



NMSDC

National Minority Supplier
Development Council

**MINORITY BUSINESSES
ECONOMIC IMPACT REPORT
2019**



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Development Council

Advancing Business
Connections that Count

Chartered in 1972, the National Minority Supplier Development Council has been the nation's most dynamic force in developing successful relationships between America's top corporations and minority companies for nearly 50 years. These relationships result in billions in revenues every year for its certified businesses and support over half a million jobs annually at these companies.

“The numbers seal the deal: economic impact may be NMSDC’s most convincing business tool in making the case for minority supplier development. Nothing better demonstrates the benefit to all stakeholders than a positive statement about the economic impact of supplier diversity. In the corporate world; it promotes innovation, drives competitive advantage, and confirms bottom-line value. In minority communities, it grows the stability of daily life, nourishes ambition and vision, and builds ownership in the American economy of the future.”

Adrienne Trimble
President, NMSDC



Why we do what we do



For nearly 50 years, the NMSDC, our corporate members, and our certified MBEs have collectively made amazing strides in developing and growing minority businesses and their relationships with corporations and government buying organizations. Our certified suppliers had over \$214 billion in sales last year – the most ever. The number of MBEs that create jobs has continued to grow, increasing from 908,800 in 2012 to 1,054,575 in 2016.² These MBEs collectively generate over \$1.26 trillion in revenues² and have been critical contributors to US's economic prosperity over the past decade.

NMSDC assists minority businesses of all ethnicities to bring economic progress in their communities. Nonetheless, much remains to be done. Today, white families had six times the median wealth of black and Hispanic families. The median income for black and Hispanic families is 60% of that of white families.¹

Entrepreneurship remains one of the most promising paths to upward mobility for minorities. And that is why NMSDC continues to work on behalf of minority businesses to drive economic growth and impact through wealth and job creation by creating an environment where minority businesses have the opportunities they need to flourish.

**Forging
business
relationships**

12,000

**Number of certified MBEs
in our network**

1,450

Corporate members

¹Source: Federal Reserve Bank of St Louis. https://www.stlouisfed.org/~media/files/pdfs/hfs/essays/hfs_essay3_2018.pdf?la=en

²Source: Annual Survey of Business Owners 2016: <https://www.census.gov/data/tables/2016/econ/ase/allcompanytables.html>

Our corporate members and certified businesses create jobs that support minority communities



The minority businesses certified by the NMSDC drive wealth creation for their owners, employees, and communities.

\$214
billion

Annual revenues of
NMSDC certified MBEs

528
thousand

US jobs at our
certified MBEs

Did you know?

The number of jobs at NMSDC certified MBEs could support an entire city. Our MBEs supported more jobs in 2018 than all the jobs in Washington, DC.

\$32
billion

Wages earned by US
employees at certified MBEs

70%
minority
employees

Average employee composition
at certified MBEs

42%
5 Year
Increase

Total revenues of MBEs
certified by NMSDC

Our certified MBEs create jobs at their firms



Certified MBE make an immediate and direct impact in their communities by hiring employees at their firms to operate their businesses.

