

SUPPLIER DIVERSITY ECONOMIC IMPACT REPORT

2021



POWER IN NUMBERS
FUELING ECONOMIC GROWTH

Sponsored By



Introduction

We are a 501(c) 3 non-profit organization, established in 1976, and one of 23 regional affiliates of the National Minority Supplier Development Council (NMSDC). Our network is the nation's most dynamic force in developing successful relationships between America's top corporations and supply-chain providers from the Asian, Black, Hispanic and Native American communities.

Our mission is to accelerate economic growth by driving opportunities and collaboration between corporations and minority businesses.



Mid-States MSDC Vision

To be recognized as Central Illinois, Indiana and Eastern Missouri's leading supplier diversity organization, by promoting corporate purchases from minority business.

Mid-States MSDC Mission

The mission of the Mid-States MSDC is to promote and cultivate successful minority enterprises within the Central Illinois, Indiana and Eastern Missouri business communities.

The Mid-States MSDC's footprint includes Central Illinois, Indiana and Eastern Missouri and we connect our corporate members with qualified minority-owned suppliers of all sizes – Minority Business Enterprises (MBE) – that meet a high standard of excellence. We ensure that standard in four essential steps:



Certify

Examine and investigate each MBE, verifying its viability, its practices, and its capacity.



Develop

Assist and enable MBEs in expanding their vision and capabilities, to meet the needs of corporate members.



Connect

Introduce and facilitate a mutually beneficial business relationship between MBEs and corporate members.



Advocate

Promote and strengthen a universal understanding of the value of minority supplier development.

Our Board of Directors

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Eli Lilly

Roland Shelton, Vice Chair
Old National Bank

Dave Cook, Treasurer
US Bank

Kevin Token, Secretary
BSA LifeStructures

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World Wide Technology

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Fineline Printing

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CorGroup

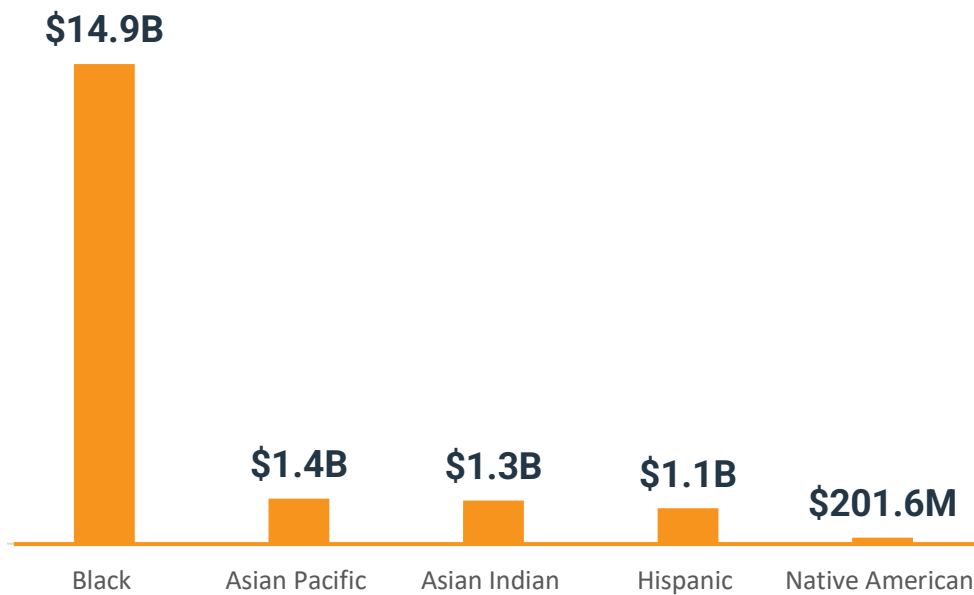
Michelle Morin
Corteva Agriscience

Vic Cleveland
CenterPoint Energy

Rachael Powell
FedEx

Advocates for Economic Growth of MBEs

Spending with our certified MBEs



Our certified MBEs
had
\$19.1 Billion
in revenues



How we measure Economic Impact



Economic Impact Metrics

Economic impact reports communicate the impact on the economy using these standard measures: Production, Wages, Jobs, and Tax Revenues.



