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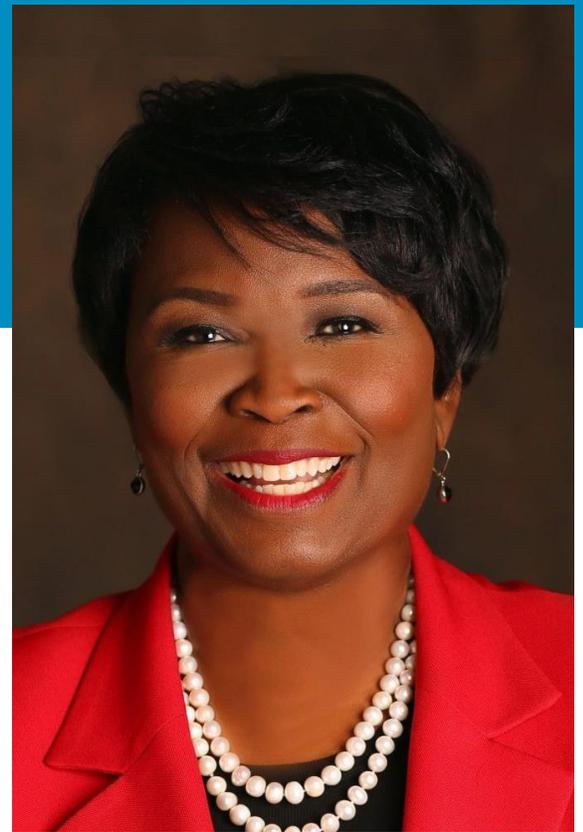
# Introduction

Welcome to the 2023 edition of the Georgia Minority Supplier Development Council's Economic Impact Report. The state of Georgia remains among the top states in the nation for minority business, especially in the region surrounding metropolitan Atlanta. Indicators show that both the national and local economies have rebounded significantly from the events of the prior two years, a trend that is reflected in the metrics we see here at GMSDC.

This report is based on data from all MBEs based in Georgia that were certified in the year 2022. Major economic indicators in 2022 – startups, employment numbers, unemployment rates, revenues, economic development statistics – were all positive, reflecting the growth that ensued from a once-again healthy economy. Members of our community who weathered the storm emerged into new levels of success and prosperity this past year, which bodes well for the future of our community.

Thank you for your many contributions to the growth and prosperity spelled out in these pages. You are a key factor in one of the nation's foremost standard-bearers for minority business achievement. We look forward to working collaboratively to keep moving Georgia forward.

**Stacey J. Key**  
Chief Executive Officer and President



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and President



## **Executive Summary**

This report examines the significant economic contributions by Minority Business Enterprises (MBEs) in the state of Georgia. MBEs, including those owned by African Americans, Hispanics, Asians, and other minority groups, play a crucial role in the state's economy. This report provides a comprehensive analysis of their economic impact, highlighting their contributions to job creation as well as revenue and income generation.

Minority-owned businesses in Georgia constitute a substantial portion of the state's business landscape. In 2022, there were more than 1,217 certified Minority Business Enterprises, contributing approximately \$18 billion to the state's GDP. MBEs are pivotal in job creation. They directly employ more than 54,000 people across various industries, translating to a substantial share of Georgia's total employment. This not only fosters economic stability but also promotes diversity and inclusivity in the workforce.

Minority entrepreneurs generate significant income and wealth for their households and communities. The report estimates that MBEs collectively support more than \$5.9 billion in revenue in 2022, driving economic prosperity and reducing income disparities. MBEs often operate in underserved communities, contributing to their growth and development. These businesses are more likely to reinvest in their neighborhoods, leading to improved infrastructure, increased property values, and enhanced overall quality of life.

The economic impact of MBEs in Georgia is undeniable. They are significant contributors to the state's economy. To fully harness their potential and promote inclusivity, it is imperative that we identify ways to continue to foster their growth. By doing so, we can create a more equitable and prosperous Georgia for all its residents.

