

## **A RACIAL IMPACT ANALYSIS OF HB 834/SB 449: THE VIRGINIA GROWTH & OPPORTUNITY ACT**

### **TEAM MEMBERS:**

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### **PROJECT DESCRIPTION**

GO Virginia is an economic development initiative that seeks to preempt the harsh effects of federal budget cuts on Virginia's economy, which is overly dependent on public-sector jobs. It promotes private sector job growth and workforce development through the use of state-based grants to invest in regionally significant capital projects that call for collaboration between localities, businesses, and education. It is important to be intentional in pursuing GO Virginia's goals, otherwise this legislation may only allocate grants to institutions, organizations, and localities that already have sizeable resources. A critical question rests on how to ensure that low-income and minority communities can maximize the benefits of the legislation. The populations that are most affected by this legislation would depend on how the legislation is implemented. If minority communities are excluded from the process, then it is likely these communities would be insulated from the positive outcomes. It is imperative that minorities are adequately represented in the decision making process. This report explores why minority communities should be represented on the regional councils, which are the catalysts for the proposal process. By being proactive there is an opportunity to provide the same advantages to minority business development. We also explore how to strengthen the minority workforce to better compete for in-demand careers within the emerging industries that this legislation sets out to promote.

### **LEGISLATION OVERVIEW**

#### **Background**

At its core, the Virginia Growth and Opportunity Act ("GO Virginia" HB 834/SB 449) is a business-backed initiative that provides grants to regions to collaborate on economic development projects that diversify the economy and strengthen the workforce. More specifically, GO Virginia is an economic development initiative that seeks to preempt the harsh effects of federal budget cuts on Virginia's economy, which is overly dependent on public-sector jobs, by promoting private sector job growth and workforce development through the use of state-based financial incentives to invest in capital projects of regional significance that call for collaboration between localities, businesses, and education. By investing in capital projects of regional significance that satisfy the requirements laid out by GO Virginia and that tap into industries and sectors that show sustainability and growth potential, this initiative endeavors to make the Commonwealth's economy and workforce more resilient.

Following the harsh impact of federal budget cuts in 2013 known as sequestration, Virginia continues to trail the nation in economic recovery and job creation (O'Connell, 2015). GO Virginia was enacted to address this issue. When Congress failed to reach an agreement on reducing the federal budget deficit, sequestration automatically took effect and imposed deep cuts on federal spending. This caused businesses to cut back in order to maintain budgets, furlough employees, and lay off employees.

*In 2012 the threat of sequestration created unease about Virginia's financial future...With 30 percent of Virginia's economy tied to federal spending, a 15.2 percent decline [in federal government jobs] from 2011 to 2014 put extra pressure on the public sector,*

*namely public contract businesses. The Department of Defense reduced procurement spending by 21.8 percent, or about \$9.8 billion. Federal payroll dropped 7.5 percent or \$1.16 billion, resulting in 13,700 fewer federal jobs since 2010. Federal contract spending was reduced in FY 14 by 4.5 percent and is estimated to be reduced by double that at 9.2 percent in FY 15 resulting in the loss of nearly 22,000 jobs in Virginia that year (New, 2016).*

Concerns remain about the impact of future budget cuts in the event that the United States Congress cannot agree on a budget. In 2015 Virginia ranked 48<sup>th</sup> among the states for economic growth (O'Connell, 2015). Thirteen of Virginia's top 20 employers are either public sector enterprises or contractors overwhelmingly dependent on the public sector (New, 2014). Virginia ranks number one among states in federal spending for contracts and procurement, leaving the Commonwealth most vulnerable to federal budget cuts. The Department of Defense is by far the largest employer in Virginia. When federal budget cuts reduce federal contracts then it creates a domino effect that brings less businesses to the companies that are contracted thus causing them to scale back operations in order to maintain their financial stability.

Anticipating a scenario where Virginia's heavy reliance on its public-sector economy remains under continued threat of federal budget cuts, GO Virginia offers a solution that would incentivize collaboration between localities and various industries to grow the private sector.

### **Mission**

GO Virginia was initiated by the Virginia Business Higher Education Council and the Council on Virginia's Future as a means to diversify Virginia's economy and guard against future budget cuts by encouraging private-sector growth through state incentives that foster regional collaboration by business, education, and local governments in each of Virginia's regions. The legislation was introduced by Delegate Kirk Cox in the House of Delegates, and Senator Janet Howell in the Senate of Virginia. It passed both the House of Delegates and Senate with strong bipartisan majorities and earned the Governor's signature.

