



# FOCUS<sup>®</sup>

The magazine of the Joint Center for Political and Economic Studies

## Q&A:

### ANALYSTS EXPECT STRONG BLACK TURNOUT AGAINST PRESIDENT BUSH

#### **Democrats Faulted on Grassroots Funding**

*If politics is a spectator sport for most Americans, the presidential primaries equal the basketball, baseball, football and hockey playoffs rolled into one long season. FOCUS editor Joe Davidson asked three political analysts to review this year's contests after Howard Dean dropped out of the race following the February 17 Wisconsin primary. David Bositis is a political scientist and senior research associate at the Joint Center for Political and Economic Studies. Donna Brazile, a political consultant, was manager of Al Gore's successful popular-vote campaign for president four years ago. Ronald Walters, a University of Maryland political scientist, worked on Rev. Jesse Jackson's 1984 and 1988 presidential campaigns. This is an edited transcript of that conversation.*

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# Perspective

## Make Health Care Disparities Disappear

Department of Health and Human Services Secretary Tommy Thompson made the right move in deciding to release an unvarnished report on health-care disparities in February. A version released in December had been whitewashed to put a happy face on a very serious problem.

The *Washington Post* reported that the December version of *The National Healthcare Disparities Study* was edited to make it less critical of the discrepancies, play down racial differences, give more attention to success stories and drop references to “national problems.”

Word that Thompson would release the more accurate document came as Bill Frist, the Senate Republican leader and a physician, promised to make his legislation to reduce racial disparities in health care a top legislative priority. Democrats introduced an even more aggressive bill last year.

This information from the executive and legislative branches is indeed good news. But simply having an accurate report and proposed federal legislation is only a half-step in the right direction. Elected officials and health and public policy advocates must make sure that the information in the HHS report and others like it is used to shape federal and state laws that attack the problem in a comprehensive and effective manner. The unvarnished truth is that we are talking about enduring racial discrimination in healthcare.

The Joint Center considers this a front-burner issue, particularly during March, Womens' Health Month. Two years ago, we produced the second edition of the *Women of Color Health Data Book*, which was published by the National Institutes of Health. Among other facts, it reported that Black women are more likely than other women to get and die from cervical cancer, despite the illness's easy detection and cure. Currently, we are researching health information on men of color. A year ago, we cosponsored, with the Sigma Pi Phi fraternity, a conference on “Public Policy and Racial Disparities in Health Care.” It was the first initiative of our new Health Policy Institute, which will feature a forum on community-focused approaches to health policy in May and release an oral health report in June.

We hope these publications and policy forums will spur action. Simply studying the different rates of disease is not enough. The types of health disparities that need real examination and action are the disparities in care. Studies have documented differences in the quality, type and degree of treatment given to patients who are similar in all relevant circumstances, including ailment, income and insurance, except for race. African American men with heart disease, for example, are between 30 and 80 percent less likely to receive coronary bypass grafting or angioplasty than are White men who are similarly situated, according to Jack Geiger, past president of Physicians for Human Rights (PHR), in a National Public Radio interview in February.

A September 2003 report by PHR found that disparities in health care are due to “the persistence of negative racial and ethnic stereotyping and bias ... and the inequities of a system that leaves more than 40 million Americans without health insurance.”

Black Americans are already overrepresented among the uninsured. And the health insurance crisis is being exacerbated by the severe hit Medicaid budgets and programs are taking in states all over the country.

There are some aspects of health disparities that public policy can affect more than others. Congress can't change the fact that Mother Nature makes different races more susceptible to certain diseases. And state legislatures can only do so much to change individuals who increase their risk factors by making bad lifestyle choices.

But elected officials and health-care providers can change the shameful disparity that persists in our nation's health care. As a public policy issue, it needs emergency treatment. As a civil rights issue, it demands immediate attention. ■

  
PRESIDENT

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# Campaign Finance System

## Favors Wealthy Whites

### *Black, Brown Areas Give Little to Candidates*

*This article is adapted from The Color of Money: 2003, a report by Public Campaign, the Fannie Lou Hamer Project and the William C. Velasquez Institute.*

The Senate has been called the world's most exclusive club. The House of Representatives is pretty special too. What makes these chambers so distinctive — beyond their power and prestige — is the amount of money it takes to be a member.

What the Center for Responsive Politics calls the “price of admission” to Congress — the level of campaign money needed to win office — is very high indeed. In 2002, the winning Senate candidates raised an average of \$5 million each; the House figure was nearly \$1 million. Clearly, money counts. With fewer and smaller campaign contributions, is it any wonder that communities of color lack equitable access to Congress, state legislatures, and other governmental bodies?

The enormous sums indicate how campaign money has become a major currency of our democracy, determining who is able to run a viable campaign for office, who usually wins, and who has the ear of elected officials. Unfortunately, in a political system where you have to pay to play, people of color are largely excluded from the game.

“Hundreds of years of discrimination in this country have contributed to tremendous economic disparity between African Americans and the White majority in this country. As a result, as a community, African Americans are at a huge disadvantage when participating in a political system where money buys access to a candidate and success for that candidate,” said Julian Bond, chairman of the NAACP and a former Georgia state legislator.

The authors of *The Color of Money* examined more than \$2 billion in individual contributions (of more than \$200, referred to throughout the report as “\$200+” donations) to federal candidates, parties, and Political Action Committees (PACs). These contributions were tracked to more than 25,000 zip codes nationwide over the course of two election cycles, 2000 and 2002. The data were compared with Census information (from 2000) on the race, ethnicity and income of people ages 18 and over by zip code.

