

The Role of NYSPSP and Its Affiliated Agencies in the New York State Economy

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1. Executive Summary

New York's private nonprofit service providers for individuals who are blind offer thousands of clients important services and supports including workforce preparedness, employment, vision rehabilitation therapy, child and youth services, transportation, and wellness programs. In the process of doing so, these providers are major employers in their local communities and generate millions in revenue annually.

New York State Preferred Source Program for New Yorkers who are Blind (NYSPSP) commissioned the Rockefeller Institute of Government to quantify the economic impacts NYSPSP and its 11 affiliated agencies have on New York State. NYSPSP's affiliated agencies include many of the largest nonprofit service providers in New York State. This study evaluates the jobs supported and output generated by NYSPSP and these affiliates.

Additionally, the report explores the scope and scale of the social enterprises run by these organizations who sell commodities and provide services through New York's Preferred Source Program. To achieve their goals of creating workforce training and employment opportunities, several NYSPSP affiliates have created businesses that provide a range of products and services to state and local governments and private sector customers. The revenues generated through these social enterprises support the services the affiliates offer to people who are blind.

In 2019, NYSPSP's affiliated agencies reported \$229 million in revenues generated through services offered to clients who are blind. Overall, they:

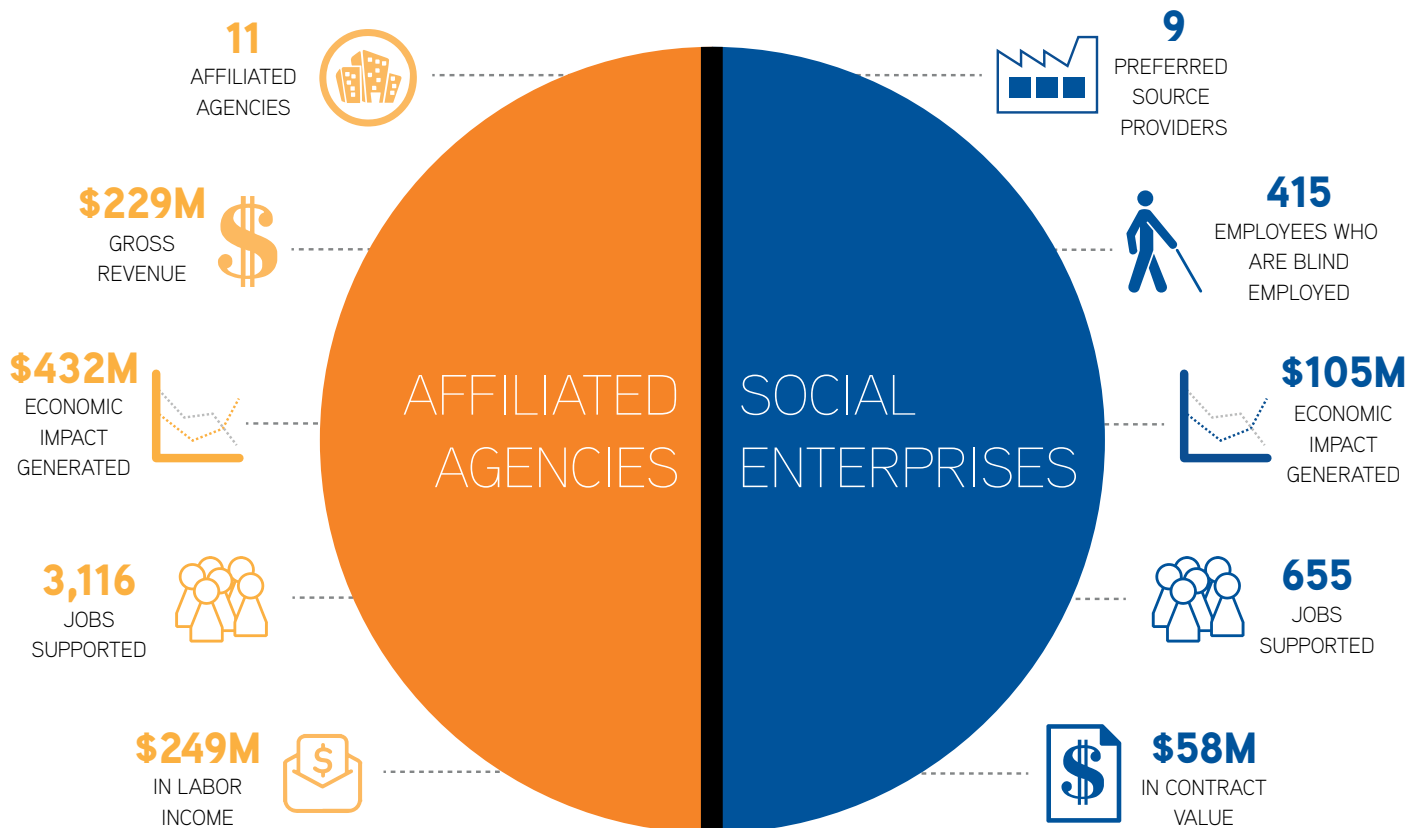
- Supported 3,116.0 full-time equivalent (FTE) jobs with service providers, their suppliers, and in the regional economy.
- Generated \$431.6 million in economic output in New York State. This includes the \$229.1 million in revenues generated by the providers, \$59.1 million in output for their suppliers in New York, and \$143.5 million related to local employee spending.

