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The magazine of the Joint Center for Political and Economic Studies

Lawmakers Balk At Education Law

By Pamela M. Prah

President George W. Bush's sweeping federal education program is creating sticker shock in statehouses across the country at a time when states are grappling with the worst budget shortfalls in decades.

Lawmakers in New Hampshire and Hawaii have considered measures that would let their states walk away from footing the bill for the program Bush pushed through Congress, which is commonly known as No Child Left Behind.

New Hampshire and Hawaii are not alone in worrying about No Child Left Behind's price tag. Iowa, New Jersey, North Dakota, Tennessee and Washington are among states that had resolutions calling for more federal funding to help implement the new testing and learning standards required by the federal education law.

New Hampshire was the first to seriously consider legislation that would be legally binding, instead of the non-binding resolutions other states considered.

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Perspective

A Civil Rights Champion Continues to Fight

The Rev. Joseph E. Lowery, the retired head of Martin Luther King's Southern Christian Leadership Conference (SCLC), is a personal friend and fellow founder of the Black Leadership Forum. He recently recounted to me an experience that needs to be shared with the nation.

Last May, Lowery had the unexpected opportunity to accept an honorary degree from the University of Alabama, where Gov. George C. Wallace once was a symbol of the "states' rights" resistance to the civil rights movement, which Lowery, among others, put his life on the line to lead.

I asked him what was on his mind when he walked down the aisle to get his degree. "All that was on my mind was that it was Governor Wallace who had stood in the doorway to block integration of the university in 1963, and it was this same George Wallace who later apologized for his previous behavior and asked me to join him in prayer," he said. "When I walked down the aisle I thought about George, and it was an emotional thing for me."

The civil rights struggle has been an emotional and never ending journey for Lowery. For 50 years, he has been at the forefront of the fight for equality in America. It was certainly fitting, if not a bit ironic, that his home state, the site of so many civil rights battles, would honor this Black American leader.

When notified that he would be awarded a degree by the university that Wallace vowed to keep all-White, "first I was stunned, but I was humbled and honored," Lowery said. "And here this same University of Alabama, which opposed integration, was giving a doctorate to a man who had been in the forefront of the [civil rights] movement in Alabama and nationally."

A Huntsville native, Lowery's work in the early 1950s included efforts to desegregate buses and public accommodations in Mobile. He was a cofounder, with King and others, of the SCLC in 1957.

And he has been going nonstop ever since, always speaking truth to power, always fighting for justice both at home and abroad. Lowery was a co-founder and is chairman emeritus of the Black Leadership Forum and was active in the campaigns to free South Africa and Nelson Mandela. After almost 21 years as SCLC president, he stepped down in 1998. But he did not step back from the on-going struggle. He currently heads the Georgia Coalition for the People's Agenda, which continues the struggle in the areas of criminal justice, environmental justice and voter empowerment.

Though known for his efforts to promote racial equality, Lowery also is very concerned about growing class inequality. He says the schism between haves and have-nots is increasing and faults the Bush administration for making that bad situation worse. "The economic system, particularly under this administration, is corrupt," he complained. "The tax cuts are not only fiscal bonanzas for the rich, but they are devastating for the poor, because they are cuts in service."

At 80 years old, Lowery remains an on-the-job civil rights champion. With nearly a dozen honorary degrees, a slew of other awards and a long list of civil rights accomplishments, he would be more than justified to rest on his laurels.

But that's not his style.

Perpetual activism is his legacy. That's why to me he is an indefatigable hero and an inspirational leader. ■



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Police Have Confidence Of Black Politicians

Most Say Misconduct Not Serious

BY DAVID A. BOSITIS

Despite numerous high-profile cases of police abuse in African American communities, a majority of Black elected officials (BEOs) do not consider it a serious problem, according to a national Joint Center survey.

Furthermore, the politicians indicated that they had more confidence in the police than in any of several other institutions. Notably, they have considerably less confidence in the courts — the institution often contacted to redress racial problems — than in the police.

The 841 officials surveyed included state legislators, municipal officials, school board members, county officials and judicial and law enforcement officials. They were asked how much confidence they had in a number of American institutions, including the justice system, the police, the health care system, big business, newspapers and schools. Among these choices, the institution in which they voiced the most confidence was the police (about 26 percent said they had a “great deal” of confidence in the police). Schools

and the health care system ranked next on the confidence list.

The BEOs surveyed had much less confidence in the judicial system (only 16.6 percent said a “great deal”), suggesting that they view the police and the courts quite distinctly. About one-third of the BEOs said they had “hardly any” confidence in either big business or newspapers.

Police Misconduct. Two-in-five Black elected officials report having been stopped by the police, for no apparent reason, while driving. This experience was reported by almost half of all male BEOs and somewhat more than a quarter of all female BEOs. Over one-third of BEOs 65 years and older and three-in-10 of those with a high school education or less reported the experience.

