



The magazine of the Joint Center for Political and Economic Studies

## Q&A: CONDOLEEZZA RICE ON FOREIGN POLICY AND GROWING UP BLACK IN BIRMINGHAM

Condoleezza Rice, President Bush's national security advisor, recently spoke with members of the William Monroe Trotter Group, an organization of Black columnists. As the first female in her position and as one of the president's closest aides, Rice plays a critical role as the administration prepares for war against Iraq. At the same time, her status as an African American woman who grew up in the South during segregation makes her distinctive among top presidential aides. During an interview in the White House, she spoke about Iraq, the Middle East and the role of race in America. This is an edited transcript of that session.

**DERRICK JACKSON, BOSTON GLOBE:** Dr. Rice, you've been a lead voice for the administration's skepticism that Saddam will comply even with the U.N. resolution. You've said "we do not need to waste the world's time with another game of cat and mouse," and

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## Revisionist History and History Revisited

In the November/December issue of FOCUS, this column carried the headline, "GOP Empowered to Change Its Image."

At the time, not long after the November elections, few realized just how much changing that image would need.

Then in December, Sen. Trent Lott, the deposed Republican Senate majority leader, praised former Sen. Strom Thurmond's 1948 segregationist presidential campaign. When that was followed by additional revelations of his affinity for America's racist past, the image of today's Republican Party took a hit that will hurt for some time. In all fairness, though, the positions taken by President Bush, Colin Powell and Condoleezza Rice—among other Republicans—on the Lott issue, represent one building block to repair the GOP's image.

Lott's revisionist view of history conflicts, of course, with America's view of what it seeks to be and the legacy we revisit during February's Black History Month. In light of Lott's comments, this year's celebrations should honor, with increased enthusiasm and dedication, the freedom fighters who defeated segregation. Those men and women who routed the White supremacists not only succeeded in the courts and legislatures, they also helped the nation realize that racism is immoral.

Now that Lott has been forced out of his leadership post, much of the pain for his remarks falls on Sen. Bill Frist, the Tennessee heart surgeon turned politician who is the new Senate majority leader. Like Lott, Frist has received failing grades on the NAACP's legislative report card. How he responds to issues important to Black America will be key in his party's effort to heal the racial wounds the Lott debacle exposed.

One element that will help determine the quality of Frist's response is the amount of pressure placed on him, on Republicans generally, and indeed on the entire political system by those who seek to advance civil and human rights.

The Lott affair provided those advocates with an unexpected opening to change political disappointment into opportunity. When Republicans won the Senate last November, their new control of both houses of Congress as well as the White House caused progressive forces to wonder where they could turn.

Now, the Republicans sense they must demonstrate their talk of inclusion in some concrete ways. There is a strong and committed cadre of Black leaders, including the entirely Democratic Congressional Black Caucus in the House, who can work to ensure that both parties put the rhetoric of equality and diversity into meaningful law and programs.

Approval of federal judgeships, funding for education and election reform, ex-felon voting rights, racial profiling and aid to Africa are among the many issues where advocates can push Republicans to demonstrate more concern for Black American priorities than they have in the past. And while Lott's slips of the tongue turned the spotlight on the GOP, Democrats too must show they are ready to implement policies to repair the damage that institutional racism, and some of the Lotts within their ranks, continue to wreak on Americans of color.

All of this must be done during already tight financial times made worse by the prospect of war. We at the Joint Center are experiencing those tight times too. As a result, we will publish FOCUS every other month, among other internal belt-tightening measures.

Despite this change, we don't expect that our constituents will notice any decrease in our work to make America better for all Americans. ■

*Eddie N. Williams*  
PRESIDENT

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# States Cut Services *To Balance Budgets*

## No Relief with Bush Economic Plan

By Iris J. Lav and Kevin Carey

State officials greeted calendar 2003 troubled by the bleak fiscal year already under way. State coffers are hurting and it is low-income residents who will feel the greatest pain.

States now face their most dire fiscal situations since World War II, according to the National Governors Association and the National Association of State Budget Officers. “Nearly every state is in fiscal crisis,” says a report they issued in November.

That crisis will only deepen if President Bush’s economic stimulus plan is implemented. The plan provides no aid to states and the proposed federal tax cuts would cause states to lose more than \$4 billion a year, making state budget deficits larger. When states must cut programs to balance their budgets, they lay off workers, reduce payments to contractors, cut reimbursements to providers, or lower benefit payments to individuals. This reduces the money people have to spend and thereby decreases demand for private sector goods and services.

Wide-ranging budget reductions already have been implemented for fiscal years 2002 and 2003 as states struggle to meet their balanced budget requirements. Many governors began with what might be termed “first round” administrative reductions in spending, including restrictions on out-of-state travel and moratoriums on equipment purchases. Beyond that, personnel expenses in state agencies have been cut through a variety of measures, including hiring freezes, involuntary unpaid furloughs, early retirement programs and state employee layoffs.

These personnel measures will leave agencies understaffed and can impair the ability of residents to access government services and benefits. In addition, across-

the-board percentage reductions in state agency budgets have been implemented in many states, either through executive action or as part of legislative budget-balancing plans. In some cases, these cuts trim administrative costs, but in other places they result in direct reductions in services to low-income families.

