

**MINORITY BUSINESSES  
ECONOMIC IMPACT REPORT**

**2021**



National Minority Supplier  
Development Council

Advancing Business  
Connections that Count

For the last 50 years, the National Minority Supplier Development Council (NMSDC) has been advocating access to the American dream for minority business enterprises (MBEs). Our success is historic and unmatched with over 15,000 MBEs connected to more than 1,500 corporations, resulting in \$396 billion in economic output annually, generating \$130 billion in tax revenue, and sustaining 1.75 million jobs. We are the nation's largest, most impactful, and successful non-profit advocacy organization for MBEs, proving growth for MBEs is growth for all.



**“Our impact is significant, but we cannot wait another 50 years to cover the same distance. True progress accelerates. It builds momentum and pushes us farther, faster than anyone has gone before. Let’s make this decade the turning point in the story of minority business development. Let’s intentionally support certified MBEs to achieve \$1 trillion in annual revenue generation (4.3% of US GDP). Economic equity cannot wait, we must act today!”**

Ying McGuire  
NMSDC CEO and President

# Beyond Supply Chain



NMSDC is the longest-operating business growth engine for the broadest group of systematically excluded communities of color, and our impact goes far beyond supply chain. It's about upward mobility for the emerging majority of Americans, an equal shot at participating in the American experiment of free-market capitalism and entrepreneurship. Our work is about correcting the unequal access to wealth-building opportunities:

- 40% of Black business owners do not apply for financing because they expect to be rejected<sup>1</sup>
- Systematically excluded communities of color are up to twice as likely to have a mortgage application denied.<sup>2</sup>
- Workers from systematically excluded communities of color are 2-5x less likely to be promoted to managerial positions.<sup>3</sup>

This Economic Impact Study shows we are leading the charge to economic equity. We create connections that help MBEs and corporations benefit from each other, stoking entrepreneurship and growing wealth for these excluded communities. Closing that wealth gap is the key to creating a more united and prosperous society for all, and our goal to achieve \$1 trillion in annual certified MBE revenue is just the first step.

<sup>1</sup>Source: Accion Opportunity Fund - <https://aofund.org/news/report-business-owners-of-color-lack-credit-access/>

<sup>2</sup>Source: The Markup.org - <https://themarkup.org/show-your-work/2021/08/25/how-we-investigated-racial-disparities-in-federal-mortgage-data>

<sup>3</sup>Source: Harvard Business Review - <https://hbr.org/2018/02/why-arent-black-employees-getting-more-white-collar-jobs>

