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# A Conversation with President Obama: A Dialogue About Poverty, Race, And Class in Black America

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# A Conversation with President Obama: A Dialogue about Poverty, Race, and Class in Black America

JOSEPH KARL GRANT\*

INTRODUCTION.....	26
I. HOUSING IN BLACK AMERICA .....	31
II. EDUCATION IN BLACK AMERICA.....	35
III. EMPLOYMENT IN BLACK AMERICA.....	38
IV. ACCESS TO CAPITAL IN BLACK AMERICA.....	40
CONCLUSION .....	45

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\* Associate Professor of Law, Capital University School of Law. J.D., 1998, Duke University School of Law; A.B., 1995, Brown University. I thank my parents, siblings, and family for their steadfast support and encouragement. I dedicate this manuscript to my deceased family members who paved the way for me, directly or indirectly. I wish to acknowledge and thank all of the individuals who participated in the LatCrit XV Conference, held in October 2010, hosted by the University of Denver School of Law. I participated on a panel entitled “*What Happens to the Least Among Us? The Economic Crisis’ Impact on Small Businesses, Nonprofits, and Community Redevelopment.*” This article is an outgrowth of the comments that I delivered on that panel. I thank my fellow panelists: Professors Regina Burch (Capital University School of Law), Danne Johnson (Oklahoma City University School of Law), and Patience Crowder (University of Tulsa College of Law) for their thoughtful comments and feedback. I want to extend a special thank you to Orlando Martínez-García for encouraging me to prepare a manuscript memorializing the essential comments that I delivered as a panelist.

## INTRODUCTION

The date is November 13, 2012.<sup>1</sup> Just mere days ago, I received the invitation of a lifetime. Last night, I arrived in Washington, D.C. I am staying in the Hay-Adams Hotel on the third floor. I still cannot believe the extent of my life's journey. I have just been summoned to the White House by second term President-elect Barack Obama, who defeated Mitt Romney, the Republican nominee for President on November 6, 2012. The 2012 Presidential Election was a hard-fought battle between Barack Obama on the Democratic side, and Mitt Romney on Republican side. The election was a like the Rumble in the Jungle between Muhammad Ali and George Foreman.<sup>2</sup> President Obama employed a rope-a-dope style of fighting against Mitt Romney early in the 2012 campaign, lying on the ropes. Then, after Labor Day, he came off of the ropes fighting and scored a decisive knockout victory. This shocked the pundits who wrote his Presidency off after the heartbreaking Democratic defeats in the 2010 Midterm Elections.

The 2012 Election proved to be momentous for President Obama on other fronts as well. The Democrats have narrowly regained the majority in the House of Representatives, which they lost so badly in the 2010 Midterm Congressional Elections. In the Senate, Democrats have regained a filibuster proof 60-member majority. For progressives, the road to 2012 was not easy—it was an arduous path fraught with peril. In the two years since the Midterm Congressional Elections, President Obama found himself clinging to his Presidency by a thread.

Bolstered by the Tea Party and Sarah Palin, Mitt Romney ran a divisive campaign centered on race and class themes. Romney's repeated rhetorical promise and stump speech punch line was the

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1. All dates and events in this narrative are fictional. Including Mitt Romney, Sarah Palin, President Barack Obama, and including Professor Grant. Any relationship between real persons and fictionalized characters is merely coincidence and is unintended. I have taken a form of creative license with the events and characters portrayed in this narrative. No children or animals were harmed in writing this narrative. This narrative stands as a tribute, and is inspired by the work of the late Professor Derrick Bell, Professor Richard Delgado, and my former law professor, the late Professor Jerome McCristal Culp, Jr. I was particularly inspired by Jerome McCristal Culp Jr., *The Michael Jackson Pill: Equality, Race, and Culture*, 92 MICH. L. REV. 2613 (1994). I also gained inspiration from young and bright voices in the legal academy. See Caprice L. Roberts, *Jurisdiction Stripping in Three Acts: A Three String Serenade*, 51 VILL. L. REV. 593 (2006).

2. *Muhammad Ali vs. George Foreman – Rumble in the Jungle*, BOXING-MEMORABILIA.COM, <http://www.boxing-memorabilia.com/bioforeman.htm> (last visited November 9, 2010).

following: “I promise to take back our country for R-E-A-L Americans.”<sup>3</sup> Thoughtful Americans began to ask simple and profound questions: “Who are R-E-A-L Americans? Is this code language or speech that encourages us to turn the clock back to our racist white supremacist past?” In the final analysis, African American, Latino, Native American, and Asian American voters were turned off by Romney’s, Palin’s, and the Tea Party’s near white supremacist rhetoric and voted for President Obama in large majorities. Fortunately, for President Obama, indicators were looking up and pointing in the right directions. President Obama’s campaign was fortified by an economy that strengthened and created jobs throughout the fall of 2011, and throughout most of 2012. In fact, the Obama Administration was able to lay claim to the fact that it created more jobs than the Clinton Administration during its first term.

With the new Democratic majority in the House and Senate, President Obama is focused like a laser on accomplishing even more goals than he did earlier in his Administration. Healthcare reform, a major accomplishment from his first term, has languished due to lack of funding from the Republican majority in the House. Additionally, healthcare reform has faced numerous legal challenges in federal courts and became a campaign issue, with the Supreme Court’s hearing of oral arguments on the issue, on the eve of election. With the new Democratic majority in place, Obama is confident that the skeleton of healthcare will now be given flesh.

Privately, President Obama has made it clear to his top advisors and confidants that he wants to tackle the one problem that has dogged American society for generations—an issue he now freely admits he avoided while in executive office. The dogged and perplexing issue is Race in America. In what we were lead to believe was a post-racial America, race has been the 800- pound gorilla in the room that many have chosen to either ignore or brush aside. As the nation’s first African American President, Obama has realized that the time to act is now; we can no longer sidestep the issue.

