

Forum

Lifting Workers Out of Poverty

There have always been disagreements about the causes of poverty and about how to assure minimally decent living standards for those who do not or cannot work.

There is a consensus, though, that if a person plays by the rules and works full-time, that person shouldn't be poor.

The legal minimum wage is set so low that full-time workers still earn too little to escape poverty. So the government came up with the Earned Income Tax Credit for working families.



TO BE EQUAL

By JOHN E. JACOB

The EITC operates as an income supplement — low income households with children get a check from the government at tax time.

Unfortunately, the credit is still too low to lift families headed by full-time minimum wage workers out of poverty — a family of four, even with EITC, still winds up \$5,100 below the poverty line.

Even so, the EITC is an important aid to the working poor. A report by the Center on Budget and Policy Priorities indicates the extent of the problem:

- Over 9 million workers are poor, and over 2 million of them worked full-time, year-round.
- Some 20 million people — a majority of the poor — lived in households where someone worked during the year.
- About 5.5 million people living in poor families with children were part of a family containing a member who worked full-time, year-round.

While most of the working poor are white, African Americans are more likely to be in low wage jobs and to be poor. More than two out of five minority working families with children have incomes low enough to qualify for EITC income supplements.

So the EITC is critical to making work pay and to alleviating the effects of poverty, a fact recognized by President Clinton when he said, in his State of the Union Address:

"By expanding the refundable earned

income tax credit, we will make history; we will reward the work of millions of working poor Americans by realizing the principle that is you work 40 hours a week and you've got a child in the house, you will no longer be in poverty."

The Clinton proposal would expand the credit for families with two or more children, expand the credit for families with one child that

has incomes below \$12,000, establish a small, new credit for poor workers without children, and simplify the EITC.

The Clinton plan drew wide support from conservatives and liberals alike — no surprise since it is an effective, pro-family, pro-work proposal.

But now, that plan is in trouble, along with the rest of the President's economic package. Resistance to tax hikes for the affluent and for business is leading Congress to look for bigger spending cuts, gutting much of the economic stimulus program.

Expansion of the EITC should not be the victim of such budget slashing. Congress should be at least as concerned with the plight of the working poor as it is with the special interests seeking to preserve their privileges.

A higher minimum wage would raise the incomes of the working poor — today's minimum wage is about 22 percent lower, after adjusting for inflation, than it was in the 1970s. A boost in the minimum wage would also result in lower federal spending on the EITC. But Congressional opposition has led the President to delay plans to raise the minimum or to index it to the inflation rate.

That leaves the expansion of the EITC as the last hope for low-wage workers to climb out of poverty. Fairness and sound social policy suggest that Congress should pass the EITC expansion without diluting it.



REMEMBERING THE DREAM

DETROIT — Martin Luther King III (center) joins thousands of people as they marched in downtown Detroit last Saturday to commemorate the 30th anniversary of a freedom walk led by Martin Luther King Jr. It was after the march 30 years ago that King delivered an early version of the "I Have A Dream" speech that electrified the nation later that summer in Washington, D.C.

A Real Life "To Tell the Truth"

Remember "To Tell the Truth?" Each week the television show's celebrity panel tried to determine which of three individuals was telling the truth about his/her identity. Each of the three were believable, sincere and truly looked the part. At the end, the announcer would ask for "the real" so and so to "please stand up." Each would appear to be ready to stand, but the impostors remained seated and the "real" individual stood to be recognized.

The current controversy surrounding Winston's Salem's All-American City application seems somewhat like a real-life "To Tell the Truth" — lots of people trying to get the "real" Winston-Salem to please stand up.

Applying for the designation seemed like a good enough idea — we'd get to put neat additions on our city limit signs that said "All-American City, 1993," and our economic recruiting material would get some sizzle.

But this seemingly good (and harmless) idea has become a controversy that centers on whether the City of Winston-Salem is "telling the truth." The application for the award — and the passing over of Winston-Salem as an All-American City — has led to reactions of anger, frustration and disappointment, as well as name-calling by many of the citizens of our community. "It's your fault!" "If only ..."

I had the opportunity to serve on the application committee for the All-American designation — an award that recognizes cities for community progress and improvement through citizen action, effective organization and community collaboration. The criteria for receiving this designation are demonstrated by collaborative approaches to solving problems; successful community action involving the public, private and non-profit sectors; and pro-active citizen involvement.

The application required a description of three community-building projects that exemplify the All-American criteria. After a lot of discussion on which projects would best meet the criteria for the award, we highlighted Common Vision, the CIAA Basketball Tournament and the Winston-Salem/Forsyth County Coalition on Alcohol and Drugs Community Action group.

Common Vision was a real achievement for Winston-Salem. Some would ask, though, "What has changed since the report was published?" Winning the bid for the CIAA Basketball Tournament was a result of the community — black and white — working together to bring a major black event to the city. But is this event more about economics than overcoming cultural diversity? Will the "real" Winston-Salem please stand up?

In addition to demonstrating the impact of the projects in the community, the application committee completed a community self-evaluation based on a 10-category civic index. The

components of the index serve as a description of the types of skills and processes that must be present for a community to effectively deal with its specific and unique concerns.

After a five-month process of discussing the projects we chose to highlight and our completion of the self-evaluation, the application was ready to be submitted. Our community-building projects met the test for collaborative approaches to solving problems — and could indeed qualify Winston-Salem for All-American City status. We knew that receiving the designation would not indicate that the city is without a blemish, but rather it would show we have identified our challenges, evaluated our civic infrastructure and are working together to improve the quality of life. So it was off to Florida to "tell the truth" and bring back the gold.

