

VOICES RISING

**African American Economic
Security in King County**





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SPONSOR ORGANIZATIONS

Seattle Community of Practice – African American Financial Capability Initiative, including:

Africatown

Centerstone

Seattle King County NAACP

Skyway Solutions

Urban League of Metropolitan Seattle

Washington State Commission on
African American Affairs

ACKNOWLEDGMENTS

The Seattle Community of Practice gratefully acknowledges the support of the **Northwest Area Foundation** and the **W.K. Kellogg Foundation** in producing this report.

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INTRODUCTION

The premise of the American Dream—that if you work hard you can get ahead—has long defined the social contract between the United States and its people. The ability of families and individuals to meet basic needs and save money for the future is a precondition to long-term economic security and underpins every domain of well-being. When a critical mass of people is able to get ahead, the benefits ripple throughout communities, businesses, and the economy at large.

But today in Washington State, Black people are far more likely to face economic hardship than many of their peers, and often lack the savings and assets to invest in their future or withstand the impact of a personal financial crisis or weak economy.¹

So begins the Economic Security section of “Creating an Equitable Future,” a 2015 report that examines conditions and opportunities in key areas of well-being for Black Washingtonians: economic security, education, criminal justice, health, and civic engagement. Being limited to numbers, facts, and figures, however, it was unable to tell us why Black people in Washington State are far more likely to face economic hardship.

If we don’t view the community as a monolith (as statistics alone can lead us to do), what can we learn about the diverse, daily-lived experiences of African Americans?

This study, “Voices Rising: African American Economic Security in King County,” is intended to be a companion to the “Creating an Equitable Future” report, and is guided by **Story**. Through interviews, focus groups, and surveys, we gathered stories of African Americans who live, work, play, and make a home in Seattle and King County. Our aim was to bring greater context and meaning to the numbers represented in the 2015 report, and explore the underlying factors of why African Americans are more likely to face economic hardship than many of their peers.

Key Gaps to Economic Equity

The “Creating an Equitable Future” report identified the following gaps that we, as a society, need to close in order to make progress on economic equity. Compared to Washingtonians generally, Black people:



Are less likely to have a job that pays enough to meet basic needs.



Have lower household incomes and higher rates of poverty.



Are less likely to own a home or have enough assets to weather a personal financial crisis or weak economy.



Have lower median net worth.

Another recent report, “The Ever-Growing Gap,” offered additional national context by suggesting that, in part, these statistics are due to:



Disparities and discriminatory practices in home ownership.



Increased exposure to wealth stripping products and services.



Lower attainment in higher education and wealth insulation.



Lower entrepreneurship rates and business values.



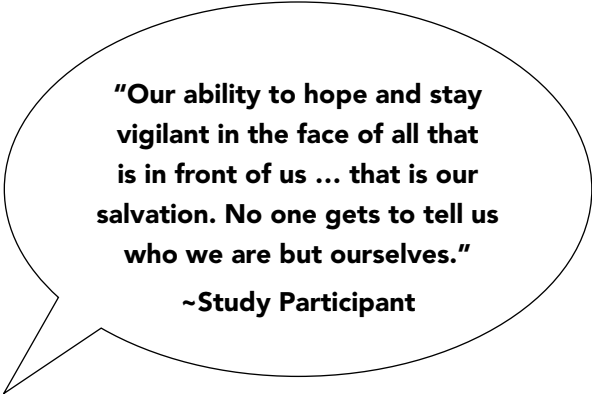
Nonexistent retirement savings.



Through people's stories we delved into the racial disparities behind these gaps. We found that the social contract—if you work hard, you can get ahead—is fraught with many obstacles created by racism and other structural barriers.

Looking across all the stories, we distilled six themes, as potential “whys” for these disparities. The first three themes are challenges that African Americans experience on a national level, which also play out in Seattle and King County, and the next three are challenges African Americans in Seattle and King County specifically experience.

Still, we found the African American community in Seattle and King County continues to persevere. The emerging portrait is, at once, vibrant and challenging, hopeful and complex.



“Our ability to hope and stay vigilant in the face of all that is in front of us ... that is our salvation. No one gets to tell us who we are but ourselves.”

~Study Participant

We offer these stories and themes to help catalyze new conversations about solution-oriented action toward economic equity. In the wake of the 2016 U.S. presidential election, these conversations—and the solutions they generate—feel more urgent than ever. Whether a community member, funder, or policymaker, may this report be a springboard for facing these challenges and for working together to address them.

Study Overview

Voices Rising is the result of a true collaboration among community organizations that are part of the Seattle Community of Practice – African American Financial Capability Initiative. They include: Africatown, Centerstone, Seattle King County NAACP, Skyway Solutions, Urban League of Metropolitan Seattle, and Washington State Commission on African American Affairs.

PURPOSE

The purpose of this study is to expand upon the Economic Security section of the “Creating an Equitable Future” report and provide deeper context through story. There is power in story, and reading this report, in combination with a statistical analysis, is a potent combination. Specifically, our objectives are to:

- Understand the barriers to economic security for African Americans in King County.
- Support a public dialogue on economic security and the unique experiences of African Americans in King County.
- Contribute to community-driven public policy solutions that advance economic equity for African Americans in King County.

METHODOLOGY

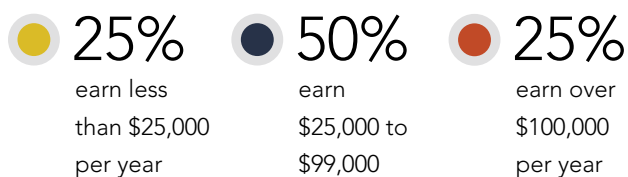
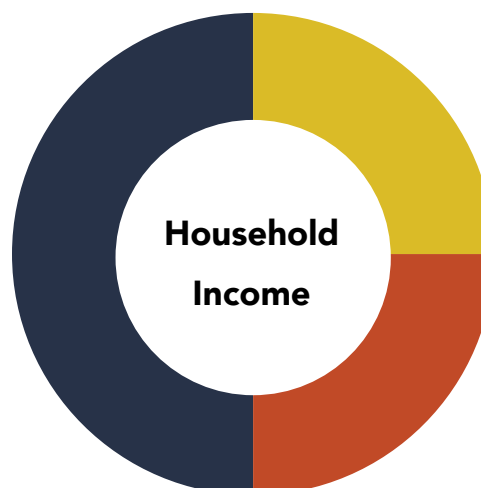
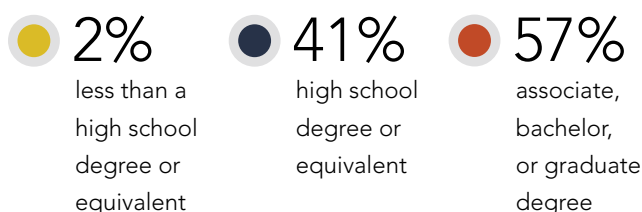
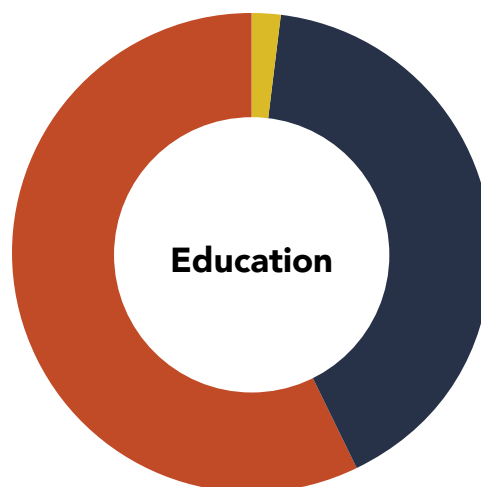
All of the organizations that are part of the Community of Practice worked together to engage community members in meaningful conversations about their financial well-being and related topics.

For this study, we focused on the experience of self-identified African Americans (born in the United States and descendants of slaves), rather than Blacks as a whole (which include both those born in and outside of the United States). We also geographically focused on King County, which has the largest African American population in Washington State.

We created a core set of questions and solicited responses through individual interviews, online and paper surveys, and focus groups. (Please see Appendix I on page 34 for more information about the research design.) Of the 143,965 of African Americans living in King County we reached 543 respondents.

