



# 2021 ECONOMIC IMPACT REPORT



**Eastern**  
Minority Supplier  
Development Council

## Our Purpose

The Eastern Minority Supplier Development Council (EMSDC), a 501(c)(3) non-profit organization, is an affiliate of the National Minority Supplier Development Council (NMSDC). There are 23 regional councils across the country with more than 1,750 corporate members. The **EMSDC certifies and connects minority-owned businesses** (Asian, Black, Hispanic, and Native American) **throughout Pennsylvania, southern New Jersey, and Delaware** with member corporations. These corporations are committed to supplier development and want to purchase their products, services and solutions.


## Our Mission

The mission of Eastern Minority Supplier Development Council is to stimulate and support economic development with minority-owned businesses (Asian, Black, Hispanic, and Native American). While our outreach aims to address both national and international entities our primary focus area includes Pennsylvania, southern New Jersey, and Delaware. The council fosters the development of minority business enterprises to better align them with corporations in an effort to initiate growth and opportunity through Supplier Diversity channels.



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# 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.

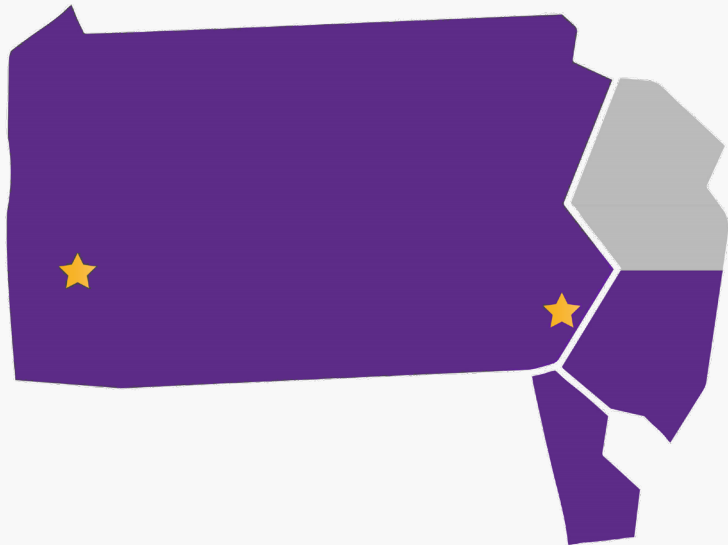
### Wages

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

### Jobs

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

# EMSDC CERTIFIED MBEs



**\$5.6  
billion**

Annual revenues of EMSDC  
certified MBEs

**18,300**

Employed by  
EMSDC MBEs

**\$1.5  
billion**

Wages earned by employees at  
EMSDC MBEs

**65%**  
**minority  
employees**

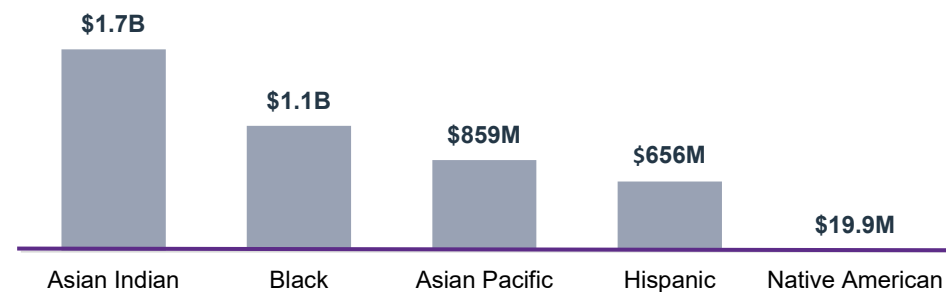
Average employee composition  
at EMSDC MBEs with at least 3 employees



