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# Faith-Based Entrepreneurship

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## Faith-Based Entrepreneurship

African American religious organizations, whether individual churches, mosques, synagogues, formal fellowships of congregations as in denominational systems, or groups developed independently as a result of individual charismatic religious leadership, have always contained an element of faith-based entrepreneurship. This concept can be defined in broad terms as the use of the financial resources of religious organizations and clergy to support and empower business and other economic initiatives inside and/or outside its immediate community.

Within the scope of this definition, the black minister must be considered the earliest example of a faith-based entrepreneur, and the black church or religious organization itself as an economic as well as a spiritual enterprise that has been developed through entrepreneurship involving various levels of risk and reward. Both free and slave preachers brought an African perspective to their new religion, and adapted it to the social and economic realities of American bondage and servitude in the southern United States in different ways while retaining faith regarding eventual freedom.

While some believed the liberating work of God was found in the afterlife or for future generations, others used biblical examples to justify more radical and high-risk approaches to securing freedom. In several instances the leaders of major slave revolts were preachers, with Denmark Vesey in South Carolina (1822) and Nat Turner in Virginia (1831) being the most famous examples. In response, many southern states outlawed religious meetings of slaves or tried to maintain strict control over all gatherings.

These early leaders used whatever meager resources they could muster to establish their fellowships, many of which were formed and remained as secret organizations. If they were allowed to meet openly in a space approved by their masters and under their supervision, they had to become adept in the skillful use of coded language and other behaviors to inform and inspire their congregations, without offending their overseers and jeopardizing themselves and their fellow slaves in the process.

The slave preacher also had to exhibit entrepreneurial skills such as negotiation and diplomacy, to ensure that the master(s) would not perceive their gatherings as a threat to the existing order and allow them to continue to meet. The first order of business for the slave preacher and church, as in any enterprise, was survival.

While the free Negro church leaders in the North may not have had the immediate threat of physical survival as an issue, they also had to negotiate through white-controlled systems to establish viable organizations. They became entrepreneurs out of necessity, starting their churches in many instances as a response to unfavorable treatment in congregations organized and managed by whites.

Another approach was the tradition of itinerant or “traveling preachers”, which can be considered as another early form of faith-based entrepreneurship, where the minister came to the people, provided religious inspiration and services at whatever site was considered appropriate and available, indoors or outdoors, for varying amounts of time before moving on to other locations. These types of services, including “tent revivals”, hearkened back to biblical descriptions of the travels of the children of Israel after their liberation from Egypt with their tabernacle, tents which served the purpose of a

portable worship space until they could settle in the promised land and eventually build a permanent structure.

Even as the nation of Israel depended on God and each other during their travels, the traveling evangelists of early and modern America relied on the people's generosity to sustain them in the course of moving from location to location to fulfill their spiritual vocation. Ministers also had to have other skills and be able to take on other types of work, in order to survive when the contributions and resources of the congregations were inadequate.

For black clergy, this was even more so the case, given the extremely limited financial resources of most African American communities. However, the ongoing importance of spirituality among a majority of blacks in America enabled the development of both formal institutional structures by groups and creative spiritual entrepreneurship by individuals.

As faith-based entrepreneurs, black ministers always ran the risk of credibility with their congregations, especially in the case of traveling evangelists who had no direct or permanent ties and accountability to the communities they served. As a result, most meaningful group economic development and entrepreneurship took place when religious institutions and organizations were firmly established in one or more communities, with stable leadership, membership, and financial resources.

#### Entrepreneurship in Early Black Churches

From these humble beginnings, numerous black churches and other religious organizations became centers for support and development of African American communities in all parts of the country. The development of African American religious

denominations can in one sense be considered faith-based entrepreneurship, as black ministers organized various collective structures as support mechanisms for individual churches and congregations.

While most denominations were based on similar approaches to doctrine, worship style, and other factors, in at least one instance an African American economic organization helped to develop a major African American church. The Free African Society, a mutual aid organization founded in Philadelphia by Richard Allen and Absalom Jones in 1787, emphasized solidarity and community development among free blacks in the city, and was an early African American voice for the abolition of slavery.