President Obama has invited me to the White House to discuss the issue of Race in America and to present my ideas and perspectives on solving a myriad of problems. I was just informed that President

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3. For prospective on Sarah Palin’s comments on “real America” during the 2008 presidential campaign, see generally Lyndsey Layton, *Palin Apologizes for ‘Real America’ Comments*, WASH. POST, Oct. 22, 2008, <http://www.washingtonpost.com/wp-dyn/content/article/2008/10/21/AR2008102102449.html>.

Obama will join me in ten minutes. I have decided to quickly call my parents as promised to tell them what the Oval Office looks like. I hear activity outside in the hallway, “Mom and Dad I have to go, I think the President is coming.” The door is opening—I just hung up with my parents. A tall and intelligent African American man with an unmistakable voice and aura enters the room.

*President Obama:* Excuse me—I apologize for being late. I was just finishing up a meeting with my national security team. Please sit down.

*Professor Grant:* President Obama, it is my pleasure to meet you. I am very excited and honored that you have invited me to the White House to have a conversation with you this evening. I know that we are going to have a fruitful and thought-provoking discussion.

*President Obama:* As you know, I am proud of my roots as a community organizer. I worked with some wonderful people in Chicago who inspired me and showed me the best America has to offer. I am equally proud of the time I spent as a law professor, which has made me very familiar with your scholarship on race and class issues in this country. That is why I invited you to the White House. A number of people have criticized me for not using my position as President to do enough for people of color. This evening I want to discuss in a wide-ranging conversation with you regarding poverty, race, and class in America. Beyond identification of the issues, I want to talk with you about tangible solutions that I can put forth to the next Congress—a Democratic majority I might add. I want to sit back and listen to your thoughts.

*Professor Grant:* Mr. President, when we examine the issue of poverty, I think we have to reach back and explore a Biblical proposition. Cain poses an important question to God: “Am I my brother’s keeper?”<sup>4</sup> The answer to that question is certainly a resounding “Yes.”<sup>5</sup> We all have an obligation to bolster the weakest members of our society. America at its best is a country with a charitable heart. But, Mr. President, I think that the problem of poverty in America is bifurcated.

*President Obama:* Sorry to interrupt Professor Grant. What do you mean when you say that poverty is bifurcated?

*Professor Grant:* When I say that poverty is bifurcated I am

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4. *Genesis* 4:9 (King James).

5. *Id.*

referring to the rural versus urban dimension of poverty in America. I have witnessed both types of poverty from my life experiences. As a former law professor at Appalachian School of Law, I observed rural Appalachian poverty first-hand for three years as it impacts predominantly rural white communities. Further, from the experience of my family in the Black Belt Region of Alabama<sup>6</sup> I have seen rural poverty as it affects largely rural African American communities. Finally, growing up in Cleveland, Ohio and traveling to a number of major cities, including Detroit, Chicago, Buffalo, New York City, Columbus, Cincinnati, Atlanta, Los Angeles, and St. Louis, I have been able to grasp the problem of poverty from an urban perspective. I think that there is a dichotomy between the two types of poverty: rural versus urban. No doubt, both forms of poverty are chronic and debilitating, but each takes on different dimensions.

*President Obama:* Do you plan on discussing rural or urban poverty tonight?

*Professor Grant:* Many of the plans and initiatives that I will outline tonight will tackle issues of urban poverty. Specifically, I plan on addressing initiatives that will benefit the African American community—the community I have obvious affinity for racially and culturally. I will make this disclaimer: the African American community, as you know, is not monolithic; therefore, I do not profess to speak on behalf of the entire community. I am but one man who happens to be black. My experience is unique and is not representative of all African Americans across the board.<sup>7</sup>

*President Obama:* I absolutely understand. I think this is the problem that my critics and a great deal of the American populace do not understand. I do not speak for Black America. I am the President

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6. Alabama's Black Belt Region is characterized as the "Black Belt" mainly for three reasons: (1) its dark soil; (2) its cultural geography as the slave center of Alabama during the Antebellum Period preceding the Civil War; and (3) it was the hotbed for civil rights activity during the Civil Rights Movement in the 1960s and 1970s. See generally ALABAMA BLACK BELT HERITAGE AREA, <http://www.alblackbeltheritage.com> (last visited February 28, 2011); ENCYCLOPEDIA BRITANNICA, <http://www.britannica.com/facts/5/210786/Alabama-as-discussed-in-Black-Belt-region-United-States> (last visited February 28, 2011); Terance L. Winemiller, *Black Belt Region in Alabama*, THE ENCYCLOPEDIA OF ALABAMA (Sep. 17, 2009), <http://www.encyclopediaofalabama.org/face/Article.jsp?id=h-2458>.

7. I humbly and modestly understand that I cannot speak for my own racial affinity group, African-Americans, but I hope that my observations will have some relevance and transcend with regard to issues that impact people of color in general, particularly African-Americans.

for all Americans regardless of color, gender, national origin, sexual orientation, or religious creed. I have attempted to do right by all Americans. In the politically charged arena in which I operate, people do not understand this.

*Professor Grant:* I understand Mr. President.

*President Obama:* I want to turn back to the rural versus urban poverty dichotomy once again. Can you elaborate on this?