Then the unthinkable! The "letter" that has stirred emotions to the boiling point — the defining moment that some say



GUEST COLUMNIST

By NIGEL D. ALSTON

History of Sambo's eh, Denny's

Listen to the conversations going on in the Carolinas these days: "Denny's practices racism and that's wrong!"

"Yeah, but they have this tentative agreement with the NAACP, and their Fair Share program is right!"

"No, Jerry Richardson, CEO of the Spartanburg, S.C.-based TW Services (now Flagstar Companies Inc.) has simply put the old wine of racism into new wineskins. His 17-story tower just takes the old plantation model to new vertical heights while maintaining the age-old racial stereotypes, discriminatory hiring and promotion practices, and a plantation-style management mentality. It's only a new form of colonial disrespect."

"Even so, the people of Charlotte deserve an NFL expansion team!"

"Yeah, but the National Rainbow Coalition has a point! You can't put 'playing' over moral 'principle.'"

Why all this controversy? How did Denny's, Hardee's, TW Services and Flagstar come to be? Who is Jerry Richardson anyway? Where did he come from? What is his history?

The answer to these historic questions may shed some light on the current controversy. In the early 1960s — before the Civil Rights Act, the Voting Rights Act or the Open Housing Act — Jerry Richardson opened a Hardee's restaurant on Kennedy Street



GUEST COLUMNIST

By JAMES A. CHEEK

in Spartanburg. Hudson Barksdale Jr., the son of the first African-American state representative from Spartanburg County, recalls having to "go around to the back door of Hardee's to be served." In other words, controversy over racial discrimination has plagued Richardson from the beginning, at its roots.

In the 1970s, Jerry Richardson and Charlie Bradshaw, by then co-owners of a chain of Hardee's, began to exercise their economic muscle in a local political and civic life of Spartanburg. Roy Henderson — a former high school principal, basketball coach, NAACP branch president and currently city councilman — complained (then) that blacks could not expect to be quarterbacks, head coaches or hold other sports leadership positions because of the racism of the high school Booster Club. The leaders in the Booster Club? Jerry Richardson and Charlie Bradshaw! We are talking about roots.

In the 1980s, Denny's grew by taking over many of the stores owned by another restaurant chain, Sambo's — a racially derogatory term used by many whites in reference to blacks — and converted them to Denny's. Apparently the name changed, but the game remained the same.

With the aid of valuable tax incentives and financial breaks from the local government — including black tax dollars — Jerry Richardson, a former Baltimore Colt football player, built a

new headquarters in Spartanburg. In return, Richardson brought them not only a lily-white physical structure, but a lily-white internal structure as well — continued to this day when, last week, Flagstar elected 10 white males to their board of directors.

In February 1992, the local NAACP, headed by Charles Davis, brought allegations of racial strife and Richardson promised "immediate" action. In July more allegations by the local NAACP, more promises by Richardson. No "Fair Share" agreement was discussed, but in September TW Services initiated "Project 2000" to deal with their human-relations/human resources (translated racial) problems. How do I know all of this? I was the general counsel for the Spartanburg NAACP.

Then came the California racial discrimination suit; the April 1, 1993 Justice Department consent decree, and on the same day the denial of service to black Secret Service agents on their way to protect President Clinton — and the allegations of racial discrimination keep on coming from cities and states around the country, north and south, east and west.

Flagstar says they have an agreement "in principle" with the National NAACP for a "Fair Share" agreement. But what's in the agreement? Who will benefit and how? How can the average black business person get some business from

Flagstar? Or a job? The economic "moral covenants" that Operation PUSH signs and signed with corporations — Coca Cola, Anheuser Busch, Quaker Oats, Millers, Seven-Eleven, etc. — are public. The papers report that the NAACP "Fair Share" agreements are private — i.e., just between the NAACP and Flagstar. How does the public know it's fair? And who gets to share?

Also, since "injustice anywhere is a threat to justice everywhere," does the NAACP "Fair Share" agreement include non-discrimination against Asian Americans, Hispanic Americans, Native Americans and white women? They experience discrimination in America too.

Denny's did not just begin to discriminate on April 1, 1993, when this issue surfaced in such a public way. Denny's has a pattern and practice of discrimination with a 30-year history. But, as the election of an all-white male 10-member board of directors makes clear, the pattern of racial and gender exclusion, rather than the spirit of racial and gender inclusion, remains intact. In other words, the racial crisis facing Denny's has roots.

VOICES FROM THE COMMUNITY

In 1776, the 13 American colonies declared their independence from England. Americans decided to honor the revolution on July 4th. Blacks, however, were still enslaved during this period. The *Chronicle* asked local residents whether African Americans should celebrate Independence Day. Here are their responses:



Belinda McCullough, 32
E.G. Forrest

"We should celebrate the Fourth of July because it is a day of independence. We are free now and we are now able to do our own thing. We aren't doing what whites want us to do, and we are able to enjoy opportunities."



Jay Moore, 19
Hardee's

"Although it is an independence day for whites, it's not going to stop. It doesn't matter to me because it has always been a time to get together."



Reginald Lampkins, 37
Freelancer

"Independence Day is for all nationalities. Remember 'liberty and justice for all.' During slavery we could not celebrate because we were in bondage. Now we can celebrate all the victories."



Janice Heath, 37
Wilson and Cook Medical

"Independence should be celebrated all year long. If you don't recognize your freedom before the Fourth, you never had it. The only freedom I know is Jesus. If you don't have Jesus, you don't have independence."