

APPENDIX

My name is Shavar Jeffries, and I am a civil rights lawyer and longtime advocate for racial and social justice. I have litigated, for 20 years, cases involving economic opportunity for working families and for people of color, and I have also been actively involved in a variety of efforts to ensure equitable access to capital and wealth-building opportunities for working people and communities of color as well. I applaud the mandate of this joint committee, as economic justice is in many ways the civil rights issue of our time, and I appreciate the opportunity to share testimony about where our state stands on issues of economic justice and steps the state can and should take to address this issue. I will focus today in my testimony on the lack of economic justice for people of color, and African-Americans specifically, as we cannot have a vibrant, dynamic, and prosperous economy in our state until we have an economy that generates shared prosperity for all New Jerseyans, regardless of their identity.

Simply put, New Jersey is one of the most unjust and inequitable states in the country when it comes to economic justice. According to a recent report of the New Jersey Institute for Social Justice, New Jersey has the worst racial wealth gap in the nation, with the average White person in our state enjoying over \$300,000 in net worth and the average Black person holding less than \$6000—a staggering 50:1 disparity. Latinos experience a comparable disparity—42:1. These data suggest that Black people will reach a place of zero net worth faster than Black people throughout the country, where projections estimate that by 2053 African-Americans

—if current trends continue—African-Americans will reach that sorrowful destination.

Some argue that these disparities are rooted in differences in educational opportunity or preparedness. Yet the facts belie that hypothesis. According to the Federal Reserve, while the wealth of college-educated whites doubled over the last roughly 25 years, the wealth of college-educated African-Americans increased by only 10%. Indeed, this disparity is so strong that if, by some feat of magic, the wealth of White Americans stopped growing as of today, it would take 228 years for the wealth of African-Americans to catch up. And because Black New Jerseyans face worse disparities than African-Americans throughout the country, even after two-and-a-quarter centuries, Black New Jerseyans still wouldn't reach parity.

It should be clear to anyone with even a casual understanding both of the history and present of wealth accumulation in New Jersey and in our country that these disparities are rooted in inter-generational racism and in the ongoing practice of discrimination related to access to capital, business procurement, and employment. Indeed, it is not a coincidence that the 228 years it would take for Black people to catch up to Whites in terms of wealth tracks the 246 years of chattel slavery in which African-Americans enjoyed precisely none of the economic returns associated with their labor and in fact those returns were distributed not only to slave-owners but also the diverse suppliers, insurers, and other businesses whose balance sheets were informed by the tobacco and cotton produced by slave labor.

2 x

And while the end of slavery was historic, it was replaced by a century-long regime of explicit racism and discrimination that perpetrated the disparities produced by slavery. And so for well into the Twentieth Century, in New Jersey and throughout the country, public and private lenders explicitly declined to issue credit—whether for home purchases or business creation—to African-Americans, while at the same time depressing valuations for properties in Black neighborhoods and thus further undercutting asset values for people of color. For example, the Federal Housing Administration had an express racist practice of refusing to underwrite home loans for African-Americans. And because the FHA underwrote the vast majority of home mortgages in the country, and home ownership is the primary asset most Americans own, these practices kept Black people on the economic margins of our state.

In his seminal text, *The Color of Law*, Richard Rothstein recounts a typical example—a developer built a housing complex in Fanwood in Union County for middle-class families and sought to sell about a dozen of the units to African-American families. Although the families had good credit, the FHA stated tartly that “no loans will be given to colored developments,” and because banks would not issue loans without FHA approval, the Black families were locked out of buying the properties in Fanwood. Today, Fanwood’s Black population is less than 4%; the average home in Fanwood is worth \$540,000.

All of this is exacerbated by explicit discrimination, whether by law or practice, in employment and in educational opportunity. Discrimination in these

spheres often serve to cut out the legs from under African-Americans before they even can attempt to build wealth—the absence of a quality education because of under-resourced public schools or the outright denial of employment opportunities because of ongoing discrimination in job opportunities, pay, and promotion, undercuts many African-Americans at the starting gate, rendering moot in these cases the downstream biases affecting access to capital.

