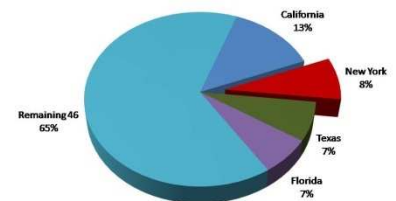
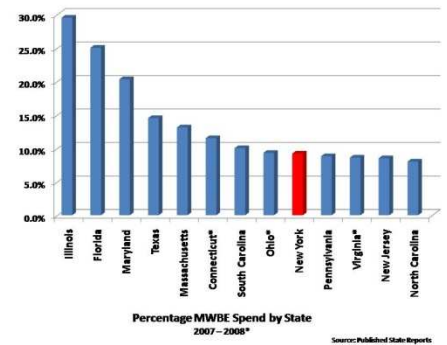


# NEW YORK STATE CAN CREATE JOBS AND REDUCE UNEMPLOYMENT IN MINORITY COMMUNITIES BY SPENDING ITS FAIR SHARE WITH MINORITY AND WOMEN OWNED BUSINESSES

*Despite being one of the most ethnically diverse states in the country and having the 2nd highest number of women-owned enterprises (WBEs) and 3rd highest number of minority business enterprises (MBEs), as of 2008, at least 8 other states were spending more with minority and women-owned firms.*

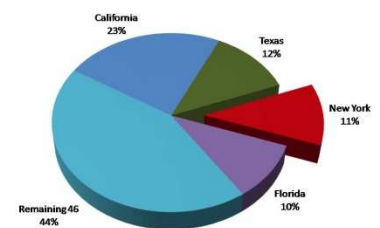
## The state should spend its fair share with MWBEs

- New York has a gross state product (GSP) of \$822 billion making it the 11<sup>th</sup> largest economy in the world.
- Of the state's discretionary budget, only 9.2% of this went to MWBE vendors or service providers in 2008.
- New York is one of the 2 most diverse states in the U.S. with 39% of the population being minority
- 8% of all WBEs in the U.S. operated in New York; more than all other states, except California.
- 11% percent of all U.S. MBEs operated in the state, more than all other states except two.
- New York's has a significant Business Gap\* with Hispanic, African American and Asian owned enterprises. For instance the state's Hispanic Business Gap is 0.11 which means that the market share of Hispanic firms in the state is about one tenth of what one would expect based on the Hispanic population. The Gap is approximately 0.08 and 0.07 in the state for African American and Asian owned enterprises, respectively.



## Increasing the state's MWBE spend has great potential for creating new jobs

- Between September 2008 and September 2009, New York State lost 236,000 jobs and this job loss disproportionately impacted ethnic minority groups.
- Studies consistently show that MBEs are much more likely than nonminority-owned business to locate in minority communities and to employ minority workers.



## Increasing the state's MWBE spend will improve its fiscal performance

- Over the past thirty years, a wide-range of states, federal agencies, corporations and non-governmental organizations have recognized the significant benefits of increasing their engagement and spending with diverse suppliers.
- A study by The Hackett Group found that organizations that focus heavily on supplier diversity generate 133% greater return on the cost of procurement compared to average organizations.
- Dramatically increasing the state spends with MWBE vendors can result in higher service levels, increased innovation and lower costs. Numerous states, including New Jersey, have directly linked their MWBE expansion initiatives to state contracting cost reductions.