



“Challenging People to Shape
a Better Future Now”

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HELEN SILVIS
Multimedia Editor

PATRICIA IRVIN
DAVID KIDD
Graphic Designer

MONICA J. FOSTER
Seattle Office Coordinator

JULIE KEEFE
SUSAN FRIED
Photographers



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415 N. Killingsworth St.,
P.O. Box 5455, Portland, OR 97228.
Telephone (503) 285-5555.
E-mail: info@theskanner.com
World Wide Web site:
<http://www.theskanner.com>
Fax: (503) 285-2900

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Dems ‘Ain’t Loyal’ to Black Voters

Rev. Jamal Bryant of Baltimore was widely criticized recently for quoting a line from a popular Chris Brown song: “Hoes Ain’t Loyal.” Bryant could have avoided controversy – and been on point – if he had instead said, “Democrats ain’t loyal.”

They ain’t, to borrow the vernacular. Although people of color comprised 45 percent of Democratic voters in 2012, less than 2 percent of the \$1.1 billion collected over a 4-year period by the three primary Democratic fundraising committees went to candidates of color – defined as U.S. residents who are African American, Latino, Asian American or Pacific Islander, or Native American – according to the “2014 Fannie Lou Hamer Report” by PowerPAC+, a national advocacy organization that helps elect progressives to office by building on the political power of the multiracial majority in America.

Actually, the Minority Business Enterprise figures are even smaller than reported because the study counted any firm that had a person of color as a principal owner, not the more commonly accepted definition requiring that they be the majority owner.

The research was compiled from Federal Election Commission reports filed by the three largest Democratic fundraising committees: the National Democratic Committee, the Democratic Congressional Campaign Committee and the Democratic Senatorial Campaign Committee.

“Even amidst the massive infusion of ‘outside’ money, the Democratic Party remains the



THE CURRY REPORT

George E. Curry

largest source of funds for Democrats seeking office (other than the Presidency). Each cycle, the Party takes in hundreds of millions of dollars and uses these funds to provide the national electoral infrastructure and support those of the states,” the report stated.

It explained, “While most of the

disbursed by the Party.”

But few of those dollars found their way to people of color.

Overall, of 285 firms receiving disbursements from the Democratic Party in the 2010 and 2012 election cycles, only 14 – or 4.9 percent – were MBE firms. Five of the MBEs were polling firms, three provided communications services and six provided political strategy services or IT.

Among the 14 firms, four of them received 87 percent of all dollars disbursed to MBEs. They were, in order, Peter D. Hart Research Associates, Inc., \$2,206,772.50 (25 percent of all MBE Research, dollars); SKD Knickerbocker, \$2,138,671 (24

Among the study’s recommendations:

- Conduct a disparity study to diagnose the problem;
- Set goals for diversifying contract awards;
- Make a plan to increase access and capacity and
- Measure progress and hold decision-makers accountable.

In 2014, the Democratic Party has no credible excuse for such poor performance. Even with an exaggerated definition of what constitutes a Minority Business Enterprise, Democrats fall short.

“... Today’s voter looks quite different from the model voter of even 50 years ago who was much more likely to be male, have a job

‘People of color were 45 percent of Democratic voters in 2012, but less than 2 percent of the \$1.1 billion collected over a 4-year period by the three primary Democratic fundraising committees went to candidates of color’

media attention falls on the mega-donors who make significant financial contributions to the Democratic Party, in the aggregate, small donors actually contribute more to the Party’s finances than do the mega-donors. Indeed, donors who made contributions of less than \$200 provided a full third of the Party’s financial resources over the past two cycles, having donated over \$371,345,529.”

According to the report, “Well over half a billion dollars was spent on these consultants over the past two election cycles, an amount that represents approximately half of the funds raised and

percent); Brilliant Corners Research, Inc., \$1,908,369.26 (22 percent) and Thoughtworks (\$1,328,464.92).