*Professor Grant:* Mr. President, I think I can illustrate the problem through a personal example.<sup>8</sup> My parents are Great Depression babies who were born in small rural communities in Alabama. My father was born in 1933 in Forkland, and my mother was born in 1938 in Saltwell. Quite literally, tracing my roots back through both of my parents, I am only four generations removed from slavery. My parents, grandparents, and great-grandparents were born free, but my great-great-grandparents on both sides were slaves brought to Alabama in the 1820s and 1830s—from North Carolina, South Carolina, and Virginia—to work on the burgeoning cotton plantations. Our region is called the Black Belt because during the antebellum period in Marengo and Greene counties—where my parents are from—African slaves outnumbered whites sometimes 6:1 or more than 8:1 in a number of communities.<sup>9</sup> After the Civil War, many former slaves were left to fend for themselves. Ironically, many of these former children and grandchildren of slaves lived on parcels that once made up the original plantations that their ancestors farmed as slaves. To this day, the Black Belt Region has one of the highest concentrations of African Americans in Alabama. Opportunities and prospects are bleak; to obtain a decent education or job people are forced to leave the region. Indeed, seeking better opportunity, my parents left for Cleveland in the early 1960s. A number of my family members left the former slave plantations and moved to “urban plantations” where opportunities and options were also limited. The problems on the urban plantations are similar to those on the former slave plantations. Education, housing, employment, and access to capital are at best meager and at worst nonexistent on both plantations. These

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8. See generally Jerome McCristal Culp, Jr., *Autobiography and Legal Scholarship and Teaching; Finding the Me in the Legal Academy*, 77 VA. L. REV. 539 (1991). Professor Culp was my late law professor at Duke University. Professor Culp provides a wonderful and thoughtful discussion on the use of autobiography in legal scholarship and teaching.

9. See *supra* note 6 (describing history and significance of Alabama’s Black Belt Region).

environments fuel chronic unemployment, crime, and poverty. Mr. President, if you truly want to tackle the issue of poverty and race in America you have to tear down the old plantation system and start to rebuild in new and innovative ways. From my perspective, we have to explore new ideas and build a new society to advance the interests of the African American masses. I am suggesting new ways of thinking and a transformation to alleviate the innumerable issues of poverty, race, and class in the African American community.

*President Obama:* Rhetorically, Professor Grant, this sounds excellent but what are the specific areas that you suggest I address and how do I address them? As I have told the Republicans on numerous occasions, we need to have a dialogue on specifics.

*Professor Grant:* President Obama, please allow me to be blunt. If the larger African American community is to advance in the United States, we have to address four critical issues. First, I think that we need to address the issue of adequate housing. Everything starts in the home. Second, we have to address the issue of education to prepare the next generation of African Americans for entry into and productivity in the global economy. Third, Mr. President, we have to address the issue of employment. Most rational and thinking individuals who value their self-worth and dignity want a good job. Fourth, Mr. President, we have to address the issue of access to capital. We live in a world where the gap between the “haves” and the “have-nots” is ever increasing. As the journalist and social commentator Eugene Robinson has pointed out,<sup>10</sup> there are basically three classes of African-Americans: the uber rich or cultural elites that drive trends in White and Black America (like Oprah, Jay-Z, and P-Diddy), the shrinking black middle class, and finally, the chronically and rapidly increasing class of poverty-stricken African-Americans. The four critical issues that I pointed out will be the roadmap for our discussion Mr. President.

## **I. HOUSING IN BLACK AMERICA**

*President Obama:* When I entered the Oval Office on January 20, 2009, I faced one of the bleakest and most threatening financial crises in our nation’s history.<sup>11</sup> I inherited a financial mess from the Bush

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10. *See generally* EUGENE ROBINSON, *DISINTEGRATION: THE SPLINTERING OF BLACK AMERICA* (2010).

11. For perspective on President Obama’s entry into the White House in the midst of the financial crisis, *see* Rupert Cornwell, *Obama Blames Financial Crisis on*



Administration. People are quick to forget that fact. Some critics say that I bailed out the financial and auto industries. They forget that the Bailout Legislation was passed during the latter part of President Bush's term in office. When I stepped foot into my presidency, the home foreclosure crisis was as bad or worse than the home foreclosure crisis that sent our economy spiraling into the Great Depression during the 1930s. We were experiencing just as many or more bank failures than we did at the height of the Great Depression. My team helped steady the rudder. As you well know, cities like Cleveland, Detroit, Buffalo, Atlanta, Las Vegas, Phoenix, and a host of others were absolutely devastated by home foreclosures.<sup>12</sup> My Administration did its best to reverse the course. You mentioned the housing crisis in this country. What are your thoughts?

*Professor Grant:* Mr. President, as I expressed to you earlier I think that everything good in America starts in a safe and secure home. As I travel the neighborhoods in my old community in Cleveland, I see empty house after empty house, but I also see a great deal of potential and opportunity.<sup>13</sup> I think that from a public and social policy perspective you could encourage initiatives rooted in tax policy to bring about positive change for our country.

*President Obama:* What does tax policy have to do with the

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*Republican Economic Policy*, THE INDEP. (Sep. 16, 2008), <http://www.independent.co.uk/news/race-for-whitehouse/obama-blames-financial-crisis-on-republican-economic-policy-932002.html>; *Financial Crisis Complicates Obama Transition*, MSNBC.COM (Nov. 6, 2008, 7:04 PM), [http://www.msnbc.msn.com/id/27581579/ns/business-stocks\\_and\\_economy](http://www.msnbc.msn.com/id/27581579/ns/business-stocks_and_economy); *Obama Inauguration Could Take on Subdued Tone*, CNN POL. (Nov. 26, 2008), [http://articles.cnn.com/2008-11-26/politics/inauguration\\_1\\_obama-and-vice-president-elect-obama-inauguration-tone?\\_s=pm:politics](http://articles.cnn.com/2008-11-26/politics/inauguration_1_obama-and-vice-president-elect-obama-inauguration-tone?_s=pm:politics); Felix Salmon, *Market Movers: The Urgent Financial Crisis Facing Obama*, PORTFOLIO.COM (Jan. 20, 2009, 10:09 AM), <http://www.portfolio.com/views/blogs/market-movers/2009/01/20/the-urgent-financial-crisis-facing-obama>; Robert Schroeder, *Obama Will Make Economic Mark Before Jan. 20*, MARKETWATCH (Nov. 6, 2008, 9:51 PM), <http://www.marketwatch.com/story/obama-will-make-economic-mark-before-inauguration>.

