

2024 SUPPLIER DIVERSITY ECONOMIC IMPACT *Report*



Who We Are

We are a 501(c) 3 non-profit organization, established in 1976, and one of 23 regional affiliates of the National MSDC. 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 diverse 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 diverse business.

Mid-States MSDC *Mission*

The mission of the Mid-States MSDC is to promote and cultivate successful diverse 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 diverse-owned suppliers of all sizes (MBE's)– 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.

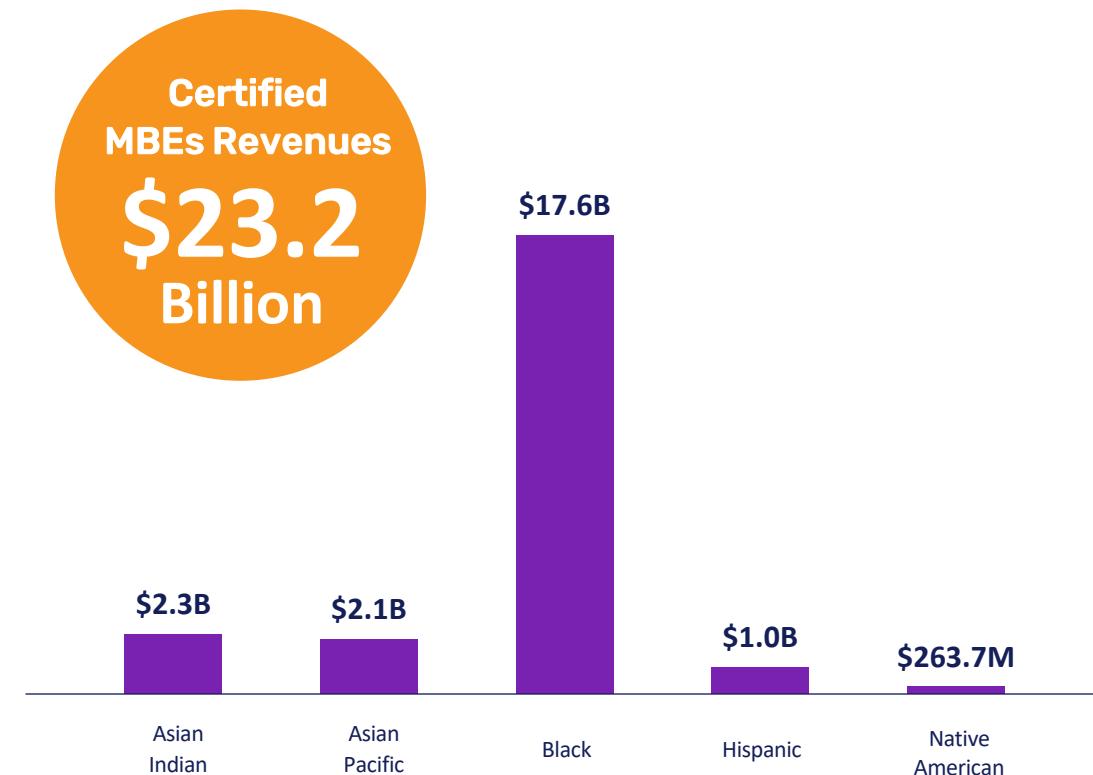
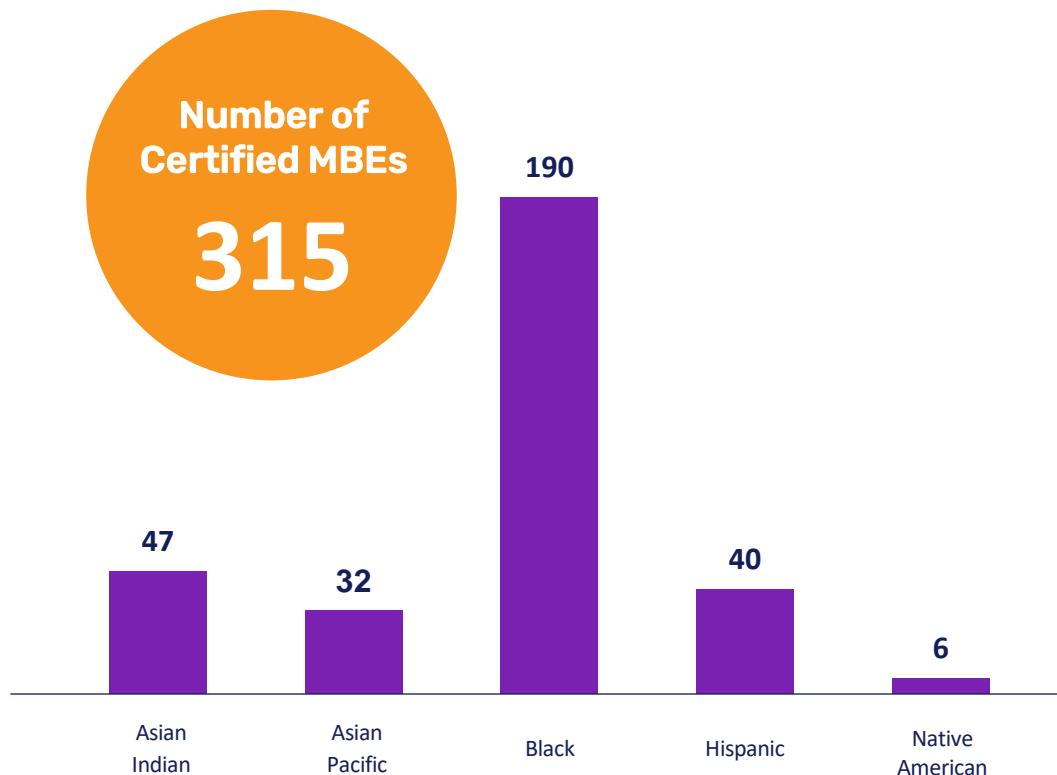