# EMSDC CERTIFIED MBEs

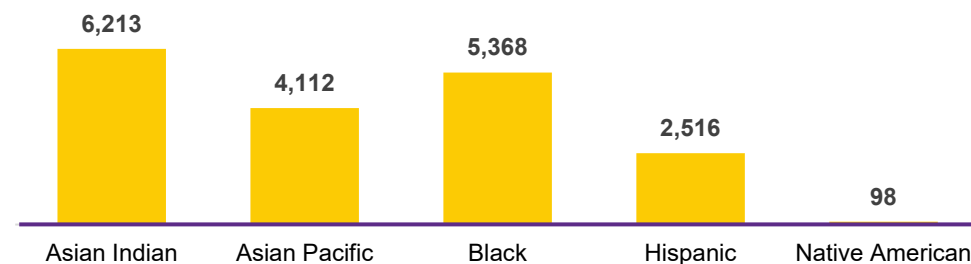
**\$5.6  
billion**

Annual Revenues of EMSDC MBEs

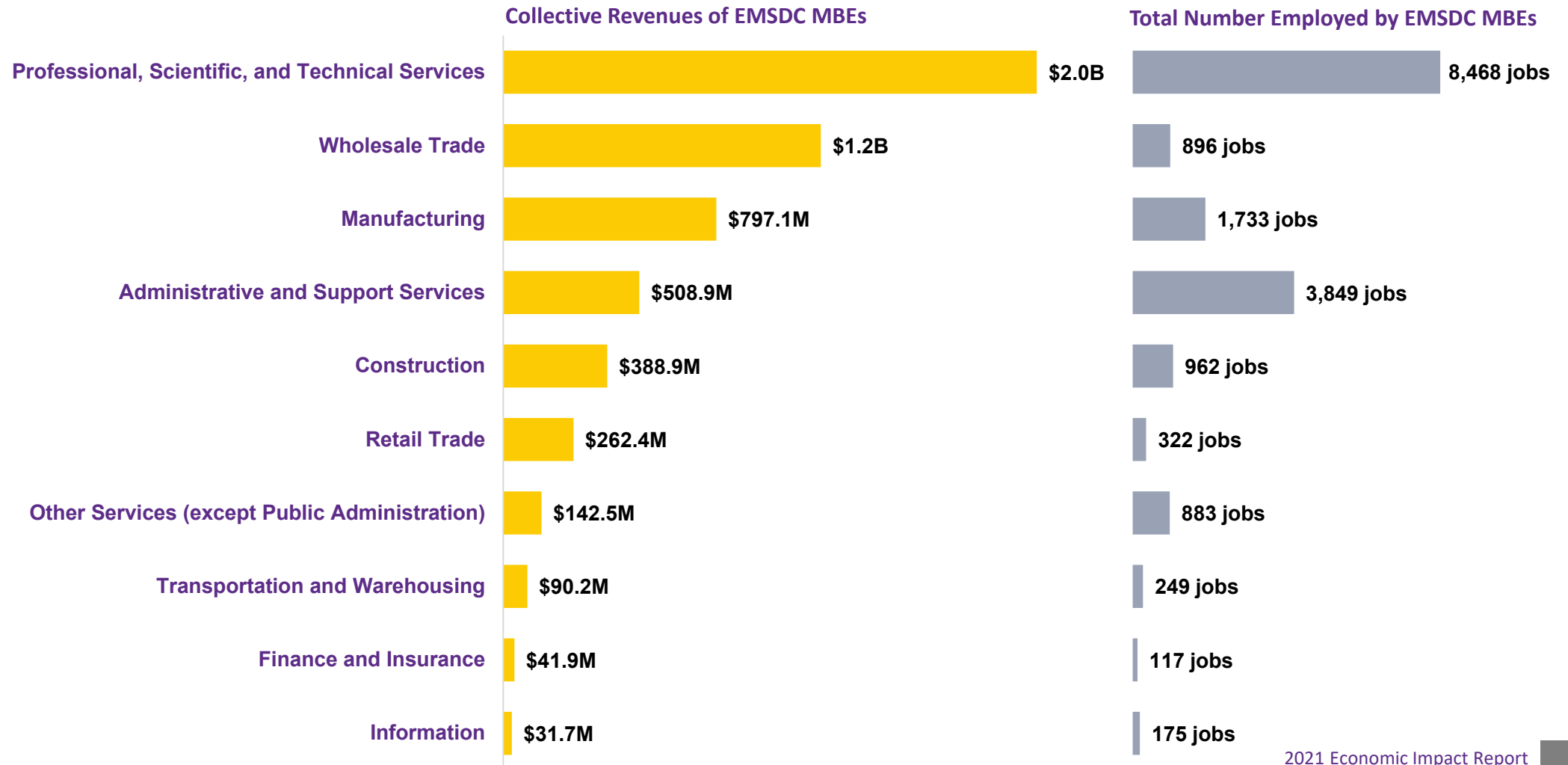


**18,300**

Jobs at certified MBEs



# EMSDC CERTIFIED MBEs BY INDUSTRY



# THE ECONOMIC IMPACT OF EMSDC CERTIFIED MBEs



Minority-owned businesses are the fastest-growing segment of the economy. They have been responsible for over 73% of new jobs added to the economy since the Great Recession. This analysis provides an assessment of the impact of EMSDC's certified MBEs on the US economy. These MBEs create jobs and help create wealth in their communities.