12. See generally Amy Hoak, *Highest Foreclosure Rate Last Year? Las Vegas*, MARKETWATCH (Jan. 28, 2010, 1:40 PM), <http://www.marketwatch.com/story/the-20-cities-with-the-highest-foreclosure-rates-2010-01-28>.

13. The subprime crisis impacted Cleveland greatly. See Teresa Dixon Murray, *Cleveland's Subprime Loans Double National Average*, CLEVELAND.COM (Sep. 25, 2010, 10:15 AM), [http://www.cleveland.com/business/index.ssf/2010/09/clevelands\\_subprime\\_loans\\_double.html](http://www.cleveland.com/business/index.ssf/2010/09/clevelands_subprime_loans_double.html).

problem of housing and foreclosures in America? I am not completely following you Professor Grant.

*Professor Grant:* I apologize Mr. President. Please allow me to explain. For a number of years, Professor Dorothy Brown, now at Emory Law School, has written a number of thoughtful law review articles that explore how tax policy can have a social impact or effect along race, class, and gender lines.<sup>14</sup> I tend to agree with Professor Brown. Tax policy can create an incentive for citizens to act in socially desirable ways. In other words, tax policy can mold and influence social behavior. For example, in the United States if we were absolutely committed to reducing or eliminating our nation's dependence on fossil fuels, we could use tax policy. If the government provided every citizen a tax credit of, let us say, \$30,000 to \$40,000 toward the purchase of a new hybrid or electric vehicle, and no comparable tax credit toward the purchase of a gasoline powered vehicle, most rational citizens would probably purchase the new hybrid or electric vehicle to take advantage of the tax credit.

*President Obama:* Now I see your point, and you are correct. Tax policy can influence personal choices and behavior. Similarly, can tax policy assist with the foreclosure issue?

*Professor Grant:* I think that early in your Administration the new Homebuyer Tax Credit program is demonstrative of the point that I am trying to make here tonight. This program, which ended on April 30, 2010, did a great deal to stabilize the faltering new home purchase market.<sup>15</sup> I advocate the creation of a similar tax credit for investors

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14. See generally Dorothy A. Brown, *The Marriage Penalty/Bonus Debate: Legislative Issues in Black and White*, 16 N.Y.L. SCH. J. HUM. RTS. 287 (1999) (examining census data showing African-American households more likely to pay marriage penalty while white households more likely to receive marriage bonus, and presenting legislative solutions to address marriage penalty/bonus issue); Dorothy A. Brown, *Racial Equality in the Twenty-First Century; What's Tax Policy Got to Do with It?*, 21 U. ARK. LITTLE ROCK L. REV. 759 (1999) (analyzing race discrimination in labor market and suggesting changes to federal tax law to discourage labor force discrimination); Dorothy A. Brown, *The Tax Treatment of Children: Separate but Unequal*, 54 EMORY L.J. 757 (2005) (examining race based disparities of tax credits for children found in Earned Income Tax Credit and Child Tax Credit); Dorothy A. Brown, *Race and Class Matters in Tax Policy*, 107 COLUM. L. REV. 790 (2007) (examining Professor Derrick Bell's interest-convergence thesis and race and class implications of Earned Income Tax Credit); Dorothy A. Brown, *Race, Class and the Obama Tax Plan*, 86 DENV. U. L. REV. 575 (2009) (exploring impact of exclusion for employer provided pensions, mortgage interest deduction, and earned income tax credit on low-income taxpayers).

15. The homebuyer's tax credit provided \$8,000 to first-time homebuyers and

and developers who are committed to rehabilitating existing housing stock. This “rehabilitation tax credit” would reward investors and developers who purchase foreclosed or vacant blighted properties and restore them. The program should be directed toward specific communities—much like Congress did in the 1990s when it created empowerment zones. A targeted rehabilitation tax credit would work in two ways. First, upon purchase of a foreclosed or vacant property in a targeted community, the investor or developer would receive an instant \$5,000 tax credit. Secondly, upon rehabilitative project completion and rental of the foreclosed or vacant property for a documented one-year period of time, the investor or developer would then receive a tax credit in the amount of the documented rehabilitative costs. It is my feeling that such a program would go a long way toward achieving socially desirable goals, namely: full use of existing housing stock, conservation of resources, and economic utilization of available and underutilized assets.

*President Obama:* I think this is an idea worthy of further exploration. One criticism is that it will only line the pockets of rich investors or developers. How would you respond to this?

*Professor Grant:* Mr. President, there is an additional component to my plan that I think should be explored further to make it politically attractive to members on both sides of the aisle. In order to receive the “rehabilitation tax credit” lawmakers would stipulate that the investor or developer hire *bona fide* residents who reside within a certain radius of the neighborhoods where the developer purchases the homes eligible for the tax credit. The legislative stipulations could mandate that local residents be trained and hired for construction jobs that will surely be created from the extension of such a tax credit. This is a desirable outcome for any politician; it encourages the employment of local workers and creates American jobs that cannot be outsourced. At the end of the day, workers in a variety of targeted communities—hopefully communities of color—would develop and acquire useful skills. These skills could be transferred to other gainful employment opportunities designed to advance their long-term prospects. Cleveland has had these types of programs in place for years.<sup>16</sup>

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\$6,500 to repeat homebuyers. This tax credit applied where a sale contract was signed before April 30, 2010, and the purchase was completed by September 30, 2010. See generally *Home Buyer Tax Credits*, FEDERALHOUSINGTAXCREDIT.COM, <http://www.federalhousingtaxcredit.com> (last visited February 28, 2011).

16. See generally Bessie House-Soremekun, *The Impact of Minority Set-Aside*

*President Obama:* Interestingly, a number of municipalities have minority set-aside programs that aim to train and benefit workers from underserved communities. A number of my opponents will criticize by saying that I am only trying to create yet another affirmative action program. How do you respond to that sort of criticism?