Production

Measures the cumulative revenues of all businesses impacted through the program: Direct, Indirect and Induced.



Wages

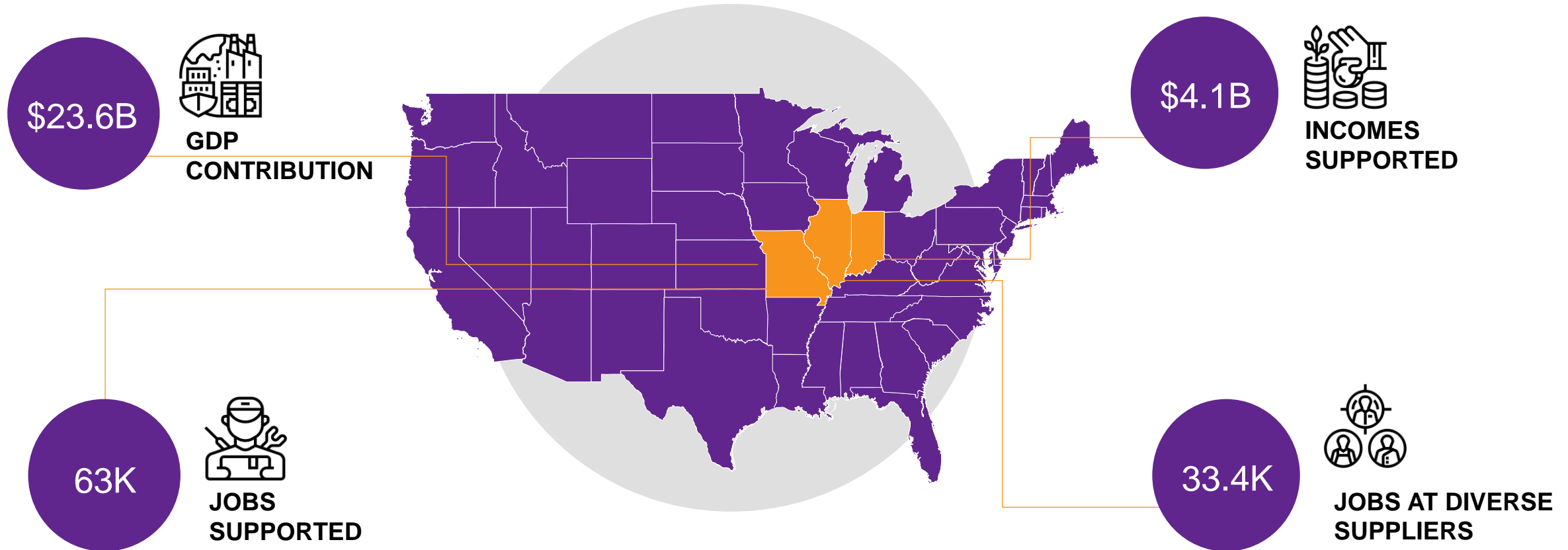
Measures the cumulative earnings of the employees in the jobs supported through supplier diversity purchases.



Jobs

Created within Mid-States MSDC's supply chain and in the supplier's communities.

Total Economic Impact on Tri-State Regional Network



*Data excludes the Chicago metro area in Illinois and the Northwest Indiana area. These areas are covered by the Chicago MSDC. Missouri data excludes the Western Missouri area. This area is covered by the Mountain Plains MSDC.

