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NEW YORK STATE RELEASES DISPARITY STUDY

Governor pledges to use study findings as tool and legal basis to strengthen MWBE program

Study released today is the largest disparity study in the history of the country

Empire State Development (ESD) today released “The State of Minority- and Woman-Owned Business Enterprise: Evidence from New York,” a study of the participation of minority and women-owned business enterprises (MWBEs) in state contracts. The study, which found evidence of business discrimination against MWBEs in the private sector of the New York State market area, will help support the State's initiatives aimed at supporting business opportunities for the MWBE community and to evaluate its current programs.

“Four years ago, I pledged to usher in a new era of equal opportunity in contracting for Minority and Women-Owned Businesses. The long anticipated Disparity Study released today is a part of that pledge,” said Governor David A. Paterson. “New York State’s MWBE Program was adopted with the intention of promoting equal opportunity in employment for all New Yorkers. After a 12-year period of abuse and neglect, my administration set out to build the capacity of MWBE firms and increase the utilization of qualified MWBEs. Based on the results of the study, I look forward to working with the legislature to pass legislation to strengthen the program and continue our already-strong efforts to enhance opportunities for the MWBE community.”

“Rebuilding New York’s economy means creating opportunities for all New Yorkers,” said Empire State Development Chairman and CEO Dennis M. Mullen. “The study demonstrates that New York State has continued to be a source of demand in the regional economy for the products and services provided by MWBEs. In order to fulfill that commitment, state agencies and public authorities must evaluate their procurement practices and be held accountable for their commitment to MWBE participation. We must use the results of this study to develop even stronger policies and practices that provide increased opportunities for minority and women-owned business enterprises.”

“With Governor Paterson’s support and dedication, our current MWBE program has shown improvement over the years, however we have been limited in what actions we could take to bring about equal opportunity in New York State,” said Executive Director Division of Minority & Women's Business Development Michael Jones-Bey. “Now that we are armed with the data
from the disparity study we can provide guidance to agencies in setting enforceable goals and provide incentives to prime contractors that actually make good faith efforts to hire qualified Minority and Women owned businesses. The MWBE community has long called for the implementation of a program that had teeth. I am optimistic that we now have the legal authority to build a program similar to other states with successful programs.”

New York State Law authorizes and directs Empire State Development (ESD) to commission a statewide disparity study regarding the participation of minority and women-owned business enterprises in state contracts. ESD contracted with a nationally recognized economics consulting firm, National Economic Research Associates, Inc. (NERA), to perform the study.

The study finds both statistical and anecdotal evidence of business discrimination against MWBEs in the private sector of the New York State market area. The statistical findings include analyses of disparities in business formation, business owner earnings, access to credit, and participation in public sector contracting from 2004-2008. The anecdotal findings were based on both mail surveys and in-depth personal interviews with local MWBEs and non-MWBEs. To view the study visit [www.esd.ny.gov/MWBE.html](http://www.esd.ny.gov/MWBE.html)

Empire State Development is New York's chief economic development agency, committed to being recognized on a global scale as the economic development engine driving job growth, strategic investment and prosperity in New York State. ESD is intent on paving the way for New York State to become the leader of the innovation economy and one of the most business friendly, productive and competitive economic development climates in the world. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit [www.esd.ny.gov](http://www.esd.ny.gov).

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