Volume 25, No. 9 November 1997

# FOCUS

The monthly magazine of the Joint Center for Political and Economic Studies

(Click on title to jump to article)


## Perspective

*Urban Health Care Challenges*

## Blacks Retain Leadership of Key Cities

*African American Mayors Were Reelected in Atlanta, Detroit, Cleveland, and Minneapolis—and Des Moines Elected Its First Ever*

## Health and Security for All Children

*HHS Secretary Notes That Expanded Care Has Improved the Lives of Young Americans But More Must Be Done*

## Showdown Over Civil Rights Nominee

*Senate Republicans Use Their Opposition to Bill Lee to Head U.S. Civil Rights Post as an Extension of Their Campaign Against Affirmative Action*

## Trendletter

*Political Report: Houston Voters Say "Yes" to Affirmative Action;*
*House Rejects Nationwide School Vouchers Bill*
*Economic Report: Black Home Ownership on the Rise*


ISSN 0740-0195 **PRICE $1.50**

# Urban Health Care Challenges

Nowhere are the challenges of our changing cities more evident than in the area of healthcare. As city governments have become more fiscally strained by the departures of businesses and taxpayers, the array of health problems and the cost of delivering health services have grown dramatically. During the past two decades alone, the scourges of drug addiction, violent crime, and AIDS have overburdened healthcare delivery systems.

Furthermore, in city after city, the cost of healthcare is rapidly exceeding available resources. Old patterns of service are inadequate, and federal programs are becoming less generous to those unable to obtain or afford insurance.

Many of the healthcare problems facing our cities are the outgrowth of social and economic conditions. For example, because our health insurance is so closely tied to work, the loss of full-time employment is a potential healthcare problem. Therefore, reducing the ranks of the unemployed is one of the best ways to improve access to healthcare. Lifestyle is also an important factor in one's health status. What we eat, how heavily we use alcohol, how we receive preventive care, sexual behavior—all affect our health.

Among the strategies that may be employed to address health concerns, education is still one of the most effective. Many of the cultural and lifestyle factors that constitute obstacles to seeking timely healthcare can be overcome with creative educational efforts that reach across cultural barriers. As the history of the AIDS epidemic has already demonstrated, persistent educational efforts can be lifesavers.

Our public schools are among the most valuable institutions for health education. Over the past three years, the Joint Center has been encouraging local public officials to ensure that schools provide basic education about HIV/AIDS. We believe that universities, elementary and high schools, churches and community centers, and social and community organizations can all be part of a coordinated effort to improve community health through education.

Finally, improved healthcare also is a political objective that most Americans can identify with. There can be little disagreement with the proposition that healthcare is one of the critical services that a democratic society should and must provide. Accordingly, we must find effective ways to influence the array of public policies that together determine how much and what kind of healthcare is available to the public.

Influencing healthcare policy is much more difficult than it might seem, however. The decisions that affect the level and quality of care available to us are often scattered across several levels of government. For example, decisions about welfare policy have major implications for health, as do decisions about social security, education, environmental issues, immigration, housing and transportation, to name a few. Now with the devolution of programs and powers from federal to state and local governments, the policies affecting the provision of care are even more diffused.

What is required, therefore, is not just a routine call for more registration and voting. The challenge for us, as leaders, teachers, and activists, is to educate the public in general and our community in particular about the complexity of health issues. And we must not neglect to employ another promising tool: coalition politics. We must seek out and engage those who share our policy concerns and forge new alliances for improved healthcare. In the years ahead, we must engage in more sophisticated political decision making and more strategic political action. ■



PRESIDENT

FOCUS Copyright © 1997 Joint Center for Political and Economic Studies, Inc. The monthly magazine of the **Joint Center for Political and Economic Studies,** 1090 Vermont Ave., N.W., Ste. 1100, Washington, D.C. 20005-4961 (202) 789-3500. The Joint Center for Political and Economic Studies is a national, nonprofit, tax-exempt institution that conducts research on public policy issues of special concern to black Americans and promotes informed and effective involvement of blacks in the governmental process. Founded in 1970, the Joint Center provides independent and nonpartisan analyses through research, publication, and outreach programs. Opinions expressed in signed *FOCUS* articles are those of the authors and do not necessarily represent the views of the Joint Center for Political and Economic Studies. *FOCUS* is published monthly. $15.00 per year by JCPES, Inc.

PRESIDENT/ Eddie N. Williams
EXECUTIVE VICE PRESIDENT/Fredric Leigh
VICE PRESIDENT, RESEARCH/Margaret Simms
VICE PRESIDENT, PROGRAM DEVELOPMENT/Kathleen Vander Horst
VICE PRESIDENT, FINANCE AND ADMINISTRATION/Brenda Watkins Noel

EDITOR, *FOCUS*/David C. Ruffin
CONTRIBUTING EDITORS/Marc DeFrancis, Mary K. Garber
PRODUCTION MANAGER/Theresa Kilcourse
TRENDLETTER RESEARCHER/Alfred Baltimore

BOARD OF GOVERNORS
Andrew F. Brimmer/Brimmer & Company, Inc., *Chair*
Elliott S. Hall/Ford Motor Company, *Vice Chair*
Martina Bradford/Lucent Technologies, Inc., *Vice Chair*
Wendell G. Freeland/Freeland & Kronz, *Secretary*
George L. Brown/L. Robert Kimball & Associates, *Treasurer*
Eddie N. Williams/Joint Center for Political and Economic Studies, *President*
John Hurst Adams/African Methodist Episcopal Church
Joyce London Alexander/Chief U.S. Magistrate Judge, District of Massachusetts
Norma Ketay Asnes/Ketay Asnes Productions
Charles U. Daly/John F. Kennedy Library Foundation
William M. Freeman/Bell Atlantic–Washington, DC, Inc.
Bonnie Guiton Hill/Times Mirror Foundation
Freeman A. Hrabowski/University of Maryland, Baltimore County
Jayne Brumley Ikard/Consultant
Vernon E. Jordan, Jr./Akin, Gump, Strauss, Hauer & Feld
Patrice I. Mitchell/P.G. Corbin and Company, Inc.
Anna Perez/The Walt Disney Company
Edward J. Perkins/University of Oklahoma
Bernard Rapoport/American Income Life Insurance Co.
Audrey Rowe/Lockheed Martin IMS