Advocate

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

Our MSDC *Certified* MBEs

We facilitate business connections between Buying Entity Members and MSDC certified ethnic diverse-owned businesses to foster the economic development of diverse communities.



Understanding Economic Impact

Purchases from MSDC Certified MBEs help foster jobs and economic activity in underrepresented segments of the business and customer community. Inclusive procurement practices provide opportunities to diverse businesses, that in turn provide greater representation, employment and economic advancement for diverse communities.

Economic Impact

The impact of spending with a company is greater than direct purchases made from the company. This is because money spent with the company is spent again on payroll, goods and services, and other suppliers in its supply chain. Employees use their salaries to purchase goods and services from other businesses. Downstream suppliers similarly use the proceeds from their sales on their employees and other businesses. A chain reaction of indirect and induced spending continues. This economic ripple effect is analyzed in an economic impact assessment.



Output

Purchases from MSDC Certified MBEs support economic activity at these businesses and create a ripple effect of purchases through their supply chain.



Jobs

Purchases lead to job creation and businesses ramp up staff to support additional sales.



Income

Employees that hold these jobs earn income that help support their families and create additional spending.



Taxes

Economic activities generate revenues for the government in the form of personal and business taxes.

Economic Impact *Channels*

Purchases of goods and services by our corporate members from MSDC Certified MBEs have a multiplier effect on the economy. These purchases iterate through multiple tiers of the supply chain and their communities. This effect is manifested through 3 channels.

Purchases from MBEs

Corporate members purchases from our MBEs trigger a ripple effect through its supply chain.