Additionally, NYSPSP facilitated a \$58 million contract portfolio that employed 415 employees who are blind. Through these contracts, social enterprises:

- Supported the equivalent of 655 full-time jobs in all sectors of the economy.
- Generated \$105.1 million in economic output in New York State. This includes the \$56.5 million in revenues generated by NYSPSP, \$23.2 million in output for its suppliers, and \$25.4 million related to employee spending.

This report provides an overview of the New York State Preferred Source Program for New Yorkers who are Blind and provides a comprehensive economic impact analysis of the operations of service providers, as well as their social enterprises. The report also profiles the work of the Central Association for the Blind and Visually Impaired (CABVI) in Utica, New York.

NYSPSP by the Numbers



SOURCE: NYSPSP.

2. Overview of NYSPSP and Its Affiliated Agencies

New York State enacted the Preferred Source Law in 1945 to advance special social and economic goals for groups that are traditionally disproportionately underemployed.¹ Under the law, New York State agencies, public benefit corporations, public authorities, municipalities, and school districts are required to purchase preapproved products and services from preferred sources designated by the state. These purchases create meaningful employment opportunities for individuals who are legally blind, those with disabilities, and individuals who are incarcerated. In addition to employment, revenues generated through preferred source programs support training and vital services that in turn further increase independence. State and local government organizations that purchase through preferred source benefit from a simplified procurement process and are guaranteed that prices are no greater than 15 percent above the prevailing market rate.

The New York State Preferred Source Program for New Yorkers who are Blind (NYSPSP) is one of three facilitating organizations for New York State's Preferred Source Program.² The New York State Office of Children and Family Services designates NYSPSP to manage the program and the New York State Office of General Services has authorized NYSPSP to offer a suite of selected services and products. NYSPSP works with its 11 affiliated agencies to secure and negotiate contracts with customers. Affiliated agencies are not-for-profit organizations serving and employing individuals who are blind. In addition to the services they offer members in their community, these agencies have established social enterprises with a primary focus of creating employment opportunities for individuals who are blind.

NYSPSP PRODUCTS AND SERVICES

PRODUCTS

- Medical supplies—personal protective equipment
- Cleaning, janitorial, sanitation supplies
- Office supplies
- Safety supplies
- Maintenance/facility items
- Bedding
- Flags
- Food service items

SERVICES

- Call centers—inbound and outbound services
- Digital accessibility and usability testing (508 assurance)
- Transcription
- Mailing services
- Warehousing fulfillment
- Document scanning and destruction

NYSPSP oversaw a \$58 million contract portfolio in 2019. Through these contracts, NYSPSP employed 415 individuals who are blind. They earned an average hourly wage of \$13.92. The bulk of the contracts, \$56 million, were for the purchase of products. Agencies manufactured, assembled, or packaged commodities for sale. These goods included office supplies; medical and emergency supplies; food service and operating supplies; janitorial supplies; facility maintenance and repair supplies; safety apparel; and bedding, bath, and laundry supplies, among others. Business services include call center services, digital accessibility usability testing and remediation reporting (508 assurance), warehousing and distribution services, custom kit assembly, document shredding, adaptive technologies, transcription, and mailing services.