So these issues are long-standing and rooted in institutional racism. We cannot mince words or pull punches in diagnosing the problem, as an imprecise diagnosis will produce a proportionately ill-fitting remedy. The state, and its explicit and implicit complicity in private-sector discrimination, helped to produce this problem and so it will require the state to fashion appropriate solutions. I call on the state to pursue a bold agenda that would seek to move the state from worst to first in terms of economic justice, and such an agenda would require, at minimum, the following:

1. Government as investor—mandate equitable investment by the state, as well as county and municipal government, in communities of color, with investment goals multiples higher than what exists currently. This would include aggressive targets around the allocation of seed and growth capital—in the form of debt and grants—for business formation, as well as low-interest loans and down-payment support for homeowners;

2. Government as purchaser—mandate equitable procurement of minority-owned businesses by state, as well as county and municipal government,

comprising not only set-asides, supported by disparity studies, but more aggressive targets arising out of more affirmative efforts to diversify selection pools, which enable allocations much more aggressive and equitable than set-asides alone. Prioritize equity across the full spectrum of government procurement, not only significantly increasing allocations across traditional sectors where there has been a modicum of investment—including janitorial services, custodial, catering, and construction—but also significant allocations where procurement has been virtually non-existent, including financial services and money management (including the state's \$100 billion pension), technology, and professional services like lawyers and accountants. State and local government spend billions annually on procurement, and the state should mandate specific targets to ensure equity in procurement;

3. Government as Employer—while of course asset accumulation grows wealth faster than income accumulation, income-producing jobs are of course a vital first step. Government must be a force for good not only by employing, promoting, and equitably compensating people of color, but also ensuring African-Americans and other minorities have non-discriminatory access to the most senior and best-paying opportunities. Aggressive targets, multiples higher than what exists currently, must be set concerning hiring in high-paying jobs;

4. Government as Intermediary—actively require that entities that either do business with government or seek public resources or accommodations likewise commit to equity in their investing, procurement, and hiring. Major

corporations, universities, hospitals, museums, real-estate developers, and other large enterprises either rely upon either direct or indirect government support and so they should be required likewise to be a force for good in ensuring economic justice. Government should use its leverage with these enterprises to encourage them likewise to set aggressive equitable targets in how they allocate capital, buy goods and services, and hire staff; and

5. Government as Civil Rights Enforcer—aggressively enforce laws require non-discrimination in capital allocation, procurement, and hiring. Target appraisers that continue to under-value communities of color as well as developers and sellers that discriminate against buyers of color. Hold accountable large capital allocators and purchasers of goods and services and pursue disparate-impact class action cases against institutions where inadequate allocations to communities of color and an unwillingness to take immediate corrective action are present.

By taking these steps, New Jersey can move from being a national laggard on economic justice to a national leader. The good news is that economic justice for Black people specifically, and people of color generally, is good for all. According to a recent McKinsey study, the racial wealth gap, over the next ten years, will cost the U.S. economy over \$1 trillion, meaning that the overall economy will generate fewer jobs, fewer successful businesses, less economic activity, and thus produce an economic lag that affects everyone. Ultimately, we are all inter-connected—what

hurt me, hurts you, and vice-versa. The New Jersey economy will not be strong as long as it effectively locks out millions of its residents from the kind of equitable opportunities to capital, procurement, and high-paying jobs that are necessary to reverse the inter-generational effects of economic injustice. The time is now. The time for task forces and white papers is over. We need our state to implement an aggressive strategy that allocates real capital, business opportunities, and high-paying jobs to African-Americans now.

Thank you for your time.

Shavar Jeffries is a civil-rights lawyer and executive leader with over 20 years of experience fighting for equal opportunity and racial justice. Shavar is a partner at Lowenstein Sandler, where he has litigated complex civil litigation and class-action matters. Shavar also is president of Education Reform Now, a national advocacy organization that pursues educational equity for low-income students and students of color. Previously, Shavar ran an institutional-reform clinic at Seton Hall Law School's Center for Social Justice, where he represented low-income clients on matters involving civil rights, racial justice, education equity, and housing affordability.

From 2008 to 2010, Shavar was counsel to the New Jersey Attorney General, where he served in the executive cabinet that led the work of the office. Shavar oversaw all multi-state investigations, spanning matters involving racial equity, consumer fraud, and environmental justice. He also supervised the Division on Civil Rights, the Juvenile Justice Commission, and the Victims of Crime Compensation Organization.

Earlier in his career, Shavar was counsel to the firm and Deputy Director of the Gibbons civil-rights fellowship at Gibbons P.C., where he worked on class-action cases involving racial profiling, voting rights, affordable housing, and education equity. He clerked for Nathaniel R. Jones, a judge on the United States Court of Appeals, and worked as an associate at Wilmer Cutler & Pickering, where he defended the University of Michigan in affirmative-action litigation challenging its admissions policies. Shavar graduated from Duke University and Columbia Law School.

Shavar is deeply involved in community and board service also. He is on the boards of several organizations that focus on developing young people, including the KIPP Foundation, National Mentoring Partnership, and New Classrooms. Shavar is a co-chair of Black Voices for Black Justice, a fund that invests in Black leaders at the forefront of the fight for racial justice. He also served in elected office, serving a three-year term on the Newark Public Schools board and a one-year term as board president. Shavar also ran for mayor of Newark, receiving more votes than any first-time municipal candidate in modern history.

