



The Economic Club of New York

113th Year
572nd Meeting

Jonnel Doris, Commissioner
New York City Department of
Small Business Services

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Webinar

Moderator: Annika Pergament
Senior Business Anchor
NY1

Introduction

President Barbara Van Allen

Welcome everyone to the 572nd meeting of The Economic Club of New York in our 113th year. I'm Barbara Van Allen, President of the Club. The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues. Our mission is as important today as ever as we continue to bring together people as a catalyst for conversation and innovation. We proudly stand with all communities seeking inclusion and mutual understanding.

I'd like to take a moment to recognize those of our 312 members of the Centennial Society attending today as their contributions continue to be the financial backbone of support for the Club and help enable us to offer our wonderful, diverse programming now and into the future. A special welcome to members of the ECNY 2020 Class of Fellows – a select group of rising, next-gen business thought leaders. And a special note to everyone that applications for the 2021 Fellows Class are now open. Any member interested in nominating a fellow can visit our website for more details and the application. We'd also like to welcome graduate students that are joining us today from the Gabelli School of Business at Fordham University.

It's a special honor for me to introduce the Commissioner for the New York City

Department of Small Business, Jonnel Doris. Jonnel is charged with running a very dynamic city agency focused on equity of opportunity that leads to economic self-sufficiency and mobility for New York City's diverse communities. The Department of Small Business Services actively connects New Yorkers to jobs, creates stronger businesses and builds a thriving economy in neighborhoods throughout the five boroughs.

Jonnel previously held the role of the City's first Senior Advisor and Director of Minority and Women-Owned Business Enterprises. Under his leadership, the City has more than doubled its certifications, tripled its utilization, and awarded more than \$14.6 billion to minority and women-owned businesses. His engagement in business communities, city agencies, and both city and state legislatures has also influenced city officials to pass, to help pass efforts critical to expanding opportunities for women.

The format today will be a conversation in which we're fortunate to have Senior Business Anchor at New York 1 News, Annika Pergament, doing the honors, and we'll end promptly at 1:45. Any questions sent to the Club have been forwarded to her. As a reminder, this conversation is on the order and we do have media on the line. I'm handing it over to you, Annika. Thank you.

Conversation with Jonnel Doris

ANNIKA PERGAMENT: Barbara, thanks so much. Just one thing, I think we end promptly at 12:45. Thank you so much for that and for this opportunity. Commissioner Doris, I'm really looking forward to this conversation. I think probably the best place to start is the pandemic. I mean we have heard so much about the inequities involved and how it has impacted different communities. Obviously communities of color, from a health standpoint have been disproportionately negatively impacted. But talk a little bit about – because I think it's less well known that it's the same in terms of the negative impact due to the pandemic on Black-owned businesses – talk a little bit about city Black-owned businesses and what they have faced since early March.

JONNEL DORIS: Annika, thank you so much. And, Barbara, thank you and The Economic Club of New York for giving us this opportunity to talk a little bit about what we're doing, not just for all small businesses but really specifically for Black-owned businesses and the challenges that they face, the historic challenges that they face.

We know that Black-owned businesses in New York City are twice as likely to close than their White counterparts. We know just in general when it comes to aid and support for these businesses that even in the PPP program, the federal program, they only received about 12% of what they asked for. When you couple that with the rising Covid

in Black communities and the health challenges, and also the respondents or those first responders in the healthcare field being people of color, both Black and Latinx, we have really a triple factor within particular communities that have devastated those communities, both on the business side, the health side, and just as a general community. So, yes, I mean there are some huge challenges here and some of it, of course, are historic. We'll get into some of that later. But certainly huge challenges.

We also see, for instance, with Black restaurants, you know, the hospitality industry has been hit significantly, but we see 80% decline in revenues for Black businesses in the hospitality industry. Again, anywhere there's a challenge, for the Black community unfortunately that challenge is worse and sort of akin to the historic challenges that some of these businesses have actually faced.

ANNIKA PERGAMENT: And if you drill down on it, why are they suffering more now than some White-owned businesses for example, whether it's a restaurant or a service business like you're talking about or some retailers? What is the reason that the pandemic has just made it so much worse? Is it because they were not able to get the funding that they asked for in the relief bill from Washington the first time around?

