

# THE REAL DEAL

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## Women construction leaders come a long way

By Abby Luby

Female-led construction firms land high-profile jobs, but still fight uphill battle



Maggie Kwan in the Plaza dining area

Rosie the Riveter may be iconic, but female executives in construction have faced an uphill battle securing contracts in a male-dominated industry.

According to the U.S. Bureau of Labor Statistics, the construction industry is the second-largest employer in the country with over 10 million workers, but just under 10 percent are women. Of those women, only about 26 percent, or 291,000 women, are in management positions.

A study done in 2005 for the New York City Council found that of the \$6 billion in construction contracts awarded by the city during 1997 to 2002, women-owned businesses received just 6.85 percent.

Still, a handful of female-led firms have scored some high-profile jobs here in New York City.

Cheryl McKissack, CEO of the McKissack Group, landed \$300 million worth of work for Brooklyn's Atlantic Yards project. In Manhattan, when Tishman Construction Corporation started their large-scale renovation of the Plaza Hotel, they hired 39-year-old Maggie Kwan as director of structural systems.

For the last two decades, federal regulations have required that a small percentage of construction budgets be contracted out to women business enterprises, known as WBEs. The McKissack Group, for example, is a Minority and Women Business Enterprise (MWBE). The rule has allowed women to get their foot in the door despite the clubby relationship between developers and construction firms.

Certainly here in New York City, women in the industry have a growing presence. *The Real Deal* spoke to five women about how they worked their way up, got big contracts or were hired to work high-profile jobs.

The McKissack Group managed to grow one bid into several when working for Forest City Ratner at the Atlantic Yards, thanks to McKissack, who is 46, African-American and a single mother of two teens. She said that when Forest City Ratner first considered her company, they offered her the usual 10 to 15 percent of the project. But McKissack felt her firm deserved more.

"They initially viewed us as being a MWBE, but that didn't [completely] define who we were, [though] it's in part something we bring to the table," she said.

McKissack pointed out to Forest City Ratner that her firm, which was started by her family in 1905, is the nation's oldest minority-owned professional design and construction firm. Her client roster included several divisions of the Metropolitan Transportation Authority, including New York City Transit and Metro-North, as well as Amtrak.

"Once we showed them who we were, they were pleasantly surprised," she recalled. "They asked us if we had any rail experience, and I told them about my experience with the MTA. The next day 150 huge E-size drawings [very large construction documents] arrived at our office. The project was moving the train tracks from one location to another."

The McKissack Group not only had to extract massive amounts of aging rails from the building site, but it had to demolish the rail yard itself. The firm then built a permanent rail yard and had to remove the Carlton Street Bridge.

The original contract ended up increasing four-fold to about \$300 million worth of work.

"That was clearly a defining moment for us — not only to land prime work, but it was work from a private developer, not a governmental agency," explained McKissack.

Construction projects with private developers are limited, McKissack claimed, because it means breaking into the long-established "boys club" for a piece of a closely held pie.

"Many firms don't want to share the arena because it means less for them," she said. "We don't have the opportunity to sit with Tishman Speyer when they are thinking about doing something on the West Side. By the time we hear about it, their architect, their contractor and everybody is in place, and they are already proposing to the MTA."

Even more of an anomaly is a woman running her own steel erection firm, like Lenore Janis, the first woman with such a company in the early 1980s in New York State. She learned the business from her family, which ran a successful steel fabricating plant and erection firm in Westchester. She named her firm ERA Steel Construction.

But about 25 years ago, when Janis was starting out — as a single mother of two — she often felt the sting of being a woman in a man's world.

"Every general contractor let me know that if he had his druthers he preferred not to work with a woman, but that the government was forcing him to," she recalled. "The fact that I was a low bidder didn't seem to register."

The Women's Ownership Act of 1988, the government regulation that mandated hiring women construction firms, paved the way for Janis and other female company owners to bid on government contracts.

"I was the only certified woman in steel erection at that time," Janis said. "There was a recession then, and most of the work available was government work, especially with the Department of Transportation."

Janis worked with iron workers putting up bridges and towers for the MTA and the Long Island Rail Road. But even with the government mandate to bring more women on board, only a small percentage of a project's budget was required to go to women- and minority-

owned companies, Janis explained. "If the government was building a bridge for \$300 million, about 5 percent of that budget would go to women and about 9 percent to minority contracts," she noted.