In addition, substantial specific cuts have been made in public services. Examples of reductions in programs other than Medicaid are detailed below. (For examples of Medicaid cuts, see FOCUS, November/December, 2002.) The program reductions described in this report are excerpted from an October, 2002, report by the Center for Budget and Policy Priorities and do not include either cuts made since then or reductions proposed by several governors in recent weeks.

### Child Care

A recent report by the Children’s Defense Fund found that budget shortfalls forced a number of states to reduce funding for child care, despite the fact that the number of low-income families needing child care services has grown significantly in recent years. The funding cuts are felt in a number of ways.

- Waiting lists for child care programs exist in 19 states and are growing larger. For example, Florida added more than 12,000 children to its waiting list, while Indiana’s list increased by more than 11,000 and in Texas more than 5,000 were added.
- Eligibility for services has been restricted. Nebraska reduced the eligibility level for child care assistance from 185 percent of the federal poverty line to 120 percent for some families, while New

Mexico reduced eligibility from 200 percent of the poverty line to 100 percent.

- Parent fees have increased. Indiana plans to increase parent fees for all families above 100 percent of the poverty line.
- Supports have been reduced for parents not on welfare who are pursuing education and training. Illinois cut such funding by \$7.5 million. Colorado eliminated a program that provided child care subsidies to parents in school, and Alabama postponed plans to extend child care assistance to parents in college.

### Welfare

As a result of the weak economy and increasing unemployment rates, some states have projected increases in welfare caseloads that would require additional spending on cash benefits. A number of states are having difficulty maintaining the principal welfare program — Temporary Assistance to Needy Families (TANF) — because reserves of federal funds are dwindling. Some states have already made cuts.

- Indiana plans to reduce TANF spending by \$54 million by, among other steps, cutting nearly \$10 million from child care, and reducing spending on a range of social services by nearly \$7 million.
- Massachusetts’ 2003 budget reduces funding for employment services for welfare recipients by 20 percent; an eviction prevention program that helped about 8,000 families last year was terminated; and assistance for thousands of legal immigrant families was eliminated.
- Tennessee’s current budget reduces TANF spending by \$20 million, affecting transportation assistance, job

skills training, and substance abuse services.

- In February 2002, Washington state implemented \$54 million in cuts to welfare programs, which affected many programs including job skills training and job retention initiatives.

## Higher Education

State support of public universities has been significantly affected by state budget deficits. Many state institutions of higher education are making up for lost revenues by sharply increasing tuition, effectively shifting some of the burden of balancing state budgets to students and their parents. Tuition increases also reduce access to higher education for low- and moderate-income families. The College Board recently reported that tuition at four-year public colleges and universities increased by an average of 9.6 percent nationwide. Significant tuition increases include the following:

- Tuition and fees at the University of Kansas will be more than 20 percent higher in 2002.
- Trustees at Penn State University increased tuition by 13.5 percent, the first double-digit increase since 1984.
- Freshmen at Texas A&M University will pay at least 26 percent more in tuition and fees in 2002 than in 2001.

## K-12 Education

Many state policymakers have worked to minimize the impact of state budget deficits on local schools, given the popularity of education spending. But the fact that K-12 education costs represent the single largest expense in state budgets has made such reductions unavoidable in some states. Cuts in local school aid may result in increased local property taxes, as schools seek to replace lost state aid with increased local revenues. Budget cuts can also result in scaled back programs, larger class sizes, and reductions in teacher compensation. The following are examples:

- Budget cuts in Idaho trimmed \$23.3

million from 2002 state funding for local schools.

- State distributions for K-12 education in Illinois were \$176 million less in 2003 than in 2002.
- State support for local school operating costs was reduced by \$115 million in Indiana, causing schools to fill the shortfall by internally reallocating local funds that had been previously designated for construction and maintenance.
- K-12 education funding in Massachusetts for 2003 was cut \$75 million below 2002 levels. Funding for after-school programs was eliminated, and early childhood education funding was reduced significantly.
- The governor of Kansas announced \$17.5 million in cuts to local school budgets in August 2002.
- Budget-balancing legislation passed in Washington state included \$92 million in reductions for K-12 education.

## Aid to Local Governments

Some state policymakers have sought to shift some of the impact of state budget deficits to local governments by reducing state aid to those local units. State budget cuts that reduce local revenue can jeopardize the ability of municipalities to provide services to low-income residents:

- State distributions to local governments in North Carolina were cut by \$209 million in 2002 and \$333 million in 2003, forcing some cities and towns to consider raising local property taxes to make up the difference. Localities will have the option to raise local sales taxes to fill the shortfall in state aid, a solution that would fall heavily on low-income residents because sales taxes are regressive.
- Local revenue sharing in Michigan for 2003 was frozen at the 2002 level, saving the state \$120.6 million.
- Illinois redirected \$25 million in local taxes from local units of government to the state general fund.
- Iowa cut \$5.5 million in reimbursements to counties for the cost of various property tax reductions, causing many

counties to raise property taxes to make up for the lost revenue.