PARTICIPANT PROFILE

We were fortunate to engage a robust cross-section of our community. Participants overwhelmingly identified themselves as African American or Black (83 percent). Slightly more women (53 percent) than men participated in the study. Most respondents (66 percent) were between the ages of 30 and 59 years old, and most were employed and working full-time (63 percent). The circle graphs (right) show the range of education backgrounds and household incomes of the study participants.



KEY THEMES

If average Black family wealth continues to grow at the same pace it has over the past three decades, it would take Black families 228 years to amass the same amount of wealth that White families have today. That's just 17 years shorter than the 245-year span of slavery in this country.⁵

228
YEARS

Let that sink in. Really sink in. To pretend that the solution to this challenge is an easy one—or one that an individual or family can simply “bootstrap” out of—would betray all reason. This national conversation for the African American community as a whole is very much alive in King County.

Through our research, we identified six themes that offer insight into the experience of African Americans in Seattle and King County and why things are the way they are.



National Themes (That Play Out Locally)

1

THE LEGACY OF SLAVERY, JIM CROW, AND IMPLICIT BIAS ARE STILL VERY MUCH PRESENT IN CONTEMPORARY LIFE.

"The reality is that Black families are not financially secure because [we] have not had generational wealth via estates and real estate to pass along ... There has been and yet exists an alarming financial economic disparity that began at the point of slavery."

"What's the definition of insanity? Doing the same thing over and over and expecting a different result. That's sometimes how I think we tackle systemic change."

2

THE COMPLEXITY OF INTERDEPENDENT SYSTEMS MAKE IT CHALLENGING TO CHANGE COURSE.

3

MOVING BEYOND POVERTY AND LIVING WAGE JOBS INTO WEALTH CREATION IS BOTH AN INDIVIDUAL AND A SYSTEMIC TENSION.

"How do you eat an elephant? That's the question we need to be engaged with, but it's really hard to do that when you are focused on making ends meet by the end of the month."



Local Themes

4

INTENSE AND RAPID GENTRIFICATION OF SEATTLE, THE URBAN CORE OF KING COUNTY, HAS AFFECTED THE ABILITY TO PURCHASE A HOME, AND CREATED A SIGNIFICANT "LOSS OF PLACE" FOR THE AFRICAN AMERICAN COMMUNITY.

"Gentrification is the notion that uprooting communities with high poverty and crime is somehow a solution. Moving problems from one area to another solves nothing and, in fact, makes it worse. [Are] poor people not allowed in Seattle? Is that the truth?"

"Education is the true game changer."

5

THERE ARE UNEQUAL EDUCATION OPPORTUNITIES IN KING COUNTY, WHICH IMPACT THE QUALITY OF EDUCATION FOR ALL KIDS.

6

POLITICAL AND SOCIAL ORGANIZING WITHIN THE AFRICAN AMERICAN COMMUNITY IN KING COUNTY IS NOT HIGHLY COORDINATED.

"We need more LEADERS concerned for and working aggressively for their constituents to make these changes a reality."

As you read on, you may notice there is overlap between the themes. In synthesizing the 543 voices represented in this study, it was difficult to separate issues into discreet explanations; for instance, having a lower net median worth is solely caused by "x." This is because that's not the way people live their lives, and the systems in which people live are highly interconnected and difficult to pull apart.

All quotes, except where noted, came directly from data gathering completed in the summer and fall of 2016. While some quotes may seem from the 1950s or regressive, they are not. They are present day and very much current.

THE LEGACY OF SLAVERY AND IMPLICIT BIAS

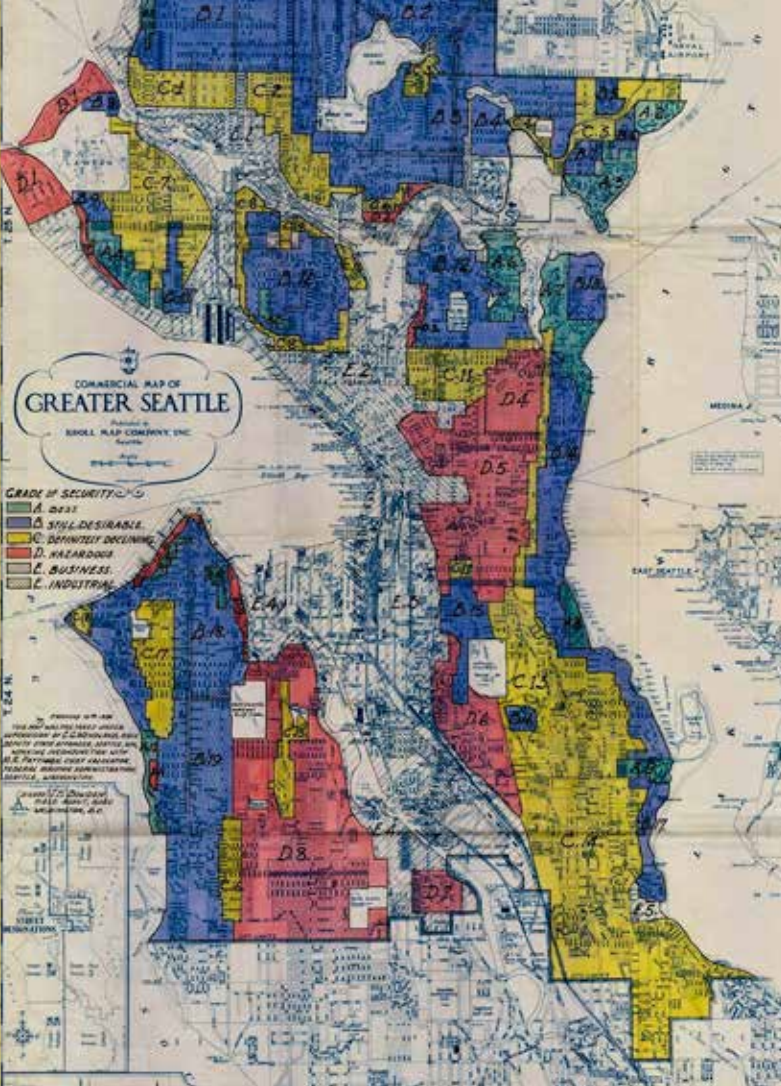
The legacy of slavery, Jim Crow, and implicit bias still looms large in Seattle and King County.

One of the most beautiful water features of Seattle, the Lake Washington Ship Canal, historically has been used to demarcate North Seattle from South Seattle—and white from Black. According to current census data, north of the ship canal is currently 69 percent white, while south of the ship canal is just 28 percent white.⁶

**"I'm concerned
about redlining and
institutionalized racism that
exists in this country."**

**"We are the only Black family in
our neighborhood. Selling our
previous home was hard until we
took down our family photos. Very
sad commentary."**





