LAURA FLANDERS: Last year in the wake of the national uprising against police brutality and racism that followed the murder of George Floyd, big banks among others made big promises to help support Black owned businesses. Have they kept those promises? This week, that’s the question at hand on our monthly Meet the BIPOC press round table, hosted by our partners at URL Media. I'll be back at the end of the episode to wrap with our hosts, but for now Sara, Mitra, over to you.

SARA LOMAX-REESE: Thanks Laura. Hi, I'm Sara Lomax-Reese. I'm the president and CEO of WURD Radio and the co-founder of URL Media, which is a network of Black and brown owned media organizations from across the country. And I also want to introduce my co-host and co-founder Mitra Kalita. Today, we're going to jump into a conversation about an article that we just released that's focused on the big banks and a racial reckoning happening in the big banks, but are Black businesses really feeling the effect? We have three extraordinary guests today to help us unpack this complex story. There's Madhu Bora, the reporter and writer for the article, Dr. Wayne Williams, an assistant professor of accounting at Temple University's Fox School of Business, and Nicole Ndumele, who's the Vice President for Racial Equity & Justice at Center for American Progress. I'm gonna start with you Madhu. Tell us a little bit about the premise of this article "A Racial Reckoning in the Big Banks: Black Business Still Waiting for the Payout." What did you learn? What surprised you?

MADHU BORA: I wish I had been surprised, but at the end of the day corporate America is still corporate America. It was powerful to learn the quagmire and the lack of transparency around philanthropic giving. And that there's such a divergence between what corporation wants to think motivates their philosophy, their giving philosophy versus, you know, what the real intentions are which is basically at the end of the day, they're still trying to make profit.

SARA LOMAX-REESE: You know, a lot of this was the impetus of, it was the killing of George Floyd. And we know that in 2020 there was this series of police abuses and they were very high profile. And then from that came this great outpouring of protests around anti-Black racism and just racial injustice overall. And literally these banks have pledged billions and billions of dollars. Tell us a little bit about what you learned in doing this reporting around what the banks have actually pledged.

MADHU BORA: I mean they promised so much, right? I mean, billions of dollars to advancing the cause of racial equality and economic opportunities for people in communities of color. And
they said that they were going to do this by supporting CDFI, or Community Development Financial Institutions and other organizations like that which worked closely with these underserved communities. They said that they were going to make direct equity investments in minority entrepreneurs and businesses. They were gonna create, you know, help with creating jobs. And they were doing all of this by facilitating lendings through the PPP, the Payment Protection Plan program. They also promised that they were going to, you know, create opportunities for businesses to have mentorship and education. On top of all of this they were also saying that they were going to open new branches in underserved communities and also look into their organizations in terms of increasing inclusion in employment.

SARA LOMAX-REESE: One of the things that I think is a consistent theme in the article is the fact that there's a disconnect between what is being promised and how it's being felt on the ground. I wanted to go to you, Nicole Ndumele. You are at The Center for American Progress, you are doing research around the racial wealth gap on an ongoing basis. Can you frame out for us what exactly that racial wealth gap looks like? And what's the connection to the banking industry and corporate America overall?

NICOLE NDUMELE: What it means is that wealth in America is highly unevenly distributed by race and some dollars and cents to that is that Black families have 12 cents of wealth for every dollar of a white family. So what does that mean, really? It means that in 2019 white families had an average of $188,000 in wealth compared to just $24,000 is the average for Black families. So that's where you can see the huge difference in how Black and white Americans experience wealth in this country. Another really startling way of looking at this is that white college dropouts have more wealth than Black college graduates. That just really gets to the high level of disparity and the systemic nature of it.

SARA LOMAX-REESE: I wanted to see if you could connect that racial wealth gap with policies and practices of the banks and corporate America. How are their actions actually contributing to this racial wealth gap?

