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**ECONOMIC
IMPACT
REPORT**

Introduction

The Georgia Minority Supplier Development Council is the State of Georgia's leading small business development and supplier diversity organization. We are one of the top performing councils in the National Minority Supplier Development Council network and are recognized as a four-time winner of the NMSDC's Council of the Year Award.

Our mission is to foster and expand value-driven partnerships between Minority Business Enterprises and corporations. We do this by certifying minority-owned businesses; developing their capacity, capability and competency; and connecting them with corporations and government entities with supply chain needs. GMSDC serves 700 Minority Business Enterprises and 400 corporate members.

We welcome you to explore this Economic Impact Report and see how our certified Minority Business Enterprises serve as a primary catalyst for economic growth. This report includes how our Minority Business Enterprises are driving business activity, creating jobs and wages, generating businesses taxes, and ultimately influencing our communities' path to upward mobility.



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Executive Summary

The Georgia Minority Supplier Development Council's 2019 Economic Impact Report is conducted by Supplier.io to assess the economic impact that GMSDC Minority Business Enterprises have on Georgia's economy. This impact includes the increased business activity created by GMSDC's 700 certified Minority Business Enterprises, the jobs that are maintained/created as a result of this activity throughout the various sectors of Georgia's economy, and the incremental business taxes that are generated.

GMSDC MBEs contribute to an economic impact of \$7 billion in output that results in the creation of and/or preservation of more than 128,000 jobs held by individuals who are directly or indirectly employed by GMSDC certified Minority Business Enterprises.

Over the last quarter-century, the number of minority-owned business grew three times as fast as that of non-minority-owned firms. The minority business sector is arguably the fastest growing segment of small business. Today, Georgia Minority Business Enterprises are crucial to supporting those they employ, and contributing to the economic well-being of their families, communities they serve, and the State of Georgia.

Therefore, it stands to reason that ensuring the success of the minority business community will have significant, positive effects on both the United States economy in general, and the state of Georgia. Georgia's economy cannot reach their full and true potential unless the minority business community is growing and reaching its full and true potential. GMSDC has a long-standing history as a catalyst for that growth.

What is Economic Impact?

Making an economic impact through MBEs.

Purchases from 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 minority 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.



PRODUCTION

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



JOB

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



INCOMES

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



TAXES

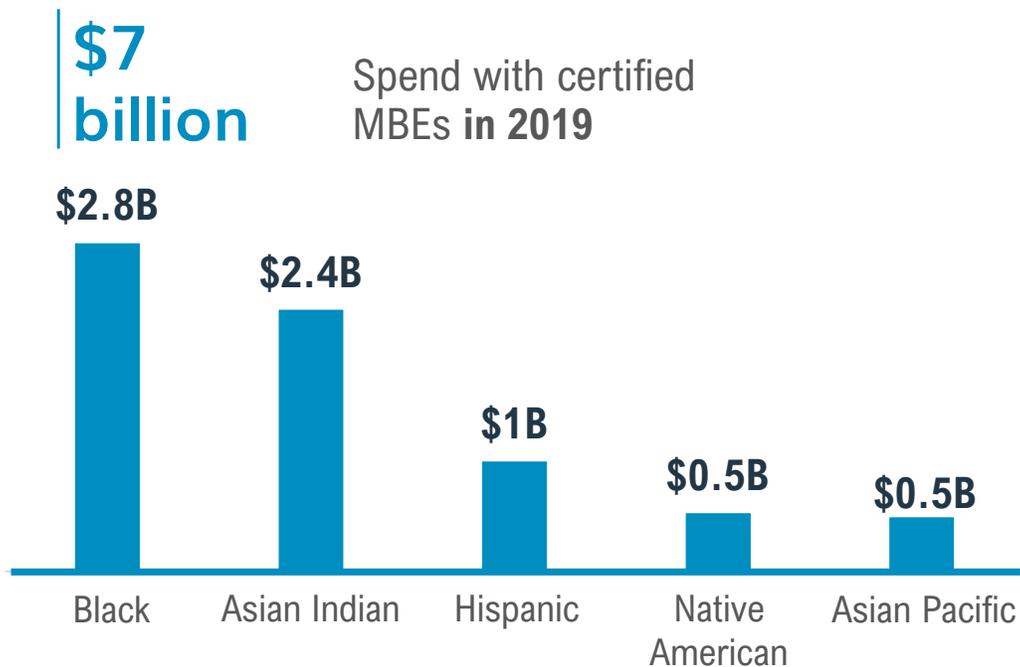
Economic activities generate revenues for the government in the form of personal and business taxes.

