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Letter from the Editor in Chief

A Call for Balance in the Dockworker's Strike

By: Kevin B. Kimble, Esq. Editor in Chief
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Dear Readers,

The recently settled dockworkers strike and the ongoing Boeing strike are critical moments for both labor and industry in the United States. As the backbone of our supply chains, these workers demanded better wages, job security, and improved working conditions—issues that have been ignored for far too long. These strikes aren't simply about pay but about our economy, who benefits from it, and how it functions.

Workers play a vital role in keeping our supply chains moving, particularly during the pandemic, when they risk their health to ensure that goods reach our homes and businesses. Despite this, many are struggling with stagnant wages, the pressures of automation, and declining benefits. It's clear that something has gone very wrong in the management of our corporate entities.

But this isn't just a failure of industry leadership; it's a failure of governance. For years, those in power—whether in government or corporate boardrooms—have put profits over people. Automation and cost-cutting measures have been prioritized without ensuring fair retraining or job protections for the workers who stand to lose the most. The public and private sectors have failed to adequately address the growing inequality between those reaping the profits and those doing the labor.

So, where do we go from here? There needs to be a balanced solution that acknowledges the legitimate demands of the workers while also addressing the broader needs of the economy. Government officials, industry leaders, and labor representatives need to come together to create fair deals. More importantly, this can't just be about getting through one strike; it needs to be about creating long-term solutions that address systemic inequalities and improve management practices for the future.

Workers deserve our support because their demands reflect a broader call for fairness in our economy.

Sincerely
Kevin B. Kimble, Esq.

Seeking Equitable Procurement Opportunities

By: Lynn Pingol, President
MaKee Company

Historically, individuals of color have not received equitable access to government contracting opportunities. This is evidenced by annual reports published by various government entities—such as cities, counties, transit authorities, the Department of Transportation, and airport commissions—which are intended to promote transparency. While these agencies often promote ideals of equality and inclusion, disparity studies consistently reveal a stark reality: on average, less than 6% of agency expenditures are allocated to people of color. Although some agencies are making more progress than others, an analysis of disparity studies from 2017 to the present indicates minimal progress. But should we really celebrate these incremental advancements that demonstrate a 1-2% increase over the course of seven years? And what about those who miss the mark entirely? Are there penalties, or do they just get a do-over and do-better chiding?

The ongoing debate regarding awarding contracts to the "best and most qualified" individuals or companies merits further examination. While I concur with this principle, a closer analysis of transparency reports raises questions. Why do these reports consistently indicate that the same vendors are repeatedly awarded contracts by the same procurement officer? Is it genuinely unfeasible to consider alternative candidates for these contracts? Consequently, the standard of selecting the "best and most qualified" seems to have unintentionally morphed into a system of preference. Additionally, it is worth noting that race and gender-neutral procurement programs have inadvertently adopted this preference-based approach.

To "level the playing field" and promote equality, agencies have increasingly implemented their own small business procurement and contracting programs, as recommended by various disparity studies nationwide. Some agencies have adopted a broader approach, aiming to support "any and every small business." The criteria for these programs typically focus on business size and revenue thresholds, deliberately excluding race and gender considerations in an effort to maintain neutrality. However, this raises an important question: Are these programs genuinely neutral?

a Reports indicate that they are not. In contracting initiatives that claim to be "neutral," non-minority businesses continue to secure the majority of contracts, while businesses owned by people of color remain underrepresented. More importantly, in the absence of agencies that do not specify race or gender preferences, their purchasing agents, buyers, contract administrators, and prime contractors will likely fail to engage minority-owned businesses. This economic disparity is further exacerbated by the Supreme Court's ruling in the Ultima v. SBA/USDA lawsuit, which declared that considering race in procurement is unconstitutional based on the Civil Rights Act of 1866.

It is essential to recognize the impact of racism on policies, its enduring consequences, and the challenges confronted by communities of color in their efforts to attain progress and inter-generational wealth.

Unfortunately, underserved communities, many of which have endured generations of prejudice and neglect, continue to face unjust barriers to achieving equal opportunities and realizing the American Dream. It is inconceivable that the government lacks a compelling interest in guaranteeing equal access. Given the clear evidence and even admissions of discrimination by various agencies and stakeholders, it is imperative that race-based remedies be permitted. Minorities must be able to seek equitable opportunities in procurement.