*Professor Grant:* Honestly, Mr. President, I think it is time to reframe the debate in important ways. Affirmative action in this country needs to take on a new philosophical face or label. For at least the past two decades, the preeminent sociologist William Julius Wilson has been advocating for the adoption of “universalist” approaches to eradicate poverty.<sup>17</sup> Perhaps it is time to answer his unanswered call. Instead of using race as the overt measure for participation in a program, which some might dub an affirmative action system, we should start using class, poverty, or socio-economic status as the truest indicator for eligibility. Using the ideas that I have outlined as a launching pad, Congress could mandate that the investor or developer hire workers who meet predetermined poverty criteria or who exhibit certain rationally and neutrally defined socio-economic indicators.<sup>18</sup> Mr. President, I know that your time is precious, so I want to outline some of my thoughts on education in Black America.

## II. EDUCATION IN BLACK AMERICA

*President Obama:* Near the end of the lame duck session of Congress in December of 2010, I think my biggest legislative setback was the failure to pass the “Dream Act.”<sup>19</sup> Politically, more than any

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*Programs on Black Business Success in Cleveland, Ohio: Implications for Public Policy*, 30 W. NEW ENG. L. REV. 19 (2007).

17. See generally WILLIAM JULIUS WILSON, MORE THAN JUST RACE: BEING BLACK AND POOR IN THE INNER CITY (2009); WILLIAM JULIUS WILSON, THE DECLINING SIGNIFICANCE OF RACE: BLACKS AND CHANGING AMERICAN INSTITUTIONS (1978); WILLIAM JULIUS WILSON, THE TRULY DISADVANTAGED: THE INNER CITY, THE UNDERCLASS, AND PUBLIC POLICY (1987).

18. See generally Robert Ashford, *Socio-Economics: What Is Its Place in Law Practice?*, 1997 WIS. L. REV. 611 (1997); Robert Ashford, *The Binary Economics of Louis Kelso: The Promise of Universal Capitalism*, 22 RUTGERS. L.J. 3 (1990); Robert Ashford, *Using Socio-Economic and Binary Economics to Serve the Interests of Poor and Working People: What Critical Scholars Can Do to Help*, 8 SEATTLE J. FOR SOC. JUST. 173 (2009); Robert Ashford, *What Is Socio-Economics?*, 41 SAN DIEGO L. REV. 5 (2004).

19. See Melissa Sanchez & Isabel Morales, *Undocumented Students Devastated After U.S. Senate Blocks Dream Act*, THE MIAMI HERALD (Dec. 18, 2010),

singular Republican gaffe during their control of Congress these past two years, I think that failure to pass the Dream Act galvanized Latino voters in a way that paid political dividends for Democrats. With my renewed Democratic majority, I plan to stand behind my campaign promise to pass the original Dream Act that was defeated in 2010. Professor Grant, if I asked you to identify two to three initiatives that would impact the educational future of African Americans what would those initiatives look like?

*Professor Grant:* As a candidate, and as President, I know that education has been at the top of your policy agenda. You have tried to foster initiatives to make college more affordable. First, I would take your measures a step further; we need to make undergraduate college education a top priority to serve our long-term national interests. I would offer free undergraduate education to young Americans who volunteer, at a minimum, two years to public interest organizations designed to support and enhance their community. This initiative would function like a domestic Peace Corps. As a final component, I would encourage Congress to extend student loan reduction and forgiveness programs for college graduates who commit to public service immediately after completion of their college education. In a sense, service to your nation would guarantee those who want it a free college education at a public institution.

*President Obama:* This is a great idea. We have to invest in our best resource—our human capital. What would be second on your education agenda?

*Professor Grant:* I would not forget the critical and necessary role that Historically Black Colleges and Universities (“HBCUs”) have played throughout our nation’s history in molding and forging our leaders, thinkers, and innovators.<sup>20</sup> As the son of HBCU graduates, I would encourage Congress to increase federal funding to HBCUs. I

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<http://www.miamiherald.com/2010/12/18/1979676/undocumented-students-devastated.html>. The Dream Act would have granted legal status to thousands of undocumented students. In a 55-41 vote, the Dream Act was stalled and failed to receive the 60 votes needed to move the bill to the Senate floor. *Id.*

20. HBCUs exist in 20 states (Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia), the District of Columbia, and the U.S. Virgin Islands. See generally *White House Initiative on Historically Black Colleges and Universities*, U.S. DEP’T OF EDUC., <http://www2.ed.gov/about/inits/list/whhbcu/edlite-list.html#list> (last visited February 28, 2011) for a complete list of HBCUs by state or territory.

would encourage all HBCUs to expand their courses of study and to seek university status to take advantage of federal research dollars and funding. We should not forget our HBCUs.

*President Obama:* What would be your third and final educational initiative for African Americans?

*Professor Grant:* My third initiative relates back to the role of HBCUs, and their linkage to middle and high school education. Simply put, we cannot forget about the African American student pipeline and adequate educational preparation for college. In terms of pipeline development, to keep our nation competitive in the global economy we have to fund and encourage science, technology, engineering, and math education (“STEM”).<sup>21</sup> As part of expanded federal funding initiatives at HBCUs, it is imperative to foster STEM education at the middle school and high school levels. HBCUs should be encouraged to create STEM-based middle and high schools on their primary campuses, or through satellite campuses. This would put them in a better position to pipeline prepared students into their collegiate educational programs. Finally, we have to focus on mentoring and encouraging young African American women to enter science, technology, engineering, and math professions.

