

Article from 2004

ACORN

Grassroots Organization Fights for Social & Economic Justice

By C.C. Campbell-Rock

In these hard economic times, Louisiana ACORN (Association of Community Organizations for Reform Now) is a port in the storm for low-to-moderate income people. For more than 30 years, Louisiana's largest grassroots organization has taken on social justice issues in an effort to secure social and economic equality for state residents.

Louisiana ACORN is an affiliate of ACORN, the nation's largest community organization of low and moderate-income families, with over 150,000 member families organized into 700 neighborhood chapters in 51 cities across the country. Since 1970, ACORN has taken action and won victories on issues of concern to its membership.

According to its website, ACORN's priorities include: better housing for first time homebuyers and tenants, living wages for low-wage workers, more investment in communities from banks and governments, and better public schools. The organization achieves its goals by building community organizations that have the power to win changes -- through direct action, negotiation, legislation, and voter participation.

The Louisiana ACORN was launched about 31 years ago.

"Our biggest effort was the Living Wage Campaign," said Louisiana ACORN State President Beulah Labostrie, who has worked with ACORN for the past 26 years. "When Moon Landrieu helped us in the court, [with the living wage issue], he said that if the people's vote is threatened, our democracy is threatened. Now, whatever minimum wage campaign we win, workers statewide must be covered," she said of ACORN's nearly successful effort to raise the minimum wage by \$1.

Labostrie also remembers the early days, when ACORN was just starting out. The group organized neighborhoods to be proactive around the issues that impacted the community. ACORN taught citizens how to speak up at city council meetings and how to be autonomous.

Eventually, we branched out. When they cut the school crossing guards from the budget, we got them put back in. We took on the Claiborne Towers, in an effort to stop them from taking the apartments away from the elderly. We had a campaign to keep New Orleans Public Service from turning off services to the elderly in winter. Then there was the Lifeline campaign, when we got the telephone company to create telephone rates for the elderly."

During the Tribune interview, Labostrie was joined by fellow board members, Frenzella Johnson (20 yrs.), Eugene Hamilton (31 yrs.) Hattie Mitchell (15 yrs.), Annie B. Falls (15 yrs.), Gertrude Pierre (4 yrs.), and Linda Brown (six months).

"In the future we're going to be stronger. I'm a firm believer of ACORN's philosophy of empowering the community. The people shall rule," Eugene Hamilton said.

Today ACORN is well-known for challenging the status quo and drawing the ire of both the business community and the political establishment.

This year is no exception.

Boycotting the Big Boys

In its own inimitable way, the local ACORN sprang to the forefront of an issue of unfairness that previously has gone unreported. As tax season 2004 got underway, the organization took to the streets to sound the alarm and boycott a major tax preparation company that charged unfair tax filing fees under the auspices of the "Refund Anticipation Loan" program.

H&R Block was first in line to be boycotted. An ACORN survey showed that the company was charging consumers between \$150 and \$200 to file taxes and loan them the amount of their refund, after fees were taken out.

"We got involved because the national office research on low-to-moderate income wage earners showed that \$15 million in New Orleans, alone, goes unclaimed," said Beulah Labostrie, ACORN's President.

"H&R Block was sued by New York and Illinois for its RAL program. If you have a bank account, you can get that money free and deposited directly into your account." At press time, plans were underway to boycott Jackson-Hewitt, another tax filer.

Not only did ACORN picket the tax prep companies, but the organization also offered free tax filing and credit counseling services through the ACORN IRS-approved VITA (Volunteer Income Tax Assistance) Site, at its headquarters located at 1024 Elysian Fields Avenue.

To date, ACORN has prepared taxes for 1,200 residents, with a focus on ensuring that low-to-moderate income persons receive the EIC (Earned Income Credit) and Child Tax Credits due them. ACORN's success prompted IRS officials to recently declare that the organization had filed more tax returns than any other agency operating the program for the first time. According to Labostrie, ACORN's VITA site has put \$1.5 million back into the New Orleans economy and into the pockets of the working poor.