Shavar has been recognized broadly for his contributions, including by the National Bar Association, Garden State Bar Association, Congressional Black Caucus, Newark NAACP, KIPP New Jersey, and Essex County Family Justice Center. Shavar frequently speaks on public policy in national and local media, including CNN, MSNBC, Bloomberg News as well as in university, national conference, and community settings.

Shavar grew up in Newark's South Ward and still lives in Newark with his wife and two children.

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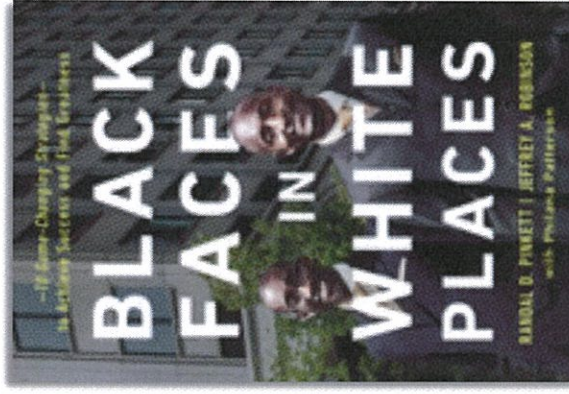
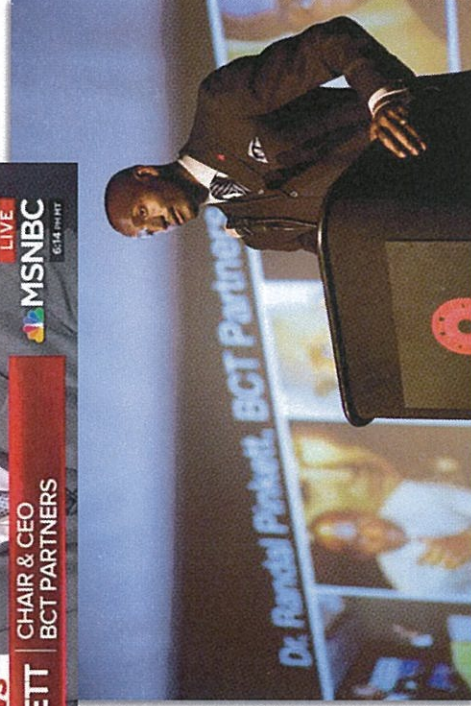
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THE STATE OF MINORITY AND WOMEN BUSINESS IN NEW JERSEY

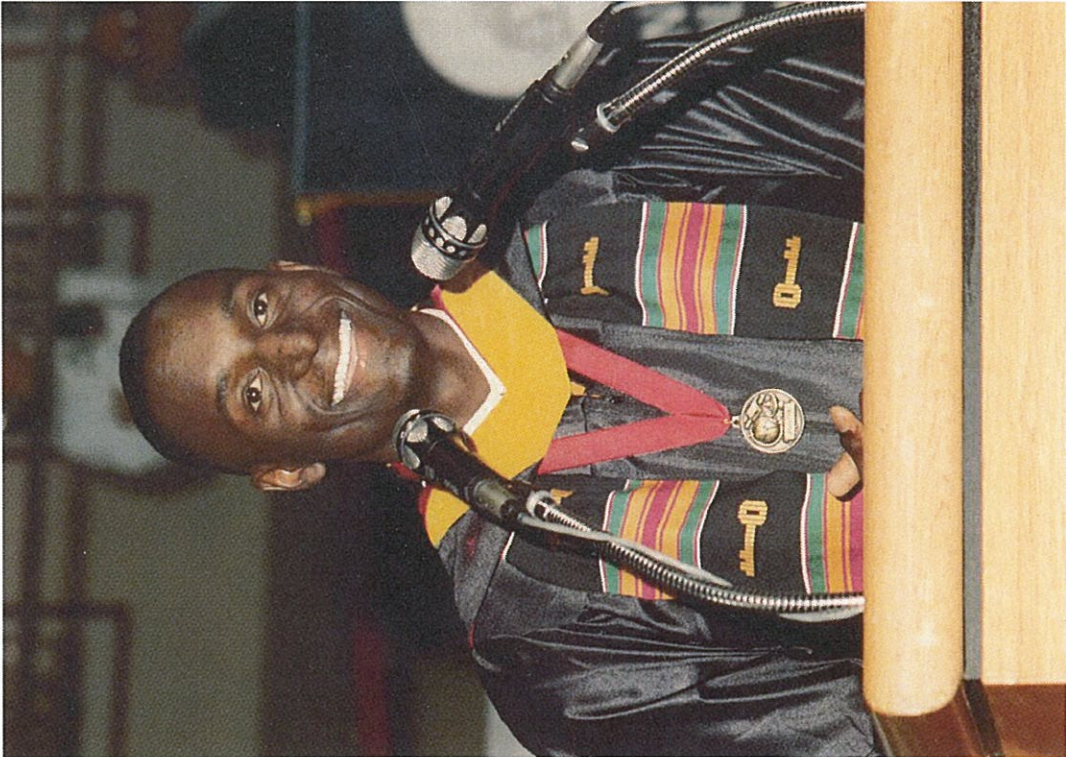
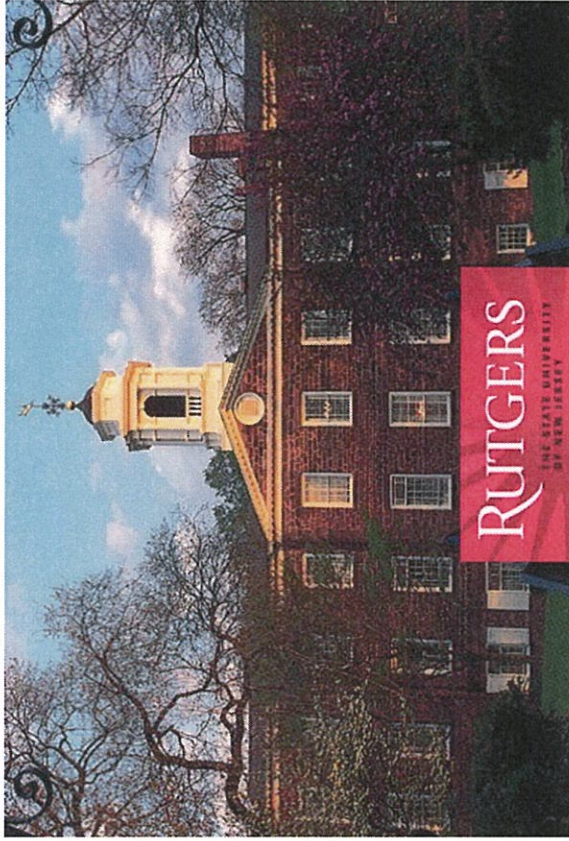
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Speaker, Author & Media
Personality



