



Carolinas-Virginia
Minority Supplier
Development Council

ECONOMIC IMPACT

2019 REPORT



www.cvmsdc.org

CVMSDC: 43 Years and Counting

Carolinas-Virginia Minority Supplier Development Council (CVMSDC) is one of 23 regional affiliate councils of the National Minority Supplier Development Council (NMSDC). The Council is a membership organization of major corporations, financial institutions, government agencies, and universities that operate within North Carolina, South Carolina, and Virginia. The Carolinas-Virginia MSDC is a non-profit corporation chartered to enhance business opportunities for minority-owned companies by providing support through developing mutually beneficial networking opportunities with corporate partners and promoting minority business development.

The CVMSDC Mission:

To expand business opportunities for Minority Business Enterprises (MBEs) and create mutually beneficial links between Corporate Partners and MBEs. The ultimate outcome is to add economic value to the supply chain, while increasing economic opportunities in the business community.

Core CVMSDC Work Streams:

- **Certification** – Setting the standard for verification;
- **Development** – Providing leading training resources;
- **Connecting** – Creating opportunities for engagement and growth;
- **Advocacy** – Driving for national, regional, and local support.



Dominique Milton
President &
Chief Engagement Officer

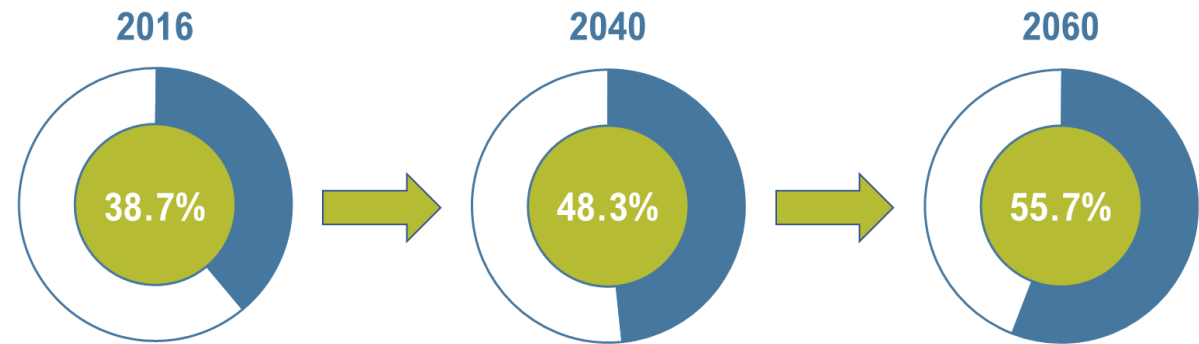
The Urgency For Continued Minority Supplier Development



As demographics in the U.S. continue to evolve, minorities will constitute more than 50% of the population by the year 2045. Even with a growing share of the population, MBE revenues only represent 2.8% of all U.S. business revenues. This gap underscores the need for continuing and increasing minority supplier development efforts.

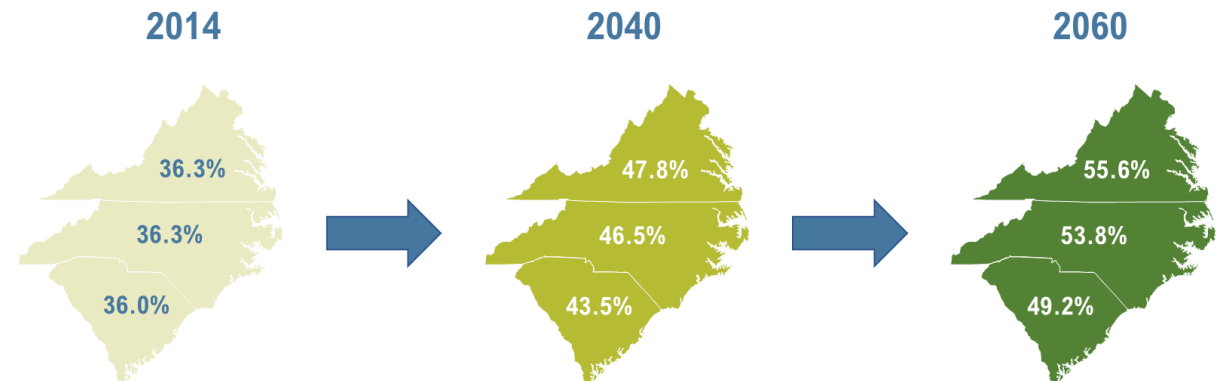
Year after year, NMSDC and its regional affiliates, have helped grow and develop minority businesses. NMSDC certified MBEs had over **\$214 billion** in sales last year.