Long-term Effects of Redlining

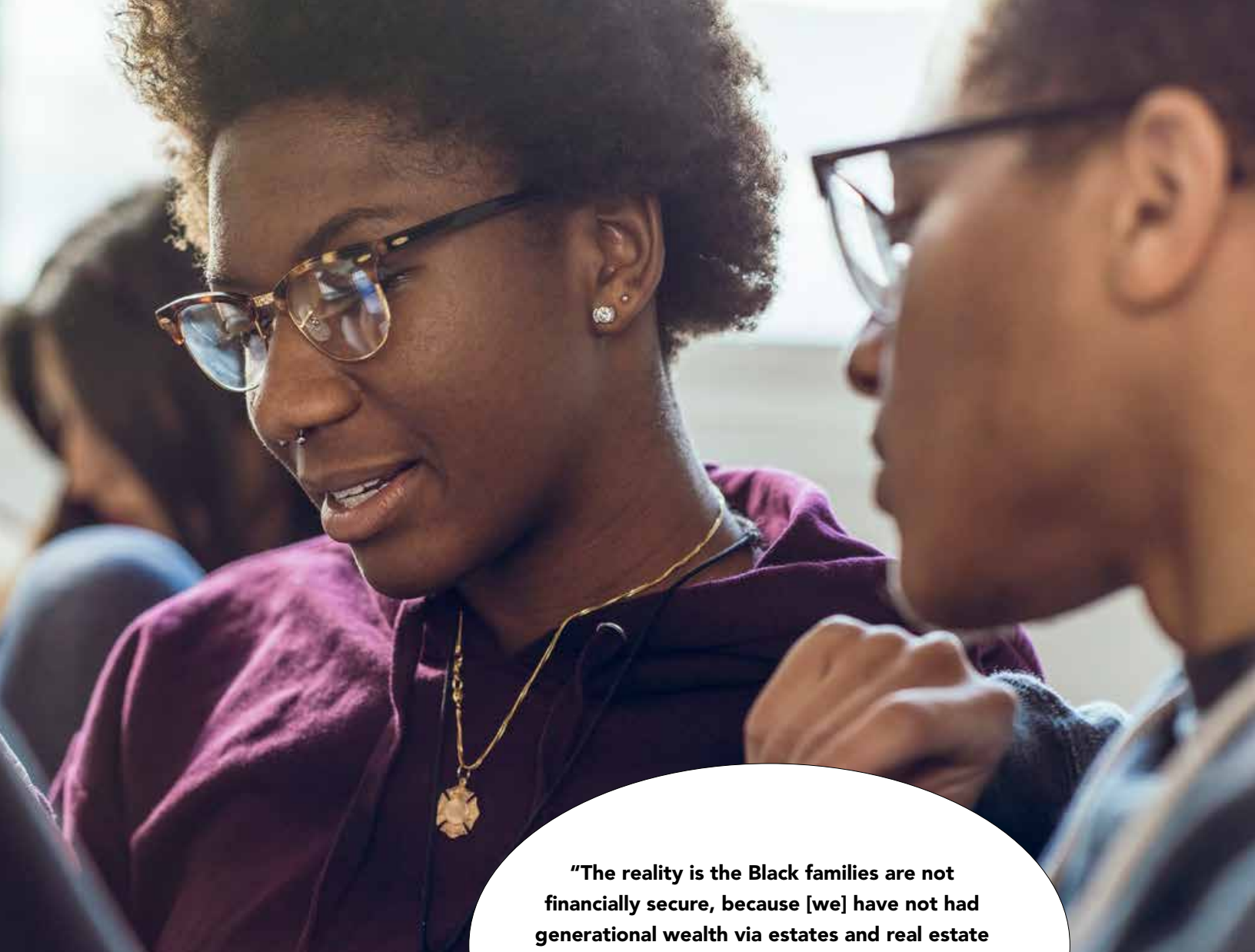
Redlining, the practice of denying home loans and mortgages to people of color, was an explicit practice in Seattle until the late 1970s. This practice limited African Americans from buying property in most parts of the city. The Central District became the primary area in which African Americans were allowed to purchase homes.⁷

While participants in our study reported living throughout King County and in previously prohibited areas, most reported living south of the Ship Canal. Some recounted clearly discriminatory behavior as they sought homes in areas that they chose north of the Ship Canal or on the eastside of King County.

▶ A 1936 map that shows how banks prevented residents in the Central District from accessing loans to buy homes.

"We [have] personally experienced discrimination by potential landlords. [They appear] very satisfied with our credentials on the phone, but then upon meeting us and seeing we are Black, they instantly add more deposit fees or make it clear that we would not be happy to rent from that person."

"The bank couldn't believe WE had some money. They had to check multiple times and ask us what it was that we did about 50 times, including the blunt question of how we got that much money."



"The reality is the Black families are not financially secure, because [we] have not had generational wealth via estates and real estate to pass along. There has been and [still] exists, an alarming financial economic disparity that began at the point of slavery."

Confronting the Past in the Present

As we'll discuss further, this demarcation has major consequences regarding access to education, housing, job and business opportunity, and so forth. This is an important piece of the puzzle as we consider future action together as a community.

SYSTEMIC BARRIERS

A prevailing challenge is that inter-dependent systems, such as education, housing, transportation, and infrastructure, and inequitable investment in these systems, have impacted African Americans' ability to create intergenerational wealth.

Saving for the Future

When asked to rate the statement, "I feel confident my family is securing its financial future," only 27 percent stated that they felt confident or completely confident. Twenty-five (25) percent rated themselves as neutral. The majority—47 percent—shared that they didn't feel confident or had no confidence at all.

Securing their financial future was defined in these ways:

- Having a financial cushion to be able to weather an economic downturn or natural disaster
- Being able to retire comfortably
- Being able to help with children's and/or grandchildren's tuition for college
- Financial stability
- Real estate ownership
- Having good credit
- Leaving something for future generations to build on

When asked why they don't feel confident in creating a secure financial future, many pointed to the systems by which they are affected and participate in daily. And, while we might look at various large-scale systems on their own, the reality is that they are highly interdependent. For example:

"Lots of bills and high rent make it hard to live on a decent wage."

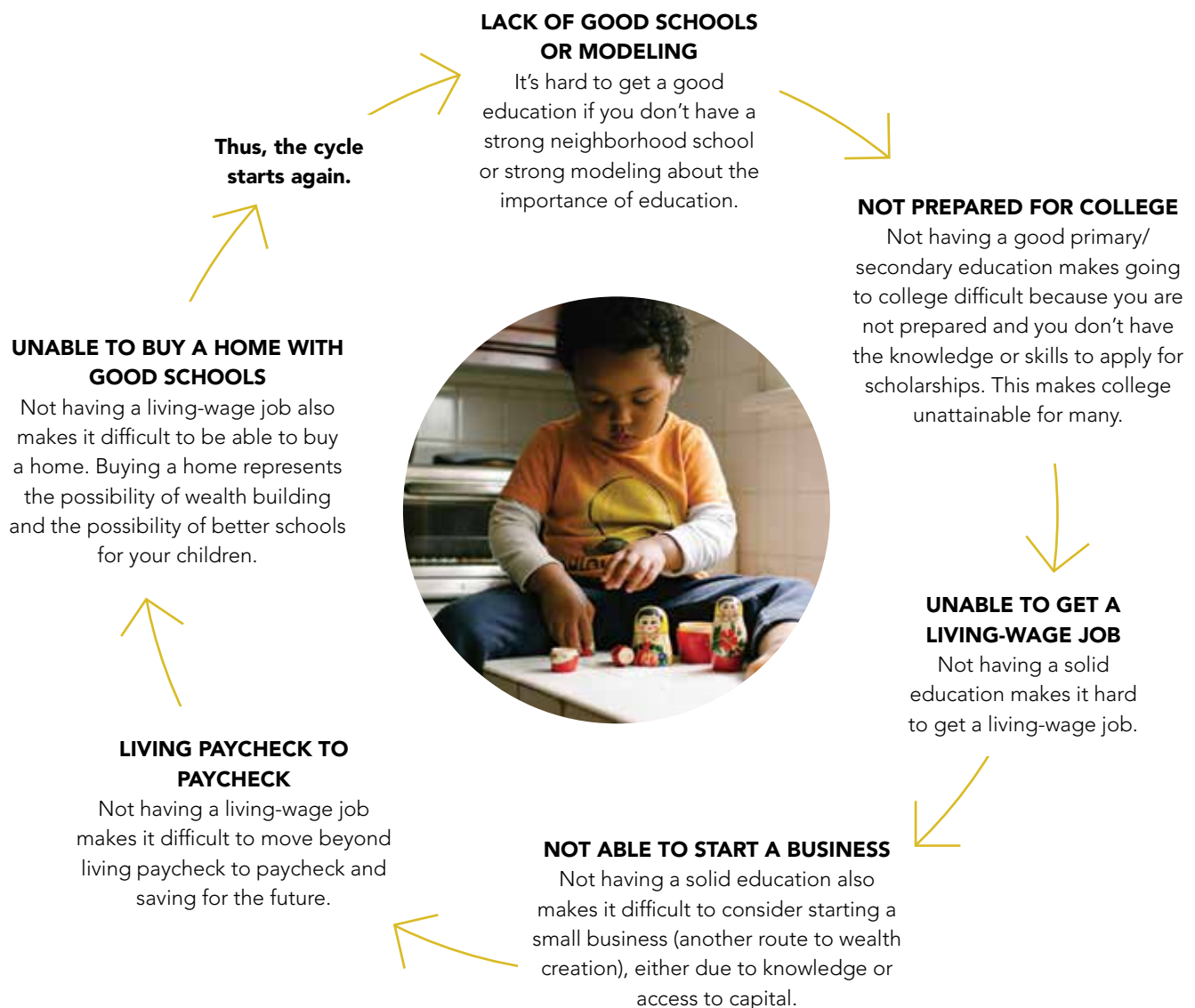
"The cost of higher education ... It prevents my mother from going back to school to finish her degree so she can continue being promoted."