## Other Service Reductions

Other state budget cuts have run the gamut of public services, from public safety to environmental protection to transportation. Examples include:

- \$7.5 million was cut from programs aimed at preventing youth violence in Colorado.
- Jury trials in Alabama were temporarily suspended in 2002 due to budget problems, and may be suspended again in 2003.
- A \$2 million reduction in funding for flu vaccine in Massachusetts resulted in a 19 percent reduction in vaccine purchases by the state health department.
- Payments to over 2,000 foster parents in South Carolina were reduced by \$20 per month.
- Access to state parks has been reduced in states including Alaska, Indiana and Massachusetts, while other states have raised visitor fees.
- Budget cuts forced the closure of the only state-run drug and alcohol rehabilitation center in Iowa.

“Cuts of unprecedented depth in vital basic services” are inevitable, without “the provision of substantial fiscal relief to states by the federal government,” said Robert Greenstein, executive director of the Center for Budget and Policy Priorities. Federal relief, he added, “would also be more effective in stimulating the economy than most tax cuts under consideration.” ■  
(See related story on pages 5 and 6.)

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*Iris J. Lav is deputy director of the Center for Budget and Policy Priorities ([www.cbpp.org](http://www.cbpp.org)), which provided permission to edit and reprint this article. Kevin Carey formerly was with CBPP.*



# POLITICAL REPORT

## Bush Dashes Hope For Rights Agenda

By Joe Davidson

On the same day the 108th Congress began, President Bush dashed the desires of many who hoped this congressional session would feature a Republican Party with an increased commitment to racial justice.

The release of his economic stimulus plan and Bush's renomination of two controversial federal court candidates disappointed politicians and civil rights activists who looked for a kinder, gentler GOP following Trent Lott's ouster as the party's Senate leader.

Sen. Bill Frist of Tennessee took over that job on January 7. At almost the same time, Bush gave a speech introducing his economic package, which many charge is a trickle-down scheme designed to make the rich richer. A few hours after that speech, Bush renominated Charles W. Pickering and Priscilla R. Owen to the 5th Circuit Court of Appeals. Both nominations were defeated in the Senate Judiciary Committee last year, when Democrats controlled it. Civil rights groups, women's organizations and organized labor oppose the nominations.

In response to the renominations, the Leadership Conference on Civil Rights promised an "all-out effort to oppose Senate confirmation of all nominees who have expressed or demonstrated opposition to core civil rights principles."

Citing the nominations as "deeply troubling in the wake of the Trent Lott controversy," Wade Henderson, executive director of the Leadership Conference, said,

"one would think that President Bush's appropriate response to Senator Lott's insensitive and hurtful racial comment would be a recognition that individuals like Charles Pickering and Priscilla Owen do not have the civil rights qualifications for appointment to the federal bench. With these renominations, it is clear that President Bush's compassion for civil rights takes second place to his compassion for the so-called 'state's rights' movement."

When Lott was sacked for praising Strom Thurmond's 1948 segregationist presidential campaign, Republicans pledged greater outreach to Black Americans. But the economic plan and the court nominations make it clear that "everything they said during the Trent Lott controversy was just PR," said David Bositis, a senior research associate at the Joint Center.

The economic package relies heavily on tax cuts that would be structured to greatly benefit the wealthy. According to the Tax Policy Center, a research organization jointly run by the Brookings Institution and the Urban Institute, the wealthiest five percent of taxpayers, those with incomes above \$134,000, would get 65 percent of the savings from Bush's proposal to eliminate income tax on shareholder dividends.

At the same time, the 80 percent of the population with incomes below \$68,000 would see just 16 percent of the savings. "Most African Americans would be in income categories where the benefits will be quite modest," said Margaret Simms, an economist and the Joint Center's vice president for programs.

Furthermore, because state income tax formulas are based on the federal income tax, "state governments will suffer" if the Bush proposal is enacted, Simms added. Already strapped state treasuries will find it hard to fully fund a variety of programs. "Because African Americans are more likely to be recipients of government services," Simms explained, "they will be negatively affected."

Distribution of Income Tax Changes Under President Bush's Proposal

Income Percentile	Income Range	Percent of Total	Percent Change in After-Tax Income	Percent of Total Income Tax Change	Average Tax Change (\$)
0-20	\$0-9,964	10.2%	0.1%	0.4%	\$-4
20-40	9,965-21,349	10.3	0.1	1.5	-14
40-60	21,350-37,834	12.8	0.1	3.2	-29
60-80	37,835-68,329	22.3	0.2	11.1	-104
80-90	68,330-98,053	16.4	0.2	9.5	-177
90-95	98,054-133,858	11.2	0.4	9.8	-363
95-99	133,859-316,894	12.1	0.7	22.3	-1,037
99-100	More than 316,895	3.9	1.1	42.2	-7,844

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

Shortly after Frist was chosen to lead the Senate Republicans, the Leadership Conference requested a meeting with him to discuss a civil and human rights agenda. The president's economic plan and the renomination of Pickering and Owen, however, gave civil rights leaders little hope that Republicans would be any more open to such an agenda under Frist than they were under Lott.

"We are unfortunately seeing that even though the faces have changed, the agenda has not," complained Hilary Shelton, director of the NAACP's Washington Office. "At this point we're going to have to revisit a strategy...we cannot assume that the Senate leadership is our friend on civil rights and social justice issues." ■  
(See related story on page 3).