Our MBEs Impact: Central Illinois

\$983M



**GDP
CONTRIBUTION**

\$261M



**INCOMES
SUPPORTED**

3,137

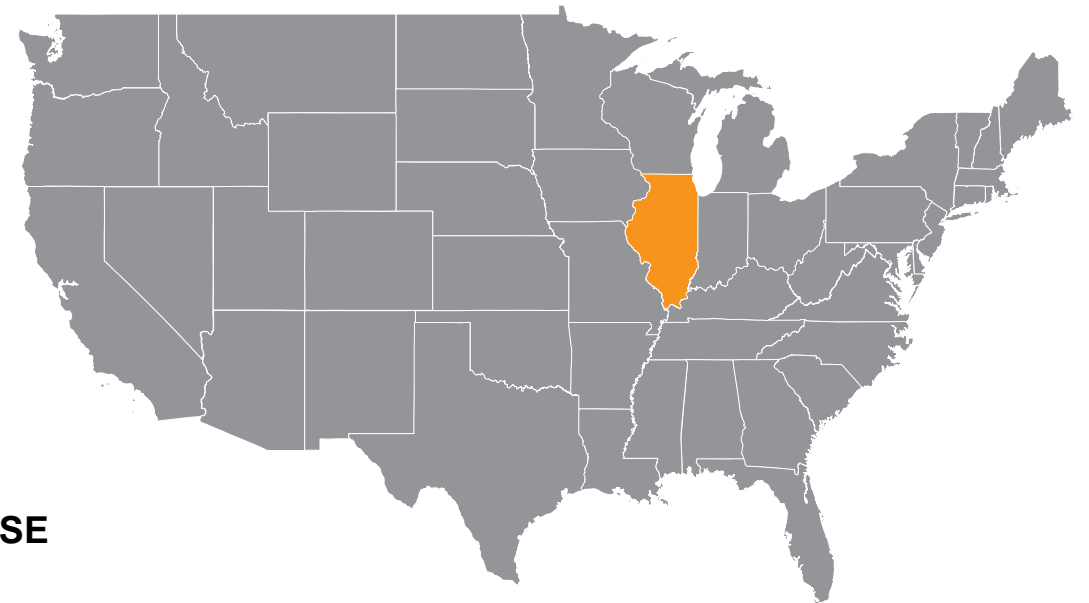


**JOBS
SUPPORTED**

1,538

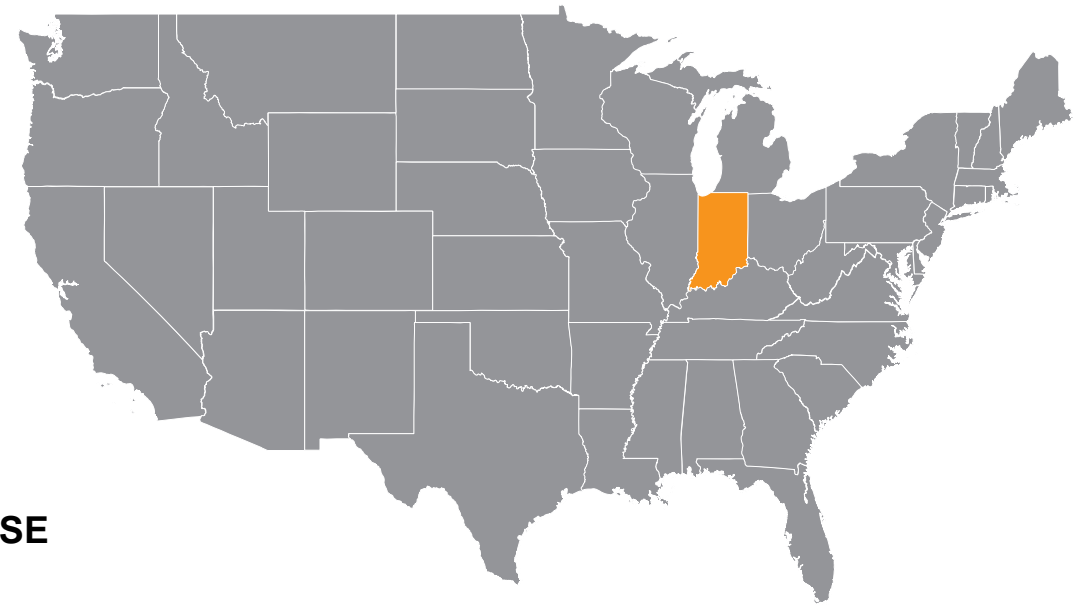
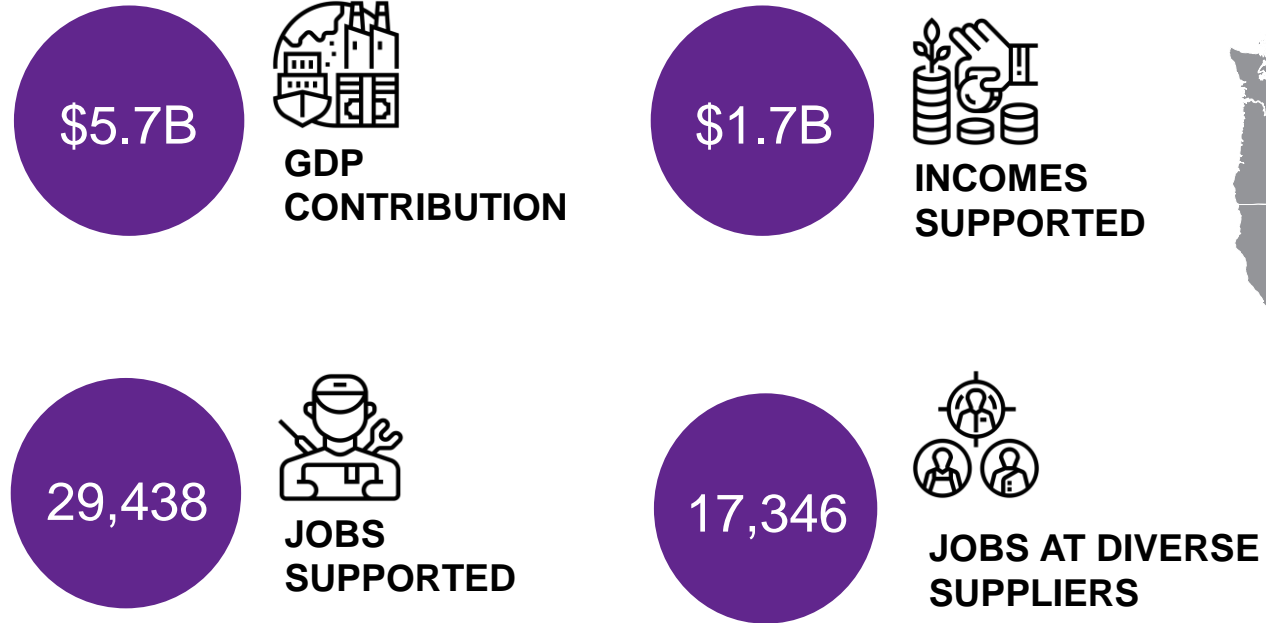


**JOBS AT DIVERSE
SUPPLIERS**



*Data excludes the Chicago metro area. This area is covered by the Chicago MSDC.

Our MBEs Impact: Indiana



*Data excludes the Northwest Indiana area. This area is covered by the Chicago MSDC.

