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Disparity Study Kickoff Meeting

**What is a Disparity Study, What are its major elements
& How can local business owners participate?**

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Austin, Texas
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Insight in Economics™

What is a Business Disparity?



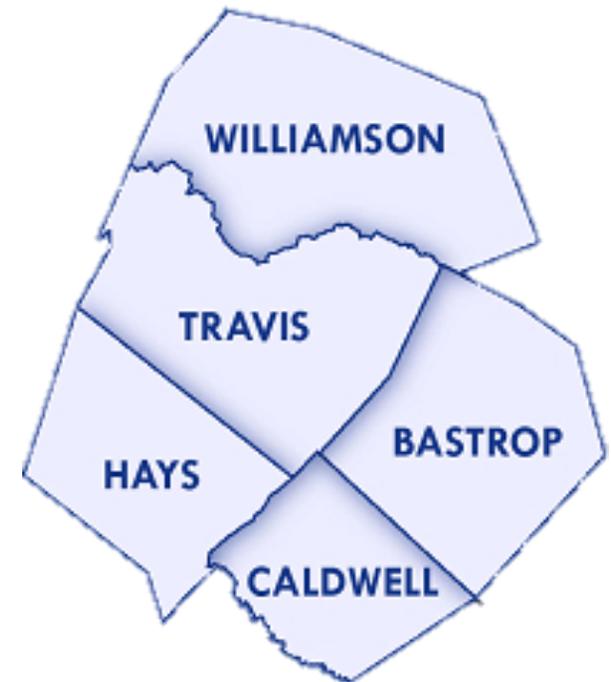
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Minorities overall in the Austin Metro Area are **more than:**

- 42% of the population over 16
- 43% of the civilian labor force

But they account for **less than:**

- 23% of business owners
- 14% of business sales & receipts



Why?

Source: American Community Survey (2010-2012); Survey of Business Owners (2007); & calculations by NERA.

What is a Business Disparity?



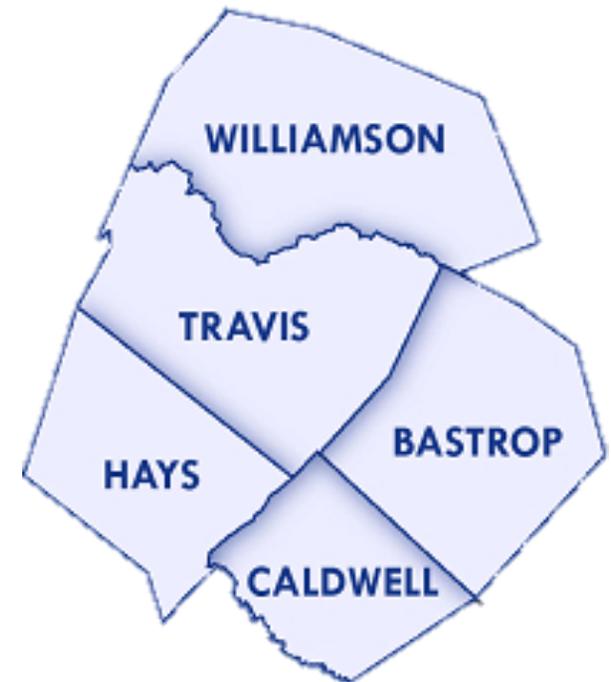
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Women in the Austin Metro Area are **more** than:

- 49% of the population over 16
- 45% of the civilian labor force

But they account for **less** than:

- 30% of business owners
- 11% of business sales & receipts



Why?

Source: American Community Survey (2010-2012); Survey of Business Owners (2007); & calculations by NERA.

What is the Purpose of a Disparity Study?



- Compile evidence necessary to meet constitutional “strict scrutiny” & regulatory requirements
- Measure current levels of business utilization & availability & disparity
- Suggest recommendations to enhance program effectiveness
- Increase opportunities for full & fair competition in local government procurement

What are the Legal Standards for Disparity Studies?



- Race-Conscious M/WBE programs must meet “strict constitutional scrutiny”
- Strict scrutiny is the most demanding level of judicial review
- Two-part test:
 - Compelling interest in remedying identified discrimination established by “strong basis in evidence”
 - Remedies must be “narrowly tailored” to that evidence
- Government has the burden of producing evidence in response to a legal challenge to a race-conscious program

What are the Major Elements in a Disparity Study?