NYSPSP Affiliated Agencies

Affiliated Agency	County	Regional Economic Development Councils (REDC)
NABA	Albany	Capital Region
Aurora of Central New York	Onondaga	Central New York
Goodwill of the Finger Lakes	Monroe	Finger Lakes
CABVI	Herkimer	Mohawk Valley
Visions	Manhattan	New York City
Alphapointe	Queens	New York City
MyBlindSpot	Manhattan	New York City
Helen Keller Services	Kings/Nassau	New York City
STAVI	Chemung	Southern Tier
AVRE	Broome	Southern Tier
VIA	Erie	Western NY

3. Economic Impacts in New York

NYSPSP and its affiliated agencies generate economic impacts through two separate avenues. The first is the organizations’ primary operations that provide services to individuals who are blind in their communities. The second is through the social enterprises they have created to expand employment opportunities for the people they serve.

Multiplier analysis was used to estimate the effects of NYSPSP’s affiliated agencies’ operations and social enterprises on the New York State economy. This analysis tool uses data on transactions between firms in different sectors to estimate how spending in one sector flows through the economy. Three types of effects are estimated and distinguished: direct, indirect, and induced effects. Providers spend money on the goods and services and payroll required to offer their services. The **direct effects** of service providers are the jobs they create and the value of the services they offer. Providers also generate secondary effects for their suppliers and vendors. Economic activity is created when a provider contracts with a food wholesaler, linen supplier, or local garage to maintain their vehicle fleet. Providers’ **indirect effects** are the jobs and outputs generated for their suppliers and their supply chains. The **induced effects** are

the economic activities generated through employees. Workers distribute their income in the community when they spend their paychecks on housing, food, entertainment, and goods and services.

Economic Impact of Affiliated Agencies

NYSPSP works with 11 affiliated agencies across New York State that provide services to individuals who are blind. These agencies employed 1,903 individuals and reported a total of \$229.1 million in revenue in 2019.³ Through their operations, these agencies supported a total of 3,116.0 full-time equivalent jobs and generated \$431.7 million in economic output.

- NYSPSP’s affiliated agencies directly employed **1,903.0 FTEs and provided \$181,763,239 in labor income**. Labor income includes wages and salaries, fringe benefits such as healthcare, retirement benefits, and tax payments.
- Providers must purchase supplies and other inputs, which generate additional economic activity in the supply chain. **The impacts on the supply chain supported 307.9 additional FTEs and \$59,072,209 in economic output**. These are the indirect effects.
- Employment generates spending power for employees who pay rent, buy food, and patronize local businesses. **Employee spending in the economy supported an additional 905.1 FTE and generated \$143,549,693 in economic output**.

Economic Impact of NYSPSP Affiliated Agencies

	Employment (FTE)	Labor Income	Value Added	Output
Direct	1,903.0	\$181,763,239	\$157,445,063	\$229,050,000
Indirect	307.9	\$19,467,850	\$32,216,412	\$59,072,209
Induced	905.1	\$47,710,627	\$88,030,273	\$143,549,693
Total	3,116.0	\$248,941,715	\$277,691,748	\$431,671,901

Agencies serve clients and employ workers in their immediate communities, meaning the impact these organizations create is highly localized. For this analysis, economic activity from each agency is assigned to their economic region.⁴

The largest impacts are generated in the Mohawk Valley. The region is home to CABVI one of the largest providers of services to individuals who are blind in the state. The affiliate supports 787.6 jobs and generates \$155.2 million in output. The regions with the next largest impacts are the Finger Lakes and New York City. Together the affiliated agencies in these three regions represent approximately 85 percent of the economic impact generated by NYSPSP’s affiliated agencies.

Total Impacts by Economic Region

Region	Employment (FTE)	Labor Income	Value Added	Output
Capital Region	129.7	\$6,843,258.6	\$7,955,531.8	\$14,022,817.0
Central New York	77.2	\$3,059,957.9	\$3,489,663.1	\$5,522,770.3
Finger Lakes	912.7	\$56,073,117.4	\$63,427,276.6	\$99,591,510.7
Mohawk Valley	787.6	\$87,821,875.3	\$96,537,936.2	\$155,153,495.4
New York City	834.3	\$72,189,022.9	\$80,573,660.4	\$117,141,448.9
Southern Tier	141.7	\$8,383,472.7	\$9,147,832.5	\$14,194,973.7
Western New York	232.6	\$14,571,011.0	\$16,559,848.0	\$26,044,885.0
Total	3,116.00	\$248,941,715.0	\$277,691,748.0	\$431,671,901.0

Economic Impact of Social Enterprises

In addition to the services offered to clients, nine of NYSPSP's affiliated agencies have established business, industrial, and social enterprise divisions within their organizations. The primary goal of these enterprises provide workforce development and employment opportunities for clients through the fulfillment of contracts made through the New York State and federal preferred source programs. Some of these enterprises work with private clients as well. To get a sense of the scale and economic impact of these enterprises, we explore the economic impact of the contracts fulfilled through NYSPSP.