Asian American Owned Firms

\$98.7B

Annual revenues

234K

US jobs at these firms

\$15B

Wages supported at these firms

Hispanic American Owned Firms

\$59B

Annual revenues

166K

US jobs at these firms

\$9.6B

Wages supported at these firms

Black American Owned Firms

\$44.8B

Annual revenues

98.5K

US jobs at these firms

\$5.5B

Wages supported at these firms

Native American Owned Firms

\$11.3B

Annual revenues

29.3K

US jobs at these firms

\$1.7B

Wages supported at these firms

Jobs created at certified Women-owned Minority Firms



\$42.4B

Annual revenues

98.2K

US jobs at WMBEs

\$6.3B

Wages supported at WMBEs

Asian American
WMBEs

\$24.2B

Annual revenues

44.8K

US jobs at these firms

\$3.1B

Wages supported at
these firms

Hispanic American
WMBEs

\$8.5B

Annual revenues

29.6K

US jobs at these firms

\$1.8B

Wages supported at
these firms

Black American
WMBEs

\$5.5B

Annual revenues

15.4K

US jobs at these firms

\$894M

Wages supported at
these firms

Native American
WMBEs

\$4.1B

Annual revenues

8.4K

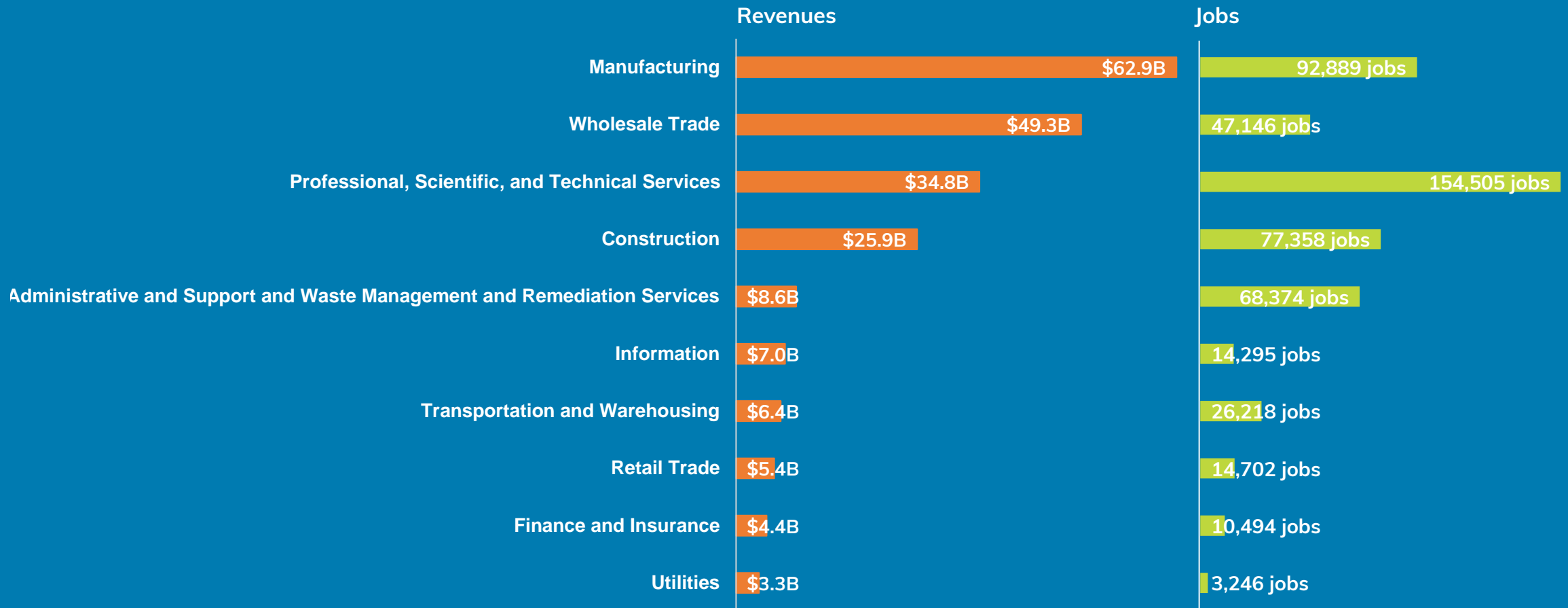
US jobs at these firms

\$584M

Wages supported at
these firms

Note: Numbers may not add up to the total due to rounding.

