“DON’T WANT NOBODY TO GIVE ME NOTHING”: AN ASSESSMENT OF BLACK COMMUNITY SELF-HELP

A Thesis submitted to the Faculty of The School of Continuing Studies and of The Graduate School of Arts and Sciences in partial fulfillment of the requirements for the degree of Doctor of Liberal Studies

By

John Albert Foster-Bey, Jr., MBA

Georgetown University
Washington, D.C.
April 19, 2012
COPYRIGHT

Copyright 2012, John Albert Foster-Bey, Jr.
“DON’T WANT NOBODY TO GIVE ME NOTHING”: AN ASSESSMENT OF BLACK COMMUNITY SELF-HELP

John Albert Foster-Bey, Jr., MBA
DLS Chair: Kazuko Uchimura, PhD.

ABSTRACT

Self-help has been a central feature of African Americans’ response to the historically limited opportunities faced by blacks in their efforts to become fully functioning American citizens since the 18th century. While widely embraced within the black community, historically the meaning of self-help has been contested. Black liberals and progressives following the lead of W.E.B. Du Bois have seen self-help as a strategy for organizing the black masses to advocate for and demand changes in the social system and in the racial distribution of resources and wealth. They understood self-help as a strategy for political empowerment. As such, their goal is to encourage government to provide the programs and resources necessary for full black economic, social and political participation.

The more ideologically conservative elements of the black community have traditionally seen black community self-help as an approach to empower blacks to build their own communities and institutions. From this more conservative perspective, blacks can only become fully functioning citizens if they are not dependent on government (and some would say whites) for their wellbeing. Community self-help is the only logical pathway for blacks to develop the personal and group capacity necessary to participate in society as full citizens.
Community self-help is not just relevant for African Americans. It also has become a prominent strategy for promoting citizen participation among low-income individuals in anti-poverty initiatives in both advanced and underdeveloped economies. Modern economic development theory and practice finds that anti-poverty efforts are more successful when residents of poor and disadvantaged places are full participants in the planning, implementation and evaluation of community development initiatives. This study examines the intersection of the black self-help traditions and the modern manifestations of community self-help, such as community capacity building and social capital. A review of the literature finds that black self-help, while having its own unique aspects and history, shares some common features with modern notions of civic engagement, social capital and community capacity building.

However, while there has been considerable discussion of black community self-help in the scholarly and popular literature, there are few empirical studies of black community self-help. In particular, there are only limited studies that attempt to explain empirically why self-help varies from one spatial community to another. Based on the scholarly literature, black self-help is defined as the combination of black civic engagement and black local entrepreneurship. Using a sample of 59 medium to large metropolitan areas as the spatial unit of analysis, this study finds four distinct types of spatial locations that describe different configurations of self-help: 1) metropolitan areas with high levels of both civic engagement and local entrepreneurship, 2) places with high levels of black local entrepreneurship and low civic engagement, 3) metropolitan areas with high black civic engagement and low local entrepreneurship, and 4) locations with
both low black civic engagement and low black local entrepreneurship. On average, each of these four types of locations has their own unique configuration of metropolitan contextual characteristics. However, there also are differences in contextual characteristics between metropolitan areas within each of the four types of self-help groups. Finally, average black self-help appears to have grown across the metropolitan areas in the study sample.
## Contents

COPYRIGHT ...................................................................................................................... ii  
ABSTRACT ....................................................................................................................... iii  
CHAPTER 1 ....................................................................................................................... 7  
INTRODUCTION .............................................................................................................. 7  
CHAPTER 2 ..................................................................................................................... 29  
COMMUNITY SELF-HELP: AN ALTERNATIVE PATH TO ECONOMIC AND  
SOCIAL DEVELOPMENT .............................................................................................. 29  
CHAPTER 3 ..................................................................................................................... 52  
EMPIRICAL METHODS ................................................................................................. 52  
CHAPTER 4 ..................................................................................................................... 96  
TEMPORAL AND SPATIAL DIFFERENCES IN BLACK SELF-HELP ................. 96  
CHAPTER 5 ................................................................................................................... 126  
DISCUSSION ................................................................................................................. 126  
BIBLIOGRAPHY ........................................................................................................... 157
CHAPTER 1

INTRODUCTION

_I don’t want nobody
To give me nothing
Open the door
I’ll get it myself_

--James Brown

When the late, great black soul singer James Brown sang: “I don’t want nobody to give me nothing (Open the door and I’ll get it myself)” he captured a choice that many in the black community believed they faced at the time. Should they pursue individual and community advancement by agitating for ever greater social change and government sponsored resource transfers aimed at racial equality and compensating blacks for centuries of slavery and the subsequent state sanctioned racial discrimination? Or, as Mr. Brown exhorted, should they embrace racial advancement strategies that relied on mobilizing individual and collective black resources—education, entrepreneurship, in short, self-help? Stated differently, should blacks take their fate and the fate of their communities into their own hands, or should they wait for white people and their institutions to save blacks and the black community? This question, this dilemma, if you will, has long historical roots. This question continues to have contemporary relevance.

---


2 Ibid.
for black Americans, but maybe even more interestingly, this question is motivating a wide range of normative and praxis debates in the anti-poverty, economic development and community development arenas.

Since Reconstruction black Americans have been engaged in a heated debate around how best to advance socially, politically and economically. A major proponent of community self-help and black self-reliance was Booker T. Washington. Because eighty (80) percent of the black population after Reconstruction resided in rural areas in the old South, Washington questioned whether the most productive course for black development was pursuing a classical liberal education that taught law, theology and politics. Instead he argued that black advancement could only happen if, “…self-support, industrial independence, is the first condition for lifting up any race, that education in theoretical and practical agriculture, horticulture, dairying, and stock-raising, should have occupied the first place in our system.”

While Washington’s views were considered anti-intellectual and even dangerous by black scholars like W.E. B. Dubois, another perspective is that Washington was attempting to provide an alternative vision of black community development—a vision that privileged in the short to intermediate term, broad based black participation in community self-help schemes over strategies that aimed to integrate blacks into white society and institutions. In stark contrast, Dubois a contemporary black critic of Washington put forth a more elite vision of black advancement:

---

The Negro race, like all races, is going to be saved by its exceptional men. The problem of education, then, among Negroes must first of all deal with the Talented Tenth; it is the problem of developing the Best of this race that may guide the Mass away from the contamination and death of the Worst, in their own and other races.⁴

As can be seen from these quotes Dubois and Washington had distinctly different visions of black advancement leading to starkly different methods and strategies. Washington favored developing widely accessible black educational, civic and educational institutions that would create the support system necessary to build individual and collective black capacities. In turn these individual and collective assets could be used to mobilize blacks to become successful entrepreneurs and business owners.

Dubois’ on the other hand, took a leadership development as opposed to a broad participation approach. He wanted to build the black leadership cadre that he believed was necessary to guide and shape larger social change efforts. This elite leadership would create and lead a national protest movement aimed at achieving the type of social change that would result in fully integrating blacks socially, economically, and politically into American society. Stated differently, Washington’s goal was to initiate a process that would lead to building the black community’s human, social and financial capacity; while Dubois’ goal was to create the social changes through protest and political demand that would allow blacks to claim a larger share of society’s resources.⁵


Dubois’ and other black scholars’ justified their critiques of Washington’s development project because they argued that no matter what its intended benefits it was rooted in accommodation to white supremacy. However, Norrell⁶ argues that the evidence shows that far from accommodation Washington was a strong opponent of white supremacy. Given the racial context within which Washington functioned, he could not always directly confront racial inequality. Moreover, Washington’s black critics, many of whom like Dubois were also critics of capitalism, have unfairly used Washington’s support of capitalism as further evidence of his accommodation with white supremacy.

Interestingly, the supposed dichotomy between Washington and Dubois may actually be much less stark than is often presented. Indeed, Gayle McKeen⁷ argues that throughout most of Dubois’ career he was an advocate and proponent of self-help. Using more contemporary parlance, both Washington and Dubois believed in building what Putnam⁸ calls bonding (i.e. within community) and bridging social capital (linking to resources outside the community). Washington’s goal, however, was to build from within, while Dubois’ agenda was to build a movement capable of changing the institutional structure within which blacks functioned.

One could argue that debates about self-help are grounded in four dialectics. First, from the standpoint of praxis what is the role and utility of self-help as a change strategy?

⁶ Ibid.


⁸ Ibid.
That is, are problem-solving and community advancement strategies that require at least partial participation of the community ultimately more effective? Second, is self-help a response to the failure of social, economic and political institutions or a reflection of their capacity to engage the community in implementing broad-based, sustainable solutions to social problems? Third, from a normative perspective is self-help more likely to encourage a sense of self-ownership and self-responsibility as opposed to dependency? And does self-ownership and personal responsibility matter? That is, is the community development process more likely to be effective and sustainable if community members are responsible for and own the process? Finally, what is the tradeoff between strategies aimed at promoting individual involvement and participation and those that require the building of collective assets? When viewed in this way, it is clear that the issue of community self-help has both particular and universal implications. As such these issues span both socio-spatial and temporal boundaries.

As an example of this boundary spanning, policymakers, practitioners and scholars struggle with how to incentivize sustainable economic and socio-politico change among materially disadvantaged communities globally. Traditional economic development approaches as reflected in scholarly literature assume that successful economic advancement is driven from above and reflects the level and interaction of three types of capital—financial, human, and physical. This top down development is facilitated by large public and private institutions, usually working in concert, planning how such resources can be increased and delivered efficiently. In the international context, poor countries develop when they receive resource transfers from richer
countries and international donor institutions that can be used to build each of these forms of capital. Within countries, poverty can be reduced by using a similar strategy carried out through the public sector transferring resources from the non-poor to the poor. However, the record of success for this development approach is mixed.

The recognition that traditional top-down economic development approaches have failed to fully achieve their promise has led to an interest in a variety of bottom-up participatory schemes aimed at promoting community self-reliance and self-help. In fact, under traditional top-down development, large areas of the world actually appear to be moving backward. The emergence of these new more participatory forms of development suggest that what might have been viewed as a particular response to local conditions (e.g. community self-help in black American communities in the United States) is taking on a more universal appeal. A range of rhetorical labels have been used to characterize these emerging bottoms up strategies—community self-help, self-reliance, community mobilization, community building, community capacity building, community participatory research, community partnerships, and asset centered development. Despite the particular label, bottoms up approaches seem to be grounded in common notions of community participation. Indeed, what may be most useful in understanding these

---


approaches are the level and quality of, and expectations surrounding community participation.\textsuperscript{12}

These collections of participatory strategies—which going forward will be grouped under the rubric of community self-help—share some common assumptions. Proponents of contemporary community self-help argue that successful and sustainable development must be built on existing community assets and capacities. This perspective shares some important similarities to Booker T. Washington’s and Frederick Douglass’ theories on black community self-help which assumed that blacks would only be able to advance if they built individual and collective civic, educational and economic capacities necessary to successfully participate in a market economy.\textsuperscript{13} These proponents assert that development fails when a community (nation or social group) lacks the internal ability, i.e. the capacity, to adequately use available human, financial, or physical capital whether derived from internal or external sources. The goal of development strategies should be to encourage efficient use of resources, whether existing or new, by promoting individual and community self-efficacy and autonomy and discouraging dependency.\textsuperscript{14}

\begin{itemize}
\item \textsuperscript{12} Peris S. Jones, “Urban Regeneration’s Poisoned Chalice: Is there and Impasse in (Community) Participation-Based Policy?” \textit{Urban Studies} 40, no. 3 (Mar 2003): 581.
\end{itemize}
This study will focus on evaluating the context within which community self-mobilization (i.e. community self-help) occurs. While community self-help clearly has universal implications, this study will structure its primary inquiry around the particular and specific manifestation of self-help among black Americans residing in metropolitan areas (MA) with relatively large black populations. Black Americans were selected as the focus of this study because of the longstanding historical disadvantages blacks have faced in America. Moreover, the available literature suggests that community self-help has been an important tradition in the black community since at least Reconstruction.¹⁵

The literature on black self-help suggests two indicators that could be used to measure community self-help or self-mobilization—civic or community engagement and local economic engagement. Historically, because of the hostility of the white community to blacks’ wellbeing, black Americans have often felt compelled to develop their own locally-based civic approaches to addressing a range of local civic problems, from health issues, to education. Black women were particularly active in civic engagement.¹⁶ In addition, the black church as an institution also has been central to initiating and supporting black civic engagement.¹⁷ Empirically measuring civic

---


engagement is not always straightforward. For this study black civic engagement is measured using formal volunteering by blacks to not-for-profit or government organizations.

Local entrepreneurship also has been a powerful theme in black self-help. Through black industrial education, Washington hoped to promote the practical skills and capacities necessary to incent the development of a broad class of black entrepreneurs and business owners. Furthermore, he hoped to build initial markets for these businesses by appealing to racial solidarity within the black community. Moreover, the promotion of black entrepreneurship has been a motivation for even the black church, though not without some controversy. In this study, black self-employment is used to make local entrepreneurship operational.

Because community self-help is a socio-spatial phenomenon, the goal of this study is to ascertain what combination of socio-economic, demographic, and institutional conditions help to explain variations in black self-help activity from one place to another. The study measures community self-help on two dimensions: 1) the percentage of blacks at least sixteen (16) years old in each metropolitan area that volunteer for at least one week per year (black civic engagement), and 2) the percentage of self-employed blacks in each metropolitan area (black local entrepreneurship). These two dimensions are used to


19 Washington, *The Future of the American Negro*

create two dependent variables: 1) a linearly combined self-help index that can be used to measure the overall level of spatial self-help, and 2) a four group categorical variable that is used to classify metropolitan areas by their interaction between black civic engagement and black local entrepreneurship.

The results of the analyses indicate that differences in black self-help across spatial boundaries can be explained by variations in contextual characteristics measured at the metropolitan level. These relationships between community self-help and spatial context are not always monotonic. Interactions between contextual features are another explanation for spatial variations in community self-help. Finally, during the study period, 2002-2008, black self-help activities seem to be on an upward secular trend.

**Conceptual Model**

This study presents a conceptual model based on the assumption that there is a spatial association between black community self-help and metropolitan contextual characteristics. That is, differences in the configuration of contextual characteristics from one metropolitan area to another are reflected in differences in black community self-help. The socio-spatial ecological model used in this study posits that black community self-help is influenced by three types of contextual characteristics—demographic, socio-economic, and institutional. For some of these characteristics, the association is hypothesized to be two-way. In other words, the contextual characteristics of a community may predict its overall level of community self-help, but the relationship also may operate in the opposite direction. For instance, individuals with certain demographic
and socio-economic characteristics may self-select into communities based on the community’s level of civic engagement and local entrepreneurship.

This notion of two-way or interactive causality is explored by a number of scholars. In examining how value systems, such as individualism or collectivism, influence the direction of economic development strategies, Richard Ball\textsuperscript{21} posits that causality runs in two directions. Accordingly, he derives four hypotheses based on the interaction of individualism, collectivism and economic development: 1) collectivism limits economic development while it is promoted by individualism; 2) collectivism promotes economic development and is dampened by individualism; 3) economic development strengthens collectivism and depresses individualism; and 4) economic development depresses collectivism and promotes individualism.

Eren\textsuperscript{22} provides another example of a two-way causal relationship in his analysis of the relationship between inequality, democracy, corruption and economic growth. He asserts that because it leads to the misallocation of investment resources corruption is a determinant of economic growth. Moreover, because corruption limits economic growth it facilitates the growth of inequality. Surprisingly, the introduction of democracy tends to increase corruption in the short-term, but as democracy gains strength it leads to a decline in corruption which in turn promotes economic growth. He concludes that there is an

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{21} Richard Ball, "Individualism, Collectivism, and Economic Development," \textit{Annals of the American Academy of Political and Social Science} 573, Culture and Development: International Perspectives (Jan. 2001): 57-84.
\item \textsuperscript{22} Ozlem Eren, "Explaining the Two-Way Causality between Inequality and Democratization through Corruption and Concentration of Power" (Ph.D. diss., University of Wisconsin-Milwaukee, 2009).
\end{itemize}
\end{footnotesize}
inverted-U relationship between inequality and democracy. In such a relationship, inequality first rises and then falls as democracy increases.

The conceptual framework for this study, assumes that there is a bi-directional pathway between black community self-help and three categories of contextual characteristics—socio-economic status, demographics, and institutional features. This assumption of bi-directionality, similar to the work discussed by Ball\textsuperscript{23} and Eren\textsuperscript{24} above, means that the predictors in the framework both influence and may be influenced by black community self-help. Several of the predictors in the model include phenomenon which might be thought of as desirable outcomes of successful community self-help. For instance, improvements in socio-economic status, such as more employment, higher family income, and more education, are used to predict and differentiate between different levels of community self-help. However, by improving the availability and the efficient use of economic and human resources, high levels of community self-help may also lead to improvements in a community’s socio-economic status.

The underlying theory supporting the conceptual framework will be explained drawing on sources from a variety of fields—including institutional economics and social capital. Furthermore, the framework will be tested empirically using a merged cross-

\textsuperscript{23} Ball, "Individualism, Collectivism, and Economic Development".

\textsuperscript{24} Eren, "Explaining the Two-Way Causality between Inequality and Democratization through Corruption and Concentration of Power".
sectional dataset containing individual and metropolitan level data covering the years 2002-2008 for black residents of 59 large metropolitan areas in the United States.

The model has three major dimensions—contextual characteristics associated with each of the metropolitan areas in the study, the indicators representing community self-help, and the bi-directional pathways between the contextual characteristics and the community self-help indicators. The framework uses metropolitan demographic, socio-economic and institutional characteristics to help explain why there are observable differences in community capacity across metropolitan areas in the study sample. Community self-help is made operational by classifying the metropolitan areas in the sample into four groups based on the interaction between civic engagement and local entrepreneurship rates. Civic engagement is measured by the aggregate metropolitan rate of black volunteering for at least 1 week per year; and local entrepreneurship is measured by the aggregate metropolitan rate of black self-employment. Finally, the bi-directional pathways represent the association between the community capacity indicators and the three categories of metropolitan contextual characteristics.

The framework will be used to test the hypothesis that spatial differences in black community self-help can be explained by spatial variations in socio-economic, institutional, and population (demographic) characteristics. For this study, these spatial differences are measured at the metropolitan level using metropolitan areas with relatively large black populations.

\[\text{25 The 59 metropolitan areas represent the number of metropolitan areas with samples of least 70 black individuals.}\]
Theoretical and Empirical Underpinnings for Conceptual Model

The conceptual model guiding this study is based on the association between black community self-help and variations in spatial contextual characteristics measured at the metropolitan level. This section provides an overview of some of the literature used to develop the model. This discussion starts with an overview of research on volunteering and contextual characteristics and concludes with a similar discussion on local entrepreneurship.

Because black civic engagement is measured using formal volunteering, in addition to the writings on black self-help, the extensive literature on volunteering also was reviewed. One of the challenges in reviewing the volunteer literature for spatial explanatory variables is that the dominant literature on volunteering behavior focuses on which individual characteristics are most likely to predict whether or not an individual volunteers or does not volunteer. The characteristics in the literatures that are most strongly and consistently related to volunteering behavior are education, gender, race, and age. By contrast, a review of the literature finds a limited number of studies that incorporate contextual factors into their study designs.\textsuperscript{26} Moreover, there are few published studies that attempt to incorporate both individual and contextual factors in comparative analyses of volunteering across sub-national spatial constructs—such as cities, states or metropolitan areas.

One feature found in both the volunteer and black self-help literatures is the role of religion and the institutional church. In the black self-help literature, the black church

is seen as a core institutional sponsor of a whole range of civic engagement behavior—including volunteering for both secular and religious activities.\textsuperscript{27} There is a good deal of evidence in the scholarly literature that church attendance and participation is strongly related to the level of several forms of social capital, including volunteering.\textsuperscript{28} Much of this literature treats religion as an individual predictor and thus has found that individuals that attend church are more likely to volunteer than non church-goers.\textsuperscript{29}

However, several recent studies have begun to look at religion as a contextual factor and not just an individual attribute. These studies have tended to be comparative analyses. In the black self-help literature research has been done showing that specific black church practices are related to civic engagement aimed at addressing specific types of community problems. For example, the use of gospel music by black church organizers appear to be related to successfully engaging black churchgoers to address problems from substance abuse to voter registration.\textsuperscript{30} Ruiter and De Graaf\textsuperscript{31} examine the relationship between the overall level of religious participation in a society and the probability that an individual will volunteer. Using a cross-national dataset, they found

\begin{itemize}
\item \textsuperscript{27}Pattillo-McCoy, \textit{Church Culture as a Strategy of Action in the Black Community}: 767-784.
\item \textsuperscript{29}Marc A. Musick, John Wilson, and William B. Bynum, "Race and Formal Volunteering: The Differential Effects of Class and Religion," \textit{Social Forces} 78, no. 4 (June 2000): 1539-1570; Francesca Borgonovi, "Divided we Stand, United we Fall: Religious Pluralism, Giving, and Volunteering," \textit{American Sociological Review} 73, no. 1 (Feb. 2008): 105-128.
\item \textsuperscript{30}Barnes, \textit{Black Church Culture and Community Action}: 967-994.
\end{itemize}
that, all else being equal, the average level of church attendance increases the rate volunteering for both church-goers and non church-goers. Their findings have profound implications for volunteering and civic engagement. As societies become more secularized volunteering and the resultant civic engagement is likely to decline.

Borgonovi finds similar results in her study of U.S. counties using a dataset drawn from the 2000 Social Capital Community Benchmark Survey (SCCBS). Her study used volunteering and charitable giving as dependent variables. In this study, Borgonovi not only included contextual variables on the percentage of residents in each county that belong to a religious organization, but also on the level of religious pluralism. She found that the level of religious participation and religious diversity is positively related to volunteering, but only religious participation is positively related to charitable giving. However, she did not find a statistically significant relationship between her contextual measures of religion and secular volunteering, but found mixed results for secular giving. On the other hand, she did find that individual church attendance is positively related to both secular volunteering and secular charitable giving. While these few studies demonstrate the importance of including contextual factors in the analyses of volunteering, these types of studies are still relatively rare.

32 Ibid.
33 Borgonovi, "Divided we Stand, United we Fall: Religious Pluralism, Giving, and Volunteering".
34 Ibid.
35 Ruiter and De Graaf, "National Context, Religiosity, and Volunteering: Results from 53 Countries".
Most of the literature on entrepreneurship has attempted to identify the individual predictors that influence decisions to start, maintain or close a business.\(^{36}\) By contrast, there are only a limited number of studies that attempt to understand under what circumstances entrepreneurship flourishes in some locations but is sorely lacking in others. However, historically, the black church has been shown to be an important institutional sponsor and partner of black business.\(^{37}\)

The field of institutional economics focuses on the context in which economic activity occurs across different types of places. Institutional economics provides a lens to examine the conditions that promote or retard entrepreneurship. Ivan Light and Carolyn Rosenstein in *Race, Ethnicity and Entrepreneurship in Urban America*\(^{38}\) explain the low black business participation rate using an institutional economics’ perspective. They argue that the level of entrepreneurship is a function of institutional factors, that is, what


Douglas C. North\textsuperscript{39} refers to as the rules each society uses to organize its economic, political and social affairs. Light and Rosenstein cite as one example, the negative role that Confucian philosophy had on traditional China’s economic development. Because Confucian philosophy disfavored money handling, long hours devoted to labor, and competition, China could not develop the entrepreneurial culture necessary to produce the supply of entrepreneurs needed to jumpstart development. In general, they find that within metropolitan areas in the U.S. that different ethnic-racial groups respond differently to changes in the general economic and institutional environment. Indeed, some changes specifically affect some groups’ level of self-employment while having little or no effects on other groups.\textsuperscript{40}

This argument is very similar to the position taken by the proponents of economic freedom who argue that it is a country’s institutional context that determines the level, the quality, the type and ultimately the success of economic activity.\textsuperscript{41} Case studies of Africa are particularly illustrative of the role policy and institutional factors play in development. Africa continues to be the poorest region in the world despite its natural resource advantages. George Ayittey\textsuperscript{42} asserts that policy decisions made by African governments pursuing development through the use of centralized socialist planning


\textsuperscript{40} Light and Rosenstein, \textit{Race, Ethnicity, and Entrepreneurship in Urban America}.

\textsuperscript{41} North, Institutions and Economic Theory, 3; "North, Institutions, Ideology, and Economic Performance"; Powell, \textit{Making Poor Nations Rich: Entrepreneurship and the Process of Economic Development}.

\textsuperscript{42} Ibid., 137-188.
models have undermined local community capacity and led to the impoverishment of African nations. These poor policy decisions have been greatly exacerbated by widespread and deeply entrenched government corruption.

In addition to explanations based on variations in access to resources, entrepreneurship also appears to be influenced by differences in cultural characteristics and personality traits. There is a large literature on the relationship between personality and cultural traits, such as locus of control, and entrepreneurial inclination\textsuperscript{43}.