JONNEL DORIS: Yes, you know, I think when we, you know, we take a step back and just think about Black business in general in American history, you know, we've seen a

tremendous amount of disinvestment into these communities, disinvestment into Black businesses in general. We see also Black businesses historically meeting some severe challenges when it comes to getting financial assistance. And any business – I was a former small business owner – I always say to folks, you know, I've lived this experience. Going to a bank, having the right credit, having the right contracts, going to my bank and still was not able to get a loan. Had to go to a CDFI, Community Development Financial Institution, to get my first loan. I've lived that experience. And so, you know, there's not a historic piggy bank – if I may – or relationships also with institutions that a lot of these Black businesses do not have.

And so, yes, I think it's just a lot that's been put on these businesses. Even if you think about equity and equity investments, we see the vast amount of equity investments do not go to Black-owned startups. You look at Black women businesses, again, further challenges, historical. Less than 0.2% equity investments from venture capitalists go to Black-owned women, who, by the way, have added more jobs to the economy than any other group in the last ten years. So when you think about that, there's a disconnect in ability and resources. And so that's what we're seeing across the board unfortunately.

ANNIKA PERGAMENT: So I thought it was interesting, I read that recently, there was a study between, I think it was 2012 and 2017, that showed that the rate of growth for Black-owned businesses in the city far surpassed – I think it was four times as much as

White-owned businesses during that period. And I'm wondering what's the reason for that? Was that just because they had so much catching up to do that finally some initiatives were taking hold? What can you attribute that growth that they had seen? And this is a couple of years prior to when we're speaking.

JONNEL DORIS: Yes, you know, I think it's about 30% growth in Black businesses in the city. But when you think about why that may be, some of the things that come to mind is, one, it's an imperative because some Black professionals are not having an opportunity – particularly Black women – to advance professionally so starting a business is the next option, right? So entrepreneurship, by the way, is a hypothesis of mine, for my career, entrepreneurship is the best way to deal with the racial wealth gap. For me it is. It's not necessarily home ownership because, you know, folks, you can lose your home, you can get into predatory lending – all these other challenges that Black communities have actually seen. And if you are from areas where I'm from, Southeast Queens, which we have a large population of Black ownership but yet a large also number of predatory lending that now all that wealth, particularly during the 2008 crisis and beyond, we saw was removed from the community. But Black business is growing, right?

So, you know, it is the way to go, and I think that Black businesses, making sure that Black businesses have opportunity to grow. But part of that is an imperative because

there's this lack of opportunity in their current work structure and also we do have programs such as the M/WBE program which we are encouraging Black businesses to participate in. We've got over 3,500 Black businesses that are certified with the city right now that are participating in our program and the billions of dollars that the city spends every year. So I think it's both opportunity and necessity at the moment.

ANNIKA PERGAMENT: And so when you look at how those businesses are disproportionately suffering right now, is there anything specific that you would like to see done to ensure that there is a more equitable recovery as we try to get to the other side of this pandemic?

JONNEL DORIS: Yes, I'm so glad, Annika, you mentioned that. Look, we launched the BE NYC Program, the Black Entrepreneurship Program, last September at The Apollo. Four hundred businesses show up, which was a shock to us because we didn't know who was going to show up with the impetus to actually figure out a way to get plugged in to this economy recovery and opportunities that are there in the City of New York.

And so the BE NYC Program is one such program that we've, first of all, it is the largest of its kind in the nation. There's no other program like this in the country that really specifically calls out Black entrepreneurship and gives us the opportunity to actually promote the well-being of Black-owned businesses. And so as a BE NYC Program, we

see there are several areas that Black businesses needed support in. And, of course, connecting them to financial opportunities, also helping them with mentoring, also connecting them with opportunities for business, dealing with the digital divide, which in this day and age is a concern, as you can imagine, for Black-owned businesses. Because everything is online, right? And so we have to make sure that we have the resources and they get the resources to actually perform and do the work. And so part and parcel why we created BE NYC was really to, to really look in a deep way into some of those challenges, into helping and supporting Black-owned businesses.

ANNIKA PERGAMENT: And so when you look at, for example, that program, is part of it, because you're talking about the businesses in the program, but what about the education of young professionals, aspiring entrepreneurs, sort of building that pipeline to help future businesses and sort of to help shore up the Black businesses that currently exist? Is that part of it?