*President Obama:* I am a firm believer that America has one of the best public and private undergraduate educational systems in the world. Our challenges for this generation and future generations—to remain competitive in the global economy—will be to manage and contain costs and access to educational opportunities. Better education leads to better jobs, and better jobs leads to a better economy and competitiveness for our fair nation in the global economy. We cannot take our position and economic status for granted. If we lose focus of education in this nation, we will slip further down the rungs of the ladder economically. The 2010 Midterm Election sent me a clear message: Americans were frustrated about their employment and job prospects. I am more focused on becoming the President who creates jobs. My Administration has been successful on this front. Early in my Administration, at the height of the financial crisis, African American unemployment was vastly higher than white unemployment. This was a sore spot for me. Each month when I pour over unemployment

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21. Columbus, Ohio has had a STEM school based on the Ohio State University campus for several years now. See Carrie Ghose, *Columbus Getting 2 More STEM Schools as Part of Statewide Push*, BUS. FIRST (Apr. 28, 2008, 12:00 AM), <http://www.bizjournals.com/columbus/stories/2008/04/28/story7.html>.

numbers I see that the gap still exists. I want to talk about employment in the African American community.

### III. EMPLOYMENT IN BLACK AMERICA

*President Obama:* As a candidate in my first election, I focused on being perceived as the “green” candidate. I have tried to create more green jobs than any other President. I want to extend the green job revolution started in my first Administration to the African American community. What can I do about employment in the African American community?

*Professor Grant:* As an average citizen, Mr. President, I cannot express to you the disappointment I have experienced in my lifetime in seeing the decimation of the American manufacturing economy. We are a country that manufactures very little any more. This is perplexing—how did the United States switch from being one of the top manufacturing economies in the world to a consumer-based economy? If you want to extend the green jobs revolution that you engendered I think that you again have to turn to tax policy to accomplish desirable social outcomes.

*President Obama:* Be more specific. Expand on your point.

*Professor Grant:* Congress should consider expanding tax credits and incentives to investors and capitalists who target the creation of green jobs in America. Taking a socio-economic approach, if a company creates a new job and employs a person from a socio-economically disadvantaged population in an industry that promotes green technology or innovation, the company becomes eligible to receive a tax credit of an amount Congress deems appropriate. I think we should take this a step further. We have to encourage the return of manufacturing jobs to this country through the use of tax policy. Congress would be wise to explore tax credits and incentives for individuals and entities that create smaller scale “micro-manufacturing” jobs in urban communities.<sup>22</sup> As you are well aware, a number of cities have taken vacant and blighted land to create urban farms and hydroponic farming operations.<sup>23</sup> Cleveland,<sup>24</sup> Pittsburgh,<sup>25</sup>

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22. Writing for *Wired* magazine, Clive Thompson has addressed the micromanufacturing revolution. See generally Clive Thompson, *Clive Thompson on the Revolution in Micromanufacturing*, WIREDMAG. (Feb. 23, 2009), [http://www.wired.com/techbiz/people/magazine/17-03/st\\_thompson](http://www.wired.com/techbiz/people/magazine/17-03/st_thompson).

23. New York City has a rooftop hydroponic farm that yields 30 tons of produce

and Milwaukee<sup>26</sup> have taken the lead in fostering urban farming. Tax policy can encourage similar initiatives on a larger scale in more urban communities. These are all socially optimal outcomes that tax policy can encourage.

*President Obama:* Before we move on, do you have any other thoughts on employment in the African American community? Your ideas might gain some traction.

*Professor Grant:* One of my final ideas on employment in the African American community relates back to where we started our discussion—the problem of the urban plantation. My final thought on employment in the African American community centers on the need for reform in our criminal justice or penal system.

*President Obama:* How could penal reform relate to employment in the African American community?

*Professor Grant:* As you know, because of conditions on our urban plantations, we have more African American males navigating through our criminal justice system, either on trial, in jail, or on probation, than enrolled in college. Prison is big business in our nation. We have to address recidivism and philosophies of punishment in our criminal justice system. Young African American males returning to society from prison cannot easily find employment because they have felony criminal records making them unemployable. Prison instead of punishment has become a training ground for criminals; it is in a sense a graduate school to hone and sharpen anti-social skills. The educational system has failed many of the African American males who find themselves in prison. As a compassionate nation we have to undergo a paradigm shift. As a proposal to address the problem of employment in the segment of the African American community that has been to prison, including males and females, I believe that it is

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annually. See Jerry James Stone, *New York City's First Rooftop Hydroponic Farm to Yields 30 Tons of Produce Annually*, TREEHUGGER (June 16, 2009), <http://www.treehugger.com/files/2009/06/new-yorks-city-first-rooftop-hydroponic-farm-to-yield-30-tons-of-produce-annually.php>.

24. See generally Mark Gillispie, *New \$1.1 Million Program to Create Urban Farms in Cleveland's Kinsman Neighborhood*, CLEVELAND.COM (Oct. 27, 2010, 6:31 PM), [http://blog.cleveland.com/metro/2010/10/new\\_program\\_to\\_create.html](http://blog.cleveland.com/metro/2010/10/new_program_to_create.html).

25. See generally Len Barcoucky, *County Urban Farm Effort Expands in Second Year*, PITTSBURGH POST-GAZETTE (Feb. 17, 2011), <http://www.post-gazette.com/pg/11048/1125916-57.stm>.

26. See generally *Urban Agriculture in Milwaukee – Growing Power*, SCIENCE FRIDAY (May 13, 2008), <http://www.sciencefriday.com/newsbriefs/read/174>.



imperative we rethink the prison experience. We have an obligation as a society to prepare former prisoners for reentry into society through workplace reentry programs.

*President Obama:* This is intriguing—go ahead.

*Professor Grant:* Taking this thought a step further, I would encourage legislators to implement sentencing guidelines that encourage educational or vocational training in prison. For non-violent offenders, I would encourage programs that allow convicts to reduce their sentences by reasonable amounts of time upon successful completion of educational and vocational training programs. Again, I think that we could use tax policy to encourage creation of tax credits and incentives for employers that hire recently released felony convicts. Instead of allowing prison to become a training ground for future criminal activity, we have to shift the focus and incentivize convicts to seek out educational training opportunities that will further their futures as productive members of society. Undoubtedly, this is a paradigm shift that we must consider. The prison-industrial complex is stealing the future of our African American youth, and the future of our nation.

