

# Black Business Development

FRED C. ALLVINE

An urgent social problem of special interest to marketing people is discussed in this article.

Until recently blacks have primarily operated marginal businesses not particularly attractive to outsiders. Now, one of the thrusts of the black community is business development. Blacks are interested in owning and operating more substantial retailing and light manufacturing businesses. Plans are being made by blacks to develop a wide variety of businesses. The extent to which blacks will succeed in their undertaking depends heavily upon the response of the white business community.

THE demands and objectives of Afro-Americans have continually changed during the last 15 years. When signs indicated conditions relating to one problem were improving, new objectives were formulated. Gradually social problems such as the right to vote, poor and restricted housing, and substandard education were supplemented with economic programs. More jobs and improved advancement opportunities were the central economic objectives.

The economic goals of the blacks have been enlarged within the last two years. A new objective was presented at the meeting of the Urban Coalition in Washington, D.C. during the summer of 1968. Employment was no longer the number one priority issue. It was displaced with the need to create opportunities for blacks to own and manage their own businesses. This attitude was also expressed during the Senate Small Business Committee Hearing in Newark and Harlem.<sup>1</sup> Furthermore, Richard Nixon sensed this development when he was campaigning for the presidency and made black entrepreneurship a central point in his program for dealing with the racial problem.

The growing black interest in business represents a new environmental condition that has affected, and will continue to affect, the operations of many businesses. Those nonblack companies feeling threatened, or those already adversely affected, tend to believe that the blacks are following high-handed techniques and are turning to extortion. Yet, the blacks believe that their cause is just and that they have been patient too long.

Looking beyond the emotional aspects of these contrasting points of view, the nonblack companies involved should be searching for the most effective way to adapt to the new environmental challenge. To make appropriate adjustments, the affected companies will find it helpful to understand the black point of view, the direction of black business development, and the factors limiting the emergence of the black economic community.

## The Black Business Void

Black businessmen have had so many obstacles in their way that relatively few of them have succeeded in the more important types of businesses. For example, as of 1968 surveys indicated that

- Blacks held only seven of the 17,500 authorized automobile dealerships.
- The total assets of all black-owned insurance companies was 0.2% of the industry.

*Journal of Marketing*, Vol. 34 (April, 1970), pp. 1-7.

<sup>1</sup>"Enterprise," *City* (July-August, 1968), p. 3.

TABLE 1  
ALL BUSINESSES IN THE KENWOOD-OAKLAND  
AREA IN CHICAGO—1969\*

<i>Black-Dominated Businesses</i>		
<i>Black</i>	<i>Category</i>	<i>White</i>
30	Barber Shop and Beauty Parlor	
19	Eating Establishment	2
14	Lounge and Tavern	2
14	Repair Shop	
6	Service Station	
4	Store Front Church	
4	Funeral Home	
2	Clothing	1
2	Record Shop	
2	Pool Hall	
13	Miscellaneous	
110		5
<i>Black- and White-Shared Businesses</i>		
15	Dry Cleaning and Laundry	11
7	Small Grocery	6
22		17
<i>White-Dominated Businesses</i>		
	Laundromat	9
1	Liquor Store	8
	Currency Exchange	8
3	Drug Store	6
	Construction	6
2	Furniture	4
1	Real Estate	4
	Supermarkets	4
	Light Manufacturing	4
	New and Used Cars	3
	Supply Company	3
1	Hardware	2
1	Meat Market	2
1	Shoe Repair	2
	Optometrist	2
	Insurance Agency	2
	Storage Warehouse	2
	Medical Center	1
	Bank	1
	Wholesaler	1
	Miscellaneous	6
10		80
<i>Total Businesses</i>		
142	244	102

\*Survey conducted by the Kenwood-Oakland Community Organization in Chicago.

—Of the 6,000 radio stations, only eight were owned by blacks, while 108 were directly beamed at the black community.

—Blacks operated 20 of the 13,762 commercial banks with 0.2% of the industry's assets.

There were exceptions such as John H. Johnson who heads three businesses—one each in publishing, insurance, and cosmetics; Henry G. Parks, a sausage manufacturer selling \$7.5 million a year; and the Reverend Leon Sullivan who has established a business conglomerate in Philadelphia. However, such examples are few in number.<sup>2</sup>

<sup>2</sup>Milton Moskowitz, *Business and Society* (December 17, 1968), p. 1, and I.C.B.O., the Interracial Council for Business Opportunity with headquarters in New York City.