JONNEL DORIS: Oh, absolutely. This is a multifaceted approach, right? And so we need to make sure that the Black business community, by the way, ask for mentorship amongst each other, but also to figure out a way that we can inspire other younger potential entrepreneurs to actually engage in the process. And so part of that, we've done, well, it's out now, it's an RP that we've put out, for our business accelerator, an incubator at the Navy Yard, the Brooklyn Navy Yard that's been set aside for this work.

It's about \$3.5 million the city has invested into this initial launch of this incubator which will then cultivate the skills and bring resources to bear in an environment that's somewhat closed in a sense that you have business to business. This could be helpful. The city will be there. We have sponsors and others who will be actively working with young entrepreneurs to make sure that they have an on-ramp into this economic recovery.

So absolutely, I feel like, you know, we cannot do this without engaging younger businesses. And, by the way, I'm not just saying younger in age. We have entrepreneurs right now who may be a little bit up in age, you know, what we would consider "those who are entrepreneurs" at least initial entrepreneurs. We just want folks with ideas to help solve problems that the city is faced with right now and society is faced with and come up with innovative ideas that are adaptable and able to sort of move forward and drive our economy in the right direction.

ANNIKA PERGAMENT: You touched on this a little bit earlier, but I sort of want to home in on it more, which is access to capital because it is such a big problem for so many Black-owned businesses, not only when they're getting off the ground, but often when they want to refinance and expand and so forth. Talk a little bit about, I mean this has been a problem going back for so many years, why is this still a problem? How does it manifest itself for these businesses? And what are some of the best practices to sort of

put an end to that roadblock that so many Black business owners face?

JONNEL DORIS: Yes, you know, it's interesting. You know a lot of what we found in our report, our BE NYC report, that a significant number of Black-owned businesses lack the relationships, right, the banking relationships. So if you are a business, an entrepreneur, you're seeking support and, you know, when you need it, normally you go to the business, a banker, sorry, that you've been working with for some time. And so they sort of know who you are and it's a bit easier for you to access those resources because there's a relationship there. There's knowledge of who you are and someone is tracking your business.

But Black-owned businesses, a lot of them, don't have those resources. The other thing they don't have is sort of, you know, funds in their account, right, in order to support a loan or use as collateral for loans, etc. And then also if we look at banking requirements or financial requirements that are placed on loans or equity investments, etc., they haven't changed much in years, in some instances decades. And so what we've seen is because of that the opportunities have been diminished. They have not changed the requirements, the terms, they're not flexible enough. And I'm not saying this to talk about the industry in particular but to just say it's a reality. We have to look at this differently.

You know Citibank put out a report that said an estimated \$13 trillion in business revenue never float into the economy because Black entrepreneurs cannot get access to bank loans. Think about that, \$13 trillion are not in the economy because Black-owned businesses like myself did not get access to loans. And, by the way, when I got my loan, the interest rate was so high that in a few months I just returned it and just paid it off because it was cutting into my profit margin and it was just not working for me.

So we are saying that the best way to deal with that is you have to look at your terms. You have to look at your loan terms and see if you're actually prohibiting businesses from actually engaging in commerce. If you're stopping businesses from actually engaging and doing business, that's a problem. Because ultimately if Citibank put out this report, \$13 trillion have not yet gone into the marketplace because Black businesses cannot get loans, you think about that in another term, all the jobs associated with those businesses, right? They're not able to hire. They're not able to advance.

So the first thing I think is the best practice, every financial institution, and many of them are doing this now, really need to look again at their requirements, and they have to be flexible, both in their credit boxes, but also be flexible in the requirements such as how long you've been in business. You know we have entrepreneurs popping up now everywhere with great ideas. And also looking at the terms of those particular loans and

the flexibility that is baked into it. And I think we will certainly begin to address some of those access to capital challenges.

ANNIKA PERGAMENT: You know I thought, it's interesting as you're speaking, there's been a big commit to pledge 15% in retailers to purchase products from Black-owned manufacturers, Black designers and so forth. It's been a small sort of movement. It's gaining momentum. Macy's committed today to do so. But the theory behind it is, look, we make up much more than 15% of your client base so you should in turn commit to buying and selling 15% of your merchandise that comes from a Black-owned business, designer, etc. Do you think these types of movements help? Do you expect to see more of them? That way the support would last sort of throughout the supply chain, not just at the very end. How necessary and helpful do you think those types of movements are?