## **About the Georgia Minority Supplier Development Council**

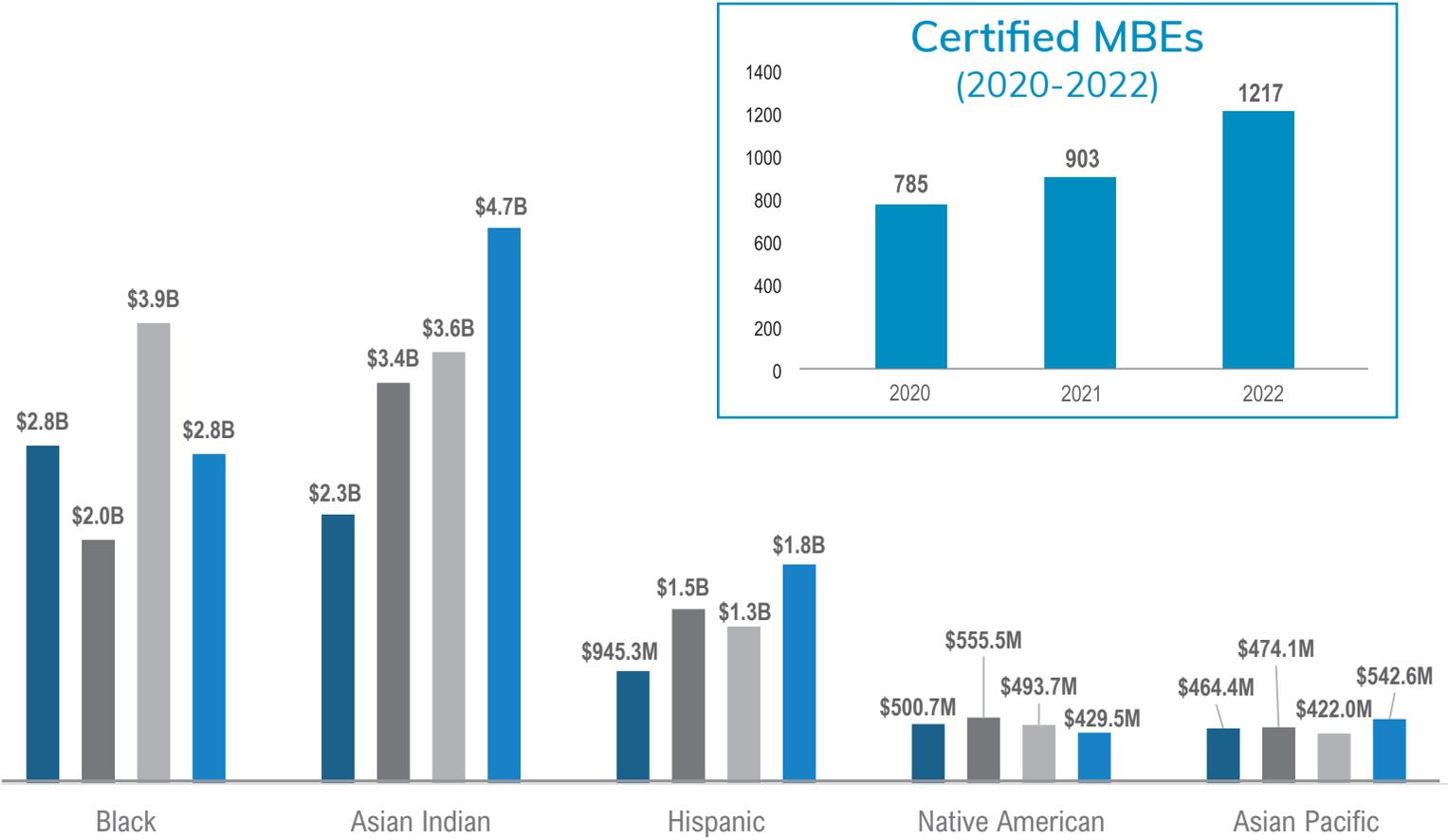
The Georgia Minority Supplier Development Council (GMSDC) is the state of Georgia's leading organization for small business development and supplier diversity. Our primary focus is simple – to certify Minority Business Enterprise firms, help them prepare to engage global supply chains, and then facilitate 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. For more information, please visit [www.gmsdc.org](http://www.gmsdc.org).