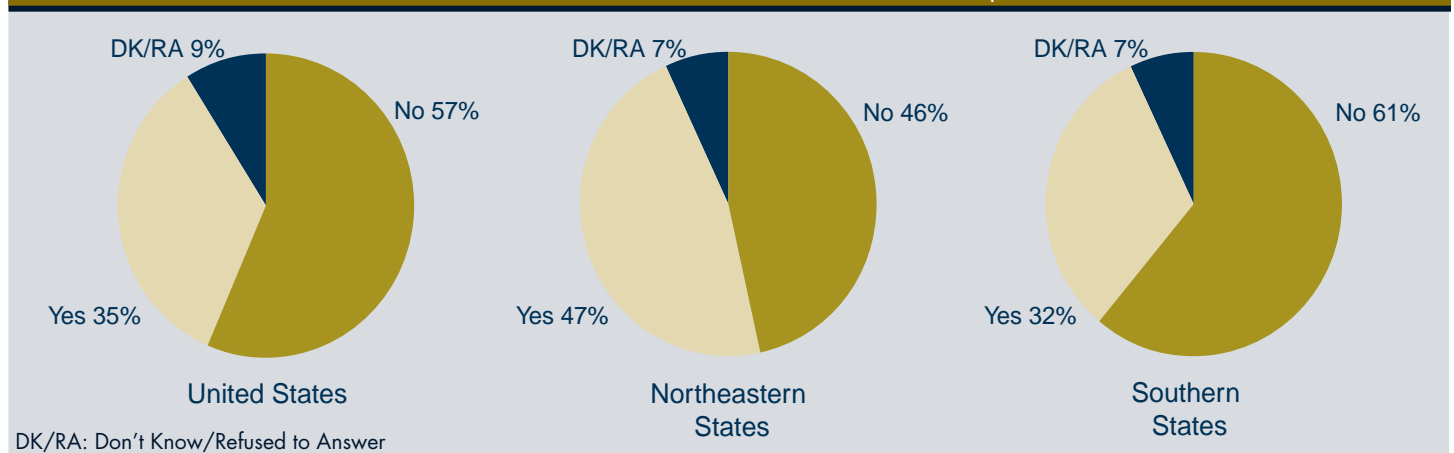
Interestingly for elected officials, only one-in-eight said their response to profiling was to seek legislative solutions. Another one-in-eight said they did nothing. Asked what their response was to these apparent “profiling” traffic stops, the most common answer, 29 percent, was meeting with police and legal officials.

A clear majority — 57 percent — of the elected officials said they did not believe that police misconduct was a serious problem, while a little more than a third thought it was. This finding, however, masks significant regional differences. The range extends from the 47 percent plurality of northeastern BEOs who believe police misconduct is a serious problem, to the 61 percent of BEOs from the South who believe it is not.

When constituents contact these officeholders, the officials reported, there were significantly more complaints about a lack of police protection than about police misconduct.

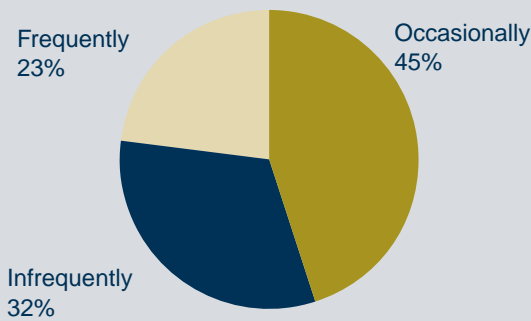
The misconduct issue has several layers. Almost 54 percent of BEOs said police misconduct is widespread, even as they said it is not serious and expressed more confidence in the police than in any other institution. There also are generational differences. Sixty percent of the best educated BEOs and an even greater portion of the youngest said that police misconduct was a widespread problem; the oldest BEOs were the least likely to hold this view.

Is Police Misconduct a Serious Problem? — BEO Responses:

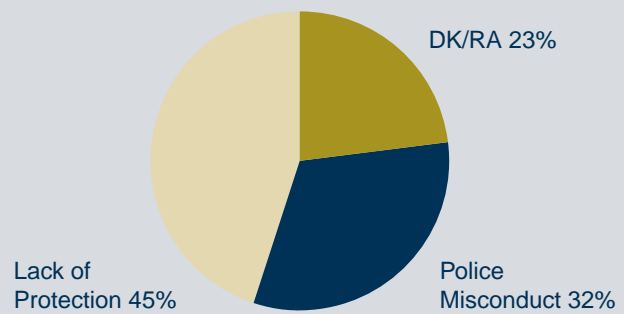


How Often and Why do Your Constituents Contact You About the Police? — BEO Responses:

How Often?



Why?



Source: Joint Center for Political and Economic Studies

Unlike racial profiling, comparatively few, just 4 percent, thought that nothing could be done about other forms of misconduct, such as brutality. About 20 percent cited enforcing laws/punishing offenders or education/diversity training or holding hearings as their response to police abuse. The most common action taken by respondents was to speak out and raise community awareness about the problem.

Sentencing. A solid majority of black elected officials oppose mandatory minimum sentences for nonviolent drug offenses. Younger BEOs and the less well educated expressed the least opposition to mandatory prison terms. BEOs in judicial and law enforcement positions and those with mostly White constituencies were among the BEOs most opposed to mandatory minimums for drug possession.

In contrast to their general views on sentences for drug possession, BEOs responded fairly conservatively to a question about the penalties for crack cocaine possession, which are much harsher than those for powdered cocaine possession. A majority of BEOs (63 percent) want to equalize the laws on crack and powdered cocaine possession, but the number who want to raise the penalties for powdered cocaine possession (38 percent) is greater than the number who wish to reduce the penalties for crack possession (25 percent). One-in-five BEOs prefer the laws to remain as they are presently. BEOs in judicial and law enforcement positions were among those where a plurality

preferred reducing the penalties for crack cocaine.

Drugs are a deeply familiar problem for many African American officials. Many report that someone they have been close to has been arrested on narcotic charges. More than a third of the politicians surveyed reported that this has happened to someone close to them or someone they know well in the past two years. Not unexpectedly, almost half the younger BEOs knew someone arrested for drug possession.

An overwhelming majority of BEOs favor reduced prison spending and using those funds for programs such as drug treatment and job training. On a related note, nearly three-fourths of the BEOs oppose “three-strikes and you’re out” laws, while only 17.5 percent of the BEOs support them.

