

IMPACT CONFERENCE 2017

REID TEMPLE AME CHURCH

**B. DOYLE MITCHELL JR.
PRESIDENT & CEO,
INDUSTRIAL BANK
JULY 22, 2017**

Social action through Black business development and community partnerships.

PERSONAL AND BANK BACKGROUND

- **Born in Washington, D.C.**
- **Currently a Prince George's County resident**
- **Paternal grandfather founded Industrial Bank in 1934 – Third generation**
- **Mother was a music teacher in D.C. public schools for 30 years**
- **Bank was founded in the Shaw/LeDroit Park area of Washington, D.C.**
- **Started working in the Bank at age 16 – Circulated in every department**
- **The Bank is \$400 million in total assets;**
- **A full service Community Bank and CDFI**
- **Industrial Bank is black owned (MDI)**
- **5th Largest black bank in the country**
- **8th Oldest black bank**

ECONOMIC WORDS OF WISDOM

“People cannot get a hold of money-or at least cannot keep hold of it-who have not learned to exercise self-control. They must be able to say ‘No.’ “

“Persons cannot get hold of money without learning to exercise economy, without learning to make everything go just as far as it is possible to make it go.”

■ Marcus Garvey

Proverbs 25:28 “He that hath no rule over his own spirit is like a city that is broken down, and without walls.”

ECONOMICS DEFINED

Wikipedia: Economics is "a social science concerned chiefly with description and analysis of the production, distribution, and consumption of goods and services".

Economics focuses on the behavior and interactions of economic agents and how economies work. Microeconomics examines the behavior of basic elements in the economy, including individual agents and markets, their interactions, and the outcomes of interactions. Individual agents may include, for example, households, firms, buyers, and sellers.

Merriam-Webster: Social science concerned chiefly with description and analysis of the production, distribution, and consumption of goods and services.

Tulsa, Oklahoma in the late 1800's thru the early 1920's there were over 600 successful businesses. Among these were 21 churches, 21 restaurants, 30 grocery stores and two movie theaters, plus a hospital, a bank, a post office, libraries, schools, law offices, a half dozen private airplanes and even a bus system. The dollar circulated 36 to 100 times, sometimes taking a year for currency to leave the community.

This environment was common in many places across the country including Durham, North Carolina.

