

## **Understanding The Riots--six Months Later Money and Power/Making It in the Inner City The Churches' Role 'Real progress means turning over dollars in your own community.'**

November 18, 1992 | NINA J. EASTON

There's nothing like a morning of heartfelt atonement and soulful singing to work up an appetite. So when the Rev. Cecil Murray, pastor of First African Methodist Episcopal Church, beseeched his flock to try the sour cream waffles and smothered chicken over at Dulan's restaurant on Crenshaw Boulevard one steamy Sunday morning in July, they responded with gusto.

"I thought a bus had driven up and let off 50 tourists," recalls Greg Dulan, who had opened the New Orleans-style eatery with his wife, Brenda, just one month earlier. "I was shocked and thankful. But you can imagine what that was like for a young restaurant. "

First AME isn't the restaurant's only source of Sunday customers. Dulan is quick to point out that Trinity Baptist Church, Faithful Central Missionary Baptist Church, West Angeles Church of God in Christ and Angeles Mesa Presbyterian Church have all provided pastoral publicity for his nascent business.

"I sure hope I'm not forgetting anyone here," he nervously adds.

No strangers to social activism, L.A.'s African-American churches are adding a new dimension to their community-building work: the nurturing of black-owned enterprise. Suddenly, pastors are talking assets and revenue and credit limits, sometimes with as much authority as they discuss the gospel.

"Economic blight is present in our community because our resources are not being utilized to the best of their potential," says the Rev. Edgar Boyd of Bethel AME Church.

"When you talk about the African-American community in the greater Los Angeles area, we have about \$9 billion in liquid assets," he says. "But when you look at those being utilized to advance the economic status of African-Americans, you find a tremendous shortfall. Basically, we are writing our own demise."

Encouraging congregants to patronize local businesses such as Dulan's is just one part of the picture. Churches across South Los Angeles also are starting programs to train entrepreneurs, provide technical assistance to small firms and locate venture capital sources.

Some of these church efforts sprouted well before last spring's riots underscored the widespread alienation in the city's black community.

Last year, for example, First AME published a glossy 103-page directory of local black-owned businesses for its 8,500-member congregation. And it was not unusual for a minister to run interference with the local bank for a church member in need of a business loan.

Since the riots, church efforts to nurture black businesses have intensified:

- Through a newly formed project called L.A. Renaissance, First AME is training entrepreneurs as well as job applicants. And the church is soliciting money from corporate America to lend to budding enterprises. Already, Walt Disney Co. has committed \$1 million to a program that will make "micro loans" up to \$20,000.

The church also has formed a business-assistance center to help local firms locate both private and government capital and to provide technical assistance on such matters as accounting, law and compliance with government regulations.

- At the 10,000-member West Angeles Church, a committee of business executives and professionals has joined forces with Loyola Marymount University, West Los Angeles College and Southwest College to form the nonprofit Global Business Incubation System.

“We have noticed more people interested in business,” says Stanley Viltz, dean of academic affairs at Southwest College and an architect of the program. “The reason is that there are no jobs, and people have to figure out ways to feed the family.”

Like the First AME business center, this program will provide technical assistance to small business. But it will be staffed in part by young people ages 18 to 24 who have been selected for business training programs at the colleges.

- The 1,100-member Guidance Church of Religious Science plans to go into the pizza business. It will sponsor a new product called PiezoPies, to be sold through kiosks in existing retail outlets such as grocery stores. Minority licensees are promised a share of the profits.

Lynda Bagley Doye, the Bakersfield woman who started the pizza company, says the Crenshaw-based church plans to take advantage of an IRS provision that permits nonprofit groups to invest in businesses in depressed areas. Donations solicited through the church will become a source of capital for minority entrepreneurs who want to get into the PiezoPie business.

- The Southern California Coalition of Religious Leaders, an interdenominational group of 200 pastors that crosses racial lines, plans to start a venture capital fund and to solicit credit for new small businesses. The program is part of a larger effort that includes plans to open a new credit union.

Local religious leaders also say they are heeding the counsel they give their congregations by focusing church spending on local black-owned businesses. And the uptick in deposits enjoyed by Los Angeles’ three black-owned financial institutions during the summer was due, in part, to churches redepositing their accounts.

The black church in America has a long history of community outreach, whether that means feeding the poor or counseling drug addicts. A number of large churches also boast ambitious programs that build low-cost housing in poor neighborhoods. Churches often run their own small businesses on the side.

But the idea of using the church to promote entrepreneurship in the community is a new one for this generation of religious leaders—one that harks back to the early years of this century when black churches funded burial societies (since blacks couldn’t obtain life insurance) and in the process made some of their members wealthy.

“Churches mostly abandoned that tradition during the civil rights movement, when civil rights leaders made a fundamental mistake by embracing integration as opposed to desegregation,” says Robert L. Woodson, president of the Washington-based National Center for Neighborhood Enterprise, a nonprofit group that promotes self-help efforts in low-income neighborhoods.

Woodson, like a growing number of grass-roots leaders, argues that black businesses died when African-Americans gained the legal right to shop and work in the white community.

Now, however, he notes that black churches nationwide are taking the lead in fostering black enterprise, launching projects that range from cooperative grocery stores to the formation of insurance funds for contractors who can’t get bonding.

“The only real assurance of opportunity is when you create the jobs yourselves,” Woodson says.

Los Angeles reflects the trend in the growing consensus among community leaders that until African-Americans own more of their own businesses, economic progress will sputter.

“Need is the mother of invention,” says Boyd, whose church launched an entrepreneurship training program last year after a local black resident was shot and killed in a liquor store by its Asian owner.

“We did not see a need four or five years ago,” he explains. “There was a sense of complacency. As long as no one was agitating, as long as the desperation was not vocalized, then you can live with your desperation.”

Daniel L. Morgan, minister at Crenshaw’s Guidance Church, says the pizza plan represents a major departure for his denomination, which historically has shied away from any type of social activism. But, he adds, it’s a change that his predominantly black congregation has embraced.

“We began to watch the Vietnamese and Koreans and Japanese come into the community and set up liquor stores and food markets and take over small businesses, then take their money back to Beverly Hills and Hollywood,” he says. “There was resentment, and finally a realization that real progress means turning over dollars in your own community.” Still, some religious leaders are wary--even as they launch their own efforts.

Bishop Charles Blake of West Angeles Church worries that churches may unwittingly foster a culture of greed. “Sometimes the wealthy (black) entrepreneur gets out of the ghetto as fast as the white one,” he says.

So in addition to the church’s business incubation program, Blake says he is examining ways to form ‘60s-style collectives through which the poor could both buy discounted products and share in any profits.

Cornish Rogers, a professor at the School of Theology at Claremont, maintains that churches don’t have the business sophistication or finances to promote enterprise on a broad scale. Any serious funding of small business, he notes, will have to come from outside the community.

“I’m not against the churches doing this on a small scale to prime the pump,” Rogers says. “But you ask them in one to two years (about their track record). I don’t think it will sustain itself, even given the best intentions.”

Many church leaders, nonetheless, insist that their intentions are more than good-hearted. These small business efforts, they say, are their community’s best--and only--alternative.

“When you begin to look at the absence of affordable health care and housing, a dropout rate of up to 50%, somewhere it all ties into economics,” says Boyd of Bethel AME. “Unless we see that tie--despite all the souls we save, despite all the preaching we do--things aren’t going to get better.”

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