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Towns Probes Recession's Impact on Nation's Minority Population

Washington, DC – U.S. Representative Edolphus “Ed” Towns (D-NY), the Chairman of the House Oversight and Government Reform Committee, today announced that the House Oversight and Government Reform Committee is holding a congressional hearing, entitled “The Silent Depression: How are Minorities Faring in the Economic Downturn?” to examine the disparate effects of the current economic downturn on minority populations, with special emphasis on the rise in unemployment and home foreclosures.

The hearing, scheduled for Wednesday, September 23, 2009 at 10:00 a.m. in Room 2154 of the Rayburn House Office Building, will feature the heads of several leading minority organizations, including the National Urban League, National Council of La Raza, National Coalition for Asian Pacific American Community Development, National Congress of American Indians and National Black Chamber of Commerce. Also set to testify are the Honorable Raymond Skinner of the Maryland Department of Housing and Community Development, Chief Operating Officer James Carr of the National Community Reinvestment Coalition and Christian Weller, PhD, of the Center for American Progress Action Foundation.

“The inability to find gainful employment has crushed the hopes of achieving the American dream for so many families in minority communities,” said Chairman Towns. “For us to move ahead as a nation, we have to examine why the African-American unemployment rate in several communities more than doubles that of whites. We must also take a look at the high rate of subprime loans and default mortgages within minority communities that are expanding an already enormous debt disparity.”

Although the recession has had devastating consequences for the nation’s economy and a direct effect on nearly every American household, minorities are at least 40 percent more likely to be unemployed than whites, according to a study by the Center for American Progress, with the highest rates of unemployment in the African American population. In states with significant minority populations like New York State, the African American unemployment rate has soared to 15.1 percent, compared to 6.4 percent for whites. In New York City, where minorities make up more than 50% of the population, the rise in unemployment for African-Americans has

spiked to four times that of whites, according to a recent New York Times article.

Unscrupulous lending practices may compound the economic crisis, with home foreclosures higher amongst minorities than whites. Since the recession began, home foreclosures increased dramatically, but experts agree that for African-Americans and Hispanics, record foreclosures may be the result of lax enforcement of the Fair Housing Act or reverse redlining, homeownership schemes targeted at minority groups. Wednesday's Oversight Committee hearing will review these factors.

"The fact of the matter is that the current economic downturn has amplified an already burgeoning economic gap for minorities," said Chairman Towns. "The role of race in unemployment and other economic trends is something we must analyze because for minorities this is not a recession but is, in fact, a depression that could potentially alter decades of economic progress."

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