## States Cut Prisoners To Save Prison Costs

By Jason Ziedenberg

As reported in FOCUS last May, growing state deficits and fiscal worries along with a sea change in public opinion pushed many states to consider reversing three decades of corrections policy. During those years, the nation's incarcerated population ballooned to 2 million.

As we begin 2003, states are grappling with the biggest cumulative budget shortfall since World War II (see related story on page 3), and even more jurisdictions are implementing historic sentencing reforms by abolishing mandatory minimums, promoting drug reform and community corrections, and commuting sentences.

In December, the national media shone a spotlight on Kentucky Gov. Paul E. Patton's decision to release 567 nonviolent inmates early from prison. Some media accounts indicate that Kentucky expects to save between \$1.3 million and \$5 million by releasing these low-level inmates an average of three months early. The Kentucky Department of Corrections

reports that it has already cut corrections spending by \$20 million since 2001 by postponing three prison expansion projects, reducing spending on private prison and county jail beds, and cutting staff positions.

"Kentucky and most other states simply don't have the revenue it takes to house increasing prisoners," Gov. Patton, who is also chair of the National Governors' Association, recently told CNN.

In Michigan, the state's tough-on-crime Republican governor, John Engler, signed historic legislation on Christmas Day that repealed Michigan's mandatory minimum drug sentences. The legislation received widespread support from judges, prosecutors, civil rights organizations and others.

"Michigan's prosecutors recognize that an effective drug policy is a combination of criminal justice strategies, readily available drug treatment programs, incarceration where appropriate, and prevention activities in schools, businesses, and homes," said David Morse, president of the Prosecuting Attorneys Association of Michigan. "That is why we support a responsible approach to replacing the mandatory minimum sentences for drug crimes with sentences that are appropriate for the crime."

More comprehensive reforms are being considered in other states. In Kansas, the Sentencing Commission has recommended a revision to the state's penal code to reduce the incarceration of nonviolent offenders. Alabama's sentencing commission is expected to issue similar recommendations early this year, after that state modified its mandatory sentencing laws in 2002 to allow greater judicial discretion. Iowa's Program Elimination Commission is also expected to recommend deemphasizing the state's incarceration of nonviolent offenders.

Legislators in Texas and Maryland are now considering legislation that would direct their states to reduce their nonviolent prison populations through sentencing reform. "Some very tough on crime states and policy makers have found that we can return some balance to our criminal justice

policies by carefully examining prison populations for those who could be safely released," says Maryland Del. Salima Siler Marriott.

In New Mexico, Bill Richardson, the newly elected governor and former Clinton administration Energy Secretary, announced in January his intention to cancel state plans to expand the prison system and focus more money on drug treatment for offenders in their communities. "I intend to build no new prisons," Richardson told the Associated Press. "I want to invest in education and economic development. We must find a corrections policy that is cost effective."

In sharp contrast to the states, where corrections consumes a much larger portion of their budgets, the federal prison system has continued to grow at a rate of 8 percent over the last two years, compared to less than 1 percent in the states. In January, *Correctional News*, a trade publication for the prison industry, reported that the federal prison system has surpassed California and Texas as the largest system in the United States, holding 164,011 inmates.

"The emergence of the federal prison system as the nation's largest reflects a trend that has been underway for over two years," said Eli Gage, publisher of *Correctional News*. "While individual states have been suspending prison construction, scaling back mandatory sentencing laws, and exploring alternative sentencing, the FBOP (Federal Bureau of Prisons) has continued to build, and build quickly." ■

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*Articles and analysis on the continuing reform of state corrections systems, including a copy of the report Cutting Correctly: New Prison Policies for Times of Fiscal Crisis, can be found on the Justice Policy Institute's website at [www.justicepolicy.org](http://www.justicepolicy.org). Jason Ziedenberg is the Institute's assistant director for policy and research.*

# ECONOMIC REPORT

## No Matter the Measure, Black Poverty Is High

By Margaret C. Simms

Each year the U.S. Census Bureau releases the latest data on money income and poverty in the United States. When the 2001 income and poverty figures were announced late last year, few were surprised that the numbers indicated a reversal of economic progress for a number of groups.

In 2001, 32.9 million individuals in the U.S. — which is 11.7 percent of the population — fell below the poverty line. This was the first increase in the poverty rate since 1993, with 1.3 million more people in poverty than in 2000. Although the poverty rate increased only among non-Hispanic White households, the number of Hispanics in poverty increased by 300,000. The poverty rate did not change significantly among African American households; nevertheless, they had the highest poverty rate (22.7 percent) of all groups.

Median income also declined in 2001, with household income falling by 2.2 percent in real terms, that is, when adjusted for inflation. Most groups and most regions shared in the reversal; only the median income of Hispanics was unchanged. The steepest drop in household income was among Asians and Pacific Islanders (6.4 percent), followed by African Americans (3.4 percent). For African American households, this marked the first decline in income in 20 years.

Changes in both poverty rates and income reflect changes in employment and earnings. The poverty rate increased most among the working-age population (18-64) and among married-couple families, which

typically have one or two wage earners. In fact, Black married-couple families were the only group to experience an increase in both the numbers in poverty and the proportion of families in poverty.