GO Virginia identifies three main points that guide this initiative:

1. **Virginia urgently needs strong private-sector growth.** Virginia is trailing the national average in economic recovery and job creation for the first time in 50 years. The Commonwealth must diversify its economy by pursuing stronger private-sector growth.
2. **Growth in Virginia's diverse regions requires collaboration.** Virginia's eight geographic regions present a variety of opportunities for private sector job growth due to a wide range of industries and institutions they harbor. This collaboration will breed a level of accountability that has thus far been lacking, as each of these partners develop ownership in GO Virginia's mission.
3. **State government must be a catalyst and partner.** Virginia must be a reliable partner in promoting these regional efforts and ensuring that these state-funded initiatives fortify economic output and boost job creation in each region (GO, 2016).

GO Virginia recognizes that state-funded incentives can have a significant positive impact on private-sector job growth in five ways – innovation, investment, improvement, invention, and infrastructure.

### **Goals and Implementation of Legislation**

Collaboration is a key component to GO Virginia, as it imposes accountability on all parties involved in the process. By incentivizing regional collaboration among businesses, education, and at least two local governments, GO Virginia calls for a bottom-up approach, specifically in its proposal review and grant allocation processes that seek to boost private-sector growth, job creation, and career readiness.

GO Virginia's implementation will occur in various stages with Regional Councils established across the Commonwealth, a 24-member board, local governments, and businesses all playing a role. These board appointments consist of leaders in business, education, government, and communities throughout the Commonwealth. Before implementation can take place, the General Assembly will allow a work group to develop guidelines for the initiative by 2017, before grants can be issued. According to the parameters set by the Virginia Collaborative Development Act, the grant program will sunset on July 1, 2026.

Regional councils are certified by the GO Virginia board and are the entity that applies for funding. The councils must be associated with a new or existing organization tasked with or specializing in collaborative planning, economic development, or workforce activities within the region. The regional council assesses their region's workforce training needs and identifies the sectors where there is opportunity for growth. They then can apply for start-up grants to get a project off the ground and send the project to the GO Virginia board to be decided upon (vahousegop, 2016).

To ensure accountability, there will be metrics attached to each project, and if a project is not working then it can be stopped. If a regional council sends a project to the Board that is deemed unsatisfactory, it will be sent back to the council for further vetting. GO Virginia's funding consists of three main components:

- **Capacity Building:** Each regional council may apply for a one-time grant of up to \$500,000 to support organizational and capacity building activities.
- **Regional Population-based Allocations:** A portion of the funds will be allocated to and reserved for each region based on the region's share of Virginia's population. Awards not to exceed the reserved allocation will be based on the criteria set out Virginia Growth and Opportunity Fund guidelines.
- **Competitive Regional Allocations:** A portion of the funds will be available for awards to no more than four regional councils per year based on competitive scoring pursuant to eligibility criteria set out in the Virginia Growth and Opportunity Fund guidelines. (<http://dhcd.virginia.gov/index.php/complete-program-list/310-go-virginia.html>)

GO Virginia requires that, in order to receive a grant, two or more localities that adopt a collaborative economic development plan will be eligible for grants from the fund if the collaboration results in the location or expansion of a company in the Commonwealth that creates at least 200 new jobs with average salaries at least equal to the average wage and makes a capital investment of at least \$25 million. Upon making a written finding of significant fiscal distress in or extraordinary economic opportunity for the participating localities, the GO Virginia Board may lower the job and capital investment requirements to no fewer than 25 new jobs and no less than \$1 million in capital investments and may award up to 100 percent of the total investment of the localities (V.A. House of Delegates. HB 846. Reg. Sess. 2016).

GO Virginia is part of a legislative package focused on economic development. The legislation creates the GO Virginia Board and Fund. GO Virginia works in conjunction with Virginia Collaborative Economic Development Act, contained in HB 846 and SB 459, and the Virginia Investment Research Act, housed in HB 1343. The Virginia Collaborative Economic Development Act creates the Virginia Collaborative Economic Development Fund – to be administered by the GO Virginia Board – which provides incentives and revenue sharing opportunities for localities to cooperate on economic development. The Virginia Investment Research Act establishes the Virginia Investment Committee, which is overseen by the State Council on Higher Education. The Committee administers grants and loans from the Virginia Investment Research Fund in order to enhance investment in collaborative research leading to new business ventures.

