

# Fishing by Faith



by Reverend Mark Whitlock, Executive Director, FAME Renaissance

President Bush excited some leaders of the faith community by introducing a federal faith-based initiative designed to fund economic development projects creating jobs and wealth. Even though the President's faith-based initiative failed in the Senate, the faith community must continue the dialogue on the important role of community and faith-based economic development corporations, and the push for federal support of our work.

There is a tremendous need for capital investment in low-income, minority communities—an investment that requires partnerships between community-based organizations, the private sector and the federal government. The challenge America faces in this century is not dismantling racial color lines, but creating money lines (i.e. finding lines of financial capital to leverage human capital). Glenn Yago, Ph.D., of the Milken Institute says, “there is a fundamental mismatch between the sources of job creation and capital formation. How to carve channels of capital from investors to entrepreneurs requires the mobilization of new financial technologies and market-based public policy innovations.”

The minority community and minority-owned businesses are growing at explosive rates. Minority-owned businesses are growing at double the rate of all firms in the U.S., both in numbers of firms and total sales. According to the Milken Institute, by the year 2050, the U. S. population will have increased by 120 million people, with 90 percent of the growth occurring in minority communities. Demand for capital in the minority business community is estimated to be in excess of \$194 billion per year, of which only a small fraction is currently being satisfied. The

continued growth of the minority business sector and the minority community will result in skyrocketing demand for capital over the next 20 years.

One practical application for meeting the demand is the Charitable Choice legislation signed by President Clinton on August 22, 1996, which encourages states to cooperate with community and faith-based charities. Charitable Choice guidelines clarify and codify Constitutional requirements for governmental interaction with faith-based social service providers (for more information on Charitable Choice, see *Faith-Based Initiative Overview*).

Constitutional law has often been misinterpreted to require that faith-based organizations be excluded from participation in governmental welfare programs or that their participation be conditioned on the removal of religious practice and symbols. Section 104 (the Charitable Choice provision of the federal welfare reform law enacted in the summer of 1996)<sup>1</sup> offers governmental neutrality between faith-based and secular providers of services, protection of the religious integrity of faith-based providers, and protection of the religious liberty of beneficiaries. This gives churches the opportunity to receive federal assistance to do God's business.

One of God's productive properties is First African Methodist Episcopal Church (FAME) in Los Angeles; Rev. Cecil L. Murray is the Senior Minister. In 1977, Reverend Murray introduced the “beyond the walls” ministry to 300 active members. It has now grown to

18,000 members, many of whom actively volunteer to improve neighborhoods throughout Los Angeles County. First AME Church established its economic development program, FAME Renaissance, in 1992 by creating a separate nonprofit 501(c)3 corporation that would be eligible to seek public and private grants to fund job and wealth creation programs. I serve as the executive director of FAME Renaissance, which administers 18 private and publicly funded programs. Those programs have yielded some of the following results:

- The FAME Renaissance Business Programs administer four loan funds, which have lent over \$5 million to 175 minority-owned businesses. The Community Reinvestment Act (CRA) has been instrumental in fostering productive relationships with banks and financial institutions, which have funded our operations and program costs, and offered technical assistance leading to successful business ventures
- The FAME Employment Program has placed over 2,000 qualified employees in living-wage jobs at banks, government agencies, entertainment and service companies. This past year we expanded our services from just testing and placement to offering job readiness preparation for clients requiring a higher level of assistance. The current employment program serves ex-felons, foster care youth and welfare-to-work individuals desperately seeking living-wage jobs. Among this group are many custodial and non-custodial parents who need to support a family. Our pro-

<sup>1</sup> [www.cpjustice.org/charitablechoice/guide/appendix](http://www.cpjustice.org/charitablechoice/guide/appendix)

gram is victorious because we offer clients case management, career counseling, mentoring, job training, GED preparation, computer literacy and job placement. We have succeeded in our goal of making former welfare recipients contributing taxpayers capable of independent living by preparing them for jobs in the public and private sector

- FAME Renaissance's \$5 million equity fund invests in companies just moving beyond the start-up phase and looking to expand. The owner must present a business plan, financial statements, tax returns and a business license. FAME takes a minority ownership position and may stay in the deal for three to ten years. Our primary goal is to provide technical assistance, motivation and patient capital so small business owners can succeed. We will invest from \$250,000 to \$1,000,000 and will be making our first \$1 million investment into a minority-owned company in December 2001
- FAME Home Loan program has transformed eight apartment renters into homeowners over an eight month period. Fannie Mae provided the initial funding for the home loan program, which we now manage through our own mortgage banking company
- FAME Renaissance opened the 50,000 sq. ft. Fame Renaissance Center in October, 2001. The business center/incubator offers business tenants state-of-the-art multimedia equipment, secretarial assistance, and copy, fax and video conferencing services. Wells Fargo

Bank and State Farm have leased space within the debt-free center, which was funded by grants from the Department of Commerce, HUD, the State of California Trade and Commerce Agency, the City of Los Angeles, State Farm, Wells Fargo Bank, Bank of America, Disney Company and many others

In conclusion, faith-based economic development organizations must be resolved to meet the challenges that face their constituents. At FAME, it is not enough for us to just give fish to our needy constituents. We subscribe to the wisdom that promotes teaching a person to fish so he may eat for a lifetime. And while the federal government and Fortune 500 companies have generously provided grants and other in-kind gifts to us, we are also interested in establishing sustainable partnerships with lenders and the public sector that will allow us more control to improve impoverished communities. We have demonstrated that the faith community is prepared to advance to this next step and can be a successful fisherman by partnering with a strategic vision. Ultimately, we are all responsible for the ponds from which we fish. Let's go fishing by faith together! **CI**

*For additional information about the programs, services and opportunities of FAME Renaissance, call Mark Whitlock at (323) 731-6367 or (323) 737-5717, or email: [MarkW@FAMEChurch.org](mailto:MarkW@FAMEChurch.org).*

#### ABOUT THE AUTHOR



REV. MARK E. WHITLOCK II has committed his life to serving God and the Church as a minister and the economic development officer for the First African Methodist Episcopal (FAME) Church in Los Angeles. He is the executive director of FAME Assistance Corporation, a non-profit 501(c)3 funding vehicle that offers business loans, venture capital, training and technical assistance, and legal services. Mark also co-founded the Richard Allen Men's Society (RAMS), an organization with over 3,500 men who exemplify positive African-American images. RAMS is best known for its contribution to reclaiming the community from gangs and drug dealers and to date has closed thirteen rock cocaine houses while leading people away from drugs and prostitution and into a Christian way of life.

Before his full-time call to the ministry, Mark was a former vice president at Wells Fargo Bank and vice president of the Commercial/Industrial National Division of Chicago Title Insurance Company. Mark is a member of several boards including Harvard Divinity School's Summer Leadership Institute, Walt Disney Goals, Operation Hope, LAX 21, Urban Bankers and Interdenominational Theological Center Faith Factor. He also serves as the chairman of Churches United for Economic Development. Mark is presently enrolled in Fuller Theological Seminary pursuing an M.A. in Theology.

Mark is currently pastor of Christ Our Redeemer AME Church in Irvine, California and campus chaplain for the University of California, Irvine. He is married to attorney Hermia Shegog Whitlock. They have two remarkable sons, Mark and Devin.