## Economic Production

**\$8.2  
billion**

Total economic activity driven by  
EMSDC MBEs



## Jobs

**34,100**

Jobs supported directly and  
indirectly by EMSDC MBEs



## Wages

**\$2.6  
billion**

Wages earned through supported  
jobs



# EMSDC MBES IMPACT: PENNSYLVANIA

Total Production

\$6B

Total Jobs Supported

26,767

Total Wages Supported

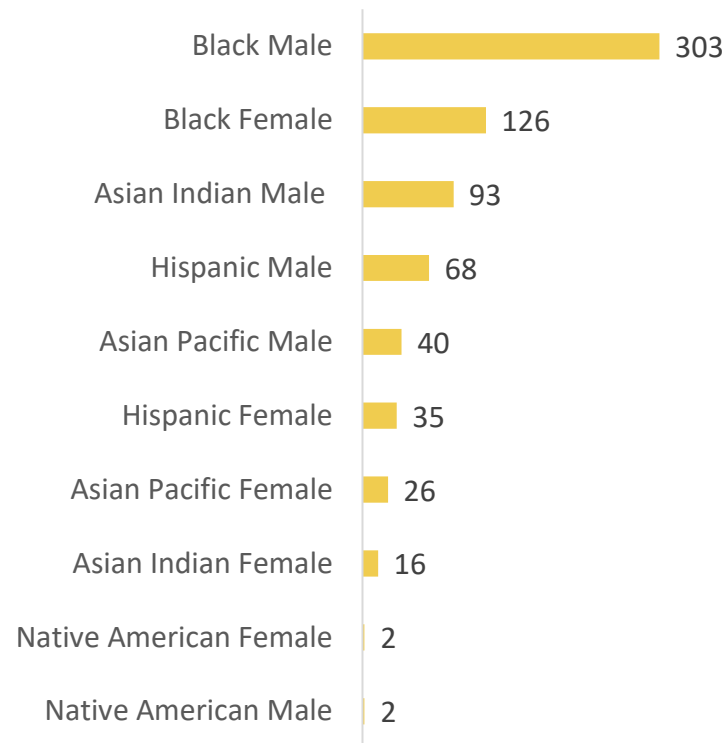
\$2B

Total Number Employed  
by EMSDC MBES

14,349

711 Total MBE businesses  
in PA in 2021

## MBE businesses in PA





# EMSDC MBES IMPACT: NEW JERSEY

Total Production

\$1.5B

Total Jobs Supported

5,378

Total Wages Supported

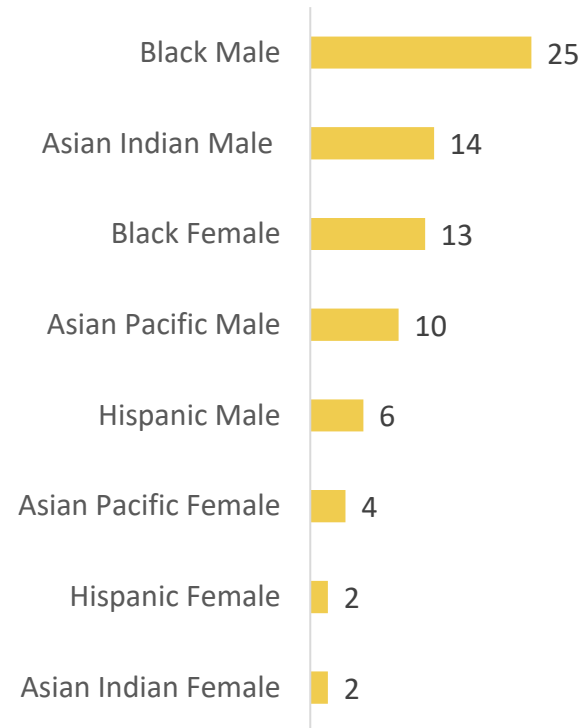
\$449M

Total Number Employed  
by EMSDC MBES'