### Public Awareness and Support

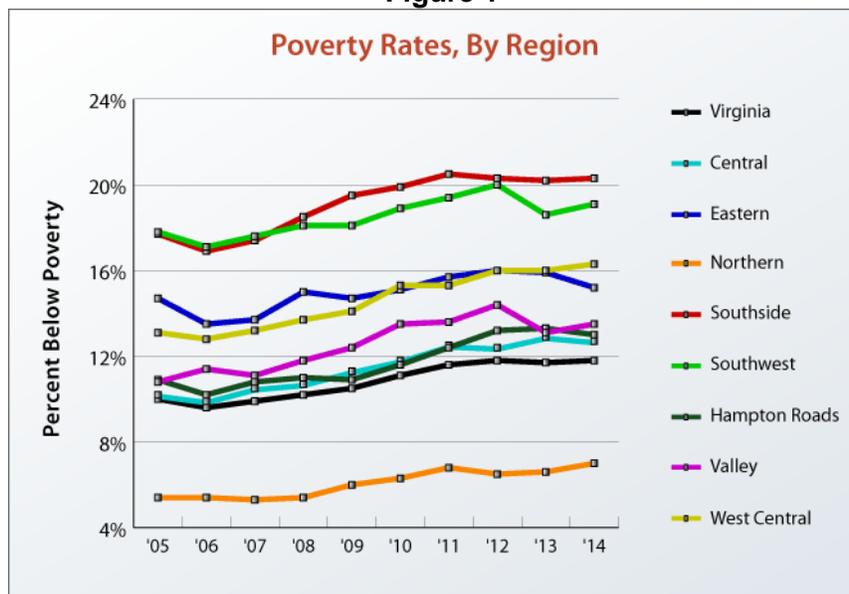
The GO Virginia initiative was launched on July 28, 2015 in public events located throughout various parts of Virginia – including Norfolk, Blacksburg, Richmond, and Danville. Governor Terry McAuliffe attended some of these events, along with business leaders, state legislators, and local officials from their respective regions. These events garnered widespread press coverage from the major publications in each region, providing a strong foundation to introduce the initiative.

The GO Virginia initiative has garnered support from more than 8,100 individual petition signatories, 50 local and regional organizations, 12 statewide organizations, and 18 academic institutions that comprise of all four-year public colleges and universities in Virginia, as well as the community college system. This bi-partisan and business-led coalition supporting GO Virginia recognizes the importance of state incentives as a means to encourage accountable and effective collaboration between business, education, and government in each of Virginia’s regions (<http://www.govirginia.org/about/>).

### Affected Regions and Populations

In 2014, the federal poverty level was \$12,071 and the poverty rate in Virginia was 11.8%. While this was the 12<sup>th</sup> lowest poverty rate in the country, poverty rates rose in over half of Virginia’s eight regions – Northern, Southside, Southwest, Valley and West Central. Poverty rates declined only slightly in Central, Eastern, and Hampton Roads (<http://vaperforms.virginia.gov/indicators/economy/poverty.php>).

Figure 1



Virginia can be divided into eight key regions – Central, Eastern, Southside, Southwest, Northern, Valley, West Central, and Hampton Roads (Virginia Performs b., 2016). The very goals that GO Virginia endeavors to promote – job creation, economic development, and workforce training are needed in some of our most vulnerable minority communities.

Figure 2 - 2015 Poverty Rates in Virginia by Race/Ethnicity in 2015

Location	White	Black	Hispanic	Other	Overall
Virginia	7%	21%	15%	8%	11%

(Kaiser, 2015)

Two of the three poorest regions in Virginia – Southside and Eastern – have African American populations, at 32% and 31%, respectively, that outpace Virginia’s average of 19%. The Southside region has the highest African American population, the highest unemployment rate in Virginia, and from 2010 – 2014 the highest rate of adults without a high-school diploma (Virginia Performs c., 2016). The Southside region provides a prime example of the significance of racially and economically diverse representation in the makeup of GO Virginia’s board and regional councils. Any progress would take time, however, as GO Virginia seeks to expand the private sector economy while strengthening a workforce to take advantage of these new employment opportunities, this will create more resilience in Virginia’s distressed minority communities.

**RACIAL IMPACT ANALYSIS**

While Virginia has a strong economy, there are low income areas scattered throughout the Commonwealth. Some of these locations are comprised largely of minority populations. As such, GO Virginia will work best when the experiences and perspectives that reflect Virginia’s diversity are represented during its implementation and execution. Excluding low income and minority communities from the process will prevent them from taking part in the initiative’s positive outcomes. To address this concern, three challenges to be confronted include: 1) ensuring that the board and regional councils reflect the diversity of their respective regions; 2) promoting minority business development; 3) and developing workforce development initiatives to facilitate pathways to employment and career preparedness in minority communities.

**Opportunity #1 – Diversity and Adequate Representation**

It is crucial that the GO Virginia board and regional council members are indeed truly reflective of Virginia’s diverse population. By doing so, this will ensure the initiative’s application process and implementation is inclusive of all communities and reflect a representative bureaucracy. A representative bureaucracy is a form of representation that captures most or all aspects of an organization’s population in its decision making structure. It is important that GO Virginia reflects Virginia’s diversity. It is imperative to secure adequate minority representation to provide an understanding of the untapped potential within the communities they represent.

Currently the board is not representative of Virginia’s racial makeup. The legislation allocates 13 appointments from the Governor and 11 appointments from the Legislature, for a total of up to 24 board members on the GO Virginia board (Augusta, 2016). Currently on the board are 19 White Americans, 4 African Americans, 0 Asian Americans, 0 Latino or Hispanic Americans, and 0 Native Americans. Figure 3 reveals African Americans to be slightly underrepresented on the GO Virginia Board compared to their Virginia population, while White Americans are overrepresented on the Board. Hispanic, Asian, and Native American’s are currently not included on the Board.