Problems and Barriers After Prison. BEOs identified employment as the most important problem confronting ex-convicts. A large majority said they would support locating parole offices in the neighborhoods where most parolees live. At the same time, they were much less certain about the political support for such a move. Only 45.4 percent surveyed thought that the political leadership in their areas would support moving parole offices from downtown to neighborhood locations. A solid majority believe locating parole offices in their neighborhoods would reduce recidivism and more effectively re-integrate former prisoners into community life.

Disenfranchisement of Felons. The permanent disenfranchisement of ex-felons in several states, especially southern states, has the effect of significantly diminishing the Black vote. The Sentencing Project, located in Washington, D.C., has estimated the percentage of Black males of voting age who are no longer entitled to vote to be in the range of 13 to 14 percent. Most BEOs (74 percent) believe that the voting rights of felons in every state should be restored upon release from prison. Three times as many BEOs favored allowing inmates to vote (16 percent) as those who favored permanent disenfranchisement (five percent).

Restoring voting rights could have an impact far beyond the rights of individual ex-felons. Racial profiling, police abuse, sentencing policies and post-incarceration issues all could be affected if former felons had political muscle. If just 20 percent to 25 percent of currently disenfranchised, Black ex-felons voted, the total African American turnout would grow by 2 to 3 percent.

That doesn’t sound like much, but had Florida’s Black voter turnout increased by that little bit three years ago, Al Gore would now be president.

David A. Bositis is a Joint Center senior research associate. The survey described in this report was funded by the Open Society Institute. The national telephone sample was questioned over a seven-week period beginning May 24, 2002. For more information on Joint Center surveys and criminal justice issues, visit our web site as www.jointcenter.org.

POLITICAL REPORT

Legislative Bodies Oppose Patriot Act

By Joe Davidson

From tiny towns to big cities, from Alaska to Florida, from Vermont to Hawaii, legislative bodies are passing resolutions that oppose federal actions restricting civil liberties.

As of mid-June, three states and 124 towns, cities and counties, representing almost 16 million citizens, had passed resolutions that directly or indirectly protest USA Patriot Act measures passed in the wake of the September 11, 2001, terrorist attacks. Critics of the Patriot Act measures have compared some of its provisions to the now discredited FBI activities against Martin Luther King Jr., the Black Panthers and Vietnam War protestors.

Under a model local resolution, prepared by the American Civil Liberties Union (www.aclu.org), a police department would be directed to refrain from spying on individuals or groups engaged in activities protected by the First Amendment; collecting information about the political or religious views of individuals and groups; and executing secret search warrants.

The resolutions are “part of an emerging national backlash against the disdain shown by the administration for the Constitution and the Bill of Rights,” said Laura Murphy, the ACLU’s Washington legislative director, after Takoma Park, MD, passed its own resolution.

The Bill of Rights Defense Committee (www.bordc.org), a Florence, Mass.

organization that promotes Patriot Act opposition, says “the USA Patriot Act gives the FBI and the CIA greater rights to wiretap phones, monitor e-mail, survey medical, financial and student

records, and break into homes and offices without prior notification. It creates a new crime of domestic terrorism that is so broadly defined that it may be applied to citizens acting legally to express their dissent.”

The administration contends that a strong response to terrorism is needed to prevent threats before they become tragedy. “Critical to preventing future terrorist attacks is improving our intelligence capabilities so that we can increase the most important aspect of terrorist

The Detroit City Council passed a resolution in December opposing the Patriot Act provisions. Below is an edited version of the resolution.

WHEREAS the City of Detroit is proud of its long and distinguished tradition of protecting the civil rights and liberties of its residents;

WHEREAS federal, state and local governments should protect the public from terrorist attacks such as those that occurred on September 11, 2001, but should do so in a rational and deliberative fashion to ensure that any new security measure enhances public safety without impairing constitutional rights or infringing on civil liberties;

WHEREAS the Council of the City of Detroit believes that there is no inherent conflict between national security and the preservation of liberty;

WHEREAS federal policies adopted since September 11, 2001, including provisions in the USA Patriot Act and related executive orders, regulations and actions threaten fundamental rights and civil liberties; and

WHEREAS these new powers pose a particular threat to the civil rights and liberties of the residents of our city who are Arab, Muslim or of South Asian descent;

NOW BE IT THEREFORE RESOLVED That the Detroit City Council affirms its strong support for fundamental constitutional rights and its opposition to federal measures that infringe on civil liberties; and opposes measures that single out individuals for legal scrutiny or enforcement activity based on their country of origin.

BE IT RESOLVED That the City of Detroit Police Department to:

1. Refrain from engaging in the surveillance of individuals or groups of individuals based on their participation in First Amendment protected,
2. Refrain, whether acting alone or with federal or state law enforcement officers, from collecting or maintaining information about the political, religious or social views, associations or activities of any individual or group *UNLESS* such information directly relates to a criminal investigation,
3. Refrain from undertaking or participating in any initiative that encourages members of the general public to spy on their neighbors, colleagues or customers *AND*

BE IT FURTHER RESOLVED That the Detroit City Council requests the Director of the Library Commission notify and warn all library users that their personal library records may be obtained by the federal government under the USA Patriot Act.

intelligence information - its predictive value," FBI Director Robert Mueller recently told an ACLU meeting.

Nonetheless, many citizens believe the administration has taken actions beyond what is necessary to protect the nation. Many of those actions, such as enacting stringent new immigration controls, have been targeted specifically against young men based on their ethnic heritage.

The Detroit resolution, passed last December, says the Patriot Act and related federal powers "pose a particular threat to the civil rights and liberties of the residents of our city who are Arab, Muslim or of South Asian descent."

Detroit's resolution concludes by urging members of Michigan's congressional delegation, as well as the governor and state attorney general, to protect residents against laws and policies that "infringe on civil rights and liberties." ■

Housing Bias Strong Despite No-Bias Law

By Joe Davidson

Although this year marks the 35th anniversary of the Fair Housing Act, housing discrimination remains a serious problem.