# Job Creation that Supports Minority Communities



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

22%

Increase from  
2019

Total Revenues of MBEs  
certified by NMSDC

865

thousand

US jobs at our  
certified MBEs

\$72

billion

Wages earned by US  
employees at certified MBEs

\$261

billion

Annual revenues of  
NMSDC certified MBEs

70%

minority  
employees

Average employee composition  
at certified MBEs

\$130

billion

Taxes from  
certified MBEs

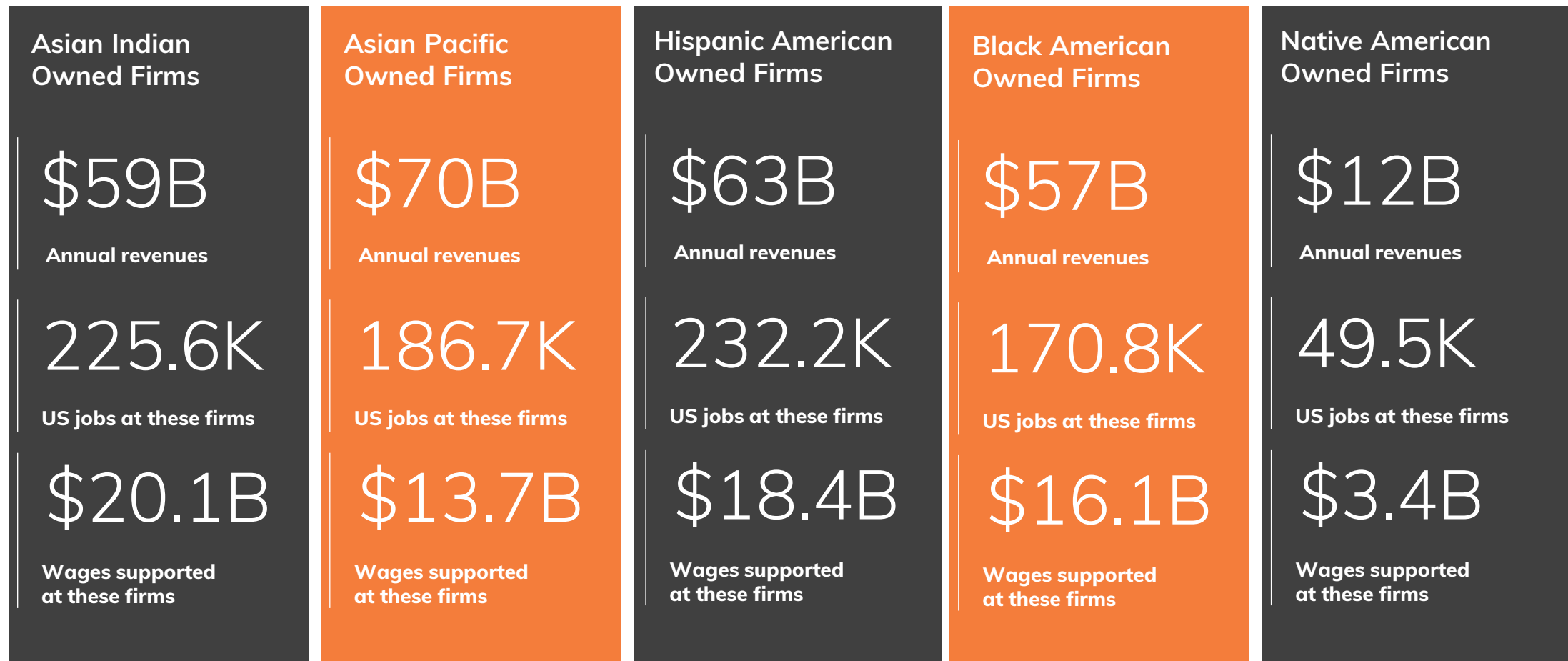
## Did you know?

The number of jobs at NMSDC certified MBEs could support an entire state. Our MBEs supported more jobs in 2021 than all the jobs in West Virginia.