Projected percentage of minority population in the U.S.



Data Source: US Census
<https://www.census.gov/data/datasets/2017/demo/popproj/2017-popproj.html>

Projected percentage of minority population in CVMSDC's region



Data Source: US Census / American Center for Progress
<https://cdn.americanprogress.org/wp-content/uploads/2015/02/SOC-report1.pdf>

Economic impact of NMSDC Certified MBEs

Economic Production

\$401B

Wages Supported

\$96B

Jobs Supported

1.6M

Jobs at Certified MBEs

528K

NMSDC Certified MBEs contribute to the growth of the US Economy



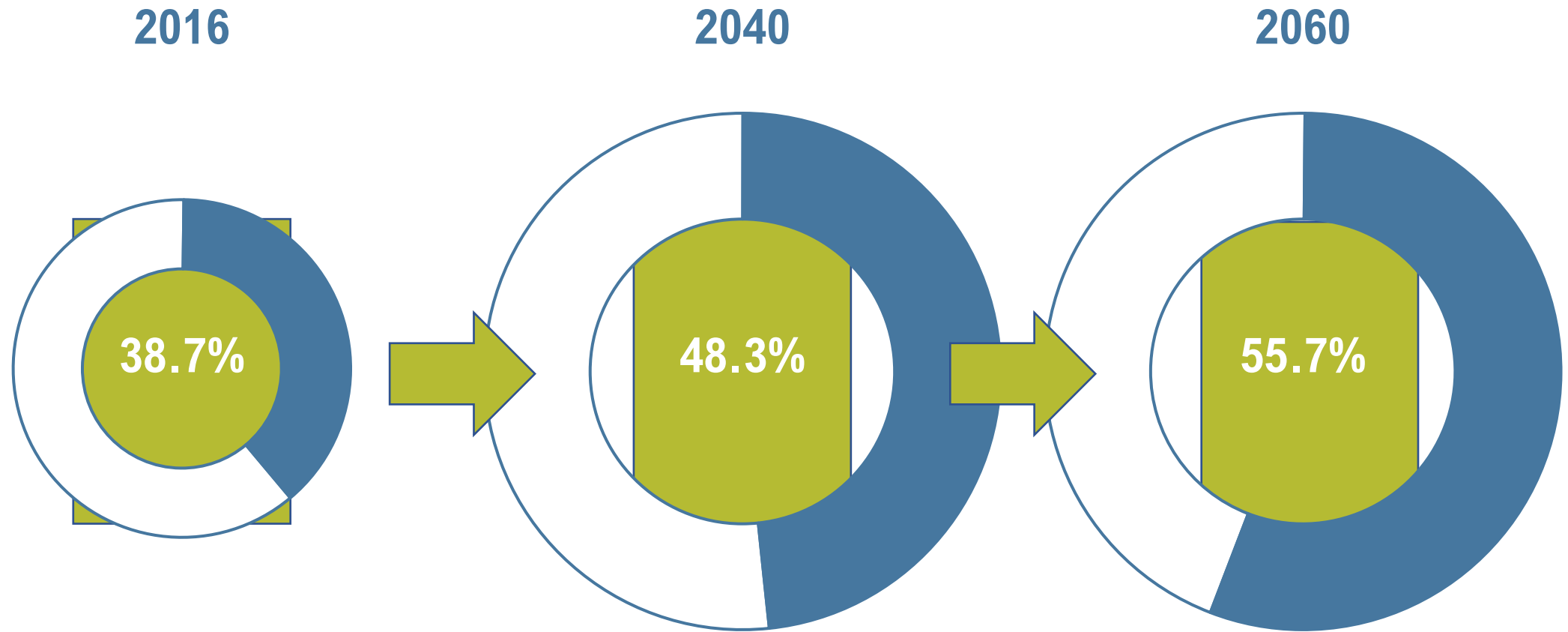
The contribution of MBEs to the US economy is undeniable. MBEs collectively generate over \$1.26 trillion in sales and have been critical contributors to US's economic prosperity over the past decade.