Annual income and poverty figures based on income are only two measures of economic status. Another important, but less frequently measured, indicator of economic well-being is assets. In a report released about the same time as the Census Bureau reports, the Corporation for Enterprise Development (CFED) offers a state-by-state assessment of asset growth

and examines state initiatives to promote or support asset accumulation by individuals and families.

### Asset Poverty

Assets are an extremely important aspect of economic well-being. While the tendency is to think of savings and wealth accumulation for the purposes of building “nest eggs” for children’s education or for retirement, liquid assets also provide the cushion households need during times of unemployment. It is in this context that CFED developed a different measure of well-being, in the form of asset poverty. They define asset poverty as insufficient assets to sustain the household at the federal poverty level for a period of three months. By this measure, 25.5 percent of all U.S. households would have been poor in 1998, a rate more than double the more com

Asset Indices for States with over One Million African Americans, 2000

State	African American Population, 2000	Household Mean Net Worth (1999 dollars)	Asset Inequality by Race (White/non-White ratio) <sup>1</sup>	Asset Poverty by Race (White/non-White ratio) <sup>2</sup>
Alabama	1,155,930	92,858	3.73	0.40
California	2,263,882	131,913	2.30	0.49
Florida	2,335,505	117,023	2.57	0.37
Georgia	2,349,542	89,855	4.40	0.39
Illinois	1,876,875	118,146	2.93	0.34
Louisiana	1,451,944	88,614	4.11	0.32
Maryland	1,477,411	138,422	3.50	0.38
Michigan	1,412,742	122,900	3.73	0.44
Mississippi	1,033,809	79,552	4.00	0.57
New Jersey	1,141,821	145,243	3.97	0.30
New York	3,014,385	103,177	4.39	0.30
North Carolina	1,737,545	100,561	3.28	0.48
Ohio	1,301,307	113,481	3.46	0.38
Pennsylvania	1,224,612	117,385	4.90	0.33
South Carolina	1,185,216	97,521	4.85	0.53
Texas	2,404,566	81,314	3.07	0.54
Virginia	1,390,293	122,320	5.02	0.42

<sup>1</sup> Asset inequality by race means that in Alabama, for example, White households have 3.73 times the mean net worth of non-White households.

<sup>2</sup> Asset poverty by race means that in Alabama, for example, White households are 40 percent as likely to be asset poor as non-White households.

Source: Compilation based on Corporation for Enterprise Development report. Population numbers from U.S. Census Bureau.

monly recognized rate for income poverty.

The asset poverty measure is one of 30 asset measures presented in CFED's State Asset Development Report Card study. Among the others are financial assets, homeownership capital, human capital, business capital and bank access. They also include access to health insurance. In addition, the study includes an analysis of 36 policy measures that states can take to help families build assets or protect them against depleting assets during economic adversity. These include policies directed toward financial asset building and improved bank access, affordable homeownership, human capital development, and small business development. Protective measures such as wage protection, health insurance, and property protection are included as well.

## Good First Step

The authors of the report acknowledge that some of the data utilized are not definitive, as state level data for some measures are not readily available or may not have been collected since the mid-1990s. In some cases, the analysts have used proxies for the actual measure or estimated the values. The Survey of Income and Program Participation was the major source, but the analysts also re-weighted the sample data using the Current Population Survey in order to estimate the relevant population groups. Despite its shortcomings, the study is a good first step in assessing how well different groups are doing and how much they are assisted by their state's overall policy environment. The written report provides a summary analysis of each state and tables ranking the states on each of the asset outcomes and protection measures. There is an interactive version on the CFED website, which allows you to generate detailed state-specific tables on the various measures.

A major contribution of the CFED report is its cross-state analysis of asset

accumulation and policy environments. They find that in 49 of the 50 states, asset poverty is greater than income poverty. In general, states in the Midwest tended to have higher asset outcomes and those in the Northeast had better policies for asset accumulation. The Southern states, on average, did quite poorly. Three-quarters of the states had a grade of "D" or "F" on the asset outcome measure, and over 60 percent of states earned less than a "C" in the effectiveness of their policies.

Significant asset gaps exist between White and non-White households in all 28 states for which race-specific calculations could be made. In most states, the ratio of White to non-White was greater than three-to-one. The smallest gap existed in Mississippi, where non-White poverty rates were "only" twice those of White families. The widest gaps were in the Northeastern states, with Connecticut having nearly four-to-one. To some extent, these gaps reflect the relative wealth of the Northeastern states versus those in the South. In other words, in places where fewer people are wealthy, the gap between White and non-White tends to be smaller, because Whites there are more likely to have modest levels of assets.

The smallest gap in wealth existed in Tennessee. But even in this state, Whites still had twice the assets of non-Whites. The largest gap was in Virginia, home to nearly 1.4 million African Americans. There, Whites had over five times the assets of non-Whites.

The ranking of states on their policies produced an "honor roll" of five states that received "A's" on asset outcomes and asset policies—Maine, Minnesota, Oregon, Vermont, and Washington. But none of these five states have large African American populations.