# Jobs Creation by Ethnicity



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



# Job Creation at Women-owned Minority Firms



**\$49.8B**  
Annual revenues

**158.7K**

US jobs at MWBEs

**\$13.5B**

Wages supported at MWBEs

## Asian Indian MWBEs

**\$8.4B**

Annual revenues

**42.8K**

US jobs at these firms

**\$3.7B**

Wages supported at these firms

## Native American MWBEs

**\$4B**

Annual revenues

**12.6K**

US jobs at these firms

**\$1.1B**

Wages supported at these firms

## Hispanic American MWBEs

**\$10.6B**

Annual revenues

**53K**

US jobs at these firms

**\$3.4B**

Wages supported at these firms

## Asian Pacific MWBEs

**\$20.4B**

Annual revenues

**25.1K**

US jobs at these firms

**\$3.5B**

Wages supported at these firms

## Black American MWBEs

**\$6.4B**

Annual revenues

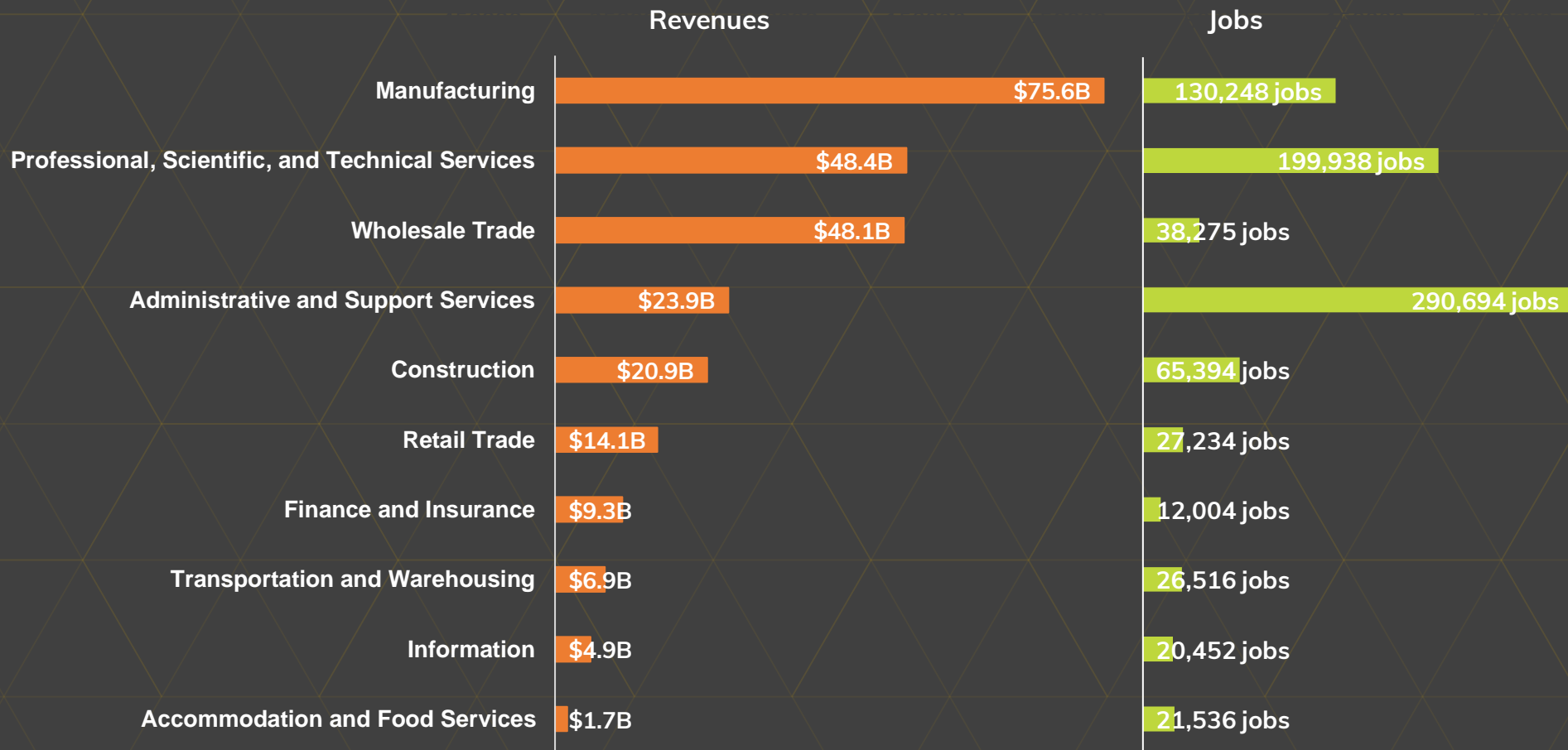
**25.3K**

US jobs at these firms

**\$1.8B**

Wages supported at these firms

# Top Industries by Jobs and Revenue



# MBE Impact by State



<b>Alaska</b>	2019	2021	
Companies	33	55	▲ 67%
Spend	\$1.1 B	\$1.8B	▲ 63%
Jobs @MBEs	4,705	8,577	▲ 82%



<b>Alabama</b>	2019	2021	
Companies	71	92	▲ 30%
Spend	\$916M	\$1.5 B	▲ 60%
Jobs @MBEs	2,779	4,294	▲ 55%



<b>Arkansas</b>	2019	2021	
Companies	10	18	▲ 80%
Spend	\$122M	\$195.6M	▲ 60%
Jobs @MBEs	95	299	▲ 215%



<b>Arizona</b>	2019	2021	
Companies	133	206	▲ 55%
Spend	\$1B	\$1.2 B	▲ 24%
Jobs @MBEs	3,678	9,472	▲ 158%



<b>California</b>	2019	2021	
Companies	1,938	2,489	▲ 28%
Spend	\$41.1 B	\$59 B	▲ 44%
Jobs @MBEs	104,681	233,882	▲ 114%



<b>Colorado</b>	2019	2021	
Companies	84	135	▲ 61%
Spend	\$987M	\$1.7 B	▲ 67%
Jobs @MBEs	2,823	6,530	▲ 131%



<b>Connecticut</b>	2019	2021	
Companies	86	90	▲ 5%
Spend	\$396M	\$478.7M	▲ 21%
Jobs @MBEs	1,358	1,978	▲ 46%



<b>Delaware</b>	2019	2021	
Companies	15	39	▲ 160%
Spend	\$192M	\$464.7M	▲ 142%
Jobs @MBEs	455	1,024	▲ 125%



<b>District of Columbia</b>	2019	2021	
Companies	66	118	▲ 79%
Spend	\$499M	\$679.3M	▲ 36%
Jobs @MBEs	455	2,569	▲ 465%



# MBE Impact by State



Florida	2019	2021	
Companies	744	902	▲ 21%
Spend	\$16 B	\$12.1 B	▼ -24%
Jobs @MBEs	43,524	34,483	▼ -21%