That's the assessment of the National Fair Housing Alliance (NFHA) - which just issued its 2003 Fair Housing Trends Report — during the April anniversary of the act.

Citing a Department of Housing and Urban Development (HUD) study, the NFHA authors write that "African Americans are likely to experience discrimination in one out of every five rental transactions, while Latinos are likely to experience discrimination in one out of every four rental housing transactions. Given the number of apartments visited by home seekers during a housing search, it is possible that people of color experience discrimination every time they move."

Using HUD and Census Bureau data, the NFHA estimated that almost 900,000 incidents of rental housing discrimination against Black and Hispanic Americans occur each year. The true figure for housing bias is undoubtedly much larger, according to NFHA, since the 900,000 incidents do not include discrimination in sales, insurance, lending and telephone screening. Furthermore, the number assumes that each renter considers just one rental unit when searching.

"If the average home seeker considers four or five rental housing providers during a housing search, the number of instances of housing discrimination would exceed three million annually," according to the report.

Despite the high estimates of housing discrimination, only 25,200 housing discrimination complaints were filed last year. NFHA blames the low levels of complaints on inadequate federal enforcement and funding for fair housing programs.

In a press release marking Fair Housing Month in April, HUD Secretary Mel Martinez defended the Bush administration's record on fair housing, saying: "Under the leadership of President Bush, our national commitment to creating equal housing opportunities for all Americans is as strong today as it was when President Johnson signed the Fair Housing Act into law in 1968."

Nevertheless, according to the Housing Alliance report:

- Complaint volumes are highest among African Americans, persons with disabilities and families with children. Together they comprise 72 percent of the complaints.
- Complaint volumes involving national origin increased last year, with some of the growth due to discrimination against people of Middle Eastern and South Asian descent following the September 11, 2001, terrorist attacks.
- Complaint volumes are highest in the rental market. "Discriminatory practices

in other markets, such as lending, insurance and real estate sales, tend to be more subtle and are not as easily recognized by potential purchasers."

Martinez commemorated the Fair Housing Act by signing a Memorandum of Understanding in April with four national real estate associations. The Memorandum outlines a voluntary program designed to promote housing ownership by people of color and to help eliminate discrimination against them.

"Over two-thirds of the new households being formed this decade will be minority and immigrant, and we must recognize that a strong commitment to fair and equal treatment in the housing market will become even more urgent," Martinez said.

To fully recognize that commitment, NFHA has urged Martinez to dramatically increase funding for the department's Fair Housing Initiatives Program. Furthermore, the alliance has urged HUD to fund full-service fair housing organizations that provide both education and investigative services, such as using Black and White testers to probe complaints of housing bias. The Alliance report criticized HUD for having "strayed from its obligation to enforce the law".

Among the existing regulations that NFHA has called on HUD to enforce are those that require all 1,075 Community Development Block Grant jurisdictions in the country "to address housing discrimination in all its forms." The Alliance notes that HUD now has a tremendous back log of cases in its Office of Fair Housing and Equal Opportunity, which has caused many discrimination complaints to "linger unresolved for years — well beyond the statutory requirement of 100 days." ■



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ECONOMIC REPORT

Are You Better Off Now Than Before?

By Margaret C. Simms

Although it will be another six months before the presidential election season goes into full swing, the outlines of the campaign debate are beginning to take shape. No doubt, one of the main themes will be, “Are you better off today than you were four years ago?”

When answering that question, what should voters consider? President Bush will likely place a great deal of emphasis on peace and security issues, but economic issues will inevitably be on his agenda as well.

Part of the rationale offered for the recent tax cut bill, passed by the Congress in May 2003, was its stimulus for the economy—in particular, its link to job creation. Not all economic forecasters see the tax cut as a strong generator of jobs. But even if jobs are created, should that be the only measure of increased well-being?

In addition to employment, voters might wish to take account of other measures of well-being, such as disposable income, that is, income net of all taxes (and not just federal taxes). The purchasing power of that income is another measure, often represented by the consumer price index. Individuals and families are also concerned about their communities’ public infrastructure — streets and roads, trash collection, schools, and other public services. When the entire picture is examined, some voters will conclude that the tax cut does leave them better off, but others may conclude that they have been left behind.

When the 2003 tax cut was passed, consumer confidence was on the upswing. The report from the University of Michigan consumer survey issued at the end of May indicated that consumer confidence had risen for the second month in a row. The overall index of consumer sentiment was at 92.1, up from 77.6 in March. But this upward movement proved to be very tentative. The consumer confidence index for May was later revised downward to 83.6.

The lack of economic confidence is consistent with more long term trends. In the Joint Center's 2002 National Opinion Poll, only 18.9 percent of African Americans and 15.3 percent of the general population thought they were better off than they had been in 2001, a significant drop from the corresponding 2000 poll numbers.

Tax Benefits

One of the issues that was hotly debated when the tax cut legislation was under consideration was the distribution of benefits. What would the “average American” get from the proposed legislation? According to the Bush administration, the average American family/ household would get a tax cut of \$1,126. An analysis by the Urban Institute-Brookings Tax Center, reported in an issue brief by the Center on Budget and Policy Priorities, shows that four of every five taxpayers would get less than the average; in fact, more than half of all taxpayers would get \$100 or less in cuts. On the other hand, those with incomes over \$1 million would get an average of \$93,500.

An additional concern for taxpayers should be what the states do to close their own budget deficits. Most states are in

the third year of low or no economic growth and are facing very large gaps between expenditures and revenues. Even though most have cut back on expenditures, often in very painful ways, the need to raise taxes is a reality. Over half of the states have passed or were considering tax increases in the period immediately following enactment of the federal tax cut, with the likely outcome that many taxpayers will end up with little or no net tax relief. And for some, the net effect will be an increased tax burden.