"For anyone to get good paying jobs, you have to have an education. If education is unaffordable, and if you take out loans, you're trapped."

"Past credit history and insecure income due to low-wage jobs, disability, and criminal past [have made it difficult to buy a home]."

Breaking the Cycle

Many respondents made these connections, identifying a cycle that can feel like a trap and hard to break within families:





Holistic Models

Many survey participants contend that education is the primary leverage point to end this cycle. But addressing education, independent of a child's home life and community, often isn't enough.

The Harlem Children's Zone (HCZ) has become a national model for its holistic approach to addressing both children's needs and the community's needs at the same time. HCZ believes "the success of our children and the strength of the community go hand in hand." They seek to comprehensively serve the entire neighborhood by creating a network of best-practice programs to support kids at every stage of development and, at the same time, offering social services to help stabilize families.⁸ To learn more, visit hcz.org.

HCZ has been replicated nationally through federal programs, such as the Promise Neighborhoods Program. Several organizations in Seattle and King County are applying the model locally, among them is White Center Promise. A long-term initiative aimed at eradicating poverty in White Center, Washington, the organization is collaborating with residents, institutions, and other organizations to create a continuum of services to support children from cradle to career. To learn more about its work, visit whitecenterpromise.org.

Comprehensive Systems Change

As HCZ and community organizations like White Center Promise suggest, advancing economic equity requires breaking this cycle of inequities and addressing systems comprehensively.

"What's the definition of insanity? Doing the same thing over and over and expecting a different result. That's sometimes how I think we tackle systemic change."

While working with complex systems to link and align efforts is not a simple proposition, it is one that promises potentially huge rewards.

WEALTH CREATION IS THE REAL CHALLENGE

To advance economic equity, we must move beyond focusing on poverty reduction and living-wage job opportunities to focusing on wealth creation.

Defining Living-wage and Wealth

A living-wage job is one in which an individual or family is able to meet regular monthly expenses, such as housing, food, clothing, transportation, childcare, medical, and other necessary expenses.

Currently, a living-wage annual income for a family with two adults and two children in King County is \$55,690 if one adult is working, and \$68,756 if both work. The differential here is childcare. For an individual without dependents, a living-wage income is \$26,242 per year.⁹ For a family of four, it is not feasible to reach a living-wage income while working full-time at the current state minimum wage of \$9.47 per hour or \$11 per hour in Seattle (which will increase to \$15 per hour in 2017, though still not enough to obtain a living wage).

"[It's] important to let your money work for you; income and investments allow you to have more free time."

"[I want to] get out of debt and live comfortably."

A living-wage is not a wealth-building wage. There are many ways to imagine and think about wealth. In this study, we specifically are looking at money and a family's ability to accumulate it over time, passing it to the next generation and fostering intergenerational wealth.

For our purposes, we are using this definition from the Corporation for Enterprise Development (CFED):

While income is necessary to meet daily expenses, wealth helps families get through lean times and empowers them to climb the economic ladder. Wealth is money in the bank, a first home, a college degree, and retirement security—it's the countless opportunities afforded by having savings and investments. When wealth and opportunity are more evenly distributed, financially vulnerable families are better able to get ahead, rather than just scrape by.¹⁰

A living-wage income is a first and extremely important step. But it cannot be the endgame when thinking about building intergenerational wealth. By 2020, it is anticipated that 65 percent of all jobs in the U.S. economy will require post-secondary education and training beyond high school, with 35 percent requiring at least a bachelor's degree. Additionally, it is expected that the largest occupational clusters will be in the areas of STEM (Science, Technology, Engineering and Math), healthcare, and community services.¹¹

While entrepreneurship can represent a significant opportunity to build assets that can be passed from one generation to the next, it is also not without risk. Overall, African American households are less likely to own a business than white households, and if they do, the business is, on average, eight times less valuable than a white-owned business.¹² Participants in our study named lack of access to capital and not having the relevant knowledge or mentorship as primary barriers to starting a business.

Our study found a relatively large number of entrepreneurs, with 39 percent indicating that they have and run a small business, and another 34 percent saying they felt confident about starting a business if they chose.

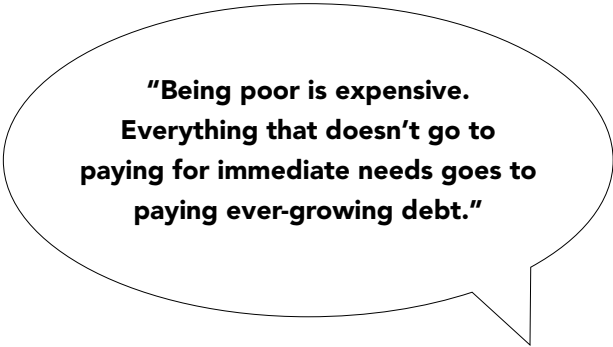
"I believe that business ownership is vital to [our] community. In a capitalistic society, it's critical that individuals are owners vs. consumers. Business ownership allows individuals, families, and communities to develop financial and societal assets."

"I think it's valuable for building wealth and independence in one's own community. [Locally-owned businesses] serve as anchors for a community."

"I feel confident that I could create a small business, but sustaining one would be a challenge. Competing with white-owned business where access to capital is readily available and often secured by property, leads to a dead-end cycle when property ownership is out of reach."

The Day-to-Day Grind

Nearly half (48 percent) of our respondents stated that they felt confident or completely confident that their family is able to meet its immediate needs, while 52 percent of respondents shared they are either neutral (20 percent) or don't feel confident (32 percent).




"Being poor is expensive. Everything that doesn't go to paying for immediate needs goes to paying ever-growing debt."

// "I can't get a license without paying child support. I have to pay child support for a child I never left, which is garnished by two-week pay and tax returns. If I can't pay rent, I'm homeless. If I'm homeless, it's a bit harder to maintain the job."


// "If you went to college, remember what it felt like to be on your own for the first time, and you didn't have others to depend on ... and the level of instability, stress, and pressure you felt. Now, imagine that level of anxiety as your life—permanently. That's just a taste of what poverty feels like."

Being in this reactive space affects many things and, importantly, the ability to plan for the future or see a different path. As described in "Creating an Equitable Future," exposure to adverse experiences and toxic stress—such as economic hardship or being a victim or witness to neighborhood violence—can have health consequences that last well into adulthood. Black children and families in Washington State have a rate of economic hardship, one-and-a-half times higher than the state average.¹³



"Many of us are victims to the tape that plays in our heads about what reality is and can be. Some of us are erasing and recording new tapes, but many of us don't (or can't)."

This reality is difficult to talk about because the information could be used in dangerous ways, either to blame those who have been victimized many times over, or offer simple solutions that are not relevant. And yet, the legacy of trauma and the very real challenges many experience by living paycheck to paycheck creates a cycle that is challenging to break and limits choices.

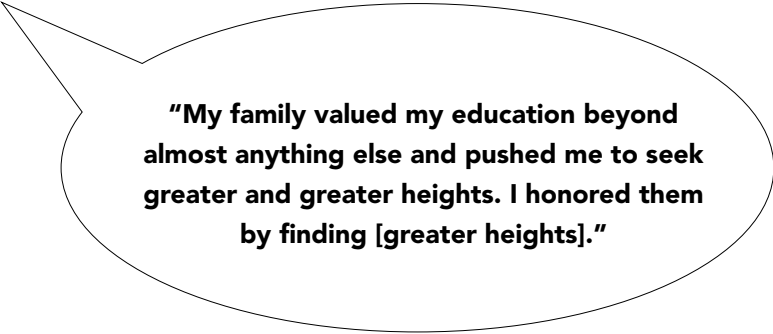


"The fact is the [public] housing system is set up to keep people poor. I know of folks who intentionally try to find ways to keep their income down because if they make even a bit more they will lose support that they still need to live. They aren't looking for a handout. They are trying to better themselves and their family, but the system will cut them off as they progress before they can make it sustainable."

"We live in South King County because we can't afford to live closer to where we work in Seattle. Last year I was on EBT [food stamp benefits], but cut off because of job income. I still needed it though."

Moving to Stability and Beyond

No matter how challenging these cycles are, they are broken each day. There are many who have been able to find their way to greater stability, seizing greater opportunities.

