

# 2021 ECONOMIC IMPACT REPORT



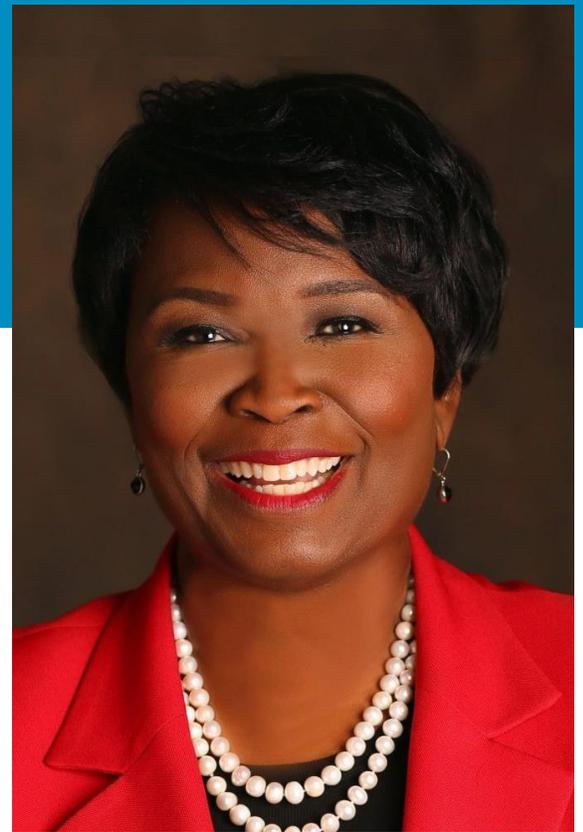
# Introduction

The Georgia Minority Supplier Development Council is the state of Georgia's leading small business development and supplier diversity organization. As one of the top performing Councils in the National Minority Supplier Development Council, the GMSDC remains a committed partner in facilitating new opportunities for its stakeholders and strengthening the business community here in the great state of Georgia.

Despite the challenges and impact of the pandemic economy we witnessed in 2021, this report illustrates the resiliency of our minority business community. Our MBEs continued to drive revenue into the state, generating \$9.1 billion. Our corporate partners played an integral role in this 15.2% growth in annual revenue, thanks to their respective commitment and initiatives to spend with minority businesses.

Minority businesses continued to play an integral role in driving jobs in communities they serve. In 2021, they supported more than 40,000 jobs and contributing \$2 billion in wages.

We welcome you to learn more about our minority businesses and how they contribute to the growth of the economy in Georgia.



**Stacey J. Key**  
President & CEO



The Georgia Minority Supplier Development Council (GMSDC) is the state of Georgia's leading advocacy organization for small business development and supplier diversity. Our primary focus is simple – to certify Minority Business Enterprise firms, help them prepare to engage global supply chains, and then facilitate partnerships with corporations and governments in need of their goods and services. We also advocate on behalf of our community in the halls of government and the overall community.

The GMSDC serves more than 900 MBEs and 400 corporate partners. Constantly working to add value to your GMSDC investment is what drives us every day – it is the essence of the promise we make to the business community here in the great state of Georgia.

