

**TESTIMONY**  
**BY**  
**COMMISSIONER GREGG BISHOP**  
**NEW YORK CITY**  
**DEPARTMENT OF SMALL BUSINESS SERVICES**  
**BEFORE**  
**THE COMMITTEE ON SMALL BUSINESS**  
**OF THE**  
**NEW YORK CITY COUNCIL**  
**FRIDAY, MARCH 6, 2020**

## INTRODUCTION:

Good afternoon Chair Gjonaj and members of the Committee on Small Business. My name is Gregg Bishop and I am the Commissioner of the New York City Department of Small Business Services ("SBS"). I am joined by SBS First Deputy Commissioner Jackie Mallon and my senior leadership team.

SBS's Fiscal Year '21 Preliminary Budget is **\$162.5 million** with a headcount of **301 employees**. The Preliminary Budget includes pass-through funding that is not spent or managed by SBS; we serve as a conduit for funding allocated for other City entities. Of the \$162.5 million, **39%** or **\$64 million** is **pass-through funding**, which includes: \$27.6 million for the New York City Economic Development Corporation ("EDC"), \$21.1 million for NYC & Company, and \$15.1 million for Governors Island. The remaining **\$98.5 million**, or 61% of the Fiscal Year '21 Preliminary Budget, is allocated for SBS's programs. This funding supports SBS's mission of economically empowering New Yorkers through our employment, business, and neighborhood services.

At SBS, we aim to unlock economic potential for all New Yorkers by connecting New Yorkers to quality jobs, building stronger businesses, and fostering thriving neighborhoods across the five boroughs. During my tenure as Commissioner, I have encouraged the agency to work towards this mission while focusing on the idea of **equity of opportunity**. SBS strives to reach New Yorkers with limited access to economic opportunities, clear their path of systemic barriers to success, and offer tailored services to address the specific needs of our unique and diverse communities. SBS's goal is to not only provide high quality services, but also to focus on changing

systems and achieving long-term impacts so that our City can provide opportunities for all New Yorkers.

### **SUPPORT FOR BUSINESSES:**

During this year's State of the City address, Mayor de Blasio confronted the major issues facing our city, including the challenges facing our small business community. New York City is home to 230,000 small businesses and it is crucial that we continue to listen and adapt our offerings based on their needs. The Mayor is committed to supporting the city's small businesses and under his leadership, SBS will be **continuing Love Your Local** to reach more longstanding businesses, **expanding our Compliance Advisor and Small Business Advocate teams** to provide regulatory assistance, and **expanding our Commercial Lease Assistance Program** to help small businesses deal with lease-related challenges. We are also excited that the Mayor has committed to **expanding fine relief for small businesses**, including eliminating fines for first time violations and expanding the universe of violations that will have cure periods.

These initiatives will further enable SBS to help small business owners start, operate, and grow in New York City. SBS served **over 20,000 unique customers and businesses** in Fiscal Year 2019 through our network of **seven NYC Business Solutions Centers, nine Industrial Business Service Providers (IBSPs)**, and more than fifty free and low-cost business programs and services. These offerings include business planning courses, legal assistance, recruitment & workforce training services, information on selling to government, Minority and Women-owned Business Enterprise

(M/WBE) certification, and financing assistance. In Fiscal Year 2019 SBS helped **977** unique businesses receive financing awards valued at **\$76.2 million**.

SBS services are available to businesses in their neighborhoods, at their doorsteps, and online. Annually, SBS offers approximately **700 business education workshops** across the five boroughs. Along with updating the content and offering these courses in multiple languages this year, SBS also launched a series of new **online business courses**. Entrepreneurs can now apply to be connected to upcoming courses on topics including business operations, human resources, and marketing.

SBS is also helping small business owners navigate the regulatory environment. Using our web-based **NYC Business Portal**, business owners can look up which licenses and permits their specific business needs, view their interactions with the City, and learn how to avoid common business violations. Since launching in 2018, more than **44,000 accounts** have been created on this portal. We also bring regulatory assistance directly to small businesses through our **Compliance Advisors**, who provide on-site consultations to help new and operating business owners understand how to comply with regulatory requirements. Since launching in 2016, Compliance Advisors have served more than **8,000** small businesses, educating business owners on common violations and helping them avoid more than **\$100 million** in potential fines. By deploying both in-person and online tools, SBS aims to provide accessible services so that more New Yorkers can build and grow their small businesses at their convenience.