Agencies can implement race- and gender-conscious initiatives to promote equity across various sectors related to procurement and contracting. This commitment not only supports equal opportunities but also plays a vital role in fostering intergenerational wealth development. Changes to policy language will be crucial and should consider the following factors:

- Advocate for the establishment of programs that are sensitive to issues of race and gender, ensuring that goals align with the demographic data provided by the census. By designing programs informed by this data and setting corresponding objectives, we can create a more equitable framework for all races and genders within each state.
- Race and gender-neutral programs should be reevaluated and potentially dismantled, as these initiatives may have inadvertently created preferences for specific races and genders.
- Eliminating race-based programs will lead to the monopolization of large businesses within the local market, representing a clear violation of anti-trust principles. Market dominance can perpetuate historical racial injustices by allowing larger companies to occupy influential positions that stifle competition. Consequently, this can have significant economic repercussions for communities of color, fostering competitive exclusion through restricted or unequal access to products and services, even within their own markets.

For procurement and contracting to truly reflect open and fair competition, it is imperative that policies and procedures are clearly defined in terms of language, actions, and implementation. Education and training, viewed through the lens of equity, are essential for transforming existing practices. While the current system is flawed, it possesses significant potential for improvement. Minority-owned businesses aspire to access the same opportunities within procurement and contracting, which can only be realized through deliberate and purposeful efforts toward equitable inclusion.

Student Loan Debt in America: Building a Path to Economic Sustainability and Equity for Today's Youth

By: Anna Hazo
Associate Editor
FSIC

Student loan debt in the United States has reached unprecedented levels, burdening millions of graduates and hindering their financial independence and stability. This crisis forces young adults to postpone significant life milestones like home ownership, starting families, and saving for retirement due to overwhelming monthly loan obligations. Many end up taking jobs outside their fields of study, often for lower wages, exacerbating the skills gap and contributing to underemployment.

As the cost of education continues to skyrocket, the promise of higher education as a pathway to success becomes increasingly out of reach for many, prompting urgent calls for reform and innovative solutions to ease the financial strain on today's youth. If you're navigating student loan repayment, know you're not alone.

Despite these challenges, today's youth have the power to create a more sustainable and equitable economic future through advocacy for policy changes, educational reforms, financial literacy initiatives, and mental health support. While student loan debt can be daunting and disheartening, solutions will be provided at the end of this article for those grappling with this issue.

The Current State of Student Loan Debt:
Over the past two decades, student debt in the U.S. has **more than doubled**, surpassing auto loans and credit card debt. Total student loan debt, including federal and private loans, stands at $1.75 trillion. To put this in perspective, the amount of student debt held in America is roughly equal to the size of the economy of Brazil or Australia. Federal loans make up 92% of this debt, with the rest being private loans. Among public four-year institution students, 55% have student loans, while 57% of private nonprofit four-year institution students have education debt.

Factors Driving Debt Accumulation
Student debt has been on the rise as college attendance increases. In the late 1980s and early 1990s, most high school graduates did not pursue higher education; among those who did, less than half relied on loans. By 2022, nearly two-thirds of recent high school graduates enrolled in college, with a majority opting for student loans. According to U.S. News & World Report, the average debt per student borrower rose by 39% from 2008 to 2022, reflecting a sharp increase in college tuition compared to income growth. Specifically, over the past two decades, tuition and fees have surged: private National Universities saw a 40% increase, out-of-state tuition and fees at public National Universities rose by about 38%, and in-state tuition and fees at public National Universities grew by approximately 56%. This contrasts with many other wealthy nations where higher education is often free or heavily subsidized. Higher education costs have soared in the United States, exacerbated by reduced state funding for public universities and colleges following the 2008 financial crisis.

Impact and Inequality

Roughly 1 in 5 Americans are burdened by student debt, with the average graduate carrying approximately $30,000 in loans. However, a significant portion of this debt is concentrated among a small fraction of borrowers. According to the Washington Post, more than a third of the total student debt is owed by just 7% of borrowers who owe over $100,000 each. Interestingly, borrowers with higher debt levels, often stemming from graduate or professional degrees, can benefit from higher incomes, easing their repayment challenges. Conversely, students who do not complete their degrees face heightened difficulties; their default rates are three times higher than graduates.