Year after year, NMSDC and its regional affiliates, have helped grow and develop minority businesses. NMSDC certified MBEs had over \$214 billion in sales last year – the most ever.

Economic impact of NMSDC Certified MBEs

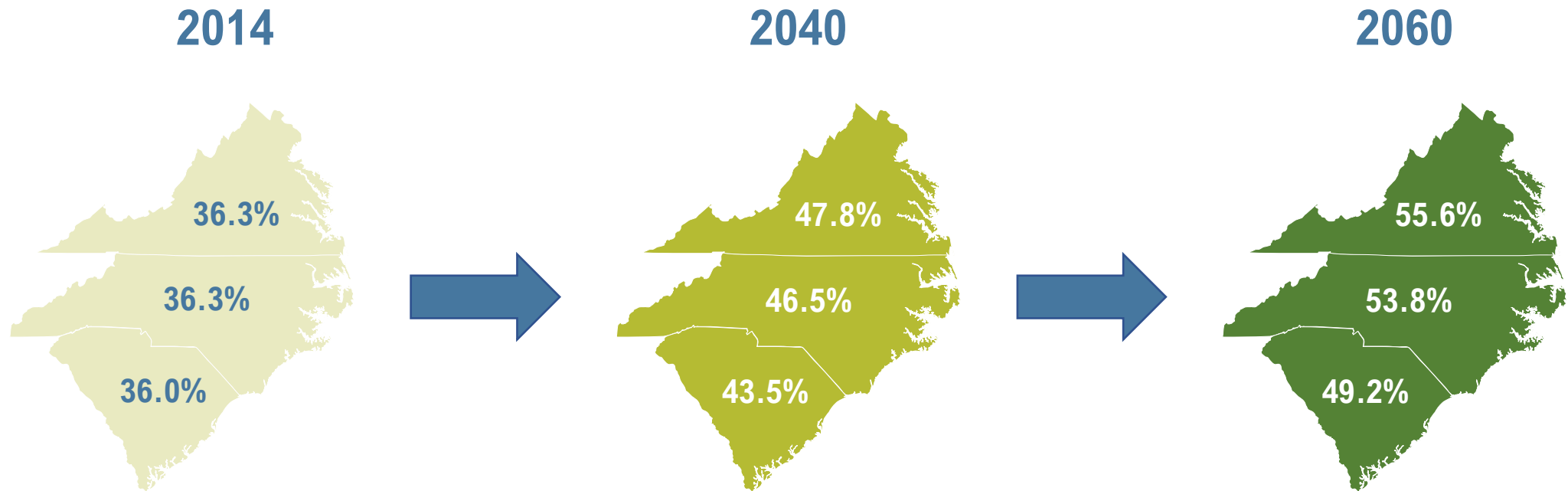
Economic Production	\$401B
INCOMES SUPPORTED	\$96B
JOBS SUPPORTED	1.6M
JOBS AT NMSDC MBES	528K

Projected Minority Population in the U.S.