In 1794 the society provided the support to establish the Mother Bethel African Methodist Episcopal (AME) Church, the founding congregation of what became the nation's first independent African American denomination in 1816. Allen later became the presiding bishop of the AME churches, and led the denomination in such entrepreneurial activities as forming the first black publishing house, along with organizing national anti-slavery "Negro Conventions" and linking churches as locations for passage of escaped slaves on the Underground Railroad.

After the Civil War and the end of slavery, many of the early black churches and religious organizations exhibited faith-based entrepreneurship by establishing educational institutions, on their own or through collaborations with sympathetic white individuals, churches, and other organizations. A majority of historically black colleges and universities (HBCUs), public as well as private, can trace their beginnings to influential black ministers and church organizations, with many actually being founded in church buildings.

In some instances, black ministers were the first presidents of these institutions, while continuing their pastoral responsibilities in the church and communities where they served. In other cases where the support and influence of whites was significant, white ministers took on the leadership role of institutions for blacks, seeing their work as an extension of missionary outreach. Even when the leaders were non-ministers, they had to work effectively with ministers and churches, as well as others, to ensure continued support in the community for the new schools.

Booker T. Washington, while not a minister himself, was a prime example of a faith-based entrepreneur who was successful in using the economic as well as the spiritual resources of churches, other religious organizations, and outside individuals and groups to develop Tuskegee Institute in Alabama. He was instrumental in the development of numerous black businesses and organizations, including the National Negro Business League (NNBL), based on the philosophy of acquiring productive skills and trades in the industrial education model of Hampton Institute, the HBCU he had attended in Virginia.

Washington was also a promoter of strong moral values based on Christian principles, which he felt would give blacks the respect needed to advance as individuals and as a group, despite the segregation of the races on various levels throughout American society by the end of the nineteenth century. His message was accepted by many blacks and acceptable to most whites, and enabled him to exert great political and economic influence toward achieving many of his desired objectives.

Many other black leaders of the time, in the religious community as well as the larger African American community, disagreed with Washington's accommodation of

segregation while agreeing that entrepreneurship and economic development were essential to black progress. W.E.B. DuBois, Washington's most prominent critic, argued that educational and business development could not be separated from the fight for full equality, yet also realized that segregation caused blacks to develop and support their own institutions and enterprises.

### A Model of Faith-Based Entrepreneurship and Generational Wealth

Other religious organizations and denominations followed the lead of the AME church in establishing publishing houses and other faith-based religious enterprises, such as the National Baptist Publishing Board (NBPB), founded in 1896 and headquartered in Nashville, Tennessee. The driving force behind the creation of the NBPB was minister, entrepreneur, and leader Richard Henry Boyd (1843-1922).

Boyd spent his formative years as a slave in Mississippi, Louisiana, and Texas with the name Dick Gray, and continued working on the Gray plantation after the Civil War and emancipation. His mother had become a Christian and Baptist around 1860, and in 1869, Dick Gray was baptized and changed his name to Richard Henry Boyd.

By the early 1870s Boyd had entered the ministry, married the former Harriett A. Moore, and began raising a large family. He also attended Bishop College, one of several HBCUs founded by the American Baptist Home Mission Society, an organization of white Northern Baptists. Boyd spent the early years of his ministry organizing black churches and religious associations in Texas, and eventually partnered with white Southern Baptists in order to launch the NBPB after relocating to Nashville.

The success of the NBPB came as a result of Boyd's entrepreneurial skills in dealing with religious associations of both races, and navigating through the

controversies of the turbulent religious and racial environment of his times. As a result, he became nationally recognized for his efforts, but was also envied and criticized for turning the NBPB into a profit-making business beyond its religious purposes. To protect the company, Boyd and his supporters legally incorporated the NBPB as a separate entity from the Baptist denomination in 1898.

In 1902 Boyd, attorney James Carroll Napier, and others founded the Nashville chapter of the NNBL, and Boyd launched the National Baptist Church Supply Company the same year. The Nashville NNBL leadership group went on to establish the One-Cent Savings and Trust Bank in 1903, with Boyd as president. By 1920 the bank's name was changed to Citizens Savings and Trust Company Bank, and it continues to the present time as the oldest continually operating banking institution owned and operated by African Americans.

