

Creating Opportunities for All Americans: Obama Administration's Record and the African American Community

As President Obama told the country in his 2015 State of the Union address, the state of our union is strong. But the President also believes we need to do more than just recover from the economic crisis we just faced—a crisis that has hit the African American community especially hard. We need to restore security and opportunity for all Americans by focusing on the fundamental values that have made our economy the strongest in the world. That means working to ensure that everyone does their fair share, everyone gets a fair shake, and that hard work pays off. That's why President Obama has continued to prioritize equal rights for all Americans, and full access to the opportunities that hard working families need to reach their full potential. This has meant making health care and a college education more affordable, promoting civil rights and criminal justice reform, and championing workforce development to ensure we continue to develop and retain the strongest, most productive workforce in the world. This Administration's record includes:

Restoring Economic Security to African American Families: Businesses have added over 11 million jobs over 58 straight months of job growth. While we still have more to do, this job growth has helped bring down the African American unemployment rate by 6.4 percentage points since its peak in March 2010, as of last December. Putting Americans back to work, spurring economic growth, and restoring security for middle class families remain the President's top priorities.

- **Helping the Long-Term Unemployed Get Back to Work:** The Administration has taken steps to help more of the long-term unemployed get back to work, more than 20 percent of whom are African-American. The President unveiled a set of “best practices” being taken by leading employers — including over 80 members of the Fortune 500 and over 20 members of the Fortune 50 — around recruiting and hiring the long-term unemployed, to remove some of the barriers that make it harder for them to navigate the hiring process. The Department of Labor awarded nearly \$170 million in “Ready to Work Partnership” grants to support the best models for partnerships between employers, non-profits, and the job training system to help train and connect the long-term unemployed to work.
- **Spurring Small Dollar Loans:** Last October, the Administration announced that it would set Small Business Administration fees to zero on all loans below \$150,000. When you look at the numbers, the most significant credit gap we see is for smaller dollar loans. These lower-dollar loans often help finance new startups and entrepreneurs in underserved communities, which can include women, minorities, veterans and others. Setting fees at zero effectively makes these loans cheaper for borrowers, encouraging lending to small businesses that face the most constraints on credit access and will create lending opportunities important for underserved communities.
- **Providing Families Tax Relief:** Recognizing the importance of tax relief for working families, the President enacted – and Congress extended with bipartisan support through 2017 – significant improvements to tax credits for working families. These include expansions to the Earned Income Tax Credit (EITC), and Child Tax Credit, which strengthen work incentives and help parents afford the costs of raising a family, augmenting wages for 16 million families with 29 million children each year – including millions of African American families. Because of these improvements, a single parent working full time at the minimum wage gets an additional tax cut of about \$1,700. The President also enacted the American Opportunity Tax Credit, which helps working and middle-class families pay for college. The President's Budget proposes to make these improvements permanent. The President's proposal to expand the EITC for workers without children, including non-custodial parents, would promote and reward work for those who experience difficulty connecting to the labor force, helping 13.2 million low-income workers – including 2 million African-Americans. The President's Budget would also eliminate the biggest loopholes that let the wealthy avoid paying their fair share and reinvest those savings into new tax reforms to help the paychecks of middle-class and working families go further to cover the cost of child care, college, and a secure retirement.