In its literature on the subject of the EIC, ACORN noted that if a family lived with two or more children in 2003, they could receive up to \$4,204 in EIC, if the family earned less than \$34,692; a family with one child and an income of less than \$30,666 could qualify for up to \$2,547; a family with no children that earned less than \$12,230 and was between the ages of 25-64, could earn up to \$382 in tax refunds, and for those who hadn't filed taxes in a while, they could claim up to three years in back EIC, which could amount to \$15,000.

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In addition to its focus on the EIC, this year Louisiana ACORN is working on several issues that impact the broader community. Among the organization's daily initiatives is work involving Lead Poisoning, Predatory Lending, Voter Registration, and Living Wages.

The Living Wage Campaign

Most New Orleanians remember ACORN's national headline-grabbing Living Wage Campaign.

According to David Swanson, ACORN's national communications director, "The Living Wage Campaign began in 1996, when ACORN, the Service Employees International Union (SEIU) Local 100, and their allies in the New Orleans Living Wage Campaign collected 50,000 valid signatures to force a referendum to raise the minimum wage. The City Council refused to act. The Campaign collected the required number of signatures again. Again there was no action.

Then, in 1997, the state passed a law prohibiting localities from enacting wage standards. It was clear what the city had been stalling for. But the Louisiana constitution grants enormous powers of self-government and regulation to home-rule cities like New Orleans. The campaign challenged the state law in court, and, after a lengthy series of decisions and appeals, won the right to hold the public vote."

After waging the six-year campaign to raise the minimum wage to \$6.15 per hour, on February 2, 2002, Louisiana ACORN scored a major victory, albeit temporary. At least 63,000 registered voters gave the green light to increasing the minimum wage in New Orleans by \$1. However, shortly after the referendum by the people, the business community filed suit, declaring the vote unconstitutional.

"In 1999, in preparation for expert testimony in a then-pending court case, economist Robert Pollin of University of Massachusetts - Amherst headed a team of researchers to conduct an unprecedented study on the potential impact of the proposal to raise the minimum wage in the city of New Orleans to one dollar above the federal minimum wage level (effectively \$6.15 an hour).

"The study finds that the benefits of the minimum wage increase, especially to low-wage working families, but also to retail store owners in low-income neighborhoods and the federal government, significantly outweigh the costs of the policy," wrote Swanson.

The business community lost its suit at the Civil Court level in March 2002, when Civil Court Judge Rose Ledet ruled in favor of the voters. In handing down her decision, Judge Ledet wrote:

"The evidence presented in support of [the state law banning local minimum wage increases] was the testimony of Dr. Timothy Ryan, Dean of the College of Business Administration at the University of New Orleans who specializes in the analysis of the New Orleans economy. He admitted that he conducted no specific study of the impact of a one-dollar increase in the minimum wage in New Orleans and stated that it would be impossible to predict how the business community would react. Dr. Ryan's opinion to the legislature that localized minimum wage ordinances would have a negative impact on business development is based on economic theory premised on his belief that there should be no mandatory minimum wage whether prescribed by federal, state, or local law. His bias is highlighted by the fact that the effect of a municipally enacted increased minimum wage is based on perception and speculation since no specific study was conducted.

"The only empirical data of the effects of a one-dollar increase in the minimum wage in

New Orleans was introduced by testimony of Dr. Robert Pollin, Ph.D., who testified based

on his four-month survey conducted in 1999 of 1,118 businesses in Orleans Parish. The

effect of a one-dollar increase in the minimum wage on an average firm's operating cost was negligible, between 0.9 and 0.5 percent. Dr. Pollin opined that there would be no significant impact on the business economy of the state because of an increased minimum wage in New Orleans. These findings are uncontroverted by any contrary evidence directly relating to the impact of a dollar minimum wage increase in New Orleans."

The business faction then filed an appeal with the Louisiana State Supreme Court. On September 4, 2002, the state Supreme Court declared that the referendum was unconstitutional. The decision prompted charges of voter nullification by the state's higher court.