Boyd also launched additional business ventures such as the NBPB Sunday School Congress in 1904, a convention geared toward black Baptists of all ages who were users of company publications, other products, and services. During the same year the NBPB also developed the National Negro Doll Company, an initiative to provide positive images to black children, Boyd was also instrumental in the development of Nashville's first African American newspaper, the Nashville Globe, through his Globe Publishing Company; the National Baptist Church Supply Company; and the Union Transportation Company. The NBPB continued to flourish, and by 1905 it was the largest black publishing company in America.

When Boyd died in 1922, he was succeeded by his son, Dr. Henry Allen Boyd, who modernized operations and helped the company grow to new levels of success.



Along with his work in building upon his father's achievements in ministry and entrepreneurship, Henry Boyd was also highly influential in the founding of Tennessee State University, the only public HBCU in the state, in 1912.

By the centennial of the NBPB in 1996, leadership had passed to Dr. Theophilus Bartholomew (T.B.) Boyd III, the fourth generation of the Boyd family to head the company. His father, Dr. T.B. Boyd Jr., had been the first executive to pastor a church and run the company simultaneously, another example of the black minister as faith based entrepreneur.

T.B. Boyd III also renamed the NBPB the R.H. Boyd Publishing Corporation in honor and recognition of his great-grandfather, its visionary and founder, in 2001. He is also a graduate of the university his family helped to establish, and presently board chairman of Citizens Savings Bank, continuing the faith based entrepreneurial legacy of his ancestors into the twenty first century.

### Charisma and Controversy

Many faith-based entrepreneurs developed a variety of business ventures after developing religious organizations based on their personal magnetism and charisma. Critics went so far as to say that followers and supporters of these charismatic individuals were part of a cult in worst-case scenarios, especially when the leaders operated outside of established religious traditions; at the very least, followers were considered part of a "cult of personality".

Persons such as James Francis Marion "Prophet" Jones, "Sweet Daddy" Grace, and M.J. "Father" Divine are notable examples of individuals who built considerable personal wealth after attracting numbers of followers during the mid-twentieth century.

These persons also attempted various business enterprises as a means to gain credibility in the community and/or as vehicles for employment of some of their followers, with varying degrees of success. Divine, despite personal controversy, is credited with using his resources and influence to create systems to feed thousands during the Great Depression of the 1930s.

While these individuals became well-known, their influence was not extended to the national level of persons like Marcus Garvey and Elijah Muhammad, whose respective organizations, the Universal Negro Improvement Association (UNIA) and the Nation of Islam (NOI) drew considerable attention for their entrepreneurial ventures as well as their messages of racial empowerment aligned with spiritual/religious principles. These men took Washington's philosophy of racial accommodation to segregation to the radical extreme of advocating separate development from whites, and extending racial pride to the point of advocating black superiority and God as a black deity.

Garvey attempted several entrepreneurial ventures under the UNIA, which at its peak was the largest mass movement in African American history. Due in part to his Jamaican background and international travels, UNIA influence extended beyond the United States to Canada, the Caribbean, Central and South America, West Africa, and England.

From its U.S. base in Harlem, New York, the UNIA created the Negro Factories Corporation and the Negro World weekly newspaper in 1918, which employed thousands of African Americans. Offshoots from these operations included a doll factory, tailoring business, grocery stores, restaurants, a printing press, and other related companies. The

most ambitious economic enterprise of Garvey and the UNIA was the Black Star Line steamship corporation, which launched its first ship in 1919.

Despite widespread excitement and tremendous support of the Garvey movement, internal and external pressures, criticism, sabotage, and investigation of Garvey led to the demise of this and other attempts to unify persons of African heritage with his “Back to Africa” spiritual, philosophical, social, political, and economic/entrepreneurial initiatives. Garvey’s arrest, imprisonment on mail fraud charges, and deportation from the United States hastened the end of his movement, but his efforts inspired other African Americans to develop organizations and programs incorporating many of his ideas and concepts.

Elijah Muhammad brought the Nation of Islam to national prominence in the 1940s after becoming a disciple and successor of its founder, W.D. Fard, in Detroit, Michigan during the 1930s. Along with some aspects of traditional Islam, Fard and Muhammad included and expanded upon aspects of Garvey’s pro-African philosophy by incorporating doctrines indicating that blacks were the original and superior human race, and that whites were evil oppressors who would eventually be destroyed by Allah.

