

# ECONOMIC IMPACT REPORT 2021



Dallas Fort Worth  
Minority Supplier  
Development Council, Inc.

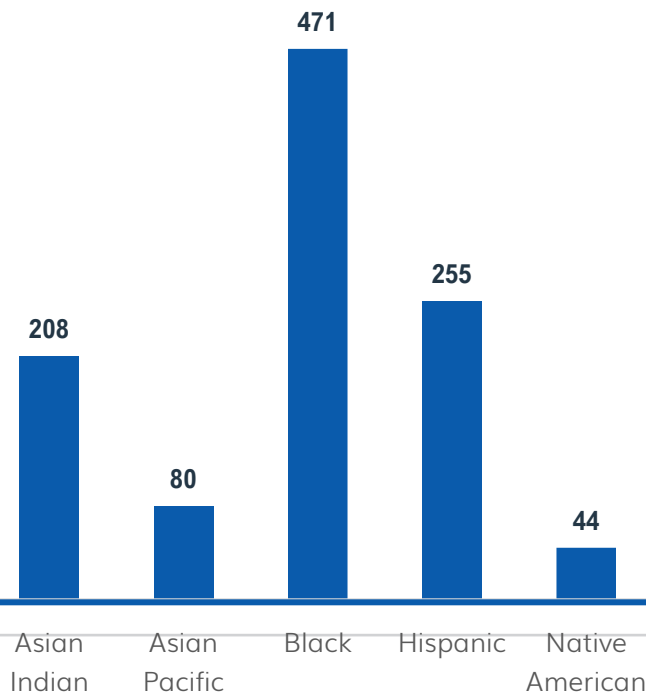
MEANINGFUL CONNECTIONS. IMPACTFUL GROWTH.

# Our DFW MSDC Certified MBEs

We facilitate business connections between Buying Entity Members and DFW MSDC certified ethnic minority-owned businesses to foster the economic development of minority communities.

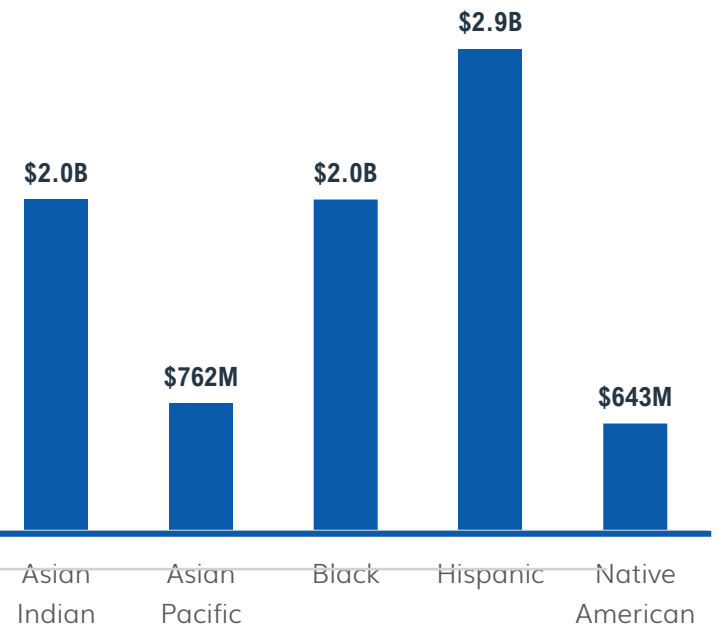
Number of Certified MBEs

**1,059**



Certified MBEs Revenues

**\$7.45 billion**



# Economic Impact of DFW MSDC Certified MBEs

Connecting buyers to suppliers and opportunities to minority-solution providers is core to minority businesses increasing capacity and building strong, vibrant economic communities that benefit everyone.