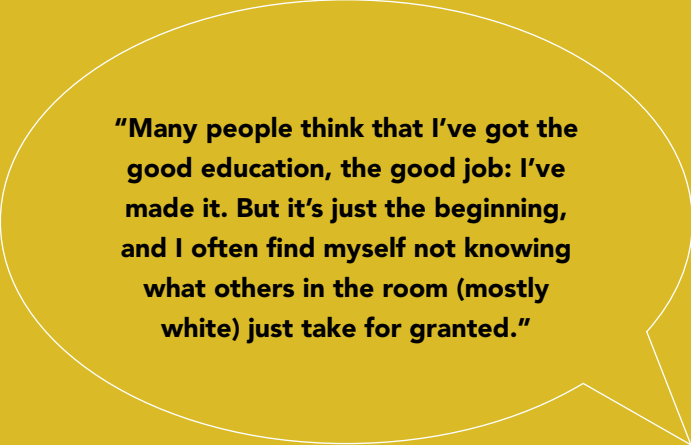


"My family valued my education beyond almost anything else and pushed me to seek greater and greater heights. I honored them by finding [greater heights]."

// "Folks who I know that have 'made it'—including myself—had people in our lives very young who helped us know we are smart and powerful. We got built up so we could move out."

// "Give people living-wage jobs now. Doing that creates breathing room and gives folks space to think about what wealth building means for them."

It can also be a perplexing space:



"Many people think that I've got the good education, the good job: I've made it. But it's just the beginning, and I often find myself not knowing what others in the room (mostly white) just take for granted."

// "I'm moving forward in my life, feeling thankful for my family that helped put me here. I'm trying to support my family as much as I can from this new place. But it's hard to be here, and it's also hard to talk to my family about where I am vs. where they are."

Many who have moved to a stage of wealth building credit a solid education, purchasing property, and learning how to invest as the primary ways in which they have landed where they are.

// "We are fully employed and own our home, and as such our net worth has risen."



"[It feels important to plan for our] house, retirement, and investments that will sustain us into retirement. Also, being able to pass assets onto our children."

"[My wealth] is mostly supported by property ownership ... If I lose my income I may well lose the one thing that I have worked to leave behind to give my family a leg up—my property."

// "I'm optimistic for our financial future. We are aggressively saving for the next chapter of our lives."

// "Education is paramount to getting ahead in this day and age. If I didn't have the credentials I have, I wouldn't be where I am today."

Keeping the Dream Alive

The tension between the day-to-day and pushing forward has real implications for how we create solutions and forward momentum for the African American community.

// "How do you eat an elephant? That's the question we need to be engaged with, but it's really hard to do that when you are focused on making ends meet by the end of the month."

// "It's the loss of the Black imagination—how do we learn to dream again as a community?"

Clearly, personal action is needed to change the circumstances of a single person or a family's life. And yet, there are undoubtedly systemic challenges that keep forward progress at bay. This "gray area" is ripe for exploration and problem solving together.

4

GENTRIFICATION AND “LOSS OF PLACE”

Seattle, the urban core of King County, has experienced significant and swift housing increases in recent years. In the past year alone, Seattle housing prices have increased 15.9 percent, with a median home price of \$630,000 in October 2016.¹⁴ Similarly, rent has increased 9.7 percent over the past year and surpassed the \$2,000 per month average, making Seattle the fastest rising rental market in the country.¹⁵

The Wall Street Journal recently declared: “With high home prices, low inventory, and heated bidding wars, Seattle is the new San Francisco.”¹⁶

Bolstered by the growth of the technology industry—including Microsoft, Amazon, and Google—costs are expected to continue to rise. This creates opportunity and choice for some, while leaving many others behind.

Opportunities for Home Ownership

Of those in our survey, 47 percent indicated that they owned a home, and virtually everyone (over 90 percent) stated that they believed home ownership is important.

“Growing up in the South, it was instilled that home ownership is paramount to be a vital part of a community and to leave something for future generations. And, I want a big yard!”

“Real estate is a tangible investment that can provide stability for families, access to capital, [and] building assets for generations to come.”

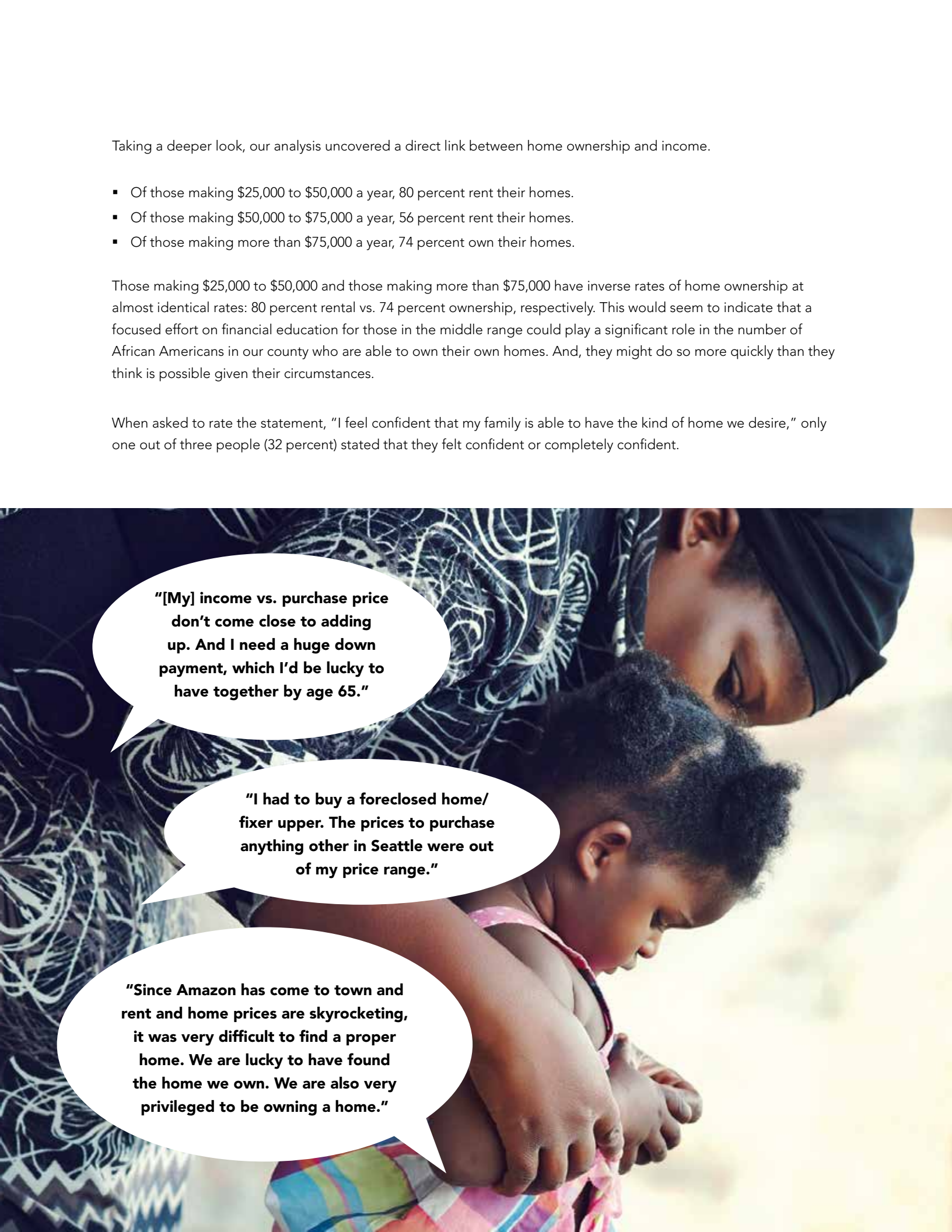
“[Home ownership] is an investment in my families’ future.”

Taking a deeper look, our analysis uncovered a direct link between home ownership and income.

- Of those making \$25,000 to \$50,000 a year, 80 percent rent their homes.
- Of those making \$50,000 to \$75,000 a year, 56 percent rent their homes.
- Of those making more than \$75,000 a year, 74 percent own their homes.

Those making \$25,000 to \$50,000 and those making more than \$75,000 have inverse rates of home ownership at almost identical rates: 80 percent rental vs. 74 percent ownership, respectively. This would seem to indicate that a focused effort on financial education for those in the middle range could play a significant role in the number of African Americans in our county who are able to own their own homes. And, they might do so more quickly than they think is possible given their circumstances.

