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By Lionel Foster

Baltimore

Ten years ago, Thomas Young, was languishing in a dead-end job manufacturing glass bottles at a factory here.

"It was almost like I was a slave," says Mr. Young, now 36, of his position as a machine operator. "I had no skills, so I was stuck."

He had dropped out of college and accepted the \$36,000 salary so that he could support his first child, but after seven years of boredom and frustration, he needed a change. He took a job at the customer-service desk of the University of Maryland Medical Center and enrolled in a nine-month surgical-technician training program sponsored by the nonprofit Empower Baltimore Management Corporation, receiving full-time wages at the hospital while working just 20 hours per week and attending classes.

In 2006, he enrolled in the medical center's registered-nurse training program. He graduated in May 2008 and works as a nurse at the same hospital, making close to \$80,000 a year.

Some of Baltimore's most influential business and nonprofit leaders are convinced that stories of black residents like Mr. Young are critical to the city's economic future. So they are working to provide financial mobility for thousands of families with a \$200,000-per-year effort called More in the Middle, a project unveiled by Associated Black Charities last year that is designed to increase and stabilize Baltimore's black middle class.

The need for such an effort is stark: The per capita income of the city's white residents (\$25,139) is nearly twice that of its black ones (\$13,123), according to an analysis of U.S. Census data by the Baltimore Neighborhood Indicators Alliance.

More in the Middle is working to close this gap with job training, financial literacy, home-foreclosure prevention, and other programs designed primarily to aid the city's black residents. The effort is meant to pull thousands of families out of poverty and prevent thousands of others from losing their financial footing.

"For African-Americans and other minorities, it's no given that you're going to stay in the middle class, especially in this economy," says Diane Bell-McKoy, president of Associated Black Charities.

### 'Disconnected by Race'

The process that led to More in the Middle began in 2004 when the heads of the Abell Foundation, Annie E. Casey Foundation, Enterprise Community Partners, the *Greater Baltimore Committee*, and Harbor Bank of Maryland sent a letter to more than 50 of their peers asking the following question: What is the missing link preventing Baltimore from undergoing an economic renaissance?

After the city's manufacturing industries began declining in the 1960s, Baltimore lost 28 percent of its population between 1970 and 2000, according to the U.S. Census Bureau. But with new investments — like a \$1.8-billion biotechnology park — the nonprofit and business leaders said they saw reasons for guarded optimism.

The Annie E. Casey Foundation helped pull together a group of local grant makers and civic leaders to consider Baltimore's potential economic renewal. A summary report, presented to the group by researchers at the Brookings Institution, a think tank in Washington, pointed out that, because two-thirds of Baltimore's population is black, "building a larger African-American middle class in Baltimore will be key to the city's — and region's — future competitiveness."

Ms. Bell-McKoy, who was then president of Empower Baltimore, recalls that "I said to the group, 'Baltimore is disconnected from greatness because it is disconnected by race.'"

But she and others feared that an effort specifically to help blacks could never gain the white support it needed.

She credits Douglas Nelson, president of the Annie E. Casey Foundation, with persuading her and others to tackle the issue head-on.

"There were some folks who were a little squeamish about being straightforward about the obstacles to success that our history as a nation has made for African-Americans," says Mr. Nelson, who is white. "But that was the only way of formulating the challenge."

According to Mr. Nelson, the group working on More in the Middle focused on two themes: poverty and family welfare. As they looked at statistics on income, wealth, and homeownership, says Mr. Nelson, the size of the racial disparities was astounding. "By some measures there was a ten-to-one differential in wealth between white and black households," he says.

In 2004, Ms. Bell-McKoy became a senior fellow at the Annie E. Casey Foundation, working exclusively on More in the Middle, and she moved the program under the Associated Black Charities banner after she became leader of that organization in the fall of 2006.

### Sobering Statistics

Much of More in the Middle's work to date has involved gathering data on Baltimore's economic performance. Taken together, the numbers reveal Baltimore as a low-income city in a middle-income metropolitan area:

\* Within the city limits, low-income households are in the majority (nearly 54 percent), but that number drops to just under 41 percent for the rest of the surrounding metropolitan area, according to an analysis of U.S. Census data conducted by the Baltimore Neighborhood Indicators Alliance.

\* Baltimore ranked 95th out of the 100 largest cities in the percentage of black adults with high-school

diplomas.

\* White Baltimoreans are nearly three times more likely to earn a bachelor's degree than their black counterparts, according to census data.

So the question for More in the Middle organizers became, what would happen if a greater segment of Baltimore's largest racial group could reach and maintain a position in the city's middle-income bracket?