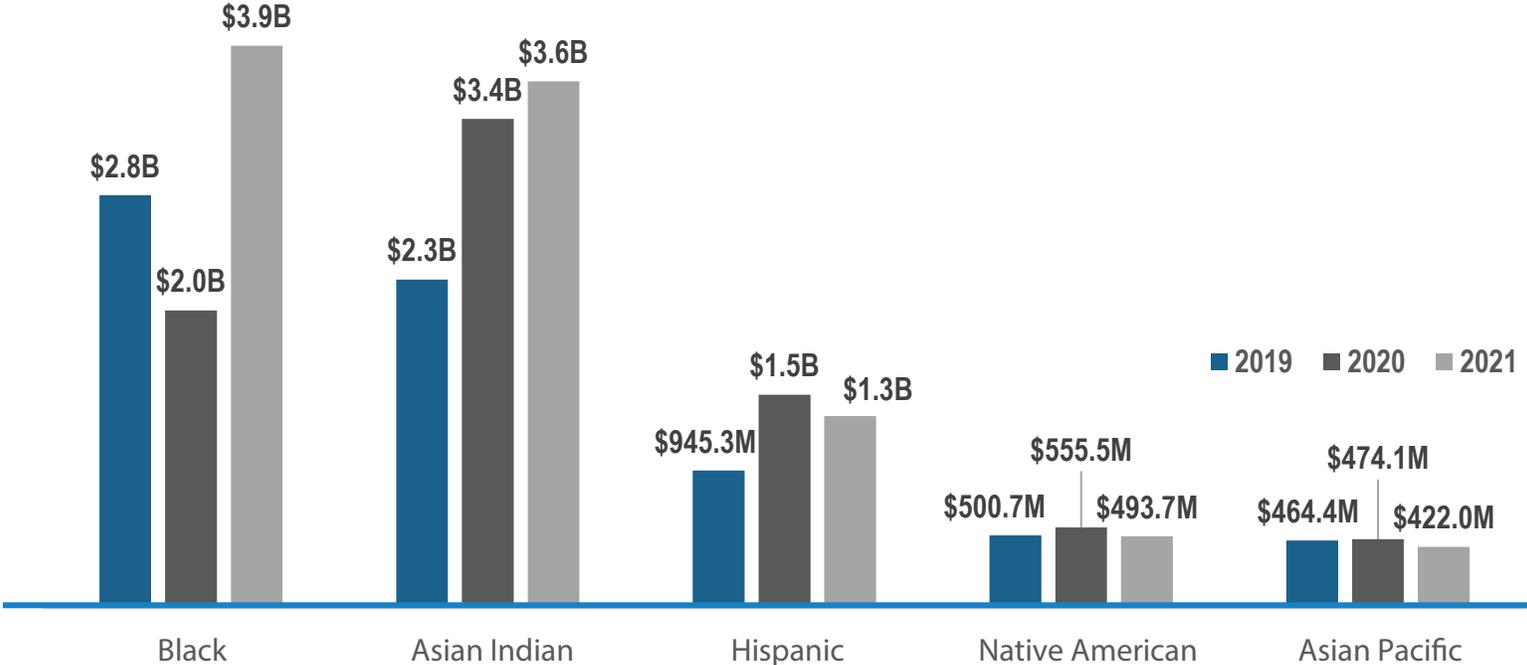
# GMSDC

# GMSDC MBEs supported the economy through job creation and robust growth during a difficult year

Certified MBEs  
Revenues in 2021  
**\$9.1 billion**

+ 15.2% ANNUAL INCREASE

**903**  
Certified MBEs  
+ 15% ANNUAL INCREASE





# 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

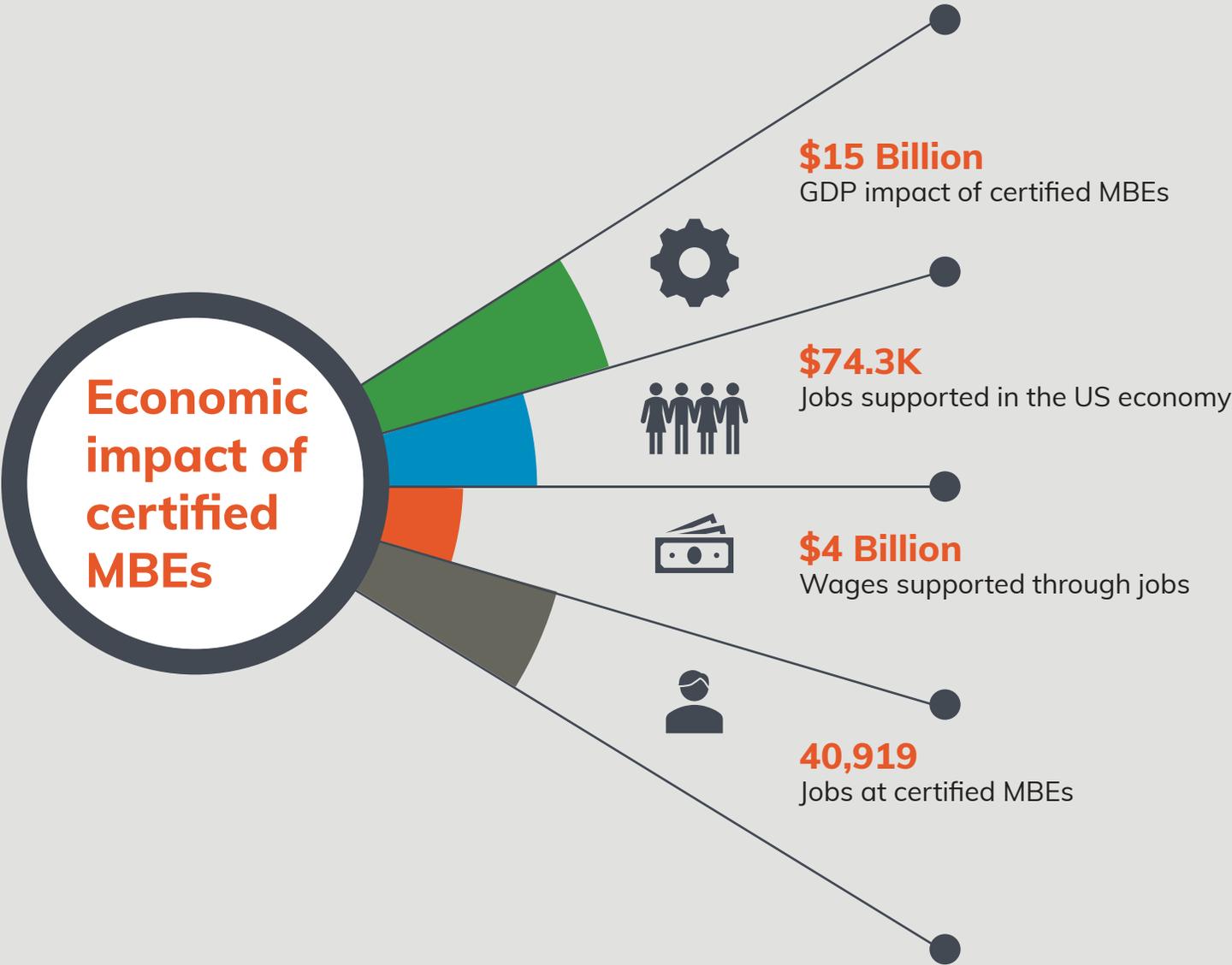
Measures the cumulative earnings of the employees in the jobs supported through supplier diversity purchases.