SBS also develops targeted programming to address challenges faced by New Yorkers who have historically faced barriers to economic security. Building on previous

Business Pathway program iterations, this year SBS, NYCHA, and Citi Community Development launched **Catering Business Pathways**, a new initiative to provide NYCHA and Section 8 residents with customized training and resources to start their own catering businesses. Over the course of ten weeks, Catering Business Pathways provides participants with a professional catering business education curriculum, mentorship and professional coaching opportunities, support in obtaining the licenses needed to grow their businesses, and assistance securing commercial kitchen space. We will celebrate the graduation of the program's first cohort later this month and SBS is currently recruiting for the second cohort. We would greatly appreciate the assistance of Council in spreading the word about this opportunity to NYCHA residents in your districts.

### **Support for Minority and Women-Owned Business Enterprises**

The agency's commitment to equity of economic opportunity extends to government procurement. SBS plays a key role in the City's Minority and Women-owned Business Enterprise ("**M/WBE**") program, which supports the growth of minority and women-owned businesses through City procurement and ensures that our vendors reflect the diversity of our city. SBS certifies M/WBEs and provides capacity building services to help firms strengthen their ability to win contracts. In 2016, Mayor de Blasio set the ambitious goal of doubling the City's pool of certified firms in three years. Shortly after last year's Budget Hearing, in June 2019, SBS achieved this goal and has now certified **over 9,000 M/WBEs**. This represents an increase of over 150% in certified firms since the start of the Administration.

Beyond certification, SBS is working to provide M/WBEs with the resources they need to successfully compete for City contracts. SBS's services for M/WBEs include capacity building cohort programs, mentorship programs, targeted workshops, and one-on-one technical assistance. In Fiscal Year 2019, SBS provided one-on-one technical assistance to over **1,500 M/WBEs** and small firms and served an additional **1,300** participants through workshops. In response to cash flow challenges faced by certified firms working on City projects, the administration created the **Contract Financing Loan Fund**. This \$10 million revolving fund lets small businesses borrow up to a million dollars, capped at a 3% interest rate. From the fund's launch in 2017 through January 2020, we have awarded **96 loans** in the amount of **\$20.7 million**, opening the door to more than \$92 million in contracts for small businesses.

These resources are helping level the playing field for M/WBEs in procurement. In Fiscal Year 2019, over **\$715 million** in prime contracts and over **\$319 million** in subcontracts awarded by City agencies were won by certified M/WBEs. This represents a combined utilization rate of **23.6%**, putting the City on track to achieve the Mayor's goal of at least 30 percent utilization by 2021. This year, alongside advocates, our agency partners, and allies in the State Legislature, we successfully advocated for the State to increase the City's authority to make discretionary awards to M/WBEs again—from \$150,000 to \$500,000. This higher discretionary threshold will increase M/WBEs' access to more City projects that are larger in scale and higher in contract value, creating even more opportunities for certified M/WBEs.

## **SUPPORT FOR JOBSEEKERS**

SBS provides support for New Yorkers to gain new skills and connect to living wage jobs. Our agency focuses on preparing New Yorkers to seize opportunities in growing sectors of our economy. SBS assists jobseekers with a wide range of skill levels through an inclusive growth strategy that ensures community members, employers, and education institutions are all aligned to increase the number of local residents prepared for, and getting, good jobs.

Through our network of **18 Workforce1 Career Centers**, SBS connects jobseekers with employment opportunities, industry-informed trainings, and a variety of candidate development services, such as resume support, interview preparation, and job search workshops. In Fiscal Year 2019, we connected more than **27,000** New Yorkers to employment and enrolled more than **2,000** New Yorkers with the training needed to advance their careers. This year SBS launched **Construction Site Safety Training** for workers who need it most. The training opportunity is currently available in English and Spanish at SBS's Workforce1 Career Centers and through organizations across the five boroughs that serve day laborers. In the coming months, the course will be made available in Mandarin, Cantonese, Polish, and Russian. We also developed a **small business reimbursement grant** to help small business owners keep their workers safe on the job.

