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Testimony by the National LGBT Chamber of Commerce
Supporting HB 2694
A Bill to Include LGBT-Owned Businesses in
Oregon Economic Opportunity Programs

February 3, 2021

On behalf of the National LGBT Chamber of Commerce, our local affiliate the LGBT Chamber of Commerce of Illinois, and the more than 1.4 million LGBT business owners we collectively represent in the United States as the sole certifying body for LGBT Business Enterprises, I thank the Committee on Business & Labor for their leadership today in looking to expand Oregon economic opportunities to include Certified LGBT Business Enterprise® (Certified LGBTBE®) suppliers.

This is an economically and socially essential issue, which is first and foremost about the economic development of the State of Oregon and growing its diverse business communities, especially during a time of COVID economic recovery. Having helped usher in this kind of inclusive economic policy in the states of California, Massachusetts, Pennsylvania, across federal agencies, and over 1/3 of the Fortune 500, NGLCC and our partners are here to aid this committee and this state in ensuring that such inclusion is **revenue neutral and free of additional red tape** that is cumbersome to small business development.

Especially in this time of economic recovery from COVID-19, ensuring every community has a fair shot at the education, training, and contracting opportunities available to their fellow Oregonians will ensure that all communities in Oregon thrive.

In just the last five years more than 25 states, cities, and agencies have joined more than 400 corporations who intentionally include LGBT-owned businesses as part of their supplier diversity / small business economic development programs.

- **States Currently Including Certified LGBTBEs:** Pennsylvania, Massachusetts, California



- *In process: NY, NJ, OR, DE, CT, IL
- **Major Cities Currently Including Certified LGBTBEs:** New York, NY; Los Angeles, CA; Chicago, IL; Miami, FL; Tampa, FL; Orlando, FL; Baltimore, MD; Philadelphia, PA; Newark, NJ; Jersey City, NJ; Hoboken, NJ; Nashville, TN; Seattle, WA; Cleveland, OH; San Francisco, CA; and more

The rationale for this policy shift is simple: the state's economy cannot achieve its full potential without the full participation of every citizen of Oregon. Greater diversity among suppliers encourages **greater innovation and competition**. Greater competition **lowers bid prices**. Lower bid prices results in **millions of dollars in taxpayers savings** across Oregon.

It is extremely important to note that including LGBTBEs and others will not detract or diminish the contracting opportunities for our friends already in the diverse business community. This resolution DOES NOT make any changes to Oregon's M/WBE programs or set-asides for diverse communities that conflict with statewide M/WBE policies.

This bill would ONLY empower the state to:

- formally recognize a thriving minority business community as so many major cities/states and all major corporations in Oregon do;
- recognize an existing gold-standard certification for LGBTBEs in the way it does for other third-party minority certifications;
- codify and expand its existing resource and education sharing initiatives with LGBTBEs in Oregon

Currently California's Public Utilities Commission (CPUC) is in its fifth year as the first public organization in America to include LGBTBEs, and now has enough data from LGBTBE participation and contracting wins to begin establishing aspirational targets for this community, as well as revisiting and raising them for others. In just the first year of LGBT business inclusion in California there was a 204% increase in certifications—a rapid growth of new businesses and new jobs we can expect to see right here in Oregon.

In January of 2017, NGLCC released a groundbreaking, first ever analysis of the economic impact of LGBT business owners in America. **Each year LGBT-owned businesses add \$1.7 trillion dollars to the economy**. They create lasting businesses that employ tens of thousands of Americans. They



diversify local economies and make our cities more attractive to investment. Oregon's LGBT business owners are ready, willing, and able to keep growing this state's economy—they simply need your passage of this initiative to do it.

It's the tax revenue created by LGBT and other diverse-owned businesses that help pay for the billions spend on Oregon contracts. Opening them up to our communities is simply a matter of fairness and will cement Oregon as a national leader in economic opportunity, expanding contracting opportunities and allowing *all* diverse communities in Oregon to thrive.

It's time for Oregon, a respected leader in business, diversity, and opportunity, to take its place as one of the most inclusive places for minority-owned business in America. I assure you the growth here among new small businesses will astound you. Following the implementation of the California's AB1678 business inclusion law, there was a dramatic spike in the number certified LGBTBEs in California—resulting in a more than 200% increase in LGBT businesses in the state in the first year. We know that can and will happen here in Oregon.

Strong, modernized, and fully-inclusive WMBE and Supplier Diversity programs prove every day to corporations, governments, and communities that bringing everything we are to everything we do makes us more competitive as businesses, more confident as business people, more connected as a business community, and more successful as an economy.

We are excited to soon count the State of Oregon among those who believe in the power of inclusion not just as the right thing to do, but also as an economic imperative that benefits every citizen of the state. This state's economy will be more inclusive and successful thanks to your leadership; leadership which our communities are seeking more than ever in these uncertain political times. We look forward to announcing soon that Oregon is open for business to everyone who lives here.