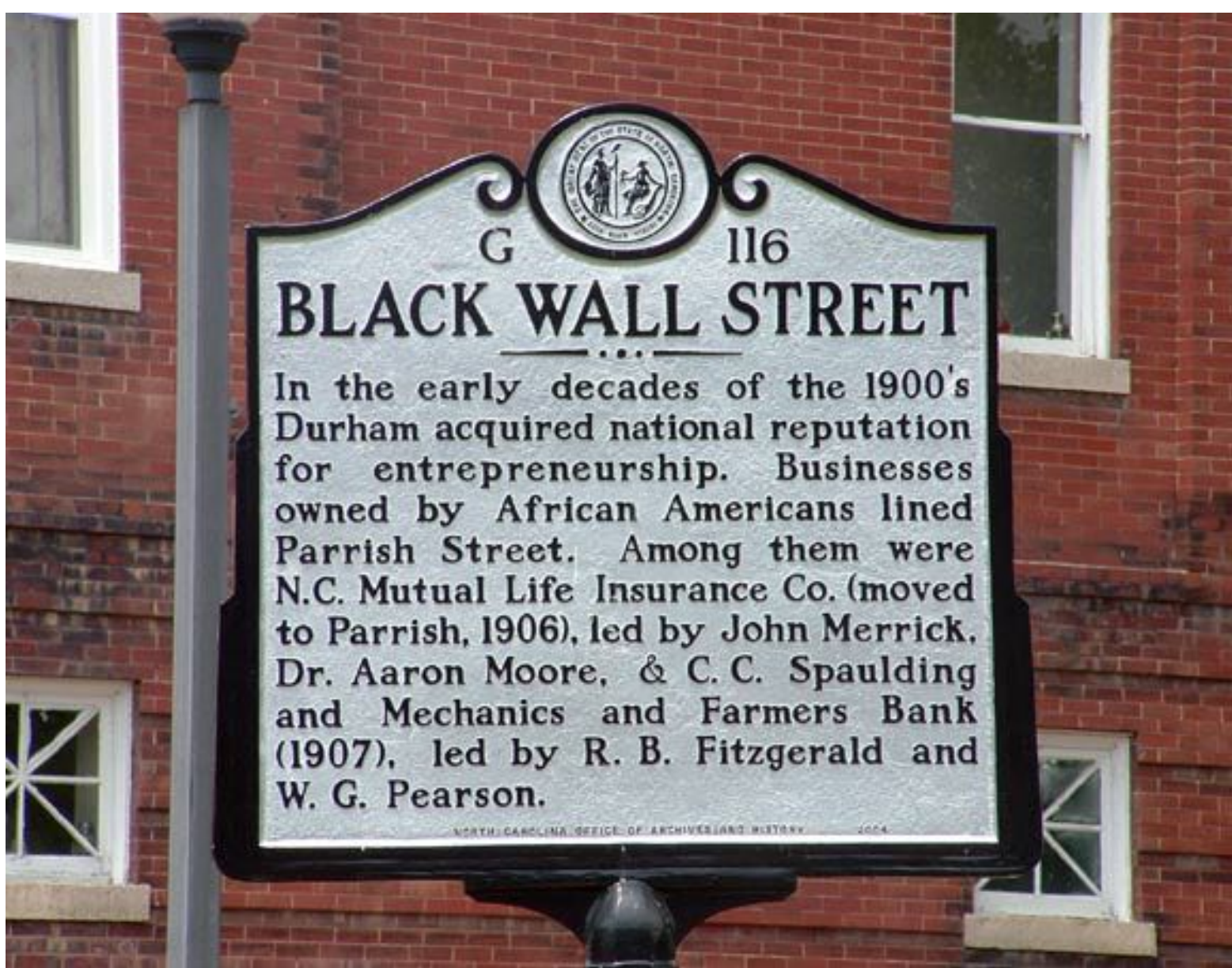
In the 1930s grocery stores were the largest category of black owned businesses with the number of stores totaling 6,339. The number of black owned banks reached nearly 100.

BLACK WALL STREET

1900-1905



**600 – BUSINESSES / 21 – CHURCHES / 21 – RESTAURANTS
30 – GROCERY STORES / 2 – MOVIE THEATRES / 6 – PRIVATE AIRPLANES
PLUS A HOSPITAL, A BANK, A POST OFFICE, SCHOOLS, LIBRARIES, LAW OFFICES
AND EVEN A BUS SYSTEM !!!**



STATE OF BLACK BUSINESSES NOW

- In 2000, there were only 19 full service black owned grocery stores.
- In 1994 there were only 54 black banks. Today, there are only 22.
- Other black owned retail businesses continue to decline in numbers nationwide.

SIZE AND NUMBER DIFFERENTIAL OF MINORITY BANKS (IN TOTAL ASSETS)

- 75 Asian or Pacific Islander American
 - 39 Hispanic American
 - 22 African American
 - 18 Native or Alaskan Native American
-
- 12 Asian banks over \$1 billion. The largest is \$35 billion in total assets. Three over \$5 billion.
 - 12 Hispanic banks over \$1 billion. Largest is \$31 billion. Six over \$5 billion.
 - 0 African American banks over \$1 billion.
 - 22 African American banks combined total assets is only \$4.9 billion.

Where you bank...Matters!

WHY MINORITY BANKS?

According to the FDIC Minority Depository Institutions Study released in 2014, minority banks provide credit to minority borrowers, pound for pound, in exponentially greater proportions than non-minority banks and large banks.

WHAT'S THE POTENTIAL?