African American taxpayers are likely to be in the category with the net increase in tax burden because of their lower average family incomes. Nearly 60 percent of African American families had incomes below \$35,000 in 2001, as opposed to less than 40 percent of White families. At the state level, there is a heavy reliance on sales taxes and other consumer use taxes, which fall disproportionately on those with lower incomes. Local governments may add to the burden by raising property taxes.

The *Wall Street Journal*, which has been following the state and local fiscal situation, reported in early June that states collectively faced a \$25 billion deficit in fiscal year 2003 and a projected \$80 billion deficit in fiscal year 2004 (which began July 1, 2003). The *Journal* reports that fewer than 10 states are *not* considering tax or fee increases. Tracking the fiscal situations in a dozen cities around the country, the *Journal* found most households facing some type of tax adjustment at mid-year. Six of the cities in the sample with substantial Black populations (Columbus, Ohio; Houston, Texas; Las Vegas, Nevada; Los Angeles, California; New York, New York; Omaha, Nebraska; and Philadelphia, Pennsylvania) showed varying degrees of fiscal distress. All of the states or local jurisdictions were considering increases in sales taxes, alcohol or cigarette taxes or some combination of these, and several states also had income tax increases on the agenda.

The bottom line on well-being is more than just income and taxes. It is about the standard of living that individuals are able to provide for themselves and their families. In a recently released Census Bureau report, *Extended Measures of Well-being: Living Conditions in the United States*, well-being is defined along several lines. Using data from the 1998 Survey of Income and Program Participation, the report compiles information on five dimensions of consumer well-being: (1) possession of selected appliances and electronic goods; (2) housing conditions; (3) neighborhood and community conditions; (4) ability to meet basic needs—food and shelter; (5) available help from family and friends when needed.

Overall, the report found the vast majority of families fared quite well in 1998. Over 90 percent of households were satisfied with their housing. Similar levels of satisfaction were found for neighborhood conditions. However, there were differences among certain subgroups with regard to these measures of well-being. Unmarried parents were less likely to be satisfied with housing conditions. African Americans and those with lower incomes were less likely to be satisfied with their neighborhood conditions—reporting more fear of crime, more litter and less satisfaction with public services.

In assessing private consumption, the survey focused on a variety of appliances and electronic goods. Aside from the basic household goods, telephones and refrigerators, the report measures ownership of items such as air conditioning, dishwashers, and clothes washers, “because they show the ability to reap the rewards of past economic growth.” Other items were computers and cell phones, which “indicate the ability and willingness to take advantage of new technology.”

Two trends are noticeable when measuring ownership of these consumer durables. First is the extent to which ownership of some is closely related to

household income. Nearly two-thirds of those households in the lowest 20 percent of income had clothes washers and 70 percent had air conditioning of some type. This compares to 16 of these low-income households with computers and 12 percent with cell phones. Overall, ownership of computers doubled between 1992 and 1998, while modest increases occurred for microwaves, air conditioning, dishwashers, and VCRs. In other words, it would appear that the economic expansion of the 1990s afforded many the opportunity to partake of the good life.

Nevertheless, one in five households indicated that they had some difficulty meeting basic needs in the 12 months prior to the 1998 survey. Black and Hispanic householders were nearly twice as likely to experience difficulty as White householders, with 36 percent of African Americans and 32.8 percent of Hispanics indicating that they had problems meeting basic needs, compared with 19 percent of White householders. The measures of basic need most often mentioned were failure to pay utilities, food insecurity, and failure to visit a dentist or doctor when needed. African Americans and Hispanics were less likely than Whites to feel they could rely on family or friends. Hispanics also expected less help from public agencies.

The Census multi-part measure of well-being is good because it includes both private and public goods and services, as well as access to safety nets in times of trouble. This provides a more well-rounded picture of the quality of life for the Ameri-

can voter. In looking forward from the 1998 data to current conditions and on into the next year, three things will determine a household’s ability to maintain or improve on its position.

First, of course, is employment. The Bush administration is projecting an addition of approximately 600,000 new jobs as the result of the tax cut. However, the economy lost 2.1 million jobs between March 2001 and May 2003. The second factor is disposable income. Additional factors on the private consumption side are price inflation and interest rates. For consumers, the low inflation rates and low interest rates are making it easier to maintain or enhance their lifestyles by reducing the cost of consumer durables and reducing monthly housing costs through mortgage re-financing. In fact, the University of Michigan cited the low interest rates as a positive factor in consumer confidence.

Projecting the effect of changes in the public sector on households also presents a mixed picture. The fiscal strain on states and localities and the growing federal deficit suggest that public services, ranging from programs that assist only the poor to more broadly used services such as schools and highways, may be less readily available or of poorer quality. To avoid that outcome, taxes would need to be raised.

When various economic indicators are considered during the election year, the majority of African Americans are likely to answer “no” when asked, “Are you better off today than you were four years ago?” ■

The Joint Center Remembers

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Resources: For administration summary of tax act, www.treas.gov/economic-plan/index.html; for Brookings-Urban Institute analysis, www.taxpolicycenter.org; for Center on Budget and Policy Priorities analyses of various provision of tax act, www.cbpp.org; for Extended Measures of Well-Being report (P70-87), www.census.gov/prod/2003pubs/p70-87.pdf

GROWING AUTO EXPORTS BOOST SOUTH AFRICA

EASTERN CAPE BENEFITS

JOHANNESBURG (IRIN) - South Africa's automotive industry is proving to be one of the more impressive success stories in the country since the advent of democracy in 1994.