Blacks primarily operate those segregated businesses which would be difficult or unattractive for nonblacks to operate. Typically, these businesses are either too small, or involve too frequent or personal contact with blacks, to be run by nonblacks. Even in the case of the marginal type of black business, the property and building are normally owned by nonblacks.

The types of businesses operated by blacks are illustrated by a 1969 survey of businesses located in the predominantly black Kenwood-Oakland community on the south side of Chicago. Kenwood-Oakland is representative of many black communities; it is neither among the poorest nor among the most well-to-do. It is a densely populated area engulfing 52,000 people in 1.1 square miles. Within the territorial confines of this community there are 244 businesses of which 142, or 58%, are black-owned. However, the numbers do not reveal the characteristics of those businesses being operated by blacks. As shown in Table 1, the vast majority of the black-operated businesses are small, service-oriented types of establishments including barber shops and beauty parlors, repair services, service stations, lounges and eating establishments, and funeral homes.

In contrast, the nonblack businesses are generally less service-oriented with a lower labor to sales ratio. They are the relatively big businesses with a large sales volume and are the ones which tend to siphon black dollars directly out of the community. These businesses also require larger capital investment and much more sophisticated business skills. In essence, whites control the mainstream businesses; e.g., supermarkets, automobile agencies, supply companies, financial institutions, light manufacturing, contracting, and warehousing. What is left for the blacks is small and insignificant.

#### *Associated Problems*

The business void has created several problems for the black community. Leadership is not broadly based, and is primarily in the hands of the church. While the clergy has provided spiritual leadership, it has not been particularly skilled in providing the guidance required to reduce the acute economic and business problems of the black community. Business leaders are needed to complement

\* ABOUT THE AUTHOR. Fred C. Allvine is assistant professor of marketing in the Graduate School of Business Administration at Northwestern University. He received his MBA from Harvard University and his Doctorate from Indiana University.

The author is actively engaged in research on the dynamics of marketing systems. He has written articles and lectured on the role of nonprice promotion in the planning of retail strategy.



the efforts of the religious spokesmen and to lead the way in the economic community as they do in the white society.

A second problem related to the dearth of substantial black businesses is that few businesses are successful enough to serve as models of what might be accomplished through intelligent and diligent effort. The black businesses that do exist are typically the small service types of businesses and marginal product retailing establishments which have little to offer the capable and ambitious black. As a result, those blacks with the capabilities to run businesses are skirting business opportunities in the black community in favor of going into government service, teaching, or working for nonblacks.<sup>3</sup>

A third problem linked to the restricted nature of black-business development is the lack of respect for private property in the black community. The rioting, burning, and looting of business operations in the black ghetto, which started in the summer of 1964, are evidence of this problem. Most of the businesses destroyed have been white-owned. While this problem is recognizably distasteful to the larger society, the message appears to be clear: the violent elements of the black society will strike out with the slightest excuse at the private property owned by those who to them represent their oppressors.

Finally, social and political progress will be severely constrained unless blacks develop a large number of reasonably secure and independent businesses. The resulting middle class generated by such developments would be politically active and would develop and support independent political machinery.

### Black Capitalism

The approach generally being advanced for creating black businessmen and correcting the imbalance that exists is *black capitalism*. The concept of *black capitalism* was so designed that it is even endorsed by conservative whites and militant blacks. It appeals to blacks for there is growing recognition that without black capital there will be little black power. Similarly, black capitalism is acceptable to most white businessmen because they live by the capitalistic system and understand the orderly process with which change will come.

While there seems to be general support for *black capitalism*, there are still black and white leaders who are anxious over the prospects for this new program. Some fear it will lead to further exaggeration in the number of supposedly successful businesses in the black community. Others believe *black capitalism* will be directed to developing small businesses that will be swept away in the movement toward giant businesses. There is also concern it will lead to a black nationalistic spirit which will discourage outside businesses from making needed

investment in the community. Finally, there are those who believe *black capitalism* will lead to apartheid resulting in two separate economies in this country—the prosperous white and the desperate black economy.