Members Emeriti: William B. Boyd, Kenneth B. Clark, James D. Wolfensohn

# Blacks Retain Leadership of Key Cities

## *African American Mayors Were Reelected in Atlanta, Detroit, Cleveland, and Minneapolis—and Des Moines Elected Its First Ever*

*by David C. Ruffin*

*While some black mayors faced serious challenges, none was defeated in November elections held in major cities across the country. Preston Daniels became the first mayor of Des Moines, Iowa, and Lee Brown faces a December runoff in his bid to become the first mayor of Houston. An election roundup follows.*

### Atlanta

On November 25, Atlanta Mayor Bill Campbell secured a second term by beating City Council President Marvin Arrington in a relatively close runoff. Campbell won with 53 percent of the vote to Arrington's 47 percent. The runoff was the culmination of an election season in which Campbell faced stiff opposition from Arrington and eight other candidates, including first-term city council member Gloria Bromell-Tinubu, a professor of economics at Spelman College.

Campbell came in first in the November 4 general election with 46 percent of the vote, just short of the majority needed to win outright. Arrington's 36 percent earned him second place and Bromell-Tinubu came in third with 14 percent. The only other candidate to receive more than a fraction of a percent was former traffic court solicitor Louise Hornsby, who ended up with 2 percent.

Campbell's victory was a blow to Arrington, who hadn't lost an election since he began running for office 27 years ago. Arrington is an Atlanta native who was raised in a local public housing development. He won a football scholarship to Clark College, and later became one of the first two African Americans to graduate from Emory University Law School. In 1969, he and five other black Atlantans won a ground-breaking election to the board of aldermen (now the city council). Before that, only one African American had been an alderman, Q.V. Williamson, who was elected in 1963. Local observers believe that the defeat in this year's mayor's race effectively ends Arrington's political career.

For incumbent Campbell this year was like a flashback. In the 1993 election, Michael Lomax, the former chair of the Fulton County Commission, forced Campbell into a runoff which he won in a landslide, seizing more than 70 percent of the vote. Campbell, who had served as president pro tem of the city council before his election to mayor, is Atlanta's third black chief executive. Originally from North Carolina, Campbell has inherited the legacy of predecessors Maynard Jackson and Andrew Young, who helped make Atlanta one of the South's major commercial centers. While the city is awash in the success of the 1996 Summer Olympics, Campbell must still address poverty and poor education that plague large areas of the city.

### Houston

Lee P. Brown, the former White House "drug czar," finished first on November 4 in a field of eight candidates for mayor of Houston. In a bid to become the city's first African American mayor, Brown garnered about 38 percent of the vote while second-place went to Robert Mosbacher, who received 30 percent. Mosbacher, a Republican businessman and son of the Bush administration's commerce secretary, ran an expensive campaign that was heavily financed by the GOP. Former city comptroller George Greanias came in third with 19 percent. Brown and Mosbacher will compete in a runoff on December 6.

Brown gained national prominence as Houston's first black police chief, an office he held for eight years after being appointed to the post in 1982. He is credited with cleaning up a police force known for its brutality and unfair treatment of African Americans and Hispanics. He also headed the police departments of New York and Atlanta. In 1993, President Clinton named him drug czar.

The mayor's office is being vacated by popular millionaire Bob Lanier, who is prohibited by law from running for a fourth two-year term. Lanier took office at a time when Houston was in economic peril. He gained broad approval for his programs to revitalize Houston's inner city and improve public safety by putting more police officers on the streets. Over the last six years, Lanier presided over a miraculous recovery. A statesman-mayor, Lanier was a leader in opposing the racially divisive Proposition A that would have eliminated the city's affirmative action program (see "Houston Voters Say 'Yes' to Affirmative Action" in this issue's *TrendLetter*). Brown, who claimed to be the candidate most likely to continue Lanier's programs, benefitted from an especially high turnout of minority voters.

### Des Moines

Black councilman Preston Daniels became Des Moines' first black mayor on November 4. Daniels defeated former cable TV executive James Cownie by a vote margin of 54 percent to 46 percent. The incumbent mayor, Arthur Davis, resigned in March because he was stricken with colon cancer. In addition to serving on the council since 1992, Daniels has directed an alcohol and drug treatment center for 11 years and has also hosted a jazz radio show. In the 1970s, he was a youth counselor and probation officer. Cownie has never held public office.

Daniels didn't enter the race until June after another member of the council dropped out. At the time, it was

*Continued on page 4*

## *Black Mayors*

*Continued from page 3*

thought that Cownie's ties to the business community and his superior fund-raising ability would prove overwhelming advantages. But Daniels, who waged a word-of-mouth campaign that relied on door-to-door canvassing, had advantages of his own: strong name recognition and few enemies.

Cownie raised a record $179,000, making the campaign Des Moines' most expensive ever (the mayor's job pays only $21,735 a year). Despite Cownie's two-month head start and hefty campaign war chest, Daniels easily won the October 7 open primary with 68 percent of the vote. African Americans make up only 7 percent of the city's population of 193,000, and race was a negligible factor in the campaign. In what has become rare in American politics today, Daniels and Cownie waged a polite, low-key campaign and even took similar positions on many issues.