It has become an increasingly important contributor to the country's gross domestic product, mainly through strong growth in the motor vehicle and component exporting sector. One of South Africa's poorest provinces, the Eastern Cape, has particularly benefited from this growth in vehicle manufacturing and export. No fewer than three plants operate within its borders.

Nico Vermuelen, of the National Association of Automotive Manufacturers of South Africa (NAAMSA), said the automotive manufacturing industry really took off when the Motor Industry Development Program (MIDP) was introduced in 1995.

"It is premised on reduced levels of protection [for the local industry]; a degree of support, but on a declining basis for exports; and a duty-free allowance," he said. "Really, it's an incentive for [South African] vehicle manufacturers to manufacture and export vehicles from South Africa."

NAAMSA figures show that in 2002, exports of components amounted to \$2.7 billion, while exports of motor vehicles amounted to \$2.2 billion. From 1995 to 2002, South Africa motor vehicle exports rose from 15,764 to 125,306, Vermuelen added.

"There's no doubt the rationalization and restructuring that had to take place as the industry became exposed to much lower levels of protection — for example, the duty on a fully imported car is now 35 percent, as opposed to 110 percent 10 years ago — translated into job losses on the assembly side of the industry during early years," Vermuelen said. "On the component side, what we've seen is that a lot of

new companies have sprung up and established operations to benefit from the export emphasis of the MIDP. So, although there were some job losses, that was more than offset by job gains and newly established small-to-medium industry" on the supplier side, he added. Job losses on the manufacturing side of the industry stabilized after 1999.

The jobs and the companies associated with the Eastern Cape plant of DaimlerChrysler South Africa (DCSA) provide an important boost to the provincial

right-hand-drive markets, won by DCSA, has had a significant impact on the local economy. DCSA currently has about 880 salaried staff and almost 2,300 hourly paid staff — making it one of the largest employers in the Eastern Cape region. The plant has its own harbor, from which two-thirds of the vehicles it manufactures are exported. Exports for 2002 were in excess of \$733 million, according to the company.

Last year the plant produced about 47,000 C-Class cars. Forty-two percent went to Great Britain, and the remainder to Ireland, Hong Kong, Japan, Singapore and Australia.

"That means that a customer who goes into a DaimlerChrysler dealership in the UK (United Kingdom) — a customer who goes there for the quality represented by the three-pointed star — will be driving a car built here. The cars are built to the exact same specifications as in Germany. It used to be said that 'made in Germany' was the ultimate stamp of approval for a car," Vengadajellum said.

Like the economy as a whole, the motor manufacturing sector has had to recognize the threat of HIV/AIDS. DCSA has budgeted about \$733,000 over a three-year period for HIV/AIDS programs. Vengadajellum said the company was running training programs for HIV/AIDS counselors, and has offered voluntary testing and anti-retroviral drugs to its staff.

The company estimates the economic impact of HIV/AIDS in 2001, as a result of infections and deaths, was "a staggering R9.3 million [about US \$1.1 million] in direct and indirect costs to the company." About 40 percent of these costs were death and disability payments and 36 percent of the loss was due to a decline in productivity. ■



economy. Sukayna Vengadajellum, local corporate affairs and business development manager at the East London plant, has no doubt that the contract for manufacturing the current C-Class Mercedes-Benz for

This story was provided by the Integrated Regional Information Networks (IRIN) of the UN Office for the Coordination of Humanitarian Affairs.



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LAWMAKERS BALK

Continued from cover

"I suspect states have their eye on the New Hampshire legislation and will see what happens there before acting on their own," said Scott Young, an education policy expert at the National Conference of State Legislatures (NCSL).

NCSL calls the new federal law an unfunded mandate and estimates that Congress and the White House provided \$5 billion less than was originally authorized for this fiscal year.

In New Hampshire, state Rep. John Alger (R) said he wants to make sure that neither the state nor school districts have to spend their own money to implement the 2001 law, which requires more student testing and allows parents to pull their children out of low-performing schools.

His bill essentially tells Washington to put up or shut up. "Since the feds won't fully fund this (No Child Left Behind)," Alger said, "then, therefore, we won't require state general funds" be spent.

The cost figures for New Hampshire are hotly contested. A study from the New Hampshire School Administrators Association last November indicated that for every \$1 of federal funds, the state and local governments would have to pitch in \$7 to meet the No Child Left Behind requirements. The Josiah Bartlett Center for Public Policy, a conservative think tank, refutes that. It concluded in February that the state would get an additional \$13.7 million in federal funds and only spend about \$7.7 million, leaving \$6 million to spend on other state and local education projects.

Hawaii had two resolutions from state Rep. K. Mark Takai (D) that would urge the state board of education to "decline any further participation" in the No Child Left Behind Act and return the federal money.

Takai said Hawaii will need an additional \$176 million in 2003 and an additional \$260 million in 2004 to implement all the new federal requirements. The NCLB is a "recipe for disas-

ter," Takai said, adding that federal funding "is far below" the amount promised.

The nation's governors struck the same theme when they told Bush in late February that they needed more money from

Washington, D.C. Education Secretary Rod Paige has said repeatedly that the federal government has increased funds for education to "historic" levels, including an extra \$1 billion for the current fiscal year.

For fiscal 2004, the administration is

No Education Jackpots On Affirmative Action

By Pamela M. Prah

Lotto fever is spreading among states seeking to cash in on the popularity of this form of gambling to bolster near-empty coffers. But these politically popular games of chance don't always perform as advertised for programs earmarked for their earnings, such as education.

Instead of adding to existing education budgets, the lottery funding often replaces money that's shifted elsewhere, leaving no net gain for schools, teachers and students.