- **Creating a Safe, Easy-to-Use, Starter Retirement Savings Product to Help More Families Save for Retirement:** Social Security is and must remain a rock-solid, guaranteed progressive benefit that every American can rely on, but too many Americans reach their golden years without the security they have earned through a lifetime of hard work. According to the Urban Institute, the risk of an insecure retirement is especially high for minorities: white households have six times the wealth, including retirement savings, of African Americans or Hispanics. To make it easier for families to save for retirement, the President directed the Secretary of the Treasury to develop *myRA*, a safe, easy-to-use, starter retirement savings product targeted at the millions of Americans who currently lack access to a workplace retirement plan. The President’s Budget proposes to further expand access by ensuring that small employers who newly offer a retirement plan or who start automatically enrolling workers in their plan, receive additional tax relief. For those employers who don’t offer plans, the President’s proposal requires them to provide their workers with a simple, affordable and automatic IRA savings. The President’s retirement proposals would give 30 million additional workers access to a workplace savings opportunity.
- **Protecting Families from Financial Abuses, Hidden Fees, and Deceptive Practices:** To prevent mortgage companies, credit card lenders, and payday loan companies from exploiting consumers with hidden fees and other deceptive practices, President Obama fought to pass the most far reaching Wall Street reform in history which created the Consumer Financial Protection Bureau (CFPB). The CFPB, which works to make markets for consumer financial products and services work for Americans, is also charged with enforcing fair lending laws to protect against discriminatory lending practices.
- **Making Federal Job Training Programs More Job-Driven:** Last year, the President announced that Vice President Biden would lead a review of federal training programs in order to identify and implement steps to make these programs more “job-driven”—to be responsive to the needs of employers in order to effectively place ready-to-work Americans in jobs that are available now or train them in the skills needed for better jobs. The President and Vice President announced the results of the review, including a commitment for all competitive grants to include job-driven criteria. Over \$700 million in job-driven grants were awarded last year to over 100 job-driven industry partnerships, including the Department of Labor’s CareerConnect grants to create career academies for youth, *Ready to Work Partnership Grants* for the long-term unemployed and the *Community College Job-Driven Training Grants* to support industry-education partnerships.

Expanding Access to College: President Obama has expanded access to college because every American deserves an education that equips them with the skills to find and succeed in a good-paying job.

- **Helping Students Pay For College:** By re-directing subsidies from banks to students, the Administration made key investments in students and families that allowed the maximum Pell Grant award to reach \$5,730 for the 2014-15 award year — a nearly \$1,000 increase since 2008. To make student debt affordable, the President enacted ‘Pay As You Earn’ so that struggling borrowers can limit their monthly payments to 10 percent of their income. Also, to help families cover the cost of college, the President enacted the American Opportunity Tax Credit—which is worth up to \$10,000 over four years of college, and gives a tax cut to 11.5 million families each year. The President has proposed improving the American Opportunity Tax Credit as part of his plan to simplify and better target education tax benefits, making the credit available for up to five years of college and increasing the refundable portion available to low-income students from \$1,000 to \$1,500, among other reforms.
- **Proposing Tuition-Free Community College for Responsible Students.** The President’s America’s College Promise proposal would make community college free for responsible students, enabling them to earn a certificate, an associate’s degree or up to two years’ worth of credits towards a bachelor’s degree without paying any tuition or fees. Everyone will be required to do their part: 1) states must invest more in higher education and training 2) community colleges must strengthen their programs and increase the number of students who graduate, and 3) students must take responsibility for their education, earn good grades, and stay on track to graduate. Students would continue to qualify for federal student aid (including Pell grants), which could help cover other costs of attendance, such as books, supplies, housing, and transportation. This is particularly critical for the nearly 1 million African Americans students served by America’s community colleges.

- **Improving Higher Education:** The Health Care and Education Reconciliation Act of 2010 provided \$2 billion for community colleges and other eligible institutions of higher education, including HBCUs, to improve education and career training programs. The Department of Education (ED) has awarded \$28.4 million in grants to 40 states as part of its efforts to boost college-and career readiness for historically underserved students.
- **Strengthening Historically Black Colleges and Universities (HBCUs).** In his FY2016 Budget, the President firmly reinforces the Administration's commitment to strengthening Historically Black Colleges and Universities (HBCUs). The Budget provides \$200 million for the First in the World fund, a \$120 million increase over the 2015 funding level, and sets aside 30% of the funding for Minority-Serving Institutions. The First in the World fund provides institutions of higher education, including both four-year institutions and community colleges, with funding to test promising initiatives and scale up evidence-based programs to improve college persistence and completion. HBCUs will also benefit from an increase in the TRIO program, which supports college success for low-income and first-generation students. Today, community colleges educate more African American undergraduate students than any other higher education provider. The President's proposal to make community college free will further expand access to higher education for African-American students and will directly support 12 of the Nation's HBCUs that are public community colleges. In addition, the Budget supports students at HBCUs by making sure Pell Grants keep up with inflation and ensuring student loan repayment plans continue to cap payments at 10 percent of discretionary monthly income.

Building Stronger Neighborhoods and Communities: President Obama has strengthened neighborhoods and communities, particularly in America's inner-cities.