Top 10 industries based on NMSDC certified MBE revenues and jobs



Impact across the US through our certified MBEs



Alabama

Companies: 71
Revenues: \$916 million
Jobs @ MBEs: 2,779



Alaska

Companies: 33
Revenues: \$1.1 billion
Jobs @ MBEs: 4,705



Arizona

Companies: 133
Revenues: \$1 billion
Jobs @ MBEs: 3,678



Arkansas

Companies: 10
Revenues: \$122 million
Jobs @ MBEs: 95



California

Companies: 1938
Revenues: \$41.1 billion
Jobs @ MBEs: 104,681



Colorado

Companies: 84
Revenues: \$987 million
Jobs @ MBEs: 2,823



Connecticut

Companies: 86
Revenues: \$396 million
Jobs @ MBEs: 1,358



Delaware

Companies: 15
Revenues: \$192 million
Jobs @ MBEs: 455



District of Columbia

Companies: 66
Revenues: \$499 million
Jobs @ MBEs: 455

Impact across the US through our certified MBEs



Florida

Companies: 744
Revenues: \$16 billion
Jobs @ MBEs: 43,524



Georgia

Companies: 633
Revenues: \$8.2 billion
Jobs @ MBEs: 25,425



Hawaii

Companies: 35
Revenues: \$833 million
Jobs @ MBEs: 1277



Idaho

Companies: 8
Revenues: \$98 million
Jobs @ MBEs: 212



Illinois

Companies: 677
Revenues: \$17.3 billion
Jobs @ MBEs: 36,834



Indiana

Companies: 181
Revenues: \$4.3 billion
Jobs @ MBEs: 9195



Iowa

Companies: 22
Revenues: \$322 million
Jobs @ MBEs: 573



Kansas

Companies: 27
Revenues: \$1.2 billion
Jobs @ MBEs: 1557



Kentucky

Companies: 140
Revenues: \$2.1 billion
Jobs @ MBEs: 3345

Impact across the US through our certified MBEs



Louisiana

Companies: 111
Revenues: \$1.1 billion
Jobs @ MBEs: 3,310



Maine

Companies: 1
Revenues: \$269,000
Jobs @ MBEs: 2



Maryland

Companies: 171
Revenues: \$1.9 billion
Jobs @ MBEs: 5,358



Massachusetts

Companies: 104
Revenues: \$1.3 billion
Jobs @ MBEs: 6,715



Michigan

Companies: 934
Revenues: \$20 billion
Jobs @ MBEs: 43,202



Minnesota

Companies: 151
Revenues: \$1.2 billion
Jobs @ MBEs: 4,545



Mississippi

Companies: 31
Revenues: \$1.3 billion
Jobs @ MBEs: 2,385



Missouri

Companies: 89
Revenues: \$11.7 billion
Jobs @ MBEs: 10,071



Montana

Companies: 4
Revenues: \$88 million
Jobs @ MBEs: 391

Impact across the US through our certified MBEs



Nebraska

Companies: 13
Revenues: \$123 million
Jobs @ MBEs: 944



Nevada

Companies: 158
Revenues: \$983 million
Jobs @ MBEs: 3,902



New Hampshire

Companies: 8
Revenues: \$352 million
Jobs @ MBEs: 296



New Jersey

Companies: 529
Revenues: \$21.7 billion
Jobs @ MBEs: 41,635



New Mexico

Companies: 28
Revenues: \$293 million
Jobs @ MBEs: 847



New York

Companies: 515
Revenues: \$6.5 billion
Jobs @ MBEs: 17,337



North Carolina

Companies: 188
Revenues: \$1.4 billion
Jobs @ MBEs: 4,675



North Dakota

Companies: 4
Revenues: \$32 million
Jobs @ MBEs: 17



Ohio

Companies: 378
Revenues: \$6 billion
Jobs @ MBEs: 12,170

Impact across the US through our certified MBEs



Oklahoma

Companies: 69
Revenues: \$1.8 billion
Jobs @ MBEs: 3,533



Oregon

Companies: 47
Revenues: \$485 million
Jobs @ MBEs: 1,632



Pennsylvania

Companies: 417
Revenues: \$2.7 billion
Jobs @ MBEs: 10,104



Puerto Rico

Companies: 439
Revenues: \$3.7 billion
Jobs @ MBEs: 17,457



Rhode Island

Companies: 9
Revenues: \$245 million
Jobs @ MBEs: 934



South Carolina

Companies: 63
Revenues: \$627 million
Jobs @ MBEs: 2,212



Tennessee

Companies: 139
Revenues: \$1.2 billion
Jobs @ MBEs: 3,038



Texas

Companies: 1587
Revenues: \$20.1 billion
Jobs @ MBEs: 46,861



Utah

Companies: 20
Revenues: \$62 million
Jobs @ MBEs: 146

Impact across the US through our certified MBEs



Virgin Islands

Companies: 1
Revenues: \$1 million
Jobs @ MBEs: 4



Virginia

Companies: 171
Revenues: \$2.2 billion
Jobs @ MBEs: 10,003



Washington

Companies: 159
Revenues: \$5.4 billion
Jobs @ MBEs: 7,489



West Virginia

Companies: 6
Revenues: \$42 million
Jobs @ MBEs: 211



Wisconsin

Companies: 108
Revenues: \$2.2 billion
Jobs @ MBEs: 4,922



Wyoming

Companies: 2
Revenues: \$7 million
Jobs @ MBEs: 46

Note: Jobs at MBEs are shown in the MBE's headquarters state.

The impact of our certified MBEs extends beyond their firms by supporting jobs at other businesses.



Certified MBEs create an immediate impact through the employees they hire. However, businesses today are highly integrated, with every business relying on other businesses to create their products and services. As a result, MBEs support jobs at not only their own companies, but also at the other businesses they utilize in the course of running their operations. These suppliers to MBEs further employ other businesses, creating a chain of economic activity through the entire supply chain.