Direct Impact

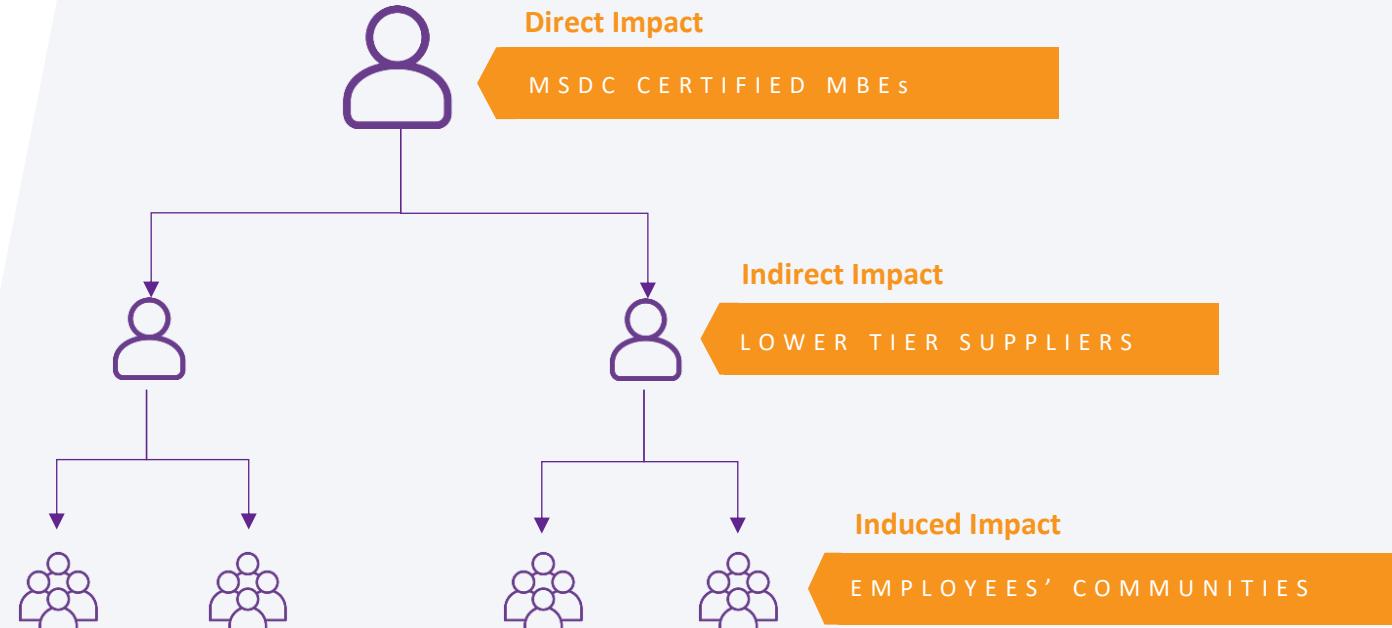
These purchases create a direct impact at these MSDC Certified MBEs who employ people and other suppliers to support their sales to our corporate members.

Indirect Impact

Our MSDC Certified MBEs also purchase goods and services from other suppliers which creates jobs in their supply chains.