Surprisingly, there have been much less comparative analyses of racial and ethnic entrepreneurial differences between geographically-based communities within the same country. Villemez and Beggs\textsuperscript{44} studied whether variations in the level of black entrepreneurship across different cities was associated with black economic wellbeing. Based on a sample of 198 cities, the authors found that there was definite evidence that differences in the level of entrepreneurship as measured by the share of black businesses in a city were linked to several measures of black economic wellbeing. An analysis of


\textsuperscript{44} Wayne J. Villemez and John J. Beggs, "Black Capitalism and Black Inequality: Some Sociological Considerations," \textit{Social Forces} 63, no. 1 (Sep. 1984): 117-144.
rural counties in the United States by Goetz\textsuperscript{45} found considerable variation in self-employment across rural counties. However, he did not examine whether differences in self-employment were related to aggregate variations in community economic outcomes. Marr\textsuperscript{46} examined differences in self-employment rates across cities for three different groups of Asians—Chinese, Japanese and Filipinos—in the United States. He found the variations in self-employment rates across the three groups were related to differences in city structures. However, he did not attempt to link the level of entrepreneurship to differences in economic wellbeing for these three Asian groups across cities. Economists have found a positive relationship between entrepreneurship and city economic growth\textsuperscript{47}.

**Contribution to the Literature**

This study will contribute to the literature in several ways. First, while there is a fairly rich, though not necessarily vast, literature on black community self-help, the empirical literature is extremely limited. This study will measure temporal and spatial variations in black community self-help. Something that here-to-for has not been done. Where empirical studies do exist, they have not attempted to take on in a comprehensive way an analysis of the full contextual milieu that characterizes the spatial variations in


black self-help. While this study uses an empirical approach that can be readily replicated, because the metropolitan areas in the sample are not randomized, caution should be taken in directly generalizing the results beyond the study sample.

Second, the literatures on black self-help and contemporary community participation have seldom been seen as sharing common themes. Because much of the black self-help literature is historical in nature, there are few examples of scholars asking whether the self-help and community participation theories and practices of Booker T. Washington, Fredrick Douglass, and W.E. B. Dubois share common conceptual features with say Putnam’s, Coleman’s, Bourdieu’s or Woolcock’s theories on social capital. This study will attempt to bring some of that literature together.

Third, the current literature on community self-help provides only limited insights into what place-based spatial characteristics predict variations in black community self-help across spatial boundaries. This study will contribute to the literature by identifying contextual factors that could be used to predict spatial variations in place-based black self-help.

Fourth, while the general scholarly literature on community self-help hypothesizes a causal link between community participation and positive socio-economic outcomes, it provides little empirical evidence to support this theory. While this study will not make claims on direct causality between community self-help and desirable socio-economic outcomes, it will provide some additional insights into how spatial variations in black community self-help may be associated with place-based spatial differences in socio-economic and institutional characteristics. As discussed above, the
conceptual framework used to guide this study assumes that there is bi-directional causality between spatially measured black self-help activity and place-based differences in spatial contextual characteristics. Therefore, the focus will be on the existence and strength of association.
CHAPTER 2

COMMUNITY SELF-HELP: AN ALTERNATIVE PATH TO ECONOMIC 
AND SOCIAL DEVELOPMENT

Introduction

There is a growing literature that posits that processes that facilitate self-help and community autonomy—i.e., building a disadvantaged community’s capacity to solve or at least contribute to the solution of its own short to intermediate term micro problems—are the key to reducing poverty and achieving sustainable economic and community development. While much of this literature is grounded in examples in less developed nations, the applications also appear to be relevant to anti-poverty efforts in rich nations. This literature suggests that the biggest obstacle to successful community development may not be inadequate resources per se, but the lack of internal community capacity.¹

Community self-help seeks to empower and support members of disadvantaged social and community groups to directly participate in defining and solving their own individual and collective problems. While not rejecting technical and professional competence, self-help privileges citizen participation, i.e. the knowledge of the

community, over the professional and technical knowledge of planners and other professionals. It assumes that the definition and solutions to social, economic and political problems are not universal, but are particular and are bounded by specific spatial, temporal and culture considerations. In other words, problems thought to be national (or even global), such as, reducing poverty or improving childhood vaccinations are not universal but have different definitions and solutions depending on the spatial, cultural and temporal context within which they occur. It could be argued that if one were to use Lyotard’s\(^2\) analytical framework that community self-help is a postmodern challenge to the meta-narrative of public and private national and global institutions that attempt to find a common lens that can be used to define, understand and resolve problems of modernity and plot master plans for the future; whether those problems are economic collapse, ecological disasters, or problems of human development.

**Defining Community Self-Help**

While this study is intended to examine black self-help, it is useful to provide an overall or universal understanding of what constitutes community self-help. The key definitional issue in this study is defining self-help. Williams states the following:

Community self-help involves not-for-profit help provided for and by kin, friends, neighbors or other members of one’s community, either on an individual basis or through more organized collective groups and associations….At one end lies participation in formal or ‘third sector’ community based organizations….At the other end lie…informal …activities, which involves providing aid on a one-to-one basis to…friends, neighbors and acquaintances.\(^3\)

---


If not identical, Williams’ definition is very similar to other authors’ conception of formal and informal volunteering.\(^4\)

Peris S. Jones\(^5\) takes a slightly different tact for thinking about self-help. He focuses on differences in the level, intensity, and quality of participation by community members. Jones classifies self-help by whether community activity falls into one of seven categories:

1. **Manipulative** – community members have no real power or influence over decisions. Their participation is to provide formal legitimization of a process driven by powerful non-community members.
2. **Passive** – information is shared with community members but they have no decision-making authority.
3. **Consultation** – community members are consulted or asked questions but do not have direct influence over community problem solving, analysis, or decision-making.
4. **Incentive driven** – community members volunteer time and labor in return for material incentives. However, community members have little stake in activities or outcomes, and participation often ceases once incentives are no longer available.
5. **Functional** – community participation is sought by external project organizers in order to achieve their project goals. For example, government public health professionals may seek community participation to increase the efficiency of providing child vaccinations.
6. **Interactive (or collaborative)** – community residents and external stakeholders jointly determine focus, goals and operational approaches for community projects.
7. **Self-mobilization** – community members participate by taking action independently of any external actor or powers—such as, government agencies, political leaders, or philanthropic funders. Community residents control and lead the process.\(^6\)

\(^4\) Wilson, "Volunteering".
\(^5\) Jones, "Urban Regeneration's Poisoned Chalice: Is there an Impasse in (Community) Participation-Based Policy?".
\(^6\) Ibid.: 590.
While there are multiple examples of participation modeled on the first five categories, there are much fewer illustrations of participation that follows the last two categories, especially the final category. Nel and Binns\(^7\) provide examples of four such projects in post-apartheid rural South Africa. However, despite some documented successes, projects falling into the last category often fail to acquire the resources necessary to sustain themselves. Neverdon-Morton\(^8\) provides several examples from the historical self-help literature of four rural and urban black self-help projects led and designed by black women operating with external resources that fit the last two categories.

The Jones\(^9\) participation framework provides a useful model for assessing whether specific activities are truly self-help. As you move from category 1 to 7 on Jones’s classification, you move from less to more self-help. However, it is difficult to apply the Jones’s framework beyond small sample, case oriented analysis. The Williams’ definition on the other hand, could be and has been applied using survey data which would allow measurement of self-help activities on a large scale. However, there are other conceptualizations of self-help used in the academic, policy and practitioner literatures.

---

\(^7\) Nel and Binns, "Rural Self-Reliance Strategies in South Africa: Community Initiatives and External Support in the Former Black Homelands".

\(^8\) Neverdon-Morton, "Self-Help Programs as Educative Activities of Black Women in the South, 1895-1925: Focus on Four Key Areas".

\(^9\) Jones, "Urban Regeneration's Poisoned Chalice: Is there and Impasse in (Community) Participation-Based Policy?".
One contemporary definition of community self-help that has emerged is community capacity building or community building. Fariborz Aref\textsuperscript{10} points out that less than two decades ago the term community capacity building was not a part of the policy literature on development. However, it is now used widely in a variety of contexts—including urban policy and community and economic development. Building on a definition of community capacity used in a 1996 Aspen Institute report, Cheers, Cock, Keele, Kruger, and Trigg\textsuperscript{11} define community capacity in the following way:

Community capacity comprises the resources a community has that potentially can be used for primary industry growth, and the community’s ability to use these for this purpose in changing economic, social and environmental context.\textsuperscript{12}

A two-part working definition of community-capacity used by practitioners in the community health fields states that community capacity is:

(1) the characteristics of communities that affect their ability to identify, mobilize, and address social and public health problems and (2) the cultivation and use of transferrable knowledge, skills, systems, and resources that affect community- and individual-level changes consistent with public health-related goals and objectives.\textsuperscript{13}

From the anti-poverty field Hannah\textsuperscript{14} presents the following similar definition:

\textsuperscript{10} Fariborz Aref, "Community Capacity as an Approach to Sustainable Tourism," \textit{E-Review of Tourism Research} 8, no. 2 (2010).


\textsuperscript{12} Ibid.: 3


Capacity building refers to attempts to increase a community’s ability to act on its own behalf to address needs. Capacity building efforts may be focused on residents, a community organization, a network of community organizations, or some combination of these.\textsuperscript{15}

Community self-help is a complex, multi-dimensional construct that involves the confluence of problem-solving and resource mobilization. Chaskin\textsuperscript{16} captures this confluence in the following definition:

Community capacity is the interaction of human capital, organizational resources, and social capital existing within a given community that can be leveraged to solve collective problems and improve or maintain the well-being of a given community. It may operate through informal processes and/or organized efforts by individuals, organizations, and social networks among them and between them and the larger systems of which the community is a part.\textsuperscript{17}

Chaskin’s definition suggests the key elements for a strategy to measure community capacity. However, other scholars assert that the challenge to effectively make these elements operational is resolving the tension between defining community capacity as a generic attribute or a specific ability—that is, capacity to do a specific task.\textsuperscript{18}

\begin{itemize}
  \item \textsuperscript{15} Ibid.: 9
  \item \textsuperscript{17} Ibid.: 295.
  \item \textsuperscript{18} Mary Maclellan-Wright et al., "The Development of Measures of Community Capacity for Community-Based Funding Programs in Canada," \textit{Health Promotion International} 22, no. 4 (Dec 2007): 299-306.
\end{itemize}
Gibbon, Lebonte and Laverack\textsuperscript{19} assert that community capacity is both ends and means and can be best understood to encompass nine domains: stakeholder participation; problem assessment capacity; local leadership; empowering organizational structures; resource mobilization; links to other organizations and people; stakeholder ability to ask why; stakeholder control; an equitable relationship between community stakeholders and outside agents and resources.

Mathie and Cunningham\textsuperscript{20} suggest defining community capacity based on whether its target is:

(a) developing or improving economic systems and infrastructure; (b) developing the economic capacities of individuals; and (c) developing the economic capacities of groups to undertake community economic development.\textsuperscript{21}

Each target implies a different approach for community capacity building.

From the economic system’s perspective capacity building is exogenous involving the use of outside experts and resources to facilitate a community’s economic development processes. It primarily involves improvements in development technology and infrastructure. On the other hand, the individual capacity approach focuses on developing individual human capital. In this context, community economic development would be an outgrowth of building the community’s human resources and would reflect


\textsuperscript{20} Mathie and Cunningham, "From Clients to Citizens: Asset-Based Community Development as a Strategy for Community-Driven Development".

\textsuperscript{21} Ibid.: 481.
the economic success of individuals. An example of individual capacity building is entrepreneurship and micro-enterprise.

Finally, the aim of the group perspective is to build the capacity of the community as a collective. While community economic improvement is a central goal, collective community capacity is an end in and of itself. Examples of collective actions are community development organizations, and community credit unions.22

Kretzmann and McKnight23 have developed an approach to community self-help called Asset Based Community Development (ABCD). ABCD is premised on the belief that community residents have the capacity to drive the community and economic development process by recognizing and mobilizing existing community resources and assets.

Definitions of community self-help also can be derived from the literature on social capital. In particular, social capital theorists hypothesize that there is an interaction between social capital and a community’s capacity to achieve such instrumental outcomes as economic growth.24 These scholars assert that while there is considerable variation in definition, social capital should be understood as the following:

22 Ibid.

23 Kretzmann and McKnight, "Assets-Based Community Development".

… investment and use of embedded resources in social relations for expected returns. … The general proposition is that social capital enhances the likelihood of instrumental returns, such as better jobs, earlier promotions, higher earnings or bonuses, and expressive returns, such as better mental health.²⁵

This definition suggests social capital is a measure of both a community’s capacity to achieve positive social and economic outcomes, as well as the capacity of individual members of the community, to engage in their own development.

Other scholars support this dual understanding of social capital as both individual and collective resource.²⁶ An example of social capital as an individual resource would be an individual seeking employment contacting her network of family, friends and associates to find employment. On the other hand, an example of social capital as a collective asset would be the number of and membership in civic associations in a community.

This lack of consensus on the definition of community self-help has made it challenging to construct operational indicators capable of measuring the construct empirically. Most empirical research on community self-help use case study or small sample approaches. Indicators used in these types of studies are difficult to generalize beyond the samples or cases used in the studies.²⁷

²⁵ Lin, "Inequality in Social Capital".


²⁷ Aref, "Community Capacity as an Approach to Sustainable Tourism"; Maclellan-Wright et al., "The Development of Measures of Community Capacity for Community-Based Funding Programs in Canada"; Gibbon, Labonte, and Laverack, "Evaluating Community Capacity".
Black Self-Help

Contemporary discussions of black self-help see it as an alternative to public sector led development strategies or reliance on welfare and government transfers. Black self-help in this context is seen as an approach to mobilize individual and collective black resources to promote internal development and caring for community members. In particular promoting black entrepreneurship is seen as a crucial component of black self-help and empowerment.

After the American Civil War, blacks faced with white hostility and lacking material resources, were faced with an enormous challenge. Southern whites were working to insure that blacks would not become fully functioning citizens. The election of Rutherford B. Hayes as president signaled the beginning of the great compromise that would leave white Southerners alone to determine without federal interference the current and future plight of their black residents. Against this backdrop, emerging black leadership had to decide what approach would be most effective in improving the current and future material wellbeing of newly freed rural blacks. Black leaders, such as Booker T. Washington, Frederick Douglass and W.E.B. Dubois developed their own programs for promoting black self-help.

---


This section will examine the historical roots of black community self-help and contrast it with contemporary examples of community self-help and community participation. An analysis of the history of black self-help suggests the possibility of distinct but possibly overlapping definitions. While the section above discussed universal meanings and applications of community self-help, this section will particularize self-help within the context of black history in America.

Self-help has been an integral part of black American life since before the American civil war.

In 1780, the first free mutual aid society on record, the African Union Society, was established in Newport, Rhode Island, by the black musician and businessman Newport Gardner. While founded for the purpose of providing benefits to widows and children, it also made loans to debt-encumbered members, provided apprenticeships for youths, and encouraged thrift. Their members were advised to use their savings to purchase property and develop real estate…

Black self-help activities extended to a wide range of individual and collective activities including promoting entrepreneurship. For example, well-to-do antebellum blacks established extensive informal banking activities. “While holding savings for fellow black, they made loans with interest not only to blacks but also to whites who did not want their precarious finances to be a matter of public record.” This informal banking function is very similar to modern micro-financing in Asia, Africa, Latin America and the U.S. By performing these banking functions for both blacks and whites,

---


32 Ibid., 87.
this activity also seems to encompass the type of bridging and bonding social capital that Putnam\textsuperscript{33} alludes to in his scholarship.

Black community self-help has taken a comprehensive approach to addressing black community development; encompassing mutual aide, civic engagement, provision of social and health services, education and business development.

As early as the 1700s, this group had engaged in self-help activity, which originated in the church and in beneficial societies. The group showed an early interest in the development and support of educational institutions. Banking and insurance institutions developed as business enterprises which contributed to the economic growth of entrepreneurs in the Afro-American community. One can trace the development of these institutions to those which originally were founded to allow members of the group to seek for themselves.\textsuperscript{34}

The quotation above indicates that historically there has been an interaction between the success and growth of black entrepreneurship and other forms of black self-help.

Despite its long history in the black community, there is no clear consensus on what self-help really means. Three of the greatest and most well known black advocates of black self-help were Fredrick Douglass, Booker T. Washington, and W.E.B. Dubois. Washington’s support for black self-help is well established both inside the black community and in the historical record. However, Douglass and Dubois present alternative and in some instances conflicting models of self-help. An analysis of these three giants’ conceptions of self-help suggests that they and other black advocates of


\textsuperscript{34} Butler, \textit{Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics}, 149.
community self-help can be classified on at least two dimensions: individual versus collective empowerment, and rejection versus acceptance of the American system of capitalism.

![Exhibit 2.1. Historical Perspectives on Black Self-Help](chart)

Source: Author developed this graphic based on work of Gayle McKeen (see footnote).

Washington\textsuperscript{36} argued that given the limited preparation and lack of resources that formerly enslaved Southern blacks substantially limited their capacity to be fully functioning citizens. As such, he argued that blacks were facing a real challenge to their futures.

A useless class is a menace and a danger to any community, and that when an individual produces what the world wants, whether it is a product of hand, heart or head, the world does not long stop to inquire what is the color of the skin of the producer. It was easily seen that if every member of the race should strive to make himself the most indispensible man in his community, and to be

\textsuperscript{35} McKeen, "Whose Rights? Whose Responsibility? Self-Help in African-American Thought".

\textsuperscript{36} Washington, \textit{The Future of the American Negro}. 
successful in business, however humble that business might be, he would contribute much toward smoothing the pathway of his own and future generations.\(^{37}\)

An analysis of this statement shows Washington’s position on both the American System and Outcome of Self-help Dimensions presented in exhibit 2.1.\(^{38}\) His belief that race alone would not stop a successful black producer from exploiting potential markets suggest his strong acceptance of the American capitalist system. As far as outcomes go, Washington asserts that successful business development will achieve benefits for both the black community as a collective and for black individuals. However, his conception of collective seems to be an aggregation of black individuals developing the skills and capacities to be successful producers. Interestingly, his ideas about community membership may go well beyond just blacks. A more subtle reading of the statement “every member of the race should strive to make himself the most indispensible man in his community…”\(^{39}\) suggests that community is broader than race. Stated differently, if every black developed the skills and resources to be a world class producer all members of the community, white and black, would find them “indispensible”.\(^{40}\) Washington also presents a sense of community that includes recognition of blacks as a distinct social group and the networking of blacks and whites around the working of market processes.


\(^{38}\) Exhibit 2.1 was developed by author based on work of McKeen, “Whose Rights? Whose Responsibility? Self-Help in African American Thought”.

\(^{39}\) Ibid., 73.

\(^{40}\) Ibid., 73.
W.E.B. Du Bois\textsuperscript{41} was a contemporary of Washington and a fierce critic of Washington’s self-help agenda. Dubois’ criticism of Washington was ostensibly driven by what he saw as Washington’s accommodation of Southern white supremacy. However, Norrell\textsuperscript{42} and earlier Meier\textsuperscript{43} debunk the idea that Washington accepted white supremacy. The record actually shows that given the constraints of the time Washington found any number of ways to speak out and oppose the most extreme aspects of white supremacy, including disenfranchisement and attempts to prohibit education for southern blacks.

In analyzing Dubois, McKeen\textsuperscript{44} finds that he defined self-help along two dimensions: 1) self-help through the creation of culture and 2) self-help through economic solidarity. In terms of creating culture, Dubois believed it was the role of the black elite, and not the responsibility of outsiders, to cultivate the heritage, cultural norms, and customs necessary for blacks to become fully functioning citizens. Education was to be used for cultural uplift and not simply to acquire skills and make a living. Dubois’ economic self-help moved over time toward creating alternatives to capitalism. His economic self-help was aimed at building black industrial organizations that could work in coalition within and beyond the black community to challenge capitalism.

\begin{itemize}
\item \textsuperscript{41} W. E. B. Du Bois, \textit{The Souls of Black Folk} (New York: Modern Library, 2003).
\item \textsuperscript{42} Norrell, \textit{Booker T. Washington: Understanding the Wizard of Tuskegee}: 96-109.
\item \textsuperscript{44} McKeen, \textit{Whose Rights? Whose Responsibility? Self-Help in African-American Thought}: 409-432.
\end{itemize}
Dubois’ self-help model would place him in the top left quadrant of exhibit 2.1. He rejected American capitalism and defined self-help outcomes as collective and not just the aggregation of individual outcomes. In fact, he most feared that the black elite, his talented tenth, would become a group of selfish and self-indulgent individuals, who would put their own interests ahead of the needs of the collective community.  

Finally, Frederick Douglass’s self-help model while sharing some common features with both Washington and Dubois was qualitatively different. While opposing slavery and white supremacy, Douglass was also a strong proponent of the American system, especially the American Constitution. Indeed, in 1851, he broke with fellow abolitionists because, the latter in particular the Garrisonians, rejected the American Constitution. Douglass honored the universal over the particular, and as a result, preferred to embrace all of humanity over race. Douglass saw the highest expression of humanity in the individual. In that regard, he appears to have been an adherent of Locke. In contemporary parlance, Douglass would have been thought of as a libertarian or classical liberal. Given this perspective, Douglass urged blacks as individuals to embrace self-determination.

Douglass urged blacks to acknowledge the irresistibility of American civilization…and to take advantage of it: they must advance themselves through work, saving money, accumulating property—and acquiring character. In well-known writings…he called upon African Americans to cultivate “character” and extolled the virtues of work…but readily added that menial labor was a state which one should find a way out of as soon as possible…

45 Ibid.
46 Ibid.
Douglass was practical in his approach to achieving self-help. Given the state of race relations blacks faced, he urged the development of black associations and organizations to assist blacks in pursuing the self-help goals he espoused.\textsuperscript{48} Exhibit 2.1 places Douglass in the far southeast corner of the model. Clearly Douglass fully accepted the potential of the American system as manifested through the Constitution. However, unlike Dubois he defined the proper goals of self-help as the full development of the individual. Most contemporary black adherents to self-help on the political right or the left tend to reflect the positions of one of these three seminal black leaders.

This historical analysis shows that different branches of black community self-help share some common features. First, unlike some of the contemporary forms of community self-help where the primary focus is on increasing citizen participation, economic advancement is central to all historical and contemporary approaches to black community self-help. While intellectuals such as Dubois argued that black economic advancement required a collective approach that challenged the prevailing system of American capitalism, historically, black business development has been championed by almost all advocates of black community self-help at some point in time. Even Dubois early in his career supported black business development as a vehicle for creating black wealth. In this regard, black community self-help is linked with self-reliance movements in developing countries and community capacity building in low-income areas in advanced economies as well as in less developed areas of the world. Black community

\textsuperscript{48} Ibid.
self-help shares a common commitment and interest in economic development in general and enterprise creation strategies, such as microenterprise, local entrepreneurship and cooperative business, in particular, with the community capacity building and community self-reliance interpretations of community self-help.

Against this backdrop, this study will focus on the interaction of black civic engagement and black entrepreneurship. In addition, self-help has both spatial and temporal dimensions. The spatial dimension for this study will use a sample of metropolitan areas with relatively large black population, while the temporal dimension will cover the period from 2002 through 2008. Specifically, the study will examine the relationship between variations in particular contextual characteristics related to place and temporal changes in self-help indicators in four types of metropolitan areas: 1) high self-help black metropolitan areas (metropolitan areas with above average black civic engagement and black entrepreneurship); 2) high civic black metropolitan areas (places with above average black civic engagement and below average black entrepreneurship); 3) high entrepreneurship black metropolitan areas (locations with high black entrepreneurship and below average black civic engagement); and, 4) low self-help metropolitan areas (places with both below average black civic engagement and black entrepreneurship).

One can reasonably argue that the approach taken to defining and measuring community self-help in this study misses some important dimensions such as political mobilization, social justice, or system’s and institutional change—a perspective that seems consistent with the approach championed by Dubois. While these criticisms should
not be dismissed out of hand, in the absence of wholesale social change, one can argue that community self-help growing out of local civic engagement and entrepreneurial activity have the greatest potential of affecting the day to day life of most individuals—especially disadvantaged individuals—in the short to intermediate term.\(^{49}\) In short, this study attempts to measure if some communities are better equipped because of their civic and entrepreneurial resources to address the micro problems—public safety, access to economic opportunities, a clean and orderly living environment—faced by most community residents than other similarly situated communities.

**Cautions on Self-Help**

The central assumption of community self-help is community participation. Given this, a key challenge for researchers, policymakers and practitioners interested in community self-help is determining what actually constitutes community participation and how best to measure it.\(^{50}\) Moreover, scholars have raised fundamental questions

---


\(^{50}\) Jones, "Urban Regeneration's Poisoned Chalice: Is there and Impasse in (Community) Participation-Based Policy?".
about what participation actually means in practice. Furthermore, should participation be considered an end in and of itself or a means to some desirable outcome?