JONNEL DORIS: Annika, you're hitting it right on the nail. So I just wanted to say that everything matters and every opportunity, every initiative is going to count. I think there is at the end of the supply chain, when purchases do happen, that there's a need for these commitments to actually go forth. I also believe that at the beginning or the front end of the supply chain, where we see a lot of purchases by what we would call anchor institutions or institutions that are large institutions within our communities, our hospitals, our financial institutions, our arts and culture institutions, and the like, and big business, to come together to form an anchor strategy that is strategic to link small

businesses, Black-owned businesses, to those opportunities and make sure that they have an on-ramp to sell also to those anchors.

And so we're doing that right now as a city. We do have an anchor strategy. The mayor has invested \$1.8 million in this. We're going to continue to drive this home. But we need also our corporate partners to join us in this effort. So I do agree with you wholeheartedly that we need it on both ends of the spectrum. We need it sort of up front to really service those big businesses and help them in the dollars that they spend, similar to the city's M/WBE program in which the city has committed 30%, by the way, to spend with M/WBEs. And then at the end of it all, you know, when you actually, you know, providing the service and/or selling a product, that there's space available for them, for Black businesses in the retail quarters of the city. So I do agree with you wholeheartedly and all of those are also great.

But I think, look, this has to be done in such a way that one thing that the pandemic has taught us, Annika, is that collaboration is a key principle in order to get us moving forward. We found out in the supply chain of just trying to get PPE, that we had smaller Black-owned businesses who were trying to sell to the city and to our anchors but were unable to get the proper manufacturing agreements in order to move those products into the hands of cities, municipalities and anchor institutions who needed it. So even though we wanted to engage with the Black-owned businesses, the manufacturers were

not releasing the products fast enough in order to get those businesses into the game. And so it ended up you had to go with bigger business, right?

So this is the type of challenge that we have to also face. But we see that we have to systemically address it, not just, you know, at the end of it or even at the beginning, but certainly on the manufacturer and reseller level to make sure that there's opportunity there.

ANNIKA PERGAMENT: So how is that done? As we seem to be entering, you know, a second wave or a sharp up-tick right now, how can what happened last time, how can that be offset so that those Black-owned businesses can actually get their PPE produced and in the hands of where it needs to end up in the city?

JONNEL DORIS: Yes, I think leadership from cities and states demanding that manufacturers actually engage with these businesses. And I think that the mayor has signed off on Executive Order 59 that does just that for the city, that really puts a demand on our supply chain to say that you need to engage Black and Brown businesses to make sure that when you sell to us we're going to be asking the question, even in emergency contracting, right? For many of us, and the devil is in the details, unfortunately in this work, and I don't want to get all the way in the weeds but it's very important to understand particularly when you're talking about procurement, the rules

matter. And who can actually bid, who can actually propose, it matters. And where they get their product from, it matters. And the speed in which they can get it to us matters.

And so we look at the whole, you know, entity, and make sure that, number one, you have the ability to get us the product and it has to be fair-priced and it has to be serviced appropriately. And Black businesses, by the way, we've got, of the \$14 billion that you mentioned under my tutelage as Senior Advisor and Director of the Mayor's Office of M/WBE, that we were able to move into the hands of M/WBEs and contracted, we've got less than 1% default rate. So what does that say? M/WBEs, Black businesses actually fulfill the requirements of the contracts.

So when we talk about assisting Black businesses, particularly those who are getting contracts with the city or helping them, we've established a contract finance loan product. And during the pandemic we zeroed out the interest, to zero. You can get up to a million dollars to actually compete for contracts with the city. So those are the types of things you can do to help resolve that challenge, both on the manufacturing side, the city demanding utilization of Black firms, which the mayor signed that Executive Order to do, and also helping them with the financial resources that they need.

ANNIKA PERGAMENT: Yes. You know I thought it was interesting also, over the course of the summer with all of the Black Lives Matter protests that were inspired after

the death of George Floyd, that there was 75% of Black-owned businesses, and this is a study that was done by Groupon as well as the National Black Chamber of Commerce, 75% of them actually said that they did see an up-tick in business following those protests because people sort of doubled down on their commitment to try to help this community. I'm wondering what you think needs to be done to sort of sustain that up-tick and turn it into something more permanent? What can be done to keep that at the front of mind for people when they are going out to make a purchase?