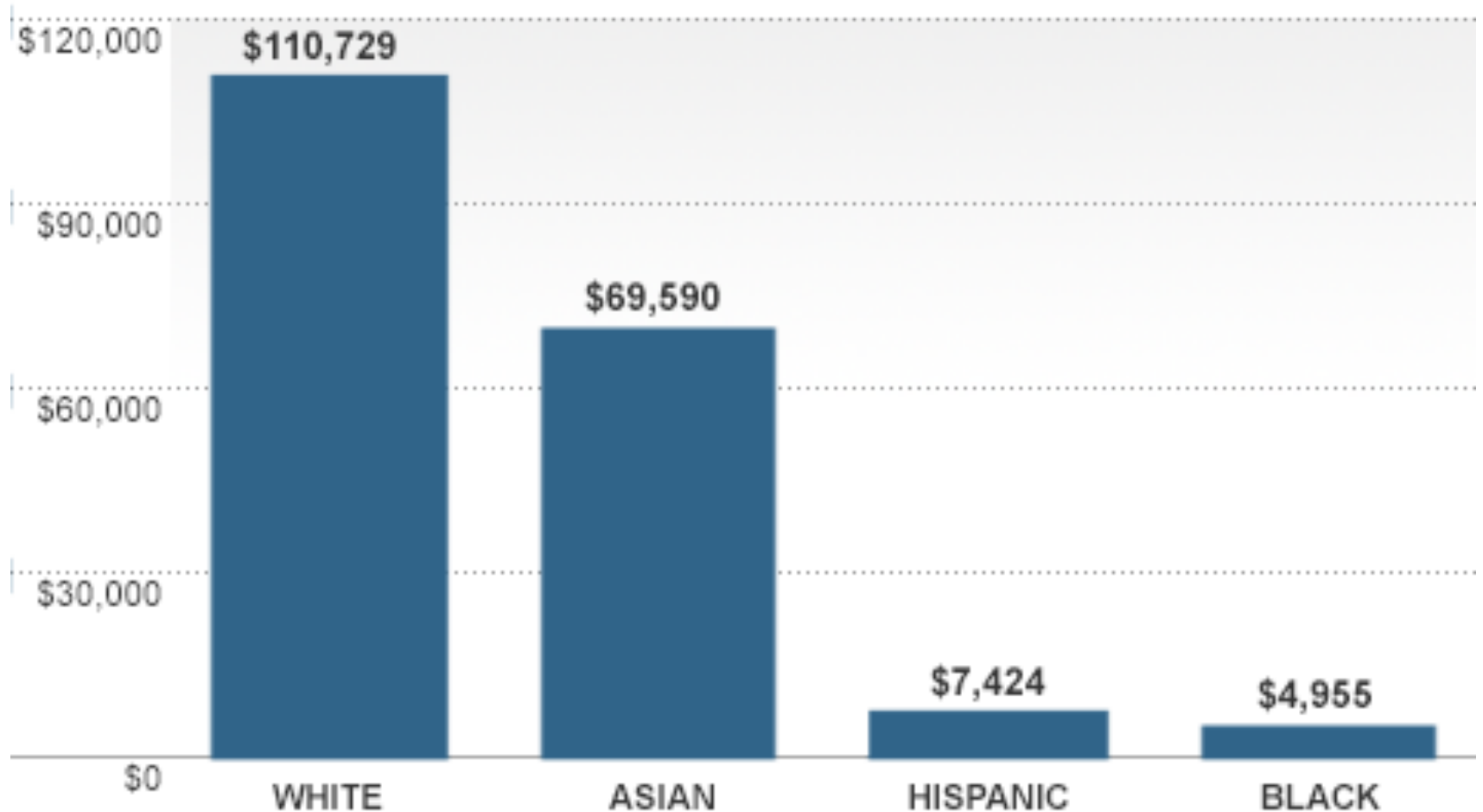
Rank	Country	GDP in Millions (\$)
1	<u>United States</u>	18,569,100
—	<u>European Union^[n 1][19]</u>	16,408,364
2	<u>China^[n 2]</u>	11,218,281
3	<u>Japan</u>	4,938,644
4	<u>Germany</u>	3,466,639
5	<u>United Kingdom</u>	2,629,188
6	<u>France</u>	2,463,222
7	<u>India</u>	2,256,397
8	<u>Italy</u>	1,850,735
9	<u>Brazil</u>	1,798,622
10	<u>Canada</u>	1,529,224
11	<u>South Korea</u>	1,411,246
Black GDP \$1.3 Trillion		
12	<u>Russia^[n 3]</u>	1,280,731
13	<u>Australia</u>	1,258,978
14	<u>Spain</u>	1,232,597
15	<u>Mexico</u>	1,046,002
16	<u>Indonesia</u>	932,448
17	<u>Turkey</u>	857,429
18	<u>Netherlands</u>	771,163
19	<u>Switzerland</u>	659,850
20	<u>Saudi Arabia</u>	639,617