The enthusiasm for community self-help as an alternative to modern meta-narratives does not indicate whether self-help represents a positive framework for moving into the future or simply an interim response to the failures and limitations of the rationalist universalizing institutions of modernity. The evidence is mixed. In the developing, less advanced areas of the world, in particular Africa, community self-help seems to be a response to institutional failure. Governments across Africa, along with a host of international donors and development nongovernmental organizations (NGOs) have failed to find a sustainable path to successful development. In response local communities have attempted to ameliorate poverty and other local problems by organizing themselves to implement their own self-help strategies. These efforts have had mixed results. There are clear successes, but the limitations also are quite apparent.

On the other hand, there are proponents of community self-help in advanced economies that see participatory self-help not as simply a response to institutional failure but as an actual advance in the way problems are defined, understood and addressed. Williams asserts that “community self-help to rejuvenate deprived neighborhoods is now

---


accepted practice in both the UK and the advanced economies generally". The major question is how best to mobilize community resources through existing formal community-based organizations and institutions or through informal acts carried out by individuals and small unorganized groups. African Americans have embraced self-help as an integral component of their survival and advancement in the U.S. since before the civil war. Jackson-White, et al assert that African American adoption agencies are consistently more effective at placing black children in adoptive homes because these agencies are founded and operate on the long tradition of black mutual aid and community self-help. These agencies succeed because of their community and cultural knowledge. Neverdon-Morton traces the success of four black self-help movements dating back to the turn of the twentieth century. These movements were led by enterprising black women and successfully worked in both rural and urban settings on a variety of community concerns.

However, community self-help is viewed with caution, if not suspicion in some quarters. Many observers are concerned that the non-poor advocates of community self-help have turned the facts on their head. Community self-help is seen as a legitimate and often effective survival response to the failures of the state and the market to allocate resources more fairly and to address social and economic inequality. Unfortunately, in


55 Neverdon-Morton, "Self-Help Programs as Educative Activities of Black Women in the South, 1895-1925: Focus on Four Key Areas".
terms of its effectiveness, self-help and community participation have been elevated from a survival response to near deification. This elevation eliminates the need to challenge the existing social order and socio-economic power arrangements in favor of a strategy that depends on the poor finding and using their own resources to alleviate their poverty.\textsuperscript{56} Several observers have even speculated that community participation is just a fig leaf for social elites imposing their visions and plans on the disenfranchised. Lepofsky and Fraser\textsuperscript{57} assert that community self-help efforts aimed at community building have perverted the meaning of the citizen. While “citizenship has always been a hybrid between being a given status and performative act”\textsuperscript{58}, the new community building efforts have transformed a citizen or a community member from a state of being into behavior that requires that acts of civic engagement be performed.

This definition of citizenship built on performance of civic acts means that some individuals residing in a community who do not perform such acts can lose their functional citizenship, while individuals from outside the community can become active stakeholders in defining a community’s future if they are willing to perform the necessary acts of civic engagement. Jones\textsuperscript{59} observes that many community self-help initiatives


\textsuperscript{57} Lepofsky and Fraser, "Building Community Citizens: Claiming the Right to Place-Making in the City".

\textsuperscript{58} Ibid.: 127.

\textsuperscript{59} Jones, "Urban Regeneration's Poisoned Chalice: Is there and Impasse in (Community) Participation-Based Policy?".
often scrupulously avoid any challenge to the existing institutional power relationships
either inside the community or in the wider society in which the community is embedded.
Under these circumstances community participation is often no more than pro forma or
even manipulative or exploitative.

The dialectic between the advocates of self-help and its critics suggests that there
may not be an unambiguous evaluation of the value of community self-help. Therefore,
high levels of self-help may not always signal that a community is better off than a
community with moderate or even low levels of community self-help. While this study
will attempt to provide empirical analysis of the causal configuration that predicts black
community self-help and how it has changed over time, it will not attempt to directly
evaluate the benefits of community self-help or to compare those benefits from one type
of spatial area to another.
CHAPTER 3

EMPIRICAL METHODS

Introduction

This study has two primary goals. The first goal is to assess whether there are temporal variations in black community self-help over the study period of 2002-2008 controlling for four distinct types of metropolitan areas: 1) high self-help metropolitan areas (i.e. places with above average black civic engagement and black entrepreneurship; 2) high civic metropolitan areas (i.e. locations with above average civic engagement and below average black entrepreneurship); 3) high entrepreneurship metropolitan areas (i.e. places with above average black entrepreneurship and below average black civic engagement); and 4) low self-help metropolitan areas (i.e. locations with below average black civic engagement and black entrepreneurship).

The second goal is to determine if the four distinct types of black self-help metropolitan areas have different configurations of specific metropolitan contextual characteristics. The four types of metropolitan areas represent qualitative rather than quantitative differences in black community self-help. This study will use an empirical strategy to pursue these two goals.

Conceptual Model

Community self-help is defined as the ability of a community to mobilize internal community resources to engage in civic and economic self-help aimed at addressing a community’s micro social and economic problems and needs. This study uses black
Americans 16 years\textsuperscript{1} and older residing within 59 midsized to large metropolitan areas\textsuperscript{2} from 2002 – 2008 as the study sample.

\textbf{Source:} This Graphic is based on author’s research design.

The figure presented in Exhibit 3.1 is an ecological model that shows that there is an association between black community self-help and three categories of contextual characteristics—socio-economic, demographic, and institutional. In the model,

\footnotesize{\textsuperscript{1} Sixteen years of age was used as the cutoff because in order to be officially counted in the labor force an individual has to be at least sixteen years of age. You need to be in the labor market to be counted in the self-employment and volunteering data in the Current Population Survey (CPS), the data source for these variables in this study.}

\footnotesize{\textsuperscript{2} A list of metropolitan areas included in the study can be found in chapter 4.}
Community self-help is the interaction of black civic engagement and black entrepreneurship. This interaction is shown at the center of the model and leads to four groups representing different levels of black metropolitan civic engagement and local entrepreneurship. This four group variable will serve as the primary dependent variable in the study.

Rather than a linear causal relationship, the model posits that there may actually be a circular relationship between community self-help and metropolitan contextual characteristics. Each of the spatial contextual characteristics in the model is drawn from the community self-help, social capital, and institutional economics literature. These spatial characteristics will serve as the explanatory factors in the study. However, the association between black community self-help and these spatial characteristics should not be examined in isolation. Instead, these characteristics form a causal configuration which is expected to be unique for each of the four levels or groups of the dependent variable.

While there is a legitimate argument that these spatial contextual characteristics are associated with differences in black community self-help, this does not mean that they cause these differences. It could certainly be the case that blacks sort themselves residentially based on communities with certain characteristics—one of those characteristics being the community’s observed level of community self-help.

---

3 Contextual will be used throughout this paper to identify aggregate or group level characteristics associated with demographic, socio-economic or institutional features of a metropolitan area. For example, the density of social organizations per capita would be a contextual characteristic of a metropolitan area.
Research Questions and Hypotheses

Using the conceptual model presented in exhibit 3.1 this study has two major research questions: 1) Controlling for differences in the four types of black spatial community self-help areas, are there temporal variations in black community self-help within the group of metropolitan areas in the sample? 2) Do differences in the configuration of metropolitan contextual characteristics predict the probability of a metropolitan area being in one of the four types of black self-help areas?

Research Design

Because this study uses data drawn from secondary data sources, a causal-comparative research design is used to assess whether differences in metropolitan contextual characteristics predict observed differences in metropolitan community capacity. Causal-comparative designs are used when the researcher cannot use experimental approaches to directly manipulate the variables in a study. In causal-comparative designs the researcher creates simulated experimental groups based on either a natural grouping, for example, age, gender, race or ethnicity, or researcher defined criteria, as a substitute for researcher created experimental and control groups. For instance, a researcher may want to know what is different about sophomore high school students that score above or below a certain score on a math test. In particular, the researcher may want to know whether students can be classified based on study hours. In this case, the researcher can place students who score above the cutoff in one group and...
those below the cutoff in a second comparison group and test whether there is a difference in study hours between the two groups.

Generally, causal-comparative designs are used to assess the relationship between one dependent variable and one independent or predictor variable. This is a major challenge with causal-comparative designs. That is, using the example above, the two groups may be different in more ways than just their scores on the math test and the number of hours they study. Researchers attempt to minimize this challenge by using techniques such as matching individuals in both groups based on such observable characteristics as age, gender, race, or family income.

However, researchers have used other strategies to control for multiple variables in causal-comparative designs. One example in the comparative political science field was a 1988 study by Dogan and Derivry\(^4\) of leftist voting in France. Dogan and Derivry classified France’s 2450 cantons—a close equivalent of counties in the U.S.—into deciles based on their dependent variable the level of leftist voting. In their study, they used the level of church attendance, percentage of industrial workers and percentage of farmers in each canton as explanatory factors. The researchers plotted each of their dependent and explanatory variables on a series of graphs. They found that the conventional wisdom about the role of the working class in the left vote did not hold. The leftist vote was much higher in some places and lower in others than the size of the working class population would have predicted. They found that there were significant interaction effects between

---

working class and church attendance that had robust effects on the leftist vote. The Dogan-Derivry (D and D) study is an example of using a researcher defined criterion to classify the research subjects into groups—i.e., the observed percentage of leftist votes in each canton.

This study uses an approach similar to D and D. The fifty-nine metropolitan areas in the sample are divided into comparison groups based on their values on the two outcome variables—civic engagement and local entrepreneurship—in the study (see the discussion on dependent variables below). The research design is intended to identify which contextual characteristics are most effective at classifying metropolitan areas into groups based on their level of civic engagement and local entrepreneurship. Unlike D and D which used simple, but effective, graphs and correlations to analyze the relationship between the dependent variables and independent predictor variables, this study will uses a more sophisticated analytical technique—multinomial logistic regression which allows for a multi-group categorical dependent variable while simultaneously controlling for multiple independent predictor variables.

This study will use a pooled, cross-sectional dataset composed of both metropolitan and individual level variables. The data is formed from multiple, publicly available datasets covering a time period from 2000-2008 (see detailed discussion on data below). The resulting research dataset contains a multi-level, pooled, cross-sectional sample that includes metropolitan area contextual variables, such as the number of civic organizations or black businesses and variables describing individual characteristics, such
as age, education, and gender. Because this is a multi-level or hierarchical\textsuperscript{5} dataset, the study can examine the relationship between the metropolitan level aggregate dependent variables and metropolitan contextual characteristics, while controlling for differences in the characteristics of individuals residing in each metropolitan area.

Finally, this study focuses only on blacks residing in the sample metropolitan areas. A major problem with cross-racial or cross-ethnic studies is that categories such as race are not precise and often mask other meaningful but difficult to observe and measure characteristics—such as culture or social values. For example, evaluation of social programs aimed at improving such things as employment or education outcomes, seldom if ever examine within group differences—i.e. which blacks or which Hispanics succeed in the program and which ones do not. One reason for this is that for most studies sub-sample sizes are small and therefore do not allow for much statistically meaningful within group examination. However, the purpose of most of these studies is generally to ascertain whether program impacts are the same for all groups served by the program.

One way to control for the confounding influence of race (or other socio-cultural constructs) is to undertake a within group rather than a between group analysis. This would allow for control over within group factors that are difficult to observe or measure—such as cultural values or historical legacies. For example, for black Americans, the direct and interaction effects of the legacy of slavery and legally sanctioned racial segregation and discrimination or even current racial bias are difficult to

\textsuperscript{5} For instance, an example of a multi-level or hierarchical dataset would be a dataset for a school performance study that contains reading scores for students in classrooms; classrooms in schools; and schools in different school districts.
measure and model with any confidence. A within group research design assumes that these difficult to observe and model interactions would have the same impact on all blacks and therefore there would not be a need to control for them directly.

Data

As discussed above, in order to conduct the study a new pooled, cross-sectional, multi-level dataset was created with individual and metropolitan level variables. The core of the dataset is derived from the merged 2002-2008 annual volunteer supplements to the Current Population Survey (CPS). The CPS is a monthly survey of about 50,000 households conducted by the Bureau of Census for the Bureau of Labor Statistics. A raw sample of 63,881 blacks residing in 148 metropolitan areas was drawn from this merged dataset. Because households are retained in the survey for more than one survey a strategy was used to remove duplicate individuals by merging on gender, age, education, and household identifiers. In addition, all respondents under 16 years of age were removed from the dataset leaving a sample of 33,579 residing in 148 metropolitan areas. This dataset was further reduced by only including metropolitan areas with at least 70 respondents. This resulted in a final dataset of 31,481 black respondents 16 years of age and over residing in 59 metropolitan areas.

---


Using the metropolitan federal information processing codes (FIPS codes), this
dataset was merged with metropolitan data from the 2007 County Business Patterns
(CBP)\(^8\), the 2007 Survey of Business Owners (SBO)\(^9\), the 2002-2008 American
Community Survey (ACS)\(^10\), the 2000 – 2008 Integrated Public Use Micro Data Series
(IPUMS)\(^11\), and the Federal Bureau of Investigation’s (FBI) 2006 – 2008 Uniform Crime
Reports (UCR).\(^12\) The County Business Patterns provide data on the total number of
establishments, mid-March employment, first quarter and annual payroll, and number of
establishments by nine employment-size classes by detailed industry for all counties in
the United States and the District of Columbia.\(^13\)

The Survey of Business Owners (SBO) provides the only comprehensive,
regularly collected source of information on selected economic and demographic
characteristics for businesses and business owners by gender, ethnicity, race, and veteran
status. Included are all nonfarm businesses filing Internal Revenue Service tax forms as
individual proprietorships, partnerships, or any type of corporation, and with receipts of

\(^8\) “County Business Patterns,” in U.S. Census Bureau [database online]. Washington, DC 2010

\(^9\) “Survey of Business Owners,” in U.S. Census Bureau [database online]. Washington, DC 2010

\(^10\) “American Community Survey,” in U.S. Census Bureau [database online]. Washington, DC

\(^11\) “Integrated Public use Microdata Series (IPUMS) USA,” in University of Minnesota [database

\(^12\) “Uniform Crime Reports,” in Federal Bureau of Investigation [database online]. Washington,

\(^13\) U.S. Census Bureau, *County Business Patterns*. 
$1,000 or more.\textsuperscript{14} The UCR was used to select the violent crime rate by metropolitan area.\textsuperscript{15}

**Self-Help Indicators**

The study uses four indicators to measure different aspects of black community self-help. The primary indicator in the study is a four category nominal measure of community self-help that assesses the interaction between black civic engagement and black entrepreneurship at the metropolitan level. This indicator is used to classify metropolitan areas by their level of black community self-help. This categorical factor is based on the interaction of two indicators, black civic engagement and black local entrepreneurship. Finally, the overall level of black self-help in a metropolitan area is calculated using an index derived from the linear combination of civic engagement and local entrepreneurship. This self-help index is used to ascertain whether black self-help changes over the study period.

**Classifying Spatial Areas by Differences in Community Self-Help**

The conceptual model presented in exhibit 3.1 shows that the dependent variable at the center of the model is a four level nominal variable. The levels or categories for the nominal black community self-help variable represent the intersection of black civic engagement and local entrepreneurship: 1) high self-help metropolitan areas have above average rates of black civic engagement and black entrepreneurship; 2) high

\textsuperscript{14} U.S. Census Bureau, *Survey of Business Owners*.  
\textsuperscript{15} Federal Bureau of Investigation, *Uniform Crime Reports*.  

61
entrepreneurship metropolitan areas have above average rates of black entrepreneurship and below average black civic engagement; 3) high civic metropolitan areas have above average rates of black civic engagement and below average black entrepreneurship; and 4) low self-help metropolitan areas have below average black civic engagement and black entrepreneurship. Since these four categories or levels do not fall neatly on an ordinal or continuous scale the model assumption is that the metropolitan areas in the sample can be classified based on latent qualitative characteristics.

| Exhibit 3.2. Descriptive Statistics on the Black Community Self-Help Variable |
|----------------------------------------|----------------|----------------|
| **Comparison Groups**                  | Parameters     | Civic Engagement | Local Entrepreneurship |
| **High Self-Help Areas**               | Mean           | 13.6%           | 4.6%                   |
|                                       | Cutoff Values  | > 11.8%         | > 3.5%                 |
|                                       | Metro Areas    | 13              | 13                     |
|                                       | Individuals in |                |                        |
|                                       | Sample         | 4240            | 4240                   |
| **High Entrepreneurial Areas**         | Mean           | 10.4%           | 4.4%                   |
|                                       | Cutoff Values  | <1              | >3.5%                  |
|                                       | Metro Areas    | 15              | 15                     |
|                                       | Individuals in |                |                        |
|                                       | Sample         | 13699           | 13699                  |
| **High Civic Areas**                   | Mean           | 14.7%           | 2.7%                   |
|                                       | Cutoff Values  | >11.5%          | <3.5%                  |
|                                       | Metro Areas    | 14              | 14                     |
|                                       | Individuals in |                |                        |
|                                       | Sample         | 2804            | 2804                   |
| **Low Self-Help Areas**                | Mean           | 8.1%            | 3.1%                   |
|                                       | Cutoff Values  | <11.5%          | <3.5%                  |
|                                       | Metro Areas    | 17              | 17                     |
|                                       | Individuals in |                |                        |
|                                       | Sample         | 10738           | 10738                  |
Exhibit 3.2 presents a table with the descriptive statistics for each of these four categories. Metropolitan areas in the high civic areas have the highest average black civic engagement rates followed by metropolitan areas in the high self-help areas and the high entrepreneurial areas. There is very little substantive difference in local entrepreneurship between the high self-help areas and the high entrepreneurial areas. The high civic areas have the lowest rates of black entrepreneurship.

**Civic Engagement**

Civic engagement is one of the two dimensions used to construct the black community self-help variable. The social capital and civic engagement literatures suggest a variety of approaches for measuring civic engagement. For instance, Robert Putnam and other civic engagement scholars use a range of indicators from specific behaviors, such as, membership in social organizations, voting, volunteering and reading newspapers, to attitudes about others, such as, generalized trust of neighbors to measure a community’s level of social capital.\(^{16}\)

---

While any of these indicators could be used, the framework in exhibit 3.1 uses volunteering for at least one week per year to measure civic engagement. Civic engagement is one of two dimensions needed to construct the black community self-help nominal variable. For this study, civic engagement also is used as an outcome indicator in the temporal analysis. Volunteering is used for several reasons. First, since 2002, the Current Population Survey (CPS) has included an annual volunteer supplement.\textsuperscript{17} The CPS is administered monthly by the U.S. Bureau of Labor Statistics (BLS)\textsuperscript{18} and used to track employment in the US. The volunteer supplement allows researchers to explore volunteering at the national, state and sub-state levels across a wide range of population characteristics—including race, ethnicity, gender, income, age and education. When surveys are combined across years they provide relatively large sub-group samples, which make it possible to analyze by race, ethnicity or geographic location at sub-national levels.

Second, there is a fairly consistent consensus on the definition of volunteering. Volunteering is defined as any uncompensated activity intended to help another person, group, or organization.\textsuperscript{19} This definition allows for a variety of helping behavior in a range of settings. The CPS volunteer supplement defines volunteering as performing

\textsuperscript{17} National Bureau of Economic Research, \textit{CPS Supplement Files at NBER.}


\textsuperscript{19} Wilson, \textit{Volunteering}: 215-240.
unpaid activities through or for a non-profit, voluntary, community or social service or
government organization. In the CPS volunteering does not include persons who
volunteered in informal settings, such as helping a friend or neighbor. Many observers
believe that this definition of volunteering is too rigid and excludes much helping activity
that should be counted.\textsuperscript{20} However, while the CPS definition is not without controversy, it
does provide a common metric for judging how much volunteer activity has occurred
across time, place and groups.

Third, volunteering is a very observable phenomenon. It involves proactive
behavior and is part of a cluster of helping activities.\textsuperscript{21} Volunteering measures the actual
willingness of individuals to engage in helping behavior. Given the fact that community
capacity is a latent dimension which cannot be easily directly observed or measured, it is
critical that its components are measurable.

Finally, volunteering can be used to measure civic engagement at both individual
and group levels. This allows an assessment of whether factors that predict individual
civic engagement also influence aggregate levels of civic participation. The dual
individual and group nature of volunteering helps to further align it with the larger

\textsuperscript{20} Wilson and Musick, "Who Cares? Toward an Integrated Theory of Volunteer Work"; Marcia A.
Finkelstein and Michael T. Brannick, "Applying Theories of Institutional Helping to Informal
Volunteering: Motives, Role Identity, and Prosocial Personality," \textit{Social Behavior and Personality} 35, no. 1
(2007).

\textsuperscript{21} Wilson, "Volunteering".
construct of social capital which is seen as having both individual and group dimensions.\textsuperscript{22}

**Black Entrepreneurship**

Black entrepreneurship is the second dimension used to construct black community self-help. It is measured by the rate of black self-employment in each metropolitan area in the sample. Black entrepreneurship also is used as an outcome indicator in the temporal analyses.

The literature on community self-help, especially black community self-help, emphasizes the importance of local economic activity. However, how should such activity be measured? For example, employment is obviously an indicator of economic wellbeing but does it really measure local economic capacity? The existence of large manufacturing establishments is usually associated with increased employment outcomes. However, does the existence of such large manufacturing plants located in a community indicate strong economic capacity? Economic development studies have found that both urban and rural communities dominated by small and midsized businesses rather than large industrial manufacturing or agricultural establishments tend to have more balanced economic outcomes.\textsuperscript{23} This suggests that one approach to


measuring a community’s economic capacity would be to assess variations in the level of small and medium sized businesses.

However, the engine of economic growth is not the existence of small and medium-sized businesses alone but rather the prevalence of the entrepreneurs that create and sustain these businesses. Research has found that cities with high levels of entrepreneurship were more likely to have high employment and growth rates.\(^\text{24}\) In *Clusters of Entrepreneurship*, Glaeser, Kerr and Ponzetto find the following:

Economic growth is highly correlated with an abundance of small, entrepreneurial firms…. a 10% increase in the number of firms per worker in 1977 at the city level correlates with a 9% increase in employment growth between 1977 and 2000. This relationship is even stronger looking across industries within cities.\(^\text{25}\)

The findings from the Glaeser, Kerr and Ponzetto article show that entrepreneurial communities are economically more successful than communities with low levels of entrepreneurs.

Michael Porter\(^\text{26}\) provides a similar message in his 1995 *Harvard Business Review* article “The Competitive Advantage of the Inner City”. He argues that inner city urban social and economic problems can best be resolved by creating sustainable incentives for


\(^{25}\) Glaeser, Kerr, and Ponzetto, "Clusters of Entrepreneurship: 150.

entrepreneurs to locate and maintain businesses in the inner city. John Sibley Butler extends and critiques Porter’s model. Butler points out that the Porter model calls for the importation of entrepreneurs and businesses from outside the community. Instead, Butler argues that the emphasis should be on encouraging black residents of inner-city communities to become entrepreneurs and business owners.

The assertion that local entrepreneurs represent a significant community economic capacity seems compelling. While there are variations in the definition of entrepreneurship, it can be defined as the process of organizing, managing, and assuming the risks associated with starting and operating a business. The definition suggests that entrepreneurs are individuals with a specialized set of skills and capacities related to business and economic development. The literature indicates that the distribution of entrepreneurial capacity appears to vary between nations, between regions within nations, and between social-demographic groups. While imperfect, two widely accepted measures of entrepreneurship are self-employment and the average local firm size. The model uses black self-employment to measure local entrepreneurship.

27 Ibid.
30 Glaeser, *Entrepreneurship and the City*.
**Self-Help Index**

The Self-Help Index (SHI) is the sum of the average black civic engagement and black entrepreneurship rates in each metropolitan area. The SHI is an indicator of the overall level of black self-help in each metropolitan area—the higher the SHI the greater the level of observable community self-help. The SHI will be used as an outcome indicator in the temporal analyses of community self-help.

**Metropolitan Contextual Characteristics**

The following describes the independent variables in the study used to explain variations in the three community capacity dependent variables. These variables are intended to represent metropolitan contextual characteristics. Using literature on civic engagement, entrepreneurship, social capital, and community capacity building twenty explanatory variables were identified for inclusion in the study. In order to produce a more parsimonious model principal components factor analysis (PCFA), a multivariate statistical technique, is used to reduce the number of variables into composite indexes. The original twenty variables were reduced into eight metropolitan characteristics falling into one of three categories—demographics, socio-economics, and institutional. The final eight variables are transformed into continuous variables with possible values from zero to one hundred (0-100) by adding a constant to the observed value and dividing by the observation with the highest value in the sample. For example, the constant five (5) is added to each observation in the dataset for the variable community stability (the percent
of residents residing in the same metropolitan area for five or more years) and then divided by the observation with the highest community stability value.

**Demographic Characteristics:**

The model posits that variations in metropolitan areas’ demographic characteristics predict differences in civic engagement and local entrepreneurship. The empirical literature finds that characteristics, such as, age, gender, and population size predict civic engagement and entrepreneurship.\(^{33}\)

PCFA is used to statistically create an index composed of average black metropolitan age, average share of black females, total black population and the black population share. The resulting index is transformed into a 0 to 100 scale by using the following formula: Demographic Index score = (observed score + 5)/ (metropolitan area with maximum score +5) *100. A high score on the index indicates that a metropolitan area has a large absolute and relative black population, a large proportion of which are black females and an overall older black population.