### Detroit

In one of the biggest mayoral landslides in the 20th century, Detroit's black mayor Dennis Archer crushed State Representative Ed Vaughn to win a second term. Archer, who took 83 percent of the vote, views the election as a clear mandate for his ambitious development projects, including new housing construction, two stadiums, and three casinos. Just before the election, Archer helped break ground on a $260-million ballpark downtown, the first half of a side-by-side stadium project that will become home for the Detroit Tigers. The other stadium will house the Detroit Lions football team. Archer has also set in motion programs to tear down the city's abandoned buildings with the help of a $60-million loan guarantee from the U.S. Department of Housing and Urban Development.

Vaughn, who received a mere 17 percent of the vote, ran with the campaign slogan, "Unbought and unbossed." He based much of his campaign on an appeal to those who believe Archer is out of touch with working-class Detroiters. Archer, a former state Supreme Court justice, ran on the theme "The hope is real—The pride is back." He was first elected in 1993 to succeed Coleman Young, who had retired after holding the office for 20 years.

### Cleveland

Incumbent Cleveland mayor Michael R. White defeated City Councilwoman Helen Smith on November 4 and is on his way to a third term. Running on a record of generating over $1 billion in economic development, job growth, reinvigorated housing, and reduced crime, White secured a victory with 61 percent of the vote over Smith's 39 percent. Smith, who once ran unsuccessfully for Congress, gave up her seat on the council (where she had served for 18 years) in order to run for mayor.

Smith got most of her support from Cleveland's largely white West side. She got a late start in the race, announcing her candidacy only days before the August 21 filing deadline. In addition to going up against White's $1.1 million campaign fund, Smith had trouble gaining the public's attention in October as the Cleveland Indians marched through the playoffs and into the World Series.

White now has another term to promote the city's economic recovery. Over the last several decades, the shift of the American economy away from smokestack industries took a great toll on Cleveland. Job loss led to a 45 percent drop in the city's population since the 1950s, and in 1978 Cleveland defaulted on its debts and was reduced to providing only minimal public services.

The city's economy is now much improved, and Mayor White may claim some of the credit for reversing the slide. He has balanced the city's books and built up a $25 million rainy-day fund. Standard & Poor's, which suspended the city's bond rating after its 1978 bankruptcy, today gives the city an "A" rating. Putting in 14-hour days, White has adopted a business style of city management centered on "customer" service. "We serve a city of 500,000 people a day," says White. "If we don't serve them well, a lot of them are going to go somewhere else." His 60-page "People's Budget" sets out goals for the year and evaluates whether they have been met. One of the achievements noted for last year was that twice as many children were screened for lead poisoning as had been screened the year before.

Sports has been a factor in mayoral politics for some time. White claims credit for the Gateway Complex, which features a new baseball stadium and a basketball arena that lured the Cleveland Cavaliers back from the suburbs. But while White has many positives to point to, education may be his biggest challenge over the next four year. He recently noted that while it was great to have the Indians in the World Series, "We have never had a winning season in the last 30 years in the contest of education."

### Minneapolis

As expected, Sharon Sayles Belton, Minneapolis's first black mayor, won her reelection bid with a 55 percent to 45 percent victory over Barbara Carlson, a former talk show host and ex-wife of Minnesota Governor Arne Carlson. Belton topped Carlson in the September 9 primary when she came in first in a field of 14 candidates with 52 percent of the vote. Carlson placed a distant third with 35 percent. Belton, a member of the Democrat-Farmer-Labor Party, is also the first woman to be elected mayor of Minneapolis. She was first elected in 1993 after service as the president of the city council.

Running on the theme, "Getting the Job Done," Belton won her second term with help from falling unemployment rolls and a decline in the city's homicide rate. Belton has attended Macalester College in St. Paul and the John F. Kennedy School of Government at Harvard University. Before her tenure as Minneapolis's city council president and mayor, she worked as a parole officer and assistant director of the state's program for victims of sexual assault, and she served on the city council for 10 years. ■

# Health and Security for All Children

## *HHS Secretary Notes That Expanded Care Has Improved the Lives of Young Americans But More Must Be Done*

*The following is adapted from an address by U.S. Secretary of Health and Human Services Donna E. Shalala on the status of children. The address was delivered on November 12 to the Joint Center's conference on welfare reform, which was the first day of a two-day policy series on devolution, "Challenges for Leadership," held in Washington, D.C.*

On the night before Dr. Martin Luther King died, shortly before assuring his audience that they 'would get to the promised land,' he suggested that reaching the promised land was in the hands of his listeners. America's successful passage to the 21st century depends on every child finding the promise of Dr. King's Promised Land. But that promise won't be found unless everything we do to improve the lives and destinies of children is directed toward making sure we get the right outcomes: healthy, safe, and secure children.

Because the fact is, if a children's policy doesn't get real results, then anything else it has going for it —cost-effectiveness, political support, a solid research foundation—doesn't matter. That's why your review of welfare and Medicaid managed care policy is so important—and so timely. And that's why today I'm going to talk about the three major challenges standing between children and the bright future they deserve.

These challenges are: health and safety, economic security, and protection from the special dangers of adolescence. We have already made great strides in addressing these challenges. Teen pregnancy rates are inching downward for the sixth straight year. More children are enrolled in Head Start than in years past. Infant mortality is at a record low. The percentage of women receiving prenatal care is at a record high—in part because of our expansion of the Healthy Start program. And our Medicaid managed care waivers are offering health insurance to two million more low-income women and children. In addition, our health data collection has improved dramatically, giving us better information about the state of our children's well-being.

