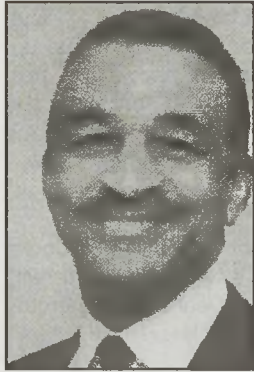


## BLACKONOMICS

# Use Your Spending Power To Empower Yourself

By: James Clingman

The news keeps coming out every week. Black folks' so-called "spending power" is on the rise, and corporate marketers are devising more ways to take advantage of this "newfound" treasure. The latest news comes from an article in Black Enterprise Magazine, Black Spending Power Tops \$630 Billion - Advertisers respond to the steadily increasing economic clout of the African-American consumer, by Tamara E. Holmes. I call it "Black spending weakness," but let's take an in-depth look at our so called, "spending power."



By James Clingman

Way back in 1986, I worked for a Black-owned marketing firm in Chicago, and I remember doing a sales presentation to executives of a certain company that would, if approved, give our firm a contract to promote that company's products. Of course, we specialized in marketing to the Black consumer. I will never forget the attitude of one of the V.P.'s of that company. He was just passing time listening to us, probably just waiting to get back to his desk and file a report that said he had spoken to a Black company, thus, having done his affirmative action thing for the year.

I will also never forget one of the questions he asked, as well as the implication of his question. He came with the preconceived notion that his company had no reason to advertise or spend dollars on a Black consumer marketing campaign, despite the consumption index of his products by Black people being three times the average amount. Why? Well, his question will enlighten you. He asked, no, he suggested, through his question, that Black people don't read anyway, so why should he do more advertising and marketing? He also implied that since Black people already spend large sums of their money on his products and continue to be the loyal consumers they are, it would make no sense for him to spend money for something he is already getting free.

And you know what? He was absolutely right. I was mad, but he was right. I got no contract, and he continued to get millions of dollars in sales from Black consumers. According to the article in B.E.: "Black people's spending represents the margin of profitability for a number of consumer products. African-Americans have the capacity to use their spending power to influence corporate decisions on employment, investment, and purchasing practices that would benefit the Black community, including Black businesses." Oh really? Then why aren't we using that power?

The article goes on to say: "More than \$1.5 billion is being spent on advertising targeting African Americans by national advertisers," says Ken Smikle, president of Chicago-based research and information company Target Market News. "Marketers are getting more and more intelligent every day." Did it take them 20 years to gain such knowledge about their Black consumers? And, when you compare a measly \$1.5 billion to Blacks' \$630 billion, (and even more by some reports) you have to like the return on their investments.

Another interesting point made by Smikle is, "One of the indicators of how well we're doing and how important that growth is to African-Americans can be seen in the increase of dollars contributed to political organizations, political parties and political candidates." My question: "What about the lack of dollars going into Black business development, entrepreneurship, and other economic empowering activities?"

Smikle also points to Russell Simmons' threatened PepsiCo Inc. boycott as proof of how seriously companies take the importance of Black spending power and political and economic clout. The boycott was averted after PepsiCo agreed to donate millions to youth organizations around the United States. Questions: How many

millions? Donations to what organizations? Has anyone followed up to see if those donations have been made yet?

My final question: What are Black people getting for our \$600 billion to \$700 billion in "spending power"? First of all, the only way we can have real power is to use it. Otherwise, words such as "potential," "latent," and "dormant" will continue to dominate when it comes to African-Americans and our so-called power. How do you know you have power if you don't do something that exhibits that power? I strongly contend that "Black Spending Power" is a misnomer, an oxymoron. How can we be a powerful people simply by spending? As the B.E. article implies, our power lies in the act of not spending.

Amos Wilson, in his book, Blueprint for Black Power, cites the words of Thomas R. Dye, Power and Society: "Economic power is the power to decide what will be produced, how much it will cost, how many people will be employed (and laid off), what their wages will be, what the price of goods and services will be, what profits will be made, how these profits will be distributed, and how fast the economy will grow."

Brother Wilson adds, "In capitalistic America the foundation of economic power is private property whose ownership not only refers to real estate but also to the ownership of 'the means of production,' of accumulated capital, wealth, [and] surplus production. How can we have power by spending our money?"

Black spending "power"? I don't think so. But we could change things by spending more of our money among our own businesses, building them up, creating new jobs, and controlling a larger piece of the overall economy. Power is only power for those who use it. Everybody else is using our so-called spending power, brothers and sisters. So, in order to prove we have power, we have to use that power to empower ourselves.

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## A Prayer For The New Year

By: Roy Anthony Borges

May the peace, love, joy and happiness of life be with us throughout the New Year. May all our suspicious doubts and fears be erased so that Your light may shine forth in us all.

Give us the strength to stop blaming other people for our problems and the wisdom to check out ourselves first, for then we will discover that a majority of our problems, suspicions and wrong deeds are our own fault.

Teach us to remember that we pay a price for the lessons that we learn in this life and that no matter how smart or tough we think we are, we can be had. The race of life is not won by the swift and the greedy. Let me be able to be the same whether I have abundance or poverty.

No one owes us anything and no one in our life is going to be totally true and faithful to us. So let us stop looking for it and recognize that no one is perfect, that people are human and make mistakes. Add forgiveness to our ways and rid us of all bitterness.

Replace in our hearts a desire to know You and a longing to please You, for we know the rewards shall be great.

May we always be grateful for being alive and realize that no matter what the problems or circumstances may be that You will carry us through them.