**Figure 3. GO Virginia Board Minority Representation**

	<b>GO Virginia Board</b>	<b>Virginia Population</b>
White American	82.6%	70.2%
Non-white	17.4%	35.7%
African American	17.4%	19.7%
Latino or Hispanic American	0%	9.0%
Asian American	0%	6.5%
Native American	0%	0.5%

The Board’s current racial makeup underscores the importance of establishing diverse regional councils. The legislation requires 8 to 10 regional councils to be established throughout Virginia

that will serve as the primary facilitators in the proposal process. For these councils to be in tune with their region’s most critical needs, they should mirror their region’s demographics. Regional councils that reflect the race, ethnicity, and sex of the people they represent are more likely to consider the interests of all groups in the decision-making process. The value of a representative bureaucracy, as noted by Bradbury and Kellough, is that the presence of minority group members is positively associated with outcomes consistent with the interests of members of those groups (2011). By ensuring councils reflect the populations they represent, an inclusive range of perspectives will be considered during the proposal process.

### **Opportunity #2 – Minority Business Development**

As currently designed, the legislation could create further economic disparities for minority business owners. Unless an exception is made, the legislation requires that the collaboration results in the location or expansion of a company in the Commonwealth that creates at least 200 new jobs and makes a capital investment of at least \$25 million. This requirement may not be feasible for minority-owned firms that face challenges in securing financial and social capital and acquiring technical assistance. Figure 4 illustrates the limited financial standing of minority-owned businesses in Virginia compared to that of white owned firms. However, upon making a written finding of significant fiscal distress or extraordinary economic opportunity, the GO Virginia Board may lower the job and capital investment requirements to no fewer than 25 new jobs and no less than \$1 million in capital investments and may award up to 100 percent of the total investment of the localities (V.A. House of Delegates. HB 846. Reg. Sess. 2016).

In particular, Figure 4 reveals significantly lower numbers of firms with paid employees compared to overall firms when considering race. This inequity presents an opportunity to boost minority business development while satisfying GO Virginia’s jobs requirement and increasing job creation in the private sector. 2012 data shows that 13.8% of minority owned firms have paid employees, compared to 21.7% of white owned firms. Specifically, we find African Americans with 7%, American Indian and Alaska Native with 15%, and Native Hawaiian and Other Pacific Islander with 12.5%, Hispanic with 9%. Asian Americans owned businesses surpassed all groups at 26% (U.S, 2012).

**Figure 4. Data on Virginia Business Ownership by Race (U.S, 2012)**

Owner Group	# of Firms with or without paid employees	Sales, Receipts, or value of shipments of firms with or without paid employees (\$1000)	# of Firms with paid employees	Sales, receipts, or value of shipments of firms with paid employees (\$1000)	# of paid employees for pay period including March 12
<b>White</b>	487,032	\$238,853,011	105,624	\$220,623,024	1,235,866
<b>Minority</b>	185,043	\$37,333,566	25,447	\$32,255,331	239,338
<b>African American</b>	80,124	\$7,870,853	5,637	\$6,296,639	57,325
<b>American Indian &amp; Alaska Native</b>	4,382	\$824,409	657	\$700,915	5,058
<b>Asian</b>	58,390	\$19,634,198	15,136	\$17,601,628	132,383
<b>Native Hawaiian and Other Pacific Islander</b>	606	\$189,825	76	\$176,654	1,046
<b>Hispanic</b>	43,856	\$8,616,125	3,928	\$7,285,949	42,804

While the provision recognizing communities with significant fiscal distress opens the door to broader participation in GO Virginia’s initiative, the criteria for establishing distress remains vague.