NICOLE NDUMELE: There's actually a very clear through line from the beginning of the country until now that there have been systemic institutional racist policies within the government and within the financial industry that have gotten us to the wealth gap we experience today. It started with slavery. It continued through Jim Crow segregation, and occupational segregation of African-Americans in this country. It continues through financial markets today in various ways. It has to do with lending, who gets loans from banks? At what rates do they get those loans? Who is able to have a home and a mortgage which is one of the major generators of wealth in America. The numbers for Black and white Americans in terms of home ownership, home mortgages, and the rates they pay are very different. Similar to who is able to live out the American dream of having a small business, with small businesses there are far fewer Black
Americans who are able to get the capital they need from the financial industry to start those businesses and live out those dreams. So those are some concrete ways. There's other ways in which where banks are located and what products they provide and whether they're meeting the needs of communities contribute to the wealth gap in significant ways. That there's no banks in your communities, that means you are relying on payday lenders and loans and other financial services that give you less and cost you more. All of those things are some of the key reasons that the financial industry is still contributing to the racial wealth gap today.

**MITRA KALITA:** I just think one of the most powerful parts of this piece, and specifically I remember what Nicole contributed to this was the article examines in the wake of George Floyd’s death, all these banks pledged to do better. But if I'm not mistaken, the specific number that Nicole mentioned was 250 years of decision-making got us to this point. And much of our accountability of big business right now can be a reaction, their reaction to these protests. But I think it's clear that they can't undo 250 years of systemic racism as Madhu started off our conversation in about a year's time. So I wonder if there's a way to reconcile that reality?

**DR. WAYNE WILLIAMS:** One of the things that I thought about when having a conversation and being interviewed by Madhu for the article is the banks are trying to address a number of deficiencies and grievances that had happened over time. And so the demand that they are trying to address comes from a number of different sources. As a consequence what ends up happening is there is a disbursement of the dollars that goes out to do diversity initiatives that are internal to the bank. There are initiatives that support nonprofit initiatives that are dealing with social programs. And so when you have all of that fractionalized approach without a coordinated plan, even if they were to step up at this point in time, the outcome may be less than what we would like to see in terms of providing some form of repair for all of those years of, you know, just inefficiency.

**SARA LOMAX-REESE:** And I want us to take a listen to Jeannine Cook who is one of the people who was interviewed for the article. She's the owner of Harriet's Bookshops.

**JEANNINE COOK:** We started a GoFundMe so that we could buy our own building, because what we realized is that, you know, during the pandemic they said that 40% of Black owned businesses just disappeared. 40%. That's almost half, right. So that's a public health emergency because if our businesses are disappearing that means that a whole bunch of other things are happening to our families at the same time. Once we were told to shut down, took all of their furniture, all of their books that you see, we would take that outside. We created a grab and go system, honor system, where people could just grab a book and shoot us a Venmo or cash app. And we've just been doing these things called bookplates, where we go out into the community and physically hand our books to children. Sometimes on horseback. We gave out 3,000 books to St. Christopher's Children's Hospital. Again, like coming up with innovative ways
to get the community involved, to make sure that we are doing our mission and doing it, you know, well, under the name of Harriet Tubman. You know, there were a million promises being flown and flung all around about how we're gonna, you know, buy Black and we're gonna, you know, support women. And here we are years and change later and you see how a lot of those sentiments began to fade and it turns into whatever the next trend of the moment is but the majority of our support has come from the people. You know, I've heard stories of people getting all types of resources, all types of money to support their businesses but that wasn't us. And after a while it was like, what am I gonna spend my time doing? Am I gonna spend my time, you know, reaching out to these people and trying to get them to do the right thing or am I going to spend my time serving my people? And I'd rather spend my time serving my people.

SARA LOMAX-REESE: Nicole, are there models that we're seeing in other parts of the country, other parts of the world that could actually help to disrupt the cycles of generational poverty and help us to move in the direction of generational wealth. Because that seems to be the shift that we need to move in or to see in order for these trends, this history to be disrupted.