WHY DOES ALL *THIS* MATTER?

Answer: Wealth and Health!

- 1. Blacks have higher unemployment rates**
- 2. Lower Household income**
- 3. Lower household net worth**
- 4. Lower education levels**
- 5. Higher incarcerations rates**
- 6. Higher incidents of poorer health**

RACIAL WEALTH GAP



SOURCE: CENSUS BUREAU

Percentage distribution of associate's degrees and bachelor's degrees conferred to U.S. citizens by degree-granting postsecondary institutions, by race/ethnicity and sex: 2012–13



Source: Department of Education

Incarceration Rates In The U.S. By Race, Ethnicity, And Gender

<u>Group</u> <u>Pop.</u>	<u>% of Tot.Pop.</u>	<u>% of Fed. Incarcerated</u>
Non-Hispanic White	63.70%	25.00%
Hispanic or Latino	9.10%	33.80%
African American	12.20%	37.60%
Asian American	4.80%	1.50%
Native American	1.10%	2.00%
Male	49.20%	93.30%
Female	50.80%	

HEALTH AND HEALTHCARE

According to the World Health Organization (WHO), the United States spent more on health care per capita (\$8,608), and more on health care as percentage of its GDP (17.2%), than any other nation in 2011.

The Financial Impact of Improved Health Behaviors

- Health and wealth are related in many different ways..... there is the sheer cost of unhealthy habits. Eliminate a \$10 a day smoking or junk food habit, for example, and you can save \$3,650 annually, plus interest. That's just the immediate savings.
- A typical non-smoker's net worth has been found to be about 50% higher than that of light smokers and about twice the level of heavy smokers.
- An increasing number of employers are requiring employees who smoke to pay higher health insurance premiums than nonsmokers. In some twenty states without smoker-protection laws, workers can be fired for refusing to quit smoking.
- Healthy people (nonsmokers and those in normal weight ranges) pay lower premiums (preferred rates) for life insurance...
- Inactivity has been estimated to cost between \$670 to \$1,125 per person per year.

Financial security and health are strongly related to personal happiness and to one another. The ancient philosopher, Virgil, was once quoted as saying, "The greatest wealth is health." In other words, health is as much of an "investment" as stocks or bonds.

SO WHAT'S THE GOAL?

The goal is to build God's kingdom and strengthen our communities through creating, building, and growing thriving Black businesses over time.

1 Timothy 5:8

“But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel.”

HOW DO WE AFFECT SOCIAL CHANGE IN OUR COMMUNITIES?

Social change flows from spiritual, physical, and financial change. Change in each category is essential to building God's kingdom. Becoming born again is the first essential step. Improving health is another important step and prospering financially leads to supplying resources to care for the "church" and for greater outreach.

It takes resources to spread the gospel.