When asked to rate the statement, "I feel confident that my family is able to have the kind of home we desire," only one out of three people (32 percent) stated that they felt confident or completely confident.



"[My] income vs. purchase price don't come close to adding up. And I need a huge down payment, which I'd be lucky to have together by age 65."


"I had to buy a foreclosed home/fixer upper. The prices to purchase anything other in Seattle were out of my price range."

"Since Amazon has come to town and rent and home prices are skyrocketing, it was very difficult to find a proper home. We are lucky to have found the home we own. We are also very privileged to be owning a home."

The intense housing appreciation is being experienced as a boon for some African American families who bought their homes many years ago or who were fortunate to purchase a home in the current market.

Home ownership—and importantly in Seattle, ownership of land—is considered a primary and important way to build wealth and have something to pass along to future generations. Owned homes are also an asset that can be leveraged to fund education or new business ventures.

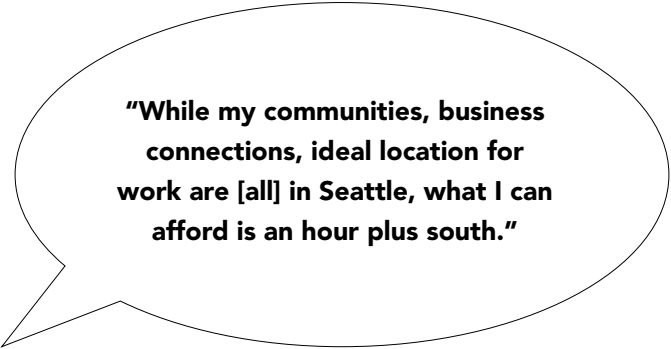
At the same time, with rising home values also come rising property taxes, which can create an untenable situation for many.



"We were fortunate, in that my parents helped me purchase my first home in 2008, and it appreciated nicely, allowing us to purchase our current home."

// "My mother has issues with property taxes. She bought her house for \$40,000 in 1985. Now the property taxes are a huge barrier because the value of the home, according to King County, deems her responsible for property taxes she cannot afford."

// "Our family arrived in 1960 to the Madrona area in Seattle. Even though both parents were fully employed, they moved from Madrona to Leschi to Beacon Hill to Renton [because] rising costs pushed them further and further south."



"While my communities, business connections, ideal location for work are [all] in Seattle, what I can afford is an hour plus south."

In recent years, this migration out of Seattle proper and into areas such as Burien, Renton, Auburn, or Kent has been steady for many African Americans in King County. Those with higher incomes, however, are more spread out—in Seattle, yes, but also in areas such as Bellevue and Issaquah. It is important to note that there is good representation of African Americans with higher incomes in southern areas as well.

Noting this geographic diversity is important for two primary reasons. First, access to living- and wealth-building wage jobs, good schools, public transportation, walkable neighborhoods, fresh and healthy foods, and other amenities are often centered within the urban core or affluent suburbs. When some in our community have access to those things and others don't, it can create a "have and have not" dynamic within the African American community that if we are not intentional about addressing, can have a splintering effect.



Loss of a Community Center

Second, it has meant a significant loss of place for the African American community. The Central District of Seattle has for many years been the hub of the African American community in King County. In 1970, nearly three-fourths (73 percent) of its residents were Black. Today that number has shrunk to 19 percent, and is projected to be 14 percent in 2019.¹⁷ This is, in large part, due to gentrification of the area.

"My Black neighbors have had to move from our community. EVERY Black family forced to move is replaced by a white family."

What is lost in this transition? A place to see yourself, a place to come home. Places such as Atlanta, Georgia; Raleigh, North Carolina; and Washington, D.C. all have maintained thriving cultural, educational, and religious institutions, as well as Black-owned businesses and social service organizations.

Not maintaining this core in Seattle has been experienced by many as destabilizing for the community as a whole.

"I don't live [in the Central District] anymore, but we have so little as it is. We need to have a [community] that truly serves us."

"With the Central District feeling less and less like an anchor for the Black community, I find myself looking for a virtual one—including Black radio."

The Promenade Red Apple in the heart of the Central District at 23rd and Jackson is one such business. But, it's likely to close in the near future to make way for a new development by Vulcan Enterprises.¹⁸ Serving the neighborhood for 25 years, it has been a community hub and a culinary lifesaver for culturally-specific foods. As one customer put it: "Red Apple got everything. Safeway, QFC ... ain't none of them got what Red Apple got."¹⁹

Addressing Gentrification

Gentrification—with both its positive and negative effects—has been a large area of discussion for those tasked with urban planning in Seattle and King County. While there is ongoing consideration about creating mixed-income housing, many in our study are seeing the negative effects of gentrification.

"Gentrification is the notion that uprooting communities with high poverty and crime is somehow a solution. Moving problems from one area to another solves nothing and, in fact, makes it worse. [Are] poor people not allowed in Seattle? Is that the truth?"

This sense of displacement and loss of a visible community center weighs heavily on many African Americans in Seattle and King County. To learn more about the City of Seattle's planning, visit: <http://www.seattlehousing.org/redevelopment>.



5

UNEQUAL EDUCATION OPPORTUNITIES

As has been explored throughout this report, education is a primary pathway to living-wage and wealth-building jobs. Having solid educational opportunities for all African American children is crucial; this is something many of our study participants discussed.

Only one in three (35 percent) of our respondents stated that they felt confident or completely confident that they or their children would be able to access the kind of education they want and need. Many cited financing as a primary barrier to pursuing a college-level education. Still, many are willing to make sacrifices in order to make a college education possible for their children.

"The cost of [post]-secondary education [is a big barrier]. My children wanted higher education, and I provided it ... and continue to carry near six-figure debt as a result."

"College tuition—both public and private—is catastrophic."

Under-resourced Schools in South Seattle and King County

In 1954, *Brown v. Board of Education of Topeka* found that segregated schools were fundamentally unequal and must be eradicated.²⁰ Still, many public school systems across the country remain segregated, and Seattle and King County are no different. The most diverse schools in Seattle and King County are found south of the Ship Canal, primarily in Renton, Kent, Federal Way, and Tukwila school districts.²¹

In January 2012, the Washington State Supreme Court ruled that the state isn't meeting its constitutional duty to fully fund basic education.²² This means that funding is inadequate for critical resources, such as fully-stocked libraries, technology, enrichment programs, and even appropriate staffing.

While district-specific levies address some shortfalls in funding, Parent Teacher Association (PTA) fundraising helps fill a large part of these resource gaps. For Seattle Public Schools (SPS) in 2013, it was estimated PTAs raised \$3.5 to \$4 million dollars. And, the bulk of this fundraising? It primarily was raised in schools north of the Ship Canal.²³

"... lack of diverse teachers and people telling or showing my nephew and niece that they are smart and capable. [There is] lower funding for public schools because of poorer neighborhoods."

"Enrichment activities are too expensive, especially anything STEM or technology-related."

"Educationally speaking, our children will be fine. My wife and I, however, worry more about ... those who are forced to accept whatever SPS offers. We worry about Black children in Seattle being exposed to a predominantly white teacher workforce and curriculum that reinforces their self-image, underfunded schools, substandard facilities (buildings), and an institutional culture that problematizes Black children."

"I currently live in Renton and do not have access to the resources and programs available in Seattle schools because of my address. I've not had much success with schools in Renton thus far."

Public vs. Private Schooling

This educational divide is strongly evident for African Americans in King County. Many who are able make the choice to either live in a neighborhood with solid public schools—even if it is less diverse—or choose to send their children to private school.

// **"The public schools are not great and people who are a higher socioeconomic [status] are putting their kids in private schools. There should be more of an incentive and push to attract more kids to public schools."**

"When I felt the public school system was not adequate for my son I enrolled him in [private school]."

Multiple people in our study identified what they called a "dual educational school system" in King County that includes the public school system, which currently has 419 schools represented, and the private school system, which currently numbers 218.²⁴ Many people were aware of the discrepancy between the systems and expressed concern about their child's future, understanding that educational access is directly related to future options.

// **"We do not have enough income to pay for private school. While we'd like to believe that the school system in Tukwila will meet the academic needs of our sons, it is not considered one of the top-performing schools in the state. There is also a worry that our sons will be labeled because they are African American."**

"[We have] bad schools, and the cost of tuition for private schools is too high."