NYSPSP oversaw a \$58 million contract portfolio in 2019. Of that, \$56 million was for commodities and \$2 million was for business services. Agencies manufactured, assembled, or packaged commodities for sale. These goods included office supplies; medical and emergency supplies; food service and operating supplies; janitorial supplies; facility maintenance and repair supplies; safety apparel; and bedding, bath, and laundry supplies, among others. Business services include call center services; digital accessibility and usability testing, warehousing and distribution services, custom kit assembly, document shredding, adaptive technologies, transcription, and mailing services. In total, NYSPSP's economic impact for 2019 was approximately 655 jobs supported and \$105.1 million in output.

- NYSPSP contracts directly supported approximately 396.7 FTEs and generated a total output of \$56.5 million.** The majority of the direct labor supplied on these contracts is provided by employees who are blind. The remaining labor was provided by other employees of NYSPSP affiliate agencies who work alongside employees who are blind.⁵
- NYSPSP contracts generated \$24,750,261 in labor income including employee salaries and wages, the value of employee benefits, and proprietor income.** The value reported here includes wages and salaries for employees who are blind. Income also includes pay for workers who are not blind and fringe benefits such as healthcare, retirement benefits, and tax payments.
- To fulfill the contracts, companies must purchase supplies and other inputs, which generate additional economic activity in the supply chain. Many of the



suppliers are New York businesses, including women-, minority-, and veteran-owned businesses. **The impacts on the supply chain support 118.0 additional jobs and \$23,212,434 in economic output.** These are the indirect effects.

- Employment generates spending power for workers who pay rent, buy food, and patronize local businesses. **Employee spending in the economy supports an additional 140.4 jobs and generates \$25,420,036 in economic output.**

Economic Impacts of NYSPSP Contracts

	Employment (FTE)	Labor Income	Value Added	Output
Direct	396.7	\$24,750,261	\$31,688,045	\$56,510,000
Indirect	118.0	\$9,484,775	\$14,565,643	\$23,212,434
Induced	140.4	\$9,320,801	\$16,707,811	\$25,420,036
Total	655.2	\$43,555,837	\$62,961,499	\$105,142,470

NOTE: Some values may not sum to the total due to rounding.

4. Affiliated Agency Profile

CABVI: Central Association for the Blind and Visually Impaired

Number of Employees: 270

Number of Consumers Supported: 1,976

Impact Facts:

- CABVI partners with local colleges and universities in recruiting and training professionals to eventually work with individuals who are blind.
- CABVI provides vision screening to preschool-aged children allowing for early detection of vision impairment.
- CABVI developed wayfinding signage to improve accessibility in public spaces with the cooperation of local municipalities, parks, schools, and organizations.

Based in Utica, New York, CABVI operates and serves consumers in a 10-county region that includes Syracuse, Watertown and the North Country, and the Mohawk Valley region. Through Central Industries, its employment division, CABVI creates a range of opportunities for workers who are blind. The revenues earned through Central Industries supports vision services offered to consumers.

Central Industries

Central Industries is the employment and manufacturing division of CABVI featuring approximately 20 product or service lines for customers in federal, state, and local governments as well as the private sector.

Central Industries' largest product line is disposable gloves, having packaged 840,000 cases in 2021. Customers include New York State hospitals, fire and police departments, and government agencies. It also provides gloves to the Department of Homeland Security, including those worn by TSA agents at over 400 airports across the US. In addition, the division packages and distributes office supplies, including 123,000 pounds of rubber bands for the most recent US Census. It further manufactures several products in-house, including hand wipes used by state agencies and 200,000 sets of pajamas distributed at Department of Veterans Affairs hospitals. Central Industries is cost competitive, meaning it wins and fulfills commercial contracts. It recently worked with one small business to package and distribute bottles of flavored water for custom orders.