Thirty-nine of the 50 states run lotteries at present, and that number is about to grow. Voters in North Dakota and Tennessee approved lotteries in last year's elections, and ticket sales are expected to begin in those states within a year. Oklahoma could be next on the bandwagon. Alaska, Nevada, North Carolina and Wyoming also are eyeing lotteries.

But experts say a lottery isn't the quick fix for state budget problems that advocates often claim it is. "Sometimes lotteries are touted as big money-makers for [financing schools], but they produce only a small percentage of the entire education funding," said Molly M. Burke, a researcher with the Education Commission of the States (ECS), a Denver-based group of state education officials and experts.

Of the 39 states with lotteries, 22 earmark at least some of the proceeds for education, according to ECS, and 10 states earmark 100 percent of lottery proceeds to education: Georgia, Michigan, Missouri, New Mexico, New York, Ohio, Texas, Vermont and Virginia. Illinois, which mandates that all lottery profits be used for education, is a case

in point. Though lottery sales amounted to \$1.59 billion in fiscal 2002, education got only \$555 million after prizes and administrative costs were paid, according to the state. That represents about 7.7 percent of the state's contribution to public education. When Illinois education funds from all sources are taken into consideration — federal, state and local — the lottery money represents only about 3 percent of the \$18.6 billion in total funds each year.

Moreover, states that reserve lottery profits for their education don't show a significant change in their education spending after instituting a lottery, according to Thomas A. Garrett, senior economist at the Federal Reserve Bank of St. Louis. "The level of education expenditures after a lottery is no different than before," Garrett said.

One problem with lotteries is no one really knows, from year to year, how much they will yield, said Scott Young, an education expert at the National Conference of State Legislatures. "The fluctuations from lottery revenues can be quite dramatic, certainly more so than property taxes." Earlier this year, for example, Ohio was running \$26 million below estimates for lottery profits for the fiscal year, according to Ohio Lottery spokeswoman Mardele Cohen.

Nonetheless, Young said, "I wouldn't be surprised to see those states [without lotteries] pass lottery measures just because states are certainly searching for new and additional revenue streams with the tough budget conditions that they are facing."

seeking an additional \$1 billion to help states turn around low-performing schools and \$390 million specifically to help states develop and implement annual math and reading testing, which are required by 2005.

“States that fail to comply with the law, which was passed with strong bipartisan support, risk losing those record federal investments in their states and in their children,” said Education Department spokesman Dan Langan when asked about the pending legislation. “We would hope that states wouldn’t jeopardize their funding,” he said.

No one really knows for sure how much it will cost all the states to fully implement the federal education law, but some studies suggest states will have to cough up a lot more than they are now spending. Seven of 10 states recently studied would have to set aside at least 24 percent more money for education to comply with all the requirements of No Child Left Behind, according to William J. Mathis of the Vermont Society for the Study of Education. Mathis’ study is published in the May 2003 edition of Phi Delta Kappan, a journal for educators.

Among the findings in Mathis’s report:

- Indiana would have to increase per-pupil spending to more than \$7,000, up from nearly \$5,500, a 31 percent increase.
- Maryland estimates it will cost more than \$7.2 billion to bring all students up to speed to meet the new federal requirements. That’s an increase of 46 percent over the \$5.9 billion the state spent in fiscal 2000.
- Montana would have to spend between \$6,000 and \$8,000 per pupil, up from the current average state level of \$4,500.
- Nebraska figures the cost would range from \$5,800 per student in large K-12 districts to \$11,000 in small isolated K-12 schools. That represents a 45 percent increase over the current average state level of \$5,600.
- South Carolina estimates it will have to spend 24 percent more, climbing to near

\$6,200 from its current base cost of \$4,990 per student.

“It (No Child Left Behind) is a great idea,” New Hampshire state Rep. Alger said, reflecting a sentiment widely endorsed by lawmakers and educators across the country. “It’s just how do you get it done in the existing system?” ■

Pamela McPrah is a writer with Stateline.org, which provided this story.



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U.S. Department of Education Funding for Elementary and Secondary Education

