Tough choices for tough times
By Yolanda Young

These are tough economic times, especially for African-Americans, for whom the unemployment rate is more than 10%. Alarmingly, rather than belt-tightening, the response has been to spend more.

In many poor neighborhoods, one is likely to notice satellite dishes and expensive new cars.

According to Target Market, a company that tracks black consumer spending, blacks spend a significant amount of their income on depreciable products. In 2002, the year the economy nose-dived, we spent $22.9 billion on clothes, $3.2 billion on electronics and $11.6 billion on furniture to put into homes that, in many cases, were rented.

Among our favorite purchases are cars and liquor. Blacks make up only 12% of the U.S. population, yet account for 30% of the country's Scotch consumption. Detroit, which is 80% black, is the world's No. 1 market for Cognac. So impressed was Lincoln with the $46.7 billion that blacks spent on cars that the automaker commissioned Sean "P. Diddy" Combs, the entertainment and fashion mogul, to design a limited-edition Navigator replete with six plasma screens, three DVD players and a Sony PlayStation 2.

The only area where blacks seem to be cutting back on spending is books; total purchases have gone from a high of $356 million in 2000 to $303 million in 2002.

This shortsighted behavior, motivated by a desire for instant gratification and social acceptance, comes at the expense of our future.

The National Urban League's "State of Black America 2004" report found that fewer than 50% of black families owned their homes compared with more than 70% of whites.

According to published reports, the Ariel Mutual Funds/Charles Schwab 2003 Black Investor Survey found that when comparing households where blacks and whites had roughly the same household incomes, whites saved nearly 20% more each month for retirement, and 30% of African-Americans
earning $100,000 a year had less than $5,000 in retirement savings. While 79% of whites invest in the stock market, only 61% of African-Americans do.

Certainly, higher rates of unemployment, income disparity and credit discrimination are financial impediments to the economic vitality of blacks, but so are our consumer tastes.

By finding the courage to change our spending habits, we might be surprised at how far the $631 billion we now earn might take us.

*Yolanda Young's next book is SPADE: A Critical Look at Black America.*

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It’s Tough Choices day! Tonight we’re having a loose theme around filthy lucre as a nod of acknowledgement to yesterday’s Budget. What happened with that, by the way? Tough times for Tough Choices - the last broadcast for the foreseeable future due to the station moving premises. So, let me say see ya with some power-pop, disco, blues, country gospel, western boogie, Weegie jazz and many more from the likes of Blancmange, Canned Heat, The Tamlins and even Ocean Colour Scene! Now THERE’s a surprise. If you listen to the end there’s a gentle beauty of an electro-treat for you to treasure too. (That’s your cue, Wilson) 20:30-22:00 GMT, Thursday. Radio West Fife online.