JONNEL DORIS: Yes, you know, I think one of the fortunate things that came out of such an unfortunate tragedy is awareness. And, you know, we are seeing it everywhere, the level of commitment that – both from the corporate sector but also our citizenry – you know, sort of coming around and supporting, rallying around Black businesses. What can be done to make that more sustainable? I think we need to make sure that the commitments that have been made, both by the government entities and our corporate sector and private sector actually are fulfilled.

And I think part of, you know, part of the hesitation that we feel from the Black business community, that we hear from the Black business community is that this won't last, right? This is an exciting period in time where everybody's sort of like on the bandwagon – if I may – and I'm not trying to, you know, make this, belittle this or anything, but it's part of the challenge, right? Because we've got to convince them that this is something

that is going to last. And so we've got to make sure that we hold everyone accountable, including ourselves as government, and the private sector. If you make a commitment, let's follow through on that commitment.

The second thing is I think when folks see us working together, when government and the private sector work together, you build the confidence, not only consumer confidence with folks to engage in business, but also you build the confidence of businesses, again to say that we are going to do something. And then thirdly, when you have direct investment into these businesses, right, you then begin to shore up and make it more sustainable, not only with our policies but also direct investment to them that speaks very loud and clearly to them.

I just want to give a big shout-out if I may to Mastercard, Ernst and Young, Goldman Sachs who have joined the city in our initial effort here as inaugural partners to do this and to make sure that this is sustainable for our BE NYC Program. And so we do have partners out there. We do have others, by the way, who we are working with – we have just not announced it yet – that we're working with on a few other products and services for Black-owned businesses particularly, but I think that sort of collaboration, that sort of commitment is going to help this be sustainable.

ANNIKA PERGAMENT: I mean it's so difficult in the midst of a pandemic to make a sort

of sea change then, but are you noticing that this is, I mean you just named several Blue Chip companies that are making big commitments behind this effort, are you noticing that, or feeling that there might actually be the momentum and the movement that might take hold to see some actual change and positive outcomes for these Black-owned businesses? Because what I thought was interesting about that Groupon study that I just told you about, even though 75% of the business owners have seen an up-tick or did see an up-tick over the summer after the protests, you had nearly 60% of them, 59% reported that they'd been victims of racism or bias when starting their businesses, 80% of them said that they face significantly more challenges than their White counterparts in the same line of business that they're in.

JONNEL DORIS: Yes, and this is part of why this is important, right? You know that same Citi report I cited said systemic racism against Black Americans has cost the United States \$16 trillion. There's an economic imperative. If we go beyond just the moral imperative, because there is a moral imperative, the significance of contributions of Black Americans to, not only our culture, not only our economy, but to the fabric of this country, to say to this same community that we will no longer invest in you after sort of a series of protests and other things are completed, no, we have to reassure the community because they've lived it. I've lived it.

We see it, again, in VC dollars, where they're going. We've got to reassure the

community. And the only way you do that is by actually proving to them through actionable things that there is going to be a change. And so there is a concern there. And I've got to tell you, it is something that has continued to grow, you know that concern, because folks are getting nervous about what's going to happen once everything dies down. Are we going to go back to normal? No, we can't go back to normal, right? Because the country is losing, these businesses are losing, communities that they're from are losing. And, by the way, the jobs, the jobs that they can bring to the table are also being lost. And so I must say that I'm optimistic about the future. I'm optimistic about where Black-owned businesses can go. But let me tell you, it is going to be a challenge of convincing the community that things are going to be different.

ANNIKA PERGAMENT: Let's talk a little bit about the stimulus that's so necessary for these businesses that have been hard hit by the pandemic. You said that when that first stimulus package came through from Washington, that they got less than 15%, I think it was 12% of what they had asked for on average. Why did they get so much less? And can be done, because there's got to be another round of stimulus coming at some point, right, so for what next round, what can be done so that they get a more fair piece of that pie?