Furthermore, the type of educational institution attended influences debt levels significantly. Approximately half of the nation's student debt is held by individuals who attended private schools, which accounted for only 23% of higher education enrollments in 2021. There is also a troubling racial disparity in student borrowing, which is attributed to decades of systemic discrimination. Black college students tend to accumulate higher levels of debt compared to their white counterparts, often encountering more significant challenges in loan repayment due in part to lower levels of family wealth. Moreover, Black, Latinx, and American Indian students face higher default rates on loans compared to their white peers. Studies show that higher education remains key to higher-paying jobs despite the debt burden. According to the U.S. Bureau of Labor Statistics, workers with a bachelor's degree earn 1.8 times more than those with only a high school diploma, and those with advanced degrees earn more than double. However, the return on investment varies widely by major and institution. A 2019 Federal Reserve study found that while a college degree still boosts earnings, the wealth increase it provides has significantly declined over the past fifty years due to rising college costs and increased consumer debt.

Effects on Life Milestones

Student loans can profoundly affect various life milestones for borrowers. Starting post-college life with a negative net worth can hinder the ability to save for major purchases or qualify for additional loans. Despite the significant long-term financial benefits of a college education—such as earning approximately $1 million more over a lifetime compared to those without a degree—graduates burdened with student loans may face financial delays in surpassing their debt-free peers. Moreover, the impact extends to credit scores, with missed or late payments often resulting in lower scores. The average credit score for student loan borrowers is 656, compared to the national average of 711, creating long-term challenges in accessing financial opportunities. These economic constraints can impede progress in achieving crucial life goals such as career advancement, homeownership, family planning, marriage, pursuing further education, and saving for retirement.

Sacrificing Dream Careers

Monthly loan payments can be substantial, leading many graduates to prioritize immediate financial stability over finding jobs that align with their career aspirations. According to a study by American Student Assistance, nearly half of graduates report that their debt hinders their career progress. This financial pressure often leads qualified individuals to choose careers outside their field of expertise, exacerbating the skills gap across various industries. Consequently, underemployment becomes widespread, with skilled workers frequently placed in roles that do not fully utilize their abilities or potential. In contrast, graduates unburdened by student debt have the liberty to carefully select their employment opportunities, take calculated risks for higher salaries, and pursue roles that closely match their career ambitions and skill set.

> "I find myself applying to a lot of jobs in which I have little to no interest. With my student loan payments set to start in a couple of months, I can't afford to wait for a job listing that truly excites me." - Cade, 22

Delay in Homeownership and Family Planning

The burden of student debt can also delay homeownership, a significant wealth-building milestone in the U.S. A Federal Reserve study indicates that a 10% increase in student loan debt correlates with a 1.5% decrease in homeownership rates. Additionally, the cost of raising children, averaging $233,610 from birth to age 18, can be overwhelming for those already managing student loan payments, often leading to delayed family planning. Marriage can also be impacted by student debt, as financial stress is a leading cause of divorce in the U.S., according to a study by SunTrust Bank. Many millennials postpone or forgo marriage due to financial concerns.

> "I always dreamed of owning a home by now, but with my loan payments, it seems like a distant dream. I have a full time job, but I can barely afford to move out on my own unless I had multiple roommates. It's tough to plan for the future when I'm still paying for the past." - Angela, 29

Avoiding The Pursuit Of Higher Education

The fear of accumulating significant debt deters some students from pursuing higher education altogether. Recent data reveals that approximately 32% of Americans have avoided enrolling in college due to fears of incurring substantial debt. Reducing the burden of college loans could encourage more people to seek higher education, ultimately contributing to a more educated workforce and higher lifetime earnings.

> "I always knew that I needed to pursue higher education to become a teacher. What I didn't anticipate was how it would impact my finances upon entering the workforce. Sharing my experiences with student loan debt has helped others make decisions that influenced their college experiences, or whether they pursued higher education at all." - Cecilia, 23

Delay in Retirement Savings

Struggling with student loan debt has significantly impacted the ability of many Americans to save for retirement. According to a recent survey by Corebridge Financial, 75% of federal student loan borrowers reported that resuming debt payments impacts their ability to save for retirement. To manage their student loan payments, 22% of these borrowers plan to reduce their retirement savings, and 29% intend to cut back on emergency savings. The average U.S. household with student debt owes $55,347, which diverts crucial funds away from long-term savings plans. Consequently, many young adults miss out on the benefits of compounding interest over time, potentially leading to a substantial shortfall in their retirement savings.