Georgia	2019	2021	
Companies	633	935	▲ 48%
Spend	\$8.2 B	\$8.3 B	▲ 1%
Jobs @MBEs	25,425	47,732	▲ 68%



Guam	2019	2021	
Companies	-	1	▲ 100%
Spend	-	\$3.9M	▲ 100%
Jobs @MBEs	-	14	▲ 100%



Hawaii	2019	2021	
Companies	35	36	▲ 3%
Spend	\$833M	\$697.8M	▼ -16%
Jobs @MBEs	1,277	1,794	▲ 40%



Iowa	2019	2021	
Companies	22	26	▲ 18%
Spend	\$322M	\$421.5M	▲ 31%
Jobs @MBEs	573	2,415	▲ 321%



Idaho	2019	2021	
Companies	8	13	▲ 63%
Spend	\$98M	\$190.5M	▲ 94%
Jobs @MBEs	212	600	▲ 183%



Illinois	2019	2021	
Companies	677	965	▲ 43%
Spend	\$17.3 B	\$18.7 B	▲ 8%
Jobs @MBEs	36,834	58,757	▲ 60%



Indiana	2019	2021	
Companies	181	222	▲ 23%
Spend	\$4.3 B	\$4.6 B	▲ 7%
Jobs @MBEs	9,195	23,084	▲ 151%



Kansas	2019	2021	
Companies	27	39	▲ 44%
Spend	\$1.2 B	\$1.4 B	▲ 18%
Jobs @MBEs	1,557	2,167	▲ 39%

# MBE Impact by State



Kentucky	2019	2021	
Companies	140	145	▲ 4%
Spend	\$2.1 B	\$2.1 B	▼ -2%
Jobs @MBEs	3,345	4,569	▲ 37%



Louisiana	2019	2021	
Companies	111	144	▲ 30%
Spend	\$1.1 B	\$1 B	▼ -7%
Jobs @MBEs	3,310	4,435	▲ 34%



Massachusetts	2019	2021	
Companies	104	155	▲ 49%
Spend	\$1.3 B	\$1.7 B	▲ 29%
Jobs @MBEs	6,715	6,018	▼ -10%



Maryland	2019	2021	
Companies	171	277	▲ 62%
Spend	\$1.9 B	\$2.1 B	▲ 9%
Jobs @MBEs	5,358	8,510	▲ 59%



Maine	2019	2021	
Companies	1	3	▲ 200%
Spend	\$269K	\$44.7M	▲ 16,506%
Jobs @MBEs	2	259	▲ 12,850%



Michigan	2019	2021	
Companies	934	1,144	▲ 22%
Spend	\$20 B	\$19.6 B	▼ -2%
Jobs @MBEs	43,202	64,367	▲ 49%



Minnesota	2019	2021	
Companies	151	183	▲ 21%
Spend	\$1.2 B	\$1.5 B	▲ 25%
Jobs @MBEs	4,545	6,354	▲ 40%



Missouri	2019	2021	
Companies	89	113	▲ 27%
Spend	\$11.7 B	\$14.8 B	▲ 27%
Jobs @MBEs	10,071	14,878	▲ 48%



Mississippi	2019	2021	
Companies	31	40	▲ 29%
Spend	\$1.3 B	\$1.4 B	▲ 5%
Jobs @MBEs	2,385	11,718	▲ 391%

# MBE Impact by State



**Montana**

	2019	2021	
Companies	4	3	▼ -25%
Spend	\$88M	\$73M	▼ -17%
Jobs @MBEs	391	153	▼ -61%

**North Carolina**

	2019	2021	
Companies	188	285	▲ 52%
Spend	\$1.4 B	\$1.9 B	▲ 34%
Jobs @MBEs	4,674	6,823	▲ 46%

**North Dakota**

	2019	2021	
Companies	4	4	▲ 0%
Spend	\$32M	\$30.1M	▼ -6%
Jobs @MBEs	17	24	▲ 41%

**Nebraska**

	2019	2021	
Companies	13	17	▲ 31%
Spend	\$123M	\$216.9M	▲ 76%
Jobs @MBEs	944	3,089	▲ 227%

**New Hampshire**

	2019	2021	
Companies	8	9	▲ 13%
Spend	\$352M	\$264.4M	▼ -25%
Jobs @MBEs	296	247	▼ -17%