JONNEL DORIS: Yes, look, 40% say that their cash reserves will be depleted by the end of 2021, right? On average, we know that 12 days of cash reserves, Black-owned

businesses have, compared to 19 for their White counterparts. We know that they're, you know, three times as likely to be denied a loan. And I can go on and on. I mean the challenge there is, you know, how do we make sure that the aid that will be coming, and we hope it is coming because it's necessary, and I think the federal government is the only place we can go to now, really for the massive support that is needed, the challenge with the original makeup of the PPP and how it was administered is that you took a whole lot of money and threw it into a system without correcting the system first, right? And then expected the system to produce a different result. It's not going to work. You have to fix the system first.

What does fixing the system mean? You have to fix the way, well, first of all, who has participated in the pool that gets the money to actually lend it out? And so what happened, we had to correct that, and added \$60 billion to set aside for CDFIs, which are the Community Development Financial Institutions who actually work with these smaller, smaller micro-businesses and help them, right? In New York City, 240,000 small businesses, right, 65% of those businesses are less than five individuals working, five employees. So let's do the math. PPP says up to 500 employees, you're competing with a guy with five employees. I mean and look at the big difference this is. So how can they compete? Well, they have a better banking relationship. They have better probably, books. They probably have, you know, more sophisticated back office support services. And so when you put all that together, you put the money into that system, it's going to

spit out exactly what it's designed to do.

So we say change the system. How do we do that? We include more CDFIs initially in talks. We relax the requirements. No guarantees for these loans. Actually more grant dollars to LMI communities, low-moderate income communities. We can be very specific about that. More grant dollars. And then lastly, I would say give money and resources to municipal entities such as New York City Small Business Department directly who work with these businesses. We know who they are. We know where they live. We know where they work. We know their employees. We know so much about them. And when you don't involve the local entities in administering these products, you're not going to hit the mark.

ANNIKA PERGAMENT: So you say you know who those businesses are locally. Let's focus in a little bit about that. Has it been pretty much across the board that these businesses have been hard hit? Are there any that are suffering? What types of businesses are suffering more than others? Which types are doing well through this time that we're living?

JONNEL DORIS: Yes, you know, it's very difficult to say that businesses are doing well. And even if, you know, we do have some businesses who are actually starting businesses, we know restaurants who are adding another restaurant at this time. I

mean things that we wouldn't think that would be happening, but we're seeing it.

Because, you know, crisis brings opportunity and I think you have some entrepreneurs who are also being very innovative during this time, solving problems. We have Black businesses in tech right now, particularly health tech where we're seeing a lot of changes and innovative solutions to real life problems. We see Black businesses who are creating ways that hospitals can manage the resources that they have in-house.

For instance, say, their machines, right, they use, respirators, etc., better ways to manage those products to find out where they are, to track them, to make sure that they're being monitored. It saves time, money from the nurses. It saves their time as well, make sure that they know where these products are. We've seen that. We've seen those solutions come to bear. We also see Black entrepreneurs in health tech who are doing well because they've figured out ways to help hospitals and clinics do things remotely, faster, and also more efficiently. So, for instance, when you are in a waiting room and have to fill out forms, etc., how can you do that in a more expedited fashion, in a seamless way, but also in a safe way so you're not filling out actual documents but you're doing it all electronically. So we've seen that type of innovation that's coming out of this.

On the other end, we also see Black, I mentioned Black hospitality and just the hospitality industry and service industry just generally have been hit real hard. We do

see up-tick in construction. We do see that a lot of Black businesses that are doing construction because of municipalities such as the city, the state, and others are beginning to carry on with their construction work. And we see also in the real estate market, in the housing market as well, we're seeing a lot of home repairs. A lot of folks that are home are probably taking a look, like I have in my house, oh, I need to fix that, I need to fix that and we're engaging contractors. So we're seeing those sectors also come back a bit better than others.

ANNIKA PERGAMENT: So when we look at where the economy is right now, I mean there's two things happening right now. We're in the midst of this pandemic so it's the acute problem of trying to rescue those businesses that you say you're aware of, the ones that need help that Washington might not be able to allocate the right amount of funds to or help survive. So it's really how can they get through this crisis and then how can they build on any momentum to have much stronger growth in the future when we get to the other side of this and what needs to be done now to help that? I mean I was just thinking about that earlier statistic that Black-owned businesses had grown at 30% the rate that White-owned businesses had. So coming out of the, but still you don't, you have a small percentage of New York City businesses that are Black-owned, right? I think, what is it, 3.5%? And we're talking about 22% of the population being Black. So how do you close that gap? What is the long-term plan so that that 3.5% number becomes 22% or more?