#### **IV. ACCESS TO CAPITAL IN BLACK AMERICA**

One of the President's staffers enters the room and whispers a message into the President's ear. The staffer has a large stack of papers in a folder with her. The President begins to examine the papers. The staffer then presents several of the documents to the President for signature. This exchange takes about ten minutes.

*President Obama:* I apologize for the interruption. My staffer was briefing me on several important issues. She informed me that my national security team needs me to sit in on a briefing on an important matter in the next 30 minutes. That gives us about 15 minutes longer to talk. I have enjoyed talking to you about housing, education, and employment in Black America. I am anxious to hear your thoughts on access to capital in Black America. As you know, I have pushed the Small Business Administration to make more loans to diverse populations during my first term. We need to make access to capital more available to communities of color. This is a big concern of mine.

*Professor Grant:* I agree with you Mr. President. I wholeheartedly believe that the struggle to gain access to capital, and fully participate in the American economy, is the incomplete phase of

the Civil Rights Movement for African Americans in this country.<sup>27</sup> African Americans have made enormous strides socially and politically.<sup>28</sup> We need to push the movement forward and seek economic empowerment.<sup>29</sup> I think this would be Dr. King's focus.<sup>30</sup> Our community needs to figure out how to create jobs and opportunities. Many African Americans have grown rich over the years, but on a whole our community has not acquired and consolidated wealth. There is a distinction.

*President Obama:* Chris Rock talks about this in his comedy routine.<sup>31</sup> I love how Chris Rock talks about Shaquille O'Neal being rich.<sup>32</sup> He goes on to make a distinction by referring to the man who signs Shaq's check as being wealthy.<sup>33</sup> Chris Rock is right—there is a difference. This provides wonderful social commentary.

*Professor Grant:* (After a moment of prolonged laughter). I think you are correct Mr. President. I love Chris Rock. In his comedy routines, he speaks the truth. Chris Rock also encourages Black America to invest in the right assets.<sup>34</sup> We need to invest in businesses, and not consumer goods.<sup>35</sup> The Small Business Administration could do a better job of reaching out to African American business owners and lawyers to conduct free business and capital formation classes and seminars. A number of African American churches have economic empowerment ministries.<sup>36</sup> It would be wise for the Small Business

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27. I expressed this view on January 18, 2010, in delivering comments in a talk entitled "The Intersection of Corporate Law and Race in America" as part of Capital University's Martin Luther King Day of Learning.

28. Roland Martin made this point in his January 18, 2010 keynote address at Capital University's Martin Luther King Day of Learning. See Chris Bournea, *Martin Challenges Racial Stereotypes During Capital Address*, BNET, [http://findarticles.com/p/news-articles/call-post-all-ohio-edition/mi\\_8089/is\\_20100127/martin-challenges-racial-stereotypes-capital/ai\\_n50823918/](http://findarticles.com/p/news-articles/call-post-all-ohio-edition/mi_8089/is_20100127/martin-challenges-racial-stereotypes-capital/ai_n50823918/) (last visited February 28, 2011).

29. *Id.*

30. *Id.*

31. CHRIS ROCK, NEVER SCARED (HBO Video 2004).

32. *Id.*

33. *Id.*

34. *Id.*

35. *Id.*

36. Emmanuel Baptist Church in Brooklyn, New York has a wonderful business affairs and economic development ministry that is representative of the type of ministry at a number of other African-American churches nationwide. See generally *EBC Connects: About EBC*, EMMANUEL BAPTIST CHURCH, <http://www.ebconnects.com/about-ebc/> (last visited February 28, 2011).

Administration to partner with churches in the African American community to spread the word on business and capital formation.<sup>37</sup> Knowledge and education are keys if our community is keen on consolidating wealth.

*President Obama:* I think you have a good point. I am going to talk to the head of the Small Business Administration about strengthening our outreach programs to the African American community. As you know, we already have a microloan program, but it is not specifically targeted to African Americans.<sup>38</sup> I will also make it a priority that we pledge and lend more money to African American start-up businesses. Undoubtedly, small businesses are the cogs that drive our economy. The failure of our economy in recent years is symptomatic of the failure of small businesses as a whole. What other thoughts do you have?

*Professor Grant:* I was struck by a concept a few years ago. Dr. Muhammad Yunus, a Bangladeshi professor and founder of Grameen Bank, won the Nobel Peace Prize in 2006 for successfully developing and bringing forward the idea of micro-lending or micro-credit.<sup>39</sup> Private enterprise is essential in order to attack poverty.<sup>40</sup> This idea has worked with great success in Africa, Asia, and other parts of the

37. The Small Business Administration offers a rather extensive local counseling and mentoring network of small business development centers, and partnerships with organizations like SCORE, and Veterans Business Outreach Centers. I am specifically suggesting that the Small Business Administration pursue partnership opportunities with large African-American churches as a way to reach the African-American community.

38. The Small Business Administration has a microloan program in place that makes short-term loans to small businesses. *See generally Microloan Program*, U.S. SMALL BUS. ADMIN., <http://www.sba.gov/content/microloan-program> (last visited February 28, 2011). These microloans can be used for providing working capital, purchasing inventory and supplies, purchasing furniture and fixtures, and purchasing machinery and equipment. *Id.* Microloan proceeds cannot be used to pay existing debts or to purchase real estate. The microloan program is administered in select locations in most states through participating intermediaries. *Id.*

39. *See generally* Anand Giridharadas & Keith Bradsher, *Microloan Pioneer and His Bank Win Nobel Peace Prize*, N.Y. TIMES, Oct. 13, 2006, <http://www.nytimes.com/2006/10/13/business/14nobelend.html>.

