



### **The Socioeconomic Standing of Blacks In NJ and Public Policy**

New Jersey is home to 1.2 million blacks and over 88,000 black owned businesses. Blacks voted 94 and 96 percent respectively for the Murphy Administration in their two terms in office. Blacks have the highest poverty and unemployment; their net worth is \$17,000 vs \$322,000 for whites. Homeownership for blacks is 40 percent vs 70 percent for whites.

Legislative/policy issues that would make a significant impact on economic opportunities and disposable income for blacks if they were modified or abolished in New Jersey.

- Insurance companies in New Jersey, except for CURE Auto Insurance, use **Education, Occupation and Credit Scores as proxies to determine auto insurance premiums.**
- Most accountants use GAAP- Generally Accepted Accounting Principles to confirm financial soundness of businesses. However, there is a law which allows CPAs with a **Registered Municipal Accountants (RMA)** designation exclusively to audit the financial conditions of municipalities in New Jersey. There are approximately 20,500 CPAs and only 135 CPAs with an RMA. This law excludes many CPAs from performing audits within their communities notwithstanding experience and capacity.

#### 2024 New Jersey Revised Statutes

Title 45 - Professions and Occupations

Section 45:2B-70 - Requirements for qualification as registered municipal accountant

Universal Citation:

NJ Rev Stat § 45:2B-70 (2024)

45:2B-70. Requirements for qualifications as a registered municipal accountant

29. A certified public accountant or public accountant holding an active license shall qualify as a registered municipal accountant by passing a registered municipal accountant's examination. Only a registered municipal accountant licensed in this State shall undertake the work of auditing the financial statements of any municipality or county.

The board shall make all the rules governing examinations and the issuance of licenses to registered municipal accountants. The registration fee for a registered municipal accountant of New Jersey shall be established by the board and shall be imposed for each triennial registration.

L.1997, c.259, s.29; amended 2001, c.149, s.9.

- Governor James McGreevey established the **Project Labor Agreements (PLA)** in 2002 as his first Executive Order at a threshold of \$5 Million Dollars. Subsequently, Presidents Obama and Biden had PLA thresholds of \$25 Million and \$35 Million respectfully. We would like to have the threshold levels in New Jersey raised to align with the federal government. This change would allow more businesses to compete for taxpayer funded projects thus potentially impacting the 93 percent sole proprietorship rate of black businesses in New Jersey.

- [BILLS A-4586/S-3639](#)

The current versions of each bill can be accessed through the above links.

The importance of arriving at the best legislative outcome for Public Contracting in New Jersey:

What the chamber is seeking from the legislature:

1. Disaggregation of Public Contracting Spend.
2. Application of aspirational goals to all state procurement spending.
3. Insertion of liquidated damages in procurement contracts.

Statewide Disparity Study

A few highlights from the New Jersey Disparity Study results revealed that Black-owned businesses received ~1% (or less) of state contracts in all industries between fiscal years 2015-2020:

Black-owned businesses received 13, or 0.43% of all formal construction prime contracts awarded during the study period, representing \$3,302,674 or 0.03% of the construction prime contract dollars (as compared to \$10.8 billion awarded to White-male-owned businesses).

Black-owned businesses received 65, or 1.15% of all formal professional services prime contracts awarded during the study period, representing \$13,736,729 or 0.34% of the professional services prime contract dollars (as compared to \$3.4 billion awarded to White-male-owned businesses); and

Black-owned businesses received 62, or 0.53% of all formal goods and services prime contracts awarded during the study period, representing \$12,227,367 or 0.38% of the goods and services prime contract dollars (as compared to \$2.9 billion awarded to White-male-owned businesses).

These statistics are disheartening in light of New Jersey's diverse population and the number of qualified/available MWBEs in the State:

- Black-owned businesses represent 9.19% of the available construction businesses and received 0.14% of the dollars on construction contracts valued over \$65,000 to \$5,710,000.
- Black-owned businesses represent 12.01% of the available professional services businesses and received 1.44% of the dollars on professional services contracts valued over \$40,000 to \$800,000.
- Black-owned businesses represent 10.08% of the available goods and services businesses and received 0.46% of the dollars on goods and services contracts valued over \$40,000 to \$360,000.
- Black-owned businesses represent 5.97% of the available prime contractors for informal contracts and received 0.75% of the dollars on informal prime contracts for all industries.

The underutilization in each of these categories is statistically significant.

- Additional Bills

AACCNJ is also working on A-4724/S-3502, A-4723/S-3505, and A-4485/S-3573.

Thank you.

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