Through our **Industry Partnerships**, SBS works collaboratively with industry to invest in local talent in sectors including food service, industrial, construction, healthcare, and technology. Industry Partnership initiatives that are supported by our budget include job quality programs in home healthcare and efforts to double the number of tech bachelor's degrees awarded from CUNY by 2022 through **CUNY 2x**

**Tech.** CUNY 2x Tech is investing over **\$6 million in eight CUNY institutions** to update instruction, bring top tech teaching talent to CUNY, offer tech-specific career advising, and provide on-the-job experience for students. Last fall, the City expanded CUNY 2x Tech to **five additional colleges**: Brooklyn College, the College of Staten Island, John Jay College of Criminal Justice, Medgar Evers College, and Queens College. These investments will ensure that a more diverse array of New Yorkers have the knowledge, skills, and networks they need to enter and succeed in New York City's growing tech ecosystem.

In addition, employers from the Industry Partnerships are leading the charge on a new way to hire local talent. Through **Apprentice NYC**, employer partners have hired New Yorkers in positions as diverse as nurses, computer numerical control (CNC) machinists, and line cooks, and have provided them with the training and mentoring needed to succeed. SBS's budget enables our agency to help spread and scale this new apprenticeship model of identifying and on boarding talent across New York City. For example, our budget has supported the expansion of our **Citywide Nurse Residency to 28 local hospitals**, providing over **1,000 nurses** with year-long residencies that include specialized training to bridge the gap between education and practice. The Citywide Nurse Residency program is serving as a national model for bringing together hospitals to support the systematic change that puts nurses on track to succeed.

Using the industry knowledge gained from our employers, SBS works with provider partners, including tech boot camps and community-based organizations, to create industry-informed trainings across multiple career pathways. From bridge



trainings to fellowships, SBS provides a variety of entry points and advancement opportunities for New Yorkers with different levels of experience. We work closely with neighborhood community groups to recruit for all trainings SBS offers across the many sectors we focus on, to ensure local residents can easily access these opportunities. In addition to providing high quality training opportunities, SBS is working to ensure our trainings succeed in connecting New Yorkers to career pathways. In Fiscal Year 2019, the average annual wage for individuals connected to jobs after training was more than **\$57,000**, which is an increase of more than \$10,000 on average from the previous years.

#### **SUPPORT FOR COMMERCIAL CORRIDORS:**

In order to address the unique challenges faced by New York City's diverse neighborhoods and business communities, SBS relies on the expertise of local, on-the-ground partners. SBS oversees the largest network of **Business Improvement Districts (BIDs)** in the country. In Fiscal Year 2019, New York City's 76 BIDs served **93,000 local businesses** and invested **\$167 million in services** in neighborhoods across the five boroughs. Our agency provides the BID network and other community-development organizations with technical assistance, grant opportunities, and capacity building services that support local initiatives and strengthen the connection between our agency and New York City's small businesses.

SBS works directly with community partners to identify the needs of local commercial districts and plan targeted solutions through our **Commercial District Needs Assessments**, or CDNAs. CDNAs identify the strengths, challenges, and opportunities within a commercial corridor to better inform subsequent investments.

Through our **Neighborhood 360** and **Avenue NYC** grant programs, SBS has worked with community partners to publish **twenty** CDNAs to date. These grants provide long-term opportunities for awardees to evaluate community needs, hire a full-time program manager, and implement programming based on the CDNA findings.

To date, the Neighborhood 360 program has awarded **\$10 million** in grants to thirteen community organizations in neighborhoods across every borough. This year, SBS has made an additional **\$4.5 million** in Neighborhood 360 funding available to organizations serving Brownsville, Coney Island, Corona, Flatbush-Ditmas Park, and Norwood and Bedford Park. For other qualifying low-to-moderate income neighborhoods, applications are now open for our Avenue NYC grant program. We would appreciate the Council's assistance in ensuring their local community organizations are aware of this opportunity.

#### **OUTREACH + CONCLUSION:**

SBS is committed to serving business owners and job seekers no matter where in the city they are from. To expand SBS's reach beyond our centers and network of community partners, our agency conducts outreach throughout the five boroughs. Through the support of Council, our **Chamber On-the-Go** initiative allows us to send trained business specialists to canvas commercial corridors and connect with business owners. Since launching in December 2015, Chamber On-the-Go has reached more than **18,000 businesses** directly at their doorsteps. In 2017, SBS launched an additional outreach tool, our **Mobile Outreach Unit**, to increase our ability to bring SBS services directly to New Yorkers in need. Equipped with classroom space and computers, SBS staff use the Mobile Outreach Unit to provide on-site referrals to our

free business services, one-on-one technical assistance with M/WBE certification applications, resources during an emergency, and recruitment events to connect jobseekers with employment opportunities.