Those blacks who advocate apartheid are very much in the minority and probably do not understand the consequences of what they are encouraging. Even many of the so-called militant blacks do not call for apartheid. What they are demanding is control over their own economic communities as other ethnic groups have, but not at the exclusion of all goods produced by blacks and whites in the giant enterprises of the U.S. They want to become the storekeepers in their own communities as are the Jewish, Italians, and Poles, and also want to engage in light manufacturing and distributing which does not require massive capital investment.

The growing black consciousness, pride, and self-respect made it possible for a number of organizations to meaningfully assist blacks in developing businesses. Some of these organizations, such as the National Business League, Interracial Council for Business Opportunity, and Operation Breadbasket, operate in the major black ghettos throughout the country. Others are much more local in scope, such as the economic development and investment corporations that have sprung up in major metropolitan areas with large black populations. Many new businesses have been started and existing businesses have been strengthened through the efforts of these organizations.

### Business Planning Analyzed

*Black capitalism* has received support from blacks and nonblacks with diverse points of view because of individual interpretations of the concept. However, differences of opinion exist as to how *black capitalism* should be implemented. Nonblacks believe the thrust of *black capitalism* will be the building of new businesses by black entrepreneurs. These new businesses would probably include small retail and service businesses, distributing operations, and light manufacturers that would sell to the ghetto; also some light manufacturers selling to nonsegregated markets.

Some black leaders are skeptical about *black capitalism* if its programs primarily involve new businesses. They reason that, first, only a very small fraction of new businesses succeed and that the rate of failure is probably even higher for black businesses. As a result, the cost of starting a few successful black businesses will be high in relation to the gains by the black community. Second, much of the money is being poured into small businesses such as restaurants, haberdasheries, service stations, painting and decorating services, which, even if they do succeed, will not amount to more than a small portion of the ghetto business. Third, they question the viability of "white capitalism" or "en-

<sup>3</sup> Same reference as footnote 1.

trepreneurship" today. In the early formation of our economic system "white capitalism" and "entrepreneurship" played a major role. However, conditions have changed and today big business, large chain operations, and multimillion-dollar companies control the thrust of most industries.

### *Transfer Ownership of Ghetto Businesses*

Those blacks who are not enthusiastic about the prospects of starting a number of viable black businesses recommend another program. They would prefer to have a large portion of the monies being appropriated for black capitalism channeled into financing buy-outs of existing businesses. These might include major U.S. corporations or ghetto businesses run by nonblacks. For example, Richard America, Jr. proposes that a cross-section of major corporations be gradually transferred from primarily white to black ownership and control.<sup>4</sup> There are many serious economic, technical, and political problems associated with this program which make it unworkable. However, the essence of America's proposal could be applied in the gradual and smooth transfer of ghetto businesses owned by nonblacks to blacks.

Most of the retail businesses run by blacks have been the smaller, highly service-oriented types of businesses (see Table 1). While this type of retailing will continue to present limited opportunities in entrepreneurship, it will serve as an apprentice-type experience for black businessmen. However, blacks are increasingly interested in the more substantial types of retail and service businesses that are traditionally run by nonblacks. Some of the more coveted businesses include automobile agencies, appliance stores, supermarkets, restaurant franchises, furniture stores, liquor stores, laundromats, and loan companies.

The aspirations of blacks to run the larger retail and service businesses are being fed by the successes of some of the first blacks who replaced nonblacks as owners of ghetto businesses. During the last three years, for example, five black automobile agencies have been established in the ghettos of Chicago. The first replacement of a nonblack by a black businessman involved a south-side Oldsmobile Agency. The black business community and general public responded to this black-owned Oldsmobile Agency, and sales appreciably increased. This success was followed by the transfer of four additional automobile agencies to black ownership.

Another example is the Purity-Supreme Stores in Boston. They decided to sell two of their ghetto stores to black-owned Freedom Foods, Inc. Since Purity wants to recover its investment, it is anxious to see Freedom Foods succeed. As a result, Purity

makes available free management consultation and has agreed to remain a source of low-cost merchandise supply as long as Freedom Foods finds the arrangement advantageous.

### *Large-scale Manufacturing and Black Businesses*

It is practically impossible for blacks to engage in a large number of manufacturing businesses that require large capital investment and a high level of sales. Nevertheless, because of growing black awareness and increasing control of their community, blacks do have opportunities to run marketing-distributive types of businesses. Instead of blacks engaging directly in manufacturing, they contract to purchase merchandise under their own brand from large-scale manufacturing businesses.

