

National Minority Contractors Institute

Background: Historically, minority group construction contractors have been outside the mainstream of the construction industry. Although the nation has approximately 870,000 general and specialty contractors, fewer than 2,000 or two-tenths of one percent are black. While a reliable estimate of the number of contractors among other minorities is not available, it seems safe to assume that they too have little representation.

The development of minority contractors in the past has not kept pace with the industry's growth and there is no reason to assume that without assistance the gap between minority contractors and other contractors will not continue to drastically widen.

The pressing need is for a program to develop minority contractors and to enable them to develop the entrepreneurial skills required to sustain a major construction program. In this way, we can begin to create opportunities not only for entrance into the construction industry as general and sub-contractors, but also for the development of skilled craft job and union membership opportunities.

The Proposal: To establish a National Minority Contractors Institute which will promote and facilitate the development of minority construction contractors in the major urban areas and enhance opportunities for minority entrepreneurship and employment in this industry.

Specific Goals: 1) To increase the participation of minority group contractors in the building and construction industry; 2) to multiply at all skill levels the minority group work force in that industry; and 3) to assist core city residents' participation in the rebuilding process in their communities.

Methods: These goals will be achieved by: 1) informing relevant institutions of the problems of minority contractors and stimulating solutions essential for their greater participation in the construction industry; 2) serving as a focal point and source for getting technical assistance to local contractor associations and/or contractors; 3) providing for dissemination of information to contractors and exchanges of experience; 4) assisting, as needed, the National Minority Contractors Association; 5) assisting in the development of local minority contractors associations wherever the demands indicate; 6) aid in developing funding sources to provide resources necessary for local staff support and local working capital needs of association members; 7) development of manpower programs relevant to the needs of the contractors and to the communities which they serve.

Operations of the Institute: The three major components will be a) Revolving Capital Fund, b) Technical Assistance, and c) Manpower. A working capital revolving fund will help minority contractors overcome critical financing and bonding obstacles. Technical

assistance will help minority contractors develop the business and management skills necessary to compete more effectively for a greater share of the nation's construction business. Manpower training programs will be developed -- in close cooperation with the building trades unions -- to develop and upgrade craftsmen at all skill levels.

Urban Coalition role: The Coalition will assume a catalyst role in the establishment of the Institute with the goal of spinning it off as a separate non-profit organization as soon as feasible. The Coalition's effort will include fund-raising, locating private sector representatives willing to assist Institute programs, disseminating information about the Institute, and helping identify local communities for priority attention.

Organization: The Board of Directors of the Institute will reflect a partnership between minority contractors and those committed to assisting them.

Staffing: The Institute staff will consist initially of a Director and a secretary. As programs reach the development and implementation stage -- and as funding resources become available -- additional staff will be added to administer the revolving capital fund, technical assistance, and manpower programs of the Institute.