I am always eager to share the work we do here at SBS and to hear directly from you about the daily realities faced by your constituents. I look forward to the continued partnership of the Committee as we work to build a more vibrant and inclusive economy. Thank you and I would be happy to take your questions.

# **Bowen Public Affairs Consulting**

Testimony before the New York City Council  
Committee on Small Business  
Mark Gjonaj, Chair  
March 6, 2020

My name is Andrea Bowen, Principal of Bowen Public Affairs Consulting. I advocate on policy matters that advance the cause of economic justice. Thank you Chair Gjonaj, Council Members and staff of the Committee on Small Business, for this hearing, and for the opportunity to speak today.

I am speaking today on behalf of the Sex Worker Project (SWP) at the Urban Justice Center. SWP provides client-centered legal services to individuals who engage in sex work, regardless of whether they do so by choice, circumstance, or coercion. One of the first programs in the nation to assist survivors of human trafficking, the Sex Workers Project has pioneered an approach to service grounded in human rights, harm reduction, and in the real life experiences of our clients. We engage in policy advocacy, education, media, and organizing to build a movement to protect the human rights of sex workers. We aim to create a world that is safe for all workers and where human trafficking does not exist.

One of the budget asks being made by the Sex Worker Project at the Urban Justice Center is \$48,000 within the Job Training and Placement Initiative, contracted by SBS. Our program is a proposal fund the operation of sex worker community empowerment groups, which will meet regularly with a curriculum that includes financial literacy and planning, safety planning for the sex trades, job skills for the sex trades, job readiness for jobs in the formal economy, and other

leadership skills (e.g., how to speak to media, community fundraising and organizing, organizational governance). These skills could also help members of these groups eventually join staff of the Sex Worker Project or a stipended client and community advisory board.

These funds will pay for Metrocards, food, staff time required to run the groups, participant stipends, and below 30% of funds to pay for consulting to support these groups.

Sex workers, marginalized as they are from the formal economy, are in need of services that build leadership skills and provide affirming pathways to both safer work experiences within the sex trades, and skill-building for the formal economy. The majority of workforce programming provided by the City is for youth, provided by DYCD. While Workforce1 Centers are helpful in connecting adults directly to employment, and other organizations provide workforce services that reach sex workers, we are the only organization specifically directed toward sex workers, and that is sex-worker-led, that also provides employment skill-building services such as this. Given the effectiveness of credible messengers—people from a specific community imparting skills to that same community—in providing skill-building and mentorship, the services proposed in this application, which would also be sex-worker-led, are a rare and integral model for providing employment services to sex workers in New York City. We are also unique at SWP in that we do not assume what is best for each person, meaning that some people want to stay in the sex trades while others do not. People can have a safer and more economically empowering experience in the sex trades or in the formal economies or both.

We believe in meeting people where they are with a harm reduction and human rights approach, rather than a savior or missionary approach which is condescending paternalistic and ultimately ineffective and harmful. Each worker and human being is the expert on their own life and we are here to provide tools, information and options for those workers.

I appreciate the opportunity to go on the record presently and outline this issue and request. You can ask me further questions at [andy@bowenpublicaffairs.com](mailto:andy@bowenpublicaffairs.com).

### Who are we?

The Sex Workers Project at the Urban Justice Center provides client-centered legal services to individuals who engage in sex work, regardless of whether they do so by choice, circumstance, or coercion. One of the first programs in the nation to assist survivors of human trafficking, the Sex Workers Project has pioneered an approach to service grounded in human rights, harm reduction, and in the real life experiences of our clients. We engage in policy advocacy, education, media, and organizing to build a movement to protect the human rights of sex workers. We aim to create a world that is safe for all workers and where human trafficking does not exist.