<table>
<thead>
<tr>
<th>Exhibit 3.3. Factor Loading for Demographic Index</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Index Components</strong></td>
</tr>
<tr>
<td>Black Female Share of Total Black Metropolitan Area Population</td>
</tr>
<tr>
<td>Average Age of Black Metropolitan Population</td>
</tr>
<tr>
<td>Size of Black Metropolitan Population</td>
</tr>
<tr>
<td>Black Share of Total Metropolitan Population</td>
</tr>
</tbody>
</table>

Source: Author’s Calculation.

Exhibit 3.3 shows the variable loading and component coefficient scores for each individual variable item on the underlying demographic index. The relative size of the black female population, average age and the size of the total black metropolitan population explain most of the variance in the demographic index. This is demonstrated by component loading and coefficient scores.

The rationale for including these variables in the demographic index is drawn from the theoretical and empirical literature. The literature finds a strong relationship between gender and volunteering (the measure of civic engagement) and self-employment. In most studies of volunteering, all else being equal, females are more likely to volunteer than males.\(^34\) On the other hand, the entrepreneurial literature finds that holding other factors constant, females are less likely to be entrepreneurs than similarly situated males.\(^35\) These gender effects are substantial and consistent throughout the self-employment and volunteering literatures.

There appears to be a strong link between age and propensity to volunteer or be self-employed. In the self-employment literature, age seems to serve as a proxy for labor market experience and access to professional, financial and other key business resources. As age increases so do the odds of being self-employed.\(^36\) Age has a similar relationship to volunteering. Volunteering is more prevalent among older as compared to younger

\(^34\) Ibid.


\(^36\) Shane, *The Illusions of Entrepreneurship: The Costly Myths that Entrepreneurs, Investors, and Policy Makers Live by*. 
individuals. As with self-employment, age may be a stand-in for other factors. Older individuals may have more discretionary time to devote to unpaid activities. Because of their developed social networks, and life experiences older individuals may have greater awareness and access to more desirable volunteer opportunities.

Most scholarly work has found that large absolute and relative population size is associated with lower levels of civic engagement and social capital. The literature indicates that large populous places drive down civic engagement and other forms of social capital because the diversity and lack of stability characterized by most large communities is antithetical to the trust needed to build and promote social capital and civic engagement.

However, the available literature indicates that population size is positively related to local entrepreneurship. The ethnic enclave hypothesis (EEH) posits that a large geographically concentrated racial or ethnic population provides certain advantages to ethnic immigrant and racial minority entrepreneurs. Minority and immigrant entrepreneurs gain when they are able to provide their goods and services initially to a large self-contained ethnic or immigrant sheltered market and then eventually to a larger external market. Examples of ethnic enclaves would be the Cubans in Miami, San Francisco’s Chinatown and Little Italy in New York. The potential existence of an EEH

37 Wilson, “Volunteering”.


requires measuring three dimensions: 1) the size of the ethnic population; 2) the geographic concentration of this ethnic population; and 3) the clustering of ethnic businesses within the same geographic space as the ethnic population served by the businesses. While the literature applies the EEH to analyzing business development among immigrant populations, Butler\textsuperscript{40} argues that the EEH is a useful framework for understanding the development of black businesses as well.

**Black Business per 1000 Black Residents:**

The EEH posits that minority local entrepreneurship benefits from proximity to other minority and immigrant entrepreneurs with similar characteristics. The EEH has some similarities to the entrepreneurial clusters concept that posits that entrepreneurship is greater in locations where there is a geographic concentration of entrepreneurs.\textsuperscript{41} Based on the EEH and entrepreneurial clustering literature, there is a strong case to be made that the existence of a large geographically concentrated base of black businesses provides a strong environment or climate for black business success. Metropolitan areas with such favorable black business climates should be expected to have above average black self-employment.

The relationship of civic engagement to the presence of black business is harder to predict. The EEH literature suggests that large, densely populated ethnically populated locations are likely to be more conducive to successful ethnic entrepreneurship. However, the literature also suggests that civic engagement will be lower in large, highly populated

\textsuperscript{40} Butler, *Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics*.

\textsuperscript{41} Glaeser, Rosenthal, and Strange, "Urban Economics and Entrepreneurship"; Glaeser, Kerr, and Ponzetto, "Clusters of Entrepreneurship".
metropolitan areas primarily because these places also tend to have high levels of residential turnover and mobility leading to low levels of community stability. In other words, the types of areas that EEH says promote ethnic entrepreneurship also seem, all else being equal, to depress civic engagement. On the other hand, black self-help theorists offer an alternative view positing that black business is a primary source of support for black community self-help and that there is a relationship between black entrepreneurship and black civic engagement.

The positive relationship between black entrepreneurship and black civic engagement may also be thought of in terms of the role of resources in promoting citizen participation. Parboteeah, Cullen and Lim hypothesize that certain types of capital are a precursor to formal volunteering. Using cross-national data they find that countries with the highest average wealth also have higher formal volunteer rates. Their findings suggest that the quality of the local economic infrastructure plays a positive role in incenting individuals to formally volunteer. A related argument is made by John Sibley Butler about the relationship of black business to black self-help. He argues that the black business class has traditionally been the foundation for black community self-help efforts.

---

42 Putnam, E Pluribus Unum: “Diversity and Community in the Twenty-First Century the 2006 Johan Skytte Prize Lecture”.


Paul Pryde and Shelly Greene⁴⁶ present a similar argument in their study of black business. The findings of these scholars suggest that the role of resources may be critical in predicting the level of civic participation. Communities with high levels of financial, social and, possibly, political resources have a greater capacity to be civically engaged compared to low-resource communities. Given these findings, it is reasonable to hypothesize that if black entrepreneurship is an indicator of black wealth and leadership resources than black volunteering and overall civic engagement may be predicted by the level of black business presence in a community.

In this study the black businesses per capita variable is an indicator of black financial resources and is created by drawing the number of black owned businesses by each metropolitan area from the 2007 Survey of Business Owners (SBO) and dividing by the 2002 – 2008 average total black population per metropolitan area as reported in the ACS and multiplied by 1,000. The black businesses per capita variable is transformed into an index with values of 0-100 by dividing each value by the metropolitan area with the largest number of black businesses per capita. Metropolitan areas with high index scores have large numbers of black businesses per capita. The black businesses per capita variable differs from black self-employment. Black businesses per capita measures the overall number of business institutions owned by blacks—i.e. businesses with at least fifty-one (51) percent black ownership. While business ownership includes self-employment, it is measuring the size of the overall black business sector not the propensity for blacks to be employed in their own enterprises.

⁴⁶ Green and Pryde, Black Entrepreneurship in America.
**Socio-economic Characteristics:**

Using nine variables, PCFA was used to create an index that measures each metropolitan area’s underlying socio-economic characteristic. Exhibit 3.4 is the factor loadings and component coefficient scores for the socio-economic characteristic index. The table shows that total employment and full-time employment load the strongest on the latent socio-economic index, followed by family income, education and marriage rates. Investment and business income and violent crime have an insignificant effect on explaining the variance in metropolitan socio-economic characteristics.

The factor loadings indicate that a metropolitan area with a high score on the socio-economic index has a high level of total and full-time black employment, high black family income, high education rates, high black marriage rates, and low occupational income inequality. The original PCFA index scores are converted to a 0-100 scale by using the following formula: Socio-economic Index = (Metropolitan score + 5)/(Metropolitan area with the highest score + 5)*100.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Component Loading</th>
<th>Component Coefficient Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Metropolitan Employment to Population Rate</td>
<td>.860</td>
<td>.299</td>
</tr>
<tr>
<td>Black Metropolitan Full-time Employment to Population Rate</td>
<td>.810</td>
<td>.281</td>
</tr>
<tr>
<td>Average Metropolitan Black Family Income</td>
<td>.710</td>
<td>.210</td>
</tr>
<tr>
<td>Average Metropolitan Black High Education Rate</td>
<td>.606</td>
<td>.246</td>
</tr>
<tr>
<td>Black Metropolitan Marriage Rate</td>
<td>.549</td>
<td>.190</td>
</tr>
<tr>
<td>Black Metropolitan Occupational Income Inequality Index</td>
<td>-.526</td>
<td>-.182</td>
</tr>
<tr>
<td>Metropolitan Black Average Investment Income per Capita</td>
<td>-.139</td>
<td>-.048</td>
</tr>
<tr>
<td>Metropolitan Violent Crime Rate per Capita</td>
<td>-.094</td>
<td>.031</td>
</tr>
<tr>
<td>Metropolitan Black Average Business Income per Capita</td>
<td>.089</td>
<td>-.033</td>
</tr>
</tbody>
</table>

Source: Author’s calculation.
The variables used to form the socio-economic index are drawn from the social capital, civic engagement, entrepreneurship, and community capacity literatures. The percentage of black residents with more than a high school education is included in the index because the research literature shows that education is a strong and consistent predictor of both volunteering and entrepreneurship. Education also is a measure of social status and economic capacity. Marital status and family income are included in the study. The scholarly literature shows that these two factors have a strong robust relationship to civic engagement and self-employment. They are frequently found in theoretical and empirical discussions of both phenomena.

The social capital literature indicates that social and income inequality may hinder civic engagement and community capacity. The literature suggests that there should be a negative relationship between inequality and community capacity—that is, as inequality rises, community capacity falls. Social capital researchers have found that social capital declines as income inequality rises. Costa and Kahn in a National Bureau of Economic Research (NBER) working paper examine a range of explanations for the observed

---


48 Putnam, "E Pluribus Unum: Diversity and Community in the Twenty-First Century the 2006 Johan Skytte Prize Lecture".


decline in social capital. They define social capital to include volunteering and social organization membership. Costa and Kahn find that rising community heterogeneity, especially income inequality contributes to the decline in volunteering and other forms of social capital.

There is a similar argument made about the role of inequality in the formation and maintenance of black and other minority business. Several writers have argued that social stratification, a form of inequality, related to race and ethnicity is primarily responsible for why blacks have much lower rates of entrepreneurship than other groups.\textsuperscript{51} Social stratification can manifest itself in a variety of ways. Occupational stratification is one manifestation that captures social differences on a variety of dimensions—income, education, race, ethnicity and gender. An individual’s position in the occupational structure represents the confluence of educational attainment, family background, earning capacity, and historical social relations concerning race, ethnicity and gender. Moreover, one’s position in the occupational structure also influences one’s perceptions and actual opportunities as an entrepreneur.

Employment is a consistent and well recognized measure of community wellbeing.\textsuperscript{52} High rates of unemployment are considered undesirable at both the national


and local community levels. Total employment and full-time employment—i.e. working at least 35 hours per week year round—are included in the socio-economic index. Finally, violent crime per capita is included because it is an indication of quality of life and level of social disorganization.53

**Community Stability:**

The framework posits that metropolitan areas with high levels of community stability also will have high levels of community capacity. This positive relationship is expected to hold for both the civic engagement and local entrepreneurship. The average share of the black population residing in a metropolitan area for five years or more is used as a proxy for community stability. The variable is converted into an index with a 0-100 scale by dividing the observed level of residential stability by the metropolitan area with the highest level of residential stability multiplied by one hundred.

The scholarly literature shows that communities that experience rapid or frequent turnover in population tend to be associated with a range of undesirable social and economic phenomenon. For example, high levels of residential mobility seem to be associated with lower rates of employment, homeownership, and education, and higher rates of single parent households, immigration, and violent and nonviolent crime.54 Stated differently, communities where the population tends to turn over rapidly are less stable

---


and socially and economically less desirable places to live and work than places where residents remain for an extended period of time.

The scholarship on social capital and civic engagement indicate a robust relationship between civic engagement and a community’s level of socio-economic stability. Several researchers have found that communities with high levels of immigration, racial and ethnic diversity and residential transients tend to demonstrate lower community engagement behavior.\textsuperscript{55} While the direction of causality is not always clear, there is strong evidence that social capital and neighborhood stability are related.\textsuperscript{56}

While there is a strong consistent literature on the relationship between civic engagement and community stability, the association between community stability and local entrepreneurship is not extensive. The central question is whether there is evidence that entrepreneurship and small business development tend to increase as communities become more stable. Businesses need adequate markets, capital and suppliers to succeed. However, they also require a certain level of stability and certainty in their business environments. Green states,

The mobility of population has a greater influence upon the characteristics of a neighborhood than any other single factor. The characteristics of a neighborhood have an enormous influence upon the dollar-volume of business which may be anticipated from the neighborhood.\textsuperscript{57}

\textsuperscript{55} Bowles and Gintis, "Social Capital and Community Governance".

\textsuperscript{56} Ibid.

\textsuperscript{57} Howard Whipple Green, "Neighborhood Retail Outlets and Family Stability," \textit{The Journal of Marketing} 1, no. 1 (Jul. 1936): 43.
Wesley Skogan finds the following:

…disorder and crime hurt small retail establishments by affecting their profitability and not by direct victimization, so business factors are critical. When an area enters the cycle of decline, there will be fewer prosperous shoppers, outsiders will not come into the area to shop, and fewer customers of any kind will be out after dark. Existing stores may close because the market they once served no longer exists. Others may change their hours, prices, and types of goods in order to stay open.  

At the same time, it is reasonable to assert that businesses prosper when they are exposed to growth opportunities. Rising demand for their goods and services is what leads to economic expansion for most small businesses and entrepreneurs. Such rising demand is often a reflection of population growth and change. This change is often the antithesis of stable communities. So it is quite possible for community stability to benefit economic capacity in some instance, and to lead to stagnation and even decline under other circumstances.

**Government Dependence:**

There is a rich literature in the institutional economics field that posits that an overreliance on government support tends to crowd out private entrepreneurial activity and civic engagement. The result is that communities that are highly dependent on government transfers and programs may exhibit less capacity for community self-help and community problem-solving. Some analysts argue both theoretically and empirically that high levels of government intervention in social issues crowd-out or depress social

---


capital and community engagement. 60 That is, high levels of government spending tend to crowd out private and civic initiatives.

The black reliance on government is derived by using PCFA to calculate a composite factor based on average welfare payments per capita, average social security payments per capita and average supplemental income payments per capita for blacks by metropolitan area. Exhibit 3.5 presents the factor loading and coefficient scores from the PCTA for the underlying latent factor for black reliance on government.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Component Factor Loadings</th>
<th>Component Coefficient Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Black Supplemental Income Payments per Capita</td>
<td>.964</td>
<td>.352</td>
</tr>
<tr>
<td>Average Black Welfare Payments per Capita</td>
<td>.858</td>
<td>.366</td>
</tr>
<tr>
<td>Average Black Social Security Payments per Capita</td>
<td>.825</td>
<td>.411</td>
</tr>
</tbody>
</table>

Source: Author’s calculation.

Exhibit 3.5 shows that all three government payment variables have a strong positive relationship with the underlying black reliance on government dimension. High scores on the composite index indicate that a metropolitan area’s black residents receive large average welfare, social security and supplemental income payments. The scores on the original composite index derived from the PCFA are transformed into an index with a 0-100 scale by using the following formula: Black Reliance on Government = (Metropolitan area score+5) / (Metropolitan area with maximum score+5)*100.

---

The findings in the literature on the relationship between civic engagement, local entrepreneurship and dependence on government have been mixed. One example is the interaction of school performance and parent involvement. School performance is a function of the balance between three general inputs: school inputs, family inputs and peer influences.\textsuperscript{61} School systems and policymakers have attempted to improve school performance by increasing school inputs, such as expenditures per pupil. Researchers also hypothesize that there may actually be an interaction effect between inputs.\textsuperscript{62} For example, if student performance rises as schools increase expenditures per pupil, parents may reduce their own inputs into the educational process. The results may lead to lower student performance than would have been expected given the increase in expenditures.\textsuperscript{63} Because of the interaction between school expenditures and family inputs, rising public expenditures for education appear to depress the time low-income mothers spent with their school-age children.\textsuperscript{64} This is a surprising and troubling finding since it implies that if parents perceive that increased public expenditures are associated with improved student performance, they may feel it is less important for them to continue to maintain their time investments to their children’s education thereby leading to a crowding out effect.\textsuperscript{65}

\textsuperscript{61} Kim Hong-Kyun, "Is there a Crowding-Out Effect between School Expenditure and Mother’s Child Care Time?" \textit{Economics of Education Review} 20, no. 1 (2 2001): 71-80.

\textsuperscript{62} Ibid.

\textsuperscript{63} Ibid.

\textsuperscript{64} Ibid.

\textsuperscript{65} Ibid.
Schofer and Fourcade-Gourinchas\textsuperscript{66} in a cross national study of civic engagement found that societies that organize most of their social and civic activities around the state, such as France and Germany, tend to be less conducive to civil society and civic engagement.

France and Germany exemplify high statism, although most continental European countries, particularly those with an absolutist legacy, are also examples. In such countries the state constitutes a separate and superior order of political governance that derives much of its legitimacy from a well-developed bureaucratic elite, as well as from a long history of authoritarian political rule…Civil society, on the other hand, is a source of chaos and anomie,… and is therefore often subject to some form of central state control—from outright oppression in the earlier periods to administrative supervision and guidance in more recent times.\textsuperscript{67}

Day and Devlin\textsuperscript{68} examined whether government spending in Canada crowded-out volunteering. They found that while total government spending did not seem to depress overall volunteering, government spending in the education and social services arena did seem to crowd-out some volunteering. This notion that some types of public spending crowd-out volunteering and civic engagement, while other forms of spending encourages civic behavior raises challenging public policy questions. It suggests that it may not be public spending per se that crowds-out civil society but the composition of the spending that is crucial.


\textsuperscript{67} Ibid.: 811.

On the local entrepreneurship side there is an equally strong argument posed that reliance on government welfare and social entitlements may depress entrepreneurial activity. Since the beginning of the War on Poverty in 1964, African Americans have increased their dependence either directly or indirectly on government welfare payments. There are strong arguments made by classical liberals that high levels of dependence on government reduce personal freedom, economic opportunity, and entrepreneurial initiative. This literature suggests that an unintended consequence of over-reliance on government social welfare leads to a reduction in entrepreneurial activity. The argument here is that government efforts to reduce economic and social dislocations increase the opportunity costs associated with individuals pursuing entrepreneurial activities.

The definition of opportunity cost is the calculation of gain and loss potential entrepreneurs make when deciding whether or not to undertake a business venture. For example, because social welfare payments are often reduced when recipients earn income either through business ventures or employment, unless returns to entrepreneurship are initially very high, individuals receiving welfare or social insurance payments may feel

---

69 Green and Pryde, *Black Entrepreneurship in America*.


the costs of starting a business are too high if it means the loss of social welfare payments.

These positions are challenged by those that argue in an unequal society the absence of ameliorative government policy locks social stratification in place and reduces entrepreneurial opportunities for historically low status individuals and groups.\textsuperscript{72} John Sibley Butler\textsuperscript{73} and Juliet K. Walker\textsuperscript{74} go a step further by asserting that government policy has actually been intentionally hostile to the entrepreneurial ambitions of black Americans.

Butler\textsuperscript{75} uses the term \textit{government control} when he discusses the effects of state, local and federal policy during the \textit{Jim Crow} era on black entrepreneurship. He and Walker\textsuperscript{76} find that government policy during this period was often designed and implemented to intentionally depress black entrepreneurship. In their estimation the modern dearth of black entrepreneurs in the U.S. is directly the result of these hostile governmental policies. However, somewhat in contrast to the Butler and Walker

\footnotesize{\textsuperscript{72} Robinson, Blockson, and Robinson, “Exploring Stratification and Entrepreneurship: African American Women Entrepreneurs Redefine Success in Growth Ventures”.

\textsuperscript{73} Butler, \textit{Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics}.

\textsuperscript{74} Walker, \textit{The History of Black Business in America: Capitalism, Race, Entrepreneurship}.

\textsuperscript{75} Butler, \textit{Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics}.

\textsuperscript{76} Ibid.; Walker, \textit{The History of Black Business in America: Capitalism, Race, Entrepreneurship}.}
argument there have been some attempts by government to support and promote black entrepreneurship.\textsuperscript{77}

The literature across a number of fields suggests that there is no clear consensus story that can be told about the effects of government on black entrepreneurship. However, the overall findings from the comparative literature on entrepreneurship suggest that high levels of dependence on government social welfare programs may change the opportunity cost calculation that prospective entrepreneurs face in deciding whether or not to pursue an entrepreneurial opportunity. If high levels of government assistance makes potential entrepreneurs require higher rates of return on their investments, then it is reasonable to expect that high levels of dependence on government social welfare programs may result in lower rates of self-employment.

\textit{Community Organizations:}

Robert Putnam\textsuperscript{78} has emphasized in his writing that there is strong evidence to support a positive relationship between the level of community residents’ participation in social and community organizations and the community’s level of social capital and civic engagement. He finds a particularly robust relationship between participation in religious organizations and social and civic engagement.

Other researchers have found similar results using other indicators of civic engagement. Scholars studying volunteering have found a similar powerful association

\footnotesize{\textsuperscript{77} Villemez and Beggs, "Black Capitalism and Black Inequality: Some Sociological Considerations".}

\footnotesize{\textsuperscript{78} Putnam, \textit{Bowling Alone: The Collapse and Revival of American Community}.}
between volunteering and involvement in religious organizations.\textsuperscript{79} The probability of volunteering is considerably higher for individuals that attend church regularly than for individuals that do not participate regularly in religious organizations.\textsuperscript{80} Several of these studies have extended this line of inquiry to examine religiousness as a contextual factor. Using this approach, these studies have controlled for both individual religious and civic organizational participation as well as the percentage of the population that regularly attends religious services and found that residing in places where large percentages of the population attend church regularly is positively associated with volunteering and other forms of civic engagement.\textsuperscript{81}

There also seems to be a positive relationship between local entrepreneurship and the density of social and civic organizations in a community. Scholars have found both a theoretical and an empirical relationship between social capital and economic development. Tolbert, Lyson and Irwin\textsuperscript{82} find a positive relationship between economic outcomes measured at the county level and participation in local social organizations.

\textsuperscript{79} Wilson, "Volunteering"; Musick, Wilson, and Bynum, "Race and Formal Volunteering: The Differential Effects of Class and Religion".

\textsuperscript{80} Borgonovi, "Divided we Stand, United we Fall: Religious Pluralism, Giving, and Volunteering"; Ruiter and De Graaf, "National Context, Religiosity, and Volunteering: Results from 53 Countries"; Schofer and Fourcade-Gourinchas, "The Structural Contexts of Civic Engagement: Voluntary Association Membership in Comparative Perspective".

\textsuperscript{81} Borgonovi, "Divided we Stand, United we Fall: Religious Pluralism, Giving, and Volunteering"; Ruiter and De Graaf, "National Context, Religiosity, and Volunteering: Results from 53 Countries".

\textsuperscript{82} Tolbert, Lyson, and Irwin, "Local Capitalism, Civic Engagement, and Socioeconomic Well-being".
Several writers find a positive relationship between black social organizations and black entrepreneurship and economic advancement. Green and Pryde\textsuperscript{83} find that voluntary mutual aid associations facilitate entrepreneurship at every stage of development. Butler\textsuperscript{84} finds a long tradition of black social and community self-help organizations supporting the development of black businesses going back to the 18\textsuperscript{th} century.

Historically, black community organizations have been rooted in the black church. As such, the black church provided an institutional forum for black self-help efforts and black economic advancement going back to the late 1700s. Black churches provided funds for education and for loans to small businesses.\textsuperscript{85} The black churches spawned a number of black self-help and benevolent organizations that provided blacks with healthcare, education, and life insurance.\textsuperscript{86} There also were black self-help organizations that emerged from black secret societies, the most prominent of which was the Masons. Black membership in Freemasonry goes back to 1775. In addition to the Masons, blacks belonged in large numbers to several other secret organizations—e.g. the Odd Fellows and the Knights of Pythias—which also supported black community self-help.\textsuperscript{87}

\textsuperscript{83} Green and Pryde, \textit{Black Entrepreneurship in America}.

\textsuperscript{84} Butler, \textit{Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics}.

\textsuperscript{85} Ibid.

\textsuperscript{86} Walker, \textit{The History of Black Business in America: Capitalism, Race, Entrepreneurship}.

\textsuperscript{87} Butler, \textit{Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics}.
Given the findings in the literature on the relationship between civic engagement and participation in religious and civic organizations, this study will use both the number of religious organizations per capita and the number of civic organizations per 1,000,000 residents as independent or predictor variables. Civic organizations are non-governmental organizations involved in the delivery of services to members or the wider community. Examples would be the Red Cross, the Boy Scouts, or a local neighborhood association. Religious organizations are organizations engaged in administering or promoting an organized religion or religious activities—such as, churches, mosques and synagogues.

The data to calculate the per capita number of religious and civic organizations is taken from two U.S. Census Bureau databases: the number of civic and religious organizations is taken from the County Business Patterns (CPB), while metropolitan population is drawn from the American Community Survey (ACS). Conceptually, the per capita numbers of religious and civic organizations are indicators of the potential opportunities for participation and not a measure of actual participation. In other words, the larger the number of such organizations in a particular metropolitan area the greater the potential opportunities there are for individuals to become civically engaged.