The study does not pinpoint precisely how much money comes from a particular racial or ethnic group. Nevertheless, the geographical element is informative, demonstrating a pattern of exclusion from the political money game in neighborhoods where the population is predominantly people of color. (It must be noted here that there are many complexities in determining how to present information about racial and ethnic minority populations, which are extremely diverse. While “Black” and “Asian” are considered racial categories by the U.S. Census, “Hispanic” and “Latino” are not. Rather, “Hispanic” and “Latino” refer to ethnicity, and people who are Hispanic or Latino can be of any race.)

The analysis shows:

- Neighborhoods comprised mostly of people of color are severely underrepresented in the campaign finance system. Given that money typically determines who wins political races, this means that these neighborhoods are effectively disenfranchised. Indeed, nine out of 10 individual federal campaign dollars come from majority non-Hispanic-white neighborhoods. Yet nearly one out of three adult Americans is a person of color.

- Nearly 90 percent of the more than \$2 billion contributed by individuals in the two recent federal elections came from zip codes that were majority non-Hispanic-white. In comparison, just 1.8 percent of campaign funds came from predominantly Latino zip codes, 2.8 percent from predominantly African American zip codes, and 0.6 percent from predominantly Asian Pacific American neighborhoods.

- The top contributing zip code nationwide—“10021,” on Manhattan's exclusive Upper East Side—was the source of \$28.4 million for the 2002 and 2000 election campaigns, and was home to 91,514 people ages 18 and over, 86 percent of whom were non-Hispanic white. Nearly 40 percent of those households had incomes of \$100,000 or more. This one zip code contributed more campaign cash than the 532 zip codes nationwide with the largest percent of African American population, which represented 7,654,609 people ages 18 and over, 84 times more people than lived in “10021”; more than the 533 zip codes nationwide with the largest percent of Latino population, representing 9,355,643 people ages 18 and over, 102 times more people than lived in “10021”; more than the 167 zip codes nationwide with the largest percent of Asian Pacific American population, representing 3,523,852 people ages 18 and over, 39 times the number of people in “10021.”

- The neighborhoods supplying most of the money for federal campaigns in this country are also among the nation's wealthiest. Nearly half of all federal individual campaign dollars (\$200+)—\$991 million — came from people living in wealthy zip codes, although just 12 percent of the adult population lives in these

neighborhoods. Meanwhile, just 5.9 percent of individual campaign dollars—\$118.8 million—came from poor neighborhoods, although nearly 9 percent of adult Americans live in these communities.

Here is another way to look at it: Individuals living in wealthy neighborhoods supply \$8 for every \$1 that people living in poor communities give to federal campaigns.

When large groups of Americans are effectively excluded from our political process, the core values of our democracy are threatened. Those who don't have cash are not able to participate equally. The value of traditional grassroots activities—such as organizing a potluck dinner, or going door-to-door to get people out to vote—is severely diminished, despite their importance in demonstrating popular support. More often than not, the politician who raises the most money is the one who wins, not the one who has the most volunteers.

The underrepresentation of these communities in a money-driven political system excludes them from full democratic participation in two major ways. First, they are unable to help their favored candidates run and win in as significant a way as other communities can, since money has become more valuable to campaigns than stuffing envelopes or putting up lawn signs. Second, incumbent lawmakers pay less attention to them, since non-contributors hold no promise of financial support for the next election.

This not only belies the American promise of political equality inherent in the Supreme Court's phrase "one person, one vote," but also has direct consequences that affect people's lives.

## MONEY MATTERS

In the 2002 elections, House candidates who outspent their opponents won 94 percent of the time. Even in open-seat races, in which no candidate had an incumbent advantage, the top spender won 79 percent of the time in House races, according to the Center for Responsive Politics (CRP). Moreover, it is rare for spending to be evenly matched between

candidates. In two-thirds of House races in 2002, winning candidates outspent losing candidates by a factor of 10 (or more) to 1. Furthermore, the amount of money required to succeed is enormous. In 2002, Senate candidates spent an average of \$4.8 million, and House candidates, nearly \$900,000.

Where does all this campaign money come from? The majority of campaign contributions come from the wealthiest Americans. Less than one-tenth of one percent of the U.S. population gave 83 percent of all campaign contributions of more than \$200 in the 2002 elections, according to CRP. A 1998 survey of Congressional donors, sponsored by the Joyce Foundation, found that nine out of 10 donors identified themselves as White and that eight out of 10 had household incomes of \$100,000 or more.

This elite group of campaign donors is hardly a representative sample of America, where people of color are more than a quarter of the population and the nation's median household income in 2002 was just \$42,400.

Just because our current campaign finance system requires people to pay to play doesn't mean that there is not another way. Under the "Clean Money, Clean Elections" approach—already law in Arizona, Maine, North Carolina, New Mexico, and Vermont—candidates who agree to abide by strict spending limits and to raise no private money can qualify for a full and equal grant of public funds for their campaigns.

Typically, Clean Money systems require a candidate to collect a large number of very small contributions (say \$5) within his or her district, which helps the candidate prove broad popular support. Once candidates meet these requirements, they qualify for a full and equal public grant to run their campaign. Because the system is voluntary, a Clean Money candidate often runs against a privately funded candidate who can raise more campaign cash than is available in the initial Clean Money grant. To keep such contests competitive, Clean

Money provides additional matching funds up to a certain limit. Such matching funds are also available for Clean Money candidates when a third-party group uses independent expenditures to boost an opposing candidate.