NICOLE NDUMELE: It's important to really hone in on something that you just mentioned there, which is the cyclical and intergenerational nature of this problem. The wealth gap is truly a cyclical problem in that it has to do with the uneven distribution of wealth, but that makes it really difficult for Black Americans and people of color to advance in other aspects of life. So if you have less wealth, it's harder to pay for college, it's harder to get that first job to buy that first house. And then the things that cause you to not succeed in education, employment, and housing, therefore make it less likely that you'll make money and the cycle just continues. It's also an intergenerational problem because wealth continues to compound. You gain interest it's intergenerational, deprivation compounds in the same way. So if you are born into a family that's been deprived in that generations of your family have been deprived each generation is still suffering the ill effects of deprivation that happened from slavery, from segregation to the day because each family is starting off with less ability to transfer wealth from the previous generation to the current one. And so all of that means is there's not gonna be a clear or silver bullet to one policy solution or one model that's gonna solve the racial wealth gap. It's gonna require an entire whole of government approach. How do we make it possible for more people of color to be able to buy homes? What do we need to do in the financial industry to allow more people of color to be able to start their own businesses? Are there ways that we can expand the current range of banking products that exist; including are there other types of banking options that are out there like postal banking? So that we don't have to rely entirely on where current banks are located but every community has a post office, if we allowed banking services to be in post offices, more communities of color could have low cost, high service banking options. We can expand community development financial institutions, because their goal is really to get financial services to those who are most in need. There are a lot of bite-sized solutions that when piece together and layered can really help to overcome what is 400 years of history. It's not
gonna happen today, it is not gonna happen in a year or two years. It's gonna require a sustained commitment to address the long history that's led us to where we are.

MITRA KALITA: So Madhu who I'm just wondering what are some of the solutions that you can point towards from the ground level and, you know, pretend you're talking to one of these businesses, right? What are the opportunities available to them right now, and what do they need to do to meet this moment?

MADHU BORA: Most Black and brown businesses do not know how to access this capital. So how do we get those tools to them? You know, how do we tell them which financial documents, because that's what actually disqualified a lot of them in the first round of the PPP giving that they did not know they had to have their tax documents in order, they did not know that, you know, their credit history has to be proper, or they had to have some kind of collateral. They needed to show some kind of like cashflow and finances. They needed to have those documents together and a financial plan, right? I mean, you can have all the passion you want but then when you're starting a business you need to know where the money is going, what money is coming in and what your spendings are. So like also, being accurate in those reporting. So that's where I guess where the CDFI's come into play and building that relationship.

SARA LOMAX-REESE: Because a lot of this reporting happened in Philly, in Philadelphia. That's where WURD is located, Madhu, is based in Philadelphia, Dr. Williams, Wayne Williams is located in Philadelphia at Temple University. And Philly is known as the poorest big city in the nation. And we also have not the most thriving business, small business, Black business community there. And I'm curious if you could talk a little bit about Philadelphia's BIPOC business ecosystem and how does that compare to what we see in other parts of the country?

DR. WAYNE WILLIAMS: So I'm born and raised in Philadelphia, so I'm proud of Philadelphia.

SARA LOMAX-REESE: I am too. I am too.

DR. WAYNE WILLIAMS: So when I hear Philadelphia is the biggest poorest city I go no, no, it's not, actually that's a very bad misnomer. So let's think about how rich Philadelphia actually is. So if we will just the physical assets in Philadelphia, Sara, amazingly, the revenue department collects over $670 million in real estate taxes. There's another $320 million in transfer taxes just off of the physical assets that represent the city of Philadelphia and Philadelphia county. But here's the rub.

SARA LOMAX-REESE: Yes, into the rub.
DR. WAYNE WILLIAMS: Philadelphia has a highly impoverished population of residents. So with all of this wealth swirling around them we have residents who are not participating in the larger economy, which totals about $388 billion of GDP in Philadelphia. What I see emerging are initiatives that are coming down the pike. One of them is the Neighborhood Preservation Initiative which has $411 billion that's being poured back into neighborhoods in order to work on infrastructure and deal with part of homelessness issue in a housing crisis that we have in Philadelphia. Another one is tax reform. There's a new effort in order to address tax policy here locally in Philadelphia, and so that coordination along with the Neighborhood Preservation Initiative, along with what I see happening with the chambers of commerce, they are coming together through partnership. And those partnerships are going to be essentially critical to this. This conversation is mandatory, right? Like it's a critical conversation, one that I hope is going to facilitate, you know, renewed interest and can highlight through Madhu's article, those persons who are in the greatest needs.