360NewsWire - Millions of people worldwide are demanding reform, and business leaders are responding. Over the past several weeks, **Dr. Randal Pinkett**, the Chairman, and CEO of **BCT Partners** and author of the book *Black Faces in White Places*, and the forthcoming *Black Faces in High Places*, has been called and spoken with thousands of business leaders. He has offered them his insights, advice, and practical steps for action. His conversations have uncovered seven common myths about racial inequality in the workplace that he believes must be addressed by all organizations. He has also been empowered to address, having founded **BCT Partners** with the mission of providing insights and solutions to help organizations achieve their full potential.



11x



12x



BCT Partners History

- Founded by four Rutgers classmates (left to right):
 - Dallas Grundy
 - Lawrence Hibbert
 - Randal Pinkett and
 - Jeffrey Robinson
- In 1993, they launched **MBS Educational Services & Training**
- In 2000, they launched **BCT Partners**



BCT PARTNERS
Your Partner in Solutions that Matter

13x

BCT Partners Named to Black Enterprise's 2019 Top 100 List

BE 100 honors the largest black-owned businesses within the U.S.

NEWS PROVIDED BY
BCT Partners →
Aug 14, 2019, 08:34 ET



NEWARK, N.J., Aug. 14, 2019 /PRNewswire/ -- Black Enterprise named BCT Partners to their top 100 industrial/service list for 2019 comprising the largest black-owned businesses within the United States. Every year since 1973, **Black Enterprise** has compiled this list of economic powerhouses covering a wide-range of sectors including banking, manufacturing, technology, food services, automotive and consulting. The combined yearly revenue of these companies is greater than 25 billion dollars and together they employ over 70,000 workers nationwide.

"We are so pleased to receive this recognition just as we are about to celebrate our 20-year anniversary in business," says Dr. Randall Pinkett, Co-founder and Managing Partner of BCT Partners. "When my three business partners and I started this company, we had one goal -- to work towards creating a more diverse and equitable society. We believed that we could be more effective as a team and that by combining our knowledge and skills, we could help both the private and public sector begin to solve complex social issues."