Clean Money systems are still in their infancy. They have been in place for statewide elections in Arizona and Maine only since the 2000 election cycle. Nevertheless, in Arizona, there are already promising results showing that the system gives a boost to candidates of color. Between 2000 and 2002, Arizona saw a substantial increase in the number of Latino and Native American candidates. In 2002, 37 candidates from these and other race/ethnic minority communities ran for office, compared to only 13 such candidates in 2000. Of the 37 people who ran in 2002, 21 opted for public funding.

The Clean Money, Clean Elections system helps eliminate the "wealth primary" for candidates of color by providing an alternative to privately financed elections. When public funding is available for races, there is no need for a candidate to have money or be connected to money to be competitive. The currency of the election is no longer cash, but rather the broad support a candidate can muster. Ordinary voters matter again—and the principle of "one person, one vote" is upheld.

Julian Bond said developing a political system that does not effectively discriminate in favor of campaign donors is "a logical and necessary outgrowth of the voting rights movement's important work." He called for a system that "truly represents the democratic values of our country, so that it is our votes, not our pocketbooks, that determine our representation in Washington." ■

*The full Color of Money report and an interactive website where individual zip codes can be researched are both available at [www.colorofmoney.org](http://www.colorofmoney.org). For more information on campaign financing, visit [www.opensecrets.org](http://www.opensecrets.org).*

# POLITICAL REPORT

## Term-limit Movement Running Out of Steam

By Kavan Peterson

Just as Wyoming's term-limit law would claim its first victims this year, two 12-year veterans of the legislature are suing to challenge the constitutionality of the state law that would force them out of office.

If they prevail, Wyoming would become the sixth of 21 states that adopted term limits in the 1990s to reverse course and rescind the once popular government reform. The action in Wyoming is the latest sign that the drive to use term limits to try to break the grip of special interests and entrenched lawmakers has peaked and, in fact, is reversing course at the state level.

Already, term limits adopted in Idaho, Massachusetts, Oregon, Utah and Washington have been repealed or thrown out by courts as a result of vigorous resistance by the term-limited lawmakers. "In virtually every state that has term limits, the legislature has at least attempted eliminating or altering them," said Gary Moncrief, political science professor at Boise State University in Idaho.

Although term limits are nearly always supported by a majority of voters, Moncrief said, the drive to restrict legislators' terms has largely run its course. He believes it was a voter-driven movement, noting that its success was confined to states where voters could bypass the legislature and put the issue directly on the ballot.

Of the 21 states that adopted term limits, all but one passed them through a public ballot initiative, a process that exists in only 25 states. The only state where legislators voluntarily imposed term limits

on themselves was Louisiana, where they passed the measure in 1995 during a widespread corruption scandal. The measure passed after several lawmakers had been videotaped earlier receiving casino-related pay-offs on the floor of the legislature. Louisiana tried and failed to rescind its term limits last year.

Wyoming's law, adopted in 1992, limits lawmakers to 12 years of service—three terms in the Senate or six terms in the House. Term-limited lawmakers can be returned to office after a four-year break.

"We don't think it's constitutional to take away our constituents' right to decide who serves them and how long," said Wyoming Rep. Rodney "Pete" Anderson (R), who filed the lawsuit against the state with Sen. Rich Cathcart (D) and two of their constituents.

One of the plaintiffs, rancher Scott Zimmerman of Laramie County, said he voted for term limits in 1992 but now opposes them. "In a rural state like Wyoming, I question whether we need term limits because it seems to me it gives special-interest groups and government bureaucrats a lot more power than the legislature," Zimmerman said. He pointed out that Wyoming's citizen legislature is in session only 20 days in even years and 40 days in odd, leaving lawmakers little time to gain experience.

Michigan has been hardest hit, with 71 percent of its legislators forced out of office in 2002. Nearly 30 percent of the state's House of Representatives will be term-limited this year, including Speaker of the House Rick Johnson. Michigan lawmakers, who say that the high turnover has left a leadership vacuum in the statehouse, plan to ask voters to extend their term limits to

14 years. Currently, the limit is six years in the House and eight in the Senate.

Lawmakers in all 16 states that still have term limits have been looking for ways to get around or repeal them. In addition to Wyoming, term-limited states are Arizona, Arkansas, California, Colorado, Florida, Louisiana, Maine, Michigan, Missouri, Montana, Nebraska, Nevada, Ohio, Oklahoma and South Dakota.

A 2002 survey of 3,500 legislators, to be published this spring, concluded that the key effect of term limits was a shift of power from the legislative branch to the executive branch. The survey, conducted for the American Political Science Association, found that term limits have had no impact on the type of person elected to state office, despite arguments that term limits would shake up and diversify legislative bodies.

"Legislators in term-limited states find governors a whole lot more powerful," said Dartmouth College Professor John Carey, one of the survey authors. At the same time, the power of party leaders—legislative speakers and committee chairs—was significantly reduced, making it more difficult for legislators to challenge a governor's agenda or override his veto, Carey said. ■

## States' Outlook Mixed In Congress This Year

By Pamela M. Prah

Prospects are good that Congress will send more transportation dollars to states this election year in a bid to woo voters back home. But there's a risk that state coffers will be raided if federal lawmakers change the rules on how Internet services are taxed.

States hope Congress will act on their wish lists in a session that will be abbreviated by breaks for both political conventions this summer and overshadowed by election-year politics.

Fortunately for states, a transportation bill that would give them more federal dollars

## TrendLetter

for highway and transit projects is a top priority for both Republican and Democratic congressional leaders. The multibillion-dollar package, which is the blueprint for road construction over the next six years, is packed with projects that U.S. senators and representatives can tout when stumping for reelection.

Unfortunately for states, they could end up losing big in a tax debate over Internet and telecommunications services. Congress is eyeing legislation (S 150/ H.R. 49) that the Council of State Governments said could cost states between \$4 billion and \$9 billion in revenue by 2006.