Examining the 17 states with over one million African Americans produces an interesting picture of similarities and contrasts. Eight of the 17 are in the South, while seven are in the Northeast and Midwest. Only two are outside those regions (Texas and California). In only

three of the Southern states was average net worth (assets minus debts) over \$100,000, while such levels were almost universal in the states outside the South. There was no regional difference in the asset poverty ratio, (Whites to non-Whites) with ratios ranging from .30 to .54 outside the South and from .32 to .57 in the Southern states. When it comes to overall ratings in terms of asset outcomes and supportive policies for their residents, the Southern states fall short. None of them received a grade of "B" or better in terms of outcomes, and only one (North Carolina) got a "B" or better in terms of their policies. While no state with a large African American population ranked in the top 10 states in asset outcomes, four of them did rank in the top 10 in the effectiveness of their policies to support asset building. None of these states was in the South.

## What Can Be Done?

Given this current period of economic uncertainty and the likelihood that most individuals will have to undergo several economic transitions in their lives, it is important for government to support the efforts of families and individuals to build wealth. Most of the recent federal policy has focused on changes in the Social Security system, but the CFED report places more emphasis on approaches that would build a range of more flexible assets, such as individual development accounts. They also call for states to make their budgets more transparent so that outsiders can determine how well they may be supporting asset development through tax expenditures. ■

*To obtain statistics from the income and poverty reports of the U.S. Census Bureau on-line, go to [www.census.gov/hhes/www/income01/html](http://www.census.gov/hhes/www/income01/html) or [www.census.gov/hhes/www/poverty01/html](http://www.census.gov/hhes/www/poverty01/html). Historical statistics and fact sheets on economic well-being can be obtained from the Joint Center's DataBank site at [www.jointcenter.org/DB](http://www.jointcenter.org/DB). To view the CFED report, with interactive features, go to [www.sadrc.cfed.org](http://www.sadrc.cfed.org)*



# RULES MAY GUARANTEE F's FOR MANY SCHOOLS

## LAW WORRIES EDUCATORS

By PAMELA M. PRAH

State officials and school administrators warn that scores of schools will get “F’s” they may not deserve because federal regulations published in December will make it too hard for states to reach ambitious new education standards.

Officials with education organizations fear that rules implementing the new “No Child Left Behind” legislation may force some states to rework their policies to make it easier for schools to get passing grades. They also worry that regulations could prompt some smaller schools to forego federal funds as a way to avoid the maze of federal requirements.

“If states follow the strict letter of the law, every school in the country will be considered ‘low-performing’ within five years,” according to Bruce Hunter, director of public policy for the American Association of School Administrators (AASA).

The reason many schools won’t make the grade is because under No Child Left Behind, schools must show that students in several categories are making steady academic improvement. These include race/ethnicity, English proficiency, disability, economic background, gender and migrant status.

Under No Child Left Behind, a school will be considered poor performing if it misses meeting its goal for even one of those subgroups.

“It guarantees that schools that receive Title I funds will get sanctions within five years” for failing to live up to the new law, said Monty Neill, executive director of FairTest, an advocacy organization in Cambridge, Mass., that aims to end what it sees as the abuses and flaws of standardized testing.

David Shreve, of the National Conference of State Legislatures, said the law, and

now the regulations, cast a net so wide and requirements so stringent that some 70 percent of all schools will be considered failing.

“The American public won’t accept that 70 percent to 80 percent of our schools are failing,” he said.

Those schools deemed to be failing will have to allow students to transfer to other schools and pay for their transportation to get there. The rules make clear that better schools can no longer use overcrowding as an excuse not to accept students from failing schools. Schools in Baltimore, Chicago, Los Angeles, Memphis, New York did just that earlier this year.

**“The American public won’t accept that 70 percent to 80 percent of our schools are failing.”**

— David Shreve  
National Conference of State Legislatures

Critics of the new law say the Bush administration purposely made the law and regulations so strict as a way to promote vouchers.

“Our biggest concern is the [final regulation’s] emphasis on school choice,” said Liz Wolff of the Association of Community Organizations for Reform Now, an activist group. The emphasis should be on improving existing schools and getting more qualified teachers into classrooms, she said.

Neil, of FairTest, and Hunter, of AASA, both expect smaller, suburban schools that

don’t receive a lot of Title I funds to think about skipping those funds as a way to avoid the No Child Left Behind sanctions. These schools would still have to make sure their students make adequate yearly progress.

States also will look again at tweaking definitions and standards to make it easier for students to reach proficiency levels. Some states — Connecticut, Colorado and Louisiana and Michigan — lowered their standards in the last year and more are likely to consider it.

Many states also were hard-pressed to meet the January 31, 2003, deadline for filing annual reports with the federal government detailing how states will measure student progress each year over the next 12 years. Education officials argue that the federal Department of Education offered little guidance on how to create these accountability plans, and now the department is springing final regulations that go into effect early this year.

Another complication is that some state education departments may want or have to go back to the state legislatures to make changes to their policies, according to Kathy Christie, vice president of the information clearinghouse for the Education Commission of the States. Many legislatures did not come back into session until January, giving states less than a month to fine-tune their reports.

The Department of Education is standing firm with the new regulations. “Only if we hold schools and school districts accountable for the improved achievement of all students will we meet the goal of leaving no child behind and ensure that every child learns, every school has the opportunity to improve, and every dollar is spent wisely for those purposes,” Secretary of Education Rod Paige said when the regulations were released. ■

*Pamela M. Prah is a staff writer with Stateline.org, which provided permission to reprint this article.*

# Q&A: CONDOLEEZZA RICE...

## Continued from cover

“this is not a regime that is changing its stripes.” Based on that, this could easily be read that this administration is on course not to trust Saddam no matter what he says and, therefore, being on a course to go into Iraq.