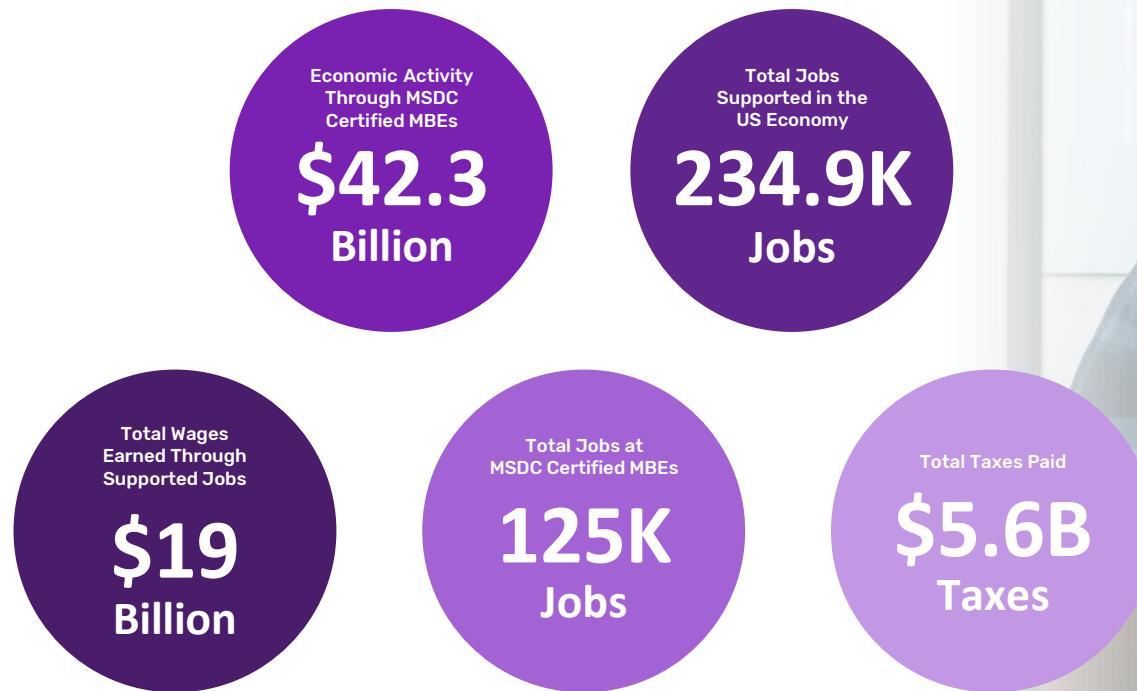
Induced Impact

Employees at these jobs support additional jobs in their communities through purchases of everyday goods and services.



ECONOMIC IMPACT OF MSDC *Certified* MBEs

Connecting buyers to suppliers and opportunities to diverse-solution providers is core to diverse businesses increasing capacity and building strong, vibrant economic communities that benefit everyone.



Economic Impact

THROUGH MSDC CERTIFIED MBEs



Metrics to Quantify Economic Impact



Output

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



Jobs

The number of people employed at MSDC Certified MBEs or at other businesses as a result of our purchasing.

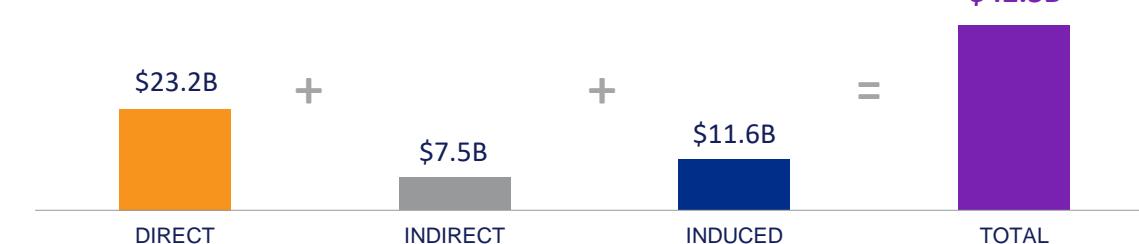


Wages

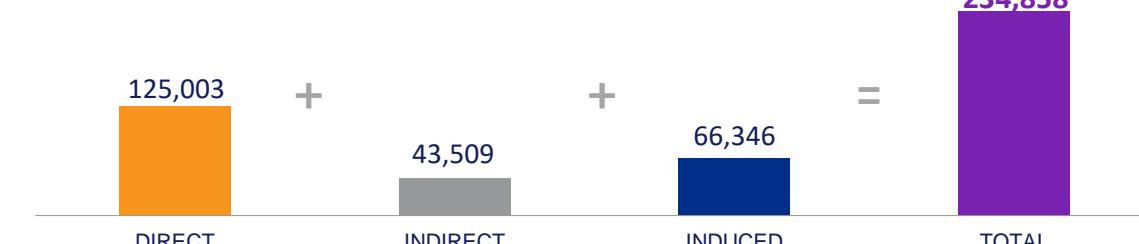
The earnings in terms of wages and benefits of the people employed in the jobs supported through our purchasing.

