



Do you Live  
in the  
Next Ferguson?

# Historical Issues in Ferguson, MO

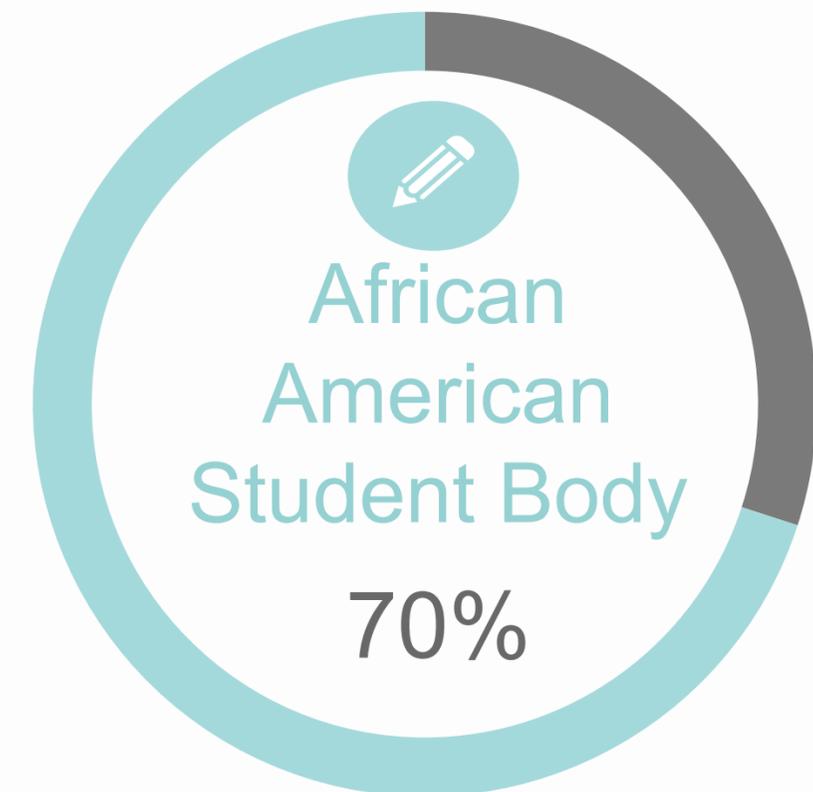
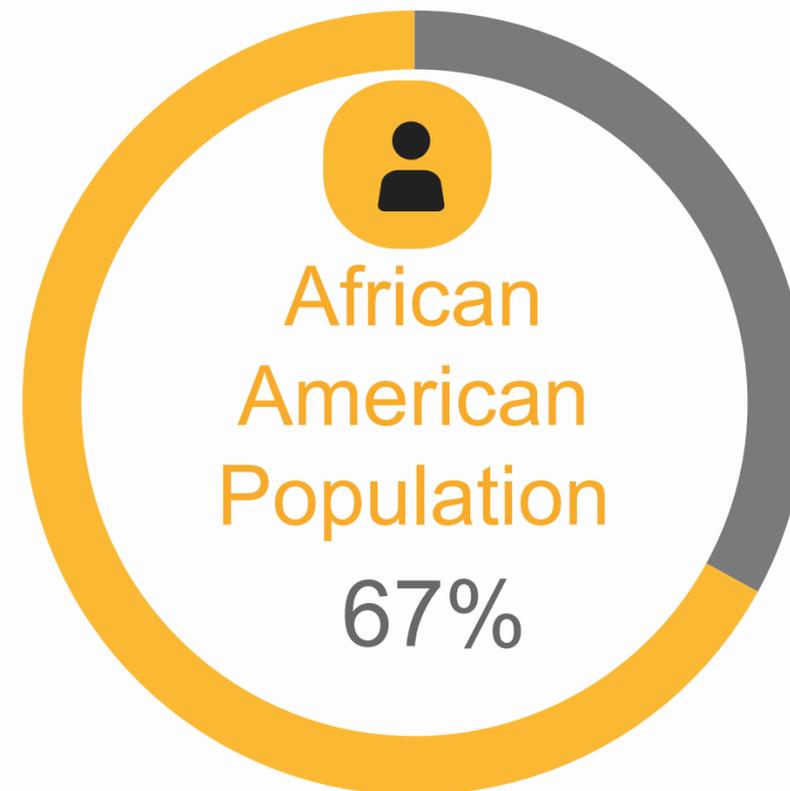
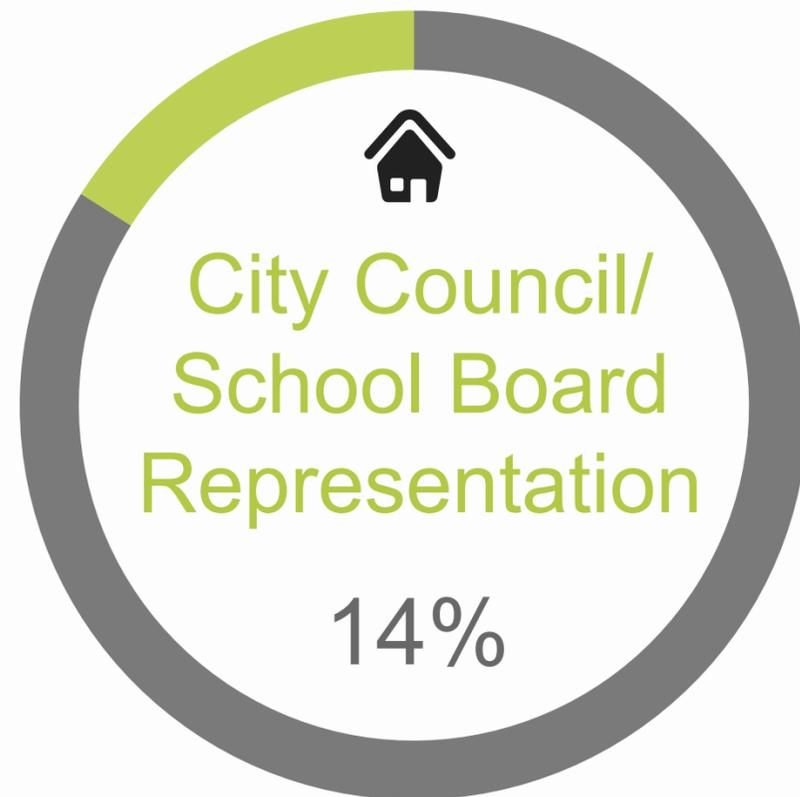
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If one were to take a closer look at Ferguson, MO you would find that tensions were simmering long before the shooting of unarmed teenager, Michael Brown. In recent months, the city has been put on the map for the shooting of Michael Brown, however, other issues that exist in Ferguson have also permeated to the surface. The issues in Ferguson are systemic and represent a wider and more complex dichotomy that exists today. Where there are racial tensions, you often find stark economic divides as well. For the residents of Ferguson race, politics, and economics are intertwined, and often intersect in ways that are uncomfortable for wider society to digest. Although predominantly African American, only 3 of the town's 53 police officers are black. Both the City Council and local school board are comprised of seven members, with only one African American representative, respectively. Despite a city that is 67% African American and a student body that is 78% African American, the lack of representation continues to be a stark and glaring reality for its residents.