# GMSDC

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

Certified MBEs  
Revenues in 2022  
**\$10.2 billion**  
**+ 12.1%** ANNUAL INCREASE

**1,217**  
Certified MBEs  
**+ 34.8%** 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

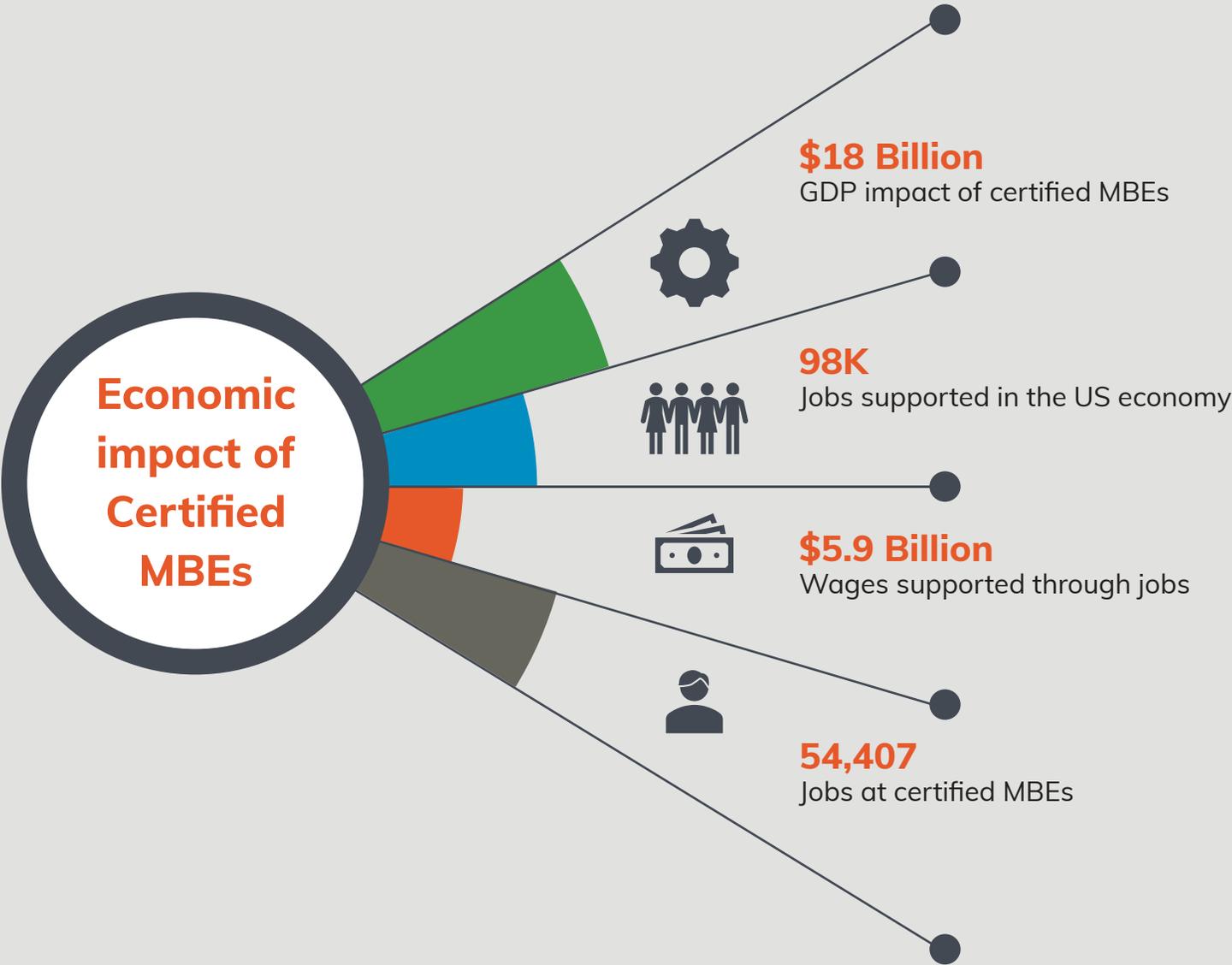
Measures the cumulative earnings of the employees in the jobs supported through supplier diversity purchases.