While African American children have generally benefitted from improvements in health and economic security, their status in both these areas falls short of that of white children. We must close those gaps. We have learned much from the successes we have already had with issues such as childhood immunization. Just two months after President Clinton took office, a comprehensive strategy called the Childhood Immunization Initiative was announced. The heart of that strategy was a clearly defined goal of immunizing 90 percent of all two-year olds against the most serious childhood diseases. This year we achieved that goal. Today we can report that vaccination rates for minority children have reached record levels and meet or exceed most of our 1996 national immunization goals. The fact is, we have almost closed the immunization gap between minority and non-minority children—a gap estimated to be as wide as 26 percent a generation ago.

### 10 Million Uninsured Children

But for all the progress we've made, we still have a long way to go—which brings me to the first challenge I mentioned: children's health and safety. One way to meet this challenge is to dramatically reduce the number of children in this country who don't have health insurance—the number now stands at 10 million. Many of these children are eligible for Medicaid and don't receive it—often because their parents don't even know they qualify.

The vast majority of these children live in families where the parents work hard but are too poor to afford private insurance, not poor enough to be eligible for Medicaid, just poor enough to fall through the cracks. That means these youngsters are less likely to get annual checkups, four times as likely to delay needed care for acute conditions, more likely to miss school because of illness, and more likely to get care from an emergency room physician. In short, these are children who, at a time when they should be full of promise, are facing enormous barriers in their ability to grow and learn—barriers that are added to the other obstacles faced by children of color.

To extend health insurance to more children, President Clinton fought for the inclusion of an unprecedented $24 billion commitment in the White House–Congressional balanced budget agreement to cover as many as half our uninsured children. That is the largest expansion of health insurance in more than 30 years. Our goal is simple: Insure as many children as possible, as quickly as possible, as effectively and comprehensively as possible.

The lack of adequate health insurance isn't the only unmet health need of children. Every day, children are being abused, neglected, and abandoned in every part of our country, in every type of family, in every kind of community. While there were one million officially substantiated cases of abuse and neglect in 1995, we know that many kids in trouble never even make it onto our radar screen. Our National Incidence Study of Child Abuse and Neglect confirms our worst suspicions. The study estimates that there were 2.8 million abused and neglected children in 1993. That is double the number in 1986. And almost three-fourths of those children were never served by an overwhelmed child protective service.

There is no quick fix for what ails our child welfare system and the families it serves. But, over the past few decades, we have learned a great deal. We know that child

*Continued on page 6*

## *Shalala*

*Continued from page 5*

abuse often goes hand in hand with drug and alcohol abuse. While abuse rears its ugly head in all kinds of families, we know it is more likely in single-parent families, families living in poverty, or families where one or both parents were abused themselves.

Toward ending this national nightmare, we have to do away with some of the myths and ideologies that have been built up around abuse. The worst myth is that federal rules prohibit local agencies from protecting children. That is simply not true. As for ideology, for a long time the pendulum shifted back and forth between family preservationists and those who believe that a policy of keeping families together where abuse is found endangers children.

We wanted to end this false debate by charting a common sense and balanced policy that increases adoptions *and* strengthens families. We are very close to taking a big step in that direction. Both houses of Congress have passed bills that will speed adoptions and advance the goals of President Clinton's Adoption 2002 strategy.

### Economic Security

Our second challenge is to give all children economic security as their families move from a culture of welfare to a culture of work. Even with all the progress we have made, we cannot be complacent—especially when 34 percent of African American children still live below the poverty line. We must work with states to make sure welfare reform accomplishes its most important goal: to lift children out of poverty. The best safety net for all children is strong families—and the best social program is a job.

What the President said when he signed the Welfare and Medicaid Reform Act of 1996 remains true today: "This is not the end of welfare reform, this is only the beginning." We have made important progress—especially in making work pay. We've raised the minimum wage—and made it a living wage by also expanding child care and the Earned Income Tax Credit. We have cracked down on child support enforcement—so that both parents take responsibility for the children they bring into this world. We have granted waivers to 43 states even before we enacted national welfare reform legislation—giving states the foundation they need to help families become self-sufficient.

Because of all this creativity and change—and the strong economy—welfare caseloads are down dramatically. Now we must work to create jobs in our inner-cities for people moving from welfare to work. And we have a new grant program that encourages states to create new jobs. This $3 billion "welfare to work" partnership will enlist welfare workers, mayors, community leaders, and citizens in the crucial task of creating new jobs where they are most needed.

### The Perils of Adolescence

Young people from all income groups face the snares of adolescence such as drug abuse, smoking, and teen pregnancy. That is our third challenge. On drug abuse, we're seeing glimmers of hope, as overall teen drug use is down for the first time since 1992. Still, far too many children are taking drugs and throwing away their futures. We need to reach kids early and often with clear no-use messages. We are doing that by offering states incentive grants that can be used to leverage other resources in our anti-drug fight.

Tobacco is also a clear and present danger to teens. Every day 3,000 young people become regular smokers. One third of these children will eventually die of their addiction. The Clinton Administration has set the ambitious goal of cutting teen smoking in half within seven years. We oppose tobacco companies' targeting minority communities, and we're working to pass sweeping legislation to prevent this deadly addiction among youngsters.

Regarding teen pregnancy, the message—"Get smart, get strong, and don't get pregnant"—seems to be getting through to many young people. But this is not the time for self-congratulation because there are still hundreds of thousands of pregnancies a year among teenagers. That means children raising children, children dropping out of school, and children mired in poverty.

### Means and Methods

To meet the three challenges I have mentioned, we must do more than create narrow goals for particular programs. We need an all-out attack that is supported by good research and sets a very high standard for success in the achievement of good health, economic security, safety, and access to appropriate care for all American children.

How do we put this kind of seamless system in place? First, remember that government doesn't raise children, families do. Government must be in the business of offering tools and lending a hand to struggling families—and only imposing its will when necessary.

Second, the federal government must offer flexibility while demanding accountability. I am a big believer in unsentimental management. If states and localities want more control, for the most part they should have it. But like the federal government, they should be prepared to evaluate what they do carefully—and if a program isn't working, it should be changed or eliminated.