Central Industries operates call centers for state and local clients. Last year, it handled 57,000 outbound and 75,000 inbound calls. Most jobs in these centers are held by workers who are blind, including 35 of 38 workers on one federal contract alone.

“One of the keys to our success is that we have many product lines of business. Our ability to offer a range of employment opportunities and let people do what they really want to do is important to us.”

— Edward Welsh President & CEO

Central Industries employees earn competitive wages. The average pay across all sectors is \$16.00 per hour. In addition, employees earn benefits, including medical, retirement, and vacation leave. Employees have access to training for jobs that interest them. LaShawn, an eight-year employee at CABVI, began by packing gloves but expressed an interest in sewing. Though she had no experience before starting, she was able to receive training on how to use the equipment enabling her to join the towel production team. She credits the support she received from her supervisors and coworkers in helping her learn a new skill and find a job she enjoys. CABVI emphasizes career development for its employees. It offers training and development plans for employees seeking upward mobility opportunities. Many supervisors and managers are blind.

Services for People Who Are Blind

CABVI supported 1,976 consumers in 2021. Consumers often find their way to CABVI when eye doctors cannot help anymore. CABVI’s vision rehabilitation staff work with consumers to develop plans and prescribe tools necessary to maintain independence and quality of life. Vision rehabilitation therapy services offer assistance to individuals seeking to maintain independence in their daily living, including instruction in financial management, meal preparation, home safety, and mobility. Social workers provide assessments, social and emotional support, advocacy, and mental health care. All these services are offered at no charge.

CABVI contracts with several local school districts providing services from teachers of the blind and occupational therapists. It also offers mandated services to students with vision impairments to smaller school districts in the service area.

CABVI endeavors to expand workplace accessibility for people who are blind. While employment at CABVI is a competitive option for people with vision loss who want to return to the workforce, others seek employment in the private sector. CABVI consults with employers to help develop reasonable accommodations including the use of assistive technology. Improving accessibility further expands the employment opportunities for people who are blind in Central New York, enhancing their independence and quality of life.

5. Conclusions

NYSPSP and its affiliated agencies work to enable independence and create opportunities for New Yorkers who are blind. The agencies provide services such as medical care, occupational therapy, and workforce preparedness training to their clients. The preferred source program administered by NYSPSP works with affiliated agencies to create employment opportunities for individuals who are blind through the fulfillment of state and local government contracts.

In the course of doing this work, NYSPSP and its agencies generate economic impact in their local communities. NYSPSP affiliated agencies directly employed over 1,900 workers across New York and supported an additional 1,200 jobs through the use of local suppliers and employees patronizing businesses in their community. In total, NYSPSP's 11 affiliated agencies generated \$432 million in economic impact across New York State in 2019.

NYSPSP's \$58 million contract portfolio employed 415 New Yorkers who were blind. These employees packaged medical, office, and safety supplies for state and local customers. They worked in call centers, warehouses, and mail fulfillment centers. In addition to the unique opportunities for the employees who are blind, the contracts supported 655 jobs and \$105 million in economic output.



- 1 Preferred Sources, N.Y. Consolidated Law—State Finance, Ch. 52, Art. 11, § 162, <https://www.nysenate.gov/legislation/laws/STF/162>.
- 2 New York State Industries for the Disabled, Inc (NYSID) facilitates the preferred source program for individuals with disabilities and Corcraft is the “brand name” of the Division of Correctional Industries.
- 3 Revenue and employment data were collected from agency reports to NYSPSP.
- 4 For this analysis, we used the New York State’s Regional Economic Development Council geographies. (“Launch of Round XII of Regional Economic Development Council Initiative,” New York State Regional Economic Development Councils, accessed October 12, 2022, <https://regionalcouncils.ny.gov/>).
- 5 At the time of this analysis the *New York State Procurement Bulletin: Preferred Source Guidelines* required “75% of the direct labor under a preferred source agreement must be provided by people who are blind or by people with disabilities. For commodity or service agreements requiring a workforce (working supervisors and laborers) of 10 people or less, a majority of the direct labor must be provided by people who are blind or by people with disabilities.” On October 4, 2022, Governor Hochul signed legislation (A.8915-B/S.7764-B) that lowers the threshold of the percentage of work that must be performed by New Yorkers with disabilities from 75 percent to 50 percent.



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