Rather than seeing the tax rules rewritten under those bills, states say they would prefer that Congress stick to the current moratorium that prevents states from collecting a tax on the fees people pay when they go online and access the Internet.

States say the Internet access bills are written so broadly that telecommunication companies that provide Internet access also would be exempted from other taxes, including business, income and property taxes.

"We're obviously concerned about these bills," said Amy Scott, CSG's senior legislative policy analyst. The CSG, which is working with the National Governors Association and National Conference of State Legislatures and other groups on this issue, wants Congress to simply extend the current moratorium for two years.

The Internet access proposal is separate from efforts to make it easier for states to collect sales taxes on Internet purchases. States desperately want Congress to approve the latter. "We will put all of our effort into that," said Michael Bird, senior federal affairs counsel for NCSL. But passage is a long shot. Grover Norquist, president of Americans for Tax Reform, an anti-tax group, told Stateline.org: "I don't know if Congress, in the middle of an election cycle, is going to want to spend a lot of time raising taxes that go to politicians in a different level of government."

Congress began 2004 by finally wrapping up the mega-spending bill for the current fiscal year, a boon for states. The \$328 billion package that Congress sent to President Bush last week includes something for every state, according to Taxpayers for Common Sense, a group that describes itself as a watchdog for taxpayers. California, for example, has 509 "earmarked" programs (the politically directed projects derisively called "pork"), the group said in a January report that lists each state's projects.

With the current spending bill out of the way, Congress has plenty of other work to do that states will be closely watching. A heap of existing laws that technically "expire" will need to be renewed or revised: welfare reform,

Amtrak, Head Start, special education, job training and higher education.

Sources on and off Capitol Hill say it is unlikely Congress will get to all these laws, making extensions a good bet for several of them.

Revising the Bush administration's sweeping No Child Left Behind education law is a "major priority" for the National Conference of State Legislatures. But action on the law is "not likely" this year, said Carl Tubbesing, NCSL's deputy executive director of state and federal relations. ■

*Kavan Peterson and Pamela M. Prabh are writers with Stateline.org, which provided these articles.*

### Budget "Earmarks" by State, FY 2004

	Earmarks Dollar Value	Number of Earmarks		Earmarks Dollar Value	Number of Earmarks
AK .....	495,810,758	296	NM .....	71,433,500	77
AL .....	289,256,875	243	NV .....	100,770,000	101
AR .....	75,133,208	61	NY .....	507,922,500	442
AZ .....	91,636,786	67	OH .....	235,838,500	293
CA .....	965,451,333	509	OK .....	152,431,000	103
CO .....	241,566,000	69	OR .....	125,689,090	105
CT .....	62,653,667	73	PA .....	422,170,775	664
DC .....	432,907,500	171	RI .....	44,475,000	70
DE .....	23,541,000	26	SC .....	261,350,286	136
FL .....	345,370,000	299	SD .....	43,192,500	62
GA .....	249,875,313	164	TN .....	113,142,554	102
HI .....	169,532,786	83	TX .....	469,490,902	284
IA .....	166,530,165	159	UT .....	103,330,361	80
ID .....	65,212,090	74	VA .....	268,995,000	241
IL .....	328,345,041	251	VT .....	31,280,666	54
IN .....	63,342,000	75	WA .....	373,138,757	223
KS .....	82,547,333	88	WI .....	132,720,500	147
KY .....	193,008,875	210	WV .....	378,250,591	102
LA .....	121,406,534	149	WY .....	15,445,500	16
MA .....	206,390,953	137	International .....	29,044,999	15
MD .....	483,125,000	129	US Territories .....	27,300,000	18
ME .....	46,589,591	60	Miscellaneous ..	185,224,000	37
MI .....	154,340,591	170	Unknown .....	46,986,000	47
MN .....	138,566,591	83			
MO .....	138,152,707	176			
MS .....	190,193,252	159			
MT .....	76,207,500	82			
NC .....	126,968,991	149			
ND .....	41,798,500	51			
NE .....	31,305,666	46			
NH .....	263,746,700	77			
NJ .....	227,890,689	126			

This table shows the value of politically directed projects (sometimes called "earmarks", or more derisively "pork") for each state. To get a list of the projects in each state, click on "FY2004 Omnibus Database" at [www.taxpayer.net](http://www.taxpayer.net).

Source: Taxpayers for Common Sense

# ECONOMIC REPORT

## Social Insecurity: Are You Ready to Retire?

By Margaret C. Simms

In his 2004 State of the Union address, President Bush reintroduced the issue of privatizing Social Security when he told us, “younger workers should have the opportunity to build a nest egg by saving part of their Social Security taxes in a personal retirement account.” While the prospects for a major overhaul of Social Security are probably slim during an election year, Washington lawmakers could make it a priority in 2005. African Americans should remain very attentive to privatization proposals and other aspects of reform, because the Black and Brown elderly are more likely to be affected by the terms of change than are other seniors.

While any restructuring of Social Security will have different implications for different parts of the retirement population, it also raises the broader question: “What can a current worker expect in retirement and how should he or she adjust current plans to take account of the shifting contours of retirement income and expenses?” This question flows naturally out of Federal Reserve Chairman Alan Greenspan’s recommendation before the House Budget Committee that future Social Security benefits be cut. And it is a question that has even greater relevance for African Americans than for others, because Black seniors have been more reliant on Social Security and work for their income than their White counterparts.

