

## Understanding the 2019 Report on Washington State's Disparity Study

The Washington State Disparity Study was commissioned by the Department of Enterprise Services on behalf of the Governor's Subcabinet on Business Diversity to help the state determine the level of disparity in participation by business enterprises owned by minorities, women and veterans in state contracts for public works, goods and services and client services.

The term **disparity** refers to the condition of something being unequal. Thus, a disparity study collects data and analyzes evidence about both the **availability** of minority-, women- and veteran-owned business enterprises and the level of **utilization** of such businesses in state contracts.

Utilization means the rate at which minority-, woman- and veteran-owned business enterprises are actually awarded state contracts or sub-contracts. This is usually expressed as a percentage of state dollars that was paid (or awarded) to minority-, woman- and veteran-owned business entities.

Levels of availability are determined based on data regarding the numbers of minority-, woman- and veteran-owned business enterprises that exist within particular markets and within particular geographic areas.

The extent of any identified disparities in the analysis is expressed as a **ratio**. This is known as a disparity ratio or disparity index. The study gives an in-depth explanation of the ratio used to express any disparity.

Data on utilization and state spending for this study was collected from 31 state agencies and two public institutions of higher education. The study authors created a master directory of minority-, woman- and veteran-owned business enterprises and relied on sources like the Census Bureau, D.B. Hoovers and other databases. They also interviewed stakeholders and business owners from all around the state to collect qualitative and anecdotal data and give context to their findings.

Details on the scope, timeframe and methodology used for this disparity study are described in the study report.

In addition to information on availability and utilization, the study authors also provide information regarding barriers facing minority-, woman- and veteran-owned business enterprises as well as recommendations on strategies the state can take to improve outcomes.