U S E C O N O M I C I M P A C T

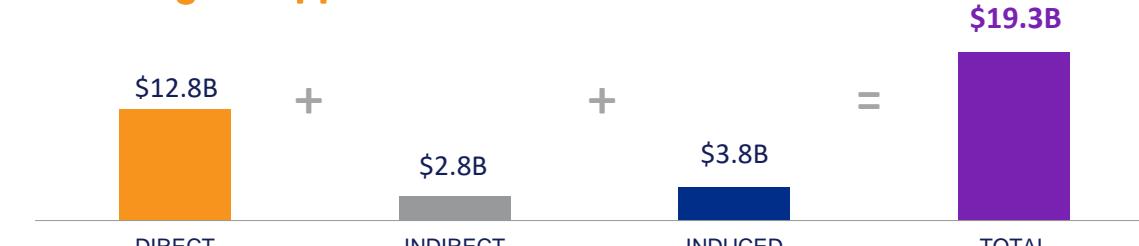
Total Output



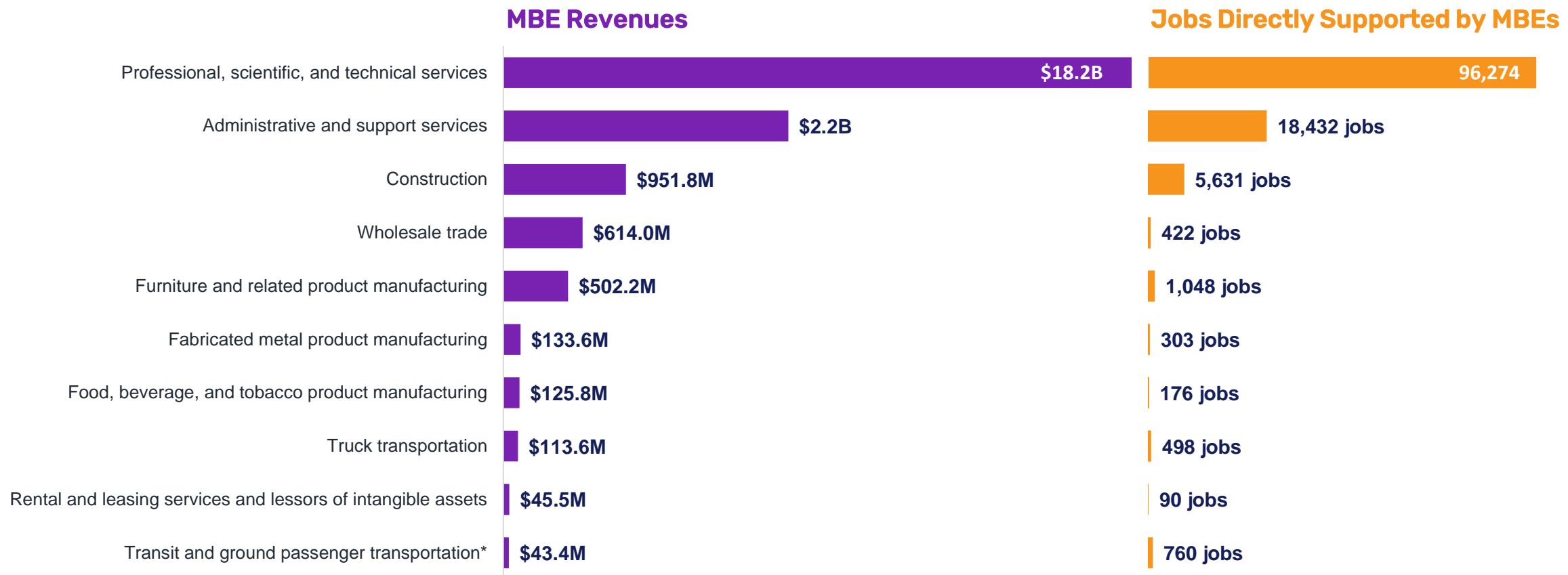
Total Jobs Supported



Total Wages Supported



Top 10 Industries BY REVENUES AND JOBS



 Total Output
\$2B

 Total Jobs
9,313

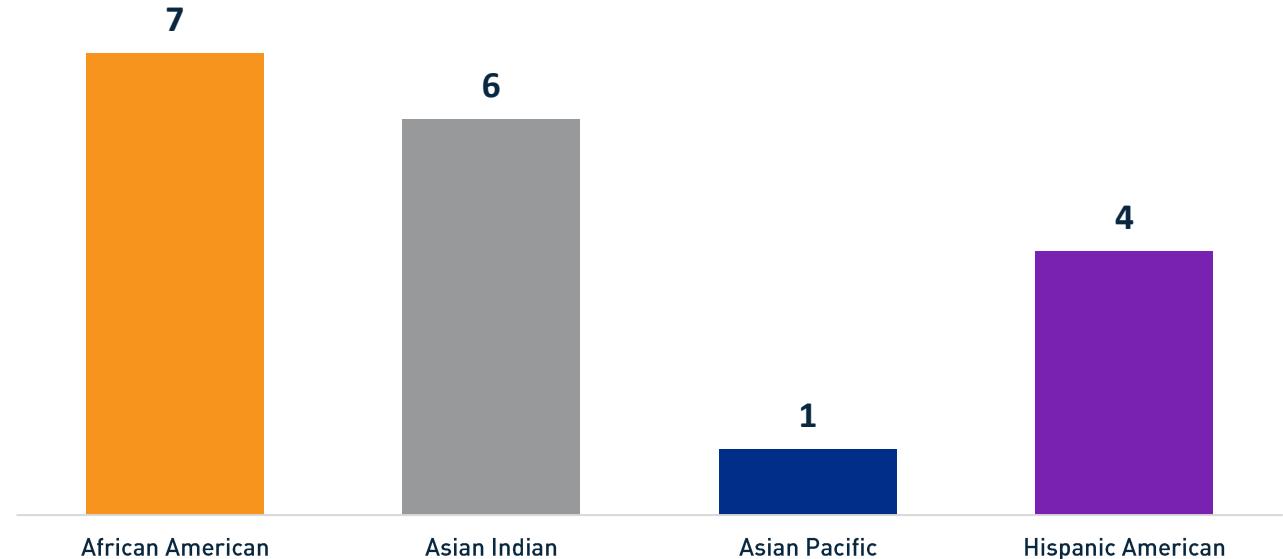
 Total Wages
\$903.2M

 Total Employed
by MSDC MBEs
4,618

 Total Taxes Paid
\$272.1M



MBE Businesses in Illinois



Indiana

 Total Output
\$9.5B

 Total Jobs
54,812

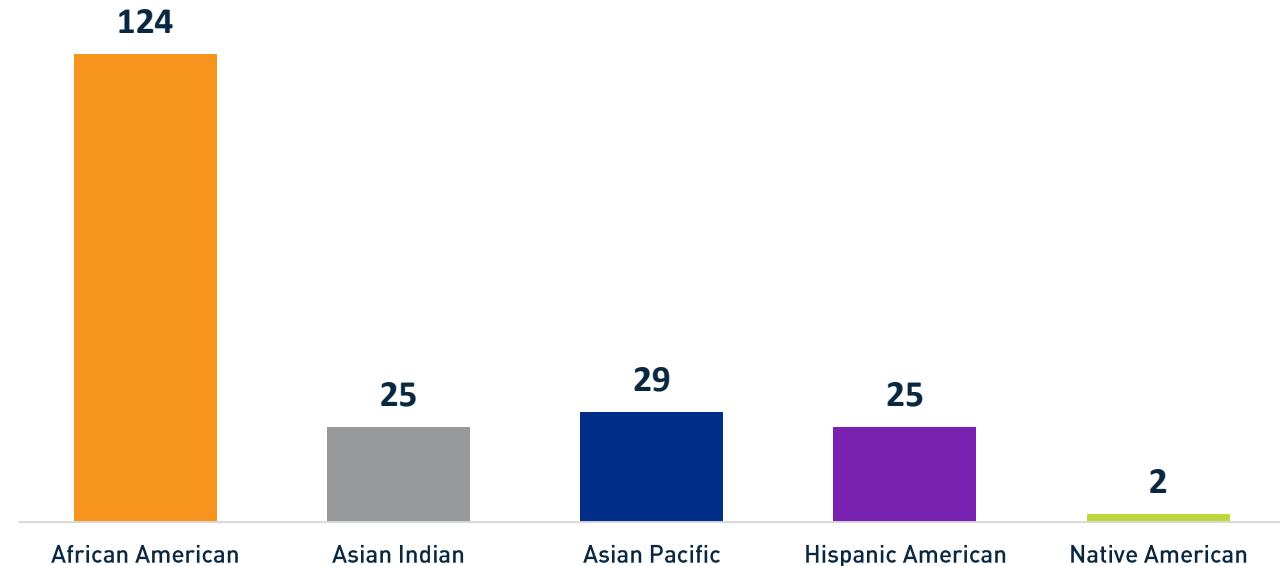
 Total Wages
\$3.6B

 Total Employed
by MSDC MBEs
32,598

 Total Taxes Paid
\$1.2B



MBE Businesses in Indiana



Missouri

 Total Output
\$30.8B

 Total Jobs
170,734

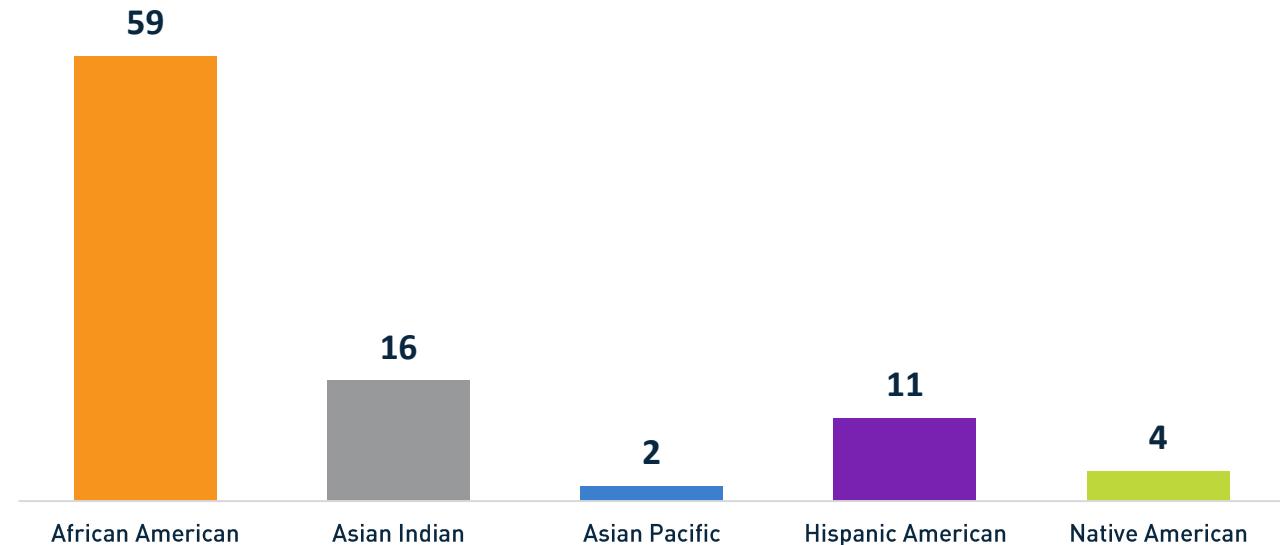
 Total Wages
\$14.9B

 Total Employed
by MSDC MBEs
87,788

 Total Taxes Paid
\$4.2B