The per capita indicators for both religious and civic organizations are converted into a religious organizations index and a civic organization index with 0-100 scales. The indexes allow a straightforward interpretation of where each metropolitan area in the

---


sample ranks relative to all other metro areas in the sample. The metropolitan score on either of the indexes provides information on the relative opportunities for participation in either religious or civic organizations in a given location. The raw numbers for each per capita variable are transformed into a 0-100 scale using the same methodology employed for the demographic, socio-economic, and reliance on government indices discussed above. That is, in each metropolitan area, the observed value for the per capita number of religious organizations is divided by the value for the metropolitan area with the highest observed number of religious organizations per capita and multiplied by 100. The same transformation is carried out for the number of civic organizations per capita.

**Black Geographic Concentration:**

America has a long history of informal and government sanctioned racial separation. This history has resulted in blacks being geographically concentrated in homogeneous black residential communities. While black residential separation has declined it is still substantial, particularly in some metropolitan areas. There is no real literature on the relationship between black geographic concentration and black civic engagement. However, the literature on the EEH suggests that high levels of racial or ethnic geographic concentration may have a positive effect on black local entrepreneurship by creating readily accessible markets. Black geographic concentration is measured by the average black-white dissimilarity index from 2002-2007 American

---


91 Charles, "The Dynamics of Racial Residential Segregation".
Community Survey (ACS). The black-white dissimilarity index measures the separation of blacks from whites and ranges from a low of zero, which means that blacks and whites are perfectly integrated geographically to a high of one hundred, meaning that blacks and whites live in entirely separate communities.

**Analytical Approach**

The research design discussed above would generally lend itself to the use of a powerful statistical tool like Analysis of Variance (ANOVA) which was designed to detect differences in average outcomes across two or more groups. However, ANOVA requires that dependent variables be normally distributed. Unfortunately, none of the variables in this study’s dataset are normally distributed. Therefore ANOVA would be a poor choice that would likely lead to biased estimates.

Instead this study will use a combination of nonparametric alternatives to ANOVA along with descriptive tools, such as, graphs and tables that are thought to be more useful for comparative studies as well as minimizing the risk of producing biased results. Nonparametric techniques do not assume normal distributions for variables or constant variances—crucial assumptions for using parametric statistics, such as, ANOVA, linear regression, or correlation analysis. In particular this study will use the Kruskal-Wallis (K-W) test a nonparametric alternative to one-way ANOVA for data with more than two independent groups. The Mann-Whitney test is another alternative to one-way ANOVA for data with only two independent groups. Finally, the Friedman test and

---

92 U.S. Census Bureau, *American Community Survey.*
the Wilcoxon Ranked Signed test will be used as a substitute for repeated measures ANOVA.

To address the first research question, whether after controlling for the four types of self-help areas, there are observed temporal variations in black self-help from 2002-2008, the nonparametric equivalent of the ANOVA repeated measures, the Friedman’s test, is used to assess statistical significant difference in the time trends across the four self-help groups. Because the Friedman test only tells the researcher that there is a difference across the four groups but not which groups are different from each other, a contrast test must be performed. The contrast test will allow a determination of whether all four groups are different from each other or only two groups differ. The nonparametric Wilcoxon Ranked Signed test is used to perform contrast tests. Graphs and tables are used to illustrate the findings.

The Krusal-Wallis (K-W) test will be used to examine the second research question related to the probability that the four types of self-help areas can be predicted by variations in the metropolitan contextual characteristics described in the conceptual model. The K-W tests the null hypothesis that the samples from each group have the same median value and therefore come from the same population. Significant results indicate that at least one of the groups is different from the others. As with the Freidman test to determine which groups are different, a contrast test must be performed. For independent samples, the Mann-Whitney U-test (M-W) is used to find which pairs differ from each other.
The K-W analysis will use the four-level black community self-help nominal variable as the grouping variable. The analysis will assess whether there are statistically significant differences for each of the eight metropolitan contextual characteristics across the metropolitan areas in the four self-help groups. An M-W will be performed to determine which groups are different from each other for which characteristics. This strategy will allow hypothesis testing of the association between each contextual characteristic and the four black community self-help groups. For example, does socioeconomic status differ across the four types of metropolitan community self-help areas?

In addition to testing the individual differences in contextual characteristics between the four types of metropolitan community self-help groups, it is also important to analyze the interaction between characteristics. More specifically the study examines whether the configurations of contextual characteristics differ across the four types of black community self-help areas. Stated differently, the study tests the null hypothesis that there is no difference in the configuration of contextual characteristics across the four types of black community self-help areas.

In order to test the configuration hypothesis the median value for each characteristic is calculated for each of the four groups. The M-W test is used to determine if differences in median values between pairs of groups are statistically significant. Based on the M-W tests, each community self-help group is ranked on a four-point scale based on its median value for each characteristic. Groups with the same statistical median value for a characteristic are given the same rank for that characteristic. The rankings are
converted into descriptive labels—1 is Low, 2 is Moderate, 3 is High, and 4 is Very High. The results of the analyses are presented in a series of tables and graphs.
CHAPTER 4

TEMPORAL AND SPATIAL DIFFERENCES IN BLACK SELF-HELP

Introduction

As discussed above, this study has two goals: 1) to assess whether there are temporal differences in black community self-help across the metropolitan areas in the study sample between 2002 – 2008, after controlling for the four types of self-help areas; and, 2) to determine if there are differences in the configuration of metropolitan contextual characteristics associates with each of the four black self-help areas. However, before directly pursuing these two research goals, the following presents an overview of black self-help in the metropolitan areas in the study sample.

Metropolitan Differences in Black Self-Help

This study’s conceptual model assumes that black community self-help represents the interaction between civic engagement and local entrepreneurship. As discussed in chapter 3, the interaction of these two indicators produces a four-category nominal variable which can be used to classify the 59 metropolitan areas in the sample into one of the following categories: high local entrepreneurship and high civic engagement (high self-help); low local entrepreneurship and low civic engagement (low self-help); high local entrepreneurship and low civic engagement (high entrepreneurial); and low local entrepreneurship and high civic engagement (high civic). The high self-help and low self-
help categories are the most straightforward to interpret. The high civic and high entrepreneurial categories are a bit more challenging to understand.

Exhibit 4.1 is a table showing the metropolitan mean black civic engagement rate (percentage of blacks volunteering one week or more per year), black local entrepreneurship rate (percentage of blacks self-employed) and the black self-help index for the fifty-nine (59) metropolitan areas in the sample. The table in exhibit 4.1 also presents the self-help index standardized by the mean self-help index for the entire sample of metropolitan areas.

<table>
<thead>
<tr>
<th>Metropolitan Areas</th>
<th>Civic Engagement Rate</th>
<th>Local Entrepreneurship Rate</th>
<th>Black Self-Help Index</th>
<th>Black Standardized Self-Help Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anniston, AL</td>
<td>0.16</td>
<td>0.04</td>
<td>0.20</td>
<td>1.51</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>0.10</td>
<td>0.06</td>
<td>0.16</td>
<td>1.17</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>0.12</td>
<td>0.06</td>
<td>0.18</td>
<td>1.32</td>
</tr>
<tr>
<td>Baton Rouge, LA</td>
<td>0.11</td>
<td>0.06</td>
<td>0.17</td>
<td>1.22</td>
</tr>
<tr>
<td>Birmingham, AL</td>
<td>0.12</td>
<td>0.03</td>
<td>0.15</td>
<td>1.07</td>
</tr>
<tr>
<td>Charlotte-Gastonia-Rock Hill, SC</td>
<td>0.13</td>
<td>0.04</td>
<td>0.17</td>
<td>1.23</td>
</tr>
<tr>
<td>Chicago-Gary-Lake, IL</td>
<td>0.11</td>
<td>0.03</td>
<td>0.13</td>
<td>0.94</td>
</tr>
<tr>
<td>Cincinnati OH/KY/IN</td>
<td>0.11</td>
<td>0.04</td>
<td>0.15</td>
<td>1.08</td>
</tr>
<tr>
<td>Cleveland, OH</td>
<td>0.09</td>
<td>0.03</td>
<td>0.11</td>
<td>0.77</td>
</tr>
<tr>
<td>Columbus, SC</td>
<td>0.16</td>
<td>0.04</td>
<td>0.21</td>
<td>1.57</td>
</tr>
<tr>
<td>Columbus, OH</td>
<td>0.15</td>
<td>0.05</td>
<td>0.20</td>
<td>1.48</td>
</tr>
<tr>
<td>Dallas-Fort Worth, TX</td>
<td>0.13</td>
<td>0.04</td>
<td>0.16</td>
<td>1.19</td>
</tr>
<tr>
<td>Decatur, IL</td>
<td>0.04</td>
<td>0.00</td>
<td>0.04</td>
<td>0.22</td>
</tr>
<tr>
<td>Denver-Boulder-Longmont, CO</td>
<td>0.11</td>
<td>0.06</td>
<td>0.16</td>
<td>1.16</td>
</tr>
<tr>
<td>Detroit, MI</td>
<td>0.11</td>
<td>0.05</td>
<td>0.16</td>
<td>1.13</td>
</tr>
<tr>
<td>Dover, DE</td>
<td>0.11</td>
<td>0.03</td>
<td>0.14</td>
<td>0.97</td>
</tr>
<tr>
<td>Fayetteville, NC</td>
<td>0.11</td>
<td>0.04</td>
<td>0.15</td>
<td>1.08</td>
</tr>
<tr>
<td>Gainesville, FL</td>
<td>0.13</td>
<td>0.01</td>
<td>0.14</td>
<td>0.96</td>
</tr>
<tr>
<td>Grand Rapids, MI</td>
<td>0.11</td>
<td>0.03</td>
<td>0.14</td>
<td>0.97</td>
</tr>
<tr>
<td>Greensboro-Winston High Point, NC</td>
<td>0.08</td>
<td>0.03</td>
<td>0.12</td>
<td>0.80</td>
</tr>
<tr>
<td>Greenville, NC</td>
<td>0.07</td>
<td>0.01</td>
<td>0.08</td>
<td>0.56</td>
</tr>
</tbody>
</table>
## Exhibit 4.1. Black Civic Engagement and Local Entrepreneurship Percentage and Self-Help Index Scores by Metropolitan Areas

<table>
<thead>
<tr>
<th>Metropolitan Areas</th>
<th>Civic Engagement Rate</th>
<th>Local Entrepreneurship Rate</th>
<th>Black Self-Help Index</th>
<th>Black Standardized Self-Help Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenville-Spartanburg-Anderson SC</td>
<td>0.12</td>
<td>0.01</td>
<td>0.13</td>
<td>0.91</td>
</tr>
<tr>
<td>Honolulu, HI</td>
<td>0.16</td>
<td>0.03</td>
<td>0.19</td>
<td>1.41</td>
</tr>
<tr>
<td>Houston-Brazoria, TX</td>
<td>0.11</td>
<td>0.07</td>
<td>0.17</td>
<td>1.24</td>
</tr>
<tr>
<td>Huntsville, AL</td>
<td>0.32</td>
<td>0.02</td>
<td>0.34</td>
<td>3.11</td>
</tr>
<tr>
<td>Lake Charles, LA</td>
<td>0.09</td>
<td>0.04</td>
<td>0.13</td>
<td>0.86</td>
</tr>
<tr>
<td>Lakeland-Winterhaven, FL</td>
<td>0.14</td>
<td>0.01</td>
<td>0.15</td>
<td>1.06</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>0.07</td>
<td>0.04</td>
<td>0.11</td>
<td>0.74</td>
</tr>
<tr>
<td>Lexington-Fayette, KY</td>
<td>0.18</td>
<td>0.03</td>
<td>0.20</td>
<td>1.51</td>
</tr>
<tr>
<td>Little Rock-North Little Rock, AR</td>
<td>0.07</td>
<td>0.01</td>
<td>0.08</td>
<td>0.52</td>
</tr>
<tr>
<td>Los Angeles-Long Beach, CA</td>
<td>0.12</td>
<td>0.04</td>
<td>0.15</td>
<td>1.10</td>
</tr>
<tr>
<td>Louisville, KY/IN</td>
<td>0.14</td>
<td>0.03</td>
<td>0.17</td>
<td>1.25</td>
</tr>
<tr>
<td>Miami-Hialeah, FL</td>
<td>0.09</td>
<td>0.08</td>
<td>0.17</td>
<td>1.24</td>
</tr>
<tr>
<td>Milwaukee, WI</td>
<td>0.12</td>
<td>0.01</td>
<td>0.13</td>
<td>0.93</td>
</tr>
<tr>
<td>Minneapolis-St. Paul, MN</td>
<td>0.13</td>
<td>0.06</td>
<td>0.19</td>
<td>1.40</td>
</tr>
<tr>
<td>Mobile, AL</td>
<td>0.07</td>
<td>0.03</td>
<td>0.10</td>
<td>0.68</td>
</tr>
<tr>
<td>New Orleans, LA</td>
<td>0.09</td>
<td>0.04</td>
<td>0.13</td>
<td>0.88</td>
</tr>
<tr>
<td>New York-Northeastern NJ</td>
<td>0.07</td>
<td>0.03</td>
<td>0.10</td>
<td>0.67</td>
</tr>
<tr>
<td>Norfolk-VA Beach-Newport News, VA</td>
<td>0.12</td>
<td>0.04</td>
<td>0.16</td>
<td>1.14</td>
</tr>
<tr>
<td>Orlando, FL</td>
<td>0.08</td>
<td>0.04</td>
<td>0.12</td>
<td>0.83</td>
</tr>
<tr>
<td>Philadelphia, PA/NJ</td>
<td>0.10</td>
<td>0.03</td>
<td>0.13</td>
<td>0.92</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>0.17</td>
<td>0.03</td>
<td>0.21</td>
<td>1.57</td>
</tr>
<tr>
<td>Pittsburgh-Beaver Valley, PA</td>
<td>0.11</td>
<td>0.03</td>
<td>0.14</td>
<td>0.97</td>
</tr>
<tr>
<td>Raleigh-Durham, NC</td>
<td>0.12</td>
<td>0.06</td>
<td>0.18</td>
<td>1.28</td>
</tr>
<tr>
<td>Richmond-Petersburg, VA</td>
<td>0.12</td>
<td>0.03</td>
<td>0.16</td>
<td>1.10</td>
</tr>
<tr>
<td>Rochester, NY</td>
<td>0.05</td>
<td>0.03</td>
<td>0.08</td>
<td>0.54</td>
</tr>
<tr>
<td>Sacramento, CA</td>
<td>0.15</td>
<td>0.03</td>
<td>0.18</td>
<td>1.35</td>
</tr>
<tr>
<td>San Antonio, TX</td>
<td>0.07</td>
<td>0.01</td>
<td>0.08</td>
<td>0.55</td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>0.12</td>
<td>0.02</td>
<td>0.14</td>
<td>1.01</td>
</tr>
<tr>
<td>Seattle-Everett, WA</td>
<td>0.20</td>
<td>0.03</td>
<td>0.22</td>
<td>1.74</td>
</tr>
<tr>
<td>South Bend-Mishawaka, IN</td>
<td>0.12</td>
<td>0.01</td>
<td>0.13</td>
<td>0.90</td>
</tr>
<tr>
<td>St. Louis, MO-IL</td>
<td>0.12</td>
<td>0.05</td>
<td>0.17</td>
<td>1.26</td>
</tr>
<tr>
<td>Tampa-St. Petersburg- Clearwater, FL</td>
<td>0.13</td>
<td>0.05</td>
<td>0.18</td>
<td>1.32</td>
</tr>
<tr>
<td>Toledo, OH/MI</td>
<td>0.13</td>
<td>0.02</td>
<td>0.15</td>
<td>1.06</td>
</tr>
<tr>
<td>Tuscaloosa, AL</td>
<td>0.03</td>
<td>0.02</td>
<td>0.06</td>
<td>0.37</td>
</tr>
<tr>
<td>Vallejo-Fairfield-Napa, CA</td>
<td>0.12</td>
<td>0.04</td>
<td>0.16</td>
<td>1.15</td>
</tr>
</tbody>
</table>
The table in exhibit 4.1 indicates that the majority of the observed civic engagement and local entrepreneurship rates and the black self-help index are substantively different from the mean and each other. However, to test whether the observed differences in values are statistically significant a Kruskal-Wallis (K-W) nonparametric statistical test is employed. The K-W is a nonparametric alternative to the parametric one-way Analysis of Variance (ANOVA), but, it is not bound by the same assumptions. In particular it does not require a normal distribution or a constant variance across all categories.

The K-W tests the null hypothesis that the subgroup observations all come from the same underlying population. The alternative hypothesis is that at least two of the subgroups are statistically different from each other—that is, they come from two different populations. Based on the K-W tests, the null hypotheses for the civic

### Exhibit 4.1. Black Civic Engagement and Local Entrepreneurship Percentage and Self-Help Index Scores by Metropolitan Areas

<table>
<thead>
<tr>
<th>Metropolitan Areas</th>
<th>Civic Engagement Rate</th>
<th>Local Entrepreneurship Rate</th>
<th>Black Self-Help Index</th>
<th>Black Standardized Self-Help Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington, DC/MD/VA</td>
<td>0.10</td>
<td>0.04</td>
<td>0.14</td>
<td>1.01</td>
</tr>
<tr>
<td>West Palm Beach-Boca Raton-Delray Beach, FL</td>
<td>0.15</td>
<td>0.04</td>
<td>0.19</td>
<td>1.44</td>
</tr>
<tr>
<td>Wichita, KS</td>
<td>0.18</td>
<td>0.04</td>
<td>0.22</td>
<td>1.68</td>
</tr>
<tr>
<td>Average</td>
<td>0.10</td>
<td>0.04</td>
<td>0.14</td>
<td>1.00</td>
</tr>
<tr>
<td>Minimum Value</td>
<td>0.03</td>
<td>0.00</td>
<td>0.04</td>
<td>0.22</td>
</tr>
<tr>
<td>Maximum Value</td>
<td>0.32</td>
<td>0.08</td>
<td>0.34</td>
<td>3.11</td>
</tr>
<tr>
<td>First Quartile</td>
<td>0.10</td>
<td>0.03</td>
<td>0.13</td>
<td>0.90</td>
</tr>
<tr>
<td>Second Quartile</td>
<td>0.12</td>
<td>0.03</td>
<td>0.15</td>
<td>1.08</td>
</tr>
<tr>
<td>Third Quartile</td>
<td>0.13</td>
<td>0.04</td>
<td>0.17</td>
<td>1.27</td>
</tr>
<tr>
<td>Fourth Quartile</td>
<td>0.32</td>
<td>0.08</td>
<td>0.34</td>
<td>3.11</td>
</tr>
</tbody>
</table>

**Kruskal-Wallis Test P-Value**

|                          | .000                  | .000                        | .000                 |

**SOURCE:** Author’s calculations from 2002-2008 CPS Annual Volunteer Supplements.
engagement and local entrepreneurship rates and the black self-help index can be rejected. Specifically, there is less than a five percent probability that the observed subgroup values for the civic engagement and local entrepreneurship rates and the black self-help index come from the same distributions. That is, there is a statistically significant difference between the subgroups of metropolitan areas for all three self-help indicators.

Source: Author’s calculation from CPS Annual Volunteer Supplement, 2002-2008.

Exhibit 4.2 presents the distribution of the metropolitan areas in the study by the four community self-help groups. Twenty-two percent of metro areas are high self-help areas with both above average black civic engagement and local entrepreneurship. These metropolitan areas are clearly high performing in terms of self-help. On the other hand, twenty-nine percent of metro areas are low self-help areas with below average civic
engagement and local entrepreneurship. Twenty-four percent of metro areas are high civic (i.e. they have high levels of civic engagement but low levels of local entrepreneurship); while twenty-five percent are high entrepreneurial (i.e. they have high entrepreneurship and low civic engagement).

Exhibit 4.3 presents the black civic engagement and entrepreneurship rates and the average self-help index in each category. The graph shows that metropolitan areas in the high civic category have the highest rates of civic engagement as measured by black committed volunteering rates, while having the lowest rates of black entrepreneurship across all four categories. Metropolitan areas in the high entrepreneurship category have only slightly lower black entrepreneurship rates than those in the high self-help category, and noticeably higher civic engagement rates than metros in the low self-help category. On the other hand, the black self-help index is

Source: Author’s calculation using CPS Annual Volunteer Supplement, 2002-2008.
greatest for metropolitan areas in the high self-help areas, followed by the metropolitan areas in the high civic group. The self-help index is lowest for those metropolitan areas in the low self-help category. (Exhibit 4.3)

The findings suggest that in terms of self-help, blacks live in qualitatively different types of metropolitan areas. If these categories represent qualitatively different types of places than it is fair to assume that the configuration of metropolitan contextual characteristics will differ across categories. That is, it should be possible to predict differences in self-help categories by differences in the configuration of metropolitan characteristics.

**Temporal Changes in Black Community Self-Help**

Before attempting to assess whether differences in metropolitan contextual features can be used to predict membership in one of the four types of black self-help spatial areas, a temporal analysis of self-help was undertaken first. The temporal analysis tests the following null hypothesis:

1. Black self-help does not vary from 2002-2008 in the 59 metropolitan areas in the study sample.
2. There is no difference in the temporal trend in black self-help from 2002-2008 between the four spatial self-help groups.

Black self-help is measured using the black self-help index discussed in chapter 3. The index is a linear combination of average metropolitan civic engagement and self-employment with scores normalized from 0 – 100.
**Did Black Self-Help vary over time?**

The first research question asks whether black self-help in the 59 metropolitan areas in the study increased over time. Exhibit 4.4 shows the black self-help index, as well as average black civic engagement and self-employment by year for the metropolitan areas in the sample. Based on the findings displayed in exhibit 4.4 and the results of the non-parametric Kruskal-Wallis test there appears to be a statistically significant upward trend in black self-help from 2002-2008.

Exhibit 4.4 shows a general upward trend in all three indicators over the study time period. All three indicators are normalized to a 0-100 scale so that they can be compared on the same graph. The most dramatic rise appears to be for black entrepreneurship or self-employment. From the beginning of the study period to the end, it appears that the observed level of black entrepreneurship in the 59 metropolitan areas

---

Source: Author’s calculation using CPS Annual Volunteer Supplement, 2002-2008.
has risen by 20 points. On the other hand, black civic engagement appears to have risen by only half that amount—i.e. about 10 points.

The literature cited in this study suggests that changes in socio-economic and population characteristics in the metropolitan areas in the study sample might help to explain the temporal patterns in the three self-help indicators. Exhibit 4.5 presents year to year changes in selected socio-economic and population characteristics compared to the study periods base year—2002. The baseline value is 100.

![Exhibit 4.5. Change in Socio-Economic and Population Characteristics 2002-2008](image)

Source: Author’s calculation based on CPS Annual Volunteer Supplement, 2002-2008.

In cross sectional research each of the indicators in exhibit 4.5 has been shown to be associated with the measures of self-help used in this study. Interestingly the only factor that seems to have a positive association with the temporal trends for the black self-help is education. While the black female share of the population, black family income, black average age, proportion of married blacks, and black full-time employment either declined modestly or remained stable from 2002-2008, average black education
increased by about eight percent. This at least hints at the possibility that the substantial increases in black self-help over time may be the result of improvements in average black education. This is consistent with the literature that finds a positive association between volunteering, self-employment and educational attainment.¹

**Did temporal variations in Black Self-Help differ across spatial self-help categories?**

While there does appear to be increases in observed black community self-help from 2002-2008, these changes may not hold when the type of self-help spatial area is considered. More specifically, some types of black self-help areas may have experienced positive changes in self-help while others experienced declining or stable levels of self-help. If there are differences in the temporal experiences of metropolitan areas in each of the self-help categories this will further confirm the qualitative nature of the typology.

Exhibit 4.6 shows the average change in the self-help index from 2002 to 2008 for metropolitan areas in the four self-help categories. As noted above, the self-help index is a simple linear combination of average civic engagement and self-employment—the higher the index, the greater the level of self-help. For this analysis, metropolitan areas were placed in one of the four categories based on their pooled (or average) level of civic engagement and self-employment across the seven years from 2002-2008. This means that metropolitan areas cannot change categories from one year to another—membership in a category is held constant throughout the study period.

From 2002-2008, the self-help index improved most dramatically for metropolitan areas in the high self-help category. Metropolitan areas in the high self-help category experienced roughly a 26 point increase in the self-help index (see exhibit 4.10). While the other three categories also experienced an upward trend in self-help, the increases
were modest. To test for statistical significance a Friedman test for repeated measures was used. A repeated measures test was employed because the same indicator is being observed across multiple time periods for the same subjects. The Friedman test compares all four categories to each other to test whether the time trend across the four groups differ. The Freidman test reveals that there is a statistically significant difference between the four groups at the .001 level of significance. That is, there is only a one thousandth of a percent probability that the observed results could have occurred by chance.