Mental Health Challenges

All of these financial stresses from student loan debt can significantly impact mental health, leading to anxiety, depression, and other psychological challenges. The burden of repaying large amounts of debt can create constant worry about financial stability, affecting one's ability to focus, work efficiently, and maintain a positive outlook. This ongoing stress can result in feelings of hopelessness, fatigue, and social withdrawal, ultimately taking a toll on both emotional well-being and overall quality of life.

> "I made the decision to pause my college education during my junior year. Managing my student loan debt has significantly impacted my mental health. The stress of making payments and worrying about my financial future has made it difficult to focus on both my job and personal life." - Justin, 23

Despite these challenges, it is crucial to recognize that support and solutions exist. Whether you are currently managing student loans or planning your educational finances, strategies are available to mitigate debt impacts and pave the way toward a brighter economic future. By collectively addressing these issues through policy changes, educational reforms, enhanced financial literacy, and mental health support, we can create a more equitable and sustainable path forward for generations to come.

Solutions:
Here are some ways young people can take action for a more sustainable and equitable economic future:
1) Policy Solutions:
- Apply for Income-Driven Repayment plans (IDR) to make loan payments affordable based on income (ex: SAVE Plan). Students can apply on the Federal Student Aid website.
- - Apply for broader loan forgiveness programs (ex: PSLF) to forgive the remaining balance on Direct Loans. Students can apply on the Federal Student Aid website.
- - Advocate for policies that set a fixed, low-interest rate cap on all federal student loans to reduce the financial burden.
- - ex: Biden-Harris Administration SAVE Plan helps prevent interest accumulation on student loans for those who make their monthly payments.
- - ex: the "Student Loan Interest Elimination Act" introduced by Rep. Joe Courtney and Sen. Peter Welch seeks to eliminate interest on existing federal student loans and cap future interest rates.

2) Educational Reforms:
- Support tuition-free college initiatives to reduce the need for loans. Students can find resources on federal and state government websites and college and university websites.
- - Advocate for more funding for scholarships, grants, and work-study programs. This can be done through student organizations, and writing letters to elected officials, etc.

3) Financial Literacy & Planning:
- Advocate for the implementation of financial education programs in high schools and colleges. This can be done through meeting with principals and administrators, presenting proposals, working with clubs and organizations to get voices heard, petitions, social media, meeting with local and state legislators, etc.
- - Advocate for personal finance counseling for debt management and future planning. Students can find resources at Financial Aid Offices at universities and colleges, the Federal Student Aid website, banks, and credit unions that offer counseling services to customers, and other resources like Khan Academy and budgeting apps that offer free courses and content on financial management.

4) Mental Health Support:
- Expand access to mental health counseling services tailored to financial stress. This can include counseling centers at school, student health services, local clinics and community centers, peer support groups, or online platforms like BetterHelp and Talkspace.
- Find or create local/online peer support groups for managing student loan debt.

By addressing student loan debt collectively and advocating for change, we can pave the way for a brighter economic future for generations to come.

Well Financed Political Interests Must Stop Hijacking Minority Policy Priorities

By: Peter J. Spann, Esq.
Pastor
Carron Baptist Church

Our nation is at a moment in time where we need elected officials to focus on the issues most impacting minority communities. As both a pastor and attorney I see the need for both a moral and policy agenda that does not allow the needs of communities of color to be controlled by those who have the finances but lack the true interest of those communities.

As we approach the State of the Union in this election year, it has become obvious that minority stakeholders have little to no control or input in policy initiatives that impact their lives and businesses. The data is stark and depressing. African Americans get .25% of Venture Capital investments, real estate appraisal bias costs minorities billions of dollars in wealth, Black Americans have almost no opportunities to infrastructure contracting, and it goes without saying the need for criminal justice reform to reduce years of over policing.