Malachi 3:10

"Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the LORD of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that *there shall not be room enough to receive it.*"

More Jobs → More Money → More Tithes and Offerings → More Social Change

HOW DO OTHER ETHNIC GROUPS CREATE JOBS IN *THEIR* COMMUNITIES?

- **They leverage their buying (spending) power within their communities by supporting their businesses and non-profit organizations.**

One dollar circulates...

- ✓ 28 days in the Asian community
- ✓ 19 days in the Jewish community
- ✓ 17 days in the white community
- ✓ 7 days in the Hispanic community
- ✓ .25 days (or six hours) in the Black community

We get paid on Friday at 5:00 p.m. and every dollar has left the black community by 11:00 p.m.

HOW OTHERS CREATE JOBS IN THEIR COMMUNITIES

- They exercise discipline in spending, saving, debt and investing their resources.

Proverbs 25:28 “He that *hath* no rule over his own spirit *is like* a city *that is* broken down, *and* without walls.”

- They transfer wealth, including businesses to future generations.

Proverbs 13:22 “A good *man* leaveth an inheritance to his children's children: and the wealth of the sinner *is* laid up for the just.”

EXAMPLES OF WEALTH TRANSFER MULTI-GENERATIONAL (FAMILY) BUSINESSES

- Mars, Inc. – 1911 (candy, Milky Way) Three**
- Koch Industries – 1940s (variety of businesses)**
- Ford Motor Co. – 1903 (auto industry) largest family controlled**
- Anheuser-Busch – 1860s (brewery)**
- Rockefellers – 1800s (Standard Oil) at least Four generations**
- Marriott Family – 1927 (restaurants, hotels) Two, possibly Three generations**
- Industrial Bank – 1934 (financial services) Three generations**

Over 1,000 community banks in the U.S. are owned by multi-generational families!

HOW OTHERS CREATE JOBS IN THEIR COMMUNITIES

- **Invest in their businesses**
- **Patronize their businesses**

According to Kellogg Business School, African Americans spend only 2-5% of their income with black businesses.

If African Americans increase their spending from 3% to 10%, we can create nearly 1,000,000 new jobs, almost overnight! That's a lot of young black men no longer on the streets of DC, Maryland, Baltimore, Ferguson, Detroit, Compton, Chicago or anywhere else.

HOW DO WE PATRONIZE BLACK BUSINESSES; WHAT DOES IT TAKE?

- **Do your research...Look for every opportunity to spend your money locally and with a black owned business.**
- **Commit to a long term willingness to patronize black owned businesses...Don't just patronize one time and never return.**
- **We must be a more selfless, instead of selfish.**
- **Be patient, considerate and willing to compromise. Just because small businesses don't have the capacity to deliver and package the way large chains do...doesn't mean there is a lack in quality.**
- **We must keep the vision of the long term goal/view in mind.**

EASY FIRST STEPS

- **There are plenty of black service professionals such as accountants, lawyers, architects, insurance agents, real estate agents, doctors, landscapers, electricians, plumbers, mechanics, etc. that you can use or switch to immediately.**
- **Most professional services have associations where you can identify professionals near you i.e. NAREB, National Association of Real Estate Brokers if you want to buy or sell a home. Finance it by calling Industrial Bank.**

WHAT ARE THE NEXT STEPS?

- Find black owned businesses.
- Patronize them.

If you have a good experience, tell the owner/manager and then tell as many others as you can.

If you have a challenging experience, politely tell the owner/manager of your experience, and commit to still using them.

- Never Complain to anyone about your bad experience.
- Always share your good experiences!

RETAIL BUSINESSES ARE HARDER TO FIND

However, there are black associations for almost every business!