### Exhibit 4.7 Comparison of Annual Change in Black Self-Help Index by Metropolitan Self-Help Spatial Groups, 2002-2008

<table>
<thead>
<tr>
<th>Year/ Self-Help Area</th>
<th>High Self-Help</th>
<th>High Entrepreneur</th>
<th>High Civic</th>
<th>Low Self-Help</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>68.6</td>
<td>65.7</td>
<td>78.7</td>
<td>50.9</td>
</tr>
<tr>
<td>2003</td>
<td>52.1</td>
<td>60.3</td>
<td>76.9</td>
<td>51.4</td>
</tr>
<tr>
<td>2004</td>
<td>80.5</td>
<td>64.7</td>
<td>84.8</td>
<td>54.8</td>
</tr>
<tr>
<td>2005</td>
<td>86.3</td>
<td>69.4</td>
<td>88.9</td>
<td>52.1</td>
</tr>
<tr>
<td>2006</td>
<td>87.6</td>
<td>70.5</td>
<td>65.3</td>
<td>45.1</td>
</tr>
<tr>
<td>2007</td>
<td>100.0</td>
<td>71.9</td>
<td>83.9</td>
<td>51.0</td>
</tr>
<tr>
<td>2008</td>
<td>94.3</td>
<td>70.1</td>
<td>82.3</td>
<td>55.1</td>
</tr>
<tr>
<td>Average Score (2002-2008)</td>
<td>83.3</td>
<td>67.6</td>
<td>80.1</td>
<td>51.5</td>
</tr>
<tr>
<td>Average Growth</td>
<td>37.4%</td>
<td>6.6%</td>
<td>4.6%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

### Wilcoxon Signed Rank Test P-values

<table>
<thead>
<tr>
<th></th>
<th>High Self-Help</th>
<th>High Entrepreneur</th>
<th>High Civic</th>
<th>Low Self-Help</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Self-Help</td>
<td>0.043**</td>
<td>0.896</td>
<td>0.018**</td>
<td></td>
</tr>
<tr>
<td>High Entrepreneur</td>
<td>0.043**</td>
<td>0.028**</td>
<td>0.018**</td>
<td></td>
</tr>
<tr>
<td>High Civic</td>
<td>0.896</td>
<td>0.028**</td>
<td>0.018**</td>
<td></td>
</tr>
<tr>
<td>Low Self-Help</td>
<td>0.018**</td>
<td>0.018**</td>
<td>0.018**</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on data from CPS volunteer supplement 2002-2008.

Note: **Statistically Significant P-values (<.05)

The Friedman test indicates that when all four categories are compared to each other there is a statistically significant difference in the time trend in at least two of the categories. In order to determine which categories are different from each other a contrast
analysis must be performed. The contrast analysis is performed using a Wilcoxon Signed
Rank test. Each of the categories is compared to each other. Exhibit 4.7 shows the self-
help index score by year and by spatial group and the Wilcoxon test results. Exhibit 4.7
shows that the high self-help category is statistically different from the low self-help and
the high entrepreneurial groups, but statistically the same as the high civic category.
However, the high entrepreneurial, high civic and low self-help categories are all
statistically different from each other.

The findings show that black self-help in the sample metropolitan areas has
increased over time. From 2002-2008, there has been an 11 point increase in the black
self-help index in the 59 metropolitan areas in the study sample (see Exhibit 4.4). Given
these results, the null hypothesis that there is no change in black self-help from 2002 to
2008 can be rejected. The Krusal-Wallis test confirms that black self-help followed an
upward trend during the study period. In an attempt to explain the trends in black self-
help the temporal changes in several key variables were analyzed. Based on this analysis,
from 2002 to 2008, the improvements in educational attainment seem to be positively
associated with changes in black self-help.

It also appears that the second temporal hypothesis: that there is no difference in
black self-help from 2002 to 2008 between the four spatial self-help groups can be
rejected. Over the study period, there is a statistically significant difference in black self-
help between all two-way combinations of the four spatial self-help groups, except
between the high self-help and high civic categories (see Exhibit 4.7). The improvements
in black self-help were most dramatic in the metropolitan areas in the high self-help
There was a 37-percent increase in the black self-help index from 2002 to 2008 for metropolitan areas in the high self-help area (see Exhibit 4.7).

**Metropolitan Characteristics and Black Community Self-Help**

The temporal analysis confirms that black self-help increased from 2002 to 2008 in the 59 metropolitan areas in the study sample. In addition, the analysis revealed that there are differences in the time trends in black self-help between the four spatial self-help groups. The conceptual model predicts that the level of black self-help in metropolitan areas is associated with differences in demographic, socio-economic, and institutional contextual characteristics. While the model does not make a case for causality, it does posit specific hypotheses about the relationship between black civic engagement and local entrepreneurship and the three categories of metropolitan contextual characteristics. This section of the study will examine empirically whether 1) each of the eight contextual characteristics varies across the four types of black community self-help areas, and 2) there are differences in the configuration of metropolitan characteristics between the four spatial self-help groups: high self-help; high entrepreneurial; high civic; and, low self-help areas. Kruskal-Wallis (K-W) and Mann-Whitney U (M-W) tests are used to assess these two hypotheses.

The scholarly literature predicts that metropolitan contextual characteristics will have certain hypothesized relationships with black community self-help. Toward this end, the following contextual hypotheses will be examined:
Metropolitan areas with a high score on the Demographic Index (DI) will have lower rates of civic engagement, but higher rates of local entrepreneurship. A high score on the DI indicates that the black population is older, there are more black female residents, and that the absolute and relative size of the black population is large. The civic engagement literature predicts that large diverse communities tend to have lower rates of volunteering and other forms of civic engagement because of the difficulty in building trust.\(^2\) This may be offset somewhat by the fact that females and older residents are more likely to volunteer and be civically engaged than men and younger residents.\(^3\) On the other hand according to the economic enclave hypothesis (EEH), black local entrepreneurship should be enhanced by a large diverse black population.\(^4\) It is anticipated that metropolitan areas in the high self-help and high civic groups will have low values on the demographic index, while metropolitan areas in the low self-help group are expected to have high demographic index scores.

The civic engagement and entrepreneurship literatures tend to support a positive association between socioeconomic status and community self-help activities.\(^5\) In this study socioeconomic status is measured with an index composed of a linear combination of educational attainment, family income, employment rates, marriage rates, and

\(^2\) Putnam, "E Pluribus Unum: Diversity and Community in the Twenty-First Century the 2006 Johan Skytte Prize Lecture".

\(^3\) Wilson, "Volunteering".

\(^4\) Ibid.

occupational inequality. A high score on the socioeconomic status index (SEI) means that educational attainment, family income, employment rates and marriage rates are high and occupational inequality is low. Based on the available literature, metropolitan areas in the high self-help, the high civic and the high entrepreneurship groups are expected to have high SEI scores, while metropolitan areas in the low self-help group are anticipated to have low SEI scores.

Metropolitan areas with large numbers of religious and civic organizations have higher rates of volunteering and other forms of civic engagement. However, the relationship between civic and religious organizations and black local entrepreneurship is less clear. Several scholars that study black self-help and community development have found historical support for a positive relationship between black community organizations and black entrepreneurship. Separate indexes will be used to measure the number of religious organizations per capita and the number of civic organizations per capita in each in metropolitan area. The indexes measure the opportunity for residents to engage in self-help activities, in particular civic engagement. Metropolitan areas in the high self-help and high civic groups are expected to have high numbers of religious and civic organizations, while metropolitan areas in the low self-help group are anticipated to have low numbers of such organizations. It is unclear whether high entrepreneurial areas will have high or low levels of civic and religious organizations.

---


111
The EEH predicts that metropolitan areas with large numbers of black businesses per capita are more likely to have high rates of black entrepreneurship compared to metropolitan areas with few black businesses. Similarly, the business cluster literature also predicts that entrepreneurs benefit from being in close proximity to other businesses. Black self-help and community development scholars believe that there is a strong positive relationship between the existence of black business and black civic and community engagement. Therefore, black self-help activities should be enhanced in the presence of a strong black business sector. Metropolitan areas in the high entrepreneurial group are expected to have high numbers of black owned businesses per capita. However, it is unclear what the relationship will be between black owned businesses per capita and metropolitan areas in the high self-help and high civic groups. On the other hand, because of the generally low level of self-help, it is expected that the low self-help group will have low black business density.

Institutional economists, especially those advancing the hypothesis that economic growth is stronger in nations and political jurisdictions that champion economic freedom predict that self-help activities, such as entrepreneurship and civic engagement, will be

---

8 Portes and Jensen, "The Enclave and the Entrants: Patterns of Ethnic Enterprise in Miami before and After Mariel".

9 Glaeser, Kerr, and Ponzetto, "Clusters of Entrepreneurship".

depressed in the face of high reliance on government support. As such, high levels of government intervention are thought to create disincentives that lead to crowding out self-help activity. However, those scholars that have explored the relationship between government and community self-help activities have found mixed results. Based on the institutional economics literature and the comparative civic engagement literature, it is expected that metropolitan areas in the low self-help group will have a high reliance on government social welfare payments. On the other hand, it is expected that when compared to the low-self help areas reliance on government will be low for metropolitan areas in the high self-help, high civic and high entrepreneurship groups.

For a variety of policy, institutional, cultural and social reasons blacks historically have been geographically concentrated and separated from whites and other racial and ethnic groups. The literature is unclear about whether or not there is a relationship between black geographic concentration and civic engagement. On the other hand, the economic enclave hypothesis (EEH) literature, posits that ethnic entrepreneurs benefit from having easy access to a large geographically concentrated group of co-ethnics. The literature suggests that black geographic concentration will be higher in metropolitan

---


13 Boyd, "Black Retail Enterprise and Racial Segregation in Northern Cities before the "Ghetto"; Portes and Jensen, "The Enclave and the Entrants: Patterns of Ethnic Enterprise in Miami before and After Mariel".
areas in the high entrepreneurship group, but it is unclear what the association will be between black geographic concentration and metropolitan areas in the high self-help, high civic and low self-help groups.

Finally, the literature is very clear that community stability is an important predictor of civic engagement.\textsuperscript{14} A proxy for community stability is the percentage of residents that have resided in the same metropolitan area for at least five years. Therefore, the expectation is that metropolitan areas with a high percentage of residents residing in the same metropolitan areas for five years or more will have high levels of civic engagement as measured by committed volunteering. In addition, there also appears to be evidence that community stability may facilitate certain types of local entrepreneurship.\textsuperscript{15} Given this, metropolitan areas in the high self-help, high civic and high entrepreneurship groups are expected to have high levels of community stability. On the other hand, metropolitan areas in the low self-help areas are expected to have low levels of community stability.

However, these individual characteristics should not be considered in isolation. Indeed, rather than acting in isolation these characteristics interact with each other to form causal configurations. This idea of causal configurations predicts that each of the four types of self-help areas will have a different combination of metropolitan


\textsuperscript{15} Green, "Neighborhood Retail Outlets and Family Stability".
characteristics. Therefore, the null hypothesis to be tested is that there is no difference in the configuration of metropolitan characteristics (the causal configuration) between the four types of spatial self-help groups.

Exhibit 4.8. Metropolitan Contextual Characteristics Indices by Black Community Self-Help Categories

<table>
<thead>
<tr>
<th>Metropolitan Characteristics</th>
<th>High Self-Help (0-100)</th>
<th>High Entrepreneurship (0-100)</th>
<th>High Civic (0-100)</th>
<th>Low Self-Help (0-100)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indexes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demographic Index</td>
<td>69.6</td>
<td>91.4</td>
<td>64.0</td>
<td>89.1</td>
</tr>
<tr>
<td>Socio-Economic Index</td>
<td>73.6</td>
<td>66.8</td>
<td>71.5</td>
<td>58.3</td>
</tr>
<tr>
<td>Civic Organizations Index</td>
<td>30.5</td>
<td>34.6</td>
<td>31.2</td>
<td>22.6</td>
</tr>
<tr>
<td>Religious Organizations Index</td>
<td>46.4</td>
<td>37.6</td>
<td>52.0</td>
<td>28.7</td>
</tr>
<tr>
<td>Residential Stability Index</td>
<td>80.4</td>
<td>81.9</td>
<td>74.3</td>
<td>68.8</td>
</tr>
<tr>
<td>Black Business Density Index</td>
<td>54.4</td>
<td>76.5</td>
<td>43.3</td>
<td>55.1</td>
</tr>
<tr>
<td>Black Geographic Concentration Index</td>
<td>68.7</td>
<td>75.7</td>
<td>66.0</td>
<td>92.8</td>
</tr>
<tr>
<td>Government Reliance Index</td>
<td>68.0</td>
<td>55.7</td>
<td>68.8</td>
<td>79.4</td>
</tr>
<tr>
<td><strong>Configurations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demographic Index</td>
<td>Moderate</td>
<td>Very High</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Socio-Economic Index</td>
<td>Very High</td>
<td>Moderate</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Civic Organizations Index</td>
<td>Moderate</td>
<td>Very High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Religious Organizations Index</td>
<td>High</td>
<td>Moderate</td>
<td>Very High</td>
<td>Low</td>
</tr>
<tr>
<td>Residential Stability Index</td>
<td>Very High</td>
<td>Very High</td>
<td>Moderate</td>
<td>Low</td>
</tr>
<tr>
<td>Black Business Density Index</td>
<td>Moderate</td>
<td>Very High</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Black Geographic Concentration Index</td>
<td>Moderate</td>
<td>High</td>
<td>Low</td>
<td>Very High</td>
</tr>
<tr>
<td>Government Reliance Index</td>
<td>Moderate</td>
<td>Low</td>
<td>High</td>
<td>Very High</td>
</tr>
</tbody>
</table>

Source: Author’s calculation using author created dataset.

Exhibit 4.8 presents the average (median) individual index values and configurations of the contextual characteristics of the metropolitan areas in each of the
four black community self-help categories (groups). The indexes have values from 0-100. It provides a comparison of the relative contribution of each contextual factor to the probability of a metropolitan area being in a given community self-help category. The findings in exhibits 4.8 present a rich picture of the relationship between black community self-help and particular configurations of metropolitan contextual characteristics. With one exception, the K-W and M-W tests show that the eight contextual characteristics are statistically different for all pairings of the four self-help groups. The one exception is that there is no statistically significant difference between residential stability in the high self-help areas and the high entrepreneurial areas. The first panel of the table in exhibit 4.8 shows that there is considerable variation in the median values for each of the eight contextual characteristics across the four types of black community self-help groups. These four groups of metropolitan areas are different from each other on characteristics included in this study.

Hypothesis 1 anticipated that compared to metropolitan areas in the low self-help group, the high self-help, high entrepreneurial and high civic metropolitan areas would have low scores on the DI. There is only partial support for this hypothesis. The highest DI values were found in the high entrepreneurial group followed by the low self-help group. High levels of black entrepreneurship seem to be associated with large, older and more female black populations. This may reflect the importance of large, local markets to the success of black entrepreneurs. This would support the EEH contention that successful ethnic entrepreneurs provide goods and services at least initially aimed at meeting the needs of large, geographically concentrated co-ethnic markets.
The second hypothesis posits that the high self-help, high entrepreneurial and high civic metropolitan areas are likely to have high socioeconomic status especially when compared to the low self-help areas. There appears to be complete support for this hypothesis. High self-help areas have the highest socioeconomic status followed closely by metropolitan areas in the high civic group. The low self-help group is 10 points behind the next closest group on the SEI. This confirms that high self-help is associated with high socioeconomic status. However, this does not provide any solid evidence on whether high self-help leads to high socioeconomic status. Indeed, it is quite likely that the relationship represents a type of virtuous cycle. Individuals with high socioeconomic status are more likely to engage in self-help acts, such as volunteering and self-employment. In turn, this creates the conditions either directly or indirectly to improve socioeconomic status by encouraging people with high SES to move into these locations or to incent existing residents to pursue opportunities that tend to lead to income improvement and wealth generation.

The third hypothesis asserts that compared to low self-help areas, the high self-help and high civic groups will have a dense network of civic and religious organizations. This dense network provides the opportunities and support system for black residents to engage in community self-help activities. This relationship is unclear for metropolitan areas in the high entrepreneurship group. Low self-help metropolitan areas have the lowest density of civic and religious organization by far compared to the other three groups. The high civic group has the high density of religious organizations and the second highest density of civic organizations. The high self-help metropolitan areas have
the second highest density of religious organizations but only the third highest infrastructure of civic organizations. However, surprisingly, the high entrepreneurship group has the high density of civic organizations. This suggests that there is a robust relationship between high entrepreneurship and civic organizational infrastructure. This is provides some support for the analyses of Butler\textsuperscript{16}, who argues that historically there has been a positive symbiotic relationship between the existence of black civic organizations and black entrepreneurship. This is only partial support because the data set used in this study does not allow civic or religious organizations to be identified by the racial or ethnic groups they serve.

The fourth hypothesis asserts that compared to the other three groups, metropolitan areas in the high entrepreneurial group will have a relatively high density of black owned businesses. The findings show that compared to the other three groups, the scores on the black business density index is 20 to 30 points higher in metropolitan areas in the high entrepreneurial group. Surprisingly, the second highest scores are in the low self-help metropolitan areas. These findings seem to support a positive association between the geographic clustering of black businesses and the likelihood of the residents engaging in local entrepreneurship. These findings seem to confirm the application of the EEH to understanding at least the entrepreneurial aspect of black self-help. However, the low black business density among metropolitan areas in the high self-help group is

\textsuperscript{16} Butler, \textit{Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics}. 
surprising given that local entrepreneurship is second only to the high entrepreneurial areas.

The fifth hypothesis tests whether reliance on government support diminishes the incentive of black residents to pursue self-help activities. As expected metropolitan areas in the low self-help group had by far the highest reliance on government welfare and social insurance payments. On the government reliance index, there was as much as a 10 to 15 point difference between metropolitan areas in the low self-help group and the other three groups. Metropolitan areas in the high entrepreneurial group had the lowest scores on the reliance on government index. For the high entrepreneurial group index scores were roughly 13 to 15 points below the other three groups. This suggests that high levels of entrepreneurship in black communities are more likely than high levels of civic engagement to be associated with low levels of reliance on government. While this research design does not allow direction of causality to be clearly established, it does provide strong support for the overall contention that self-help activity is lower in places where residents are heavily dependent on government payments. This does not mean that government payments are responsible for low levels of self-help. Indeed, the reasons for low self-help may be the same reasons for high dependence on government payments. That is, there may be another latent factor that is confounding the relationship between government payments and self-help. What is interesting in these findings is that the type and combination of self-help activities seems to be associated with the degree of reliance on government payments.
For a variety of historical, institutional and policy reasons blacks are highly concentrated geographically. While the level of concentration has been declining, it still tends to be very high. The sixth hypothesis examines the relationship between the geographic concentration of blacks and their level of community self-help. The expectations surrounding high racial geographic concentration are mixed. Proponents of EEH and scholars, such as, Butler\textsuperscript{17} and Green and Pryde\textsuperscript{18} assert that a large geographically concentrated group of co-ethnics creates markets that provide opportunities for black entrepreneurs to pursue business activities. This would lead to an expectation that racial concentration in the high entrepreneurial areas and possibly the high self-help group should be greater than in other types of metropolitan areas. However, extreme geographic concentration by race also is related to hypotheses concerning the concentration of poverty and the underclass.\textsuperscript{19} The concentration of poverty and underclass theories suggest that residents will be socially and economically disorganized and highly dependent on government support and illegal, underground activities. This would hardly be seen as environments highly conducive to self-help activities. On the other hand, the distress experienced by community residents might serve as a catalyst for pursuing their own solutions to local problems. The findings here show that metropolitan areas in the low self-help group also have extremely high levels of black geographic concentration. This seems consistent with what would be expected

\textsuperscript{17} Ibid.

\textsuperscript{18} Green and Pryde, "Black Entrepreneurship in America".

\textsuperscript{19} William J. Wilson, \textit{The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy} (Chicago: University of Chicago Press, 1987).
based on the concentration of poverty and underclass theories. To reside in a metropolitan area with low levels of self-help also means residing in an area with low socioeconomic status and that is highly racially concentrated. Interestingly, the findings for high entrepreneurial areas compared to the high self-help and the high civic metropolitan areas are consistent with the EEH and the writings of Butler\textsuperscript{20} and Green and Pryde\textsuperscript{21}; a large geographically concentrated population of co-ethnics is associated with greater opportunities for entrepreneurship.

The final hypothesis examines the association between residential stability and self-help. The literature reviewed for this study strongly contends that residential and community stability is positively associated with self-help activities. Given this, we would expect high levels of residential stability associated with metropolitan areas in the high self-help and high civic groups. This is precisely what the results show. Metropolitan areas in the high self-help and high civic groups have the same high level of residential stability. Low self-help areas have markedly lower levels of residential stability, while high entrepreneurial metropolitan areas fall in-between. Residential stability appears to be very important for self-help activity in the high self-help and high civic areas, but also moderately important for the high entrepreneurial metropolitan areas.

<table>
<thead>
<tr>
<th></th>
<th>High Self-Help Areas</th>
<th>High Entrepreneurship Areas</th>
<th>High Civic Areas</th>
<th>Low Self-Help Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic Index</td>
<td>-0.78</td>
<td>0.16</td>
<td>-1.10</td>
<td>0.39</td>
</tr>
</tbody>
</table>

\textsuperscript{20} Butler, \textit{Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics}.

\textsuperscript{21} Green and Pryde, \textit{Black Entrepreneurship in America}.  

121
The analyses presented so far show either full or partial support for the hypotheses related to the relationship between the metropolitan contextual characteristics and black community self-help. But just how important are the observed differences between the groups. In order to address this question effect sizes were calculated for each characteristic comparing each of the four groups to the average across the entire population of metropolitan areas. That is, the metropolitan average for each characteristic was used as a control group and each of the four self-help groups were treatment groups. The effect size was calculated using the following formula:

\[
\text{Effect size for characteristics} = \frac{\text{Mean value for experimental group} - \text{Mean value for control group}}{\text{Standard Deviation for Control Group}}.
\]

The resulting effect size indicates how many standard deviations the difference is from the average. That is, it is simply the standardized difference between the experimental group and the control group. Effect sizes of .1 or less would be trivial; effect sizes between .1 and .3 are small; effect sizes of .3 to .5 are medium; and, .5 and greater is considered a large effect size. The effect sizes are shown on Exhibit 4.8.1.
Using this approach, the effect sizes for the high self-help metropolitan areas are large for the demographic index, socioeconomic status, religious organization density and black geographic concentration. The remaining effects sizes are either small or medium. For the high entrepreneurial metropolitan areas, there was a large effect size for black business density and a medium effect for reliance on government. All the other effect sizes were small or trivial. For the high civic areas, the demographic index, black business density and black geographic concentration all had large effect sizes. The effect sizes for the remaining characteristics were either small or trivial. There were large effect sizes for black geographic concentration and reliance on government payments for metropolitan areas in the low self-help group. All other effect sizes for this group were either moderate or small.

The results presented so far have focused on the difference in individual contextual characteristics and the four types of black community self-help groups. However, these contextual characteristics do not operate in isolation. In reality they interact with each other to form a causal configuration that may be unique to each type of metropolitan area. Given this perspective, the null hypothesis for this study is that there is no difference in the configuration of contextual characteristics between the four metropolitan community self-help groups. In order to test the hypothesis, each of the four black community self-help groups was ranked based on the median scores on each of the contextual factors for all metropolitan areas in the group. The rankings were based on whether differences between groups for each contextual characteristic were statistically
significant. If there were no statistical differences between groups on a particular characteristic than the two groups were given the same ranking.

The second panel labeled configuration in exhibit 4.8 presents the results of this analysis. A review of the configuration panel in the second half of the table confirms that each of the four black community self-help areas has a unique combination of contextual characteristics. Stated differently, not only are there statistically significant differences between the groups on each of the contextual factors, but the scores on the combination of factors vary across the four groups. The results confirm that these four types of metropolitan areas are not quantitatively different from each other but qualitatively different as well. As such, the null hypothesis can be rejected. Each of the four types of metropolitan community self-help groups has its own unique combination of characteristics.

**Summary**

This chapter presented empirical findings examining the relationship between black community self-help, time and the configuration of metropolitan contextual features. There were two goals: 1) to determine if there were changes in the level of black community self-help from 2002 to 2008; and, 2) to ascertain whether each of the four spatial self-help groups have distinct configurations of metropolitan contextual characteristics. The contextual characteristics represent the differences in metropolitan areas’ demographic features, socio-economic status, presence of civic and religious organizations, the density of black businesses, the geographic concentration of the black
population, the level of residential stability, and black residents’ reliance on welfare and social insurance payments.

The conceptual model for this study identifies black community self-help as the interaction between civic engagement and local entrepreneurship. The interaction of the two self-help indicators produced four distinct groups of metropolitan areas: the high self-help (high civic engagement and high local entrepreneurship), high entrepreneurial (high local entrepreneurship and low civic engagement), high civic (high civic engagement and low entrepreneurship) and low self-help (low civic engagement and local entrepreneurship) groups. The nonparametric alternatives to ANOVA were used to examine whether differences in contextual factors and the configurations characteristics can differentiate between the four spatial self-help groups, and nonparametric repeated measures tests were employed to examine temporal changes in black self-help.