### FY21 Discretionary Requests:

Ask	Amount	Application ID	What will this pay for?	Initiatives applied to
Lawyer to focus on workers' rights, labor and employment law issues in the legal sectors of the sex trades including wage theft, sexual harassment, racial discrimination, stalking, digital privacy and police misconduct.	\$110,000	93022	1 FTE workers' rights attorney	Legal Services for the Working Poor Low Wage Worker Support Legal Services for Low-Income New Yorkers
Fund the operation of sex worker community empowerment groups, which will meet regularly with a curriculum that includes financial literacy and planning, safety planning for the sex trades, job skills for the sex trades, job readiness for jobs in the formal economy, and other leadership skills (e.g., how to speak to media, community fundraising and organizing, organizational governance). These skills could also help members of these groups eventually join staff of the Sex Worker Project or a stipended client and community advisory board.	\$48,000	93267	These funds will pay for Metrocards, food, staff time required to run the groups, participant stipends, and below 30% of funds to pay for consulting to support these groups.	Job Training and Placement Initiative

### Why these programs?

- **Lawyer to focus on workers' rights issues:** Sex workers, as with other workers, are subject to a variety of abuses at the hands of clients, managers and employers: wage theft, sexual harassment, and racial discrimination to name a few.
- **Sex worker community empowerment groups:** Sex workers, marginalized as they are from the formal economy, are in need of services that build leadership skills and provide affirming pathways to both safer work experiences within the sex trades, and skill-building for the formal economy depending on their own goals. The majority of workforce programming provided by the City is for youth, provided by DYCD. While Workforce1 Centers are helpful in connecting adults directly to employment, and other organizations provide workforce services that reach sex workers, we are the only organization specifically directed toward sex workers, and that is sex-worker-led, that also provides employment skill-building services such as this. We are also the only organization that does not ignore the real life financial and safety planning skills needed while people are working in the sex trades.

For more information, contact Andrea Bowen, [andy@bowenpublicaffairs.com](mailto:andy@bowenpublicaffairs.com), 917-765-3014, or RJ Thompson, [rthompson@urbanjustice.org](mailto:rthompson@urbanjustice.org), 917-405-4556



**Testimony for New York City Council  
Committee on Small Business Budget Hearing**

**Submitted to the New York City Council  
Committee on Small Business  
March 6, 2020**

Thank you, Chair Gjonaj and the New York City Council Committee on Small Business for inviting us to testify today.

My name is Ahyoung Kim, and I am the Small Business Project Manager at the Asian American Federation (AAF). AAF's mission is to raise the influence and well-being of the pan-Asian American community through research, policy advocacy, public awareness, and organizational development. We represent a network of nearly 70 member and partner agencies that support our community through their work in health & human services, education, economic development, civic participation, and social justice.

Asian New Yorkers are the fastest-growing population in New York City, comprising 15 percent of the overall population and representing at least 10 percent of the population in more than half of the City Council districts. Of this population, 70 percent are immigrants and approximately 50 percent have limited English proficiency.

As you know, Asian-owned businesses are a vibrant and essential part of the city's economy, accounting for about half of net new economic activity and half of net new employment from 2002-2012 in New York City, according to AAF's 2016 report on *NYC's Economic Engine: Contributions & Challenges of Asian Small Businesses*.

One of our proudest programs is the Small Business Assistance Program, through which serve nearly 100 Asian-owned small businesses in Flushing and have access to a network of over a thousand merchants who belong to the Korean American Business Council in New York.

Despite the impressive statistics, many Asian small business owners face significant challenges to sustain and/or grow their business due to language barriers, confusing regulations, and a dearth of programming to address their specific needs. While their economic output is celebrated, the city's Asian small business owners have great difficulty in finding the support and resources they need to truly thrive. In addition, this community remains most vulnerable to volatility in the market. The hysteria regarding the COVID-19 has shocked to the local economy



to a halting freeze, and the Asian Immigrant small businesses are hurting the most, with no safety net for their livelihoods.

### **City Regulations**

Penalties from violations are one of the greatest challenges that small businesses face. For immigrant small business owners with limited English proficiency, there is not enough information regarding city regulations, nor adequate in-language assistance to help them navigate the complicated regulations.

New immigrants with limited English proficiency have little access to learn about government regulations and are often ill-advised by landlords or vendors who may be looking to take advantage of owners' lack of knowledge. The absence of adequate in-language materials adds to the confusion. Moreover, inconsistent implementation of regulations by inspectors unfairly penalizes merchants who can't understand or speak English and adds to their distrust of city agencies.

### **Small Business Technical Assistance**

Of the nearly 100 small business owners that AAF serves, 95 percent have limited English proficiency and nearly no knowledge of how to access the City's small business services. Notably, self-employed Asians have lower median wages and earnings than self-employed non-Asians, perhaps in part due to the fact that they are more likely to have limited English proficiency and be non-citizens. These challenges make navigating the already complex world of small business ownership extremely difficult. Add to that the byzantine world of government requirements and regulations required to run a business, and Asian small business owners are particularly handicapped despite their important contributions to the city's economy.