- **For Example: National Association of Black McDonald's Operators Association (NBMOA.ORG)**
- **The association can show you where the black stores are located. If there are no black owned stores in your area, plan a trip to the black franchise store and buy a supply of gift cards. Redeem them over time at the locations near you.**
- **Share with others your discovery of newly found black businesses. Make it fun.**
- **Start a referral group. Within an email chain, share the names and locations of black businesses you find. Remember your commitment.**
- **Make your efforts sustainable.**

WHAT TO EXPECT

If you have never been a small business owner, then chances are you underappreciate the challenges they face. Since retailers have grown in size like WalMart and Cosco, we generally expect all businesses to be able to compete on the same level.

WHAT TO EXPECT

Here are some things to understand about small businesses.

- **Small businesses sometimes have higher prices because they can't buy in bulk the way larger companies can. They are unable to take advantage of volume discounts.**
- **African American individuals have less access to credit and black businesses are no different, maybe even worse.**
- **Black businesses have less capital invested in their businesses; small businesses may have less inventory.**
- **Some may have to pay their suppliers COD because they have no supplier credit terms.**
- **Suppliers may raise prices without notice or reason.**
- **It takes time to develop brand recognition. Often it takes a long time unless it is a franchise.**
- **Be patient and remain committed!**

Galatians 6:9: "And let us not be weary in well doing, for in due season we shall reap, if we faint not."

DO SOME HOMEWORK

- **Do some work. Do your own search online for black businesses to use or purchase from. It's very fulfilling to find them and be able to say that you bought something from a black owned business.**
- **Dont forget to use the U.S. Black Chamber of Commerce as a resources. There are over 100 black chambers around the country. Share them with relatives in other states and download their business locator app called "USBC Directory" from the app store.**
- **National Bankers Association (nationalbankers.org) as well as www.fdic.gov has a list of all black banks (MDIs) around the country. Make sure you encourage relatives in other parts of the country to open accounts and apply for loans at other black banks.**

ORGANIZATIONS THAT PROMOTE BLACK BUSINESSES

Name	Website	Social Media
Society of Young Revolutionaires	http://soyrevolutionaries.wixsite.com/soyr	Facebook; Instagram: @soyrinfo
HBCU WallStreet	http://hbcuwallstreet.com/	Twitter: @hbcuwallstreet; Instagram: @hbcuwallstreet; Facebook
The Black UpStart	theblackupstart.com	Facebook:, Twitter @theblackupstart; Instagram theblackupstart
We Bank Black We Buy Black	http://www.webuyblackwebankblack.com/	Instagram webankblackwebuyblack
Bank Black USA	https://www.bankblackusa.org/	Instagram: bankblackusa; Facebook: bankblackusa
BuyBlack365	https://www.letsbuyblack365.com/	Instagram: lestbuyblack365; Facebook letsbuyblack365
DMV Podcast	no website	Instagram: dmvpodcast; Facebook dmvpodcast
We Buy Black	https://webuyblack.com/	Instagram: webuyblack.com; Facebook webuyblack
Buy Black Economics	https://buytheblock.org	Instagram: buyblackeconomics; Facebook Buy Black Economics; Twitter @bbeconomics
Official Black Wall Street	https://officialblackwallstreet.com/	Instagram: officialblackwallstreet Facebook Black Wall Street; Twitter @officialblackwallstreet
The Black Mall	http://theblackmall.com/	Instagram: theblackmall; Facebook The Black Mall; Twitter @TheBlackMall
I Am Black Business (this is a directory of black businesses)	https://iamblackbusiness.com/	Instagram: iamblackbiz; Facebook iamblackbiz Directory; Twitter @iamblackbiz
Black Business Connect	https://www.blackbusinessconnect.org/	Instagram: blackbusinessconnect
Buy Black Movement	www.buyblackmovement.com	Instagram: buyblackmovement; Facebook Buy Black Movement; Twitter @buyblackmovement
DMV Black Business Directory	http://dmvblackbusinessdirectory.com	Facebook: DMV Black Business Directory; Twitter @dmvblackbusinessdirectory; Instagram
BME Institute		

QUESTIONS?

CONNECT WITH US ON



WWW.INDUSTRIAL-BANK.COM

202-722-2000



Member
FDIC