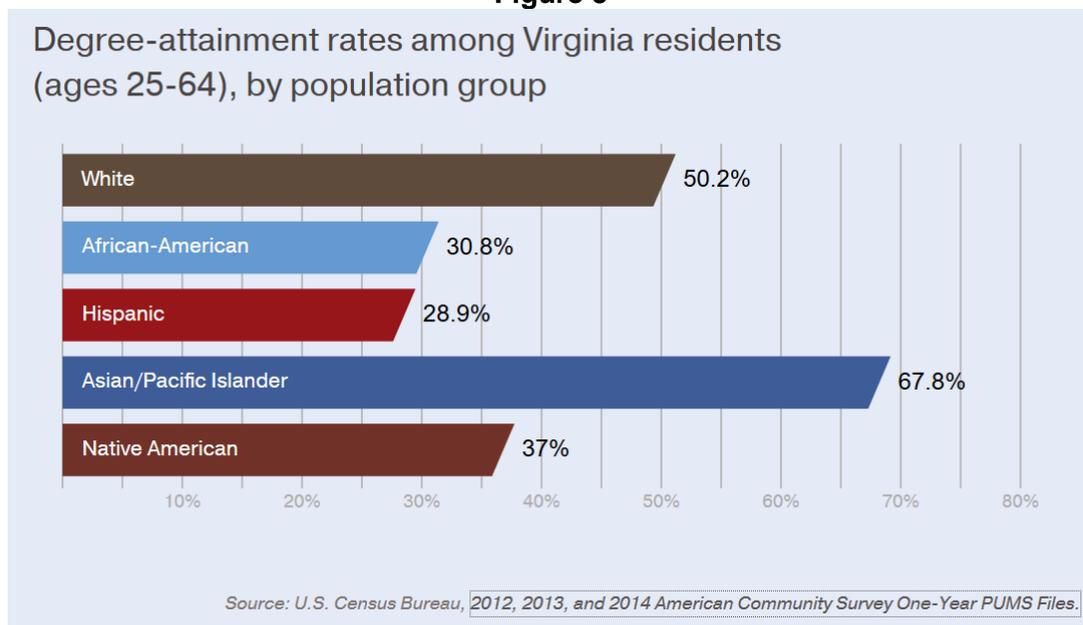
Furthermore, the case by case application creates the risk of subjective or capricious assessments in determining how to apply this provision. Given these concerns, it remains to be seen how impactful the decreased requirements will have on broadening GO Virginia's reach – specifically regarding minority communities.

### **Opportunity #3 – Minority Workforce Development**

GO Virginia can significantly improve the current conditions of low-income minority communities. It has the potential to be a catalyst by providing opportunities for minority communities such as small business development, entrepreneurship, workforce training and education, STEM research and development, as well as job placement.

Figure 5 below reveals significant disparities in degree attainment by race. In 2014, the average degree attainment at or above an associate's degree for African Americans, Hispanics, and Native Americans was 30.8, 28.9, and 37 percent, respectively. This falls drastically short of 50.2 percent for Whites. However, at 67.8 percent, Asian American's surpass all groups in degree attainment.

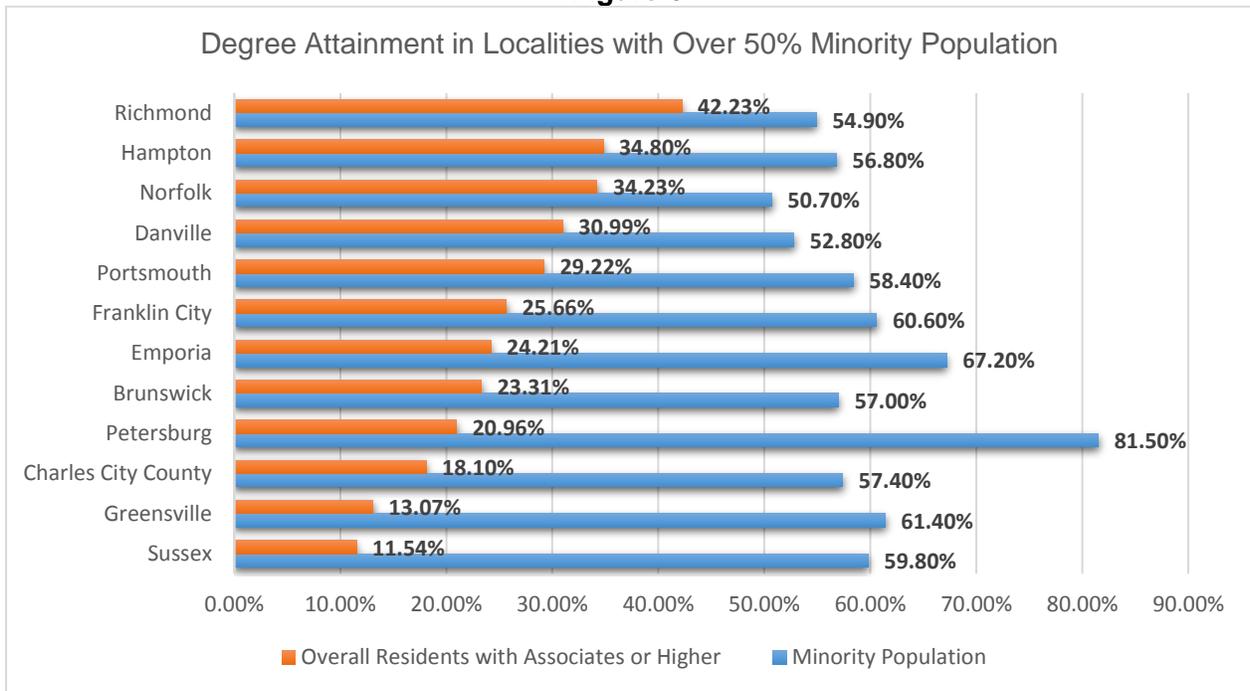
**Figure 5**



(Lumina, 2016)

Currently there are twelve localities in Virginia that have more than 50% minority residents. In most of these localities, the overall degree attainment falls below the average at or above the Bachelors level, which averaged 35.8 percent from 2010 – 2014 (United, 2016). Figure 6 reveals that localities with the largest minority populations struggle with lower degree attainment, which hinders career preparedness. These areas are concentrated in three regions: Southside, Hampton Roads, and Central Virginia (Lumina, 2016).

