



February 1, 2017

Black History Month and Black-Owned Banks

Black History Month 2017 has begun, and it is time to celebrate the history of those of us with more recent roots in Africa – because ALL humans have roots in Mother Africa!

However, it is also time for regret to learn that Seaway Bank and Trust Company, a black-owned bank based in Illinois, has been taken over by the State Bank of Texas of Dallas, which is not black-owned. Seaway was established in 1965 to counter discriminatory lending practices and was recognized as one of the nation's largest minority-owned banks, with more than \$300 million in assets and 200 employees. But on Friday, January 27, 2017, Seaway was taken over by the FDIC and sold to the State Bank of Texas. Illinois Service Federal Savings & Loan in Bronzeville, a thrift founded by 13 African-American men in 1934 as a depositor-owned lender, is now the only black-owned bank remaining in Chicago. In 2016, there were 24 black-owned banks in America, down from 54 in 2001, according to FDIC.

The closure of yet another community bank is the result of the struggling communities that they serve. Many community banks operate in communities with high unemployment. Seaway Bank, just like every business, needed community and government support to be strong. The state of Illinois deposits taxpayers' money in larger national banks, leaving communities banks to compete with banks that are too big to fail.

Weak community banks play out every day in communities with larger numbers of failing small business and home and commercial property foreclosures. If we are to make our communities vibrant, create small business jobs and reduce crime in our state, we must do our part to support community banks. Community banks are lifelines for employment in our communities. If communities have banks that are willing to help start businesses and strengthen current businesses, neighborhoods will certainly change and crime will be reduced. Communities are at their strongest when they have quality schools and businesses and are supported by good financial services like credit unions and community banks.

Community banking is built on knowing the community they serve and knowing the customers and potential customers in the neighborhoods where they are doing business. Communities like Austin need to bring more community banks to the West Side to provide competition and encourage the banks in our communities to help our communities grow and prosper. Black businesses currently have very little, if any, access to financial capital from banks.

So, as we continue to celebrate Black History Month this year, let's celebrate our history but let's also create policies and an environment to support and prosper black-owned businesses, including banks that support our business and family needs.

Sincerely,

La Shawn K. Ford
State Representative-Eighth District