Third, we should use new methods of communication to reach young people. I have never known a single teenager who reads brochures. They listen to music, watch TV, and log on to the Internet—and that is how we have to reach them. Fourth, we must invest in programs that work and have survived tough scrutiny, such as Head Start.

And fifth, we must keep our concern for children above politics. Republicans and Democrats have proved we could do that for children's health insurance and child care. We can achieve similar success working together on issues such as drugs, teen pregnancy, and tobacco. We must all be committed to working together on behalf of our country's most vulnerable children until the first glimpse every child has of the future is an open door. ■

# Showdown Over Civil Rights Nominee

## *Senate Republicans Use Their Opposition to Bill Lee to Head U.S. Civil Rights Post as an Extension of Their Campaign Against Affirmative Action*

*by Mary K. Garber*

Democrats, civil right organizations, and women's groups fought Republican senators to a stalemate over Bill Lann Lee's nomination for the country's top civil rights enforcement post, assistant attorney general for civil rights. The nomination fight appears to have been just one more battle in a protracted war GOP leaders are waging against affirmative action. With the 1998 election campaign approaching, it seems clear that Republicans intend to make ending affirmative action a central issue in midterm congressional races, even though the measures that they introduced this session to kill the policy did not pass in either house.

The Lee nomination process took an unexpected twist when Democrats, led by Senator Patrick Leahy (D–Vt.), prevented the Senate Judiciary Committee from voting on the nomination before it adjourned on November 13. Committee chair Orrin G. Hatch (R–Utah), who had led the opposition to Lee, was unable to get the single Democratic vote he needed to allow him to proceed with a committee vote on the nomination. It is generally agreed that the Republican majority on the panel would have used the opportunity to kill the nomination. The administration must now decide whether to withdraw Lee's name from consideration, make a recess appointment that would put Lee in the job for a year, or resubmit the nomination for the next session of Congress.

Republicans on the committee, led by Hatch, had turned the nomination into a proxy battle over the issue of affirmative action, painting Lee as a radical advocate of "racial preferences." Hatch said that he wanted "to take a stand against these policies that are dividing America and ripping us apart where you prefer one group of individuals over another." Some political observers believe that Hatch's visible and aggressive opposition to Lee is meant to shore up his support among the GOP's right wing, some of whom have questioned whether Hatch should continue as the Judiciary Committee's chairman.

Democrats on the committee interpreted the Republican furor over Lee as an attack on President Clinton's affirmative action policies. Senator Russell Feingold (D–Wisc.) warned Republicans that they were "opening a new wound… a serious chapter of resentment that this committee should really avoid." Civil rights advocates, citing companies such as Texaco, Circuit City, and Publix Super Markets, which have all recently settled multimillion-dollar class action job bias suits, charge that Republicans who attack affirmative action programs refuse to acknowledge that employment discrimination is still a serious problem. They accuse Republican members of Congress of seeking to destroy a powerful remedy for ongoing discrimination without offering anything in its place.

### Undisputed Qualifications

As one of the nation's foremost civil rights litigators, Bill Lee's qualifications are undisputed. Lee, 48, also has had first-hand experience with poverty and discrimination. Born in New York City to Chinese immigrants who ran a small laundry, Lee won a scholarship to Yale and graduated magna cum laude in 1971. In 1974, he graduated from Columbia Law School and joined the NAACP Legal Defense and Educational Fund, Inc. In 1983, he accepted the position of supervising attorney for civil rights litigation at the Center for Law in the Public Interest, a public interest law firm in Los Angeles. In 1988, he rejoined the NAACP Legal Defense Fund, serving as head of the Los Angeles office from 1990 until the present.

If finally approved as assistant attorney general for civil rights, Lee would be the chief civil rights enforcement officer for the federal government. One of Lee's strengths as a litigator has been his ability to negotiate out-of-court settlements between plaintiffs and defendants in discrimination suits. These settlements are encouraged by the courts as a way to save court costs, attorney fees, and time for all parties. (In fact, the vast majority of all civil law suits in this country are settled out of court.)

Lee's competence, experience, fairness, honesty, and pragmatism are qualities that are widely acknowledged by those who have worked with him. The opinion expressed by Richard Riordan, Republican mayor of Los Angeles, is typical:

> Mr. Lee first became known to me as opposing counsel in an important civil rights case concerning poor bus riders in Los Angeles… The work of my opponents rarely evokes my praise, but the negotiations could not have concluded successfully without Mr. Lee's practical leadership and expertise.

Just before the committee was scheduled to vote, previous assistant attorneys general for civil rights from the Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter administrations sent a letter to Hatch urging him to approve Lee's nomination based on his "education, training, experience, and, equally important, character and judgment." They pointed out that his qualifications were more relevant than his personal views since, once confirmed, he would be

*Continued on page 8*

Ms. Garber is a contributing editor to FOCUS.

## *Nominee*

*Continued from page 7*

responsible for carrying out the policies of the President and attorney general in accordance with the law.

Senator Dianne Feinstein (D–Calif.), the lone woman on the Judiciary Committee, described Lee as pragmatic and a consensus builder. She too cited his work in the case on behalf of Los Angeles's poor bus riders:

> While he could have engaged in flashy rhetoric and grandstanding, he did not. Instead, Lee worked cooperatively to bring all the sides together to reach a reasoned solution. In the end, he structured a plan that settled the case, saved taxpayers thousands of dollars in court costs, and resulted in more equitable funding of the bus system.

The National Organization for Women (NOW) has also come out strongly in support of the nomination. The organization praises his qualifications and consensus-building style. Noting that the nomination was at first moving along smoothly, NOW argues, as does attorney general Janet Reno, that it is inappropriate for the Senate to reject a nominee simply because he holds the same point of view as the President who has nominated him.