The four co-founders of BCT Partners all studied at Rutgers University and chose to headquarter their company within Newark, NJ in order to better support their alma mater as well as the local community. In fact, BCT Partners has been instrumental in economic development efforts within the city with both Dr. Pinkett and Lawrence



Randall Pinkett and Lawrence Hibbert of BCT Partners



15x

Facts and Figures

THE STATE OF MINORITY AND WOMEN BUSINESS IN NEW JERSEY



NJ MWBE Procurement Timeline

July 2003	Minority and Women Set-Aside Program Disbanded
Sep 2003	Disparity Study Commissioned
July 2004	Disparity Study Period Extended
Nov 2004	Gov. McGreevey Resigns / Gov. Codey Sworn-In
Jun 2005	Disparity Study Published
Jan 2006	Gov. Corzine Inaugurated
Sep 2006	Gov. Corzine Signs Executive Order 34
Jan 2010	Gov. Christie Inaugurated
Jan 2018	Gov. Murphy Inaugurated
????	Minority and Women Set-Aside Program Reestablished



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The State of Minority and Women Business in New Jersey

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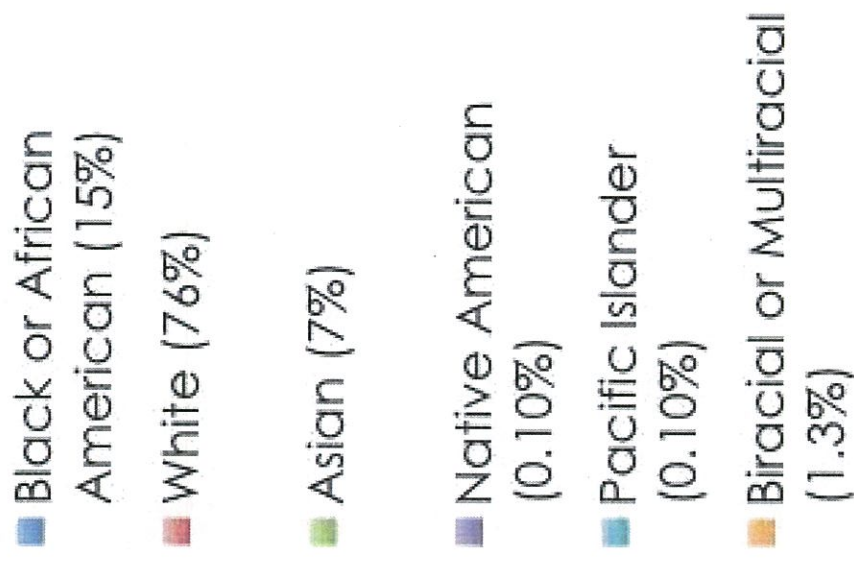


The State of Minority and Women Business in New Jersey

- MBEs are underrepresented in New Jersey

18x

New Jersey Demographics



16% Hispanic or Latino

19x



MBEs are underrepresented...

- For example:
 - African Americans are 15% of the NJ population and 7.7% of business owners (Source: 2010 U.S. Census)
 - Of the 60,000+ Black-owned businesses in NJ, 93% are sole-proprietorships (Source: 2010 U.S. Census)
 - Black-owned businesses in NJ increased 66% from 2002 to 2007, but only created 39 jobs (Source: The Record)
 - The “Black Enterprise” list of the Top 100 Black-owned businesses offers more insight (Source: Black Enterprise)...

20x



Black Enterprise Industrial/Service Top 100

State	Number of Black-Owned Businesses
Virginia	9
Georgia	8
Maryland	7
Texas	7
New York	4
New Jersey	1

Source: Black Enterprise (2008)



Black Enterprise Top 100

Category	New York	Georgia	New Jersey
Industrial/Service	4	8	1
Private Equity	4	1	0
Asset Management	3	1	0
Investment Bank	7	1	0
Advertising	2	3	1

Source: Black Enterprise (2008)



The State of Minority and Women Business in New Jersey

- MBEs are underrepresented in New Jersey

23x

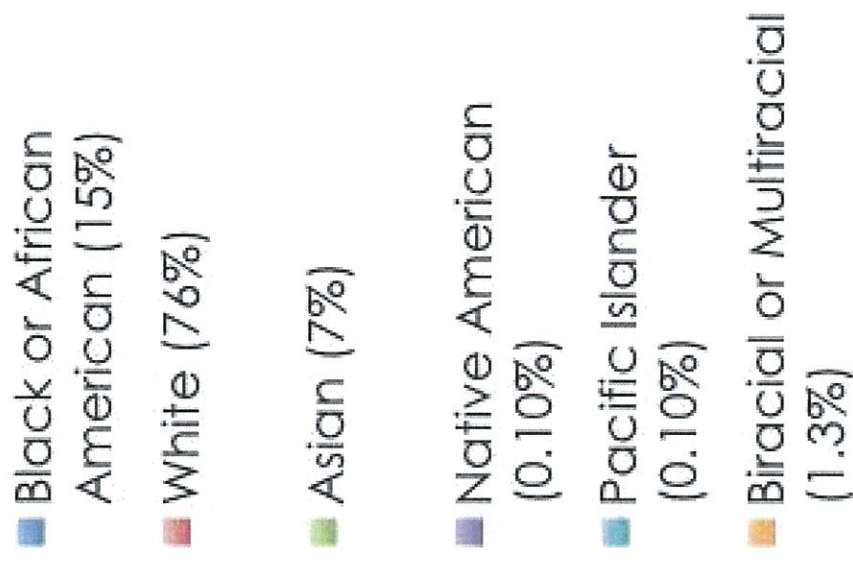


The State of Minority and Women Business in New Jersey

- MBEs are underrepresented in New Jersey
- Abysmally low number of procurement dollars and contracts reach MWBEs in New Jersey