Income in retirement is sometimes referred to as a three-legged stool consisting of Social Security, private pension

income and use of savings. At a January 2004 conference convened by the National Academy of Social Insurance (NASI), one presenter suggested that the vision is increasingly becoming that of a four-legged stool, with work as the fourth leg. Unfortunately, for many older Americans, particularly African Americans, one or more of these legs is missing or is much shorter than the others, making for an uncomfortable or insecure seat on which to enjoy their golden years.

Social Security is critical for keeping the Black elderly out of poverty. Eighty-four percent of the Black aged receive Social Security, and these payments reduce their poverty rate from what would otherwise be around 60 percent to about 20 percent. More than 40 percent of the income of elderly African Americans comes from Social Security and more than 20 percent comes from work. Only 9 percent comes from assets and savings. This means the Black elderly are more reliant on Social Security and work and less able to draw on financial wealth than the White elderly.

There are a variety of reasons for these racial differences. Historically, African Americans have had lower incomes and more frequent periods of unemployment, which means they often were unable to save for retirement. Some of these differences have grown smaller, at least for those portions of the African American population that have been able to take advantage of educational and employment opportunities in the post-Civil Rights era. So, can we expect that future African American retirees will have more comfortable seats?

A study completed by Sharmila Choudhury at the Social Security Administration (SSA) suggests that is not necessarily

the case – at least for those likely to enter retirement between 1996 and 2010.

This study, summarized in SSA’s “Racial and Ethnic Differences in Wealth and Asset Choices,” examined the asset holdings of individuals born between 1931 and 1941. When the data were collected in 1992, the oldest respondents were within five years of normal retirement age. The sample included Whites, Blacks, and Hispanics.

As might be expected, White households had a more diverse set of assets and higher median (and mean) asset values than minority households did. Pension wealth was an important component of wealth for this group of households, with 79 percent of White households, 66 percent of Black households, and 46 percent of Hispanic households in the sample having pension holdings. The disparities in wealth among these three groups are less severe when pensions are counted. It is the differences in the other asset holdings that contribute to the disparities, and some of these differences may be related to choices that households make.

Low-income households are more likely to avoid risky assets that can produce high returns, such as stocks and bonds, because those families often need their savings and investments as a fallback source of income in hard times. The study also revealed differences between White and other households in the same income categories. For example, the value of stock holdings rose more quickly along with increases in income among White households than among African American and Hispanic households.

Similarly persistent racial differences show up when the data are analyzed by educational level. When looking at riskier assets, racial gaps persist among the highly educated. For example, among college educated households, 35 percent of White families had stocks in their portfolio, while less than half of Black and Hispanic households did.

The net result of these differences in asset holdings is a much more diverse portfolio for White than for minority households. While the proportion of assets in the form of home equity becomes more similar across race as income increases, large gaps remain for risky financial assets, especially stocks and bonds. Among the highest income quartiles, African Americans had only 11 percent of their portfolio in stocks and bonds, as opposed to 24 percent of White households' portfolio. With regard to IRAs and Keoghs, African Americans draw close to White people only at the highest income levels, and Hispanics remain far behind.

These differences in portfolios make for major differences in likely retirement income when stock prices rise rapidly, as they did during the 1990s. In his book *Retirement Insecurity*, published by the Economic Policy Institute, Edward Wolf writes that those stock market gains were very unevenly distributed, with African Americans and Hispanics more likely to fall behind. This undercuts arguments that private retirement accounts will make African Americans better off because of the long-term superiority of private financial markets.

Financial education is one proposed solution for further reducing the difference in asset holdings between African Americans and other populations. But this may be a steep hill to climb, as other research suggests that knowledge is not always sufficient to change behavior. In a paper presented at the NASI conference, "In Search of Retirement Security," Anna Rappaport and Monica Dragut point to two common investment mistakes people make. One, they underestimate their life expectancy, leading to an underestimate of the funds needed after retirement. Two, they tend not to act on the information they are given. According to the authors, "any system that relies too much on people providing for themselves is likely to leave some people out."

Even when individuals make a "good faith" effort in terms of retirement planning they can still be thwarted by poor health. Currently, Social Security provides for

individuals who cannot work to age 65 because of poor health or physical disability in two ways. One is through the formal disability program and the other is through early retirement. As the regulations governing the disability program make it more difficult for individuals to qualify, there is evidence that more people in poor health are using the early retirement option to leave the workforce at age 62. Many of the proposals to reduce the draw on the Social Security Trust Fund call for raising the early-retirement age. (The age for full retirement benefits is slowly moving up from 65 to 67 over the next few years).

An analysis completed for NASI, "Increasing the Early Retirement Age Under Social Security: Health, Work and Financial Resources," concludes that raising the age for early retirement "could have adverse consequences for older workers in poor health." They found that among those with severe disabilities, 62 to 64-year-olds were about as likely to receive early retirement payments as disability payments even though early retirees take reduced benefits.