**New Jersey**

	2019	2021	
Companies	529	688	▲ 30%
Spend	\$21.7M	\$29.4M	▲ 35%
Jobs @MBEs	41,635	59,024	▲ 42%

**New Mexico**

	2019	2021	
Companies	28	45	▲ 61%
Spend	\$293M	\$480.8M	▲ 64%
Jobs @MBEs	847	1,662	▲ 96%

**Nevada**

	2019	2021	
Companies	158	207	▲ 31%
Spend	\$983M	\$1.2 B	▲ 26%
Jobs @MBEs	3,902	6,294	▲ 61%

**New York**

	2019	2021	
Companies	515	695	▲ 35%
Spend	\$6.5 B	\$13.9 B	▲ 114%
Jobs @MBEs	17,337	31,813	▲ 83%

# MBE Impact by State



Ohio	2019	2021	
Companies	378	416	▲ 10%
Spend	\$6 B	\$5.4 B	▼ -11%
Jobs @MBEs	12,170	16,454	▲ 35%



Oklahoma	2019	2021	
Companies	69	87	▲ 26%
Spend	\$1.8 B	\$2.1 B	▲ 14%
Jobs @MBEs	3,533	6,378	▲ 81%



Oregon	2019	2021	
Companies	47	55	▲ 17%
Spend	\$485M	\$704.7M	▲ 45%
Jobs @MBEs	1,632	2,314	▲ 42%



Pennsylvania	2019	2021	
Companies	417	705	▲ 69%
Spend	\$2.7 B	\$4 B	▲ 47%
Jobs @MBEs	10,104	14,540	▲ 44%



Puerto Rico	2019	2021	
Companies	439	462	▲ 5%
Spend	\$3.7 B	\$5.1 B	▲ 38%
Jobs @MBEs	17,457	37,195	▲ 113%



Rhode Island	2019	2021	
Companies	9	12	▲ 33%
Spend	\$245M	\$179.2M	▼ -27%
Jobs @MBEs	934	921	▼ -1%



South Carolina	2019	2021	
Companies	63	101	▲ 60%
Spend	\$627M	\$709.7M	▲ 13%
Jobs @MBEs	2,212	5,464	▲ 147%



South Dakota	2019	2021	
Companies	-	7	▲ 100%
Spend	-	\$64 M	▲ 100%
Jobs @MBEs	-	290	▲ 100%



Tennessee	2019	2021	
Companies	139	165	▲ 19%
Spend	\$1.2 B	\$1.5 B	▲ 28%
Jobs @MBEs	3,038	4,997	▲ 64%

# MBE Impact by State



Texas		2019	2021	
Companies	1,587	2,224	▲ 40%	
Spend	\$20.1 B	\$24.3 B	▲ 21%	
Jobs @MBEs	46,861	71,613	▲ 53%	



Utah		2019	2021	
Companies	20	30	▲ 50%	
Spend	\$62M	\$145.4M	▲ 134%	
Jobs @MBEs	146	706	▲ 384%	



Virginia		2019	2021	
Companies	171	243	▲ 42%	
Spend	\$2.2B	\$3.1B	▲ 41%	
Jobs @MBEs	10,003	29,514	▲ 195%	



Virgin Islands		2019	2021	
Companies	1	1	0%	
Spend	\$1M	\$71M	▲ 7008%	
Jobs @MBEs	4	300	▲ 7400%	



Vermont		2019	2021	
Companies	-	1	▲ 100%	
Spend	-	\$2.6M	▲ 100%	
Jobs @MBEs	-	39	▲ 100%	



Washington		2019	2021	
Companies	159	208	▲ 31%	
Spend	\$5.4 B	\$6.7 B	▲ 25%	
Jobs @MBEs	7,489	10,740	▲ 43%	



Wisconsin		2019	2021	
Companies	108	128	▲ 19%	
Spend	\$2.2 B	\$1.9 B	▼ -13%	
Jobs @MBEs	4,922	8,038	▲ 63%	



West Virginia		2019	2021	
Companies	6	5	▼ -17%	
Spend	\$42M	\$60.1M	▲ 43%	
Jobs @MBEs	211	426	▲ 102%	



Wyoming		2019	2021	
Companies	2	6	▲ 200%	
Spend	\$7 M	\$429K	▼ -94%	
Jobs @MBEs	46	8	▼ -83%	

# Total Economic Impact



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.



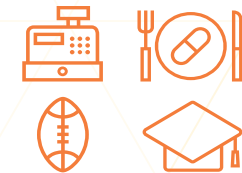
### Indirect Impact in MBEs' supply chain

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.