24x

New Jersey Demographics



16% Hispanic or Latino

25x



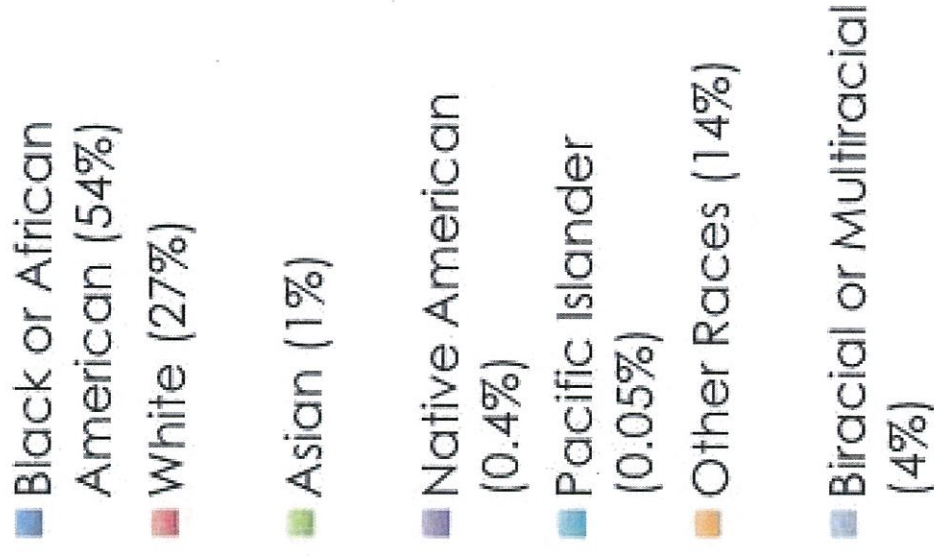
State of New Jersey Business Utilization (Professional Services / 2000-2004)

26x

Entity	MWBE	Non-Minorities
Commissions	0.29%	99.71%
Authorities	0.62%	99.38%
Colleges/Universities	1.84%	98.16%
Agencies	1.55%	98.45%

Source: State of New Jersey Disparity Study in Professional Services, Other Services, and Goods and Commodities
[Professional Services]