Such a movement, concluded a 2006 report by the Sage Policy Group, an economic and policy consulting firm in Baltimore, hired to conduct this analysis, "would utterly transform the city's economic, social, and governmental landscape."

With more financially stable residents and communities, the report said, city government could potentially cut the \$1-billion it spends annually on justice, public safety, and human services by nearly 40 percent.

### In Collaboration

More in the Middle is now using the data it gathered to press local leaders to make changes.

Thomas E. Wilcox, president of the Baltimore Community Foundation, credits Ms. Bell-McKoy with helping the foundation develop its current set of nine grant-making priorities. "More in the Middle falls into two of those specifically," he says, "promoting diversity and promoting Baltimore."

The board of Live Baltimore, a nonprofit organization that promotes the city and its housing opportunities to potential new residents, approved last year a collaboration with Associated Black Charities on More in the Middle as part of its strategic plan.

In some of the first small steps of this collaboration, Live Baltimore plans to incorporate more photos of black people on its Web site, and add profiles of neighborhoods that are predominantly black to its directory.

Last May, Associated Black Charities secured an additional \$450,000 from Empower Baltimore to go door-to-door educating vulnerable homeowners on how to prevent foreclosure, a project separate from More in the Middle that nevertheless complements its goals.

Also as part of the More in the Middle program, Associated Black Charities is working with the Baltimore Cash Campaign, a financial-literacy organization, to provide tax services and financial-planning advice to low-income residents throughout the city.

Other planned programs include a business "incubator" that will provide opportunities for black and white entrepreneurs to meet and share advice on business development, and will work with employers to design customized job-training programs, like the two that proved so useful for Mr. Young.

### Setting Agendas

The success of More in the Middle will not necessarily require a complete restructuring of local government, nonprofit, and business priorities, Ms. Bell-McKoy says.

"We're not asking anyone to do anything different," she says. "We're asking people to do things in a very intentional way, if it fits in with their agenda."

But considering the scope of Baltimore's economic challenges, not everyone is enthusiastic about projects that try to help just one racial group.

"I approve wholeheartedly of More in the Middle," says Stephen Walters, a professor of economics at Loyola

College in Maryland, in Baltimore. "I just want to do it wholesale instead of retail."

Mr. Walters cites Baltimore's property-tax rate as a drag on private income and desperately needed investment capital. At just under 2.3 percent, it is more than twice that of the next-costliest Maryland jurisdiction.

"If you really care about economic opportunity for the working class, you should be a capitalist," says Mr. Walters. "If you don't, then you're just picking up the pieces and helping people cope with their poverty."

But while Mr. Walters is convinced that a rising economic tide would benefit all Baltimore residents, others are not so sure. Kim Burnett, program director for community revitalization at the Surdna Foundation, in New York, considers More in the Middle a model for the rest of the country because it provides an opportunity for jurisdictions everywhere to think critically about exactly who belongs to the middle class in their respective areas and how to grow that segment of the population.

"We talk generically about the middle class," says Ms. Burnett. "It's obviously not working. When you begin to understand, 'Who is this fragile middle class in your city?' you can ask what strategies will help."

#### Government Help Needed

Craig Howard, director of community and economic development at the John D. and Catherine T. MacArthur Foundation, in Chicago, says that efforts like More in the Middle to strengthen the middle class and foster mixed-income neighborhoods are worthwhile, but he worries that the newest members of that income bracket may be among those hardest hit by the nation's mortgage crisis.

Margaret Simms, director of the Low Income Working Families project at the Urban Institute, a think tank in Washington, cautions that, particularly when it comes to bolstering career prospects for thousands of Baltimore's underemployed, More in the Middle will need a long-term strategy and help from government if it is to be successful.

Although she does not expect to see any direct money for More in the Middle from the \$787-billion economic-stimulus package signed this month by President Obama, Ms. Bell-McKoy is hopeful about what the money could do for minority contractors working on infrastructure projects, and people in need of job training. "This could be an opportunity to target the resources, and focus on those persons who, with increased skills and training, could be part of the knowledge economy in the future," she says.

She emphasizes the need for a long-term, holistic approach when explaining More in the Middle to potential supporters, in part because of how long blacks were denied economic equality.

"Education, for example, is crucial to economic advancement," says Ms. Bell-McKoy. "Keeping that in mind, if you recognize that *Brown v. Board of Education* — — the 1954 Supreme Court ruling mandating an end to segregation in public schools — — "was passed just 54 years ago, we still have a long way to go. The odds don't even up quickly for people of color to gain wealth, and the odds are further crippled by isolated, segregated communities."

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***Highlights: Greater Baltimore Committee***