"[Education] is too expensive. I'll probably go without, to make a better life for her, like I always do."

// **"[I am confident] as long as there's enough money to pay private school tuition or live in a neighborhood with good public schools."**

// **"[My niece and nephews] currently live in a good school district with great enrichment programs."**



At the same time, those who can afford private school or who live in good school areas were aware of the privilege they have.

"My child is starting high school this year and we are making a tremendous sacrifice to send her to [private school]. Finances will [not] hinder the kind of education she deserves and we want and need for her to have."

Creating Equal Access to a Quality Education

Given the emphasis on education by respondents and its relevance to multiple themes in this study, it seems imperative that we address disparities in educational experience to improve economic equity.

"Education is the true game changer."

There are two major disparities that have been discussed in this study: first, the differences between public education experiences based on one's geography relative to the Ship Canal, and second, the differences between public and private school opportunities. Both of these disparities are directly linked to financial capability: either the ability to live in an area with a strong local school, or having funding for private school tuition. Since education has the power to disrupt the cycle of poverty, we must explore ways to address these disparities and ensure all children have access to quality education opportunities.

AFRICAN AMERICAN COMMUNITY ORGANIZING

Political and social organizing for the African American community is not highly coordinated.

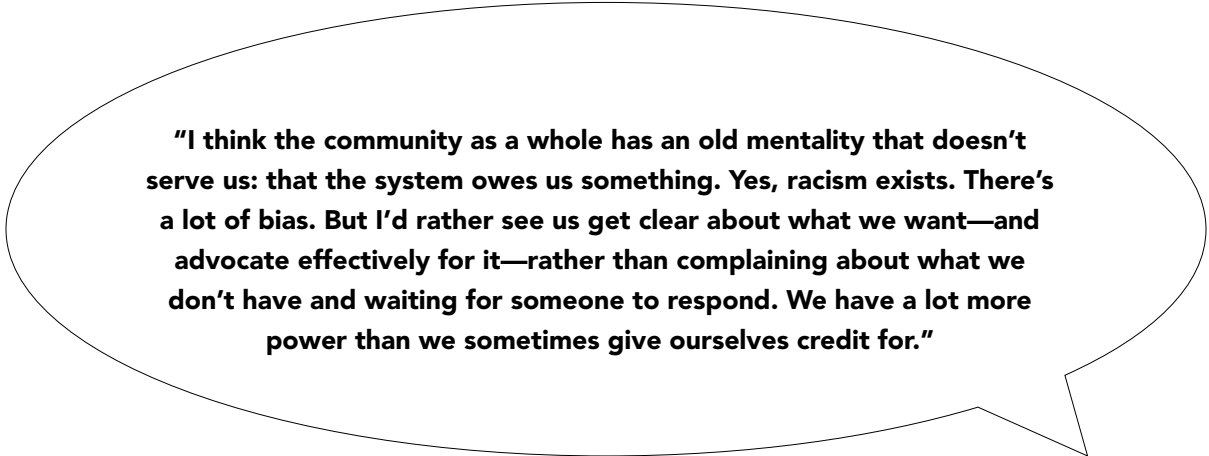
"I realize that my family members are in a better standing than many. I would like to see the Black community come together to support each other. There is significant hurt and lack of trust in our community ... How do we heal enough to begin to work with each other to better every Black person's situation? We have to do something different."

"Our people must begin to work together. No other group is going to help us ... If there is a Chinatown in every major metropolitan city in this country, we can also have a Black Business District."



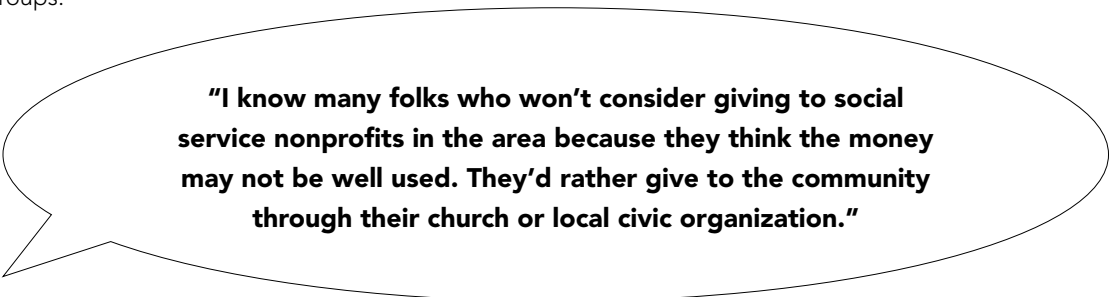
The Need for Coordination

A number of respondents in our study, particularly those who work at the community change or systems change level, talked about the lack of a collective agenda or shared platform from which to act. While many people are working on behalf of Black communities, they only get so far because they don't see a higher-level vision or coordinated strategy.



"I think the community as a whole has an old mentality that doesn't serve us: that the system owes us something. Yes, racism exists. There's a lot of bias. But I'd rather see us get clear about what we want—and advocate effectively for it—rather than complaining about what we don't have and waiting for someone to respond. We have a lot more power than we sometimes give ourselves credit for."

There are a number of African Americans in King County who are giving through their churches, sorority or fraternal organizations, or civic organizations like The Pearl Foundation of Puget Sound or The Links Greater Seattle Chapter. Others in the community are focusing their efforts on grassroots organizing or fundraising on behalf of nonprofit or community groups.

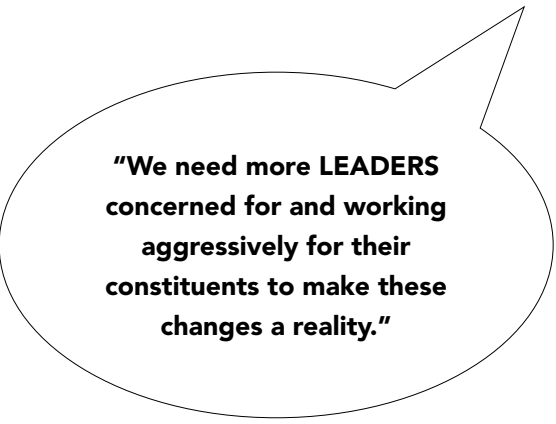


"I know many folks who won't consider giving to social service nonprofits in the area because they think the money may not be well used. They'd rather give to the community through their church or local civic organization."

Bringing Our Efforts Together

Both of these approaches—giving at a local community level and giving to nonprofit organizations—are important, but to be effective, they need to be intentionally coordinated in order to build greater political power.

Actively working with the tension—real and perceived—between these approaches is complex, but important work.



"We need more LEADERS concerned for and working aggressively for their constituents to make these changes a reality."



NEXT STEPS

*“Not everything that is faced can be changed;
but nothing can be changed until it is faced.”*

—James Baldwin

This study is an invitation for conversation and dialogue. The organizations that comprise the Seattle Community of Practice – African American Financial Capability Initiative are eager to play a role in bringing individuals and groups together to spur collective action that builds on what we’ve learned through this study.

We firmly believe that financial security and economic opportunity is a right for every African American in Seattle and King County. And, we are committed to cultivating partnerships and fostering collaboration that will make that opportunity a reality.

Our lived experiences matter; they are rich and multi-faceted. The beauty, struggle, and nuance of what we experience day to day can only be fully understood as we create meaning and develop solutions together.

We would like that each of the 543 voices represented in this report see themselves in some significant way—and that you also see yourself.

While perhaps raising more questions than it answers, we hope this report will be used as both lightning rod and light to guide the way. Together, we must find community-led solutions that advance equity on behalf of all African Americans, which ultimately benefits us all.



Current Initiatives

Spurred by this report, the Seattle Community of Practice is working with community members and partners to address some of the challenges and questions raised. These include:

- **Designing programs** – We are partnering with Seattle University to look at innovative social service models across the country. We aim to apply lessons learned nationally to our community so we more effectively serve the needs of African Americans in Seattle and King County.
- **Building an African American agenda** – Emerging from this report was a clear need for a shared agenda and coordination among the African American community to realize our collective goals. The COP is working on a process for engaging the community in developing a unified agenda.
- **Creating a land trust** – In the face of gentrification and the loss of place for African Americans in Seattle and King County, we're exploring opportunities to preserve land for use by the Black community.

We invite you to join us in these efforts, as well as share your ideas for or start other initiatives that build economic opportunity for African Americans in Seattle and King County. When we come together, we all benefit.

