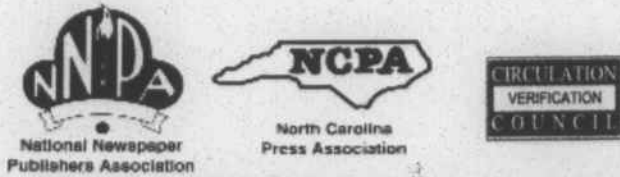


OPINION/ FORUM

THE CHRONICLE

ERNEST H. PITT Publisher/Co-Founder
ELEINE PITT Business Manager
MICHAEL A. PITT Marketing
T. KEVIN WALKER Managing Editor



Do You have the Oprah Effect Within You?



Cheryl Pearson-McNeil
 Guest Columnist

Oprah has left the building – at least the one where “The Oprah Winfrey Show” was taped. And we’re all aware she’s moved on to bigger (and knowing Oprah, probably mo’ better) things. As a matter of fact, I just hung up from speaking with my mom who is already quoting psychologists from Oprah’s cable network OWN. So chances are Lady O will continue to have an ongoing impact on our lives.

At Nielsen, the world’s largest marketing-research company, we measure what consumers watch and buy globally. And over the years we’ve followed Oprah a number of ways: from our ratings service, which measured her syndicated daytime show (watched by approximately 7.4 million people daily, or 26 percent of all American households during the first two weeks of May this year) to our Nielsen Bookscan service which has tracked the success of “Oprah’s Book Club” picks.

As a cultural and media icon, the woman had a powerful influence on some of America’s buying habits. CNN even produced a special about this phenomenon and the impact it had on driving success for a company or product. It’s known as The Oprah Effect. Take Chicago-based Garrett Popcorn (which I wish had a western suburb outlet because trekking into the city whenever I have out-of-town guests who have to have it gets old real fast) and I blame it on Oprah. According to CNN sales jumped by 100 percent after a December 2002 “Oprah’s Favorite Things” show. And, consider that Atlanta-based Spanx (the fashionable body shapers that make those of us over 25 look like we still have a 25 year old’s body... er, kinda...) was almost unheard of until the founder appeared on Oprah and netted the company a subsequent \$350 million in retail sales. Any product that was good enough for Oprah was good enough for the rest of us (which explains why I have a stunningly beautiful pink and brown striped chair in my guest room that doesn’t match anything in there, but I saw it in “O” Magazine and had to have it). Oprah has style and over the years, it rubbed off on the rest of us.



The iconic Oprah Winfrey.

But of all the things I love about Oprah, it was her ability to make reading “cool” again. I’m an avid reader, and in two rooms of my home I have floor-to-ceiling built-in bookshelves that are filled to the rafters with books to prove it.

