



BUILDING OPPORTUNITY FOR M/WBEs in NYC



a plan by

BRADLANDER
for NYC Comptroller



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Many minority and women owned businesses (M/WBEs) in New York City are currently at a severe risk of going out of business because of the pandemic and need additional help. As NYC Comptroller, Brad will push for more city contracting opportunities for M/WBEs and bolster existing support programs for struggling businesses which will support a just and durable recovery from the COVID-19 crisis for all New Yorkers.

INTRODUCTION

New Yorkers understand that when our City's immigrant-, women- and BIPOC-owned businesses are doing well, the City as a whole thrives. Yet minority owned and women owned businesses (M/WBEs) are still at a severe disadvantage when it comes to growing their businesses in New York City when compared to their white- and male-owned counterparts. The coronavirus has only exacerbated the inequality between M/WBEs and white owned businesses. According to New York City's most recent disparity study in 2018, [only 10% of city contracts](#) are awarded to minority or women owned companies, and [only 6% was awarded](#) to minority owned companies. This is despite the fact that [almost 60% of New Yorkers](#) are minorities and [over 50%](#) of NYC businesses are minority owned. The situation has only deteriorated with the outbreak of COVID-19. Black owned businesses are [two times](#) more likely to shut down because of the pandemic than white owned businesses are, while Latino and Asian owned businesses are also [more likely to go out of business](#). In response to this escalating crisis, the City of New York must do more to support M/WBEs.

Brad has a long history of supporting M/WBEs and voted to expand [Local Law 1 and 129](#) to help M/WBEs receive more city contracts and grow their local communities. Brad also worked to pass legislation that made the city contracting process [more transparent and fair](#). Although progress has been made in

supporting M/WBEs, more can be done to address their current struggles, especially in the light of the pandemic. As Comptroller, Brad will fight to expand opportunities to M/WBEs and strengthen existing laws that will hold city agencies accountable.

RECOMMENDATIONS

If elected Comptroller of New York City, Brad will undertake the following actions to ensure more opportunities for M/WBEs.

PROVIDE MORE FINANCIAL SUPPORT AND OPPORTUNITIES TO M/WBES THROUGH LOANS, BONDS, AND DIRECT INVESTMENT

Provide start-up capital and small business loans to M/WBE and Black- and Brown-owned businesses:

M/WBEs face barriers to accessing capital to grow their enterprises. These businesses are the lifeblood of our local economy and create high-quality local jobs and support the City's long-term economic recovery. Small local investment funds are a very popular impact investing model, but many of these funds have struggled to raise capital at scale. Seeding and investing small neighborhood investment funds, community banks, and community development financial institutions (CDFIs) that prioritize underserved New York City neighborhoods could provide critical support to our local economies and small businesses.

Through the strategic planning process, Brad will explore new ways to invest our City's pension funds, consistent with fiduciary duty, into NYC-based M/WBE start-ups, entrepreneurs and small businesses, particularly in neighborhoods where there are structural and systemic barriers to accessing capital and start-up funds. For instance, through the expansion of the pension funds' existing ETI program, the funds could act as a source of capital for neighborhood investment funds in New York City, which could help these funds grow at scale and provide critical ongoing support to small businesses, while generating appropriate risk-adjusted returns to the pension funds. Many similar loan programs outside of

New York City have helped small businesses grow while maintaining low default rates; expanding them in New York City with City investment capital could be a game-changer for fair, democratic capital access for all of New York's entrepreneurs. Read more about Brad's plan for Responsible Fiduciary Investing here.

Support the creation of a separate loan and bond program for M/WBEs to expand and grow: Brad will push for the city government and local banks to offer more credit to struggling M/WBEs. Just like how the New York State government has a separate loan and bond program for M/WBEs, Brad believes New York City can create a similar program for NYC based M/WBEs. An issue facing many M/WBEs is their inability to access the higher levels of credit and bonds needed to bid on larger government contracts. Many of the loan funds available to M/WBEs administered by the City require businesses to have an established City contract in place, creating a serious gap in support for the smaller M/WBEs already facing barriers to entry. As Comptroller, Brad will work to increase the availability of fidelity bonds and loans for M/WBEs, thereby creating more opportunities for M/WBEs which want to grow their businesses and access more capital.

GROW M/WBE BUSINESS CAPACITY BY ENSURING CONTRACTORS ARE PAID ON-TIME AND ADVOCATING FOR THE EXPANSION OF SUPPORT AND MENTORSHIP PROGRAMS

The City's construction contracts and subcontracts hold enormous opportunities for the City's M/WBE businesses. The City has made meaningful progress on expanding M/WBE contracting over the last few years, but notoriously delayed payments to contractors significantly discourages M/WBEs – who already face enormous barriers to accessing capital – from doing business with the City. The City's late payments and burdensome contracting requirements are especially challenging for smaller, less-resourced M/WBEs (who are far less likely to contract with the City than larger, better capitalized M/WBEs), undermining the City's efforts to help grow and develop M/WBE business capacity citywide. Brad will work to ensure that contracts and change orders are registered in a timely fashion, including through the expansion and strengthening of city agencies' use of PASSport, to help ensure the City's contractors – and especially the City's M/WBEs – are paid on-time.

EXPAND M/WBE SUPPORT PROGRAMS

Brad will support the significant expansion of M/WBE support initiatives, including M/WBE mentorship

programs to better support and develop smaller, entrepreneurial MBWE businesses. He will also advocate to expand the NYC Comptroller's "M/WBE University," program, which educates M/WBEs on citywide opportunities. These support programs will guide M/WBEs through the city's often arcane contracting process and help them apply to more opportunities.

PUSH FOR MORE ACCOUNTABILITY OF THE CITY'S PROGRESS OF SUPPORTING M/WBES

Expand audits and accountability measures on the City's M/WBE program: As Comptroller, Brad will audit city agencies and hold them accountable for increasing opportunities to M/WBEs. He will continue and expand the Comptroller's "Making the Grade" report by auditing each city agency and its procurement process. Through the Comptroller's audits, Brad will publicly report how each city agency is helping M/WBEs and work with city officials in creating a fairer and more just city procurement process.

Create more transparency in how the City measures progress on M/WBEs: Currently it is difficult to know the true progress of the City's M/WBE program. The Comptroller's Office and Mayor's Office use different denominators in counting contracts to M/WBEs. As Comptroller, Brad will work to standardize metrics on how well the City is helping M/WBEs. All agencies should follow the same formula in measuring the City's progress on helping M/WBEs. As Comptroller, Brad will work with city officials in establishing a clear and transparent system of measuring the City's progress and push for reforms.

CONCLUSION

New York City is the most diverse city in the world, and our business practices should reflect that. It is unacceptable that people of color and women continue to face significant barriers when it comes to growing their businesses, especially during the current pandemic. As Comptroller of New York City, Brad will do everything he can to push for more financial support for M/WBEs and hold City Hall accountable. He will work with city agencies, local banks and businesses, and elected officials in creating more opportunities for M/WBEs, which make up the vast majority of New York City businesses.

This platform was researched and drafted by Jin Woo Chung, a Team Lander volunteer.