For example, a newly-formed organization is making plans to penetrate the high-volume milk markets in the black ghettos throughout the country. The principals involved have experience in the dairy industry and distribution business. They have investigated the costs associated with the processing, marketing, and distribution of milk. In addition, they have studied the reasonably successful black-owned "Joe Louis" brand milk company in Chicago that purchases its products from a large dairy processing company. From the findings, the milk syndicate was able to negotiate a good contract with a large processor for products it wanted packaged under its own label.

The plans of another group of blacks is analogous to the previous example, but instead of a perishable product, it involves small household appliances. This group of black businessmen have some expertise in the small appliance business. They intend to develop a line of products under a brand name which, like the milk product, will be symbolic to the black community, but not detrimental to sales to potential white customers. Their target markets are the appliance stores, drug stores, and supermarkets in the black ghettos of Chicago, Detroit, Cleveland, New York City, Boston, Baltimore, and Washington.

A final example involves a black marketer of soft goods. The entrepreneur in this case resigned his job as a salesman for a hosiery company after negotiating a contract with a mill house to produce quality hosiery for him under his label. Currently he is employing four salesmen who are earning from \$150 to \$200 per week. He hopes to be able to branch out into new markets in the near future.

These examples illustrate how actual and planned black businesses can associate with large-scale, capital-intensive manufacturing enterprises. Without the problems of production, these companies are relatively free to concentrate on a wide range of marketing activities, including variety and quality of product line, packaging and labeling, pricing, promotion, selling, and distributing.

<sup>4</sup>Richard F. America, Jr., "What Do You People Want?" *Harvard Business Review*, Vol. 47 (March-April, 1969), pp. 103-107.

In contrast to the private branding approach, a group of influential blacks are proposing a rather unorthodox arrangement with large-scale manufacturers. Their plans do not include the wide range of marketing activities that were involved in the cases cited. With one exception, they want manufacturers to market their products as always. The difference is that they intend to distribute the products of selected manufacturers to established retail outlets.

This planned distribution business would be tied to a black distribution center which would control the flow of certain types of products into the ghetto. Of particular interest to the blacks are the high-volume, frequently purchased products such as milk, bread, beer, cola, and newspapers. It is anticipated that many of these products would be received in trailer or boxcar loads. Similar types of products would be combined for distribution by black-owned delivery trucks to stores. The blacks believe their proposition is not unusual; in fact, they liken it to the general merchandise delivery operations existing in many cities. The primary difference is that retail operators, rather than ultimate consumers, would be the units receiving shipment.

The planned black distribution system is noteworthy because of its sponsor—the West Side Development Corporation of Chicago. This nonprofit organization was formed by five groups and is located on Chicago's predominantly black west side. These five organizations have rejected old rivalries and have banded together to present a united front to Chicago's business and economic community. While such a program may be unacceptable to white manufacturers, it is indicative of the growing black determination to become involved in businesses selling to the black community.

#### *Small-scale Manufacturing Businesses*

The previous discussion was concerned with those businesses where actual black manufacturing of products would be particularly difficult because of capital requirement, complex technical skills, or large-scale production. However, there are light manufacturing and processing businesses where these barriers do not represent too much of an obstacle. In such industries long hours, imagination, good business practices, and hard selling are the keys of business success. Examples would include industrial product firms doing aluminum and wood fabricating, electro-plating, and chemical mixing. In the consumer products field there are opportunities in food processing (sauces, bread, soft drinks, and sausage), blending of chemicals for household use (wax, bleach, and detergent), and cosmetic manufacturing (skin lotions, deodorants, and hair care products).

The plans of manufacturers in each of the three consumer products categories are illustrated by the cooperative effort of five black manufacturers having operations in Chicago. The primary products

of the five manufacturers are a lemon juice, floor wax, drain opener, pine oil, and a hand lotion. Initially, these products were sold only through the ghetto stores, but gradually distribution was increased to generally include most stores of the major chains in the greater Chicago area.

The strategy of the black manufacturers is different from most white companies with which they compete. Since the black companies cannot afford the long-run payback from advertising their products, they follow the "more for your money" approach as contrasted to the "premium product" approach. Furthermore, advertising these products does not seem to be advisable because they cannot overcome the noise level of the advertising campaigns supporting the major competitive products. What promotional dollars they have to spend are directed primarily to the trade to encourage in-store display and reduced consumer prices.