For the past two years, AAF has provided small business technical assistance out of our Flushing office to Chinese and Korean small business owners whose businesses have been negatively impacted by the construction of Flushing Commons and who, thus, have struggled to attract customers to what used to be a historical shopping district. We have provided daily operational support and technical assistance to merchants to help them navigate government systems and communicate with landlords, vendors, and customers. To boost economic activity on the ground, we have conducted beautification projects through public art installations and our signage replacement program, which grew out of our advocacy to ensure that small business owners had a two-year grace period to meet city signage regulations. We helped organize small business owners to voice out their concerns and impact government policy, empowering the community to stay engaged with changes in regulations that directly impact their businesses.

Additionally, we have helped our small business owners establish an online presence through the eUnionSt website and organize promotional events to draw more customers to the Union Street corridor. Through our outreach efforts, we have also disseminated critical information about current and upcoming government regulations and services to ensure that merchants have access to information that will impact them and their businesses.

## **Recommendations**

To adequately support the small businesses that contribute to New York City's economic engine, we ask the City Council to make an initial investment of \$1.25 million dollars to provide immigrant small businesses with the in-language technical support they need to thrive in New York City. With this funding, AAF plans to maintain and expand our Small Business Assistance Program to serve Asian small businesses in Queens neighborhoods where support is most needed, such as Flushing and Murray Hill.

Specifically, we plan to establish a Small Business Center with staff who can provide in-language assistance to pan-Asian small businesses.

The City's small business assistance centers need to be decentralized and located in areas where immigrant small businesses are heavily concentrated. Currently, owners are unable to take advantage of any City services because they are located too far from where they work, and the City provides few in-language services in person. Our Center will provide:

- Seminars – Provide informational seminars, as well as technical assistance, which reflects the specific needs of different Asian business communities and the industries they work in
- Civic Engagement – Inform small business owners of regulation and policy changes from the get-go to minimize any negative impact at the implementation stage. We would reach out to owners in a systematic manner to inform them of policy changes and invite feedback through ongoing discussions.
- Education about Regulations – Provide in-language materials to guide immigrant small business owners through inspections. These materials would inform owners of what their responsibilities are and what to expect during inspections, which will help them understand how to be in compliance.
- Business Trainings – Create in-language guides for how to start and run a small business in New York City. These guides will establish a common ground of understanding as well as reflect specific needs of different Asian business communities and the industries they work in.
- Build Capacity – Build the capacity of Asian community-based organizations to provide small business assistance to community members. While a few of our member agencies have a small business program, many of the emerging Asian communities in New York City are not receiving the small business assistance they need. Community-based organizations are the first place that Asian small business owners go to for help and the City must ensure that these organizations are properly prepared to offer assistance.

## **Asian American Federation**

Ahyoung Kim 김아영  
Small Business Project Manager



37-17 Union St, 2nd Floor  
Flushing, NY 11345  
Tel: (212) 344-5878 ext. 220  
Fax: (212) 344-5636  
E-mail: [ahyoung.kim@aafederation.org](mailto:ahyoung.kim@aafederation.org)  
Website: [www.aafederation.org](http://www.aafederation.org)



**Center for  
Family Life  
in Sunset Park**

---

**SCO Family of Services**

**TESTIMONY**

Preliminary Budget Hearing:

“New York City’s Worker Cooperative Business Development Initiative: Worker Cooperatives –A  
Successful Model for Small Businesses”

**Presented to**

New York City Council, Committee on Small Business Services

Hon. Mark Gjonaj, Chair

Friday, March 6, 2020

**Prepared By:**

Sylvia Morse, Cooperative Development Program

Center for Family Life/SCO Family of Services

**Center for Family Life**

443 39<sup>th</sup> St., Brooklyn, NY 11232

Phone: 718-633-4823

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business. My name is Sylvia Morse and I am Assistant Director in the Cooperative Development Program at the Center for Family Life (CFL), a 40-year old social service organization based in Sunset Park, Brooklyn. CFL has been part of the Worker Cooperative Business Development Initiative since its inception in 2014. We are deeply grateful for the support that City Council has committed to worker cooperative development to fight economic inequality in New York City.