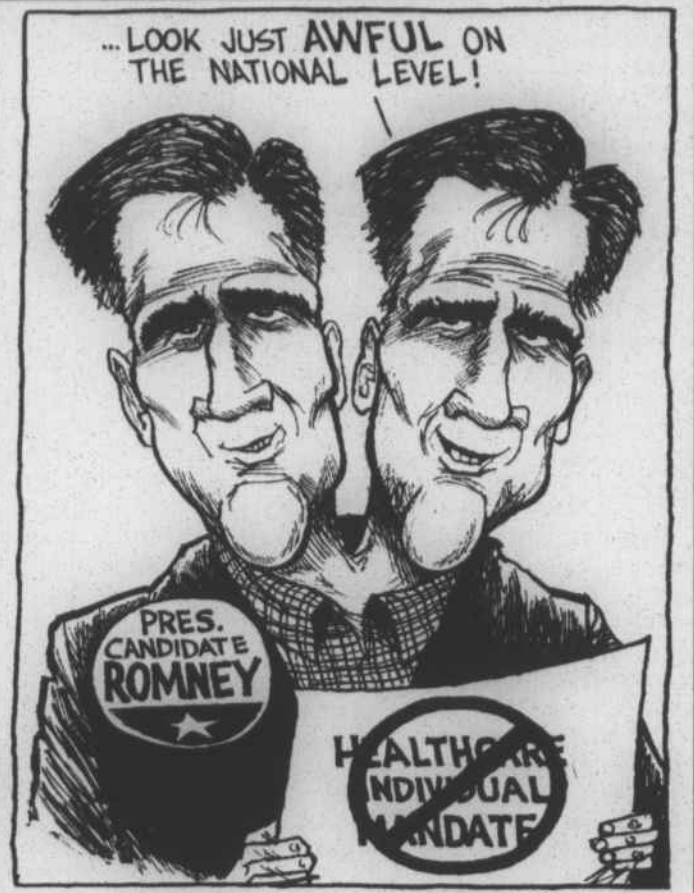
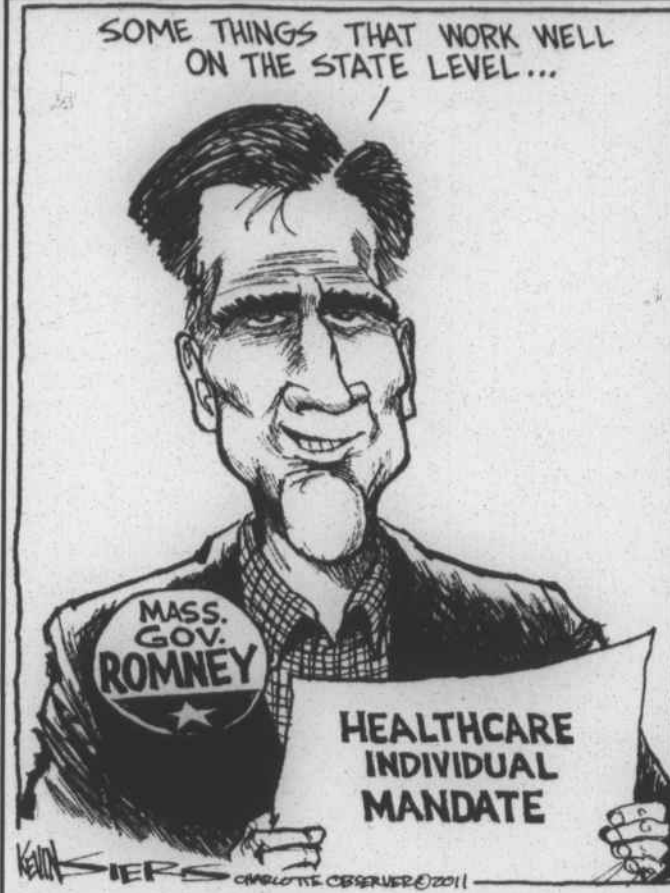
Because of Oprah, suddenly I had girlfriends who hadn’t picked up books since our freshman English Lit class calling me saying, “Girrrl, did you read Oprah’s book of the month? Whew! It. Was. Deep. Honey!” And although I didn’t personally read many of her selections (the ones I tried were actually a little on the depressing side and I don’t like books that make me weep through more than one chapter), Nielsen’s Bookscan numbers don’t lie – I was clearly in the minority. In the last decade, “Oprah’s Book Club” choices – which ranged from older classics to lesser known works to Pulitzer Prize-winners – translated into more than 22 million copies sold. That’s a lot of readers.

For example, Oprah Pick #54 (September 22, 2005): “A Million Little Pieces” by James Frey (which ultimately turned out to be a fraud), made Frey a household name and sold a stunning 2.7 million copies in Oprah trade paperback; compared to the hardcover, which sold 149,500. Another previously unknown work, Oprah Pick #63 (September 17, 2009): “Say You’re One of Them” by Uwem Akpan, enjoyed a whopping 853 percent increase in sales after his appearance.

Not only did Lady O encourage America to read, she gave her audience choices in how they could read. I’m old school – I like my books with pages that I can turn down at the corners, cuddle up with on a rainy day, and place in alphabetical order on one of my bookshelves when I’ve finished. Oprah raved about the new electronic reading (eReaders) devices like the Kindle. And according to Nielsen, 61 percent of eReader owners opt to snuggle up in bed with this modern convenience, rather than a conventional book.