We help MBEs Develop & Grow

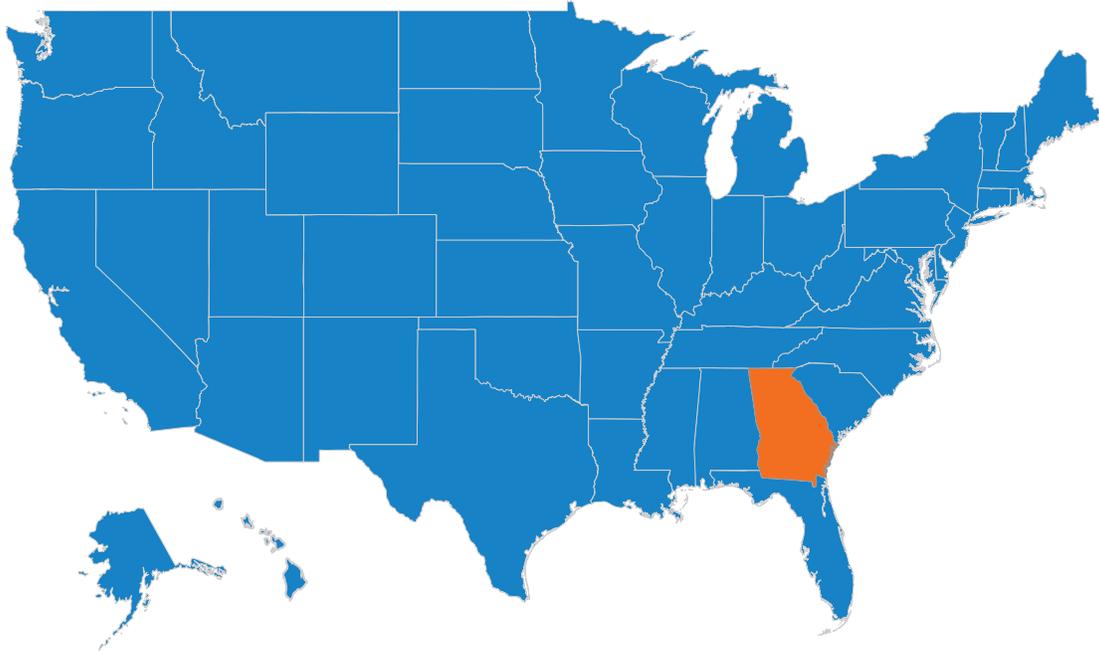
Our Mission

The Four Pillars of the GMSDC Promise

- Certify
- Develop
- Connect
- Advocate



Georgia MBEs Economic Impact



\$13B
TOTAL GDP
CONTRIBUTION



\$5.4B
TOTAL INCOMES
SUPPORTED



128,571
TOTAL JOBS
SUPPORTED



78,354
JOBS DIRECTLY
SUPPORTED BY DIVERSE
SUPPLIERS



Economic Impact Channels

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



PURCHASES FROM CERTIFIED 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 MBEs who employ people and other suppliers to support their sales to our corporate members.