Since 2006, CFL has provided tailored and long-term business incubation and technical assistance services to more than 20 worker-owned cooperative businesses in service sectors including cleaning and childcare. Since 2012, we have also trained 46 community-based organizations in cooperative business development, many of whom have since developed worker cooperatives. CFL-supported cooperative have generated over \$15 million and helped stabilize the families of more than 500 workers in low-income communities. Worker-owners in the cooperative businesses we currently partner with are primarily immigrant women who are English Language Learners. Among the cooperatives CFL has supported, 76% of worker-owners are Spanish-speaking, 83% are women, 73% have high school education or less, and 72% are parents. Prior to joining a cooperative, the vast majority of these workers have struggled to make ends meet by cobbling together low-wage gigs, often in exploitative and unsafe conditions. Now, as small business owners, these workers are creating better jobs for themselves and their community, establishing a path to their family's economic stability, and building the skills and knowledge to take on leadership positions in their small businesses and communities. In the worker cooperatives we support in the cleaning sector, for instance, workers on average see their wages double after joining the cooperative. In a 2019 CFL survey, the majority of worker-owners reported that joining a cooperative had enabled them to become more financially independent and to establish savings.

The Worker Cooperative Business Development Initiative is not only helping start worker cooperatives, but is at the forefront of business model innovation, with the goal of bringing worker ownership to scale in communities historically underrepresented in small business ownership. At CFL, we developed Up & Go ([upandgo.coop](http://upandgo.coop)), a cooperatively-owned web app through which worker cooperatives from across the city jointly market their services. With Up & Go, startup cooperatives have been able to more quickly enter the market, remain competitive in the digital gig economy, and create opportunities for workers to share in the wealth generated by technology. CFL also launched the country's first worker cooperative franchise, Brightly® cleaning. Through shared branding, startup toolkits, office infrastructure, and business supports, the Brightly® franchise reduces the barriers for worker-owners to startup and sustain successful cooperative businesses. Both Up & Go and the Brightly® franchise are helping entrepreneurs in low-income neighborhoods grow small business assets, create quality jobs, and lift standards in their industry. These approaches, like all of the Worker Cooperative Business Development Initiative's work, have made small business ownership accessible to our city's most vulnerable residents and garnered attention from across the U.S. and internationally as models for equitable economic development.

We thank you and urge continued and enhanced support from New York City Council for worker cooperative development in Fiscal Year 2021, which will expand transformational small business ownership opportunities for workers as an essential part of the portfolio of the Department of Small Business Services.



## **TESTIMONY**

Preliminary Budget Hearing:  
"New York City's Worker Cooperative Business Development Initiative:  
Worker Cooperatives As An Economic Development Strategy"

### **Presented to**

New York City Council, Committee on Small Business  
Hon. Mark Gjonaj, Chair  
Friday, March 6, 2020

### **Prepared By:**

Pablo Benson Silva, Director of Membership & Communication  
New York City Network of Worker Cooperatives (NYCNoWC)

### **New York City Network of Worker Cooperatives**

495 Flatbush Ave. Suite 2 Brooklyn NY 11225  
Phone: (212) 390-8178

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business. On behalf of the 14 organizations that make up the Worker Cooperative Business Development Initiative (WCBDI), we want to thank you for this opportunity to testify on the economic and social opportunities inherent in the structure of worker cooperatives and to share the successes we have achieved through the implementation of the WCBDI as we look ahead to supporting the creation of more businesses, dignified jobs, and shared prosperity for New York City residents in FY 2021.

Five years ago, NYC Council made history by passing the nation's first Worker Cooperative development initiative. Since then more than 20 cities across the nation are looking closely, replicating, and catching up with NYC. Some cities that have already passed similar legislation include: Madison, Philadelphia, Oakland, Boston, Santa Clara, etc. While many others are actively considering legislation.

*Over the same period this initiative has created 132 new cooperatives businesses, reached nearly 8,000 current or prospective entrepreneurs, and created more than 631 new jobs, that are not only providing higher hourly wages but also building wealth and assets for their workers.*

The organization I represent, the New York City Network of Worker Cooperatives (NYC NoWC) is the local trade association representing worker cooperative businesses across New York City. As a member of the city council funded Worker Cooperative Business Development Initiative (WCBDI) we have seen first hand how the initiative has served to bolster our sector, strengthening existing cooperative businesses and creating new ones, which are overwhelmingly immigrant and women owned. The Initiative Partners have collectively worked to create a comprehensive ecosystem of support for cooperative businesses that not only ensures the creation of new cooperatives in low income areas, but also the technical assistance needed to sustain businesses and create jobs, as well as the education and outreach needed for communities, interested entrepreneurs, and allied organizations.