Oprah epitomizes what I write about (OK, sometimes I can be a little preachy) regularly in this column: using our consumer power for good. If we could sprinkle a little of her fairy empowerment dust throughout the land so that everyone understood the power of choices, there’d be no stopping the economic impact we could all have on the world.

Cheryl Pearson-McNeil is the senior vice president of Public Affairs and Government Relations for Nielsen. For more information and studies, go to www.nielsonwire.com.



New Migration Needed for Blacks



George Curry
 Guest Columnist

When two million Blacks moved from the rigidly-segregated South to the North, West and Midwest from 1910 to 1930, it was called the Great Migration. When another five million African-Americans fled the South between 1940 and 1970, many seeking good jobs and a better life in New York, Los Angeles, Chicago, Cleveland and Detroit, it was called the Second Great Migration.

U.S. Trade Representative Ron Kirk thinks it is now time for a Third Great Migration, this one to far-flung cities around the world. He advanced that argument in his office, which is directly across the street from the Old Executive Office Building.

“Whether you’re Black, White, Brown or whatever, the No. 1 concern of American families is: ‘Where am I going to find a job? More importantly, where is this kid that I just spent x amount of money getting out of college going to find a job?’”

The job market has undergone a global revolution. “I don’t know why my friends are upset when I say to them, ‘If all your kids do is

what we’ve been doing, we haven’t advanced the ball,” said Kirk, who served as mayor of Dallas and Texas Secretary of State. “Our kids are going to live in London, in Shanghai, or in Abuja (Nigeria). It’s just as likely they’ll be stationed in Johannesburg as Detroit or New York.”

That migration to London, Shanghai, Abuja and Johannesburg has been propelled by new opportunities opened up by advances in technology and the international removal of quotas, tariffs and outrageous export fees.

And there’s also Sutton’s Law. When bank robber Willie Sutton was asked why he robbed banks, he reputedly replied, “Because that’s where the money is.” Sutton’s law dictates that one does not ignore the obvious.

“One way to create wealth and a better life – assuming you make something – is to think about selling it to the 95 percent of the people who don’t call the United States home,” Kirk advised. “If you look at the Fortune 100 companies, the absolute common denominator among them right now is that they, for the most part, are singularly looking at how they are going to access these hundreds of millions of young people who are growing

up in Africa, Asia, India, and Latin America and are hungry for something called, ‘Made in America.’”

Kirk said African-Americans have not exploited their special connections to Africa and the Caribbean.

“Corporate America realizes, ‘If I am going to go to Brazil, I better find somebody who speaks Spanish and understands the culture,’” he said.

“If I am going to Africa, I am much better served by having somebody who understands the values, reflects the culture and knows the ropes in Kenya, Ghana and West Africa. I want our young people to realize, ‘You’re more marketable now in a global, competitive society than you might have ever been.’ But you got to think globally.”

Black businesses must also look beyond the shores of the United States, the trade official said. He said the Commerce Department and his office provides assistance to small businesses trying to engage in international trade.

“The generation that grew up on the Web – where they live, breathe, educate and shop – is a little less intimidated,” Kirk said. “I tell people, once you put up a Web site, you’re global. On the Web, nobody knows whether you’re a woman, Catholic, Black, tall or straight. All they want to

know is, ‘I see you got a product. I think it might be able to help me. How do I get at it?’ If you’re not intimidated by doing business over the Web, I don’t think it’s that much of a leap to begin thinking about global trade.”

Despite anti-American sentiment in some countries, Kirk said the U.S. is still a strong brand.

“They’ll complain that maybe our products cost a little more,” Kirk said. “They will complain, ‘You preach to us too much. You come over here and tell us about corruption, democracy, rule of law and, frankly, if we do a deal with China, we don’t have to go through all of that.’”

“But at the end of the day, there is an implied value proposition that if I buy this from George and Ron, it’ll probably work the way they say it will. It’s not counterfeit. If something goes wrong, America has a legal system that can help me hold them accountable.” That’s a huge advantage for us.”