The companies producing the five products banded together during the first part of 1969 hoping to solve some of the problems they were facing. One of their objectives was a higher level of sales than could be obtained in Chicago. Individually, the companies had tried to sell their products to grocery chains outside of the Chicago market. However, for a variety of reasons their individual efforts had been rather unsuccessful.

Together they formed an organization called United Distributors, Inc. This organization was designed to be the vehicle by which the black companies could economically sell their products in large markets within a five-hundred-mile radius of Chicago. For a fee, United Distributors was to (1) sell the products to the major chains in the outlying markets; (2) handle the paper work associated with billing customers and receiving payment; (3) schedule pool shipments for lower shipping costs and better service of customers; and (4) arrange for a person to call periodically upon the stores to straighten and clean merchandise, to attempt to obtain more shelf space, and to encourage the store managers to reorder.

The five companies decided not to use the leverage approach in selling to chains in outlying markets as had been the technique employed in Chicago. However, they did not initially want to call on the buyers because of their poor experience with this level of management. As a result, an advance group was established to talk with the chief executive officers of the supermarket chains. This group explained the need for selling their products in new markets, described the characteristics and benefits of dealing with United Distributors, asked for any helpful suggestions, and encouraged questions. The meeting was concluded with a request that the executive officer encourage middle management to support and promote their products and to give them a chance to succeed. Following the liaison con-

tact appointments were made with buyers to sell their merchandise to the chains.

During the second quarter of 1969, the four major chains in both Detroit and Cleveland were contacted. All of the chains placed sizable orders for from three to five of the products. By the end of the year an effort will be made to sell to the four largest chains in the major markets within a five-hundred-mile radius of Chicago.

#### Determinants of Black Business Development

Blacks are generally enthusiastic about the new-born opportunities to enter the capitalistic system. As a result, there has been a great deal of planning by blacks. However, the extent to which plans are converted into reality depends upon the response of the larger society in three areas.

1. For blacks to become capitalists, large pools of funds must be made available under realistic conditions.
2. The business and technical skills of blacks must be developed and strengthened.
3. Larger numbers of white companies will have to support the efforts of black businesses if they are ever to develop markets for their products.

#### Capital Needs

The low level of per capita income in the black community means there is very little discretionary income that can be converted into savings. As a result, blacks do not have adequate funds to invest as risk capital in black businesses. This means blacks are unable to obtain the debt financing they need because they do not have the equity cushions which act as insurance for loans. These conditions cause a "business capital trap" that has and will continue to seriously constrain black business development unless creative programs can be found to significantly increase the capital flow into the ghetto.

The Small Business Administration is the primary government agency that is helping minority businesses obtain financing. However, for a variety of reasons, the S.B.A. is probably only an interim agency to assist black businesses. The S.B.A. record of making loans to black businesses has been very poor in an absolute and relative sense. This is due, in part, because the charter of the S.B.A. requires reasonable assurance of loan repayment. Since most blacks do not have a credit record, their loan applications are generally looked upon unfavorably. Furthermore, loans made or guaranteed by the S.B.A. require that the applicant raise 15% (the risk capital cushion) of the amount needed, which represents an insurmountable hurdle for a large number of promising black businesses. An applicant must also have adequate working capital which increases the personal investment required to start a business.

An excessive amount of "red tape" and long time delay in making loans has also reduced the effectiveness of the S.B.A. assistance. Finally, S.B.A. regulations state that loans are not ordinarily eligible for transfer of assets from one owner to another, for which there is growing need.<sup>5</sup>

As a result of these problems, proposals have been made that would bring badly needed capital into the black community. One bill introduced in the U.S. Senate last summer was the Community Self-Determination Act which would create a series of Community Development Banks. These banks would make available funds for federally chartered Community Development Corporations that would be owned by no less than 500 residents of impoverished minority communities. The community organization would act as a conglomerate-type business that could create, acquire, and manage all businesses in its community.<sup>6</sup> Implicit in the bill is the assumption that the economic development of the black community can not be effectively attacked by adaptations of conventional capitalistic machinery. While the bill at one time had the support of 25 U.S. senators, it seems to be too radical a program to be enacted into law.

