

**INCLUSION WORKS FOR ALL PHILADELPHIANS**  
**Mayor Michael A. Nutter**  
**Feb. 8, 2010**

It's inspiring for me to see so many people here today committed to growing an economy that offers opportunity for everyone in the City of Philadelphia.

We live in a time when markets, here and abroad, are linked as never before.

Philadelphia is a world-class city and a city of great diversity. It's been one of our great strengths.

But in the years to come, our diversity will keep us strong only if all Philadelphians are included in all opportunities to prosper, only if everyone has the chance to compete and be successful.

Our duty is to foster diversity among the ranks of entrepreneurs whose vision and drive create wealth and employment as well as diversity in the workforce itself so that we can build a larger and stronger middle class.

To create this economy of inclusion will take new partnerships, bringing together businesses large and small, the lending community, labor, city government and the array of business associations, non-profits and the Foundation community -- all committed to breaking down barriers that have held this city back in the name of a more prosperous and just society.

In October 2008, I signed an Executive Order, which is now transforming city government's relationship with minority-, women- and disabled-entrepreneurs and would-be entrepreneurs.

We took an agency that was buried in the depths of the city Finance Department , isolated far from where economic policy is debated and decisions made and moved it to the city Commerce Department where issues of inclusion are now first and foremost a critical part of our economic decision-making process at all levels.

The new Office of Economic Opportunity, the OEO, is overseen by the Economic Opportunity Cabinet, composed of the managing director, the finance director, the city solicitor, the four Deputy Mayors, the Chief Integrity Officer, the Procurement Commissioner and me, as chair.

This change in structure flowed from a fundamental shift in our thinking and my personal belief about minority-, women- and disabled-owned businesses.

For these businesses, winning a city contract is important but it's not quite honestly enough, and it's certainly not an end in itself.

Rather, we believe city government's economic power can best be employed by helping these small businesses gain the technical expertise and capacity needed to grow in the Philadelphia regional and even the global economy.

And this mission is so important that it demands oversight at the highest level of government. That's why some of the most senior decision makers in the government now sit on the Economic Opportunity Cabinet.

In the last year, our administration has been intensely focused on jobs – their preservation and their creation.

The Great Recession has been painful for families, of course for city government and especially for small business owners who have seen customers disappear and their access to capital sharply limited – and frankly minority, women and disabled-owned company owners know this better than anyone.

Poverty and unemployment disproportionately impact minorities in Philadelphia. That's a fact. Therefore, growing more and larger minority, women- and disabled-owned businesses, which generate jobs in neighborhoods, is absolutely critical to our future.

In a city where a majority of residents are Black, Latino and Asian and women, we should no longer be satisfied that only a quarter of the city's estimated 63,000 small businesses are owned by minorities, companies that generate about 3 percent of total business revenues.

We should no longer be content that only a fifth of these small businesses are owned by women. I am not satisfied; we must do better.

Today, we're releasing our strategic plan to help correct these painful disparities that are a historical deadweight on Philadelphia's future prosperity. Some of the plan's initiatives are already completed, others are in process or planning.

The strategic plan focuses on two broad but important goals – how can the City of Philadelphia spur the creation of more minority-, women- and disabled-owned businesses and how can the city ensure that more of these businesses have access to work from city government and also from the for profit and non-profit corporations in the regional economy.

**Goal No. 1**, by the end of FY2011, we're aiming to increase by 25 percent the number of businesses on our registry of minority, women and disabled owned businesses.

With more companies on the city registry, City departmental managers or staff will no longer have the excuse that they can't find a qualified company to do the work.

To accomplish this goal, OEO must change its ways. It can no longer devote most of its resources to the complicated task of certifying a business as minority or women-or disabled- owned.

Fortunately, there are many local, state and federal certification programs that make sure a business is what it says it is. The city will use those certification programs and essentially get out of the certification business.

OEO staff will therefore devote itself to the more fruitful task of growing the number of small businesses and their fiscal and operational capacity.

We'll link our larger minority- and women-owned businesses with newcomer firms in mentoring relationships, and using that mentoring model, we'll help new businesses consult with leaders in high-growth industries, key educational institutions and finance firms.

And we'll work with the Greater Philadelphia Chamber of Commerce and its CEO Access Network that pairs leaders from large majority-owned businesses with smaller, minority owned businesses. That program has doubled in size in its second year.