MBE Businesses in Missouri



MSA: *Missouri*

St. Louis



\$33.2 billion
TOTAL ECONOMIC IMPACT



181,496
TOTAL JOBS

74,080

JOBS AT SMALL
AND DIVERSE SUPPLIERS



\$14.1 billion
TOTAL INCOME EARNED

\$8.7 billion

DIRECT INCOME EARNED WITH
DIVERSE AND SMALL SUPPLIERS



\$16.1 billion
DIRECT SPEND WITH
DIVERSE AND SMALL
SUPPLIERS



Indianapolis-Carmel-Greenwood



\$5.5 billion

TOTAL ECONOMIC IMPACT



36,858

TOTAL JOBS

19,471

JOBs AT SMALL AND DIVERSE SUPPLIERS



\$1.8 billion

TOTAL INCOME EARNED

\$986.1 million

DIRECT INCOME EARNED WITH DIVERSE AND SMALL SUPPLIERS



\$2.6 billion

DIRECT SPEND
WITH DIVERSE AND
SMALL SUPPLIERS

Economic Impact Modeling

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 supplierio

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 codes, 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 income at specific companies.

References

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

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

Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II Multipliers <https://www.bea.gov/system/files/papers/WP2012-3.pdf>

What is NAICS: <https://www.naics.com/>

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

Multipliers Changing Over Time – IMPLAN - Support

Generation and Interpretation of IMPLAN's Tax Impact Report

Taxes: How the Pandemic Ruined My Tax Results – IMPLAN - Support

Pandemic: Analyzing the Economic Impacts of the Coronavirus – IMPLAN - Support

Economic Effects & Multipliers – IMPLAN - Support



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SUPPLIER DIVERSITY
ECONOMIC IMPACT**

Report