Today, those percentages are only slightly higher, she said. "It hasn't really increased since the early '80s, and that's a shame; we have to do something about that." Janis is urging women to shed WBE status and compete with male-owned companies. She is the president of the national organization of Professional Women in Construction (PWC), a networking and promotion group helping women in the industry.

Successfully breaking into that mainstream is Michele Medaglia, 37, who started running her father's Long Island-based company, ACC Construction, when she was 25.

Medaglia, who majored in business management administration, worked for her father through college. She set out to change ACC Construction from an interior build-out company to a full-service company to include out-of-ground projects. When she started running the firm, it grossed \$5 million. Today ACC is grossing \$60 million a year with such clients as Vornado, Amtrak and Commerce Bank.

"The first thing we did was to diversify and broaden the portfolio," Medaglia said. "We also hired an expert project manager from a health care facility, which let us work in hospitals and health care retail."

Even though she was the CEO, Medaglia had to convince co-workers and prospective clients that she could do the job.

"I didn't have an attitude, and I wasn't afraid to make a mistake," said Medaglia.

"I didn't come off as if I had something to prove, and most, but not all, were very receptive."

When Medaglia gave birth to twins five years ago, she was faced with another challenge: juggling work and family.

"Thankfully I have a supportive spouse, which is wonderful," she said. "Some days you have to deal with family, telling yourself that you'll deal with business tomorrow."

The number of female-owned construction businesses nationwide rose 57 percent from 1997 through 2004, according to a 2005 survey by the Center for Women's Business Research.

Still, Lina Gottesman, president and owner of Altus Metal & Marble Services, said construction companies owned by men still have many advantages, especially in the current economic climate.

"It's still harder for women because we've often been held back by capital needed in these

lean times," she said. "When it's tight, it's a lot easier for a man to get more money from a bank than it is for a woman, who is often seen as struggling."

This attitude from financial institutions is a throwback to the early 1980s, said Gottesman, who remembers her own difficulties getting credit.

"I was spoken down to by a lot of banking institutions. Even though I owned my own company, one banker said to me, 'Why don't you bring your husband in and we'll discuss this further?'" she said.

"People are much more careful not to say things like that these days," she added.

Gottesman is a trade contractor specializing in restoring ornamental metal, glass and stone. Her company restored the front entrance gates for the Park Avenue Armory and the New York City Public Library entrances. Other clients include Cartier's, Temple Emanu-El and the World Financial Center.

A big challenge for Gottesman is finding women metal and marble refinishers.

"I'd love to have more women out there in the field, but men are not happy working with them," Gottesman said. "One of the reasons has to do with strength and heavy lifting. It's not that there aren't women that can do heavy work; it's just that the men haven't had a lot of experience seeing them do it."

Working on the large-scale renovation at the Plaza, where she works with mostly women, is Maggie Kwan, the director of structural systems for the Tishman Construction Corporation.

"The Plaza job is amazing. The managing, design, engineering and erecting are done all by talented women. How great can that be?" Kwan said.

The five-member female team at the Plaza is like any other group, she added. "We fight like anyone else, joke around, and at the end of the day we get the job done, like everybody else."

Kwan, who emigrated with her family from Hong Kong when she was 11, was the first in her family to get a civil engineering degree. Her first project was on the Whitehall Ferry Terminal in Manhattan in 1998, where she worked first as the project engineer, making her way up to become project manager. "That job was my baby, and I started from the bottom up. It wasn't just structural; it had multiple aspects of architecture and mechanical engineering. It was a well-rounded project," she said.

Kwan also worked on 7 World Trade Center in 2001. "I was one of the first persons picked to be on the team," she said.

That women in a company like Tishman Construction can reach the executive level

bolsters Kwan's hopes for her own career trajectory.

"My own company hired new female engineers, and I really think the industry is changing, whether people realize it or not," Kwan said.

For jobs that aren't in the top tier of the construction industry, Janis is seeing more calls for women. They come into PWC from recruiters asking for women project managers, engineers and construction managers. "What they tell me is that the companies want more women because they are having wonderful successes with them in these positions."

But Janis still sees the proverbial glass ceiling. "Above a certain high level of executive, companies are seeing these women leave rather than give them a boost up the ladder," she noted.

Going forward, Kwan doesn't see any obstacles. "If there is a glass ceiling in the industry, I'll probably use a stick and break it."

For her part, McKissack often sees a growing optimism among women in the industry.

"A recent survey said that women are more optimistic about their business, and that's what tides them over during hard times," she said. "If you ask me, our business will be growing over the next three years."