**Figure 6**



(Weldon, 2016)

By concentrating efforts on filling the skills gap through education and workforce development, GO Virginia can help create a pipeline to emerging employment sectors. Prioritizing career readiness by facilitating pathways to viable employment will enable low income and minority communities to benefit from this legislation.

### **RECOMMENDATIONS**

GO Virginia seeks to strengthen Virginia’s economy by growing the private sector and developing a workforce for careers in these industries by fostering regional collaboration between localities, businesses, and education. Virginia’s economy, while boasting unemployment lower than the national average, has pockets of poverty and distressed minority communities that face challenges but contain untapped potential. The following recommendations would ensure proportional racial representation that is reflective of Virginia’s diversity.

The most important recommendation is that the Regional Councils represent the full diversity of their respective regions. This will ensure that a variety of ideas, perspectives, and experiences are expressed. Much of the initial work in the proposal creation and grant application process occurs within the council, therefore it is important that the councils become effective pipelines to offer proposals that address the unique needs present within Virginia’s various regions. A means of achieving diverse representation on the regional councils would be to include leadership from Historically Black Colleges and Universities, minority business organizations, and religious institutions.

Similarly, to the Small-business, Women, and Minority (SWaM) legislation, GO Virginia can play a critical role in boosting minority business development by expanding access to capital, increasing access to business networks, creating networks for target industries if they do not currently exist, promoting skills development and training programs for owners, and requiring the inclusion of at least one minority owned business in all proposals. Increasing the number of private sector jobs through minority business development benefits the entire Commonwealth.

Also, the key will be the coordination between employers and minority communities focusing on workforce and economic development to ensure that job seekers gain the necessary skills to meet market demand. For this to be successful, employers must be clear about their specific market needs and how they develop a pathway for training and employment. Collaboration between public research firms, employers and colleges and universities to fund research programs is crucial. This will allow businesses to identify their industry needs and how to meet them. The expansion of opportunities for work-based learning experiences, apprenticeships, and employer-based training is also recommended – recognizing that often in low income communities, individuals cannot afford to work for free through unpaid training programs or internships. This approach is beneficial to both the employer and the individual, as it creates a pipeline of well-trained potential employees who can address the specific needs of the employer. This helps to fortify the long-term viability of these businesses while providing financial support for the participants. GO Virginia offers a comprehensive, collaborative approach that can bolster such programs targeted for this purpose.

In addition to adequate representation on the board, another strategy includes requiring proposals to include a racial impact analysis along with the skills gap analysis. Forcing this examination at the beginning of the proposal generation process would improve the likelihood that the racial impact is considered before the grants are approved. The racial impact analysis would be evaluated by the same panel evaluating the overall proposal.

## **CONCLUSIONS**

GO Virginia is an ambitious initiative that has the potential to significantly influence the foundation of Virginia's economy while also empowering individuals in distressed communities to enter the middle class through opportunity, access, and workforce development. This initiative will push back against years of traditional regional interaction that has been rife with competition but sparse with collaboration. As the Commonwealth becomes an active partner in collaborative regional efforts, sustainable projects with high growth potential will emerge to grow the private sector.

Assessing GO Virginia requires reconciliation of its broader goals with the impacts on a diverse range of communities throughout Virginia. GO Virginia has great potential to grow the Commonwealth's private sector and develop a workforce that will accompany this growth.

The collaboration between businesses, education, and localities will create accountability among all parties, which will provide assurances for following through on proposed projects. However, ensuring that minority communities can also share in these benefits rests on thoughtful implementation that takes into account the opportunities for business growth and economic development in and around these communities. It is important to be intentional in executing GO Virginia, otherwise this legislation may only allocate grants to institutions, organizations, and localities that already have sizeable resources.

The elements for success are there. However, it is imperative that low income and minority communities are able to share in the benefits of GO Virginia. Virginia has excellent universities, a sprawling community college system, a positive climate for business, and localities that are home to a range of industries. Yet, the legislation's financial criteria as it stands places it out of reach of low income and minority communities. Lack of representation on the board and regional councils would limit minority communities from sharing in the initiative's benefits. By failing to include the racial impact recommendations, we risk repeating a history where promising legislation was enacted that claimed to benefit all but only benefited some.

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# A RACIAL IMPACT ANALYSIS OF HB 834

The Virginia Growth and Opportunity Act  
Grace E. Harris Leadership Institute, Team GO!