The organization was targeted for police harassment because of its ideas, activities, and growing influence despite internal divisions when Muhammad became its leader in 1934, and labeled a subversive group by the Federal Bureau of Investigation (FBI). The NOI expanded from Detroit to Chicago, Milwaukee, and Washington, D.C. before Muhammad and other Muslims were arrested on charges of draft evasion and sedition for refusing to participate in World War II, with Muhammad serving a federal prison sentence from July 1943 to August 1946 for his activities.

The NOI survived despite these problems, and in 1947 Muhammad began moving the organization in the direction of business enterprise after his release from prison. The first ventures were a restaurant and bakery in Chicago, the new headquarters for the group. After Malcolm X became a minister of the NOI in 1954, his charisma and subsequent celebrity helped the organization to rapidly expand its membership and financial resources, which in turn helped the NOI to expand into land ownership, farming and other economic initiatives.

Despite the loyalty of Malcolm X to NOI doctrines of black pride and black separatism, his personal magnetism as NOI national representative began to overshadow Muhammad's leadership of the organization. By 1963, when Malcolm violated orders from Muhammad regarding comment on the assassination of President John F. Kennedy and was suspended from his ministry for ninety days, it became obvious that he was now considered as more a liability than an asset to the organization.

Malcolm also verified rumors of moral and financial irregularities in the affairs of Muhammad and the NOI, and the backlash led to his leaving the organization and subsequent assassination in 1965. After Muhammad's death in 1975, the NOI split into factions led by one of his sons, Wallace Muhammad, and Louis (X) Farrakhan, who replaced Malcolm as national representative and had remained loyal to Elijah Muhammad.

Farrakhan retained many of Muhammad's original doctrines, while Wallace Muhammad moved his followers toward more traditional Islamic practices. Over time, the Farrakhan-led NOI gained control of several properties and business concerns once

connected with Elijah Muhammad, and Farrakhan has used his own charisma to rebuild the NOI to meet his objectives in another variation of faith-based entrepreneurship.

### Ministers, Ministries, and Megachurches

During the civil rights movement of the 1950s and 1960s, the human, financial, and spiritual resources of black churches were heavily utilized by all of the major civil rights organizations, and were essential to its success. A majority of movement leaders, including Dr. Martin Luther King, Jr., were ministers who balanced their involvement in civil rights activities with the spiritual and executive duties involved in pastoral responsibilities. The organizations they created, such as the Southern Christian Leadership Conference (SCLC), as well as their relationships with established groups like the NAACP and National Urban League, required an entrepreneurial approach to financing and fund-raising activities in support of movement objectives, along with collaboration and strategic planning.

One of the ironies of the of the post segregation era was that with greater access to the American mainstream, African Americans no longer had to use services and resources in their own communities out of necessity. As a result, many African American owned and/or operated businesses were forced to close, while others experienced great difficulty in maintaining their operations.

Especially in the larger urban areas, African American churches became part of the small group of institutions that remained viable, and their continued success was tied in varying degrees to their relevance to community needs. The challenges and problems in black communities (including the loss of industries and jobs; crime; alcohol and drug

dependency/abuse; limited social, educational, and recreational services, etc.) impacted churches as well, and forced them to make choices in order to respond to these realities.

In urban, suburban, and rural settings, many African American churches took on the challenges of community issues and turned them into opportunities, in the tradition of previous generations. Progressive church leaders saw the connection between ministry to the physical, economic, and social needs of their communities and the traditional focus on spiritual needs and development.

Well-established African American congregations and denominations began to embrace entrepreneurship as a key component in their community development initiatives, using the resources of their membership base before branching out to embrace their neighborhoods and the community at large. They were joined in community development and entrepreneurship by organizations such as the Congress of National Black Churches (CNBC), based in Washington, D.C., Opportunities Industrialization Center (OIC), developed by Rev. Leon Sullivan in Philadelphia, People United to Save/Serve Humanity (PUSH), based in Chicago and led by the Rev. Jesse Jackson, and the more recent phenomenon of African American megachurches.