The temporal analysis found that black self-help increased over time. Moreover, repeated measures analyses confirmed that the time trends for black self-help for each of the four spatial self-help groups differed from each other. The K-W and M-W nonparametric tests found that the median values for each of the eight contextual features differed between the group but for one exception—median residential stability was same for metropolitan areas in both the high self-help and the high entrepreneurial groups. Moreover, the contextual characteristics form unique causal configurations for each of the four spatial self-help groups. Using an effect size analysis, the findings for several of the contextual factors were found to be quite robust.
CHAPTER 5
DISCUSSION

This study had two main empirical goals: 1) to ascertain whether black community self-help changed from 2002 to 2008 in the 59 metropolitan areas in the study sample; and, 2) to determine empirically whether each of the four different types of black spatial self-help groups have unique configuration of metropolitan contextual characteristics. Using the scholarly and policy literature as a guide, a conceptual model was developed that predicted circular or bi-directional associations between black community self-help and metropolitan contextual characteristics. Nonparametric alternatives to ANOVA were employed to explore these goals.

From 2002 to 2008, blacks residing in the 59 metropolitan areas in the sample sharply increased their self-help activities. When metropolitan areas in the study were classified into one of four groups—high self-help, high entrepreneurship, high civic and low self-help—based on their level of civic engagement and local entrepreneurship, there was a difference in the time trends in the four spatial self-help groups. Using nonparametric alternatives to ANOVA for independent samples found that the eight metropolitan contextual characteristics had statistically significant relationships to the four self-help groups. Moreover, each of these four groups had its own unique configuration of metropolitan contextual characteristics. Finally, the analyses found full or partial support for the individual hypotheses related to the association of black community self-help and metropolitan area contextual characteristics.
The remainder of this chapter will discuss the place of black community self-help in the context of the broader more universal contemporary constructs of community participation. This discussion will be followed by an assessment of the particular configurations of contextual factors associated with each type of self-help area focusing particular attention on the qualitative character of each group. Finally, the chapter will present implications, future directions and limitations.

**Situating Black Community Self-Help: The Particular vs. the Universal**

The literature shows that at least since the 18th century, black community self-help has been a central feature of blacks’ historical approach to both survival and advancement in America. However, the meaning of community self-help has been contested within the black community.¹ For blacks self-help has evolved along three separate paths. Booker T Washington argued for an approach that Martin Kilson calls social organization.² The goal of social organization is “…concerned with fashioning the nuts and bolts of a social system, the infrastructure of agencies and networks that allow individuals and a people as a whole to realize the purposes required for a viable human existence.”³ Stated differently, Washington’s approach to self-help was to build an alternative economic and social structure designed to serve the basic needs of blacks as individuals and as a community. However, Kilson’s social organization concept may give

---


³ Ibid.: 301.
short shrift to Washington’s actual goals. A careful reading of Washington’s advocacy of community self-help shows that his strategy was intended to pursue internal community and self development not to create a separate alternative society for blacks but to assist blacks in developing the wherewithal to become full American citizens.4

Washington’s vision of black community self-help has been considered conservative by many black intellectuals on both the left and right of the political spectrum. As such it is often championed by black conservative political and intellectual leaders.5 However, because of the association with black conservatives community self-help is often criticized by black political and philosophical liberals. Liberal black critics of community self-help are particularly suspicious of what they see as black conservative advocates’ of self-help belief in “savage individualism…to be the gateway to Black economic and wealth accumulation.”6

Black liberals suspicion of the role of individualism in Washington’s self-help model encompasses a broader critique of Washington and other black conservatives who accepted capitalism, free markets and American Constitutional government as an accommodation with white supremacy—a criticism challenged by several scholars7. Black liberals have made a similar critique of modern black conservatives’ advocacy of


community self-help. Moreover, a more careful assessment of the activities and philosophical positions of black conservatives, such as, Clarence Thomas, Shelby Steele, Thomas Sowell, and Walter Williams, show this charge of accommodation to be unfounded. Indeed, empirical findings indicate that the number of blacks embracing the normative positions held by black conservatives including black community self-help is growing.

A second path for black self-help grows out of the ideas of Frederick Douglass. Douglass like Washington embraced capitalism, free enterprise and, in particular, the American Constitutional government system. He advocated that blacks should have full participation in the American system not as a unique group but as individual citizens. However, he understood the challenges and hurdles blacks faced and advocated for building social and economic development organizations aimed at providing the basis for black self improvement and political activism. However, Douglass’ goal was to increase the opportunities for blacks to become full individuals in American society. His belief in and commitment to enhancing the power of the individual would tend to mark him philosophically as a libertarian or classical liberal rather than a modern liberal or


12 Ibid.
progressive. Douglass’ view of self-help and his goals aimed at individual development would make him philosophically closer to such modern black intellectuals as Shelby Steele, Thomas Sowell and Walter Williams. This is not a universally accepted interpretation of Douglass among black scholars and intellectuals. For example, Orey cites a Douglass quotation he believes justifies the criticism of blacks who accept the prevailing economic and social order in America.¹³

A third historical path for black community self-help has been the political and social change model advocated by W.E.B. DuBois—what Martin Kilson calls the guidance or mobilization model.¹⁴ DuBois’ goals were to organize blacks to politically challenge the existing political, social and economic order. For DuBois American capitalism was the real nemesis. His self-help approach advocated organizing to prevailing institutions of capitalism which he blamed primarily for black oppression. As such, he was not interested in simply improving the place of blacks in the political, social and economic order, but in remaking the whole American system.¹⁵

DuBois self-help approach created the framework for modern black liberals’ (or progressives’) model for citizen engagement aimed primarily at political and social change. The community and political organizing of the civil rights movement of the mid-to-late twentieth century is an example of DuBois’ approach to self-help. Most of the current crop of black political leadership has emerged from having been trained in the

---

¹³ Orey, “Explaining Black Conservatives: Racial Uplift Or Racial Resentment?”.


values, tactics and social change strategies of the black civil rights movement of the 1960s and 1970s. Even blacks who were too young to have directly participated in the civil rights movement have been influenced in some way by this legacy.\textsuperscript{16}

While these three historical paths for black community self-help show the unique normative and utilitarian association between self-help and black social, political and economic development, they also raise a question about whether black community self-help can be situated within the contemporary self-help traditions arising from the conceptual and empirical literatures on civic engagement and social capital. A review of the literature suggests that black self-help shares some features with the current contemporary conceptual and empirical writings on civic engagement and social capital. An investigation into the work of the three seminal black historical leaders—Dubois, Washington and Douglass—revealed that they appear to share some common features with the more modern manifestations of community self-help and participation, such as civic engagement, social capital, community capacity building, community building and community development. Black community self-help is solidly within the emerging consensus among anti-poverty and community development theorists and practitioners about the importance of community participation in any successful efforts at community economic development. As such, it appears to share both the advantages and the limitations of all community participation strategies.

For example, Washington’s, Douglass’ and Dubois’ self-help models while having slightly different objectives, attempted to balance internal community building

\textsuperscript{16} Ibid.
with inter-community bridge building aimed at increasing black access to allies, knowledge and resources. All three black models of community self-help promoted the development of community organizations that could be used to mobilize black resources and serve as vehicles for black civic participation. Internal development also provides a platform for black economic empowerment. On the economic front, Washington and Douglass advocated black entrepreneurship, while Dubois pushed for the formation of black workers organizations aimed at advocating for economic redistribution. The social capital literature defines this type of internal community building as the creation of bonding capital.

In addition to bonding social capital, social capital theorists have argued that communities are strengthened not just by their internal strength but also by their capacity to create networks and linkages beyond their own community boundaries of space, place, time, and culture. These networks are sometimes referred to as the strength of weak ties or bridging social capital. All three of the historical black self-help paths advocated the creation of networks and bridges from the black community to extra-community allies and resources. For example, Washington saw the real success of black economic development being the ability to sell products and services beyond black community to

---


any customer anywhere.\textsuperscript{20} In this regard this is similar to the Economic Enclave Hypothesis (EEH) which posits that ethnic entrepreneurs must first develop their businesses locally among co-ethnic customers before creating markets beyond their ethnic communities.\textsuperscript{21} Dubois believed that black worker organizations should eventually link to and partner with the white working class to form broad based worker collaborations to challenge the capitalist prevailing order.\textsuperscript{22}

This study starts with a quote from a song by the late soul singer James Brown. Mr. Brown exhorts his largely black audience to succeed by opening the door and doing it themselves. The song goes on to say that blacks have to get educated, start their own businesses and work together to empower themselves.\textsuperscript{23} In short Mr. Brown exhorted blacks to build their own capacity to help themselves to develop their own communities. There has been little empirical research on black community self-help. This study is not designed to assess whether black community self-help produces either positive normative or utilitarian outcomes. However, the study is designed to assess qualitative differences in black community self-help across time and space. This study provides a framework for better understanding the combination of place-based contextual characteristics that are associated with four particular qualitative manifestations of black self-help—places with high levels of black civic engagement and entrepreneurship; places with high levels of

\textsuperscript{20} Washington, \textit{The Future of the American Negro}.

\textsuperscript{21} Portes and Jensen, "The Enclave and the Entrants: Patterns of Ethnic Enterprise in Miami before and After Mariel".

\textsuperscript{22} McKeen, "Whose Rights? Whose Responsibility? Self-Help in African-American Thought".

\textsuperscript{23} Brown, \textit{I Don't Want Nobody to Give Nothing}.
black entrepreneurship and low levels of black civic engagement; places with high levels of civic engagement and low levels of black entrepreneurship; and, places with both low levels of black civic engagement and entrepreneurship. The measures of black self-help used in this study include both black civic engagement and black entrepreneurship, both of which play a prominent role in the historical literature on black self-help.

**Causal Configurations**

The results of chapter 4 show that contextual characteristics can form unique configurations. This suggests that in order to appropriately classify metropolitan areas it is important to analyze not just individual place characteristics but how these characteristics interact with each other. The analysis performed in chapter 4 examined the average differences between the four self-help groups on each of the eight metropolitan contextual characteristics. This section will discuss the within group configuration of contextual characteristics for each of the four types of black self-help areas. The goal is to discover from a causal perspective if there are characteristics or configurations of characteristics that are necessary or possibly sufficient to explain a metropolitan areas membership in a particular spatial self-help group,

**High Self-Help Community**

Based on the findings in this study, the high self-help community is a spatial location where both civic engagement (i.e. the rate of volunteering for at least 1 week per year) and local entrepreneurship (black self-employment rate) are high. On average, these spatial locations (in this case metropolitan areas) for blacks have a particular configuration of metropolitan characteristics. The metropolitan areas in the high self-help
group have very high socioeconomic status and residential stability, and a dense infrastructure of religious organization per capita. All other characteristics tend to be in the moderate range. The high self-help metropolitan areas have socioeconomically well-off and residentially stable black populations. There is a strong infrastructure of community organizations dominated by religious institutions, but only moderate a moderate network of black owned business. These places have medium-sized, fairly young black populations residing in moderately geographically concentrated black communities. Residents are only moderately dependent on government payments. Effect sizes are calculated for contextual characteristics and self-help indexes for each of the metropolitan areas within each of the four groups. The sample means for each characteristic are used as the reference or comparison group. An effect size of 0 indicates that there is no difference between a metropolitan area’s value on a particular characteristic and the value of the statistical average metropolitan area. An effect size greater than 0 but less than .3 is considered a small positive effect. On the other hand, an effect size greater than or equal to .3 but less than .8 is considered moderate positive effect; and an effect size of greater than or equal to .8 is a large effect size. Finally, any values below 0 are negative effects.

<table>
<thead>
<tr>
<th>High Self-Help MSAs</th>
<th>Self-Help Index</th>
<th>Demographic Index</th>
<th>Socio Economic Status</th>
<th>Government Payments</th>
<th>Civic Organisations</th>
<th>Religious Organisations</th>
<th>Residential Stability</th>
<th>Geographic Concentration</th>
<th>Black Business Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wichita, KS</td>
<td>1.61</td>
<td>-2.23</td>
<td>0.04</td>
<td>0.49</td>
<td>0.25</td>
<td>1.13</td>
<td>0.49</td>
<td>-0.61</td>
<td>-1.27</td>
</tr>
<tr>
<td>Columbia, SC</td>
<td>1.36</td>
<td>0.26</td>
<td>0.24</td>
<td>-1.16</td>
<td>0.86</td>
<td>2.34</td>
<td>-0.76</td>
<td>-1.12</td>
<td>-1.06</td>
</tr>
</tbody>
</table>
The majority of high self-help areas for blacks are in the Southeastern or Southwestern United States. With the exception of Vallejo, CA, the remaining metropolitan areas in the group are in the mid-west. Over sixty percent of these metropolitan areas have total populations at or below 1.6 million and black populations at or below 200,000. On average, blacks constitute roughly 17 percent of the population. Exhibit 5.1 presents effect sizes for the eight contextual characteristics and self-help index (the linear combination of black civic engagement and black entrepreneurship) for each of the metropolitan areas in the high self-help group using the sample means as the

<table>
<thead>
<tr>
<th>High Self-Help MSAs</th>
<th>Self-Help Index</th>
<th>Demographic Index</th>
<th>Socio Economic Status</th>
<th>Government Payments</th>
<th>Civic Organizations</th>
<th>Religious Organizations</th>
<th>Residential Stability</th>
<th>Geographic Concentration</th>
<th>Black Business Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anniston, AL</td>
<td>1.23</td>
<td>0.09</td>
<td>-1.57</td>
<td>-0.46</td>
<td>1.07</td>
<td>2.33</td>
<td>-0.51</td>
<td>-0.89</td>
<td>-1.67</td>
</tr>
<tr>
<td>Columbus, OH</td>
<td>1.17</td>
<td>-2.09</td>
<td>0.40</td>
<td>-0.76</td>
<td>1.10</td>
<td>0.46</td>
<td>0.43</td>
<td>-0.20</td>
<td>-0.26</td>
</tr>
<tr>
<td>West Palm Beach-Boca Raton-Delray Beach, FL</td>
<td>1.07</td>
<td>-1.00</td>
<td>0.05</td>
<td>-1.04</td>
<td>2.39</td>
<td>2.99</td>
<td>-0.28</td>
<td>0.10</td>
<td>2.07</td>
</tr>
<tr>
<td>Minneapolis-St. Paul, MN</td>
<td>0.99</td>
<td>-2.81</td>
<td>0.34</td>
<td>-0.26</td>
<td>1.07</td>
<td>0.18</td>
<td>0.33</td>
<td>-0.64</td>
<td>-0.18</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>0.80</td>
<td>0.23</td>
<td>1.57</td>
<td>0.05</td>
<td>0.11</td>
<td>0.16</td>
<td>0.13</td>
<td>0.20</td>
<td>-0.20</td>
</tr>
<tr>
<td>Tampa-St. Petersburg-Clearwater, FL</td>
<td>0.80</td>
<td>-1.05</td>
<td>0.53</td>
<td>-0.19</td>
<td>-0.02</td>
<td>-0.16</td>
<td>0.24</td>
<td>-0.09</td>
<td>-0.28</td>
</tr>
<tr>
<td>Raleigh-Durham, NC</td>
<td>0.69</td>
<td>-1.66</td>
<td>1.16</td>
<td>-0.83</td>
<td>-0.77</td>
<td>-0.05</td>
<td>-0.31</td>
<td>-1.62</td>
<td>-0.13</td>
</tr>
<tr>
<td>St. Louis, MO-IL</td>
<td>0.64</td>
<td>-0.54</td>
<td>0.39</td>
<td>0.44</td>
<td>0.56</td>
<td>0.66</td>
<td>0.48</td>
<td>0.74</td>
<td>-1.16</td>
</tr>
<tr>
<td>Charlotte-Gastonia-Rock Hill, SC</td>
<td>0.57</td>
<td>-0.73</td>
<td>0.34</td>
<td>-1.28</td>
<td>-0.63</td>
<td>0.95</td>
<td>-0.20</td>
<td>-0.87</td>
<td>-0.53</td>
</tr>
<tr>
<td>Dallas-Fort Worth, TX</td>
<td>0.47</td>
<td>-1.37</td>
<td>1.68</td>
<td>-1.38</td>
<td>-0.30</td>
<td>0.09</td>
<td>0.26</td>
<td>-0.52</td>
<td>0.42</td>
</tr>
<tr>
<td>Vallejo-Fairfield-Napa, CA</td>
<td>0.37</td>
<td>-0.67</td>
<td>0.00</td>
<td>1.17</td>
<td>-1.62</td>
<td>-1.72</td>
<td>-1.00</td>
<td>-1.00</td>
<td>-0.91</td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on data derived from author’s self-help dataset.
reference. The effect sizes for the self-help index for each of the metropolitan areas in the group are either moderate or large.

All metropolitan areas in the group have either a small or negative effect size on the demographic index. This indicates that in order to be in the high self-help group it is necessary for a metropolitan area to have either a small or negative effect size. With one exception, the effect sizes for socioeconomic status are positive with 61 percent having either a moderate or large effect. The one exception is Anniston, Alabama. If Anniston, AL were removed it would be possible to make the statement that to be in the high self-help group it is necessary for a metropolitan area to have demographic index effect sizes that are small or negative and effect sizes for socioeconomic status that are positive. A good illustration is the Dallas-Fort Worth, TX metro area. Dallas-Fort Worth has large effect sizes for both the demographic index and socioeconomic status. These findings are consistent with the empirical literature on social capital and civic engagement.24

However, the exception, Anniston, AL indicates that other factors need to be considered. Anniston, Columbia, SC and West-Palm Beach, FL differ from the other metropolitan areas in the group because both have large effect sizes for both civic and religious organizations. These three metropolitan areas have negative effects for residential stability. But, Anniston and Columbia also have large negative effects for black geographic concentration and black business ownership. So while Columbia has a similar combination of contextual factors, it appears that Anniston, AL is in the high self-

---

help group despite having a large negative effect size for socioeconomic status because of
its combination of high community organization density, and low residential stability,
black geographic concentration and black business density. No other metropolitan area
has Anniston’s unique configuration of metropolitan characteristics.

However, removing Anniston, AL from the group, it appears that in order to be in
the high self-help group a metropolitan area must have small to negative effect sizes on
the demographic index and positive effect sizes for socioeconomic status. These
metropolitan areas have a high probability of having positive effect sizes for civic or
religious organizations, and small to negative effect sizes for residential stability, black
geographic concentration and black business density. However, these characteristics are
probabilities rather than necessities. This may indicate that there are other factors that are
driving the level of self-help in these metropolitan areas.

For example, Lewis\textsuperscript{25} finds that from 1972 to 2000 blacks have become more
become ideologically less liberal and more conservative. In 1972, 54 percent of blacks
labeled themselves as liberals. However, by 2000, 62 percent of blacks were more likely
to classify themselves as ideologically moderate (40 percent) or conservative (22
percent). While there are several explanations for this ideological shift, one possibility is
that blacks are becoming more conservative as they become more economically and
socially upward mobile. Several scholars claim that self-help is a manifestation of
conservative ideology. The metropolitan areas in the high self-help group tend to have
above average socioeconomic status among their black residents. This suggests that

\textsuperscript{25} Lewis, "Black Conservatism in America".

138
ideology may be a confounding factor that is influenced by socioeconomic status but in turn affects the inclination toward engage in self-help activities. Future research might attempt to look at whether there is a direct relationship between ideology and cross-sectional as well as longitudinal differences in black community self-help.

Overall, the causal configuration found in high self-help areas seems generally consistent with the empirical and theoretical literature. However, there were two moderately surprising aspects. First, the different roles played by religious and civic organizations in the make-up of the group. Based on the effect sizes, religious organizations are an important feature of the contextual configuration where as the density of civic organizations plays a more modest role in overall community organization infrastructure. Second, based on the black self-help literature there was an expectation that black business density would have a more robust positive effect on self-help activity in the high self-help areas. Instead, the effect sizes show that the effects are negative and relatively modest. In other words, in high self-help metropolitan areas there is little substantive contribution of black business density to either civic engagement or entrepreneurship.

A final surprise is that the effect sizes suggest that residential stability is more likely to have a small or negative effect size. There are no metropolitan areas with large effect sizes for residential stability. For high self-help areas, it is socioeconomic status and demographic characteristics which seems to be most critical in determining whether or not a metropolitan area will be in the high self-help category group.
**High Entrepreneurial**

Metropolitan areas in the high entrepreneurial group are dominated by high rates of black self-employment, while having low rates of black civic engagement—i.e. volunteering for 1 week or more per year. High entrepreneurial areas have very large, older, female dominated black populations that are residentially stable, but are highly geographically concentrated. These areas have the lowest dependence on government welfare and social insurance payments.

<table>
<thead>
<tr>
<th>Exhibit 5.2. Effect Sizes for Contextual Characteristics for Metropolitan Areas in the High Entrepreneurial Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Entrepreneurial MSAs</strong></td>
</tr>
<tr>
<td>Miami-Hialeah, FL</td>
</tr>
<tr>
<td>Houston-Brazoria, TX</td>
</tr>
<tr>
<td>Baton Rouge, LA</td>
</tr>
<tr>
<td>Atlanta, GA</td>
</tr>
<tr>
<td>Denver-Boulder-Longmont, CO</td>
</tr>
<tr>
<td>Norfolk-VA Beach-Newport News, VA</td>
</tr>
<tr>
<td>Detroit, MI</td>
</tr>
<tr>
<td>Los Angeles-Long Beach, CA</td>
</tr>
<tr>
<td>Fayetteville, NC</td>
</tr>
<tr>
<td>Cincinnati OH/KY/IN</td>
</tr>
<tr>
<td>Washington, DC/MD/VA</td>
</tr>
<tr>
<td>New Orleans, LA</td>
</tr>
<tr>
<td>Lake Charles, LA</td>
</tr>
<tr>
<td>Orlando, FL</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
</tr>
<tr>
<td>Large</td>
</tr>
<tr>
<td>Moderate</td>
</tr>
<tr>
<td>Small</td>
</tr>
<tr>
<td>Negative</td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on data from author derived self-help dataset.
Sixty percent of the metropolitan areas in the high entrepreneurial group are located in the southern United States. The remaining metropolitan areas are in the Midwest and Far West. Overall these areas have large absolute total and black populations. Moreover, sixty percent of these areas have black population percentages above the median for the sample (17.9 percent). Exhibit 5.2 presents the effect sizes for the self-help index and the eight contextual characteristics for the metropolitan areas in the high entrepreneurial (entrepreneurship) self-help group.

Four metropolitan areas, Miami, Houston, Los Angeles and Atlanta, have the combination of characteristics predicted by the EEH literature. Large, stable, geographically concentrated ethnic populations with a dense cluster of businesses owned by co-ethnics. All the other metropolitan areas in the group have positive effect sizes for black business density and negative effect sizes for black geographic concentration or vice versa; suggesting these areas partially meet the requirements for the EEH.

Understanding self-help in these locations means grasping the factors that drive black entrepreneurship and self-employment. These factors while important for business formation are not very important for promoting civic engagement. At the same time, there does appear to be some relationship between black entrepreneurship and community organizations. Of the 15 metropolitan areas in the high entrepreneurial group, 8 have either positive effect sizes for either civic organizations or religious organizations.

---

26 Light and Rosenstein, *Race, Ethnicity, and Entrepreneurship in Urban America*. 
or both. This relationship is predicted by the work of Butler\textsuperscript{27} who found that historically black businesses provided the resources and infrastructure to seed black civic organization. Black civic organizations also provided the opportunities for entrepreneurs to develop the connections necessary to raise capital of all sorts and to identify market opportunities. In short, the high entrepreneurship (entrepreneurial) areas are the equivalent of the economic enclaves or business clusters discussed in the economic development literatures.\textsuperscript{28}

For these metropolitan areas it is not possible to use the contextual characteristics used in the study to make a necessity statement. That is, using the eight metropolitan contextual characteristics, it does not appear to be possible to make any statements of causal necessity. Instead, only probability statements can be made concerning causality or prediction. This may indicate that there may be crucial missing or confounding factors that have been left out of the analysis. For example, government purchasing programs and other public policies aimed at encouraging minority business development may explain the high level of black entrepreneurship in these metropolitan areas. Several of these metropolitan areas are the home of large corporate entities—Coca Cola in Atlanta, Procter & Gamble in Cincinnati and Disney World and other large entertainment businesses in and around Orlando, Fl—which also may provide unique opportunities for business development.

\textsuperscript{27} Butler, \textit{Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics}.

\textsuperscript{28} Light and Rosenstein, \textit{Race, Ethnicity, and Entrepreneurship in Urban America}.
High Civic Communities

Exhibit 5.3 presents the effect sizes for the self-index and contextual characteristics for metropolitan areas in the high civic group. The majority of metropolitan areas are in the Far West or South. Over seventy percent of the high civic metropolitan areas have total and black populations below the median for the overall study sample. Blacks tend to make up a small share of the overall population in these metropolitan areas. Almost 80 percent of metropolitan areas in the high civic self-help group have black population percentages below the median for the study sample. About 11 percent of the populations in these metropolitan areas are black.