Our MBEs Impact: Eastern Missouri

\$16.8B



**GDP
CONTRIBUTION**

\$2B



**INCOMES
SUPPORTED**

26,639

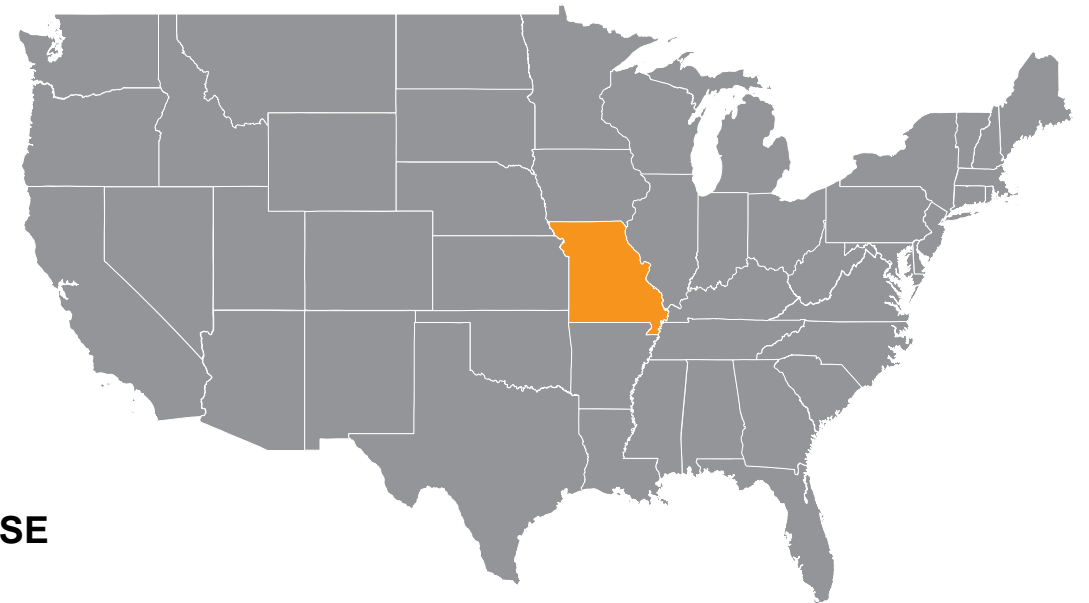


**JOBS
SUPPORTED**

14,112



**JOBS AT DIVERSE
SUPPLIERS**



*Data excludes the Western Missouri area. This area is covered by the Mountain Plains MSDC.

Economic Impact Channels

Mid-States MSDC's spending with its diverse and small suppliers generates economic activity in its supply chain and their communities.

These impacts can be categorized into three types. First, the direct impacts are the jobs and payroll directly supported at the Mid-States MSDC's diverse suppliers. Next, there are additional spin-off impacts. Indirect impacts occur in the lower tier suppliers and induced impacts occur at the local businesses that supply products to the employees and their families in the jobs supported in the supply chain.



Economic Impact Channels

Mid-States MSDC's purchases have a ripple effect on the supply chain. The total economic impact is comprised of three components: Direct, Indirect and Induced.



Direct/Tier 1

This is impact at Mid-States MSDC's immediate small and diverse suppliers.



Indirect/Tier 2

Mid-States MSDC's small and diverse suppliers purchase goods and services from other suppliers, which creates a ripple effect through the economy.



Induced/Community

Employees in the jobs created in the supply chain to satisfy Mid-States MSDC's purchases support additional jobs in their communities.

Economic Impact through Mid-States MSDC's MBEs

We evaluated three measures to quantify our impact:

PRODUCTION

Production measures the cumulative output of all businesses that engaged directly or indirectly through our purchases.

JOBS

The number of people employed on a full-time equivalent (FTE) basis at our suppliers or at other businesses as a result of our purchasing.