### Jobs

Created within Georgia MSDC's 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 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 immediate small and diverse suppliers.



### Indirect

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



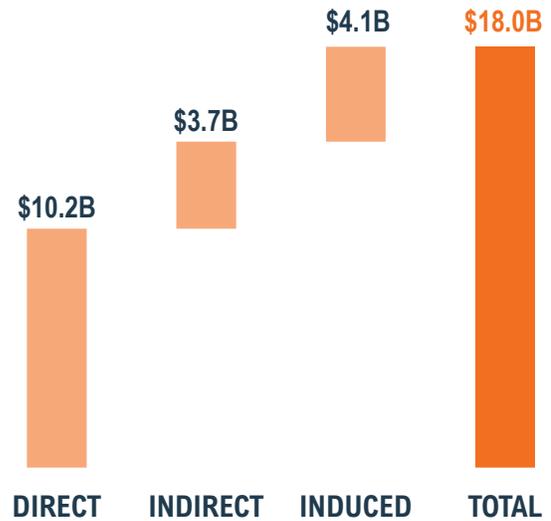
### Induced

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

# Quantifying Economic Impact

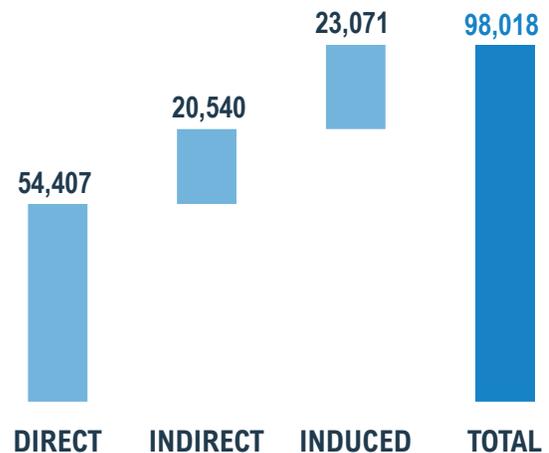
## PRODUCTION

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



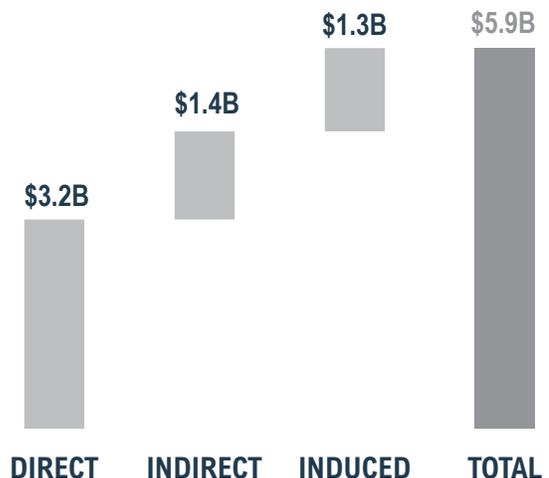
## JOBS SUPPORTED

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



