



September 25, 2017

Economic Injustice

It is not easy being a business owner in a community where you have to work harder and get paid less.

This past Saturday, Austin had POWER on the streets. The Austin POWER 5K kicked off its 3rd Annual Run/Walk 5K. The Austin African American Business Networking Association (AAABNA) members should be beaming with pride, especially Malcolm Crawford and Charmaine Rickette, for the turnout and the success of the event. It was a day when people came to Austin to support economic growth and development in the Austin community. This was a day when people came to Austin from all over the city and even different cities.

Events like this build positive and productive relationships for the growth of Austin. Furthermore, the growth of our West Side is not possible if we don't have strong partnerships with banks in our community to serve our financial needs. Banks must do more to partner with current business owners and with those who have the desire and motivation to start a new business on the West Side.

AAABNA was formed by local business owners who are proud of their African American heritage and felt that there is a need for us to pool resources to bring about effective change in the African American community. The Austin African American Business Networking Association continues to be at the forefront of economic impact by creating and stimulating business growth.

As a business owner myself, I know what other business owners are thinking, feeling, and needing each day. We need money to make payroll, pay other expenses, and expand our business. We need to find people who want to work, and also deal with the problem of government intrusion. With all of that, the struggle is real and yet we still survive, so for all of that I say, "Congratulations!" to business owners in Austin, and keep fighting to stay alive and thrive.

As I serve as a state representative and also work as a business owner, I have noticed the difference between struggling businesses and thriving businesses. I know how to move from a struggling business to a thriving business. Thriving businesses have access to capital and are good business managers, while struggling business either have access to capital and are poor business managers or they have no access to capital. As Chairman of the Illinois House Finance Committee, I have gotten to better understand why it is so hard for businesses to access capital.

It seems that banks are looking for reasons not lend to us. So, we have to find ways to meet the banks' requirements and work with financial institutions that want to work with us. We also have to call banks out and hold them accountable for how our businesses are treated.

The traditional "community bank" model doesn't work for us. Being black and owning our businesses in black communities make our relationships with banks one-sided. We make deposits; we make withdrawals of our own money that we make to banks; we pay bank fees; and we help banks meet their Community Reinvestment Act (CRA) requirements - and that seems to be the extent of our relationship with them. Banks always seem to find ways to tell us "no" when it comes to having a banking relationship that benefits both the bank and us.

It is clear that we have to continue to work on the traditional capital options available to entrepreneurs and small businesses, such as bank financing, financing from friends and family, and obtaining private equity. However, I don't recommend that we make those our only options to grow or support our businesses.

Besides obtaining needed capital, our businesses also need to exert strong influence in our community and in our government. Our businesses will not grow if we don't influence social and economic change for families in our communities. Business owners have to look at the model of the big businesses like AT&T, Com Ed, and Peoples Gas. They all have political influence and they invest in political action committees (PACs) to follow through with that influence. Look at Coke, Pepsi, Dr. Pepper and the soda industry right now. They are influencing government and are forcing the repeal of the Cook County soda tax.

Taking a broader view, every able person deserves an opportunity to earn a living—and the economy is better off when everyone participates in it. Yet, not everyone in the Chicago region has the same pathway to economic success. Over generations, policies and practices have set up barricades in and around Chicago, ultimately leading to a region where people of different races and incomes live separately from one another. These boundaries affect local public school performance, business investment, workers' preparation for today's jobs and what kinds of employment—if any—are available within a reasonable commute of where a person can afford to live.

In the end, a lack of access to capital, poor quality infrastructure and environmental racism remain tremendous barriers to long-term success for black people, particularly on the West Side. The lack of targeted investments in these areas impacts our quality of life by limiting job and educational access and exacerbating challenges related to healthy food, pollution, and crime. Chicago needs a mayor who will tackle these issues head on, and a banking/financial system that works for all of us.

Sincerely,

A handwritten signature in black ink, appearing to read 'La Shawn K. Ford', written in a cursive style.

La Shawn K. Ford
State Representative-Eighth District