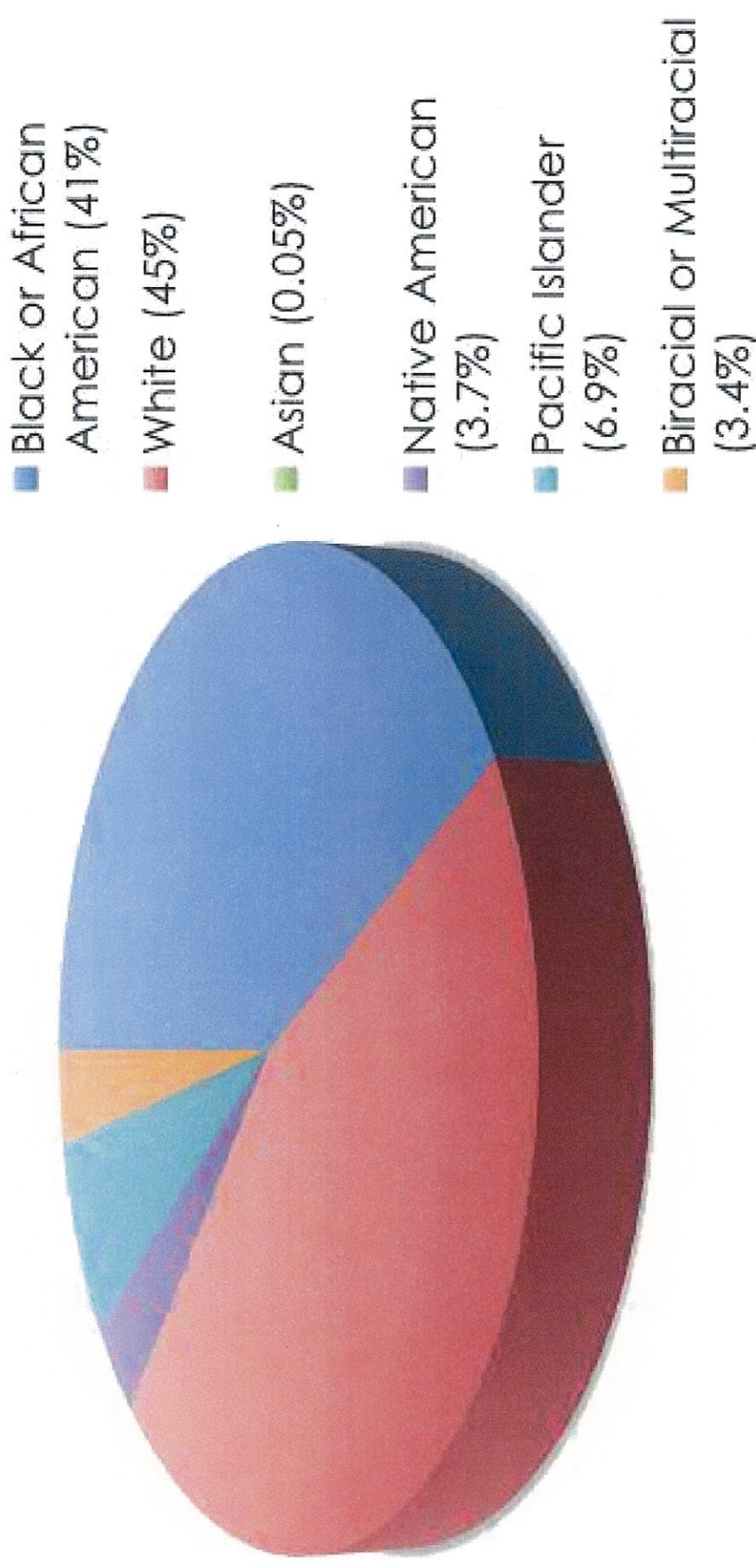
Newark Demographics



27x

30% Hispanic or Latino

Essex County Demographics



28x

15% Hispanic or Latino



Essex County Business Utilization (2002-2004)

Group	% Contracts	% Dollars
Hispanic	0.89%	2.72%
Women	0.98%	1.85%
Asian	0.45%	1.43%
Black	3.65%	0.23%
All Minorities	4.35%	3.42%
Non-Minorities	92.8%	91.2%

Source: The County of Essex Disparity Study Commission



The State of Minority and Women Business in New Jersey

- MBEs are underrepresented in New Jersey
- Abysmally low number of procurement dollars
and contracts reach MWBEs in New Jersey

30x



The State of Minority and Women Business in New Jersey

- MBEs are underrepresented in New Jersey
- Abysmally low number of procurement dollars and contracts reach MWBEs in New Jersey
- **New Jersey's urban centers are "leaking" dollars**

31x



Newark Retail Leakage

Ward	Leakage
North	\$250M
West	\$171M
South	\$91M
East	\$61M
TOTAL	\$573M

Source: Newark Department of Economic Development



The State of Minority and Women Business in New Jersey

- MBEs are underrepresented in New Jersey
- Abysmally low number of procurement dollars and contracts reach MWBEs in New Jersey
- **New Jersey's urban centers are "leaking" dollars**

33x



The State of Minority and Women Business in New Jersey

- MBEs are underrepresented in New Jersey
- Abysmally low number of procurement dollars and contracts reach MWBEs in New Jersey
- New Jersey's urban centers are "leaking" dollars
- **Technical assistance ecosystem is narrowly focused on start-ups and small businesses**

34x

The State of Minority and Women Business in New Jersey

- MBEs are underrepresented in New Jersey
- Abysmally low number of procurement dollars and contracts reach MWBEs in New Jersey
- New Jersey's urban centers are "leaking" dollars
- Technical assistance ecosystem is narrowly focused on start-ups and small businesses
- ***These combined factors contribute to stalled economic development and job creation in New Jersey's communities***

35X



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36x

Promising Practices

THE STATE OF MINORITY AND WOMEN BUSINESS IN NEW JERSEY

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Federal Government

37x

“Socioeconomic status of the Vendor shall be considered as a primary evaluation factor for award with the goal of achieving one of the Agency’s socioeconomic goals to increase small business participation as prime contractors.”



U.S. Department of Housing and Urban Development

38x
“[The Government] is strongly committed to ensuring the small businesses, veteran-owned small businesses, service-disabled veteran owned, HUBZone small businesses, disadvantaged businesses, women-owned and 8(a) small businesses have maximum opportunity to participate as prime contractors.”



U.S. Department of Housing and Urban Development

39x

*"To reinforce its commitment, over
51% of the level of effort and
51% of the proposed dollars must be
attributed to small business."*



District of Columbia

Preference points for local, small, and disadvantaged business enterprises (out of 112):

40x

- Small Business Enterprise 3 points
- Resident-Owned Business 5 points
- Longtime Resident Business 10 points
- Local Business Enterprise 2 points
- Enterprise Zone Business 2 points
- Disadvantaged Business Enterprise 2 points



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41X

The Future

THE STATE OF MINORITY AND WOMEN BUSINESS IN NEW JERSEY

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On Maynard Jackson, Mayor of Atlanta, GA...