- **Transforming Distressed Areas:** The Choice Neighborhoods program has provided over \$300 million to plan and implement the transformation of high-poverty areas, where distressed HUD-assisted housing is located, into sustainable, mixed-income neighborhoods by linking housing improvements with services, schools, transportation and access to jobs. It also expanded the Neighborhood Stabilization Program which has provided \$7 billion in funding to communities to manage the vacant and foreclosed properties.
- **Helping Americans Stay in Their Homes:** African American families have been particularly hard-hit by the housing crisis. The President has taken action to help homeowners, including expanding access to refinancing – allowing responsible borrowers to save an average of \$3,000 per year. The Administration has also taken measures to allow homeowners behind on their payments to modify their mortgages to avoid foreclosure – with more than 1.4 million borrowers having received permanent modifications through the Home Affordable Modification Program (HAMP), the Administration's cornerstone foreclosure prevention program, and millions more receiving private modifications that were modeled off of HAMP.
- **Making Owning a Home More Affordable by Cutting Mortgage Premiums.** The Federal Housing Administration (FHA) has long been an important source of financing for African American families seeking to buy their first home. In recent years, nearly half of African American home buyers used FHA to get a mortgage. Recently, the President announced a major new step to make buying a home more affordable and accessible for creditworthy families. The FHA has reduced its annual mortgage insurance premiums by 0.5 percentage point from 1.35 percent to 0.85 percent. For the typical first-time homebuyer, this reduction will translate into a \$900 reduction in their annual mortgage payment. Existing homeowners who refinance into an FHA mortgage will see similar reductions to their mortgage payments as well.
- **Increasing Community Development Financial Institutions (CDFI) Funds:** The Administration increased the CDFI budget more than 135 percent over 2008 levels, providing grants and tax credits to finance community development projects in distressed areas.

Protecting and Defending the Civil Rights of All Americans: The Administration has taken steps to protect and defend civil rights because every American deserves equal justice under the law. In the past six years DOJ's Civil Rights Division has had significant accomplishments.

- **Expanding Equal Housing Opportunity:** The recent housing crisis has adversely impacted countless communities across the nation, and predominantly minority areas have been particularly affected. DOJ's Civil Rights Division's strengthened relationships with governmental and community partners have resulted in record-breaking fair lending cases over the past four years. Since 2010, the Division has filed or resolved 35 lending discrimination matters under the Fair Housing Act, Equal Credit Opportunity Act, and Servicemembers Civil Relief Act. The settlements in these matters provide for over \$1 billion in monetary relief for impacted communities and individual borrowers.
- **Ensuring Effective, Accountable Policing:** Recognizing that there is a lack of trust between some communities and law enforcement and the difficult and dangerous job law enforcement officers do to protect and serve, the President announced a number of initiatives to address this concern.

Policing Task Force: In December 2014, the President announced the creation of a Task Force on 21st Century Policing, which will provide recommendations on what can be done to promote effective crime reduction while building community public trust. The Task Force will issue its report in March of 2015.

Police Equipment: In December 2014, the President released a Report on Federal Support for Local Law Enforcement Equipment Acquisition that noted a lack of consistency in how federal programs are structured, implemented, and audited. The Report led to the creation of a Working Group that will report back to the President in 2015 on ways to ensure proper training and that equipment is not misused or abused.

Body Cameras: The Administration is supporting the expanded use of body cameras by law enforcement, making millions of dollars available to help state and local law enforcement purchase body cameras and the resources needed to support them.

In addition, under the leadership of Attorney General Holder, DOJ's Civil Rights Division has opened more than 20 investigations in the last six fiscal years, which is more than double the previous five years, and has reached 15 settlement agreements to reform law enforcement practices (compared to none in the previous five years).

Ensuring Young People Have the Opportunity to Reach Their Full Potential: The President is expanding opportunities for all young people to succeed.