As part of our overall outreach to immigrant communities, the Commerce Department will link new immigrant entrepreneurs with its range of services, particularly its commercial corridor programs.

Last week, City officials participated in a workshop at The Enterprise Center that brought together small minority-owned businesses for meetings with major contracting businesses and public sector agencies, all involved in spending Federal Recovery dollars.

It was a massive networking session for recovery dollars. And these kinds of structured events really do work.

Using tools like that, the City in effect is helping create a network where big companies and the newcomers can get to know each other, exchange information and begin to do business ... profitably.

But if Philadelphia wants to mount the bully pulpit and urge corporations and non-profits to contract with these small businesses, it must in fact walk the walk.

**Goal No. 2:** By July 2011, we're aiming to increase the participation rate of minority-, women- and disabled-businesses in city contracts from the current level of under 18 percent to at least 25 percent, a level that we must sustain and surpass in the following years.

In the last two years, in part due to the recession, we have not made progress that I would like in raising the participation rate of these disadvantaged businesses.

But now, we have the management, staff and the plan to carry out this aggressive goal. There's no doubt in my mind that we can be successful.

OEO staff will work closely with the procurement and contract staff across all departments throughout city government, helping them craft departmental contracting goals, designing contracts that encourage small business participation and tracking actual payments to the small business subcontractors.

In the past, a city department could trigger a non-competitively bid service contract without OEO involvement. We're now changing the automated contract information system to make sure that OEO review is an early checkpoint in the contracting process.

And we're also working on a comprehensive and tough contract enforcement system so that prime contractors will understand without question how serious we are about dramatically increasing minority-, women- and disabled-owned business participation in city contracting.

Diversity is going to be on the ground floor of all economic development and contracting decisions in our government so that people of color and women can get to the top.

All of these efforts will serve to increase the number of firms starting and thriving here in Philadelphia. With OEO embedded in the Commerce Department, OEO staff will be advocates for diverse firms in the city's large economic development activities.

The city will publish its contracting goals department by department and OEO will engage in oversight to make sure we achieve them. City managers and commissioners will be held accountable to their deputy mayors, the Managing Director, other Cabinet officers and ultimately – me.

OEO will be at the table when decisions are made, including the city's lending operations which we've overhauled by making the Philadelphia Industrial Development Corp. the city's primary financing agent and source for technical assistance.

PIDC's one-stop shop will make it easier for small, traditionally-disadvantaged businesses to access capital that they need now, particularly in these tough financial times.

In the last year, we've made some progress on the road to an economy of inclusion.

I can't thank enough the hard work by everyone associated with the Mayor's Advisory Commission on Construction Industry Diversity, chaired by Carl Singley. But I also want to say that all the members did great work.

These dedicated volunteers have charted a course that is now part of OEO's strategic plan. Philadelphia city government is now committed to an action plan to increase the availability and inclusion of minorities and women in the local building trades. And I want to recognize the good work done by Ahmeenah Young, who heads the Pennsylvania Convention Center Authority.

Working in close partnership, the Pennsylvania Convention Center Authority and the Advisory Commission have achieved tremendous results on the Center's beautiful expansion – an almost 29 percent participation by minority, women and disabled owned businesses; that's \$147 million out of \$510 million.

In terms of hours worked, minorities and women have had 36 percent of the total and in the skilled trades that number is 32 percent.

OEO has played a leading role on the Youth Study Center, a \$70 million project rising in West Philadelphia. And in particular, I want to thank Deputy Mayor Everett Gillison for his work on this project. The four prime contractors on this project, who have \$59 million in contracts, have committed \$14 million or 24 percent to minority, women- and disabled owned businesses.

The Redevelopment Authority and its executive director, Terry Gillen, is another great example of what can be done. Last year, RDA achieved a 31 percent participation rate.

For example, Juan Diaz and Carlos Herrera of JC Construction became a certified MBE in June 2009. The company worked as a sub-contractor on a housing rehab under the Neighborhood Stabilization Program.

Based on that work and its own marketing, JC Construction is now a general contractor on two other construction jobs.

As part of its shift to a new kind of service to small businesses, OEO recently began working with Ellen Ryan, an African American businesswoman whose company, Disposal Corporation of America, is growing and needs a new headquarters.