<table>
<thead>
<tr>
<th>High Civic MSAs</th>
<th>Self-Help Index</th>
<th>Demographic Index</th>
<th>Socio Economic Status</th>
<th>Government Payments</th>
<th>Civic Organizations</th>
<th>Religious Organizations</th>
<th>Residential Stability</th>
<th>Geographic Concentration</th>
<th>Black Business Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huntsville, AL</td>
<td>4.26</td>
<td>-1.09</td>
<td>1.32</td>
<td>-0.80</td>
<td>-0.26</td>
<td>1.35</td>
<td>-0.53</td>
<td>-0.82</td>
<td>-0.93</td>
</tr>
<tr>
<td>Seattle-Everett, WA</td>
<td>1.76</td>
<td>-2.82</td>
<td>0.51</td>
<td>0.10</td>
<td>-0.05</td>
<td>-0.21</td>
<td>0.08</td>
<td>-1.33</td>
<td>-0.65</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>1.38</td>
<td>-1.91</td>
<td>0.48</td>
<td>-1.08</td>
<td>-0.63</td>
<td>-0.73</td>
<td>-0.16</td>
<td>-1.82</td>
<td>-1.17</td>
</tr>
<tr>
<td>Lexington-Fayette, KY</td>
<td>1.23</td>
<td>-1.37</td>
<td>-0.45</td>
<td>-0.76</td>
<td>0.38</td>
<td>0.55</td>
<td>0.22</td>
<td>-1.48</td>
<td>-1.68</td>
</tr>
<tr>
<td>Honolulu, HI</td>
<td>1.00</td>
<td>-2.51</td>
<td>0.93</td>
<td>-2.94</td>
<td>-0.01</td>
<td>-0.37</td>
<td>-2.43</td>
<td>-2.48</td>
<td>-2.10</td>
</tr>
<tr>
<td>Sacramento, CA</td>
<td>0.86</td>
<td>-0.78</td>
<td>-0.20</td>
<td>2.00</td>
<td>-0.26</td>
<td>-0.62</td>
<td>0.54</td>
<td>-0.80</td>
<td>-3.44</td>
</tr>
<tr>
<td>Louisville, KY/IN</td>
<td>0.63</td>
<td>-0.87</td>
<td>-0.88</td>
<td>0.06</td>
<td>0.68</td>
<td>0.91</td>
<td>0.66</td>
<td>-0.09</td>
<td>-1.14</td>
</tr>
<tr>
<td>Richmond-Petersburg, VA</td>
<td>0.26</td>
<td>-0.01</td>
<td>0.68</td>
<td>-0.40</td>
<td>0.63</td>
<td>1.56</td>
<td>-0.35</td>
<td>-0.71</td>
<td>-1.01</td>
</tr>
<tr>
<td>Birmingham, AL</td>
<td>0.16</td>
<td>-0.36</td>
<td>0.17</td>
<td>0.28</td>
<td>0.63</td>
<td>2.32</td>
<td>-0.29</td>
<td>0.62</td>
<td>-0.42</td>
</tr>
<tr>
<td>Toledo, OH/MI</td>
<td>0.14</td>
<td>-0.53</td>
<td>-2.69</td>
<td>0.94</td>
<td>0.75</td>
<td>0.69</td>
<td>0.33</td>
<td>0.30</td>
<td>-1.79</td>
</tr>
<tr>
<td>Lakeland-Winterhaven, FL</td>
<td>0.13</td>
<td>-1.23</td>
<td>-2.51</td>
<td>-0.24</td>
<td>-0.40</td>
<td>0.77</td>
<td>-0.56</td>
<td>-0.86</td>
<td>-0.99</td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>0.01</td>
<td>-1.80</td>
<td>-0.71</td>
<td>-0.22</td>
<td>-0.22</td>
<td>-0.70</td>
<td>0.36</td>
<td>-0.95</td>
<td>-0.23</td>
</tr>
<tr>
<td>Gainesville, FL</td>
<td>-0.13</td>
<td>-1.17</td>
<td>-0.51</td>
<td>-0.84</td>
<td>0.51</td>
<td>0.71</td>
<td>-0.37</td>
<td>-1.74</td>
<td>-1.32</td>
</tr>
<tr>
<td>Milwaukee, WI</td>
<td>-0.19</td>
<td>-1.67</td>
<td>-1.09</td>
<td>0.56</td>
<td>0.04</td>
<td>-0.08</td>
<td>1.24</td>
<td>1.39</td>
<td>-1.42</td>
</tr>
</tbody>
</table>

Large 43% 0% 14% 14% 29% 7% 7% 0%
Moderate 7% 0% 21% 7% 43% 29% 29% 7% 0%
Small 36% 0% 7% 21% 7% 0% 14% 7% 0%
Negative 14% 100% 57% 57% 50% 43% 50% 79% 100%
Metropolitan areas in the high civic group have above average rates of black civic engagement and low rates of black entrepreneurship. The effect sizes in exhibit 5.3 show that all metropolitan areas in the high civic group have negative effect sizes for the demographic index and black business density. That is, in order to be in the high civic group it is necessary to have negative effect sizes for demographics and black business density. Black geographic concentration also has a strong negative association with high civic metropolitan areas. Only 3 of 14 metropolitan areas have positive effect sizes for black geographic concentration. Similarly 9 of the 14 metropolitan areas in the high civic group have positive effect sizes for either civic organization density or religious organization density or both. This indicates that while having a positive effect size for either civic or religious organizations is not necessary to be a member of the high civic group, there is a high probability that a metropolitan area in the high civic group will have a positive effect size for either civic or religions organization density. Finally, the probability of a metropolitan area having a positive effect size for socioeconomic status is second only to the high self-help group.

In summary, the findings indicate that low business density and low demographic index scores are necessary though not sufficient conditions for high civic engagement. In general, black geographic concentration also is low in these metropolitan areas. While
there is a high probability that metropolitan areas with low to moderate black geographic concentration will be in the high civic group, it is not a necessary or sufficient condition for membership in the group. Finally, 78 percent of metropolitan areas in the high civic group small to negative effect sizes for reliance on government transfer payments. It appears that reliance on government transfer payments is not a necessary condition for determining self-help.

**Low Self-Help Communities**

The metropolitan areas in the low self-help group have low rates of black civic engagement and entrepreneurship. Exhibit 5.4 presents the effect sizes for the self-help index and the contextual characteristics for the metropolitan areas classified as low self-help areas. The low self-help group contains some of the largest and smallest metropolitan areas in the sample. The low self-help metropolitan areas have the largest total and black populations of the four self-help metropolitan groups. On average, slightly over 18 percent of the populations in the low self-help metropolitan areas are black. However, roughly 65 percent of these metropolitan areas have total populations below the sample median and over 70 percent of these areas have black populations below the sample median.

<table>
<thead>
<tr>
<th>Low Self-Help MSAs</th>
<th>Self-Help Index</th>
<th>Demographic Index</th>
<th>Socio-Economic Status</th>
<th>Government Payments</th>
<th>Civic Organizations</th>
<th>Religious Organizations</th>
<th>Residential Stability</th>
<th>Geographic Concentration</th>
<th>Black Business Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dover, DE</td>
<td>-0.08</td>
<td>-1.10</td>
<td>0.30</td>
<td>0.05</td>
<td>0.61</td>
<td>-0.13</td>
<td>-1.26</td>
<td>-2.27</td>
<td>-1.41</td>
</tr>
</tbody>
</table>
Exhibit 5.4. Effect Sizes for Self-Help Index and Contextual Characteristics for Metropolitan Areas in the Low Self-Help Group

<table>
<thead>
<tr>
<th>Low Self-Help MSAs</th>
<th>Self-Help Index</th>
<th>Demographic Index</th>
<th>Socio Economic Status</th>
<th>Government Payments</th>
<th>Civic Organizations</th>
<th>Religious Organizations</th>
<th>Residential Stability</th>
<th>Geographic Concentration</th>
<th>Black Business Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Rapids, MI</td>
<td>-0.09</td>
<td>-0.40</td>
<td>-0.56</td>
<td>0.88</td>
<td>0.35</td>
<td>0.11</td>
<td>0.01</td>
<td>0.14</td>
<td>-0.03</td>
</tr>
<tr>
<td>Pittsburgh-Beaver Valley, PA</td>
<td>-0.10</td>
<td>-0.06</td>
<td>-1.08</td>
<td>2.33</td>
<td>4.36</td>
<td>0.85</td>
<td>-0.07</td>
<td>0.15</td>
<td>-1.40</td>
</tr>
<tr>
<td>Chicago-Gary-Lake, IL</td>
<td>-0.18</td>
<td>-0.26</td>
<td>-1.52</td>
<td>0.43</td>
<td>-0.31</td>
<td>-0.33</td>
<td>0.01</td>
<td>1.28</td>
<td>0.37</td>
</tr>
<tr>
<td>Philadelphia, PA/NJ</td>
<td>-0.22</td>
<td>0.00</td>
<td>-0.12</td>
<td>1.33</td>
<td>0.02</td>
<td>-0.04</td>
<td>-0.43</td>
<td>0.57</td>
<td>-1.32</td>
</tr>
<tr>
<td>Greenville-Spartanburg-Anderson SC</td>
<td>-0.26</td>
<td>-0.41</td>
<td>-1.16</td>
<td>-0.14</td>
<td>-0.89</td>
<td>0.48</td>
<td>0.20</td>
<td>-1.59</td>
<td>-0.96</td>
</tr>
<tr>
<td>South Bend-Mishawaka, IN</td>
<td>-0.29</td>
<td>-0.72</td>
<td>-1.73</td>
<td>0.21</td>
<td>2.58</td>
<td>1.28</td>
<td>-0.35</td>
<td>-0.44</td>
<td>-0.78</td>
</tr>
<tr>
<td>Greensboro-Winston Salem-High Point, NC</td>
<td>-0.56</td>
<td>-0.57</td>
<td>-0.90</td>
<td>-0.56</td>
<td>-0.97</td>
<td>-0.04</td>
<td>-0.03</td>
<td>-0.54</td>
<td>-0.41</td>
</tr>
<tr>
<td>Cleveland, OH</td>
<td>-0.65</td>
<td>-0.17</td>
<td>-0.61</td>
<td>0.84</td>
<td>-0.03</td>
<td>-0.43</td>
<td>0.30</td>
<td>0.99</td>
<td>-1.02</td>
</tr>
<tr>
<td>Mobile, AL</td>
<td>-0.89</td>
<td>0.90</td>
<td>-0.89</td>
<td>0.33</td>
<td>0.06</td>
<td>0.52</td>
<td>-0.55</td>
<td>-0.15</td>
<td>-0.47</td>
</tr>
<tr>
<td>New York-Northeastern NJ</td>
<td>-0.94</td>
<td>0.69</td>
<td>-0.43</td>
<td>0.52</td>
<td>-0.67</td>
<td>-0.53</td>
<td>-0.99</td>
<td>1.36</td>
<td>0.65</td>
</tr>
<tr>
<td>Greenville, NC</td>
<td>-1.26</td>
<td>0.41</td>
<td>-0.42</td>
<td>-0.32</td>
<td>-0.76</td>
<td>1.66</td>
<td>-0.27</td>
<td>-2.48</td>
<td>-1.02</td>
</tr>
<tr>
<td>San Antonio, TX</td>
<td>-1.29</td>
<td>-1.32</td>
<td>0.71</td>
<td>-0.16</td>
<td>-0.10</td>
<td>0.02</td>
<td>-0.29</td>
<td>-1.26</td>
<td>-0.85</td>
</tr>
<tr>
<td>Rochester, NY</td>
<td>-1.31</td>
<td>-1.89</td>
<td>-1.65</td>
<td>2.05</td>
<td>0.14</td>
<td>0.17</td>
<td>0.75</td>
<td>0.07</td>
<td>-1.44</td>
</tr>
<tr>
<td>Little Rock-North Little Rock, AR</td>
<td>-1.37</td>
<td>-1.78</td>
<td>0.09</td>
<td>-0.66</td>
<td>0.34</td>
<td>1.48</td>
<td>0.14</td>
<td>-0.36</td>
<td>-1.03</td>
</tr>
<tr>
<td>Tuscaloosa, AL</td>
<td>-1.83</td>
<td>0.47</td>
<td>-1.39</td>
<td>-0.08</td>
<td>-0.10</td>
<td>2.33</td>
<td>-0.40</td>
<td>-0.90</td>
<td>-1.20</td>
</tr>
<tr>
<td>Decatur, IL</td>
<td>-2.32</td>
<td>-3.28</td>
<td>-2.08</td>
<td>0.39</td>
<td>2.59</td>
<td>2.14</td>
<td>0.23</td>
<td>-0.94</td>
<td>-3.37</td>
</tr>
</tbody>
</table>

Large  0%  6%  0%  29%  18%  35%  0%  18%  0%
Moderate  0%  18%  6%  24%  18%  12%  6%  6%  12%
Small  0%  6%  12%  12%  18%  18%  35%  18%  0%
Negative  100%  71%  82%  35%  47%  35%  59%  59%  88%

Source: Author’s calculation based on data derived from author’s self-help dataset.

All metropolitan areas in the low self-help group have negative effect sizes for the self-help index. However, none of the eight metropolitan contextual characteristics appears to be necessary for membership in the low self-help group. Several characteristics, while not a necessity, do have a high probability of being present in metropolitan areas in the low self-help group. Ninety-four percent of metropolitan areas in the group have either small or negative effect sizes for socioeconomic status and eighty-eight percent of these metropolitan areas have a negative effect sizes for black
business density. The effect sizes for residential stability for 94 percent of the group’s metropolitan areas are either small or negative. The effect sizes for civic and religious organizations for 65 percent and 53 percent of metropolitan areas respectively in the low self-help group are small or negative.

Blacks residing in these low self-help metropolitan areas have low socioeconomic status and low residential stability. On average, metropolitan areas in the low self-help group have weak civic and religious organization infrastructures. While not a necessity for membership, the majority of metropolitan areas have high levels of black geographic concentration and reliance on government transfer payments. The specific combination of high demographic index, scores, low socioeconomic status, low density of civic and religious organizations, low residential stability, low black business density, and very high black geographic concentration and reliance on government transfer payments characterize the majority of metropolitan areas in the low self-help group.

Scholars have found that volunteering and civic engagement require a minimum threshold of resources. Given that, on average, blacks residing in these metropolitan areas have low socioeconomic status, it tends to support the importance of resources as a prerequisite for successful participation in community self-help. The high level of geographic concentration and low socioeconomic status also may indicate that these blacks in these metropolitan areas are more likely to reside in areas of concentrated economic and social disadvantages. These areas identified as underclass or concentrated

29 Parboteeah, Cullen, and Lim, "Formal Volunteering: A Cross-National Test, 431-441; Wilson, Volunteering". 
poverty areas are found in the literature to experience a level of social and economic challenges that depress civic engagement and community self-help.\textsuperscript{30}

\textbf{Implications}

The empirical component of this study found that black self-help grew over the period of 2002 to 2008. This upward trend can be understood as a response to two explanations. First, there may be normative changes in the black community which have elevated the value of self-help. One such, normative change may be shifts in political and social philosophy. Given the prominence that black conservatives place on self-help, one normative change that may have occurred is that blacks are becoming philosophical more conservative. This may be happening despite the fact the blacks continue to vote overwhelmingly for the Democratic party—a political party known more for advocating for government solutions and economic redistribution than for self-reliance. Empirical data shows that indeed blacks are becoming more philosophically conservative even if they are not changing their political behavior and party affiliations.\textsuperscript{31}

However, a second explanation for the growth in self-help activities is that during the 2002-2008 study period blacks were being increasingly exposed to placed-based conditions that favor self-help and community participation activities. Based on a broad range of multi-disciplinary literatures on civic engagement, social capital, entrepreneurship and institutional economics, eight place-based contextual characteristics were identified and used to help explain each of the four types of black self-help places.

\textsuperscript{30} Wilson, \textit{The Truly Disadvantaged : The Inner City, the Underclass, and Public Policy}.  
\textsuperscript{31} Lewis, "Black Conservatism in America".
As the discussion above demonstrates, each of the four types of self-help places has its own unique configuration of place-based contextual features that seem to explain its particular combination of observable self-help activities. Unfortunately, the data available for this study did not allow an examination of temporal changes in the eight contextual characteristics used as predictors in this study. However, one contextual factor in the research literature that has a consistently positive relationship to both civic engagement and local entrepreneurship is educational attainment.\textsuperscript{32} From 2002-2008, in the metropolitan areas in the study sample, average black educational attainment increased by roughly 8 percent.\textsuperscript{33}

The spatial analysis in this study shows that different combinations of contextual factors are associated with qualititative differences in placed-based black self-help. However, while it is possible to systematically identify the combination of characteristics that describe a place—in this case, metropolitan areas—with certain observable qualitative differences in black self-help, it may not provide the explanatory knowledge needed to develop effective programs or policies to intervene in changing or building the level of community self-help in any specific community.

It is important to keep in mind that the findings in this study do not always provide a clear pathway towards reforms. Indeed, given the complexity of the causal relationships and the difficulty of engineering changes in certain institutional,

\textsuperscript{32} Average black educational attainment was included as a dimension in the socio-economic index used in this study as a contextual factor. The socio-economic index was a linear combination of factors that includes education, marital status, employment and family income.

\textsuperscript{33} See exhibit 4.5.
demographic, or socio-economic characteristics wise policy may lead to a conclusion that community self-help cannot be directly manipulated but rather only identified and classified.

However, despite these challenges, policymakers, community development practitioners, and researchers are interested in understanding whether there is a positive connection between community self-help and measurable improvements in a community’s social and economic quality of life. While the study’s empirical data and study design does not allow for predicting robust, statistically significant linear causal relations, it is possible to use the findings in this study to draw at least some modest conclusions about the relationship between black self-help and certain socio-economic outcomes.

Exhibit 4.8 clearly shows that compared to high self-help, high entrepreneurship and high civic areas, blacks residing in low self-help metropolitan areas have dramatically lower socio-economic status and are substantially more racially concentrated. These low self-help areas are also more likely to be highly reliant on government payments. The findings in this study support the conclusion that low self-help is associated with places where race and low-income status is geographically concentrated. Moreover, reliance on government seems to be a substitute for civic engagement and community participation.

While it is clear that low self-help areas are socio-economically less desirable, it is less clear whether there is much difference in measurable socio-economic outcomes.
between the three types of non-low self-help areas. As expected, the findings in the study demonstrate that high self-help areas have the highest socio-economic status. However, high civic metropolitan areas have the second highest socio-economic status followed by high entrepreneurship areas. One conclusion is that metropolitan areas with high civic engagement will have higher socio-economic status than areas with high local entrepreneurship. If the goal is to increase socio-economic outcomes, then finding ways to improve civic engagement are likely to be more promising than increasing black entrepreneurship.

Finally, another implication from this study is a tension between viewing community self-help as a reflection of collective actions versus a manifestation of aggregate individual behaviors. Is community self-help the result of collective actions or an outcome of efforts aimed at encouraging individuals to maximize their own wellbeing and sense of personal responsibility? The literatures on community self-help and community development suggest that community self-help is a response to the failures of top down, collectivist planning activity of central governments and non-governmental social and economic development agencies. Community self-help is meant to represent a bottoms-up alternative. However, one could argue that variants of community self-help such as community capacity building substitute one top-down collectivist approach for one operating at a lower level—e.g. the neighborhood, rural town or village, or region. The irony is that top down efforts, whether driven by a central government planner or by a local community organizer, tend to elevate collective action over individual initiative.

34 See exhibit 4.8.
Most scholars and advocates of community self-help and related concepts such as social capital tend to be communitarian in their perspectives. That is they are trying to understand the community as an entity, with its own collective history, values, norms and behaviors. This leads to a search for community or collective processes and outcomes. Community self-help represents the collective process of creating community assets that can be used to address community level problems and opportunities. In this regard, both Washington and Dubois took a more communitarian perspective on self-help.

However, one might also understand community self-help as Douglass did, as a process aimed at maximizing individual residents’ potential. This perspective would argue that community capacity building should be aimed at creating the incentives for individual community residents to develop their own skills and talents, and to take responsibility for addressing their communities’ challenges and problems. This perspective in many ways echoes important aspects of libertarianism and small government conservatives.\(^{35}\) However, this is not a pure libertarian position, since the goal is still to incentivize individuals to use their skills and resources to address collective community problems. Though, even such a prominent libertarian thinker as Hayek finds a place for some level of collective action, especially when initiated through civil society.\(^{36}\)

In practice, even for those who advocate a more communitarian perspective, collective phenomena such as community self-help, community capacity building or social capital are almost always measured by aggregating the behaviors of individuals.

\(^{35}\) Friedman and Friedman, *Capitalism and Freedom*.

\(^{36}\) Hayek and Caldwell, *The Road to Serfdom: Text and Documents*. 
Stated differently, changes in community self-help represent alterations in how individuals in the community see their opportunities to participate in community life, including solving community problems. In this study, individual volunteering for at least one week per year was aggregated in each metropolitan area to measure the overall rate of civic engagement. Local entrepreneurship was measured by aggregating black self-employment. Both these indicators represent actions taken by individuals to achieve some outcome that they find desirable. However, success in these individual actions also leads to the creation of new assets and capacities for the community where these individuals reside.

Against this backdrop, it may be more fitting to think of community self-help as the process of creating the circumstances under which individuals residing in a given place are provided with the structural incentives to maximize their own skills and talents. In the context of this study, what combination of individual characteristics and contextual resources will encourage individual blacks residing in a given metropolitan area to volunteer or to operate their own businesses? The idea that community self-help should result in improving the incentives for individuals to maximize their own skills, opportunities and sense of personal responsibility provides an alternative approach to the more dominant communitarian or collective perspective on framing the goals and measuring the success of community processes?
Study Limitations

This study has several limitations. First, the sample, while large, had less than 60 metropolitan areas; meaning that some variation in the types of metropolitan areas was not included in the study. The number of metropolitan areas was limited by the size of the black samples available in each metropolitan area in the CPS Volunteer Supplement. While the CPS had more metropolitan areas that could be added, the decision was made to limit the final sample to metropolitan areas that had at least seventy individuals in the dataset. This was done to improve the estimates of black volunteering and self-employment. The tradeoff was a less representative sample at the metropolitan level.

Second, the dataset used in this study was a multi-level dataset that contained both individual and metropolitan level variables. However, the statistical techniques used only paid modest attention to the hierarchical nature of the dataset. It is possible that some of the findings here might be less robust if hierarchical modeling techniques were employed. The tradeoff is that such techniques increase the complexity of the statistical measures and the interpretation of the findings. For comparative studies such as this one, these sophisticated methods are not always deemed preferable. However, it would be useful to run these results using appropriate multi-level modeling strategies.

Third, the dataset only allowed for limited time series or panel analysis. As a result it was not possible to examine changes in self-help in individual metropolitan areas across the study period. This meant it was difficult to make causal judgments about

---

whether changes in self-help were either preceded by or followed by changes in key place based contextual factors. It would be very informative to follow several of the metropolitan areas in the study over time. Do the levels of civic engagement and local entrepreneurship change over time? Can we measure the changes in these indicators and the contextual characteristics from one time period to the next? Such a study might provide a much clearer sense of how policy interventions might facilitate or hinder community capacity? One strategy might be to select several large metropolitan areas with large metropolitan samples that can be followed over time. The full dataset used for this study could be used to conduct such a study.

Fourth, the study only looks at blacks and as such the results may not be easily generalized to other groups. However, the research strategy can be generalized to other groups or to the general population.

Fifth, metropolitan areas are large, diverse spatial configurations. In general, because of their size and socio-demographic diversity, metropolitan areas are at best proxies and not true spatial models of communities. If data on civic engagement and local entrepreneurship were available, a census block or even a zip code might be a more appropriate measure of a community or neighborhood. Using census tract data would provide a more robust understanding of how self-help affects community outcomes.

Sixth, the direction of prediction and causality are complicated. This study assumes that the causal relationships between community self-help and several of the contextual characteristics may be bi-directional rather than unidirectional. Bi-directional causality complicates the design and implementation of interventions, because it may
lead to a false estimate of the magnitude of the size of the effect between the explanatory variable and the dependent variable.

Moreover, prediction and causality are further complicated by self-selection issues. Individuals with either entrepreneurial intentions or that are inclined toward civic engagement may choose to locate in communities where they believe they can most effectively pursue these ends. For example, blacks interested in civic engagement may actually opt to reside in communities with a thick network of civic and religious organizations. Similarly, black entrepreneurs may decide to establish their business ventures in communities with large potential customer bases. In such a situation, the entrepreneur is selecting the community rather than the community characteristics producing entrepreneurs.


Boyd, Robert L. "Black Retail Enterprise and Racial Segregation in Northern Cities before the "Ghetto"." Sociological Perspectives 53, no. 3 (Fall 2010): 397-417.