Many of the possible factors that attribute to wealth accumulation including, intergenerational inheritance, lower unemployment, higher household incomes, longer years of homeownership, and college education are lacking. In fact, Ferguson is a perfect example of what happens when a community is not afforded these opportunities. In 2012 the homeownership rate was almost 10% lower than the statewide average. Schools in Ferguson continue to be under-funded and are often segregated by race and income. The school in which Michael Brown's own educational roots were planted recently lost its accreditation and is now operated by the Missouri Department of Education. The jobs that often provided higher household incomes and allowed African Americans to enter into the middle class no longer exist. Many residents of Ferguson have also fallen prey to predatory and discriminatory financial practices, furthering the income gulf that exists. In a recent Washington Post Op-ed Carol Anderson, associate professor of African American studies and history at Emory University very poignantly illustrates the siege that African Americans continue to be held under. Anderson provides examples of targeted efforts to redraw precincts to dilute African American voting strength and slashing government payrolls that have long served as sources of black employment. She further highlights the foreclosure crisis that hit black Americans harder than any other group and stripped half the amassed collective wealth. It is quite evident that the issues that plague Ferguson and other communities of color are indicative of a situation that is severely imbalanced.

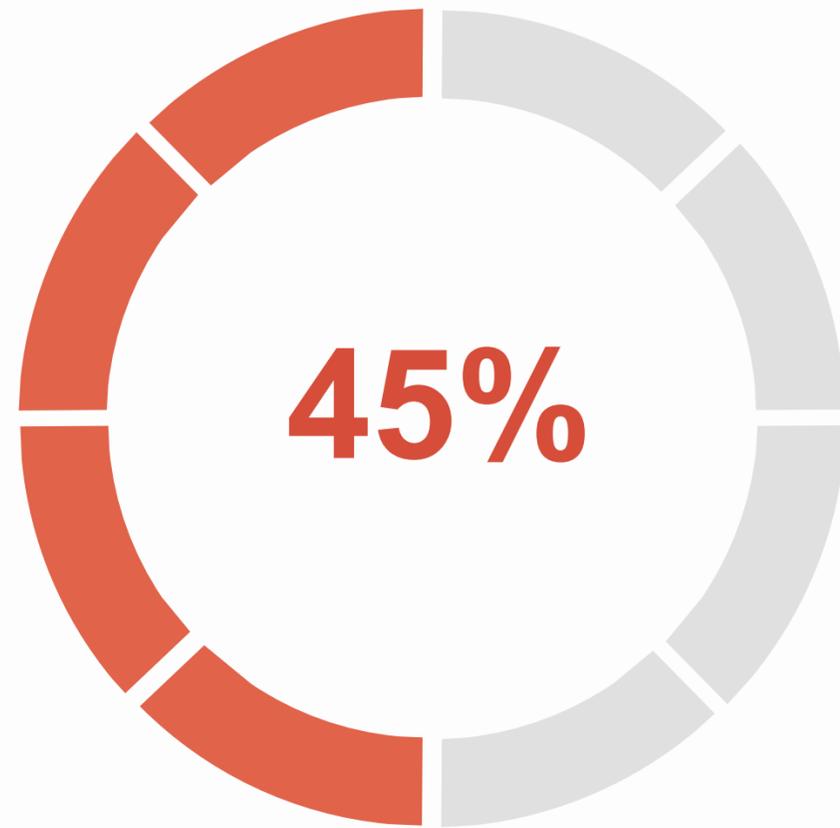
# Key African American Statistics

## - Ferguson -

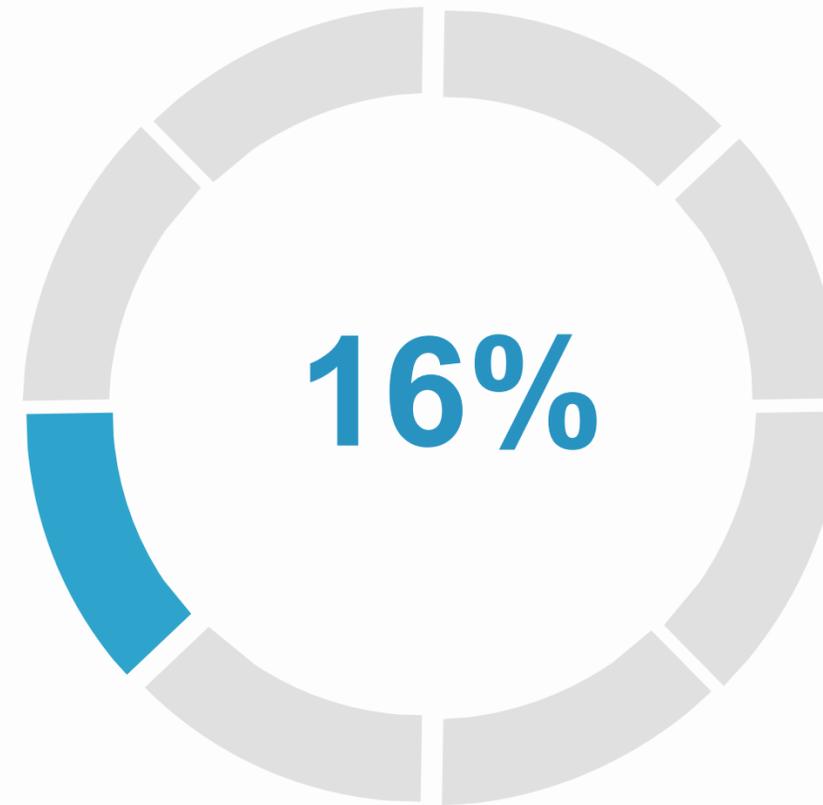


# Key Male Unemployment Statistics

- St. Louis County (Including Ferguson) -



African American Males  
Ages 16-24  
unemployed



White Males  
Ages 16-24  
unemployed

# Household Median Income

- Place Based Income Inequality -

Median  
Household Income -  
*National*

\$51,900

Median  
Household Income -  
*Michael Brown's Community*

\$27,000

# Department of Justice Report Findings

Seven months after the killing of Michael Brown, the Department of Justice (DoJ) released a report that highlights the injustices within Ferguson and criticizes the practices of the police department and municipal court. From 2012-2014 67% of African Americans in Ferguson accounted for 93% of arrests made by the Ferguson Police Department. Additionally, African Americans accounted for 85% of the traffic stops and 90% of citations. The report sheds light on practices that occur throughout low income, predominantly black and Hispanic communities, including the privatization of crime. Findings from the DoJ report found the routine violation of black residents through unfair ticketing practices created a significant revenue stream for the city. According to the Huffington Post, the report further asserts that many police officers “appear to see some residents, especially those who live in Ferguson’s predominately African-American neighborhoods, less as constituents to be protected than as potential offenders and sources of revenue, in part due to city policies.”