2,931

76 Total MBE businesses  
in NJ in 2021

## MBE businesses in NJ



# EMSDC MBES IMPACT: DELAWARE

Total Production

\$368M

Total Jobs Supported

1,986

Total Wages Supported

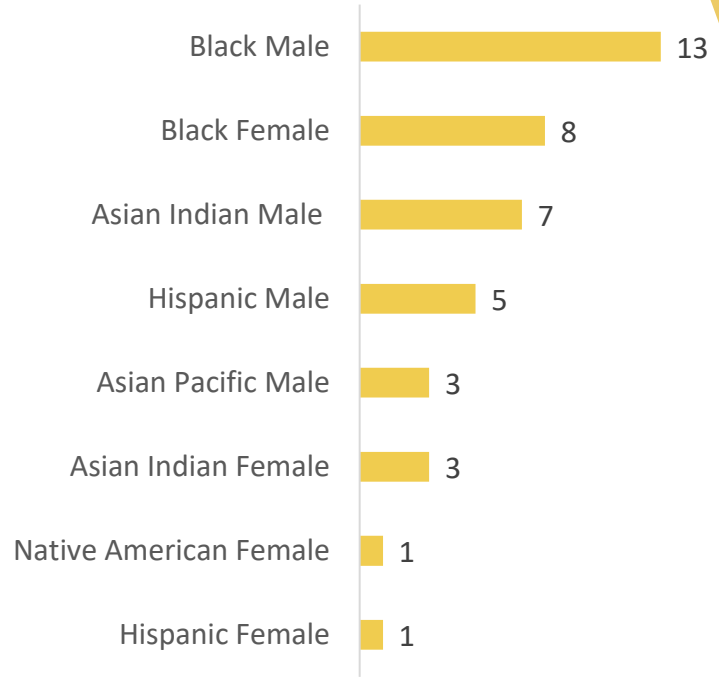
\$142.6M

Total Number Employed  
by EMSDC MBES'

1,027

41 Total MBE businesses  
in DE in 2021

## MBE businesses in DE





# ECONOMIC IMPACT CHANNELS

EMSDC'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 EMSDC'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

EMSDC'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 EMSDC's immediate small and diverse suppliers.

### Indirect

EMSDC'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 EMSDC's purchases support additional jobs in their communities.



# ECONOMIC IMPACT OF EMSDC'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.

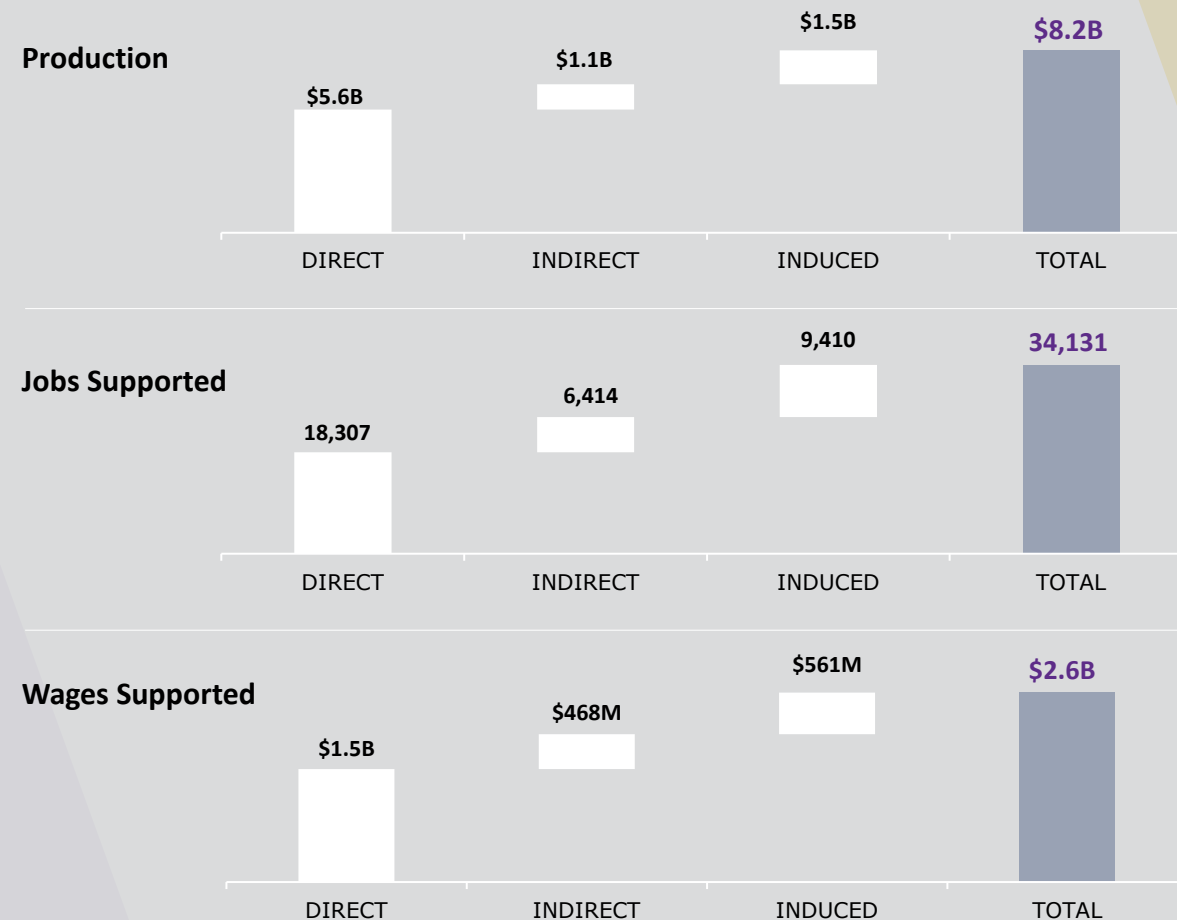
## Jobs

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

### US Economic Impact



# 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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