Lee defended his record in an article in the *Washington Post*, the day before the vote was scheduled. He stated that his goal in settling cases was to avoid confrontations and find solutions that would remedy past discrimination. He noted that settlement agreements require the cooperation of all parties.

As a civil rights attorney for more than two decades, Lee has successfully fought for education and employment opportunity, freedom of speech, and the protection of poor children from lead poisoning. In a 1990 case, *Matthews* v. *Coye*, he represented children living in old housing in Long Beach, California, who had not been screened for lead poisoning by a Medicaid-funded health program, even though the testing was required by Medicaid regulations. Lee negotiated a settlement in the case that established a program of testing for levels of lead in the blood. Other prominent cases successfully handled by Lee include suits against the City of Los Angeles police department for racial discrimination and against Gulf Oil Company for restraint of free speech.

Lee is not the first Clinton nominee for the top civil rights post at the Justice Department to be the target of ultra-conservatives. The nomination of University of Pennsylvania professor and former civil rights attorney Lani Guinier was withdrawn in 1993 by President Clinton even before it was considered by the Senate Judiciary Committee because of unyielding Republican opposition. The post has been vacant since January 1997, when Deval Patrick resigned. Patrick was also singled out for criticism by Republicans for his enforcement of federal affirmative action policy.

The President is confident that the nomination would pass if a vote were taken before the full Senate. However, Republicans are threatening to filibuster or use other parliamentary means to block a vote if the nomination should reach the floor. In a recent rally at the Lincoln Memorial, Democrats, women's groups, civil rights organizations, and Asian American groups vowed to continue their support for Lee. ■

FOCUS *is printed on recycled paper with soy-based ink.*

FOCUS
Joint Center for Political
and Economic Studies
1090 Vermont Ave., NW
Suite 1100
Washington, D.C. 20005-4961
202-789-3500

ADDRESS
CORRECTION
REQUESTED

Postmaster:
Form 3547 requested

**IMPORTANT!**

NOTICE TO READERS: Please notify FOCUS of any change of address or title. YOU MUST ATTACH THE MAILING LABEL FROM THE BACK COVER when writing about service or change of address. No change can be made without this information. Allow 6 weeks for change of address to take effect. Thank you.

NON-PROFIT
U.S. POSTAGE
PAID
PERMIT No. 6958
Washington, D.C.

NOVEMBER 1997

# TRENDLETTER

## POLITICAL REPORT

### Houston Voters Say "Yes" to Affirmative Action

On November 4, just one day after the Supreme Court refused to hear a legal challenge to Proposition 209, the California ban on affirmative action in state government programs, Houston residents voted to keep the city's affirmative action programs in contracting and hiring. A strong, well-led opposition coalition organized the unusually heavy turnout, particularly among minority voters, and changes in the wording of the proposition are credited as the main factors contributing to the substantial margin of the defeat (54 to 46 percent) of the referendum to ban affirmative action.

Voters from Houston's large black and Hispanic communities showed up in record numbers mostly to ensure the defeat of the measure, Proposition A, but also to support the candidacy of black mayoral candidate Lee Brown, who hopes to become the city's first African American chief executive. What was at stake was a 1995 affirmative action policy setting a 20 percent goal for the inclusion of women and minority-owned firms in city contracting. Before the policy was promulgated, 95 percent of all such contracts went to companies owned by white men.

Brown, who was the top vote-getter in the election, is favored to win the December 6 runoff against Robert Mosbacher, a Houston businessman. According to Houston political scientist Richard Murray, blacks may have accounted for as much as 35 percent of the total vote, a record for Houston. In selected middle-class black districts, turnout was 47 percent, compared with 41 percent in similar white districts.

The wording of the proposition was crucial to its defeat, a fact that has implications in the nationwide battle between those who want to end affirmative action and those who believe it should continue. The language of Proposition A, as originally drafted, was confusing and included broad, vague references to "racial preferences" and discrimination similar to the wording used in the California proposition:

> The City of Houston shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment and public contracting.

Unlike California, where Governor Pete Wilson and other conservative political leaders have used Proposition 209 and anti-immigrant measures as racial wedge issues, a multiracial coalition of the city's political and business leaders worked together to defeat Houston's Proposition A. Groups like One Houston, led by outgoing Mayor Bob Lanier, Houston Together, headed by black Congresswoman Sheila Jackson Lee, and the Chamber of Commerce's Greater Houston Partnership, as well as civil rights organizations combined to oppose the measure. First they succeeded in changing the wording of the proposition to make clear its effect on the city's affirmative action policies. After a tumultuous battle in the city council, the wording of the measure was changed to ensure that voters understood that Proposition A was a referendum on the continuation of the city's affirmative action program. The new language read:

> Shall the Charter of the City of Houston be amended to end the use of Affirmative Action for women and minorities in the operation of City of Houston employment and contracting, including ending the current program and any similar programs in the future.

Supporters of affirmative action raised more than $100,000 and used public debates, radio, and television to educate voters. Polls taken before the election indicated that if the wording had remained as originally drafted, specifically referring to racial preferences, the proposition would have passed. Proponents of affirma-

tive action believe that wording such propositions to reveal their true intent and potential impact is the way to defeat such measures across the country.

According to Richard Murray, a political science professor at the University of Houston, opposition to Proposition A among blacks was nearly universal. Nearly three-quarters of white men favored the ban, but white women were more evenly divided, with 55 percent supporting the prohibition.

The unusually high turnout among African Americans had other repercussions. Brown's percentage of the vote was substantially higher than had been predicted in polls taken just before the election. City bonds for repairs in minority neighborhoods also passed, and several black city council candidates running against incumbents accumulated enough votes to force runoffs.