**We urge the City Council to support worker cooperatives, which provide higher wages and job stability to individual workers and their communities, by enhancing the initiative currently funded at \$3.69 million to \$5.04 million in FY21.** WCBDI provides essential services to worker cooperatives and raises awareness about them across the five boroughs. At this point, I would like to acknowledge the continued support of Council Member Rosenthal and her advocacy for this initiative, as well as the support and partnership of SBS, our contracting agency which has worked closely with us over the years.

As the interest in worker cooperatives continues to grow locally and nationally, we hope that the city continues to play a role in supporting the New York City-based worker cooperatives and not-for-profit support organizations, such as The Working World (TWW), Democracy at Work Institute, Green Worker Cooperatives (GWC), Center for Family Life (CFL), and the New York City Network of Worker Cooperatives (NYC NOWC), among others, who promote the development and

expansion of worker cooperative businesses as a means to reduce poverty and income inequality in New York.

While the Initiative has made remarkable progress in the last five years, the infrastructure needed to support the growing cooperative community in New York needs to be expanded. With increased funding, the Initiative will not only continue to develop new cooperative businesses, with 42 new cooperatives set to launch this fiscal year, but foster an environment where such enterprises will thrive in the long term. With increased support, WCBDI will focus on building upon the successes and innovations that you will hear about today from my colleagues in the initiative. We will reach new communities by providing support to more co-op support organizations, as we have seen growing interest from other CBOs, labor unions, academic institutions among others who are interested in bringing the cooperative model and co-op education to their communities. In addition, the Initiative will continue to have an impact on cooperative creation, on assistance provided, and jobs created with at least 170 new jobs set to be created with this enhancement in FY21.

We thank the City Council for the opportunity to testify. We hope that you will consider our budget priorities and recommendations during this year's budget negotiation process, and look forward to continue working closely with you to ensure hard working individuals and families have opportunities to achieve economic advancement and create shared prosperity for all New Yorkers.

8

# THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☒ in favor ☐ in opposition

Date: 3/6/20 WCB DI

(PLEASE PRINT)

Name: Sylvia Morse

Address: \_\_\_\_\_

I represent: Center for Family Life

Address: 443 39st Brooklyn NY

6

# THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☒ in favor ☐ in opposition

Date: 3/6/20 WCB DI

(PLEASE PRINT)

Name: Pablo Benson Silva

Address: 259 Montgomery St - Brooklyn

I represent: NYC Network of Worker Cooperatives

Address: 495 Flatbush Brooklyn NY 11225

# THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☒ in favor ☐ in opposition

Date: \_\_\_\_\_ Small Businesses

(PLEASE PRINT)

Name: Emily Marie Ramos

Address: 725 FDR DRIVE Apt. 6D, NY, NY 10009

I represent: High Mi Madre!, NYC NOWC (NYC Network of

Address: Green Workers Coop, East Harlem Preservation

JUST Leadership USA 1031 Lafayette Ave BX, NY

Please complete this card and return to the Sergeant-at-Arms

2nd floor



**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☒ in favor ☐ in opposition

Date: 3/6

(PLEASE PRINT)

Name: Julian McKenley

Address: \_\_\_\_\_

I represent: Democracy at work Institute

Address: 630 Broadway New York NY

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Gregg Bishop

Address: Commissioner SBS

I represent: NYC SBS

Address: 1 liberty Plaza

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Jackie Mallon

Address: 1<sup>st</sup> Deputy Commissioner

I represent: NYC SBS

Address: 1 liberty Plaza

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Chyoung Kim

Address: 41-41 41st street Sunnyside.

I represent: Asian American Federation

Address: 120 Wall st.

**Please complete this card and return to the Sergeant-at-Arms**

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 3/6/20

**(PLEASE PRINT)**

Name: Andrea Bower

Address: 147 S Oxford St Apt 4D Bklyn 11217

I represent: Sex Workers Project at the Urban Justice Center

Address: \_\_\_\_\_

**Please complete this card and return to the Sergeant-at-Arms**