Black and Hispanic beneficiaries in the early retirement program are more likely to

have severe health problems than are other race/ethnic groups. While they represent 10 percent of 62- to 64-year-olds receiving Social Security, African Americans are 13 percent of those with at least one health problem and 15 percent of those who are severely disabled. Since the severely disabled are less likely to have worked in recent years and less likely to have financial resources in reserve, the study's authors suggest, many of them would have few available income alternatives should the early-retirement age be raised as the "full benefits" age rises. They would not be able to work, are unlikely to meet the strict standards for disability insurance, and would have little savings to fall back on. ■

*Sources of information on Social Security and Retirement: Social Security Administration, [www.ssa.gov/policy](http://www.ssa.gov/policy); National Academy of Social Insurance, [www.nasi.org](http://www.nasi.org) and Economic Policy Institute [www.epinet.org](http://www.epinet.org). Also, see an earlier Joint Center paper on African Americans and Social Security, [www.jointcenter.org/2000\\_election/conrad/conrad.htm](http://www.jointcenter.org/2000_election/conrad/conrad.htm).*

### Portfolio allocations, by race and ethnicity and income quartile

Asset/portfolio ratio and income quartile	White households	Black households	Hispanic households
Housing equity/net worth			
Lowest quartile	0.40	0.29	0.32
Second quartile	0.44	0.45	0.47
Third quartile	0.42	0.47	0.42
Fourth quartile	0.36	0.38	0.35
Risky assets/financial wealth			
Lowest quartile	0.23	0.05	0.07
Second quartile	0.38	0.18	0.12
Third quartile	0.48	0.25	0.24
Fourth quartile	0.63	0.42	0.38

SOURCE: Sharmila Choudhury, "Racial and Ethnic Differences in Wealth and Asset Choices," *Social Security Bulletin*, Vol. 64, no 4 (2001/2002) also available at <http://www.ssa.gov/policy/docs/ssb/v64n4/v64n4p1.html>





# SOME WELFARE RULES HURT KIDS' HEALTH

## CHILDREN INNOCENT VICTIMS OF SANCTIONS

BY BRIA GILLUM

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act allowed states to impose sanctions against welfare-recipient parents who fail to comply with work requirements. While the overall purpose of the legislation was to strengthen poor families' economic independence, these sanctions can harm the health of their children.

A 2002 study by the Children's Sentinel Nutrition Assessment Program (C-SNAP) found that children in families whose welfare benefits have been terminated or reduced by sanctions are more likely to face hunger or be hospitalized. Although the welfare sanctions were designed to penalize only parents who do not abide by the requirements, these findings suggest that children are likely to be innocent victims of the welfare policies, which erode safety nets meant to address their developmental needs.

"Welfare sanctions hurt babies' health," said Dr. Deborah Frank, C-SNAP's principal investigator. The results of the study are particularly relevant now, because funding for the welfare law ends on March 31, marking a critical stage in Congress's reauthorization of the measure. The Bush administration strongly supports amendments to increase work requirements. Critics of the legislation argue that children's health will be further threatened if the program does not provide for sufficient child care and access to education and training, which would help parents meet the work requirements.

The C-SNAP study found that infants and toddlers under age three whose welfare benefits have been terminated or reduced by sanctions have a 30 percent higher risk

of being hospitalized than children in families whose benefits have not been decreased. They also have a 90 percent higher risk of being hospitalized at the time of an emergency room visit.

Welfare sanctions also increase the rates of food insecurity by 50 percent compared to children in non-sanctioned families. The United States Department of Agriculture (USDA) defines food insecurity as not having "access to enough food for an active, healthy life for all household members."

The USDA reported in 2002 that 34.9 million Americans, including 13.1 million children, lived in households that lacked adequate food supply. This is an increase of 1.3 million people over 2001, and about one third of the increase consists of children. Effective "child nutrition programs are crucial to assure children and their families that they can eat every day... and not fear of tomorrow's hunger," Frank told the House Committee on Education and Workforce last July.

Children under age three are a particularly vulnerable group. Because they experience rapid brain and body growth in these early years, malnourishment and the environmental conditions associated with poverty can hinder their physical and mental development.

*The USDA reported in 2002 that 34.9 million Americans, including 13.1 million children, lived in households that lacked adequate food supply.*

The report also found that African American and Latino children suffered from higher hunger and hospitalization rates in 2002 than in 1999. The number of African American children experiencing household hunger, for example, increased during the three-year period by 86 percent. White children did not experience any significant increase in hunger or hospitalization rates.

Poor children's health is often a barrier to parental employment among welfare recipients, making them more vulnerable to welfare sanctions or benefit termination because of noncompliance. Parents on welfare are more likely to have low-paying jobs that offer no health insurance and do not provide ample sick leave or parental vacation time that parents often need to take their children to the doctor.

A child's health is only a snapshot of other problems that stem from welfare sanctions as parents face additional hardships with a limited amount of resources. The C-SNAP study profiled a 22-year-old single mother, identified only as Louise, struggling to provide food and childcare for her baby. Over the past two years, Louise's welfare benefits have been cut twice due to her unstable housing situation. C-SNAP said the second reduction happened solely because her temporary housing did not allow her to write her name on the mailbox; therefore, she was unable to receive mail from the welfare office.

In some ways, the 1996 welfare laws have backfired. They have made it more difficult for some parents to care for their children. As a result, children's health and nutrition are at risk. "We are distracted by grandiose plans to send people to Mars," said Frank and Dr. John Cook in an op-ed article written for the *Seattle Times*. "But we do not have the courage to provide young families with minimum food and income supports needed to assure their children's access to basic needs." ■

To read the C-SNAP study go to <http://dcc2.bumc.bu.edu/csnappublic/home.html>



# Q & A: Anger With Bush Pushes Turnout

## Continued from cover

**FOCUS:** *In this presidential year, is the issue George Bush and does that dominate all other issues? Or will it be the economy or the war—or are they in fact subtexts to the George Bush issue?*

**Bositis:** I do think the George Bush issue is going to dominate, mainly because George Bush represents all those issues: tax cuts for the rich; cuts in domestic program spending; flamboyant, dangerous, wild foreign-policy adventurism; making enemies all across the world.

**Brazile:** I believe electability—the ability to beat Bush—will continue to dominate the democratic process. ... I also believe that as this election plays out, Democrats must present an alternative vision of the country, not only on foreign policy and international issues, but on domestic issues like jobs and the economy, health care, those issues that are driving the electorate. There's a great partisan divide on those issues.

