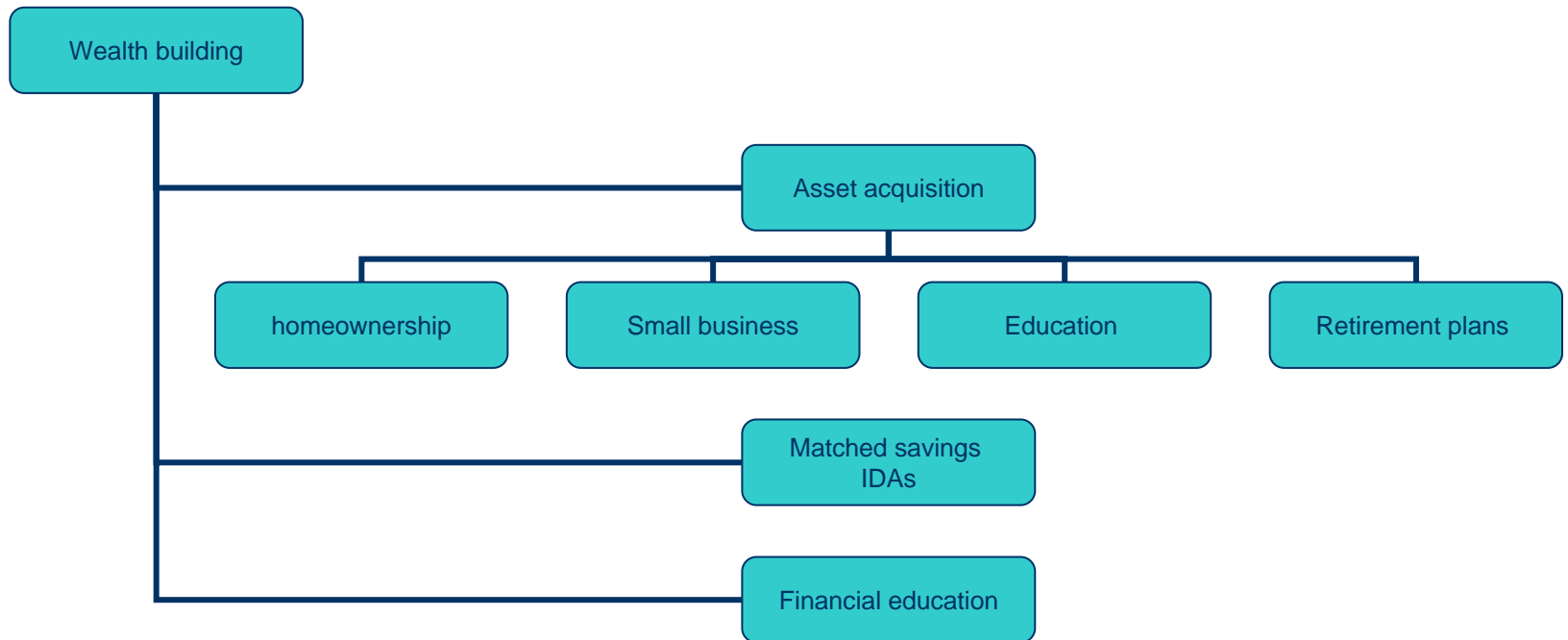
# Poverty, not just about income

- Low levels of assets
- Assets: the stuff people own
- Assets provide investments that appreciate over time
- storehouse of resources not usually used to purchase basic necessities like food and clothing
- Financial vs. Non-financial Assets

# Types of Assets Cont.

- Financial Assets
  - Cash deposits, checks, loans, accounts receivable, and marketable securities (bonds, notes, shares)
- Non-financial Assets
  - material possessions that hold monetary value: house, a small business, automobile in some instances
  - natural resources: land, wildlife and livestock
  - human investments in non tangible property: education, traditional knowledge and marketable skills

# A Framework for Asset Acquisition



# Importance of Assets

- Create opportunities, secure a desired status and standard of living
- Provide leverage to create more assets
- Provide a cushion against financial crises: job loss or medical emergency
- Pass on advantages, class status and WEALTH to future generations
- Greater political participation, influence on legislation, improved true democracy, etc.

# Importance of Federal Policies in Asset Acquisition

- Homestead Act of 1862
  - United States Federal law
  - gave freehold title to 160 acres (about 65 hectares) of undeveloped land in the American West
  - have built on the section, and lived in for 5 years, a house that was at least 12 by 14 feet (3.6 x 4.3 m) in size
- GI Bill of 1944
  - Service's Readjustment Act
  - Higher education within the reach of millions of veterans of World War II and later military conflicts

# Oliver and Shapiro, 1995 & 2006

- Despite a narrowing income gap, Blacks continue to have significantly less wealth than Whites
- The wealth gap is at the core of many of the socioeconomic differences that have persisted during the post Civil Rights era
- 80% of black children begin their adult lives with no assets whatsoever; not the case for white kids, for example

# The Rural South (Black Belt) after Katrina

- Katrina highlighted the fact that many Americans live in abject poverty, without any assets to draw upon in bad times
- The Ninth Ward in New Orleans versus Rural (low wealth) LA, MS, AL & FL Communities not in the news
- How can asset-building policies work for income- and asset-poor families in the region?

# This Project

- More inclusive public policy
- Network with organizations and institutions in the business and learn from each other
- Start with existing programs, ideas, policy groups and networks at the State and regional level at work
- Strategize to strengthen, create, and use State/Regional Coalitions

# Partners

- Washington University at Saint Louis/Center for Social Development (Gena Gunn): TA
- Mississippi Association of Cooperatives (Melbah Smith): recovery of forest resources after Katrina, youth IDAs, etc. in **Mississippi**
- Federation of Southern Cooperatives (Cornelius Blandon): recovery money and policy for shrimpers in **Louisiana**
- AABC; Alabama ARISE (Ron Gilbert): Coden (AL) case study to be used to educate lawmakers on CDBG funds and unincorporated communities, **Alabama**
- **Florida** Family Network (Sokoya Finch) and FAMU (Dreamal Worthen): YOU decide what's next

# How will we be evaluated?

- State meetings sponsored by partners to identify programs, stakeholders, organizations, etc.
- Baseline inventory for each state completed concerning outreach capacity to the rural poor concerning emergency needs programs and policies
- State/Region-specific structure of partners is set up
- Educational and outreach strategy developed for and meetings held with governmental organizations, CBOs, and news outlets in participating state
- Finding resources to continue this work