## WAGES SUPPORTED

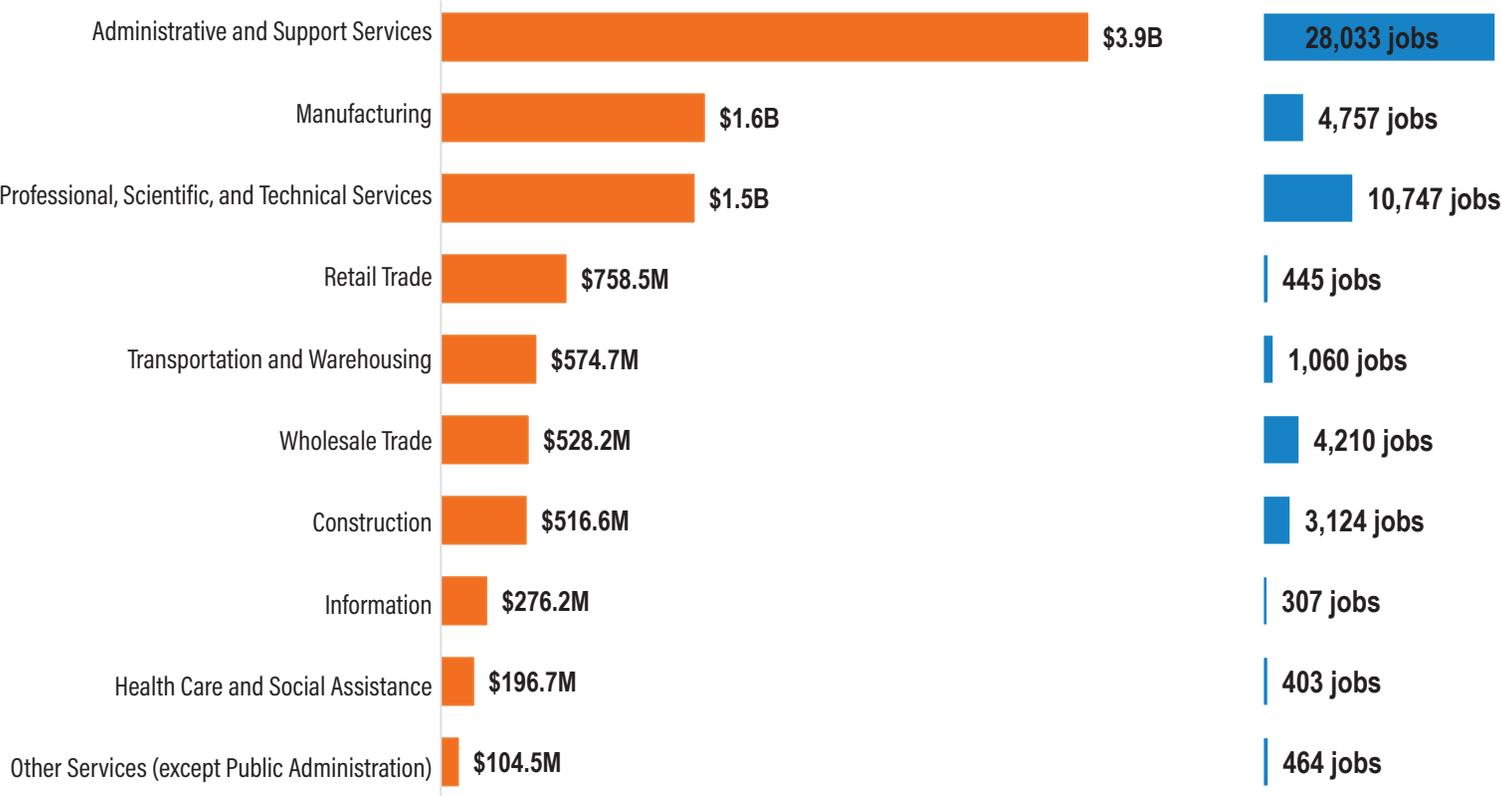
The earnings in terms of wages and benefits of the people employed in the jobs supported through purchases from certified MBEs.



# GMSDC MBEs by Industry (Top 10)

## MBE Revenues

## Jobs directly supported by MBEs



# 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)

Office and Administrative Support Occupations: Occupational Outlook Handbook: U.S. Bureau of Labor Statistics ([bls.gov](http://bls.gov))

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

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



## 2022 ECONOMIC IMPACT REPORT