**Walters:** When you look at the public opinion polling on the issues, the domestic issues have moved to the front and the war has moved to about fourth place... in most of the polls behind education, jobs, the economy. I think that the domestic issues will favor the Democrats.

**FOCUS:** *What have we learned from the Black turnout in the primaries so far that will allow us to predict the level of Black turnout in the fall?*

**Bositis:** Compared to 1992, Black turnout seems to be up in the primaries, although it's not up to the level when Jesse ran in 1988. So long as the election is close and there's money for get-out-the-vote/voter education efforts, the Black turnout should be good this year.

**Brazile:** I agree with that assessment. It's been healthy in the states where African Americans make up 10 percent or more of the population: South Carolina, Virginia, Michigan. But thus far, what I see is an electorate that is eager for change and would like to see a new occupant in the White House, and that's the driving force.

**FOCUS:** *Speaking of Black turnout, David mentioned that the turnout this year is up, but not up to the 1988 level when Jesse Jackson ran his second campaign. That leads me to the question of the impact of Rev. Al Sharpton and to a lesser extent of [former Illinois Sen.] Carol Mosely Braun. What impact did they have on the campaign generally and specifically as it relates to Black turnout, Black involvement, and Black interests?*

**Brazile:** I don't believe they've had a great deal of impact outside of participating in debates and raising issues and being a part of the dialogue and the discussion about the future of the party. Carol focused mainly on women's issues, taking the male-only sign off the door. She talked about pay equity, job placement discrimination. But Carol didn't have a great deal of impact in the primary season in part because she was unable to garner the type of resources to stay viable. She did manage, of course, to get on more state ballots than any other female who's run for the presidency. That's an achievement. I'm in Louisiana today and Rev. Sharpton is in court to try and get on the ballot in Louisiana because he failed to make the deadline and get enough signatures. He's had a very difficult campaign, initially [with] the fund raising, getting the credible staff to come on board, getting Black leaders, and also having an agenda that could rally Black voters. Black voters ... respect Al and Carol. They understood the rationale of their candidacies, but in the long run they were looking past them at the general election.

**Walters:** I am still not sure that Black voters understand the value of a Black presidential candidacy. They voted for Jesse not so much on the strength of strategy, but on the strength of Jesse's popularity. And if they did understand the rationale for a Black candidacy, then I think that the vote for Sharpton would have been far stronger than what it was. I've been critical of African American political leaders because they have been, in this primary election cycle, all over the map. They've given the voters very little direction in this primary season. And what it means is that you have the outcome in places like South Carolina, where the Black vote was half of the Democratic Party base, but did not play a material role in the outcome. It was split all over the place: 24 percent for [Massachusetts Sen. John] Kerry, 24 percent for [North Carolina Sen. John] Edwards, 17 percent for Sharpton — and that is not the stuff of really understanding political strategy. One final point: I did an analysis of all the public opinion polling on both of their races, and when you put both of them together they equal about what Jackson did in the polling by himself in 1984.

**Bositis:** What I was most disappointed about in terms of his [Sharpton's] campaign was he did not make any serious effort to create grassroots organizations around the country, which is what Jesse did. And I think that is a fairly negative indictment of Sharpton's run.

**Walters:** Let me speak on that for just a little bit. I tend to think that he did try to create grassroots organizations around the country. As a matter of fact, he's [spent] a great deal of time in 2003 going around the country trying to put together chapters of his National Action Network. It did not come close to what Jesse was able to do. Jesse did not have to start from scratch, which is the huge difference. He had 15 years or so of being in the civil rights movement, cultivating a whole network of people, especially significant Black ministers in a lot of these states.



**Bositis:** He [Sharpton] really made little or no effort to do any organizing or grassroots organizing in South Carolina, which was supposedly his key state.

**Walters:** Well I would agree with that. I got the feeling that he really didn't have much of a campaign organization on the ground and couldn't really do much organizing.

**Brazile:** No infrastructure. Rev. Sharpton didn't have that infrastructure. Carol didn't have that infrastructure. So it's very difficult after the debate when people are standing up and applauding for Rev. Sharpton, he could not go out in that audience and collect those names and phone numbers and signatures and turn them into a grassroots organization.

**FOCUS:** *Are the issues of poverty and class back? And as a corollary to that, is "liberal" still a bad word in American politics?*

**Walters:** I listened to Edwards, whom I think was the candidate that put that forward most effectively. And surprisingly, Sharpton didn't.

**Brazile:** I thought that John Edwards injected this issue in a very skillful way. He used his own humble background and the fact that he came from a family [of] a mill worker, his mom was a secretary and he had to work his way through college. And he also discussed the growing inequality in America, the two Americas.

**FOCUS:** *Do you believe the Democratic Party is in the process of energizing the Black vote?*

**Brazile:** I believe the Democratic Party has the best intentions on trying to mobilize their votes. Terry [McAuliffe, chairman of the Democratic National Committee] has been in touch with Russell Simmons and Sean "P Diddy" Combs in regard to hip-hop, using the hip-hop network, to begin voter

registration. He's been talking with the NBA. I believe that they've done a fantastic job in reaching out to celebrities. But in terms of the infrastructure of the African American community, the existence of grassroots organizations, the existence of national organizations that have a track record in doing this type of work—I believe they have been systematically underfunded in the process. And it's a problem.

**Walters:** I give kudos to Donna Brazile and her observation that [it] is timeout for what she calls "drive-by campaigning." The Democratic Party has made a tradition, of course, of doing this kind of thing within the last several weeks of the general election campaign.