The black megachurch itself can be considered as another variation of faith-based entrepreneurship. While many are usually independent congregations led by charismatic leaders attracting large memberships and considerable financial resources, in some cases megachurches are also connected to traditional church denominational structures or create new subsidiary congregations as a result of their expanding influence. Successful megachurches often employ dozens, and in some cases, hundreds of persons to carry out their various programs and directly impact their communities.

In recent years, the best-known minister in this category is Bishop Thomas Dexter (T.D.) Jakes, who rose from humble beginnings and small churches in his native West Virginia to found and pastor the Potter's House church in Dallas, Texas, a multiracial, nondenominational ministry which grew to over 30,000 members. Along with his dynamic preaching style and personal charisma, Jakes authored several best-selling books, provided ministry-related products and services using multiple media formats and outlets, convened regional and national conferences, traveled and broadcasted internationally, and created a variety of outreach programs to address the emotional, socio-economic, and physical needs of his parishioners and the larger community from a spiritual foundation.

Many megachurches and congregations from traditional church organizations developed separate nonprofit 503(c) (3) corporations to utilize the human and financial resources at their disposal in community development efforts. Focus points of these efforts included developing child care facilities and schools; building new housing units; revitalizing existing residential and commercial real estate; partnering with corporate and civic organizations on business development and entrepreneurship; outreach to underserved communities through job/career, health, food distribution, mentorship, and counseling services; establishing financial services, institutions, and relationships designed to promote wealth creation, management, and economic stability for individuals, families, and the larger African American community; and global missions outreach.

Some of the many additional examples of faith-based entrepreneurship and entrepreneurial leadership included Abyssinian Baptist Church (former pastors Adam

Clayton Powell Sr. and Jr.; succeeded by Dr. Calvin Butts), Greater Allen AME Cathedral of New York (Dr. Floyd Flake) and Christian Cultural Center (Dr. A.R. Bernard) in New York City; West Angeles Church of God in Christ (Bishop Charles Blake) and Crenshaw Christian Center (Dr. Frederick Price) in Los Angeles; New Birth Missionary Baptist Church (Bishop Eddie Long) and World Changers Church International (Dr. Creflo Dollar) in the metropolitan Atlanta area; Windsor Village United Methodist Church in Houston (Pastor Kirbyjon Caldwell); and Word of Faith International Christian Center in metropolitan Detroit (Bishop Keith Butler).

Flake in particular symbolized both tradition and innovation, as he continued to pastor while serving as a U.S. Congressman from 1986 to 1997. Upon his return to full-time ministry, his congregation grew to megachurch status from its AME roots. In 2002 he became president of his alma mater, Wilberforce University in Ohio, the AME-affiliated HBCU founded in 1856, and utilized his leadership and entrepreneurial skills to the benefit of both institutions.

Payne Memorial AME Church in Baltimore, formerly pastored by Bishop Vashti McKenzie, proved that all churches active and successful in faith-based entrepreneurship were not led by men. The success of McKenzie in spiritual and economic/entrepreneurial objectives set the stage for her election as the first female AME bishop in 2000, and first female president of the AME Council of Bishops in 2004, with responsibility for the worldwide operation of the African Methodist Episcopal Church.

Jesse Jackson endured controversies related to political and personal activities, and continued to champion entrepreneurship and economic development through PUSH and other initiatives. In 2001, his organization launched the One Thousand Churches



Connected project to provide information, technology, resources, and training to pastors and congregations interested in economic literacy to achieve personal and community financial objectives.

African American clergy and congregations were also identified as active or potential participants in the faith based initiatives of President George W. Bush and his administration during the first decade of the twenty-first century. These programs created controversy due to the political and Constitutional implications of direct Federal support to church-affiliated programs, services, and economic/entrepreneurial activities, and called into question the non-profit, tax-exempt status of religious organizations.

These religious leaders and followers, past and present, forged new directions for ministry and service to African Americans and others using faith-based entrepreneurship in its many variations. Their successes (and failures) in seeking to create and maintaining hope, progress, and group development in natural as well as spiritual concerns have come as they have embraced the multiple dimensions and responsibilities of leadership and empowerment, with the risks and rewards of “stepping out on faith”.

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