## House Rejects Nationwide School Vouchers Bill

The House of Representatives rejected a bill to allow federal funds to be used for vouchers to low-income families to help them pay for their children's tuition at private and parochial schools. The November 4 vote for passage of the bill failed, 191 to 228. With school vouchers long a prominent item in the Republican agenda, the bill's rejection came as something of a surprise. Sponsored by Frank Riggs (R–Calif.), the bill had the strong support of House Speaker Newt Gingrich (R–Ga.) and Majority Leader Dick Armey (R–Tex.). Nevertheless, about two dozen Republicans joined Democrats in opposing HR 2746, titled the "Helping Empower Low-income Parents (HELP) Scholarship Amendments of 1997."

The bill offered amendments to Title VI of the Elementary and Secondary Education Act that would permit states to use some of the federal funds they receive for public education to fund tuition for students from low-income families to attend private schools, including religious schools. In an attempt to circumvent court objections to public funding of education at religious schools, the bill's drafters stipulated that the money was to be considered as assistance to the students rather than to the schools. Also, the bill prohibited the federal government from having any discretion or control over participating schools or their programs of instruction. Proponents of the bill argued that the bill would give poor families the same choices as wealthier families for their children's education and provide market incentives for public schools to do a better job of educating students.

Opposition to the bill was led by Rep. William Clay (D–Mo.) who called it a "war" on public education. Clay and other opponents of the legislation argued that its passage would wreck public education by directing badly needed education funding to only a few students at the expense of all the rest. They also charged that vouchers would have the effect of removing the best students from low-income areas, leaving the public system with the most difficult and costly students to educate. Another objection was that the bill's prohibition on government control over the private schools involved meant that public money could be used for tuition at schools not meeting minimum standards for educational quality.

Civil rights groups, including members of the Leadership Conference on Civil Rights, opposed the bill because it would have given public money to private institutions but exempted them from adherence to any of the civil rights protections in effect at institutions receiving public funds. This means that schools accepting vouchers would not have to abide by antidiscrimination laws protecting minorities, women, the disabled, and others. Current laws require that all schools receiving federal funds abide by prohibitions against discrimination in federally funded education programs. This applies even when the federal dollars are paid directly to students or parents rather than to the institution.

Currently, only two cities, Cleveland and Milwaukee, have publicly funded experimental school voucher programs. None of their vouchers go to religious schools, however, since the courts have ruled that such arrangements violate the separation of church and state provisions of the First Amendment.

At the same time, the Senate failed to take action on a bill that would have given tax breaks to parents to offset the costs of tuition at private and religious schools, along with other educational expenses. Sponsored by Paul Coverdell (R–Ga.) and Robert G. Torricelli (D–N.J.), this bill would have allowed tax-free contributions of $2,500 per child to a savings account to be used to pay educational expenses. The bill fell four votes short of the number needed to end a Democratic filibuster and force a vote on the measure. It was the second time that an attempt at cloture on the bill failed. ■

# ECONOMIC REPORT

## Black Home Ownership on the Rise

*by Cecilia Conrad and Malinda Lindquist*

Home ownership among African Americans reached its highest level ever this year. According to U.S. Bureau of the Census, 45.3 percent of black householders were home owners in the third quarter of 1997 compared to 44.4 percent in the second quarter. Harvard's Joint Center for Housing Studies reports that more minorities and immigrants are buying homes than ever before and that minorities now own approximately 30 percent of the nation's homes.

Yet while the gap in home ownership between blacks and whites closed slightly this year, whites are still more likely to own a home than blacks. Seventy two percent of whites own their own homes. Racial differences in family income explain some of this disparity— families earning less than the median income are obviously less likely to own a home than families earning more than the median. However, even among blacks and whites with similar incomes, blacks are less likely to be home owners. Whites with very low incomes are considerably more likely than blacks with very low incomes to own a home (53.8 percent and 30.2 percent, respectively). (See figure.)

Home equity, defined as the value of one's home minus mortgage debt, is often a household's largest asset and an important first step toward the accumulation of wealth. According to Harvard's Joint Center for Housing Studies, the median value of equity that blacks held in their homes was nearly $30,000, compared with $52,000 for white households. Homeowners enjoy certain economic advantages, such as the ability to deduct real estate taxes and mortgage interest. They can refinance their mortgages to free up financial resources for other types of investments. Society also benefits from higher rates of home ownership, which contributes to civic responsibility and political activism. Moreover, owner-occupied housing tends to be better maintained and thus improves neighborhood stability.

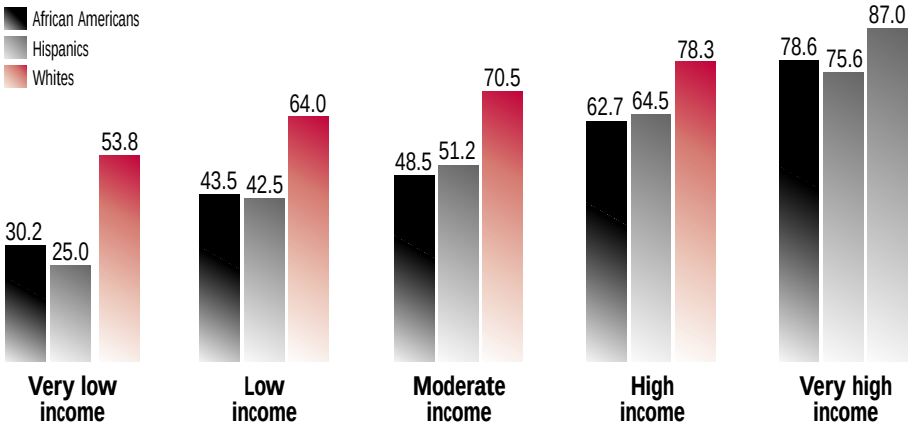
While home ownership rates are currently at their peak among African Americans, minorities continue to face a variety of barriers to purchasing homes. *Cityscape*, a policy journal published by the U.S. Department of Housing and Urban Development (HUD), devoted its March 1997 issue to identifying these obstacles. Among those discussed were the high price of houses relative to family incomes; cultural differences between home buyers and realtors and lenders; and the limitations of traditional methods of home financing. An additional obstacle is the persistence of racial discrimination not only in mortgage lending, but also in other phases of the home buying process.