However, ACORN and its allies are continuing the fight for a living wage. They worked with State Representative Cedric Richmond and State Senator Cleo Fields to create two bills that are pending in the Louisiana Legislature. "HB #195 by State Rep. Richmond and SB #32 by State Sen. Cleo Fields are set up to give Louisiana a minimum wage equal to the federal minimum wage plus one dollar," Labostrie confirmed.

ACORN's Lead Poisoning Prevention Program

ACORN is continuing its efforts to do lead remediation on New Orleans' aging housing stock. The group began working on lead abatement, when it performed lead remediation services at Drew Elementary School five years ago. More recently, as a member of the Louisiana Environmental Roundtable, comprised of the City of New Orleans, Xavier University, Tulane University, and ACORN, the grassroots group receives a portion of the roundtable's \$5 million grant. ACORN has remediated several homes in the 8th Ward, Hollygrove, and Carrollton areas. Prior to beginning the lead remediation program this year, ACORN tested 250 homes in 2003. "Any house built prior to 1978 probably has lead-based paint in it," said Labostrie.

Voter Registration

ACORN conducts a voter registration campaign every year. The group registered 15,000 voters for the gubernatorial election. This year ACORN is continuing to register voters through churches, schools, "anywhere you can get them," explains Labostrie.

"We were instrumental in making the government enforce easy voter registration. The laws were on the books, but they weren't being enforced. We made the politicians enforce the laws. We're not a part of the political system. We don't take money from politicians. We have a PAC for information. The candidates we consider helping we put out their information without accepting money. When they get in office, they forget they know us," said Labostrie.

The Board president said southern states still put up obstacles to voting. "Right before the election they purge thousands of voters from the rolls, so they can't vote. We brought busloads of people to registrar offices across the state, when Jesse Jackson was running for president. And it wasn't unusual for the registrar of voters to leave the office and lock it up, when they arrived.

"Some people thought they had to travel many miles to register, because their towns didn't have a registrar of voters. They didn't know that, by law, the town had to bring a registrar in," Labostrie said of the voter registration process during the last decades of the 20th century.

The battle over voting rights is not over, she warned. The Voting Rights Act of 1965 is up for reauthorization in 2005.

Predatory Lending

ACORN began battling predatory lending as a result of its efforts to assist people in becoming homeowners. The group's leadership discovered a form of banking that includes subprime lenders who go after low-income people, the elderly, and minorities. Those who took out mortgages from these

subprime lenders were losing the equity in their homes and couldn't get out of the loans before they lost their property.

"There are prepay penalties, balloon payments, and rates so high that people in those categories couldn't pay the notes. We did so much to help people get into homes, we didn't want to see them lose their houses," explained Labostrie. ACORN was instrumental in getting firms such as Ameriquest and Household Finance to change the way they do business.

"They were found guilty of taking people's homes. Some of the things they (subprime lenders) do is illegal. ACORN has gotten people money back and second mortgages," adds Labostrie.

ACORN is currently working with the Attorney General to put a halt to predatory lending. ACORN is giving the 411 on such practices at area churches and the group is collaborating with AARP to get the warning out about predatory lending practices.

Board member Gertrude Pierre said her association with ACORN goes back to 1979. "A lady helped me get my credit straight so I could own my own home. So in 1998, when I bought my home, I joined ACORN."

Labostrie remembers the launch of the campaign against predatory lending. "We went to the CEO's homes and picketed. All the big newspapers had it on the front page. And it had an affect, too. They came to the table quickly."

Thus far, ACORN has been instrumental in putting 2,300 people in homes. "A lot of people became homeowners through ACORN's hard work. Even people on fixed incomes. One woman was able to buy a home and she was on disability.

ACORN's special homeownership program targets low-to-moderate income people, persons with bad/no credit, and senior citizens and the disabled. Under the homeownership program, ACORN offers grants to first-timer homebuyers, free legal counseling on fair housing rights, and information on how to "squat a house," the newest housing opportunity available, as a result of recently passed adjudication laws. For more information about ACORN's programs call (504) 943-0044.

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