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**Testimony of
The Permanent Commission on the Status of Women
Before the
Higher Education and Employment Advancement Committee
March 11, 2014**

Re: SB 401, AAC Workforce Diversity Standards of Contractors Performing Work at Southern Connecticut State University

Senators Cassano and Boucher, Representatives Willis and LeGeyt, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) regarding the above referenced bill.

S.B. 401 would change contracting requirements by establishing that the contractor's general bid allocate 25% for minority-owned businesses and 6.9% for women-owned businesses. While these are noble changes, we believe the decision to redefine contract percentages should coincide with the outcomes of a new disparity study.

Over the past two years, PCSW has participated in workgroups and discussions with the Department of Administrative Services, the Commission on Human Rights and Opportunities, the African-American Affairs Commission, the Asian-Pacific Affairs Commission, and the Latino and Puerto Rican Affairs Commission, and a regional minority supplier group to address issues to strengthen the State's Supplier Diversity Program. Since the last disparity study for the State was done 26 years ago, we agreed that a study needed to be completed prior to making any changes in the existing set-aside goals. A disparity study will provide the General Assembly and state agencies with information to make a decision based on the actual numbers of women and minority-owned businesses. We agree with many who say that the current set-aside numbers are outdated and most likely lacking legal credibility, however designating ratios without accurate data may present the same problems.

Impact on CT Women

When compared nationally, Connecticut ranks 30th in the growth of women-owned businesses.¹ Between 1997 and 2012, Connecticut increased 40% in the number of women-owned firms.² In 2011, Connecticut women-owned firms totaled 97,700, an increase of 4.5% from 2007, and generated \$15.4 billion in revenues.³ Seventy-two percent (72.2%) of women owned business in Connecticut have less than \$500,000 in receipts and 27.7% have less than \$100,000 in receipts.⁴

For many women business owners, establishing and expanding one's clientele and doing business with the state are ways to grow a business and develop long term stability. A strong State set-aside program with accurate data and appropriate supports will lift both women and minority-owned businesses generate greater income for everyone. However, we believe it is premature to move this bill forward at this time.

Since there has been no analysis of the current status of women-owned and minority-owned businesses, reserving 25% of the contracts solely for minority-owned businesses may prove to be detrimental to women-owned businesses. We urge the General Assembly to have an updated disparity study in place before making any changes to the existing set-aside goals.

We offer our assistance in any efforts to address the concerns of women-owned businesses. We look forward to continuing to work with you on this issue. Thank you.

¹ The State of Women-Owned Business Report (March 2012). Retrieved from <<http://openforum.com/womenbusinessreport>>.

² Ibid.

³ Hartford Business (2011), *Women-Owned Businesses Growing in Connecticut*. Retrieved from <http://www.hartfordbusiness.com/news17960.html>>..

⁴ National Women's Business Council (2006), *Explaining State Level Differences in Women Owned Business Performance*. Retrieved from <<http://www.nwbc.gov/ResearchPublications/documents/StateWOBPerformance.pdf>>