In addition, the employees of MBEs generate additional economic activity at the businesses in their communities. These employees spend a portion of earnings for expenses such as groceries, education, health, entertainment, housing, etc. This spending supports jobs at these businesses - teachers, doctors, contractors, etc.

Combined, these three channels of activity multiplies the impact generated by NMSDC certified MBEs.

Impact Channels

Purchases from NMSDC certified MBEs trigger a ripple effect of economic activity through their supply chain.



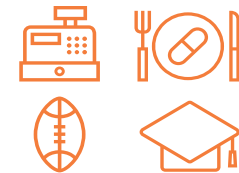
Direct Impact at MBEs

Impact at MBEs who employ people to support their sales.



Indirect Impact in MBEs' supply chain

Lower tier suppliers who also employ people and hire other suppliers.



Induced Impact through employee purchases

Employee spending generates sales and jobs at business in their communities.

The total economic impact through our certified MBEs



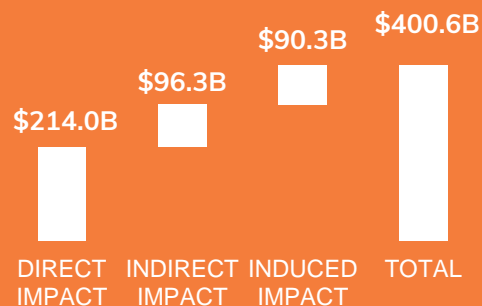
The activities of NMSDC certified MBEs have a multiplier effect on the economy. The cumulative impact of their direct, indirect, and induced impacts creates over \$400 billion in economic activity in the US and supports over 1.6 million jobs.

Economic Production

\$401 billion



Total economic activity driven through certified MBEs

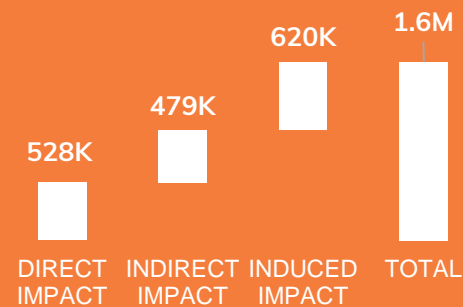


Jobs

1.6 million



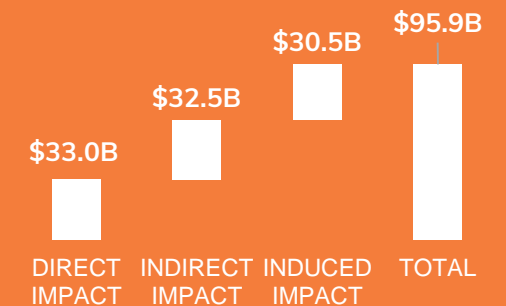
US Jobs supported directly and indirectly by certified MBEs



Wages

\$96 billion

Wages earned through supported jobs



Appendix

Economic Impacts Explained

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input” or direct spending, cycles through the economy in terms of “indirect and induced output” or additional spending, personal income, and employment.¹

There are several Input-Output models used by economists to estimate multiplier effects. supplier.io employed the IMPLAN input-output model in developing estimates of spending, income and employment impacts. This model, initially developed by the U.S. Department of Agriculture, examines inter-industry relationships in local, regional, and national economies.

An Input-Output model uses a matrix representation of a nation’s interconnected economy to calculate the effect of changes in spending by consumers, by an industry, or by others, on other industries and the entire economy. This matrix representation and the related Input-Output tables ultimately measure “multiplier effects” of an industry by tracing the effects of its inter-industry transactions – that is the number value of goods and services that are needed (inputs) to produce each dollar of output for the individual sector being studied. In essence, an Input-Output model is a table which shows who buys what from whom in the economy.¹

This report was created by **supplier.io** and is based on an analysis of data provided by NMSDC and using IMPLAN’s Input-output multipliers.

supplier.io

supplier.io is redefining supplier diversity solutions. By providing innovative and solutions, we help our customers run manage and grow their supplier diversity programs effectively and strategically. Supplier Diversity Managers rely on our data, insights, and analytics. To learn more, visit <https://supplier.io>.

References:

1. US Bureau of Economic Analysis: <https://www.bea.gov/resources/methodologies/RIMSII-user-guide>
2. US Government Revenues: http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n
3. United States GDP: <http://www.tradingeconomics.com/united-states/gdp>



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