

# Economic Growth After the Election

By: Veronica Cool 🕒 November 4, 2016



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As I write this latest column, I struggle with current events ... the most contentious presidential election in recent history. As we have personally experienced, the interactions, whether at a dinner party or work meeting or even at the coffee stop, are rough. We argue, we question, we have even “unfriended” friends on social media over differing opinions. It’s ugly.

Ideally, this would be a typical election cycle, where we hear the results late Nov. 8 and wake up to a new era on Nov. 9, already transitioning into the new administration. I’m not so certain that will happen this time around, yet I’m hopeful that Americans will surprise me.

That we will come out in droves to vote.

Not only vote, but that we’d have researched the issues we care deeply about and supported the candidate most aligned with said issues...

Vote. Let it be an educated vote.

When it’s all said, and done, let’s reunite as the greatest democracy in the globe and be civil by supporting our incoming president.

## **Today and now**

Although this election will have far-reaching ramifications, we must still think about the “today and now.” Improving our work environment, retaining and growing existing clients and attracting new clients. I’m choosing to put my head in the sand as it pertains to the circus-like election activity and focus on driving economic development and growth in our region, such as leveraging the tremendous opportunities in our markets that can generate new business and jobs.

As you well know, our niche is the Hispanic market and how to effectively engage this segment to create win-win opportunities. By 2060, Hispanics will be the majority, and today they are opening businesses at 15 times the national average. This significant growth is especially noticeable in the commercial construction industry, which includes drywall, electrical and plumbing. Latinos comprise a large portion of the workforce on most construction job sites, and many Latinos entrepreneurs become subcontractors on large construction projects as well.

These Hispanic commercial contractors, although innovative and hard-working, are unfamiliar with the construction laws and procurement practices. Additionally, they have very little understanding of surety bonding and other financial commitments. This lack of knowledge is increasing the risk on the job. Without proper funding, a project can be stalled. Without proper bonding, it is very difficult, almost impossible, to win contracts. These challenges prevent commercial contractors, and in particular, Hispanic contractors, from growing significantly and sustainably.

Another challenge lies with the minority participation requirements included in many contracts. For instance, the State Highway Administration may issue a \$20 million request for proposal for road paving that includes a 15 percent Hispanic participation, meaning that 15 percent of this contract must be performed by a company certified as Hispanic-owned. For a large general contractor to win this contract, it must include a Hispanic partner that qualifies and has capacity to handle its portion — or \$3 million — plus sufficient capital to pay its labor force, sufficient bonding coverage and the knowledge to bid and price the proposal appropriately.

Also, the Hispanic partner must have the right accounting system and knowledge to bill and track to ensure it is in compliance when billing. Not to mention that the Hispanic contractor must be connected somehow where the general contractor can find it to form and build a relationship.

These challenges are real. They are impeding real growth and limiting the opportunity for teaming arrangements.

### **A new alliance**

Hence the creation of the Alliance for Hispanic Commercial Contractors or AHCC, formed through a partnership between Karen Barbour, Vanessa Lopez and myself to promote the growth, prosperity and participation of Hispanic commercial contractors in procuring commercial and government contracts through education, training and guidance.

Karen is an award-winning bonding insurance expert and advocate, working diligently to improve access and equality for the small-business community. She founded her own business, The Barbour Group and BG Network, so she understands the challenges of running her own shop. Vanessa Lopez, from Nicaragua, is an accountant with more than 14 years of construction accounting experience; she is very knowledgeable in pricing and tracking to maintain profitability and cash flow. And there's me — Dominican born and bred, an entrepreneur with expertise in business operations and Hispanic strategy.

The three of us, along with our teams, will be developing the alliance and we invite you to get involved to support the building of a strong, financially sound and well-equipped pool of Hispanic subcontractors and partners.

Training and educational sessions will be conducted across the region and with various partners and will include sessions in procuring commercial and government contracts, surety, finance, banking, estimation, scheduling, project management, contract law and safety. And the classes will be in Spanish and English to ensure our Latino contractors are fully informed and educated.

With the Latino population growing so quickly, the AHCC will support sustainable economic development so our businesses can grow, and, in turn, provide stable jobs for our communities – the same communities that will be here on Nov. 9 after the circus packs up. Amigos, you still have time to vote.

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