- **My Brother's Keeper:** In February 2014, the President launched the "My Brother's Keeper" (MBK) initiative to address persistent opportunity gaps faced by boys and young men of color and ensure that all young people can reach their full potential. Agencies have made significant progress implementing policy recommendations made by the interagency MBK Task Force in May, including through a policy statement on school suspension reform, a new correctional education guidance package, and a federal grant competition to expand apprenticeships. Through the My Brother's Keeper Community Challenge, more than 150 city, county, and tribal leaders are joining with diverse stakeholders to implement their own cradle-to-college-and-career strategies to ensure all youth in their communities can achieve their full potential. And businesses and philanthropies have made nearly \$300 million in commitments in response to the President's call-to-action.
- **Increasing Graduation Rates and Closing Dropout Factories:** School Improvement Grants have provided up to \$6 million per school for 1,500 schools to substantially raised student achievement. These investments have helped severely reduce the number of students, including African American students, in dropout factories, supporting a 5 percent increase in the African American graduation rate since 2008.
- **Creating the White House Initiative on Educational Excellence for African Americans:** In 2012, the White House Initiative on Educational Excellence for African Americans was established as a cross-agency effort aimed at identifying evidence-based practices that improve student achievement to help ensure that African Americans receive an education that properly prepares them for college and productive careers.

- **Improving Preschool Programs:** The Departments of Education and Health and Human Services announced the \$250 million Preschool Development Grants competition to support states in building, developing, and expanding voluntary, high-quality preschool programs in high-need communities for children from low- and moderate-income families.
- **Combatting the School to Prison Pipeline and Improving School Discipline Practices:** In 2014, ED and DOJ jointly released a School Discipline Guidance Package to clarify schools' civil rights obligations to not discriminate in the administration of school discipline and provide a set of principles to help schools improve climate and discipline practice. DOJ has entered into agreements to address racial disparities in education systems across the country.
- **Protecting all Youth in the Juvenile Justice System, and Improving the Juvenile Justice System's Response to Girls:** DOJ entered into a comprehensive agreement with a juvenile court to resolve findings of serious and systemic failures that violated children's due process and equal protection rights and address Disproportionate Minority Contact at the court. The Office of Juvenile Justice and Delinquency Prevention has also supported multiple projects to better meet the needs of girls in the juvenile justice system, a population that has grown in recent years. In 1980, girls made up 20 percent of all juvenile arrests, but by 2011, girls made up almost 30 percent of all juvenile arrests. Additionally, African American girls have a residential placement rate that is three times the rate for white girls.
- **Providing Equal Educational Opportunities to Students:** DOJ enforces desegregation orders that are in place in nearly 180 school districts, ensuring students have access to the full range of school facilities and educational programs, including honors and advanced placement courses and extracurricular activities.

Expanding Access to Affordable, Quality Health Care: Millions of African Americans have already gained coverage through Medicaid and the Health Insurance Marketplace as a result of the Affordable Care Act (ACA). One study shows that insurance coverage among non-Hispanic blacks increased by 3.8 percentage points from 2013 to the first quarter of 2014. This increase was considerably larger than 1.3 percentage point increase for the population at large.

- **Improving Preventive Care:** As a result of the ACA, 7.8 million African Americans with private insurance now have access to expanded preventive services with no cost sharing. The ACA will also help eliminate disparities that African Americans currently face both in their health and in their health care by improving the data collection and tools needed to address health disparities.
- **Reducing HIV-related disparities:** In 2010, the Obama Administration released the National HIV/AIDS Strategy, the first comprehensive national plan to address the domestic HIV/AIDS epidemic. The plan emphasizes the need to eliminate HIV-related health disparities. Since its release, one of the Strategy's major successes has been the reduction of new HIV infections in African American women by 21%.

Protecting the Health and Safety of Communities: African American and low-income communities are especially vulnerable to the effects of both pollution and extreme weather events, which are made more frequent and severe by climate change.

- **Closing Racial and Ethnic Gaps in Childhood Asthma Rates:** Asthma rates of African American children are around 16%, more than double the rate of White children in the U.S. In May 2012, the President's Task Force on Environmental Health Risks and Safety Risks to Children released a Coordinated Federal Action Plan to Reduce Racial and Ethnic Asthma Disparities to improve asthma care and health outcomes. In the two years since the launch of the Plan, EPA has supported training for about 16,000 health care providers to equip them to deliver comprehensive asthma care.
- **Cutting Carbon Pollution:** This past June, EPA announced the first-ever carbon pollution standards for existing power plants. These proposed standards will help cut carbon pollution from our power sector by 30 percent by 2030, compared to 2005 levels. These standards will also cut the pollution that causes smog and soot by over 25 percent in 2030. The first year that these standards go into effect, we'll avoid up to 100,000 asthma and 2,100 heart attacks.