The browning of America

Percentage of minority population



Total Economic Impact of CVMSSDC Certified MBEs and National Subscribers



\$19.3B  **Economic Production**

\$2.9B  **INCOMES SUPPORTED**

57,767  **JOBS SUPPORTED**

30,361  **JOBS AT MBES**

STATE AND LOCAL TAXES SUPPORTED

\$290M

Total Economic Impact of CVMSDC Certified MBEs



\$5B



ECONOMIC PRODUCTION

\$1.7B



INCOMES SUPPORTED

37,798



JOBS SUPPORTED

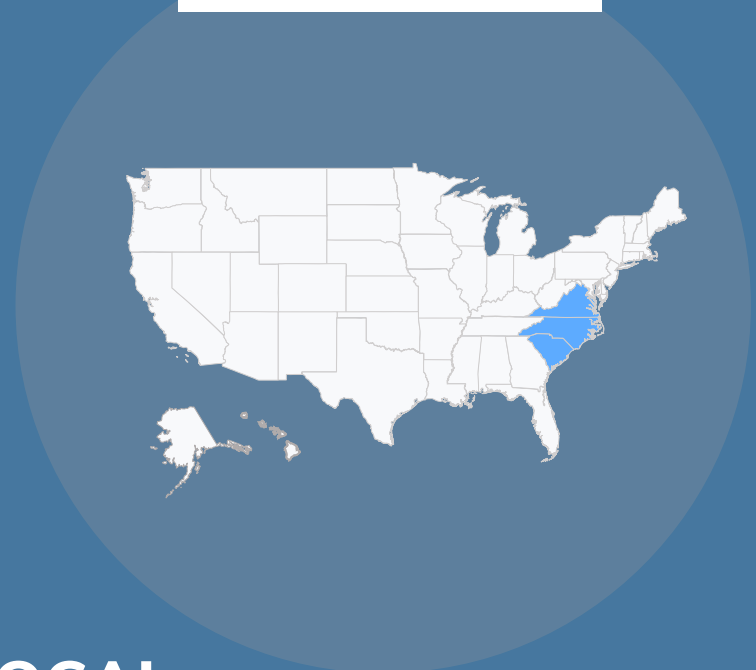
21,581



JOBS AT MBES

STATE AND LOCAL TAXES SUPPORTED

\$196M



Including subscribers, CVMSDC MBEs contributed \$19.3B to the US economy

Understanding 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.

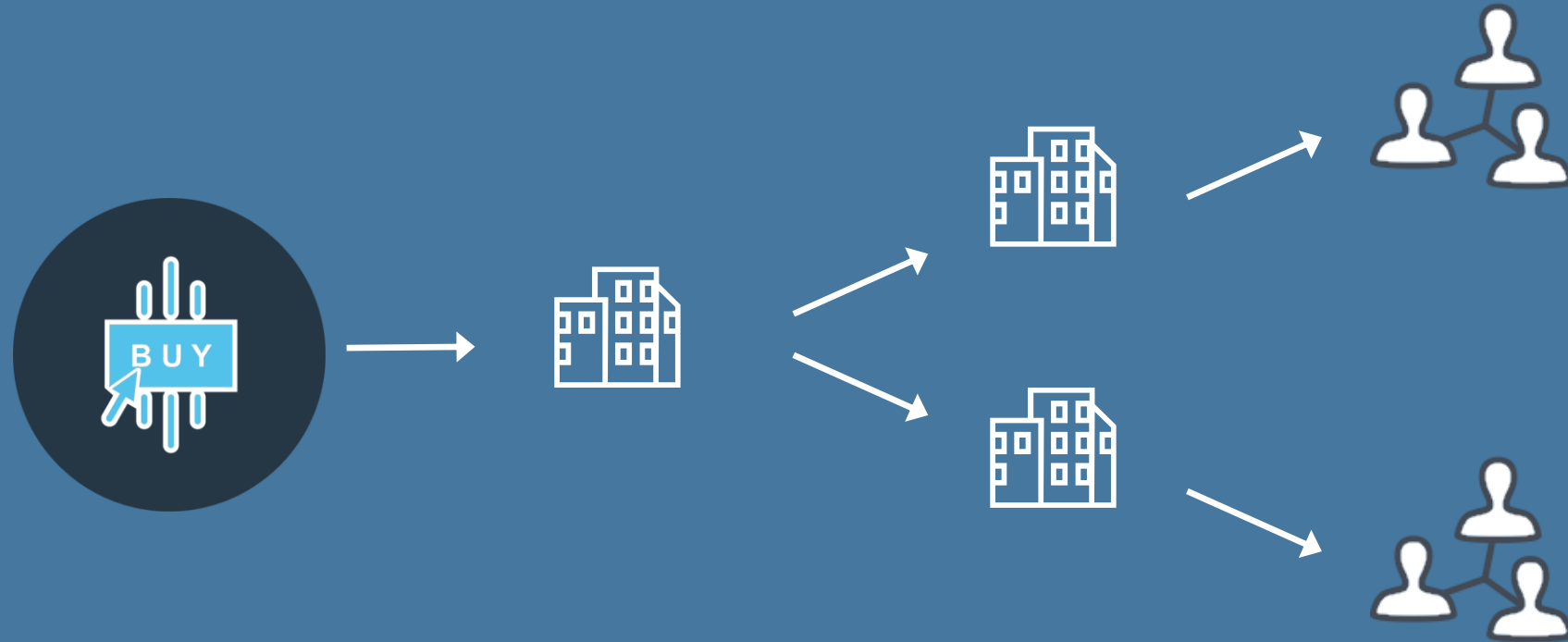


TAXES

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 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.