Kirk strikes a cautionary note about international business. “It’s a huge opportunity,” he said, “but don’t rush into it.”

George E. Curry, former editor-in-chief of *Emerge* magazine and the *NNPA News Service*, is a keynote speaker, moderator and media coach. He can be reached through his Web site, www.georgecurry.com.

The End of Homeownership?

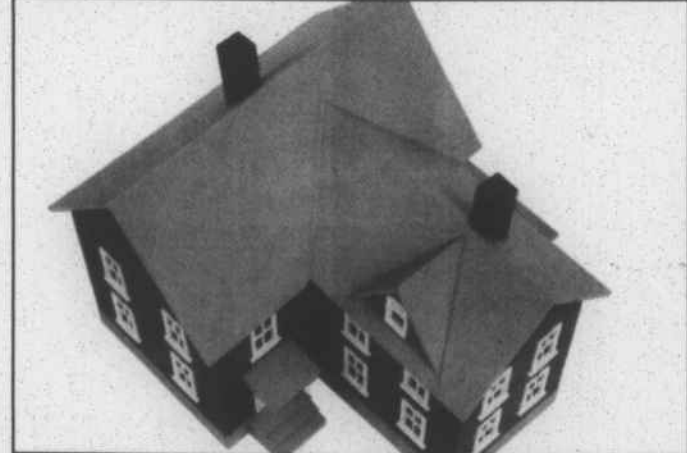


Marc Morial
 Guest Columnist

“A house is made of walls and beams; a home is built with love and dreams.”

Homeownership, as we know it, could be a thing of the past if a proposed Qualified Residential Mortgage Rule (QRM) takes effect. In a letter I sent last week to the heads of the six federal agencies charged with developing risk retention regulations under the Dodd-Frank Wall Street Reform Act, I pointed out that the proposed rule would be especially damaging to the home owner aspirations of minority and working class citizens. Here’s why.

The rule would require prospective borrowers to present a 20 percent down payment, spend less than 28 percent of their monthly gross income on housing and have total monthly household debt capped at less than 36 percent. Most people can’t afford to put 20 percent down. And, when coupled with an additional requirement of near pristine person-



al credit standards, these proposed requirements could end the standard 30-year fixed mortgage and replace it with a new class of “high risk” borrowers, formerly known as the responsible middle class borrower.

Housing industry experts agree. In April, a coalition of trade groups including the National Association of Realtors, the National Association of Homebuyers and the Mortgage Bankers Association issued a joint report, saying in part that it would take 14 years for the typical American family to save enough money for a 20 percent down payment. They added, “A 20 percent down payment requirement for the QRM means that even the most creditworthy and diligent first-time homebuyer cannot qualify for the

lowest rates and safest products in the market.”

John Taylor, CEO of the National Community Reinvestment Coalition calls this a civil rights issue. He said, “What has been proposed essentially creates a separate and unequal system of finance for people of color and for blue-collar, working-class people who regardless of your creditworthiness, or whether you’re someone who has a great credit score and pays your bills on time and plays by all the rules, if you’re not well-heeled enough to come up with 20% or if your household debt to income ratios are high ... you’re going to go into a separate and unequal category of financing where you’re going to have to pay more.” We agree.

Adding high minimum down-payment requirements will only exclude hundreds of thousands of consumers – including legions of minority renters – from homeownership. And any rule or action that further stifles an already severely depressed housing market for first-time buyers, including many minorities, will also negatively suppress the entire housing industry – realtors, builders, retailers, suppliers and many others. Clearly, what is being proposed is anti-jobs, anti-growth, and in absolute contravention of the American Dream.

The American home, by definition, reflects much more than mere property. It represents the ability to build wealth for all those with a stable income and a demonstrated history of financial responsibility. It is the foundation of family and community and represents the collective promise of the chance to build prosperity that lasts through generations.

The National Urban League believes this promise must be reaffirmed and protected in whatever form the new housing finance model ultimately takes.

Marc H. Morial is the president and CEO of the National Urban League.