The practice of levying excessive fees and fines on low income people by local police and courts has created profound negative social and economic impacts. The negative effects of this systematic issue hurt not only the people and communities they directly impact, but also have negative implication for the local government as well. When these issues come to light and organizations are forced to change their ways of raising revenue, they are often unprepared to do so, resulting in financial disaster or even bankruptcy. However, due to authority wielded by local governments, and legislators, the financial burden of this lack of revenue gets shifted once more again to taxpayers. It is evident from protests around the country that those who have long been disenfranchised must begin to shift the balance of power through targeted economic and wealth-building solutions.

Prior to the release of the Department of Justice report, the grand jury's decision not to indict Darren Wilson, the Ferguson, Mo., police officer who killed Michael Brown, further emphasized the need for systemic change. Social media was abuzz with the call for African Americans to boycott Black Friday and Cyber Monday. The premise is based on the realization that while African Americans face both racial and wealth inequality, our dollar contributes substantially to the US economy. According to a 2013 study published by the Nielsen Company, African Americans will have a collective buying power of \$1.1 trillion dollars in 2015. This number will increase to \$1.3 trillion by 2017. With the collective buying power of African Americans steadily rising, it begs the question, “how do African Americans continue to experience social and economic disenfranchisement and inequity?”

# African American Purchasing Power

The message to boycott Black Friday and Cyber Monday was the beginning roots of an awareness that the collective buying power must begin to translate into a collective economic fund of pooled resources. This fund will begin to address and eliminate the ills that befall the African American community. While there is nothing good about the tragic and untimely loss of life, there is the hopeful feeling that the African American consciousness has been stirred to action. There is an abundance of literature that underscores the issues that have contributed to the lack of equal wealth distribution among blacks and whites, but the new narrative must begin to focus on the ways in which a system of inequality can become balanced. Many within the sphere of the impact investing space are aware of the issues within the African American community that are antithetical to the collective buying **\$1.1 trillion dollars** by next year, the impact space should explore initiatives that focus on circulating this money within the community to empower and uplift underserved communities, families and individuals.



# Key Solutions to Address the Issue in Ferguson

## Conduct Annual Financial Review of The Local Municipality's Financials

Focus on how tax dollars, penalties and fees are allocated by department and by community. Also, compare financial performance from year to year (trend analysis). Connect with local public officials to voice concerns/issues about local government's financial profile.

## Evaluate Community Incentive Funding Programs

Municipalities have financial incentive programs in place to address its priorities. Conduct an audit of community assets and award incentive funds to opportunities that directly or indirectly address community issues and challenges. Present the findings to the local communities in the form of local town hall meetings and summary presentations.

## Engage Key Public Agencies (Example - Police, Fire, Health and Human Services)

Focus on developing and discussing innovative community based programs to help address family needs, diversity hiring, workforce development and community entrepreneurship.



# Other Solutions to Address Ferguson

## Educate, Uplift & Empower Ferguson, MO Residents

It is evident that for residents of Ferguson, MO the task at hand is monumental, and at times may even be daunting. African Americans in Ferguson must begin with the fundamentals. In politics power ultimately lies with the masses and the power of motivational forces has the ability to induce movement. African Americans have the political potential to create community change. Other disenfranchised groups have used the political platform and certain non-profit community organizing strategies to make changes.

## Representation in Public Sector Workforce and Municipal Court

With a current under representation of African Americans in the police department and city council, the people of Ferguson must begin to elect public officials who have a commitment and vested interest in toppling the infrastructure of inequality that exists. As a community it is imperative for the people of Ferguson to gain insight into the problem through critical reflection and analysis. Achieving these feats means that for the residents, they must look within their own cache to recognize the strength and power they possess, and wield it through community organization, energetic action to implement sustainable initiatives that promote education and workforce development, and positive reform that is on the right side of justice.

## Complete Overhaul of the Police Department

The police department must look to proven nationwide solutions to the type of issues that lead to misuse of force in general and as a manifestation of racism in particular. The police department must take the time to understand that it can and must play a role in addressing economic disparities. There is a clear need for the department to modify its practices so that it does not exacerbate or work in harmony with the barriers faced by African Americans.

# Notes

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*Urban Advisors is an nationally recognized impact investment consulting firm of color that works with socially oriented funders (foundations, municipalities and financial institutions) to design, structure and execute funding initiatives that help drive social and environmental change.*

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