

# Chicago May Require Bond Teams to Catalog Race and Gender

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**"We would like to see firms go one step further by developing, training, and growing minority talent from within," said Chicago City Council member Latasha Thomas.**



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CHICAGO — Underwriting, advisory, and legal firms that work on Chicago bond deals would face heightened disclosure rules about the diversity of the teams on their transactions under a proposed ordinance.

The ordinance, introduced by City Council member Latasha Thomas earlier this year and co-sponsored by 18 other aldermen, cleared the council's Finance Committee Tuesday.

The committee's chairman, Alderman Edward Burke, is expected to call the measure up for a vote at Wednesday's full council meeting.

The aim of the ordinance is to use the city's fiscal muscle on bond deals to promote the hiring and advancement of minorities and women at non-minority and non-women-owned firms by holding up their staff makeup to greater scrutiny. The city issued \$1.9 billion of bonds first half of the year and \$1.5 billion last year, according to Thomson Reuters.

"Chicago has been very successful in providing minority entrepreneurs with opportunities through the city of Chicago's Minority Business Enterprise Program," Thomas said. "Now we would like to see firms go one step further by developing, training, and growing minority talent from within — and ultimately lay the foundation for minority leadership within internationally recognized majority firms."

Chicago has long followed and met a goal of doling out at least 25% its bond work to minority-owned firms and 5% to women-owned firms. Firms must submit information to the city to qualify for majority, minority-or women-owned status.

Chicago's chief financial officer, Lois Scott, comes prepared with a breakdown of the

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Several council members, including Thomas, this year turned their scrutiny to the overall racial makeup of non-minority-owned firms assigned to work on city debt sales.

The increased attention came on two sales before the Finance Committee.

The transactions passed only after aldermen grilled Scott on the diversity of individuals working on the sales and on staff firmwide.

Hit with the new line of questioning, Scott went through the various firms and cited from memory individuals she knew were working on the team. Several representatives of firms in attendance also were called on.

The new rules would apply to any law firm, financial advisor, or underwriter that provides professional services to the city on a bond offering, regardless of its ownership status.

The firm would be required to report to the city's CFO the gender, role and race or ethnicity of those who will directly provide services for any particular transaction and the CFO would in turn share the information with the council. If a firm fails to accurately comply, it could lose out on city business.

The rules would extend to brokerage services provided to the city treasurer's office.

For those services, the data would be reported to the treasurer. The ordinance would take effect 30 days after passage.

The measure — dubbed Diversity in Firms Disclosure Ordinance — includes language explaining that the participation of minority and female employees in city financial transactions "can give them the type of professional and business experience that can lead to advancement, opening of management opportunities, and eventual ownership."

A separate resolution urging the Chicago Board of Education, City Colleges of Chicago, Chicago Park District, Chicago Transit Authority, and Chicago Housing Authority to adopt similar reporting requirements was held in committee.

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