



A key component of the Rainbow Push Coalition’s mission is to identify and to encourage a mutually beneficial relationship between major corporations and Minority, Women and Disabled Veteran Business Enterprises (MWDVBE) businesses in the financial services sector. This mission is supported on the belief that efforts to ensure civil rights and equal access for women and minorities should extend from Main Street to Wall Street to Silicon Valley and importantly that diversity and inclusion should extend beyond the workforce and into the area of professional services.

For over 20 years Rainbow Push has facilitated a productive narrative between major corporations and state and local governments about their procurement of financial services for debt and equity capital raising. The Rainbow Push Wall Street Project (WSP), started in 1997, is proud to be a successful forum for bringing key corporate financial services business leaders, public elected officials and MWDVBE financial firms together to build business relationship and to foster business partnerships. The WSP meetings helped create opportunities for MWDVBE firms to participate on some of the largest corporate debt and equity offerings and to grow their firms. In addition to the WSP, Rainbow Push also implemented a Silicon Valley/Tech initiative in 2014. The Tech initiative through individual meetings, networking events and an annual conference put a specific sector focus on the degree of utilization of MWDVBE firms for financial services procured by tech sector companies. Since 2014, MWDVBE financial firms have experienced an increase in opportunities to participate in debt offerings for some of the largest tech companies.

The WSP and PushTech forums facilitated introductions between senior corporate executives and their financial staff with MWDVBE firms. These meetings highlighted the value added investment banking and underwriting capabilities that MWDVBE firms can provide for debt and equity capital raising. Most of these Tech companies were not knowledgeable about MWDVBE firms and the specific financial services these firms can provide. Given the banking expertise and resources that MWDVBE firms can offer there are significant benefits to including them in financial transactions. These benefits include:

- Significant investment banking and marketing expertise exist at MWDVBE firms since most of their professionals were trained and have years of experiences at major bulge bracket firms.
- Incremental distribution network as MWDVBE firms have relationships with small and medium size investors who are often overlooked by major bulge bracket firms but can be an important source of capital.
- This broader distribution of securities can result in lower financing costs and greater investor participation in a company’s debt and equity transactions.
- MWDVBE firms bring innovative and objective investment banking advice that is focused on long term value and relationship building and not solely focused on “pitching” the next transaction.

The bottom line is that diversity is a good business practice and not a philanthropic endeavor. Inclusive business practices provide access to innovation and fosters a competitive environment in all procurement activities. RainbowPush promotes that a corporation's diversity activities should not just be business goals but should be designed to achieve actual business results and those diverse relationships should reach beyond traditional supplier diversity but to professional financial services.

To provide a record and evaluation in the Tech sector's willingness to include MWDVBE financial firms in their debt and equity capital markets financing activities, Rainbow Push has compiled underwriting statistics on new issue transaction since 2014. Some of these results are correlated to RainbowPush interactions with various Tech companies through the WSP and PushTech forums as well as individual meeting. Sometimes decisions to include MWDVBE firms are motivated by a desire to do the same after witnessing peer companies including MWDVBE firms in their transactions. The record of the Tech sector record is at best mixed. Large and seasoned technology firm have demonstrated their willingness to incorporate MWDVBE firms in their transactions.

*[This report was produced by the Rainbow PUSH Wall Street Project, led by Rebecca Cruz, and the organization's PUSHTech2020 initiative, led by Butch Wing. Invaluable research was provided by Jordan Woodard of Loop Capital Markets, and Eda Kouch of Drexel Hamilton. The report was presented at the 21<sup>st</sup> Annual Wall Street Economic Summit held in New York, February 9, 2018.]*