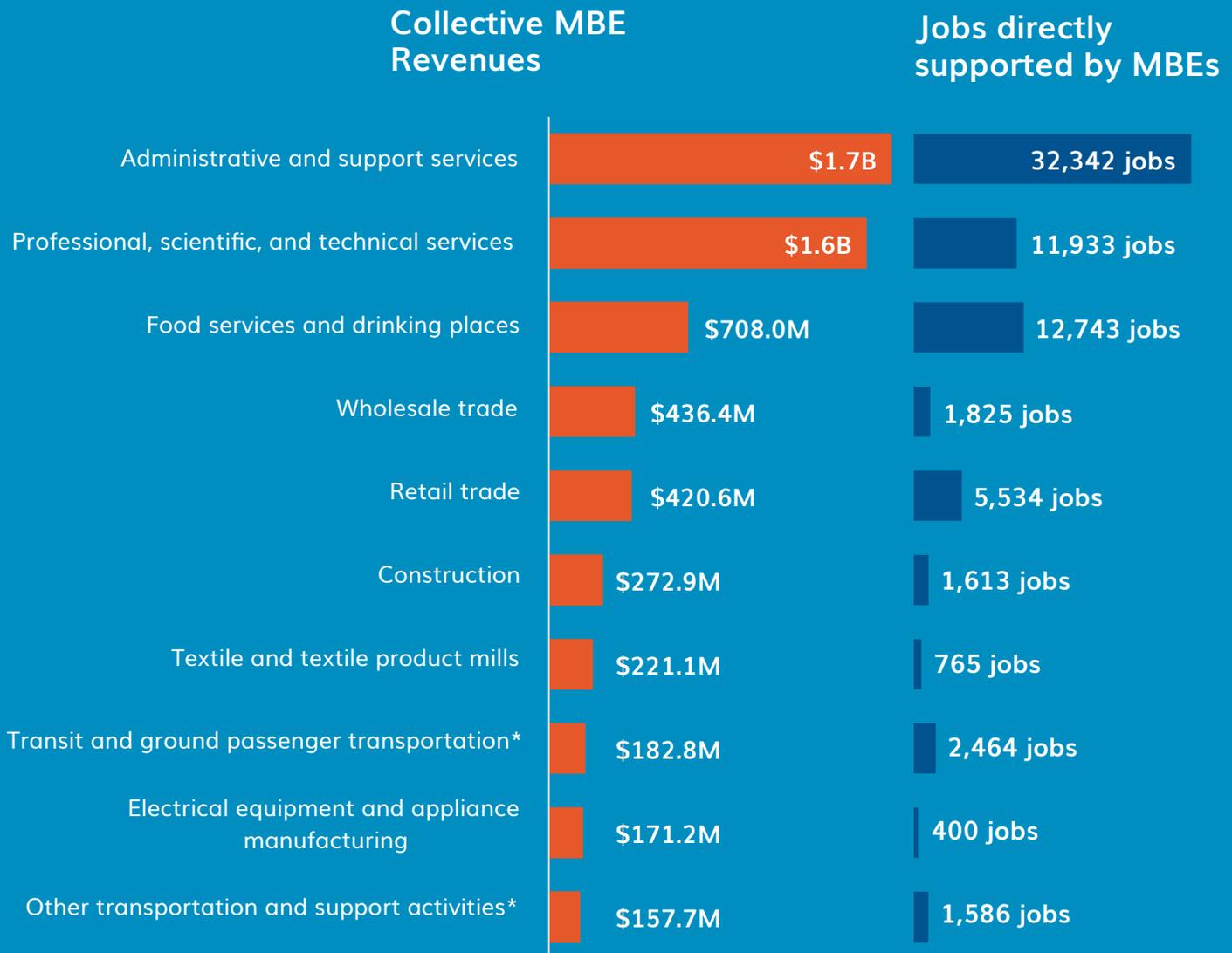
SUPPLIER CHAIN IMPACT

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

COMMUNITY IMPACT

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

GMSDC MBEs by Industry (Top 10)



Economic Impact through Georgia MSDC 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

GDP Contribution



Jobs Supported



Wages Supported



Appendix: 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 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.²

This report is based on an analysis of data provided by Georgia MSDC using IMPLAN’s Input-output multipliers.

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ABOUT SUPPLIER.IO

SUPPLIER.IO is redefining supplier diversity solutions. By providing comprehensive, accurate data in near real time, we help our customers get information they need to grow their supplier diversity program. To learn more, visit <https://supplier.io>.

References:

1. US Government Revenues: http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n
2. United States GDP: <http://www.tradingeconomics.com/united-states/gdp>



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