40. The Nobel Peace Prize award to Dr. Yunus and the Grameen Bank marked the first time that a profit-making business was awarded the prize. "The selection seemed to embody two connected ideas that are gaining ground among development experts: that attacking poverty is essential to peace, and that private enterprise is essential to attacking poverty." *Id.*

developing world.<sup>41</sup> Conceptually, we need to consider doing the same thing in the United States. We should incentivize the creation of private microloan pools that target business creation in African American and other communities of color. Amazingly, in a number of cases it only takes a small amount of money to create a business opportunity that enriches an individual, a family, and then a whole community.<sup>42</sup> This has been demonstrated in the developing world. Creditors and debtors experience a form of mutuality and become invested in one another.<sup>43</sup> Private citizens can start and administer microloan pools in their own communities.<sup>44</sup> As you well know, empowerment starts at the community or grassroots level and works its way up.

*President Obama:* I like this idea. We have to think beyond the box. Over the years our discussion and debate on many of the issues you have focused on has been rhetorically charged and empty. We have to borrow ideas where they have worked. I would be open to this proposal.

*Professor Grant:* I have one final idea on capital formation that I think will work to benefit the African American community. I know that I am pressed for time because you have a meeting to attend. I will be brief.

*President Obama:* Go ahead. We are okay. However, I know that my staff might pop back in at any moment.

*Professor Grant:* Thank you sir. I think it is a wise idea to forge

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41. Imitators around the world have been inspired by the success of the Grameen Bank. *Id.*

42. The first loan Dr. Yunus made in 1974 was to a rural woman totaling \$27 from his own pocket. *Id.*

43. When the Grameen Bank was formally founded in 1983, Dr. Yunus adopted one signature loan-making innovation: borrowers had to take loans out in groups of five, with each borrower guaranteeing the debt of the other. "Thus, in place of the hold that banks have on wealthier borrowers who do not pay their debts—foreclosure and a low credit rating—Grameen depends on an incentive at least as powerful for poor villagers, the threat of being shamed before neighbors and relatives." *Id.* As of 2006, the Grameen Bank had 6.6 million borrowers who paid back 98.5 percent of their loans. *Id.*

44. As mentioned previously, many have duplicated the example and success of the Grameen Bank. An Internet search yields many examples. See *Kiva: Featured Loans*, KIVA, <http://www.kiva.org/lend> (last visited February 28, 2011); *Accion: Helping Millions Help Themselves*, ACCION INT'L, [http://www.accion.org/?gclid=CivX8M2FrKcCFRVx5Qod\\_wypDw](http://www.accion.org/?gclid=CivX8M2FrKcCFRVx5Qod_wypDw) (last visited February 28, 2011); *Money Talks*, MICROPLACE, <https://www.microplace.com> (last visited February 28, 2011); *Omidyar-Tufts Microfinance Fund*, TUFTS UNIV., <http://www.tufts.edu/microfinancefund> (last visited February 28, 2011).

public-private partnerships that could benefit our nation. Let me give you an example from Ohio. We have a public-private partnership, known as the Ohio Third Frontier, designed to fund research and development and start-up businesses.<sup>45</sup> The Ohio Third Frontier program is a \$2.3 billion initiative that began in 2002 and was extended in May 2010 through 2015 as a result of a ballot initiative.<sup>46</sup> We can create public-private opportunities that foster and engender start-up businesses in innovative technologies that will sustain and extend our economic competitive advantage. In the type of initiative that I envision, the public and private entities involved would operate on a 2:1 cost share ratio. For example, a private venture capitalist would raise \$10 million, and in return would receive \$20 million of matching public funds. The idea is to create jobs, commercialize technologies, and extend innovative businesses that in turn benefit the community. The Third Frontier program has created over 60,000 jobs since its inception, with an average salary of \$66,000.<sup>47</sup> Could you imagine a public-private partnership that would target job creation for socio-economically disadvantaged communities—especially African Americans, Latinos, and other people of color? The benefit and outcome would be immense. We can replicate this idea on a national level. In the aftermath of World War II, we created the Marshall Plan to rebuild Europe. In a sense, we need a Marshall Plan to rebuild urban America.

Just as I was finishing my thought the President's staffer returned to remind the President about his national security meeting.

*President Obama:* As you can see, my staff member is here to collect me. I am known for not being on time. My staff has done an excellent job of breaking me of old habits. I must get going to the briefing room. I am sorry that we have to end this way. I have thoroughly enjoyed talking to you Professor Grant. We will continue the dialogue and discussion. I will make sure that my legislative staff members contact you shortly to get the ball rolling on some of these initiatives. I am serious about using my position as President this term to bring about positive change in the African American community. If our country is to truly live up to its promise we have to tackle the issues of poverty, race, and class in America. This triumvirate

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45. See generally *Ohio Third Frontier*, OHIO.GOV, [www.thirdfrontier.com](http://www.thirdfrontier.com) (last visited December 31, 2010).

46. *Id.*

47. *Id.*

especially affects the lives of African Americans. I will work to improve these conditions. Again, thank you for taking the time to sit down with me.

*Professor Grant:* Mr. President, *thank you.* I am so grateful and honored to have had this opportunity to discuss issues with you that mean a great deal to me. I will carry this conversation forward the rest of my life. I will not hold you any longer Mr. President. I sincerely hope that we can gain some traction on the issues and problems facing African Americans and work toward meaningful solutions. Again, thank you for your time.

### CONCLUSION

My conversation with President Obama spanned roughly two hours. We talked about a number of issues in this fruitful dialogue. Most importantly for me, I was able to convey my thoughts on a subset of the myriad of problems and solutions facing the African-American community. President Obama was everything that I imagined: thoughtful, compassionate, and a good listener. Undoubtedly, time passes too quickly in our relatively short and fast-paced lives. I experienced a conversation like no other. This is a conversation I will never forget. I thank you President Obama—thank you for listening and acting on the concerns that I pointed out.