**Bositis:** Terry McAuliffe could make more of an effort to talk to some of his rich friends to make sure that his rich friends donate money to those organizations [like the NAACP Voter Project]. Is he doing it? I don't know.

**Brazile:** No, he's not doing it. It's very difficult to explain.

**FOCUS:** *If you were advising both George Bush and the Democratic nominee — and we'll assume that it's going to be John Kerry — what would you tell each of them they had to do in order to get out the Black vote?*

**Bositis:** I'll start. First of all George Bush does not want the Black vote to get out. So if George Bush were talking to me, he'd be

asking me how to suppress the Black vote, not how to enhance the Black vote, because the Black vote is going to be just as bad against Bush in 2004 as it was in 2000.

If I were advising Kerry there's a couple of things I would tell him. One is Kerry has even more money than Terry McAuliffe, and I would advise him to do the same thing with his rich friends in terms of giving money to Black grassroots organizations to organize and get out the vote. The second thing I would tell him is not to forget the reason why for six months or so [former Vermont Gov.] Howard Dean was the leader in the primary. He made it clear that he was against George Bush and not a watered down version of George Bush. And there's going to have to be a way to make clear that whoever the democratic nominee is, he's got to keep his commitment to African Americans after he gets elected president.

**Walters:** I've had the opportunity to speak to many Republicans and I told them ... if you are to appeal to the Black vote, you have to do one thing — respect it like you respect other segments of the electorate. There is this funny attitude I think that Republicans have toward the Black vote, which is they don't have to appeal to the Black vote on the basis of issues and the interest of the community.

**Brazile:** I have no advice because they would just ignore it anyway.

FOCUS: Thank you all very much. ■

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# BLACK LEADERS ANGRY AT U.S. OVER ARISTIDE

## CONGRESS, U.N. URGED TO INVESTIGATE

By JOE DAVIDSON

Governments around the world are withholding recognition of Haiti's new self-appointed leaders, because they forced their democratically elected president into exile.

And Black members of Congress are outraged at the disputed U.S. role in former President Jean-Bertrand Aristide's ouster. Other Black leaders have called on Congress to investigate Washington's involvement in the ouster, and the Caribbean Community (Caricom), a regional organization, wants the United Nations to probe his "demission from office."

Although the Bush administration and some CBC members differ sharply on why Aristide resigned, they agree that thugs guilty of political killings are among the rebels who took over the country. Rebel leader Guy Philippe declared himself the chief of the military Aristide had disbanded several years ago.

Jamaican Prime Minister P.J. Patterson told a Kingston press conference, "We would have very great difficulty — I certainly would have — in sitting around any table, to be involved in discussions or negotiations with leaders of rebel forces."

Patterson chairs Caricom, which issued a statement saying regional leaders "were

deeply perturbed at the contradictory reports" about Aristide's demise. The Caricom leaders also said they would not send troops to Haiti until a UN stabilization force is in place.

Aristide charged that he was essentially kidnapped by American troops. He made the charges during telephone conversations with the media and African American leaders, including Reps. Maxine Waters of Los Angeles and Charles Rangel of Harlem.

"They used force to push me out," Aristide told CNN. "That's why I call it again and again a coup d'etat, a modern way to have a modern kidnapping."

The Rev. Jesse L. Jackson, president of RainbowPush, and TransAfrica Forum president Bill Fletcher Jr. said Congress should probe the circumstances that led to Aristide's sudden exit. Fletcher blamed Secretary of State Colin Powell for not pressuring Aristide's opposition to compromise, but also said Aristide's own "political actions, human rights abuses and alignment with gangs all undermined his efforts to build Haitian democracy."

An angry Rep. Corrine Brown of Florida said the Haitian events "prove that if you're not in lock step with the Bush administra-

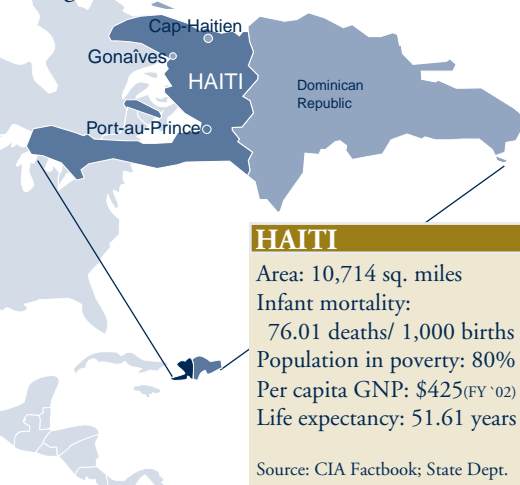
tion, they'll take you out.... After years of blocking badly needed economic assistance to this poor Caribbean nation, the Bush administration has in fact orchestrated a violent regime change in Haiti."

The White House labeled such talk "complete nonsense."

Powell said "the allegations that somehow we kidnapped former Pres. Aristide are absolutely baseless, absurd.... He was not kidnapped. We did not force him onto the airplane.... And that's the truth."

Whatever the truth, the crises could provoke Haitians to flee to the United States. President Bush said refugees would be turned back, a position strongly criticized by Rep. Kendrick Meek, who says his Florida district has the largest Haitian population in the United States.

Meek urged Bush to "immediately cease all deportations to Haiti and to grant Temporary Protective Status to all Haitians in the United States" to protect them "from becoming victims of this violence."



HAITI	
Area:	10,714 sq. miles
Infant mortality:	76.01 deaths/ 1,000 births
Population in poverty:	80%
Per capita GNP:	\$425(FY '02)
Life expectancy:	51.61 years
Source: CIA Factbook; State Dept.	



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