

NAACP NEWS

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NAACP RELEASES ANNUAL ECONOMIC RECIPROCITY REPORT TO GUIDE AFRICAN AMERICANS' \$700 BILLION IN SPENDING POWER

After 11 years of tracking the diversity efforts of some of the nation's largest companies in five key industries, the NAACP reports that positive change is occurring but at a measured pace, with most companies performing average at best in their efforts.

The 2007 edition of the NAACP Consumer Choice Guide, part of the Association's Economic Reciprocity Initiative (ERI), is now available. The latest guide, which includes a report and a new Best Practices Diversity Guide, provide Black consumers with empowerment tools that enable them to make informed choices when purchasing products and services from the surveyed companies.

"African Americans infuse an estimated \$700 billion into the American economy annually," said NAACP Interim President & CEO Dennis Courtland Hayes. "That's a substantial block of economic power. African Americans want to experience a return on their consumer investment and challenge those who are taking their dollars for granted.

"We are proud to mark the gains we've seen in employer diversity, community reinvestment and minority vendor usage since this survey began," Hayes added. "Yet there continue to be opportunities for major corporations to improve their performance. Corporations must understand that diversity works, is the right thing to do under law and makes good business sense."

In 1996, the NAACP launched the ERI as a sustained consumer movement to measure corporate America's financial relationship with the African American community. Since then, the ERI has expanded its scope and has continued to annually highlight diversity efforts made in lodging, telecommunications, financial services, general merchandising and automotive industries.

"Economic empowerment is a civil rights issue too," said NAACP National Board of Directors Chairman Julian Bond. "African American consumers want fairness in the marketplace just as they do in all aspects of their lives. As we educate consumers on the value of their dollar, they will make more prudent spending decisions, ultimately holding businesses accountable for their practices, good or bad."

The Best Practices Diversity Guide--a supplement to the consumer guide--highlights innovative strategies undertaken by companies in an effort to improve diversity in corporate America.

Participating industries and companies are rated in employment, marketing/communications, charitable giving, supplier diversity and one industry specific area. Information contained in the report is based on fiscal year 2006 data provided by the participating companies. Survey questions are graded and assigned point values which are translated into a letter grade.

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Lodging—

This year's grade for the lodging industry is a C for its diversity-related activity. The industry overall tends to be most responsive in the area of charitable giving; the greatest challenge is in the area of property ownership followed by vendor relationships and marketing/communications. Adam's Mark and Loews earned a B-. Marriott received a C+ while Intercontinental, Starwood, Hyatt, and Carlson all had a C. Wyndham Worldwide and Hilton were given a C-. Choice and Omni each received a D+.

Telecommunications—

This year's grade for the telecommunications industry is C. The industry is most responsive in the area of charitable giving but performs below average in the area of marketing/communications. Alltel led the firms with a B followed by AT&T and Comcast each with a B- in the latest round of grading. Cox Communications and Verizon received a C+ to Time Warner Cable's C. Charter Communications and Sprint Corporation earned a C-. A D+ went to Embarq Corporation and a D to Qwest Communications. Cablevision and T-Mobile each received an F for not responding.

Financial services--

The financial services industry received a C+ this year. The industry overall tends to be most responsive in the areas of Community Reinvestment and Charitable Giving; industry performance was modest in the areas of employment, marketing/communications, and supplier diversity. Wachovia Corporation and Bank of America led the pack by earning a B while SunTrust Banks, Inc. and Washington Mutual each received a B-. A C+ went to Key Corporation, LaSalle Bank, Wells Fargo Company and U.S. Bancorp. Fifth Third Bank, National City, Citigroup, Inc., PNC Financial all earned a C while J.P. Morgan Chase and Citizen's Financial Group earned a C-.

General merchandising--

The nation's major retailers earned a C- overall in this year's report. Dillard's and Target continually refuse to respond to the survey. This is the fourth consecutive year of non-response for Dillard's and the third consecutive year for Target, despite having participated in the past. Federated Department Stores held the top rank in the category with a B- followed by Wal-Mart's C+. A D+ was earned by J.C. Penney Company, Inc. Nordstrom Inc. and Kohl's Department Stores each received a D and Sears Roebuck and Company a D-. Dillard's and Target each earned an F for their lack of participation.

Automotive--

The automotive sector received a C. The industry is most responsive in the area of charitable giving but performs below average in the area of marketing/communications. Top grade in this industry was a B- given to Daimler Chrysler and Ford. Toyota got a C+ followed by General Motors, BMW and Hyundai with a C and Honda and Mitsubishi each earning a C-. Nissan received a D+ and Volkswagen a D.

Complete details of the 2007 Consumer Choice Guide, the Best Practices Diversity Guide and NAACP Economic Reciprocity Initiative Report, including individual company scores, can be found at: www.naacp.org under a special link on the home page.

Founded in 1909, the NAACP is the nation's oldest and largest civil rights organization. Its members throughout the United States and the world are the premier advocates for civil rights in their communities, conducting voter mobilization and monitoring equal opportunity in the public and private sectors.

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