**RICE:** Well, first of all, nobody would like to see this turn out peacefully more than the administration, and most especially, the president.

The skepticism is that — we’ve got 11 years of defiance; we’ve got 11 years of deceit. And so, of course, we’re skeptical. But this time around, the world has to have zero tolerance for Saddam playing the kinds of games that he’s played before. Because the truth of the matter is, any weapons inspection regime can be defeated. In a country the size of France, the inspectors going around, hunting and pecking to see what they can find — they can be deceived.

**BARBARA ROBINSON, LAS VEGAS REVIEW JOURNAL:** There is a perception in Europe, Canada, and the Middle East, that our policy in the Middle East is biased. What impact do you think this perception has on the war on terrorism?

**RICE:** It is a perception that I, frankly, wish we could deal with better because it could not be further from the truth. This is the first president of the United States to unequivocally say that the only resolution of the Middle East is going to be a two-state solution, to declare that there needs to be a Palestinian state, and who, as a matter of fact, went so far as to call it Palestine, right?

We do — every time we are with the Israelis — press them hard about the humanitarian situation in the Palestinian territories. It is awful.

He [President Bush] also has strong views about the Israelis’ need for security as a

democracy that is in a very difficult neighborhood ... So when he speaks out about Israel’s need to defend itself, he’s simply saying what anybody would say.

**GREGORY KANE, BALTIMORE**

**SUN:** The state of Sudan harbored Osama bin Laden at one time and it continues to murder its own citizens and enslave them. Are they now our allies in the war against terrorism? And if they are, why should we trust them?

**“Well, first of all, nobody would like to see this turn out peacefully more than the administration, and most especially, the president.”**

— Condoleezza Rice

**RICE:** Yes. Sudan is — first of all, the president came in and tried and really put together a Sudan policy, and sent Jack Danforth out to be Sudan envoy, but with a very clear message to Khartoum, which was: “We expect you to clean up your act where terrorism is concerned.” And, frankly, they’ve made some advances there and there has been some cooperation on terrorism.

**JOE DAVIDSON, FOCUS:** We had a session with Senator Joe Biden and a number of points were raised about a possible war with Iraq — one, that the Joint Chiefs opposed the war; two, that the recent CIA memo indicated that Saddam

Hussein would be more likely to use weapons of mass destruction if attacked and probably would not use them if not attacked; and that, as Chairman of the Foreign Relations Committee of the Senate [during the last Congress], that he [Biden] had seen no evidence of an alliance between Iraq and al Qaeda, and that Saddam Hussein does not represent a clear and present danger at the moment.

**RICE:** We’re trying not to go to war. But sometimes in order to get peace, you have to be serious about willingness to use force. And that’s why we are where we are. Let’s be very clear. The only reason we have a U.N. Resolution 15-0, the only reason we may have an Iraqi willingness — at least in the first order — to cooperate is because, frankly, we have a gun pointed at the head of Saddam’s regime. That’s the only thing this regime understands.

Now, as to the specifics, first of all, I sit with the Joint Chiefs and the president, and it simply isn’t true. The president has asked the Joint Chiefs; the Joint Chiefs are not opposed to this war.

Secondly, as to the CIA director, I sit with the CIA director and the president, and I know that George Tenet has talked a lot about the growing threat from Iraq. Anybody who believes that we can guess exactly what Saddam Hussein may or may not do when armed with a nuclear weapon is a better person than I, and more willing to take risks than I.

The president has to take circumstances as he sees them and respond to them. And when I hear, well, if you don’t bother him, he won’t bother you, I think it’s a fundamental misreading of this book of history. This is somebody who has, after all, already attacked his neighbors. This is somebody who has used weapons of mass destruction against his own people. This is someone who has tried to assassinate a former president of the United States.

And I can assure you of only one thing, some place along here in the next several years — could be next year, could be four years, could be five years — our interests

and Saddam Hussein's ambitions are going to clash, like they did over Kuwait. And when they clash, I don't want him armed with a nuclear weapon.

**DAVID PERSON, HUNTSVILLE TIMES:** Dr. Rice, I want to ask you, if we can shift gears for just a minute, and I'm going to ask you to go back to Birmingham, and especially that pivotal year, 1963, and tell us what kind of impact the 16th Street bombing had on you? And I understand that you also knew two of the girls who were killed.

**RICE:** Well, I think for any child in Birmingham in that period of time, particularly for a young child — and I was eight during that time — we had all grown up in a very protected little community. You know, our parents made sure that we had all the benefits that they could possibly bring to us, and yet you know that there was this other world out there, but it — the White world of Birmingham — but it didn't cross with you that much.

And then, all of a sudden, in '63, Birmingham turned violent and there were bombings in neighborhoods. And it all culminated then on that Sunday when the bomb went off at Sixteenth Street Baptist Church.