APPENDIX I:

RESEARCH DESIGN AND RESULTS

The collection of these rich stories from the community has been a collective effort. Angela Powell of Imago, LLC served as head researcher, providing question protocols, synthesis, and writing. Toyia Taylor served as project manager. The Seattle Community of Practice – African American Financial Capability Initiative played a significant role in the collection of data, in particular Seattle King County NAACP.

We reached 543 respondents through a range of methods, including:

- Individual one-on-one interviews, lasting one-hour in length
- Online surveys
- Paper surveys, distributed and collected at community events
- Focus groups

A core set of questions were provided in multiple formats, and are in summary form here. Those collecting information were free to use a subset of questions based on specific context, but all questions were asked in collection activities. Most of the data collection was done via online or paper survey, though all methods were weighted equally in synthesis.

Following are the questions asked, and summary responses for each.

SECTION 1: STABILITY AND HAVING ENOUGH

- 1) Rating Scale Question: I feel confident that my family is able to meet its immediate needs.

- 2) How has your family been affected by—and responded to—the high cost of living in King County?
 - a. Do you have access to or benefit from any government programs? Would it be helpful to you?
- 3) What are the most significant financial barriers to economic opportunity for you and your family? Why do you think this is so?

Nearly half (48 percent) of our respondents stated that they felt confident or completely confident that their family is able to meet its immediate needs. Fifty-two (52) percent of our respondents were either neutral (20 percent) or don't feel confident (32 percent).

"Being poor is expensive. Everything that doesn't go to paying for immediate needs goes to paying ever-growing debt."

"I can't get a license without paying child support. I have to pay child support for a child I never left, which is garnished by two-week pay and tax returns. If I can't pay rent, I'm homeless. If I'm homeless, it's a bit harder to maintain the job."

"If you went to college, remember what it felt like to be on your own for the first time, and you didn't have others to depend on ... the level of instability, stress, and pressure you felt. Now, imagine that level of anxiety as your life—permanently. That's just a taste of what poverty feels like."

Respondents talked at length about the ways they have been affected by the high cost of living in King County, and these responses are represented throughout the report. At a high level, individuals talked about:

- Challenges with buying a home or rental costs
- Moving out of Seattle to keep up with a higher cost of living

Making more frugal financial decisions to keep up
Some reported having access to government programs, but most didn't—and many stated that supplemental support would be helpful to them.

Many respondents made these connections, identifying a cycle that can feel like a trap and hard to break within families:

- 1) It's hard to get a good education if you don't have a strong neighborhood school as well as strong modeling for the importance of education.
- 2) Not having a primary/secondary education makes going to college difficult because you are not prepared and don't have the knowledge/skills to apply for scholarships. This makes college unattainable for many.
- 3) Not having a solid education makes it hard to get a living-wage job.
- 4) Not having a solid education also makes it difficult to consider starting a small business (another route to wealth creation), either due to knowledge or access to capital.
- 5) Not having a living-wage job makes it difficult to move beyond living paycheck to paycheck and save for the future.
- 6) Not having a living-wage job also makes it difficult to be able to buy a home. Buying a home represents the possibility of wealth building and also represents the possibility of better schools for your child.
- 7) The cycle starts again.

SECTION 2: HOME OWNERSHIP

- 1) Rating Scale Question: I feel confident that my family is able to have the kind of home we desire.
- 2) Is home ownership important to you? Why or why not?
- 3) If you own a home, what were the challenges involved in purchasing, if any? If you don't own a home, what are the challenges of purchasing, if any?

When asked to rate the statement, "I feel confident that my family is able to have the kind of home we desire," only 32 percent stated that they felt confident or completely confident.

"[My] income vs. purchase price don't come close to adding up. And I need a huge down payment, which I'd be lucky to have together by age 65."

"I had to buy a foreclosed home/fixer upper. The prices to purchase anything other in Seattle were out of my price range."

"Since Amazon has come to town and rent and home prices are skyrocketing, it was very difficult to find a proper home. We are lucky to have found the home we own. We are also very privileged to be owning a home."

Nearly half (47 percent) of those in our survey indicated that they owned a home, and virtually everyone (over 90 percent) stated that they believed home ownership is important.

"Growing up in the South, it was instilled that home ownership is paramount to be a vital part of a community and to leave something for future generations. And, I want a big yard!"

"Real estate is a tangible investment that can provide stability for families, access to capital, [and] building assets for generations to come."

"[Home ownership] is an investment in my families' future."

Overwhelmingly, the challenges people named in being able to purchase a home included:

- Debt and/or credit issues
- Not having enough for a down payment
- High cost of homes available for purchase

SECTION 3: HIGHER EDUCATION

- 1) Rating Scale Question: I feel confident that I/my children are getting [and will be able to get] the kind of education we want and need.
- 2) What are some things that affect you/your children's ability to get the kind of education you want and need?
- 3) Does your community have adequate access to an education that will allow them to compete for the jobs of today and the future?

Only 35 percent of our respondents stated that they felt confident or completely confident that they or their children would be able to access the kind of education they want and need. The primary barrier cited for education is financing.

"The cost of [post]-secondary education [is a big barrier]. My children wanted higher education and I provided it ... and continue to carry near six-figure debt as a result."

"College tuition—both public and private—is catastrophic."

Respondents talked at length about inadequate school funding and resources, as well as their experience of implicit bias among schoolteachers and administration, and the inequity across schools, both public and private.

Respondents also talked about education being the key to getting a living wage job, and recognized that there was a difference between a living-wage job and a wealth building one. Many tied the first step to wealth building as being able to save enough to purchase a home.

SECTION 4: ENTREPRENEURSHIP

- 1) Rating Scale Question: I feel confident that if I wanted to create and sustain a small business I could.
- 2) How do you feel about business ownership? Why?
- 3) If...
 - a. If business ownership is interesting to you, what would need to be in place for you to think that owning a business might be possible for you?
 - b. If you own a business, what allowed you to take the risk?

Our study found a relatively large number of entrepreneurs, with 39 percent indicating that they have and run a small business, and another 34 percent saying they felt confident about starting a business if they chose.

"I believe that business ownership is vital to [our] community. In a capitalistic society, it's critical that individuals are owners vs. consumers. Business ownership allows individuals, families, and communities to develop financial and societal assets."

"I think it's valuable for building wealth and independence in one's own community. [Locally-owned businesses] serve as anchors for a community."

"I feel confident that I could create a small business, but sustaining one would be a challenge. Competing with white-owned business where access to capital is readily available and often secured by property, leads to a dead-end cycle when property ownership is out of reach."

The primary reasons respondents stated entrepreneurship is difficult were:

- Lack of capital or access to capital
- Education/mentorship to understand how to get started
- Education/mentorship to understand how to sustain and grow a business

Those who have businesses generally noted similar considerations, and stated they had or were able to gain access to capital and information.

SECTION 5: SAVING FOR THE FUTURE

- 1) Rating Scale Question: I feel confident that my family is securing its financial future.
- 2) When you think about your future, what feels important to plan for?
- 3) How do you currently plan and save for your and your children's future?
 - a. What makes it difficult to plan for the future you and your family want?
 - b. What resources and systems would support you in planning for the future?

When asked to rate the statement, "I feel confident my family is securing its financial future," only 27 percent stated that they felt confident or completely confident. Twenty-five (25) percent rated themselves as neutral, which left the majority—47 percent—who didn't feel confident or had no confidence at all.

Securing their financial future was defined in these ways:

- Having a financial cushion to be able to weather an economic downturn or natural disaster

- Being able to retire comfortably
- Help with children's/grandchildren's tuition for college
- Financial stability
- Real estate ownership
- Having good credit
- Leaving something for future generations to build on

Saving for the future includes these mechanisms:

- Investing and participating in personalized financial planning
- Owning property
- Aggressively reducing and paying off debt
- Investing in 401(k), stocks, bonds, or mutual funds

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AFRICAN AMERICAN ECONOMIC SECURITY IN KING COUNTY

SEATTLE COMMUNITY OF PRACTICE – AFRICAN AMERICAN FINANCIAL CAPABILITY INITIATIVE

- Africatown
- Centerstone
- Seattle King County NAACP
- Skyway Solutions
- Urban League of Metropolitan Seattle
- Washington State Commission on African American Affairs