### Jobs

Created within Georgia MSDC s's supply chain and in the supplier's communities.

The minority businesses certified by the Georgia Minority Supplier Development Council and its member corporations are helping drive the region's economic fortunes by creating valuable jobs, investing in research and development, improving the local skills base, and generating significant economic and social benefits for their communities.



# Economic Impact Channels

Georgia 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 Georgia 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

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



### Direct

This is impact at Georgia MSDC s's immediate small and diverse suppliers.



### Indirect

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



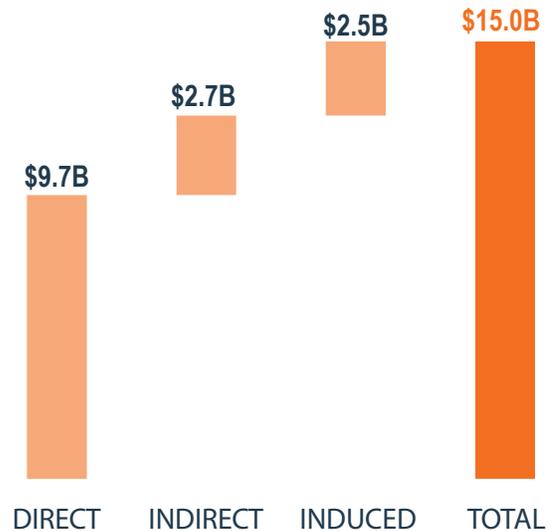
### Induced

Employees in the jobs created in the supply chain to satisfy Georgia MSDC s's purchases support additional jobs in their communities. supplier's communities.

