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NYC Paid $49 Million in Bond Fees to Minority and Women-Run Firms.

- **Comptroller report reveals underwriting data since fiscal 2018**
- **Lander says NYC still has a ‘long way to go’ on representation**

New York City paid minority- and women-owned bond firms about a third of the $152 million spent to underwrite new debt sales over the past four fiscal years, a sign of rising inclusion in one of the biggest municipal issuers in the nation.

Investment banks run by women or minorities served as book-running senior manager for more than $13.8 billion of the general obligation and Transitional Finance Authority bonds issued between fiscal years 2018 and 2022, according to a Tuesday report from city Comptroller Brad Lander. They earned $48.7 million in takedown over the period.

The increasing segment of diverse underwriters stands in stark contrast to the city’s pension funds, where minority and women-owned firms have commitments totaling only about 7% of $240 billion in assets as of June 30, 2022.

Lander ascribed diversity in bond underwriting to a series of policies to attract and then promote minority- and women-owned firms, which he said have been replicated by other major municipal issuers. To boost pension allocations to underrepresented firms, Lander has appointed Taffi Ayodele as director of diversity, equity and inclusion to the Bureau of Asset Management.

In 2002, New York City created a “special bracket tier” for bond underwriters designed to hire more diverse bankers as co-senior managing underwriters on city bond issues. The bracket has played a key role in promoting these firms to serve as book running senior manager, according to the report.

The city also changed its policy in 2016 on compensation to create a “special designation” in underwriting syndicates that gives the firms at least 10% of the total takedown.

The comptroller shares responsibility for issuing bonds with the mayor. New York City and its financing agencies is among the biggest bond issuers in the US. The city sold more than $13 billion of new debt in fiscal 2022, according to the report.

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