



Molina Healthcare Ranks # 61 on Third Annual ICIC - Inc. Magazine Inner City 100

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Molina Healthcare cites strategic location and local market demand as competitive advantages

Boston, Mass., April 26, 2001 – The Initiative for a Competitive Inner City (ICIC), the leading non-profit organization for inner city economic development and Inc. magazine announced today the winners of the third annual Inner City 100, a national listing of 100 fast-growing companies located exclusively in America's inner cities. By identifying the competitive advantages of inner cities; strategic location, local market demand, growth opportunities via integration with the regional economy and availability of labor, ICIC aims to build the business case for doing business in America's inner cities. Molina Healthcare was ranked #61 on the list with a five-year sales growth rate of 266% and a compound annual growth rate of 38%. Molina Healthcare CEO J. Mario Molina cites strategic location and local market demand as key competitive advantages to being located in Long Beach's inner city.

The winners were announced at the Inner City 100 Awards Dinner, a celebration of inner-city entrepreneurship and leadership that shines a national spotlight on Inner City 100 urban business successes, like Molina Healthcare, in America's inner cities. Presenting the awards were Harvard Business School Professor Michael E. Porter, Founder, Chairman, and CEO of ICIC, George Gendron, Editor-in-Chief of Inc. magazine, and Franklin Raines, Chairman and CEO of Fannie Mae, and this year's winner of the National Inner City Leadership Award.

Dr. J. Mario Molina's father saw the medical needs of inner-city residents first-hand while working as an emergency room doctor before starting Molina Healthcare. Many Medicaid patients would visit the emergency room for all medical issues, regardless of the severity, because they didn't have primary physicians. Molina saw the need for Medicaid general care clinics and opened three clinics in Long Beach and Wilmington in the early 1980s. Today, Molina Healthcare, now owned and operated by Dr. Molina, treats 300,000 patients and employs 625 people. Molina is a licensed HMO in Utah, Michigan, and Washington, and the company receives millions of dollars in state and federal funding every year.

"The Inner City 100 honors business leaders who had the foresight and tenacity to build vital, growing companies where no one thought it was possible," stated Porter. "Through their everyday business activities, the Inner City 100 companies, and many like these, are the engines of a dynamic economic turnaround."

For more than five years, ICIC has led an intensive research effort that has studied the business and economic bases of a growing number of major U.S. inner cities, and identified the core competitive advantages: strategic location, local market demand, growth opportunities via integration with the regional economy, and availability of labor. ICIC aims to build the business case for doing business in America's inner cities.

"After three years and vast amounts of data on inner-city companies, we've found that inner cities are hotbeds of activity for minority- and women-owned companies, with numbers far above the national average," said George Gendron. "Inner City 100 CEOs are innovators and their companies continue to be a window into the future of the American economy."

This year, with help from the U.S. Conference of Mayors, New America Alliance, National Association of Manufacturers, Latin Business Association, and the Rainbow/PUSH Coalition-Wall Street Project, the Inner City 100 received a record 2,300 nominations from 202 cities. This year's Inner City 100 companies have the highest compound annual growth rates and minority representation to date.

The 2001 Inner City 100 applicants met the following criteria:

- For-profit corporation, partnership or proprietorship (not franchise, division or subsidiary)
- Headquartered in the inner city (economically distressed urban area) or have 51 percent or more of physical operations in inner-city areas
- Employ 10 or more employees at year-end 1999
- Have a five year operating sales history that includes:
 - sales revenue from 1995 through 1999
 - an increase in 1999 sales over 1998 sales
 - sales of at least \$1 million in 1999
- Cannot be a holding company, regulated bank or utility

The companies are ranked based on the percentage of increase in the companies' gross revenues between 1995 and 1999.

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Vital Statistics on the 2001 ICIC-Inc. Magazine Inner City 100 Companies

- The Inner City 100 are responsible for creating 8,360 jobs and more than tripling their employment over the past five years
- Average compound annual growth rate from 1994-1998 was 54%
- Average five-year growth rate is 687%
- Average annual revenues are \$16.6 million
- 49% of Inner City 100 employees not only work in the inner-city, they also reside there
- 75% of Inner City 100 CEOs have lived or now live in the inner city.
- 40% of Inner City 100 CEOs are minority owned as compared to 11% national average of minority CEOs.
- 21% of the Inner City 100 companies are women owned as compared to 6% national average.
- 89% of Inner City 100 companies are planning to expand
- Of those companies 89% are planning to do so in their current inner city location.
- 91% of Inner City 100 companies rate their inner-city location as good or excellent.
- 69% of Inner City 100 companies rate their location compared to 3-5 years ago as better or much better.

About Initiative for a Competitive Inner City

The Initiative for a Competitive Inner City (ICIC) is a national, non-partisan, not-for-profit organization founded in 1994 by Harvard Business School Professor Michael E. Porter, following several years of pioneering research on inner-city business and economic development. With affiliates in three cities and significant on-the-ground activities in many others, ICIC has rapidly established itself as a national force in inner-city economic development. By identifying the competitive potential of inner cities; strategic location, local market demand, growth opportunities via integration with the regional economy and availability of labor, ICIC aims to build the business case for doing business in America's inner cities. ICIC's mission is to spark new thinking about the business potential of inner cities, thereby creating jobs and wealth for inner-city residents.

About Inc. Magazine

Inc. is the leading magazine written for the men and women who own and manage small-to-midsized, fast-growing companies. Published 18 times a year, Inc. helps its 2.2 million readers by providing expert advice and practical solutions as they face the opportunities, pitfalls, and rewards of growing a company. inc.com (www.inc.com), the Web site for growing companies, was named Best Online Magazine by Folio and Best Overall New Publication (all media) by the Computer Press Association. Inc. was founded in 1979 and celebrated its 20th anniversary in May 1999, with a special issue of the magazine. Inc. also provides a broad array of books, videos, software, conferences, seminars, consulting services, and awards programs, and is owned by Gruner+Jahr USA Publishing.