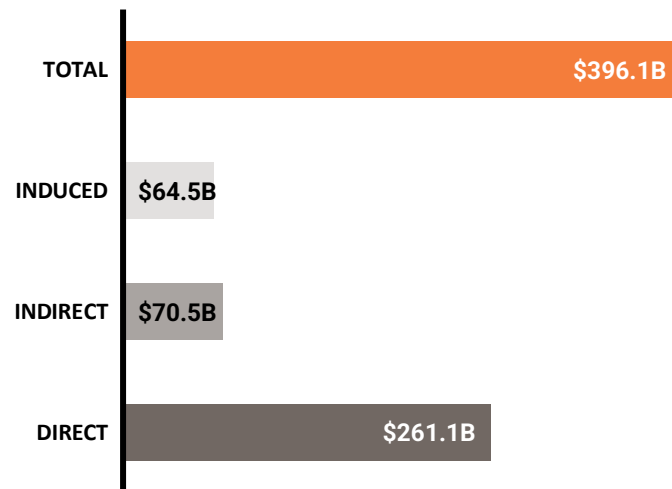
# Total Economic Impact through Certified MBEs



## TOTAL PRODUCTION

**\$396 billion**

Total economic activity driven through certified MBEs

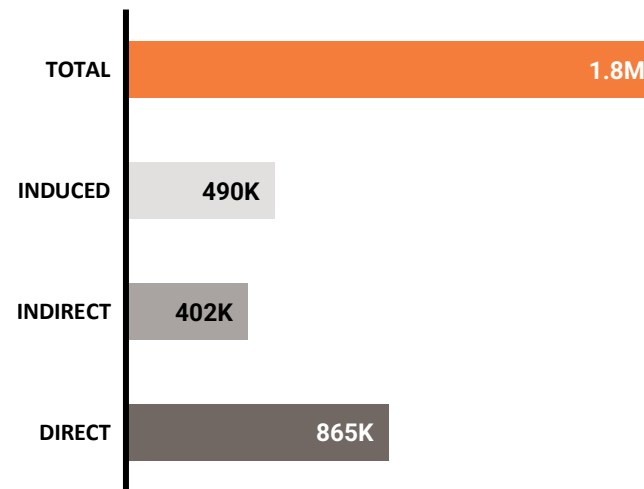


NMSDC Certified MBEs earned \$261.1B in 2021. This spending resulted in a total impact of \$396B on the US economy, with \$70.5B in additional Indirect Impacts, and \$64.6B Induced Impacts.

## TOTAL JOBS SUPPORTED

**1.75 million**

US Jobs supported directly and indirectly by certified MBEs

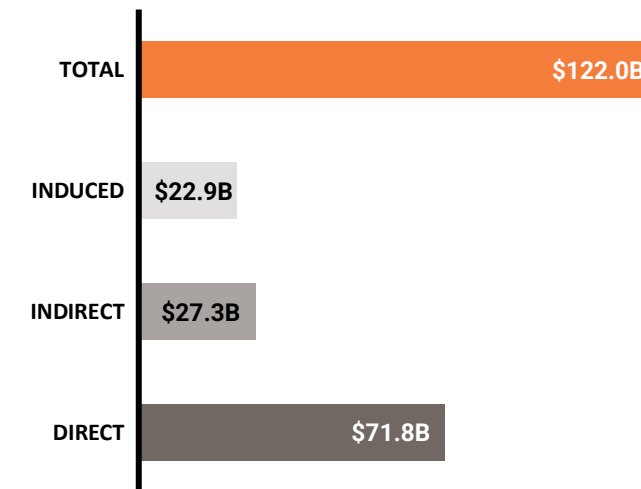


NMSDC Certified MBEs hired 865K employees. They supported an additional 402K jobs at downstream suppliers (Indirect Impact), and 490K jobs in their communities (Induced Impact.)

## TOTAL WAGES EARNED

**\$122 billion**

Wages earned through Supported jobs



Employees at NMSDC Certified MBEs earned \$71.8B in wages. Employees at downstream suppliers earned an additional \$27.3B in wages (Indirect Impact), and employees in their communities earned \$22.9B in wages (Induced Impact.)

## Appendix

# Economic Impact 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.<sup>1</sup>

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.<sup>1</sup>

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](http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n)
3. United States GDP: <http://www.tradingeconomics.com/united-states/gdp>





**NMSDC**  
50<sup>TH</sup> ANNIVERSARY

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