The Community Credit Expansion Act was introduced in the U.S. Senate in May of this year. One of the basic differences in this bill and the Community Self-Determination Act is the source of funds that would be channeled into the ghetto. Instead of public funds, private funds would be directed into the urban ghettos and depressed rural areas. A new type of financial institution, National Development Banks, would be established for this purpose. These banks would be profit-making businesses operated as independent subsidiaries of existing banks or by independent stockholders of the Development Bank. The lending powers of the new banks would include all those of national banks, plus a number of others, including second mortgages and equity investment in business enterprises. For concentrating 80% of their loans in the ghetto, the National Development Banks would have special authorities including liberalized entry privileges, lower reserve requirements, and longer term advances.<sup>7</sup> The National Development Banks closely parallel what Theodore Cross advocates in his new book, *Black Capitalism Strategy for Business in the Ghetto*.<sup>8</sup>

A financial assistance program, analogous to that proposed by the Credit Expansion Act, would seem to have a fairly good chance of being adopted. It appears to be consistent with the political temper-

<sup>5</sup> Theodore Cross, *Black Capitalism Strategy for Business in the Ghetto* (New York: Atheneum Publishers, 1969), pp. 97-102.

<sup>6</sup> Senate Bill 3876.

<sup>7</sup> Senate Bill 2146, May 13, 1969.

<sup>8</sup> Same reference as footnote 5.

ment of the times in that it would (1) be a program implemented by private businesses rather than government agencies; (2) involve private rather than public funds; and (3) be predicated on the belief that capitalism and not socialism can be made to work in the ghetto.

### **Developing Business Skills**

Directing a capital flow into poverty areas to assist businesses is only a first step toward developing the black business potential in the ghetto. It must be supplemented by carefully thought out programs for imparting technical and managerial skills to existing and prospective black businessmen. There seems to be two types of needs:

1. Direct problem-solving assistance for the individual businessman; and
2. Educational programs to increase general business skills in the black community.

Programs by which black businessmen can call on the advice of consultants are very much needed to help young businesses overcome some basic problems and hurdles. Throughout the country volunteers from businesses, consulting companies, and schools of business have made available free assistance. The contributions of such volunteers have been very important in such areas as incorporating businesses to developing marketing programs. In addition, there has been some experience with paid consultants through programs financed by the OEO. While the cost of such programs seems high (the Chicago Economic Development Corporation budget for 1968 was \$250,000 and it consulted with business projected to do \$1,000,000 in sales), evidence indicates that the paid consultants have been able to work more closely with black businessmen than the volunteers. Regardless of whether the consultants are volunteers or paid, their efforts are invaluable in the building of black businesses.

While man-to-man or team consulting is important for dealing with the particular problems of individual businesses, a more formalized approach to developing basic business knowledge is also needed. One of the pioneering efforts in this area is the Free School of Business Management. The Cosmopolitan Chamber of Commerce of Chicago has primary responsibility for the program. Its cosponsor is the Small Business Administration. Their program consists of 16 two-hour class sessions taught by businessmen on a wide range of

subject matters. More than 800 students have attended and completed the course. Now, specially designed courses in fundamentals of business are needed, including accounting and finance, production, marketing, and personnel. One might hope that the academic community will step forward with some creative programs.

### **Buy Black Products**

The efforts put into financial assistance programs and the building of business skills will not produce maximum results unless white businesses help black businesses get started. If black businesses are restricted in their opportunities of dealing with white businesses, which control the mainstream of business in both the white and black community, many will fail. To launch a large number of black businesses, white companies will have to buy black products. In essence, they will be holding an umbrella over these infant businesses until they are strong enough to stand on their own.

The efforts of the major supermarket chains in Chicago to help black companies in producing grocery products are particularly noteworthy. For a variety of reasons the supermarket chains found that black products were not being given a real chance to succeed. As a result, each chain created a position of a black liaison man to work with the producers to help them get their products moving in the chain stores. Similarly, Ford Motor Company worked with a black company to develop a new carwash product, which they are now purchasing in thousand-case quantity. There is no doubt that Ford could have purchased a comparable product for the same price, or less, from an existing supplier with much less effort. Many more companies are needed who are willing to purchase black products and give assistance to black businesses.

### **Conclusion**

The blacks can either be shut out or brought in to the capitalistic system. Currently, the desire of blacks to participate in the free enterprise system is high. If concrete and adequate steps are taken now, the black economic community can be launched and ultimately developed to where it strengthens the overall economy. However, if white America turns its back on the ghetto or tries to prescribe unacceptable programs, the black community will continue to depress the total economic system.