

EUQUANT IN ACTION

In 2007 EuQuant was commissioned by the Congressional Black Caucus Foundation to examine the Small Disadvantage Business program of the Small Business Administration. This program was established to help mitigate the effects of discrimination on minority-owned and disadvantaged businesses and create more equitable participation in the federal contracting process. Although the core program is designed to rectify historical barriers, a stipulation in the eligibility criteria negatively affects the capacity of businesses that participate. The program requires a business owner's Personal Net Worth (PNW) to be less than \$750,000. A large section of the report explored how minority-owned businesses are affected by the PNW restriction. In one case it was noted that when firms graduated from the program because of the PNW restriction their average monthly revenue decreased from \$814,923 to \$448,573, a 45% drop. The decrease was caused by the lack of incentive on the part of prime contractors to continue using firms that were no longer SDB certified and by the difficulty that graduated firms encountered in pursuing prime contracts; because the PNW ceiling had constrained their access to bonding and finance. EuQuant also quantified the contribution of SDBs to the general economy and to employment in economically distressed central cities. For instance, thirty-one percent of the minority-owned businesses listed in the federal government's Central Contract Register (CCR) were located in high poverty areas of central cities as compared to 24% of non-minority companies. The SDB program was found to provide an annual economic impact of \$5.5 billion to US final demand and to create over 124,000 jobs. EuQuant's researchers recommended new higher PNW threshold's that are industry-specific and are adjusted for inflation. A two year transitional eligibility period was recommended for firms that reach the PNW ceiling. On May 19th, Dr. Thomas Boston was invited to Washington to discuss these recommendations with the Senate Small Business Comm.



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**THE FIRST ANNUAL
MEETING OF THE SOCIETY
FOR BENEFIT-COST
ANALYSIS**

BY: MAISHA T. BAKER

Dr. Thomas Boston participated in The First Annual Meeting of the Society For Benefit-Cost Analysis. The conference kicked off with a luncheon featuring Jonathan Fanton, President of The John D. and Catherine T. MacArthur Foundation, as the keynote speaker. Along with being a panelist participant, he submitted a paper entitled *The Net Social Benefit of Transforming Six Public Housing Projects into Mixed-Income Communities.*

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**FIVE INSTANT INSIGHTS GAINED WITH A EUQUANT
BENEFIT COST ANALYSIS**

BY SMITHA KARTIK

We extended our BCA to measure not only the financial costs and benefits associated with alternative investment decisions and program operations, but to monetize social impacts that are seldom evaluate. There are many useful insights that our benefit cost analysis provides, but here are five instant insights:

- 1. Quantifies all direct and indirect costs**
- 2. Quantifies the benefits to society**
- 3. Analyzes to return on each dollar invested**
- 4. Simplifies the process of choosing the project with the highest return on investment**
- 5. Identify gains and losses to all stakeholders**

In today's tough economic environment, companies need quantitative insights to better evaluate their long term investments and return on daily operations to ensure they are functioning at maximum efficient capacity. Let the proven results of our BCA remove uncertainty from your decision making processes.



CHANGING THE FACE OF PUBLIC HOUSING, IS IT WORKING?

By Maisha T. Baker

In light of the 2008 presidential elections, everyone is talking about change. Americans are looking for change in government tax policies, healthcare and education. Too often overlooked is the need to improve the quality of life for economically disadvantaged families. Often times, these families have no choice but to live in distressed public housing projects. These housing developments are often plagued with violent crimes, drug trafficking and poorly equipped schools and recreational facilities. As a result, the Atlanta Housing Authority has set out to de-concentrate the poverty associated with traditional public housing recombination of mixed income revitalize communities and housing choice vouchers. The primary objective is to provide to families quality affordable housing in neighborhoods that have greater opportunities for upward mobility. EuQuant economists and statisticians were commissioned to study families whose lives have been affected by mixed-income revitalization and housing choice vouchers. We reviewed the Atlanta Housing Authority (AHA) programs between 1995 and 2007 and evaluated the socio-economic status of all households and every person who received housing assistance. A full copy of the executive summary to *The Road to Self-Sufficiency : An Examination of AHA's MTW Program* can be found at www.EuQuant.com.



BABSON COLLEGE ENTREPRENEURSHIP RESEARCH CONFERENCE BY: MAISHA T. BAKER

The annual conference was held at the University of North Carolina Of Chapel Hill. More than 300 persons attend the conference every year, submitting over 180 papers. Dr. Thomas Boston submitted a paper entitled: *The Relevance of Value Innovation to the Experience of African American Gazelles*. In this paper Dr. Boston answers the question "Are black-owned firms that pursue value innovation more likely to achieve higher rates of growth than are those that do not?"

For a copy of the paper visit our website at:

www.EuQuant.com



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