POWER IN NUMBERS
FUELING ECONOMIC GROWTH

ECONOMIC IMPACT REPORT
2019

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INDIANA UNIVERSITY
“We remain steadfast in our commitment to making a positive impact in our communities and on our economy through minority business development. The impact we have through the opportunities we provide for minority suppliers is key to a growing economy. We are continuing to focus on the utilization of data to target the recruitment and retention of minority suppliers and corporate partners.”

Carolyn E. Mosby
President/CEO
Introduction

The Mid-States Minority Supplier Development Council (Mid-States MSDC) is one of 23 regional affiliates of the National Minority Supplier Development Council that includes a network of 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 in Central Illinois, Indiana and Eastern Missouri.
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We Help MBEs Develop and Grow

Spending with our certified MBEs

Our certified MBEs had $17.1 Billion in revenues
Total Economic Impact on Mid-States MSDC Regional Network

- **GDP CONTRIBUTION**: $20.5B
- **JOBS SUPPORTED**: 64K
- **INCOMES SUPPORTED**: $3B
- **JOBS DIRECTLY SUPPORTED BY DIVERSE SUPPLIERS**: 36.1K

*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

- **$1.4B** GDP CONTRIBUTION
- **$271M** INCOMES SUPPORTED
- **4,034** JOBS SUPPORTED
- **1,885** JOBS DIRECTLY SUPPORTED BY DIVERSE SUPPLIERS

*Data excludes the Chicago metro area. This area is covered by the Chicago MSDC.*
Our MBEs Impact: Indiana

$5.7B GDP CONTRIBUTION
$1.3B INCOMES SUPPORTED
31,489 JOBS SUPPORTED
19,927 JOBS DIRECTLY SUPPORTED BY DIVERSE SUPPLIERS

*Data excludes the Northwest Indiana area. This area is covered by the Chicago MSDC.
Our MBEs Impact: Eastern Missouri

$13.4B GDP CONTRIBUTION

$1.4B INCOMES SUPPORTED

28,567 JOBS SUPPORTED

14,325 JOBS DIRECTLY SUPPORTED BY DIVERSE SUPPLIERS

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

JOBS
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.
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 three 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.

- **MBE 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.
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.
Mid-States MSDC MBEs by Industry (Top 10)

**Collective MBE Revenues**

- Wholesale trade: $11.3B
- Professional, scientific, and technical services: $3.1B
- Administrative and support services: $1.6B
- Construction: $460.0M
- Fabricated metal product manufacturing: $110.4M
- Truck transportation: $93.4M
- Publishing industries, except Internet: $92.1M
- Other services*: $66.4M
- Plastics and rubber products manufacturing: $43.1M
- Rental and leasing services and lessors of intangible assets: $38.3M

**Jobs Directly Supported by MBEs**

- Wholesale trade: 5,653 jobs
- Professional, scientific, and technical services: 7,281 jobs
- Administrative and support services: 18,950 jobs
- Construction: 1,714 jobs
- Fabricated metal product manufacturing: 294 jobs
- Truck transportation: 344 jobs
- Publishing industries, except Internet: 661 jobs
- Other services*: 84 jobs
- Plastics and rubber products manufacturing: 213 jobs
- Rental and leasing services and lessors of intangible assets: 71 jobs
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 Mid-States MSDC using IMPLAN’s Input-output multipliers.

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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