Ms. Ryan contemplated leaving the city, but OEO and the Commerce Department's real estate development services unit are now helping her navigate the city bureaucracy, identifying real estate and financing opportunities through the city that will encourage her to stay in Philadelphia and retain good jobs.

Many small businesses with minimal cash reserves depend on prompt payment from their prime contractors. A slow down can literally mean bankruptcy. OEO has been advocating for small firms, like Atrium International, an African American owned firm with a contract at the Philadelphia International Airport.

OEO's actions have cleared the air and Atrium continues to provide good service.

In a few minutes, we'll hear from Mia Mendoza, whose public relations firm, The Mendoza Group, had second thoughts about becoming a certified minority and women owned firm because of the difficult and in her view, invasive, application process.

With our new system of accepting another agency's certification, we're prepared to work with her to grow her business.

These portraits of success show what can be done where there is the will and the support.

But creating this economy of inclusion, as I said, will require new partnerships and new commitments.

There can be no doubt that inclusion must exist at the very top.

And so, today I'm calling on the corporations in the Philadelphia region, whether for profit or non-profit, to redouble your efforts to diversify their leadership – both on the boards of directors and among senior managers, from CEO's, CFO's, COO's and any other C's you've got.

Even a cursory review of the region's largest employers, including the non-profit world, shows an unacceptably low level of minority, female and disabled participation. This must change, and I call

on corporate leaders to adopt more aggressive goals. Forty years ago, we diversified the lunchrooms, now we need to diversify the board rooms.

This city is blessed with a number of chambers of commerce, from the Greater Philadelphia chamber to the African American, Asian American and Hispanic chambers and many more.

I urge these chambers to partner with each other, sharing information and working with minority, women and disabled-owned businesses to develop an array of mentorship programs, supply chain networks and joint ventures.

If these chambers partner with each other and the city around the issue of inclusion, we will have tremendous success as the recession fades and growth returns.

To the banking community, the American public lent to you; now it's your turn to lend capital to Philadelphia companies, particularly minority, women and disabled owned businesses.

Finally, I call upon the trade unions to work more aggressively on the goals set out by the Mayor's Advisory Commission on Construction Industry Diversity. Some unions have made real efforts and been sincere in trying to achieve diversity; others have a long way to go.

I'm calling on the construction unions to move beyond verbal support by taking concrete actions to show that they are welcoming to minorities and women. We must move from "talk" to training.

For example, testing locations should be that much more convenient as well as prep courses. Why not work out arrangements with Community College of Philadelphia and other higher education institutions right here in Philadelphia, in our neighborhoods?

Why not work with the Black clergy, the Hispanic clergy and other communities of faith to host seminars on the construction industry?

And why not set up training sites at convenient Center City and North Philadelphia locations.

We stand here today in the early years of the 21<sup>st</sup> Century. We can look back to our forefathers who wrote the Declaration of Independence right here in Philadelphia.

The core principle that all men and women are created equal and endowed with the unalienable rights of life, liberty and the pursuit of happiness remains as true today as then.

With Rev. Martin Luther King Jr., whose birthday we recently celebrated in a Day of Service, we can look to a better future.

His great "I have a Dream" speech in Washington was part of a Poor Peoples Campaign, calling attention to the profound disparities in wealth in America. It's a campaign that must continue because our work is not done.

Dr. King said that tossing a coin to a beggar was a non-solution. True compassion, he said, requires examination of the entire economic system that produces such wide income disparities.

**My goal is to close those gaps because future generations of children of color depend on what we do today and moving forward.**

**We all know the system needs improvement. We understand that to achieve our forefathers' goals, people need the full, unobstructed opportunity to succeed – with education or training that leads to a life sustaining job or business success.**

**I believe that inclusion works. It will help Philadelphia become more prosperous. Economic exclusion must end because Philadelphia can't grow with an economic noose around our collective necks.**

**It will help us become a safer city because more small businesses in the neighborhoods will provide the jobs that turn lives around.**

**And from the ranks of small business will come new community leaders and the future big businesses in Philadelphia that will grow our economy. Inclusion works. Right here in Philadelphia.**

**Thank You.**

**And now I'd like to introduce City Councilman Wilson Goode Jr. for comments.**