Yet, despite so many dire needs, the policy initiatives at the Federal, State, and local level are focused on unimpactful and obscure issues. For example, in a recent TV commercial several mayors from large urban and predominantly Black cities, cited their strong support of a ban on Menthol cigarettes. While smoking cessation is a laudable goal (not sure why they only want to ban menthols, aren't regular cigarettes healthy?). It would be more beneficial to our community if our elected officials would devote their time and efforts to addressing the dismal lack of economic opportunity for our communities.

Another example of outside interests influencing our policy priorities is AIPAC's announcement of $100 million worth of expenditures in minority congressional races. While no one opposes Israel's right to security, this sort of effort to influence who gets elected in districts designed to uphold the will of their voters is obscene. It took over 100 years for African Americans to gain a legitimate foothold in the political power structure. These elected officials should be fulfilling the wishes of the voters of these districts and not beholden to a single-issue influence group.

Additionally, minorities in this country are facing increased obstacles to participating in the American Dream. From the recent U.S. Supreme Court decision ending Affirmative Action in higher education to repeated attempts by lawmakers to gerrymander legislative districts to weaken African American voting strength, we need elected officials with the moral and political courage to do what is right and honor the true values and ideals of democracy.

At the end of the day, it is imperative that our elected officials focus on developing creative and effective solutions to our real problems and not be distracted with tangential and unimpactful issues like what types of cigarettes citizens should be allowed to smoke. As Dr. Martin Luther King, Jr. so eloquently stated, "The time is always right to do what is right." Now is that time.

An Overview of How to Invest in Women's Health

by: Luke Newton
Creative Investment Research
July 28, 2024

Femtech, software services, and technology-centered around women's health may be the largest overlooked investment opportunity in the marketplace, with women's health a severely underinvested sector. Despite gaining the largest percentage increase in national research, ironically, there are few women at the top of women's research, Costello explained. The excuse offered by industry insiders is that participating women could become pregnant, compromising the research. As such, femtech is not currently able to maximally benefit women's health across health, medicine, and general biological services, signaling widespread investment opportunities.

Costello contends these investment opportunities go unnoticed for a very simple reason: an overwhelming 95% of venture capitalists are men. It is the rule of investing to invest in what you know and believe in, and men have no first-hand experience with women's health issues. As Costello says, men do not have to endure mammograms, pap smears, or painful periods, so these issues don't have any significance for them.

There is a group willing to invest in women's health: women. According to Costello, women control over 145 trillion dollars in wealth (with that number expected to increase another $30 trillion by 2030). They are more willing to invest in health opportunities across the board, meaning the capacity to uplift femtech is certainly present. Portfolia, the first venture capital fund exclusively for women's health, has observed a 314% increase in women's health venture capital investment since 2018, with over $435 million invested in non-fertility femtech startups in Q3 2023. Additionally, 76% of women's health companies have a female founder, meaning they have first-hand experience with women's health that the venture capitalists don't.

Despite the massive potential femtech holds, it is important to remain vigilant of the challenges. Currently, most femtech investors in the field state that there is a shortage of late-stage investments. Additionally, an interesting, unexpected hurdle the industry must face is that women's anatomy terms are not allowed on most social and advertising platforms. Costello argues that the rewards are worth the challenges, pointing out that Portfolia-partnered femtechs are quite literally saving lives through research in bone health technology, early detection methods for ovarian cancer, and more.

Maternal mortality remains a women's health issue that disproportionately impacts Black women, with rates reaching a staggering 41.3 maternal deaths per 100,000 live births for non-Hispanic Black women compared to only 13.4 out of 100,000 live births for non-Hispanic White women (see here for information). While the event was primarily focused on the promise of femtech investing, Portfolia may want to partner with other women-run femtech funds and companies, like Meet Mae, Wolomi, LOOM, and others, to increase investments targeting black maternal mortality. This might signal a commitment to keeping socially and equity-conscious investment at the forefront of their venture strategies, thereby ensuring that racial disparities across women's health are addressed. This would help fulfill the promise femtech represents for the nation.

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The Financial Services Innovation Coalition (FSIC) is a growing network of Industry Innovators, Legislators, Community Groups, and Academics who are passionate about applying emerging technology and market innovation to create a more inclusive economy.

FSIC advocates for policy that promotes economic empowerment in underserved communities.

FSIC believes that with improved economic opportunities in poor communities, the economy will improve significantly and benefit ALL Americans.