JONNEL DORIS: Yes, look, I think we mentioned it a bit before. The design of our BE NYC Program, the intent of it is to grow Black entrepreneurship in the city of New York. So everything, that our partners that we put together, addresses the lack that we see in the Black business community that will allow them to actually grow. For instance, we've got to address the digital divide. And so, you know, what does that actually mean? That means that a significant portion of our Black-owned businesses do not have the digital resources, the digital storefronts – if I may – the e-commerce expertise in order for them to actually get their business off the ground and also get it to a place where it's thriving and sustainable. So those are specific tactics that we've assigned to our program and to address some of these challenges.

If you think about mentorship and understanding the reality of running a business and what it means, you know, Ernst and Young is helping us do that. Their expertise coming in as consultants for one-on-one consultation to help those businesses, what does that mean? That means when you present a series of resources that will help businesses address specific challenges that they have. That is how we grow business communities here. So that you don't just start a business and it dies. We have an ability to sustain your business going forward. And so that's what this exercise is about. This is what BE NYC is about – growing the number of businesses by addressing specific challenges Black-owned businesses are having so that, one, they can start more businesses, but also those that are in operation or those that we launch are sustainable again by

addressing those real-life challenges they have.

ANNIKA PERGAMENT: And how crucial is it for the success of Black-owned businesses to have allies among White-owned business owners and the White community in general because it's not something that can happen in a vacuum. And I'm not just talking about putting rules and laws into place that require a certain percentage of contracts for example to be allotted to minority-owned businesses, but I'm just talking about in general changing the culture around that to make the White community and White-owned businesses seek out Black product, Black businesses. And I guess this goes back to sort of the 15% pledge.

JONNEL DORIS: Look, it's good for business. I mean it's the moral, correct thing to do. It is the right thing to do. But, you know, competition helps business. I mean that is at the core of our capitalist society and how we do what we do. You know, if you're looking for innovative ways to do things, different ways of looking at things, and also to build on collaboration, you want to engage Black-owned businesses, engage minority businesses in general. I think it's critical. You know, they bring unique, a sort of a unique perspective that can help grow your business. So above all things, it's good for business.

And second, I mean you know I believe in the moral imperative here, but also it is

critical for business for you to have a distinguishing factor as a business to really, you know, to engage, the majority business to engage, you know, minority counterparts. And they know how to communicate to their respective audiences. They understand and look at problems a bit differently. We see that. Innovation comes in different ways and forms. And if you're looking to advance and have a distinguishing factor as a business, I would say connect with a minority-owned business. Then you will begin to see sort of how they would think about a problem, how they can resolve problems, and then help move solutions forward. So, look, I think White-owned businesses, majority businesses, I think it's not only a good thing to do, it's the right thing to do, but it's also the thing that makes the most business sense to do.

ANNIKA PERGAMENT: It certainly does. Jonnel Doris, thank you so much for all the insight. We appreciate it. I see Barbara is back with us. I'll turn it over to you, Barbara.

JONNEL DORIS: Thank you Annika.

PRESIDENT BARBARA VAN ALLEN: Many thanks to you both. That was just a wonderful, insightful conversation. Great questions, Annika, and so much insight, Jonnel. Thank you. I want to give a special thanks also to our corporate sponsors – Bloomberg, Mastercard, PayPal, Taconic Capital, and S&P Global, who actually have helped make this program possible.

I'd like to also share with the members and guests attending that we have a few more great speakers lined up. As always, we encourage you to invite guests to join us. We have LL Cool J on December 1st, next week. And then followed by Mellody Hobson, Co-CEO and President of Ariel Investments on December 2nd. Ken Chenault is going to be speaking on December 8th. He's the Former CEO and Chairman, as many of you know, from American Express. And then on December 9th, we have David Steward, the Founder and CEO of Worldwide Technology. So please continue to monitor our website as we will be adding events. I'm just working on one right now that's not here yet. Thank you for joining us today. We wish all of you a Happy Thanksgiving and hope you have a safe and fun time with your families. Stay safe. Thank you.