# Quantifying Economic Impact

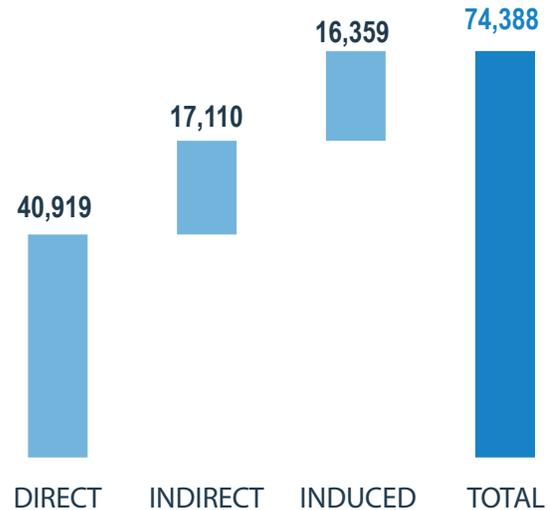
## PRODUCTION

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



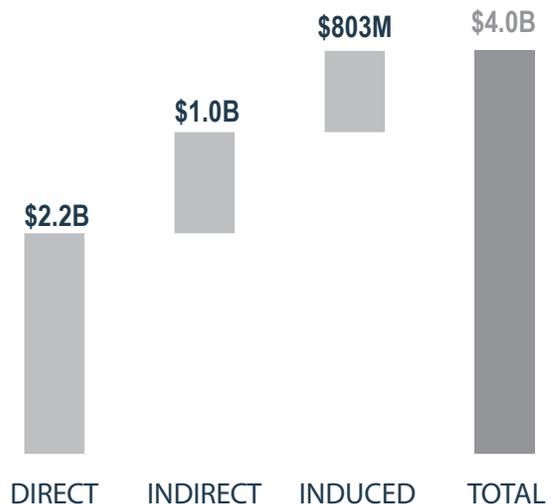
## JOBS SUPPORTED

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

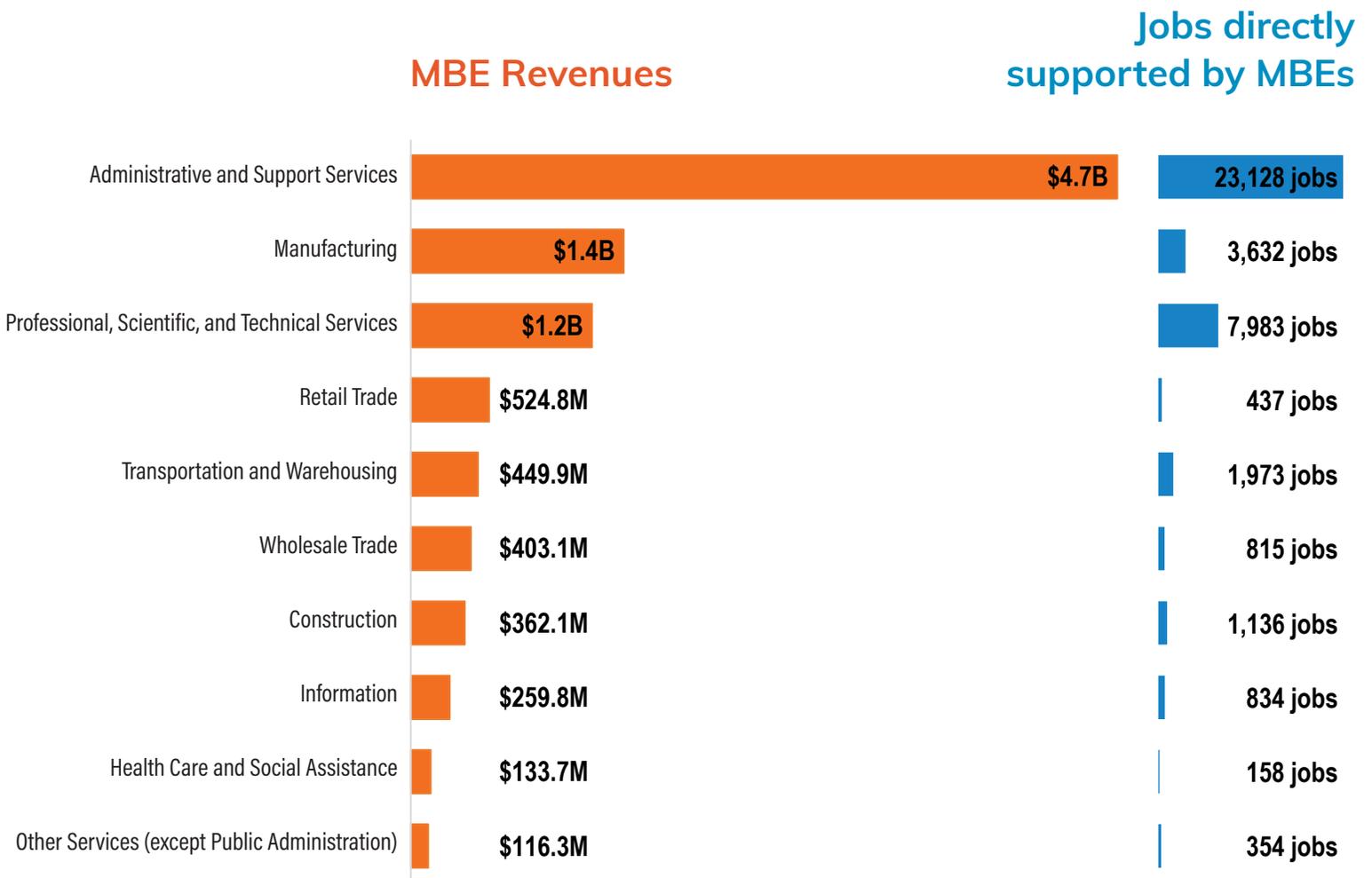


## WAGES SUPPORTED

The earnings in terms of wages and benefits of the people employed in the jobs supported through purchases from certified MBEs



# GMSDC 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](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](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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