42x
“In 1973, fewer than 1 percent of [Atlanta’s] contracts went to minorities. Five years later, it was 38.6 percent. At one point, more than 80 percent of all minority contracts at U.S. airports were in Atlanta, prompting Jackson once to boast that he had helped create 25 new black millionaires...”

Source: The Black Commentator



On Maynard Jackson, Mayor of Atlanta, GA (cont'd)

“ ... Those first 25 millionaires, with the assistance of the next three black Atlanta mayors, have helped to create scores of additional black millionaires along with the thriving, empowered, well-connected and ambitious business and professional class which identifies with the people who run Atlanta to this day.”

Source: The Black Commentator



NJ MWBE Procurement Timeline

July 2003 Minority and Women Set-Aside Program Disbanded

44x

Sep 2003	Disparity Study Commissioned
July 2004	Disparity Study Period Extended
Nov 2004	Gov. McGreevey Resigns / Gov. Codey Sworn-In
Jun 2005	Disparity Study Published
Jan 2006	Gov. Corzine Inaugurated
Sep 2006	Gov. Corzine Signs Executive Order 34
Jan 2010	Gov. Christie Inaugurated
Jan 2018	Gov. Murphy Inaugurated

Where do we go from here?



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45X

THE STATE OF MINORITY BUSINESS IN NEW JERSEY

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46x

THE STATE OF MINORITY AND WOMEN BUSINESS IN NEW JERSEY

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Procurement Queen

Joint Committee on Economic Justice and Equal Employment Opportunity
State House Annex
P.O. Box 068
Trenton, NJ 08625-0068

December 3, 2020

RE: Denise Williams (Procurement Queen) Testimony

Dear Joint Committee on Economic Justice and Equal Employment Opportunity,

My name is Denise Williams, and I am the founder of a procurement education firm. Our core value is the economic empowerment of entrepreneurs. I have over eighteen years of leading Procurement Teams in various industries with annual spend of over \$2B. I grew the supplier diversity programs, trained vendors and internal personnel.

I have a Bachelor's Degree in Finance from Rutgers University and a Master's in Business Administration and Accountancy from Saint Peter's University. I have numerous procurement certifications; I hold a Qualified Purchasing Agent (QPA) certification from the state of New Jersey, Registered Public Purchasing Official (RPPO) certificate from New Jersey, Certified Professional in Supply Management (CPSM), Certified Professional in Supplier Diversity (CPSD) and I hold a Diploma level certification from the Chartered Institute of Procurement (CIPS).

My company was birthed after hearing the frustration, hopelessness and pain from minorities and women business owners. Minorities and women small business owners are at an economic disadvantage in competing for government contracts.

1) There need to be education and awareness of procurment opportunities.

The photographer that is taking pictures at the wedding or baby shower need to also be aware that there are government contracts for photographers. Photographers are needed to take pictures of politicians, ribbon cutting ceremonies and public events, etc.

The barbershop owner in your neighborhood need to know that there are government contracts for the services and products they provide. Barbers are needed for prison and detention center contracts, which often includes the supplies such as comb, grease, etc.



Procurement Queen

The teacher that devoted a lifetime to educating children need to know that when they retire there are government contracts for curriculum writers and professional development training. They can continue to positively impact generations to come.

2. Execution, minorities and women feel hopeless just by reading the RFP

I see a lot of barriers to entry for minorities and women. My client the founder of www.PostandClaim.com told me she applied to several RFPs (solicitations) and have not won any. So I recently reviewed a billing RFQ and saw immediately the following barriers to entry.

- No sub-contractors/sub-consultants are permitted.
- References. Provide a Minimum of 10 New Jersey Municipal EMS Services.

If no sub-contractors/sub-consultants are permitted, then minority businesses need to form a joint venture which is an additional cost. If the business is new, then how do they get experience to provide a minimum of 10 references with New Jersey Municipal EMS Services.

3. Experience

In some RFPs the government entity request for 15 years of experience. How is a minority and woman small business suppose to get experience when they have been systemically left out of the procurement process? This requirement is too restrictive.

The evaluation committee vetting solicitations such as Request For Proposal (RFP), Request For Qualifications (RFQ), Request For Information (RFI) need to include a minority. The government entity personnel job performance rating should include a goal for awarding contracts to minorities and women. There needs to be accountability and goals (SMART goals) that are measurable.

I want minorities and women to compete, win and perform government contracts.

Thanks,

Denise Williams, MBA, MS, QPA, RPPO, CPSM, CPSD, CIPS

www.procurementqueen.com

Team@procurementqueen.com