SARA LOMAX-REESE: Nicole, what's one thing that people can do?

NICOLE NDUMELE: Because this is a systemic problem, it's important to think about what is it that government can do, and what is it that banks can do? Banks can open more branches in Black and brown communities. Banks can offer more services that are tailored to the needs of those communities so that the current numbers of Black and brown people who are underbanked or completely unbanked will go away. So that Black and brown people can have a bank, a local banker in their community. They can have savings accounts that allows them to build wealth. They can open businesses, they can buy homes, do all of the things that allow for wealth in the way that exists in many white communities in America.

SARA LOMAX-REESE: Madhu, what's the takeaway that you would wanna share after doing all that work on that amazing article?

MADHU BORA: I think it's so important for the media to step up and do these intentional stories where we are holding people in positions of power to account, and organizations as well, and also, specificity in the way we report these stories and how we navigate and enter these worlds. These institutions have so much power and they have profited for centuries off the backs of Black and brown people. And in a way to restore that imbalance by providing space for Black and brown people to tell their stories and speak their truths.

SARA LOMAX-REESE: Well, we are so grateful for all of our guests today for this very robust conversation about racial wealth inequities and the big banks, and just how we shift not just the narrative, but the power and the economics in this country so that there's more fairness and parody. So we wanna thank you again for your time and your experiences and your wisdom.
LAURA FLANDERS: This discussion was incredibly rich as far as I was concerned and exactly the kind of story that I wish other media did more. I mean, I was struck by the content but also by the fact that you're in a town, Sara, not to disparage anybody but you have The Inquirer, The News, The Tribune, WURD and URL Media did the followup but obviously all those pledges require. And that's so rare. I mean, we have stories go out all the time. Media put out information, they so rarely follow up and I was struck just how important it is when you do it. I mean, as we're speaking, you had Simone Biles and lots of important U.S. athletes testifying in the Senate around the Larry Nassar abuse story which was another one where if journalists hadn't followed over time, no charges would have been brought, the FBI would never been put on notice let alone forced to apologize. You know, that sex abuse story, the church sex abuse story. Follow-up is so important and your reporter Madhu did it beautifully.

SARA LOMAX-REESE: Yeah, absolutely. And I think that, so a couple of things, one, this is the first in a series of articles around accountability and the pledges, because it wasn't just the big banks that made all these pledges, but big philanthropic organizations and big corporations. And so we're really gonna be looking and following the money around these different pledges around racial justice that were made last year. These are the kinds of stories that URL is invested in. We're trying to really empower Black and brown media organizations and telling really important critical stories that impact Black and brown communities, and the ones that aren't necessarily centered in mainstream media. And so, it's a very exciting time for URL. And just to try and shine a light on so much of the big business and the money and the power that exists in this country that can kind of stamp down original voices and different voices.

LAURA FLANDERS: It leads beautifully this discussion into the show we're actually broadcasting next week which has to do with worker-owned cooperatives, disproportionately owned and operated by people of color and immigrants. They've proven themselves disproportionately resilient during this period of pandemic. And they are disproportionately cut out of government funding at every level. And there's a push to shift that.

MITRA KALITA: You know, the silver lining of the last year is that we have seen record entrepreneurship from communities of color. And what I hope we did was put some of these institutions on notice that we will continue to follow the money and we'll continue to follow the story. But I really do hope that this trend of entrepreneurship, and this trend of what we've seen of lip service to diversity, equity and inclusion are able to meet.

LAURA FLANDERS: Well, I look forward to next month’s Meet the BIPOC Press conversation. And I'm really happy about this collaboration and honored to have you participating with us on the Laura Flanders Show. That's it for this time. I wanna thank everybody for watching. And if you want to know more, there's a lot more information at our website.
For more on this episode and other forward-thinking content and to tune into a podcast, visit our website at LauraFlanders.org and follow us on social media @TheLFshow.