Peter D. Hart, whose firm received the most MBE dollars, is a White male. Yet, highly-respected Black pollster Ronald L. Lester received only \$45,670.00 from the Democratic Party, according to the report. Brilliant Corners, headed by Cornel Belcher, an African American, was third among MBEs with \$1.9 million. Dewey Square Group, with Minyon Moore, African American, and Maria Cardona, a Latina, on its team received only \$81,054.73, or 0.9 percent of MBE dollars.

with a union that afforded him time off to vote during the work day, and have access to an array of news sources that offered some semblance of balanced reporting on the candidates and their positions, among other things,” the report stated. “Today, women, especially those not married, form a core part of the Democratic Party’s base, as do Voters of Color. To put it bluntly, these voters are already the largest constituencies within our Party, and their influence will only increase over the coming decades.”

Read the rest online at www.theskanner.com



Debt Settlement Programs are Misleading

You’ve probably heard the advertisements on urban radio urging consumers with at least \$10,000 in debt to call a number right away for a financial rescue. Promising to end debt troubles by getting creditors to somehow accept less money than what is owed can sound really appealing. In reality, however, consumers mired in debt may often find debt settlement programs to be costly, misleading, and far less helpful than the radio ad promises.

In the newest chapter in the research series titled The State of Lending, the Center for Responsible Lending (CRL) finds that debt settlement is a risky strategy that can leave consumers more financially vulnerable and still laden with debt years after they enroll in such programs.

Regardless of how well consumers follow the instructions of their debt settlement firm, they may ultimately be unsuccessful because many creditors simply refuse to deal with debt settlement companies.

According to the report, “Debt settlement companies do not tell consumers whether creditors will work with their firms at the time of enrollment. However, even if debt-settlement companies were required to disclose whether a particular creditor routinely works



RESPONSIBLE LENDING

Charlene Crowell

with their firm, this provides no real guarantee. In many cases, the party who owns a debt changes over time, since a debt may be sold successively to multiple parties.”

Available data suggests that at least two-thirds of debts must be

sumers must typically be enrolled in debt settlement plan for three to four years in order to complete the program. During this time, debt balances grow an average 20 percent while consumers wait for settlements to be reached. Additionally, their credit scores are negatively affected, financial instability increased, and the likelihood of creditor lawsuits loom near.

According to Leslie Parrish, co-author of the report and deputy research director at CRL, “When a consumer stops making payments on a debt, not only is she/he vulnerable to fees and an increased

In 2010, the Federal Trade Commission (FTC) issued regulation that barred debt settlement companies from charging fees until they reached settlements with the client’s creditors. While this regulation has stopped some of the most egregious industry practices, CRL’s report finds that significant financial risks remain for debt settlement clients.

Today, the Consumer Financial Protection Bureau shares regulatory oversight of debt settlement with the FTC. Thus far, CFPB has taken multiple enforcement actions against several debt-settlement companies and one payment processor.

CRL also sees a role for states to establish meaningful limits of debt settlement fees. One recommendation is to limit the fees that can be charged and to calculate such fees on the basis of the amount of savings achieved for the consumer.

State and federal regulators could also require better screening of prospective customers to lower the risk of a bad outcome. Factors such as the amount of debt to be enrolled, creditors and the consumer’s financial circumstances would be taken into account.

Ellen Harnick, co-author of the report and senior policy counsel at CRL, said, “What’s clear is that more action is necessary to protect consumers.”

‘Debt settlement companies do not tell consumers whether creditors will work with their firms’

settled in order to achieve a net positive outcome from debt settlement. Even more debts must be settled for the consumer to achieve real savings if they end up being liable for taxes on the debt reduction.

In the end, many consumers never realize that kind of experience. Rather, they end up worse off financially. According to the American Fair Credit Council, an industry trade association, con-

interest rate, the reporting of this delinquency to credit bureaus can impact credit scores for years.”

In general, the higher a consumer’s credit score is, the lower the cost of credit they will incur. Conversely, the lower one’s credit score, the higher the cost of credit and interest will be. Whether applying for a credit card, auto loan or a mortgage, bad credit histories make future credit and borrowing more expensive.