Our MBEs Impact: North Carolina



\$2.8B
ECONOMIC
PRODUCTION



24,571
JOBS
SUPPORTED



\$1B
INCOMES
SUPPORTED



14,347
JOBS AT
MBES



\$101M STATE AND LOCAL
TAXES SUPPORTED



Our MBEs Impact: South Carolina



\$1.2B
ECONOMIC
PRODUCTION



8,040
JOBS
SUPPORTED



\$357M
INCOMES
SUPPORTED



4,622
JOBS AT
MBES



\$56.4M STATE AND LOCAL
TAXES SUPPORTED



Our MBEs Impact: Virginia



\$976M
ECONOMIC
PRODUCTION



5,186
JOBS
SUPPORTED



\$315M
INCOMES
SUPPORTED



2,611
JOBS AT
MBES



\$39M STATE AND LOCAL
TAXES SUPPORTED



Economic Impact of Carolinas-Virginia Certified 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.

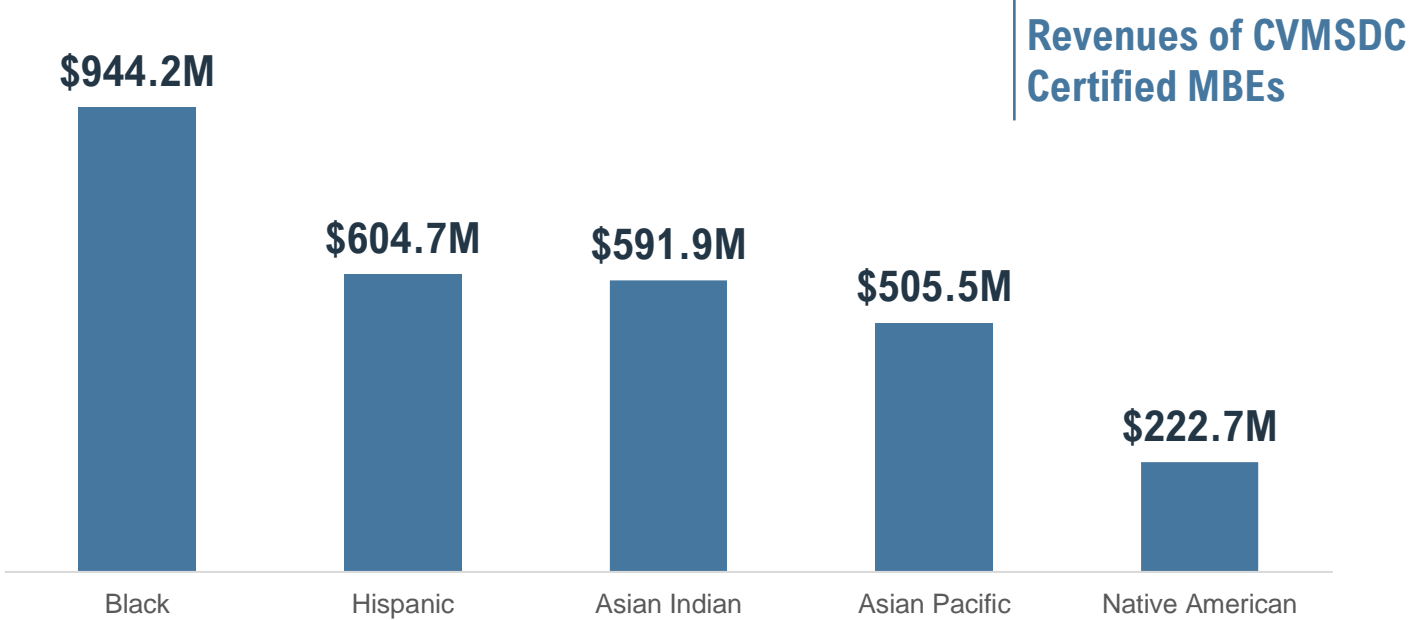
WAGES

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

US Economic Impact



We help MBEs Develop and Grow



“To realize results, we must all be intentional in our efforts to advance supplier diversity.”

Dominique Milton



Economic Impact of Carolinas-Virginia Certified MBEs





SUPPLIER DIVERSITY ECONOMIC IMPACT REPORT 2019



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 Carolinas-Virginia 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>