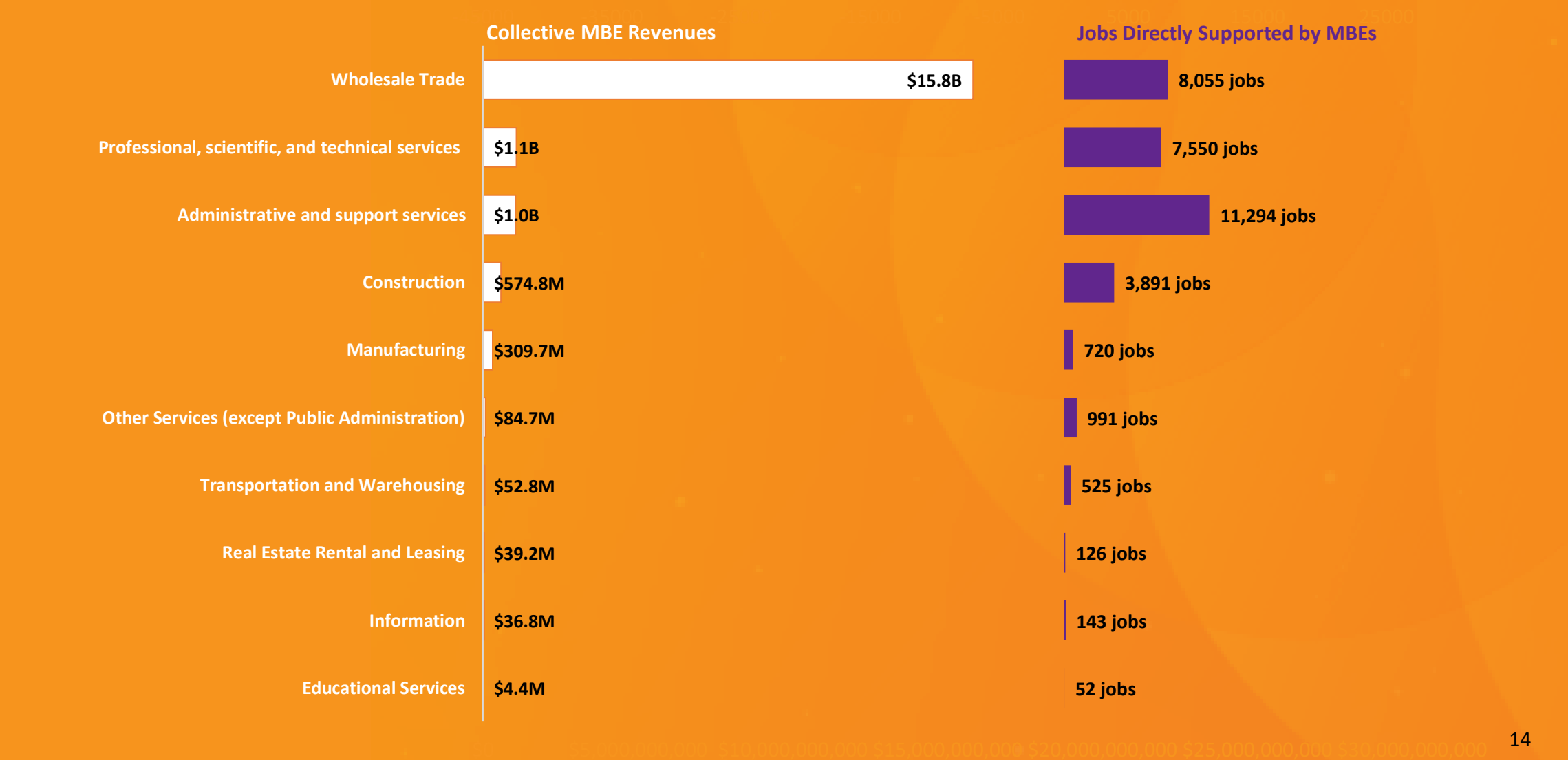
WAGES

The earnings in terms of wages and benefits of the people employed in the jobs supported through our purchasing

US Economic Impact



Mid-States MSDC MBEs by Industry (Top 10)



Economic Impact Methodology

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 spend, cycles through the economy in terms of “indirect and induced output,” or additional spend, personal income, and employment.

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 spend, 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.

The Input-Output multipliers are derived from a comprehensive and complex set of inputs based on the collection of business and employment data. Indirect impacts of economic activity in a targeted geographic area are calculated by applying multiplier coefficients to the direct impact spending. Since most of the businesses in the study are considered as local businesses, each supplier was assumed to have operations primarily in one state. These multipliers consider an amount of “leakage” from the state economy because some wages and expenditures will be spent outside of the state. The economic activity is calculated by state and these state-level results are aggregated to determine the national totals.

Analysis performed by supplier.io

Assumptions

This analysis relies on the following assumptions:

For suppliers that have multiple locations, all impact is evaluated at the headquarters location. This may overestimate the impact in the headquarters state and underestimate the impact in other states.

For suppliers that provide services in multiple NAICS code, unless otherwise indicated, all impact is calculated using the supplier's primary NAICS code.

A supplier impact is assumed to be localized within a state.

The model predicts impact results based on industry averages and is an aggregate across all companies. The calculations cannot be applied to individual companies and may differ from actual jobs and incomes at specific companies.

References

This report is based on an analysis of data provided by the customer and information from the following sources:

US Government Revenues: http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n

IMPLAN (<https://implan.com>)

United States GDP: <http://www.tradingeconomics.com/united-states/gdp>

RIM II User Guide - A essential tool for regional developers

and planners: https://www.bea.gov/sites/default/files/methodologies/RIMSII_User_Guide.pdf

Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II

Multipliers <https://www.bea.gov/system/files/papers/WP2012-3.pdf>

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