African Americans have lower average incomes than whites, and they have less access to capital or income from sources other than their own households to meet down-payment requirements. According to a 1993 Census Bureau special report, nearly 80 percent of African American and Hispanic families could not afford a median-priced home in their area using conventional financing. Fewer than half of white families faced a similar situation.

Cultural differences can also impede home ownership. According to advocates for low-cost housing Susan Hamilton of Syracuse United Neighbors and Stephen J. H. Cogswell of the Monroe County Area Housing Council, the structure of the housing finance market mirrors the housing search experiences of white middle-class home buyers. In their *Cityscape* article on Syracuse, N.Y., they document the fact that the experiences of African Americans, Hispanics and immigrants rarely fit this model. For example, white, middle-class home buyers usually identify a house with the help of a realtor who then helps negotiate the price. In the Syracuse study, Hamilton and Cogswell found that

### Home ownership by income group and race/ethnicity, 1995

*Percents*




Note: Very Low income is defined as less than 50 percent of median area income; Low as 50–80 percent; Moderate as 80–120 percent; High as 120–150 percent; and Very High as more than 150 percent. (E.g., in the metropolitan area of Atlanta, where the median income is $48,700; Very Low is less than $24,349; Low is $24,350–$38,960; Moderate is $38,961–$58,440; High is $58,441–$73,050; and Very High is over $73,051).
Source: Harvard University's Joint Center for Housing Studies, tabulations of the 1995 American Housing Surveys.

many minority home buyers do not have the help of a realtor. As a result, they may pay a higher price for their home and have less information about financing options.

Even when the housing search process is the same, real estate brokers and lenders often treat a minority home buyer differently from others. A 1988 housing audit by the Urban Institute found that 59 percent of black home buyers and 56 percent of Hispanic home buyers encountered discrimination when searching for a home. In the audit, trained pairs of individuals—one white, one minority—matched according to every relevant factor (income, credit, etc.) except race, were sent to real estate agencies at close intervals to pose as home seekers. When the treatment of these individuals was compared, it was found that blacks and Hispanics were more likely than whites to be told no housing was available in their price range. They were also steered to different neighborhoods and were less likely to receive information or assistance in completing the housing transaction.

Assuming that they succeed in finding a house to buy, minority home buyers are likely to face discrimination when they try to arrange financing. A 1992 study by the Boston Federal Reserve Bank showed that African American applicants were 60 percent more likely than white applicants to be denied mortgage credit. Although there is controversy over the dimensions of this problem, the consensus is that discrimination in mortgage lending persists. According to Michael A. Stegman, formerly the assistant secretary for policy development and research at HUD, "lending discrimination remains a serious problem in the home mortgage industry."

Wilhelmina Leigh, a Joint Center economist, notes that discrimination in mortgage lending primarily affects the marginal applicant. "Lenders do not turn down minority applicants with unblemished credentials," Leigh says. "However, most potential borrowers, white and black, have credentials that are less than perfect. Lenders seem to attribute greater creditworthiness to the marginal potential borrower who is white than to the marginal potential borrower who belongs to a racial/ethnic minority group."

To address these problems, the Secretary of HUD has established housing goals for the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae) in connection with their purchase of single family and multifamily home mortgages. Without a secondary mortgage market, a bank or mortgage company that lent money to a home buyer would have those funds tied up for the length of the mortgage, thus limiting the funds available for new lending. With a secondary market, the bank or mortgage company could sell the mortgage to other investors and use the proceeds to finance other home purchases. Freddie Mac and Fannie Mae create this secondary mortgage market by buying mortgages from banks. Because they are major participants in this market, their purchase decisions influence the decisions of lenders about what types of loans to make.

By establishing ambitious goals for Freddie Mac and Fannie Mae, HUD hopes to expand housing opportunities for working-class and very-low-income families and for families in underserved communities. The HUD goals are expressed as a percentage of dwelling units financed. In 1996, the HUD goal was that 21 percent of the dwelling units financed by Fannie Mae and Freddie Mac would be either in low-income neighborhoods or in neighborhoods with a minority population greater than 30 percent. Both agencies exceeded the HUD target. Twenty-eight percent of the dwelling units financed by Fannie Mae and 25 percent of those financed by Freddie Mac in 1996 were in the targeted areas. For the period 1997 to 1999, the HUD target is 24 percent.

Another tactic to increase home ownership is to expand the use of sweat equity. To allow sweat equity to play a larger role, Mitchell Ratner, editor of *Cityscape*'s March issue, urges strategies such as reduced fees, technical assistance for low-income owner-builders, and a streamlined process for permits and approvals. Habitat for Humanity International offers one model. With more than 1,400 affiliates across the nation and worldwide, Habitat for Humanity works in partnership with communities to build homes and sell them to low-income families. In the U.S., homeowner-candidates are required to donate 500 hours of sweat equity as part of their contribution to the purchase of their homes. Minority ownership could also be increased if similar subsidies, low down payment options, and low interest rates for single family homes were available for condominiums and cooperative apartments.

Given the benefits of home ownership to communities, expanding the percentage of African Americans who own their own homes should remain a goal for policy makers. Greater flexibility in financing is one step in this direction. However, without increases in black family incomes, this strategy will have a limited impact. Says Mitchell Ratner, "No leniency in financing criteria or down payment guidelines can compensate for housing prices that are far beyond a household's means." ■