## INTRODUCING: TEAM GO!

Chika Anyadike Saajida Chohan Ericka Hairston Lynette Plummer Anita Yearwood

## VIRGINIA'S ECONOMY

**\$54.7 billion**

The amount that the state of Virginia receives in federal defense contracts.

**DoD is state's #1 Employer**

Accounts for **30 %** of the state's economy &

**13 of top 20 employers** are public sector enterprises or contractors

## THE ROAD TO SEQUESTRATION

- Summer of 2011 : President Obama and Congress were locked in an impasse over raising the debt limit
- Attempts to achieve a grand bargain failed; settled on the much less ambitious **Budget Control Act of 2011**.
- On March 1<sup>st</sup>, 2013 at 11:59 PM **sequestration went into effect**

## SEQUESTRATION'S IMPACT ON VIRGINIA

<p>15.2% decline in federal government jobs from 2011-2014</p>	<p>The DoD reduced procurement spending by 21.8 %, or \$9.8 billion</p>
<p>Federal payroll dropped by 7.5 % or \$1.16 billion, resulting in 13,700 fewer federal jobs since 2010</p>	<p>Federal contract spending was reduced in FY2014 by 4.5 % and 9.2 % in FY 2015 resulting in the loss of nearly 22,000 jobs</p>

## ENTER GO VIRGINIA

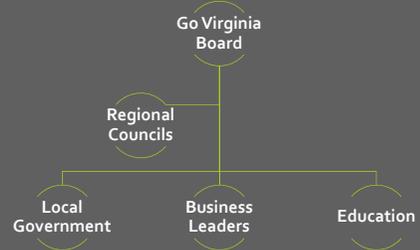
GO Virginia is a **business-backed initiative** that provides grants to regions to **collaborate** on **economic development** projects that **diversify the economy** and strengthen the **workforce**

## MISSION & PARAMETERS

GO Virginia identifies three guiding principles:

1. Virginia urgently needs **strong private sector growth**
2. Growth in Virginia's diverse regions requires **collaboration**
3. State government must be a **catalyst** and **partner**

## STRUCTURE & GOVERNANCE



## PROPOSAL PROCESS



## GO VIRGINIA'S LEGISLATIVE PACKAGE

GO Virginia is part of a legislative Economic Development package

- The Virginia Collaborative Economic Development Act, contained in **HB 846** and **SB 459**, creates the Virginia Collaborative Economic Development Fund which provides incentives for localities to cooperate on economic development.
- The Virginia Investment Research Fund, **HB 1343**, was created to enhance investment in research leading to new business ventures.

## TYPES OF FUNDING

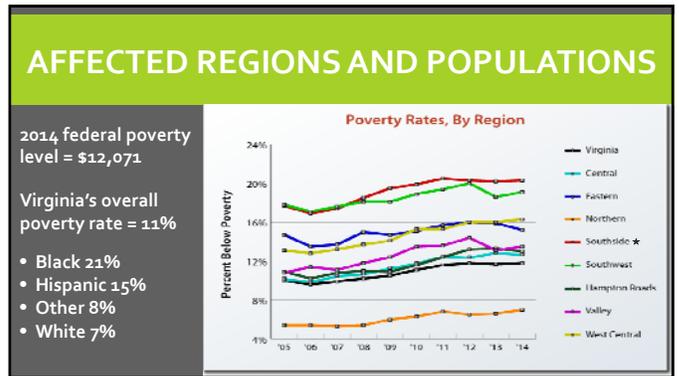
- Capacity Building
- Regional Population-based Allocations
- Competitive Regional Allocations

## CRITERIA

- Two or more localities adopt a **collaborative** economic development plan
- Collaboration results in **location or expansion** of a company in the Commonwealth
- At least **200 new jobs** with average salaries at least equal to the average wage
- A capital investment of at least **\$25 million**

**EXCEPTION:** In case of **fiscal distress** the Board may lower the job and capital investment requirements to at least **25 new jobs** and **\$1 million** in capital investments.

# ANTICIPATED RACIAL IMPACTS OF GO VIRGINIA



- ## OPPORTUNITIES TO BE ADDRESSED
- 1) **Equitable representation** that reflects Virginia's diverse population
  - 2) Economic opportunity including **minority business development**
  - 3) Job & career readiness with specific regard to **minority workforce development**

## OPPORTUNITY #1 DIVERSITY AND REPRESENTATION

- A **representative bureaucracy** is a form of representation that captures most or all aspects of an organization's population in its decision making structure (Bradbury and Kellough, 2011)
- The Board and regional councils must be representative of Virginia's **diversity and geographic areas**
- A representative bureaucracy will ensure that this initiative's **application process and implementation** are inclusive of all communities

## GO VIRGINIA BOARD CURRENT REPRESENTATION

	GO Virginia Board Representation	Virginia Population
White American	82.6% (represented by 8 icons)	70.2%
Minority	17.4% (represented by 1 icon)	35.7%
African American	17.4% (represented by 1 icon)	19.7%
Latino or Hispanic American	0%	9.0%
Asian American	0%	6.5%
Native American	0%	0.5% (represented by 1 icon)

1 icon = 4 people



# ECONOMIC DEVELOPMENT

## OPPORTUNITY #2 MINORITY BUSINESS DEVELOPMENT

There is an opportunity for minority businesses to benefit from this legislation.