I knew Denise McNair well, and her father was the photographer in the community, so he took everybody's birthday pictures and wedding pictures and all of that. And so I knew Denise. Cynthia Wesley was also from the community; she was older and I didn't know her as well. And, in fact, Addie Mae Collins was in my uncle's home room in school. [Denise, Cynthia and Addie Mae were three of the four girls killed in the bombing of Sixteenth Street Baptist Church.]

**RON THOMAS, SAN FRANCISCO EXAMINER:** Has your experience with race-based terrorism in Birmingham in any way increased your fuel or resolve to combat terrorism in your position now?

**RICE:** It's a very good question. I think what you recognize, if you've been through

**“The fact of the matter is, race matters in America. It has, it always has. Maybe there will be a day when it doesn't, but I suspect that it will for a long time to come....I am African American and proud of it. I wouldn't have it any other way. And it has shaped who I am and it will continue to shape who I am.”**

— Condoleezza Rice

home-grown terrorism, which is really what that was in Birmingham, is that you recognize there isn't any cause that can be served by it. No cause — good, bad, indifferent — can be served by terrorism. Because what it's meant to do is to end the conversation. It's meant to end the search for a solution. It's meant to terrorize and frighten people and bludgeon them into submission — that's what terrorism is meant to do. And you can't have a political solution if one side is trying to bludgeon the other into submission.

**DERRICK JACKSON:** In one profile you said, “I decided I'd rather be ignored than patronized.” Is the Democratic Party today patronizing women, minorities and the poor?

**RICE:** The fact of the matter is, race matters in America. It has, it always has. Maybe there will be a day when it doesn't, but I suspect that it will for a long time to come. It matters in different ways today

than it did in 1963 in Birmingham. But it still matters. That having been said, the real key is how does America now provide opportunity for all people, regardless of what race — recognizing that it matters — to be what they would like to be, and to fulfill themselves and to, therefore, contribute to this larger experiment called America.

I am African American and proud of it. I wouldn't have it any other way. And it has shaped who I am and it will continue to shape who I am. I do not believe that it has limited who I am or what I can become. And that's because I had parents who, while telling me what it meant to be African American and exposing me to that, also allowed me to develop as an individual to be who I wanted to be.

So they didn't say to me, you know, it's really weird for a Black girl from Birmingham, Alabama, to want to be a Soviet specialist. They didn't say, all right, I understand that you love Motown — which I did and still do — or, I understand that you love Gatemouth Brown Express or that you love Kool and the Gang, you also play Brahms. That's fine. It was that expression of the individual and a willingness to put the educational opportunities before me that led to who I am.

Thank you. ■

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# AFRICAN NATIONS MOVE AGAINST ARMS TRADE

## MINISTERS TACKLE ILLEGAL WEAPONS

**N**AIROBI, (IRIN) - Ministers from the Horn of Africa and the continent's Great Lakes area have launched an effort to tackle the region's growing trade in illegal weapons.

"The task is indeed daunting, but it behooves us to commit ourselves and make the necessary sacrifices to effectively deal with the problem," Kenyan Foreign Minister Marsden Madoka said when representatives of 10 African states met to discuss the issue last year.

The four-day meeting was the first ministerial review of the progress of the Nairobi Declaration, a regional initiative launched in 2000 to begin addressing the security problems posed by the proliferation of small arms in the region, according to Virginia Gamba, the head of the South African based Safer Africa project and one of the organizers of the meeting. The 10 countries represented were Kenya, Uganda, Tanzania, Eritrea, Ethiopia, Djibouti, Burundi, Rwanda, the Democratic Republic of the Congo and Sudan.

"A ministerial review meeting should take place each year. This was the first review meeting. The key item is to generate

operational guidelines for the Nairobi secretariat to enlarge its coordination," Gamba said.

The Nairobi Declaration has been hailed as the first major indicator of commitment by governments in the Horn of Africa and Great Lakes regions towards addressing the problem of the illicit circulation of small arms, which has been contributing to increased insecurity and conflicts in the region.

Madoka, who chaired the review meeting, told delegates that states party to the Declaration had so far achieved a "reasonable measure" of success towards implementing its recommendations, despite numerous problems.

He urged governments in the region to make the elimination of illegal small arms a top priority issue of development and security, and to make "sacrifices" on the way towards implementing the recommendations of the Nairobi Declaration.

The organizers of the conference hope that it can be emulated by other regions in setting uniform standards on curbing the trafficking and misuse of small arms.

"We in the Great Lakes and Horn of Africa have always set the standards for concerted international action against illicit arms. It is my hope that in this conference we will not only create renewed impetus to push the regional small arms agenda forward but also create a sustainable partnership between governments in the region, donors and the civil society in tackling the problem of small arms," Madoka added.

However, representatives of the civil society at the conference have expressed dissatisfaction with the way it was organized. Richard Mugisha, who heads the Uganda Action Network on Small Arms, protested that NGOs, which had spearheaded the process, were sidelined and their status was reduced to that of observers instead of full participants.

"Civil society has been locked out of this ministerial meeting," he complained at the time. "They have not been allowed to give their input to the process. Civil society is attending the meeting as observers, even though the Nairobi Declaration states clearly that they should be full participants in the process." ■

*IRIN, the Integrated Regional Information Networks of the UN Office for the Coordination of Humanitarian Affairs, provided reprint permission for this story.*



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