| State | 2002 Actual | 2003 Estimate | 2004 Estimate |
|----------------------|---------------|----------------|----------------|
| Alabama | 1,385,601,434 | 1,503,333,849 | 1,547,477,826 |
| Alaska | 258,869,823 | 275,967,172 | 282,089,020 |
| Arizona | 2,490,644,015 | 2,708,612,978 | 2,833,528,493 |
| Arkansas | 725,448,101 | 780,517,884 | 794,381,231 |
| California | 9,221,791,358 | 10,071,443,356 | 10,407,465,346 |
| Colorado | 1,243,196,746 | 1,359,227,887 | 1,409,383,227 |
| Connecticut | 823,370,350 | 887,800,494 | 913,492,905 |
| Delaware | 215,709,106 | 235,083,697 | 242,086,599 |
| District of Columbia | 673,688,961 | 740,345,037 | 782,225,906 |
| Florida | 4,103,967,246 | 4,474,084,329 | 4,652,154,082 |
| Georgia | 2,319,679,451 | 2,516,883,860 | 2,591,296,123 |
| Hawaii | 265,866,813 | 295,196,152 | 291,959,760 |
| Idaho | 386,666,344 | 422,277,930 | 433,028,459 |
| Illinois | 3,765,182,487 | 4,096,901,372 | 4,269,240,195 |
| Indiana | 1,831,297,387 | 1,973,883,412 | 2,046,028,620 |
| Iowa | 1,060,231,627 | 1,136,868,635 | 1,176,049,316 |
| Kansas | 839,204,023 | 916,447,583 | 944,387,374 |
| Kentucky | 1,096,626,379 | 1,175,071,263 | 1,201,228,833 |
| Louisiana | 1,465,864,975 | 1,623,833,763 | 1,679,712,053 |
| Maine | 375,114,125 | 411,962,754 | 422,296,438 |
| Maryland | 1,268,836,195 | 1,354,009,933 | 1,395,798,197 |
| Massachusetts | 2,202,445,285 | 2,416,158,560 | 2,518,790,240 |
| Michigan | 2,867,541,959 | 3,061,264,891 | 3,139,909,634 |
| Minnesota | 1,504,674,928 | 1,622,660,756 | 1,682,789,561 |
| Mississippi | 906,891,485 | 995,766,556 | 1,018,140,779 |
| Missouri | 1,836,201,186 | 2,011,386,344 | 2,086,726,413 |
| Montana | 341,323,244 | 371,774,092 | 375,419,149 |
| Nebraska | 567,197,007 | 617,848,486 | 634,972,073 |
| Nevada | 314,019,395 | 355,216,671 | 367,609,570 |
| New Hampshire | 383,862,253 | 417,869,563 | 433,633,960 |
| New Jersey | 1,805,470,700 | 1,945,429,998 | 1,992,471,672 |
| New Mexico | 615,187,736 | 679,676,080 | 694,015,686 |
| New York | 6,988,545,744 | 7,637,560,177 | 7,957,612,834 |
| North Carolina | 1,906,645,106 | 2,097,275,475 | 2,158,845,222 |
| North Dakota | 296,734,203 | 319,659,832 | 329,394,050 |
| Ohio | 3,365,032,785 | 3,680,205,275 | 3,832,073,169 |
| Oklahoma | 1,124,321,246 | 1,211,418,363 | 1,225,773,910 |
| Oregon | 1,050,367,179 | 1,151,161,078 | 1,190,668,512 |
| Pennsylvania | 4,236,546,459 | 4,611,031,745 | 4,817,795,847 |
| Rhode Island | 428,903,916 | 471,197,283 | 489,349,226 |
| South Carolina | 1,076,462,443 | 1,167,895,845 | 1,199,443,806 |
| South Dakota | 345,090,035 | 371,711,041 | 378,458,610 |
| Tennessee | 1,506,995,362 | 1,658,437,773 | 1,719,748,062 |
| Texas | 5,592,317,112 | 6,175,622,118 | 6,360,312,948 |
| Utah | 582,157,272 | 628,091,702 | 642,985,124 |
| Vermont | 282,864,875 | 309,323,765 | 321,817,878 |
| Virginia | 1,801,584,766 | 1,946,202,149 | 1,982,639,048 |
| Washington | 1,513,180,452 | 1,644,229,504 | 1,683,169,390 |
| West Virginia | 605,128,290 | 656,223,457 | 674,162,379 |
| Wisconsin | 1,367,272,251 | 1,464,529,313 | 1,503,370,400 |
| Wyoming | 182,993,571 | 202,467,861 | 208,032,845 |

Source: U.S. Department of Education; Updated May 27, 2003

RACIAL BALLOT MEASURE SPARKS BROAD CONCERN

COURT BACKS AFFIRMATIVE ACTION

BY ELIZABETH LEE

A California ballot initiative that seeks to write into the state constitution a ban on racial data collection has sparked alarm among social justice organizations and scientific communities across the nation. Instituted in the aftermath of the termination of California public affirmative action programs, the initiative is based on the premise that eliminating race would better cultivate a "color-blind" society that does not promote social divisions.

Yet it would do just the opposite, according to Sally T. Hillsman, executive officer of the American Sociological Association (ASA). "Laws or government policies that impose statistical and scientific blindness on our research, statistical data, and public decision making would move our nation further from, rather than closer to, achieving our goal of racial blindness," she told a recent congressional briefing.

Furthermore, the Supreme Court recently ruled in the University of Michigan Law School case that taking race into account is permissible under the Constitution. "Race-based action necessary to further a compelling government interest does not violate the Equal Protection Clause so long as it is

narrowly tailored to further that interest," Justice Sandra Day O'Connor wrote in the majority opinion.

In an interview, Roderick Harrison, director of the Joint Center's DataBank, said collecting racial information remains necessary, because "data continue to show persisting and important differences on virtually every social and economic indicator. Losing these measures would cripple efforts to reduce these disparities."

The Congressional briefing was designed to demonstrate that governmental efforts to record race are necessary to overcome major social, political and economic inequalities. It was sponsored by ASA and the California Institute for Federal Policy Research, the Council of Professional Associations on Federal Statistics, and the Population Resource Center.

The sociologists contend that policies promoted as color-blind actually can benefit the status quo. "Ostensibly neutral practices can advantage some racial groups and adversely affect others," according to an ASA statement.

Participants at the briefing explained how racial/ethnic data collection has shed light on disparities in law enforcement and healthcare. Gerald R. Sanders, former San

Diego police chief, said that data collection on racial profiling was necessary for monitoring discriminatory behavior by law enforcement authorities.

Brian Smedley, of the Institute of Medicine, argued that health care statistics on minorities were essential to addressing racial disparities within the health care system. Calling data collection "a form of intervention," he cited studies in which African Americans were less likely to receive the most commonly performed diagnostic procedures compared to white patients who suffered from the exact same symptoms.

Panelists also discussed how the banning of data collection would undermine the efforts of educators working to overcome the debilitating effects of school segregation and inequality in educational programs. Participants said affirmative action admissions policies, that seek to ensure diversity in the classroom as well as remedy past discrimination, would suffer severely if "racial categories" were ignored.

If race is not considered, "it will be primarily children from privileged backgrounds rather than children from disadvantaged backgrounds who will populate our campuses," said Wade Henderson, executive director of the Leadership Conference on Civil Rights. ■

This article was distributed by Civilrights.org, the Internet site of the Leadership Conference on Civil Rights. Joe Davidson contributed to this report. Information on racial disparities may be found at www.jointcenter.org.



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