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Select Committee on Economic Disparity and Fairness in Growth

“Race, Ethnicity & The Economy: How Improving Economic Opportunity Benefits All”

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Good morning, Chairman Himes and members of the Select Committee on Economic Disparity and Fairness in Growth. I am Dr. Jamie Riley and I serve as the National Director for Race and Justice for the NAACP, supporting both our economic inclusion and criminal justice reform work. I bring you greetings as well from our President and CEO Derrick Johnson.

Throughout our 113-year history, the NAACP has prioritized and advocated for solutions to the issues addressed by this Select Committee. As the oldest and largest civil rights organization in the country, our work is rooted in addressing racial injustice and inequity. We are steadfast in our commitment to advancing economic equity and reducing an ever-widening racial wealth gap. We believe that an inclusive economy is one in which all Americans have equal access to economic mobility and the opportunity to build generational wealth.

Data has shown us that Black workers and their families historically suffered from higher unemployment rates, growing wage gaps, income inequality, lower rates of homeownership, lack of access to start up and growth capital for minority businesses and entrepreneurs, and significantly higher poverty rates than their white counterparts.

The ensuing economic disparities faced by Black Americans, who continue to lag behind in all of the economic drivers that contribute to financial well-being, has been exacerbated by the pandemic. But let me be clear. While the pandemic has exacerbated long standing economic problems plaguing the Black community; it did not create these inequities. COVID-19 shed a spotlight on them, and in doing so, we have the opportunity to eradicate them.

The NAACP has been active in addressing these issues by establishing public-private partnerships that bring together elected officials, government agencies, non-profit organizations, and corporations in developing sustainable programs and strategies that seek to eradicate racial economic inequities. The National Office and our 2,200 local branches and state conferences, have been steadily working to combat economic inequities.

In the area of small business development, the National Office worked to bridge the opportunity gap to help Black businesses during this pandemic. For example, in 2020, we developed a partnership with Hello Alice, an online community platform for small business and entrepreneurs, to build the Black-owned Business Center to ensure the growth and advancement of small business owners. Currently, our work in this area provides access to funding and engages small business owners and policymakers on priority issues critical to small business growth. The center deployed more than \$4 million in grants to Black-owned small businesses. The NAACP awarded



\$10,000 grants to uplift hundreds of local, small businesses through the generous support of our donors and corporate partners.

Additionally, the Stockton, California Branch of the NAACP is currently collaborating with the City of Stockton to expand access and opportunities for Minority-Owned Business by conducting a Brownfield study leading to a clean-up initiative, which will result in new revenue generating spaces for minority-owned business. The work being done by the Stockton Branch, will also create new employment opportunities within the community. The city itself has earmarked \$3.4 million to support this effort. Through this program, newly established business owners will have access to business development incentives, funds and technical assistance from non-profit and private industry partners.

In Houston, Texas, our NAACP Branch established the "Homes for Houston" housing program in 2017. Later, in 2021, they partnered with Freddie Mac to advance the program. The "Homes for Houston", housing program is designed to increase minority home ownership, preserve and retain existing minority communities and drive investment for sustainability. The partnership with Freddie Mac expanded the program to address wealth building and social equity in previously redlined areas, historic communities of color, and majority minority populations. The program is intentionally designed to support the sustainability, preservation, and creation of thriving Black, Indigenous, and People of Color – referred to as BIPOC - communities in America by implementing a national advocacy program that provides education and outreach to at-risk communities of color.

Further, in partnership with the nation's third--largest home builder, Pulte Homes, the NAACP through its "Homes for Houston" housing program was selected to pilot a new housing product from the Pulte/Centex home builders. This revolutionary program is designed to provide home ownership opportunities for buyers at 80% of Area Median Income, or AMI. The program is revolutionary because it creates a cornerstone of generational wealth beginning with home ownership. Launched in the summer of 2021, the first two new homeowners closed in December 2021. Monique Dixon, a single mother of a young son summed up the impact for all participants in the program after closing when she said, "This program changed my life".

Let me also quote Belinda Everette, Chair of the Houston Branch Housing committee and the developer of the program curriculum. Ms. Everette said, "Home ownership for the minority community is vital because it's not only part of the American Dream, but because home ownership helps create generational wealth. That in turns creates a culture of care. People tend to care more about their community—the people, the schools, and businesses—when they own a home".

We all agree that access to a good paying job with benefits, is central to achieving economic mobility. The Infrastructure Investment and Jobs Act has placed increasing focus on in-demand jobs in STEM fields. Recognizing this focus, the Maryland State Conference of the NAACP and, the Columbia, Maryland Branch, are partnering with a local IT firm, King's Heart STEM, and the Columbia Association of Howard County, a nonprofit community services organization managing community enrichment initiatives in Columbia, Maryland. The result of this collaboration is the



Community Technology Corporations. This initiative will develop multiple centers throughout the community that will provide youth and adult learners with skill-based training as a strategy to increase the number of Black youth who go into STEM fields, and Black workers who seek STEM jobs.

In Connecticut, the One Million Jobs Campaign established by the NAACP Connecticut State Conference is dedicated to strengthening equity and the economic status of formerly incarcerated community members. The Connecticut initiative is building sustainable relationships with local and national employers who are committed to offering job placement opportunities. The One Million Jobs campaign has partnered with the healthcare, advanced manufacturers, and retail industries to set aside 10,000 jobs over the next three-to-five years for formerly incarcerated individuals across the state of Connecticut.

As part of our effort to find good jobs for formerly incarcerated men and women, our Connecticut NAACP State Conference President secured a new partnership in 2021 with the Yale New Haven Hospital System. Through this partnership, we will secure jobs and job training, including a commitment that 5% of their entry level job opportunities will go to formerly incarcerated workers. Based on program analysis, if the program is able to secure 1,000 new jobs at \$30,000 per job annually, the program will add approximately \$30 million more dollars into Connecticut economy.

The NAACP understands the importance of coupling strong local economic inclusion efforts with public policy that provides the additional social safety nets families and communities need to thrive. Because of this, we have invested time and energy in advocating for the permanency of many of the provisions included in the American Rescue Plan Act (ARP). For example, the expansion of the Child Tax Credit for the first time reached the lowest income families. These monthly payments were an essential financial life-line and helped to address historic economic inequities by lifting over half of Black children out of poverty. I would like to say that again because the impact is spectacular and so important. More than half of Black children in poverty were lifted up and out of poverty because of the Child Tax credit. We know that reducing child poverty promotes economic mobility, which leads to full economic inclusion. Making permanent the expanded Child Tax Credit and the Earned Income Tax Credit can have profound intergenerational benefits by addressing long-standing racial disparities and decades of economic disenfranchisement maintained by past racist policies.

As such, we support passage of the House version of the Build Back Better Act and applaud the Bipartisan Infrastructure Law and the investments it will make and the jobs it will create across the country. We want to ensure that the provisions in the new Bipartisan Infrastructure law are equitably distributed to communities of color. In addition to expanding the impact of our local and state economic inclusion programs, this will be our work moving forward.

In closing, our collective impact is more powerful and enduring than what an individual can accomplish alone. We know that when diverse people come together to solve problems, the result is more innovative, more inclusive, and yields more productive solutions. To address these systemic issues of inequities, as displayed in the examples above, it will require stronger public-private partnerships between governmental agencies and lawmakers, non-profit and community-



based organizations, and private corporations all of which must be committed to create and sustain an inclusive economy. We believe that a truly diverse and inclusive economy benefits all Americans and is the thread that binds our economic goals.

Thank you for the invitation and opportunity to present testimony. I look forward to your questions.