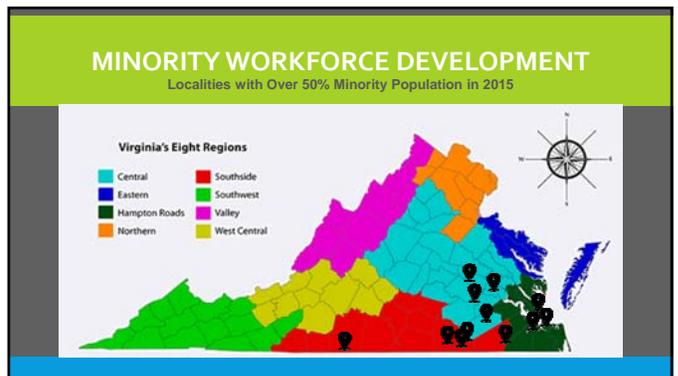
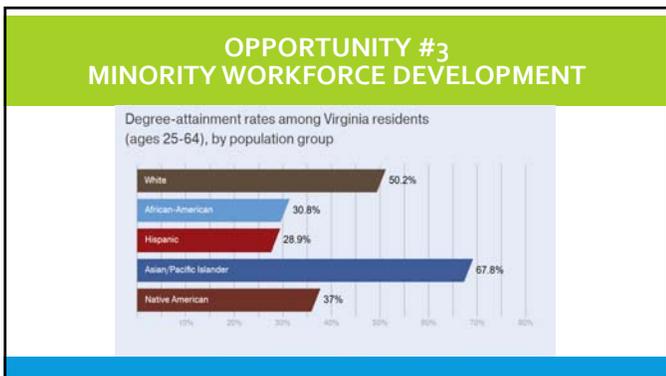
- Minority businesses are **underrepresented** in Virginia's economy.
- By being proactive we have an opportunity to **level the playing field** for minority businesses.

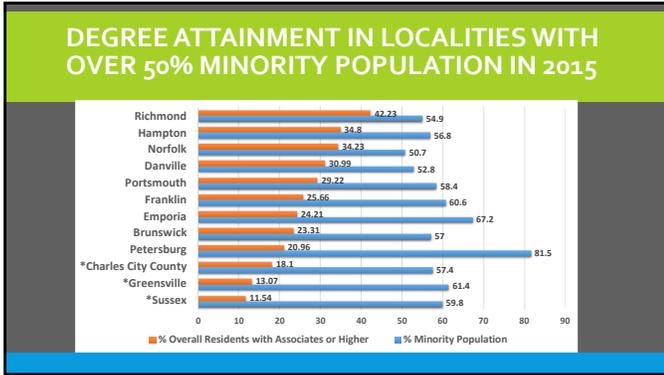


## BUSINESS OWNERSHIP BY RACE

Owner Group	# of Firms with or without paid employees	Sales, Receipts, or value of shipments of firms with or without paid employees (\$1000)	# of Firms with paid employees	Sales, receipts, or value of shipments of firms with paid employees (\$1000)	# of paid employees for pay period including March 12
White	487,032	\$238,853,011	105,624	\$220,623,024	1,235,866
Minority	185,043	\$37,333,566	25,447	\$32,255,331	239,338
African American	80,124	\$7,870,853	5,637	\$6,296,639	57,325
American Indian and Alaska Native	4,382	\$824,409	657	\$700,915	5,058
Asian	58,390	\$19,634,298	15,136	\$17,601,628	132,383
Native Hawaiian and Other Pacific Islander	606	\$189,825	76	\$176,654	1,046
Hispanic	43,856	\$8,616,125	3,928	\$7,285,949	42,804

## BUILDING VIRGINIA'S WORKFORCE





### RECOMMENDATIONS

**Diversify the Regional Councils**

- Require the racial composition of regional councils to reflect the region's demographics

**Boost Minority Business Development**

- Require a minimum of one SWaM business be included in all proposals




### RECOMMENDATIONS (CONT'D)

**Increase Minority Workforce Development**

- Coordination between employers and minority communities focusing on workforce and economic development to ensure that job seekers gain the necessary skills to meet market demand
- Collaboration between public research firms, employers and colleges and universities to fund research programs

**Require proposals to include a racial impact analysis**

- Further ensure equitable opportunity to benefit from legislation



### CONCLUSION

We have all the elements for GO Virginia to be successful. By proactively addressing diversity on the board and regional councils, minority business development, and minority workforce development we can ensure all communities benefit from the legislation.