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1

Meet to establish roles & responsibilities

2

Determine legal standards & strategies

3

Conduct informational meeting with stakeholders and interested businesses

4

Assemble master directory

5

Collect data; Determine relevant markets

6

Perform economy-wide analyses

NERA's Approach to Disparity Studies

In conducting disparity studies, our experts focus on the key factors—such as firm size, time in business, qualifications, and experience—that are likely to be tainted by discrimination. We also look beyond an agency's specific contracting activities and analyze disparities in the marketplace as a whole in order to provide a more accurate and relevant picture of the state of business discrimination in a particular region.

NERA's approach typically includes the following steps related to collecting and analyzing data, developing recommendations, and presenting our findings:

7

Merge records for availability

8

Gather anecdotal evidence from surveys & focus groups

13

Provide client recommendations

12

Prepare & present reports

11

Evaluate policies & review approaches

10

Produce estimates & perform analyses

9

Conduct race and gender classification surveys

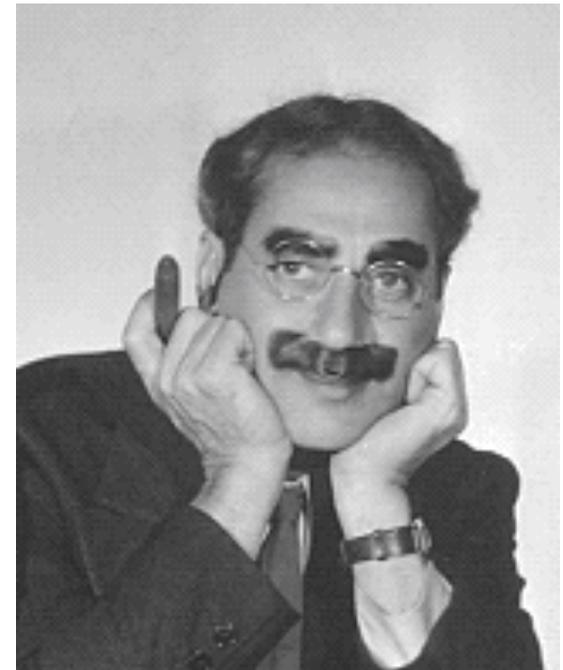
Database Construction & Statistical & Economic Analysis



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*“A child of five would
understand this.
Send someone to fetch
me a child of five.”*

(Groucho Marx, 1890–1977)



How and When Can Local Business Owners Get Involved?



- Business Owner Interviews
 - *Construction*
 - *Professional Services*
 - *Non-Professional Services*
 - *Commodities, Supplies & Equipment*
 - *Airport Concessions*
- 20-30 Business Owners per Session
- Moderated by NERA Subject Matter Experts
- Will Be Held July-August 2014
- Exact Dates & Locations to Be Determined

How and When Can Local Business Owners Get Involved?



- Stakeholder Meetings, Hosted by NERA &:
 - *Austin Area Black Contractors Association*
 - *U.S. Hispanic Contractors Association de Austin*
 - *Asian Contractor Association*
 - *Associated General Contractors & Associated Builders and Contractors (Tentative)*
 - *Veterans (Co-Host Organization TBD)*
- 20-30 Business Owners per Session
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How and When Can Local Business Owners Get Involved?



- Business Owner Experience Surveys:
 - Short 14 Question Multiple Choice Survey
 - Takes about 10 minutes to complete
 - Both paper and online versions will be available
 - Sent to a *random sample* of business owners in specific industry categories
 - Expected to be mailed in August 2014
- Finally, written or spoken comments will be accepted throughout the course of the study:
 - DisparityStudy@NERA.com
 - 1-866-756-NERA (1-866-756-6372)

Sample Discussion Topics: Discrimination



- Discriminatory attitudes;
- Negative perceptions and expectations of competence;
- Workplace harassment;
- Being paid on equal terms;
- Exclusion from industry and information networks;
- Discrimination in access to commercial loans;
- Discrimination in access to surety bonds;
- Barriers to obtaining public sector contracts;
- Barriers to obtaining work on contracts without goals or on private sector projects

Sample Discussion Topics: Program Feedback



- Significance of MBE/WBE, DBE/ACDBE & HUB programs;
- Supportive services;
- Certification standards & processes;
- Access to information about upcoming opportunities;
- Contract size, specifications & procurement methods;
- Meeting contract goals;
- Contract solicitations;
- Contract monitoring;
- Front companies

Questions & Answers



- Please share your questions with us regarding:
 - How the disparity study works
 - How business owners can be involved
- Please save your substantive questions regarding discrimination, program pros & cons, *etc.* for the upcoming interviews & stakeholder meetings

***THANK YOU AUSTIN AREA
BUSINESS OWNERS!!***



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Contact Us

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