Economic activity  
through DFW MSDC  
Certified MBEs

**\$14.5  
Billion**

Total jobs supported  
in the US economy

**83K  
Jobs**

Total wages earned  
through supported jobs

**\$5.1  
Billion**

Total jobs at DFW MSDC  
Certified MBEs

**35.2K  
Jobs**

# Economic impact through DFW MSDC Certified MBEs

## Metrics to Quantify Economic Impact

### Production

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

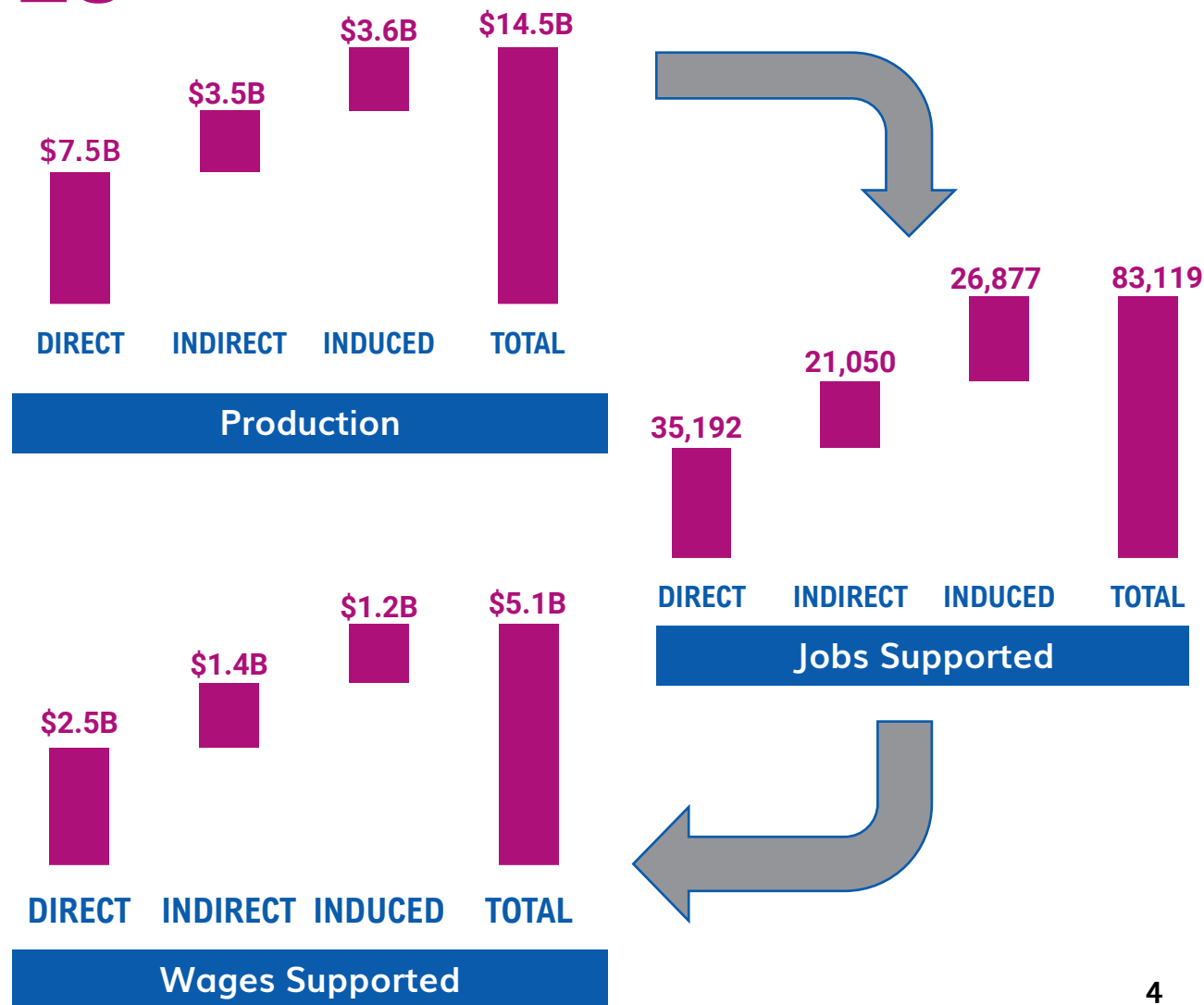
### Jobs

The number of people employed at DFW MSDC Certified MBEs 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



# DFW MSDC Scholarships

To assist DFW MSDC Certified MBEs to deal with the devastating effects of the COVID-19 pandemic, DFW MSDC and Coronavirus Response & Relief provided over \$96,000 in hardware and software grants to over 26 MBEs. These grants enabled these businesses to adopt new technologies to better run their businesses in an environment where lockdowns and remote work became the new normal.

26

MBEs received scholarships

\$96K

in grants provided by the  
council

Many grant recipients struggled during this period. In-person service businesses, in particular, saw steep declines in revenues. However, many MBEs also experienced significant growth. On average, MBEs who received grants **grew revenues by over 36%** from 2020 to 2021.

286

Jobs at grant recipients

207

Jobs held by minorities at  
grant recipients

\$96M

GDP Impact of grant recipients

729

Jobs supported by grant  
recipients

# Understanding Economic Impact

Purchases from DFW MSDC Certified 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.



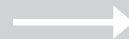
### Production

Purchases from DFW MSDC Certified 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.

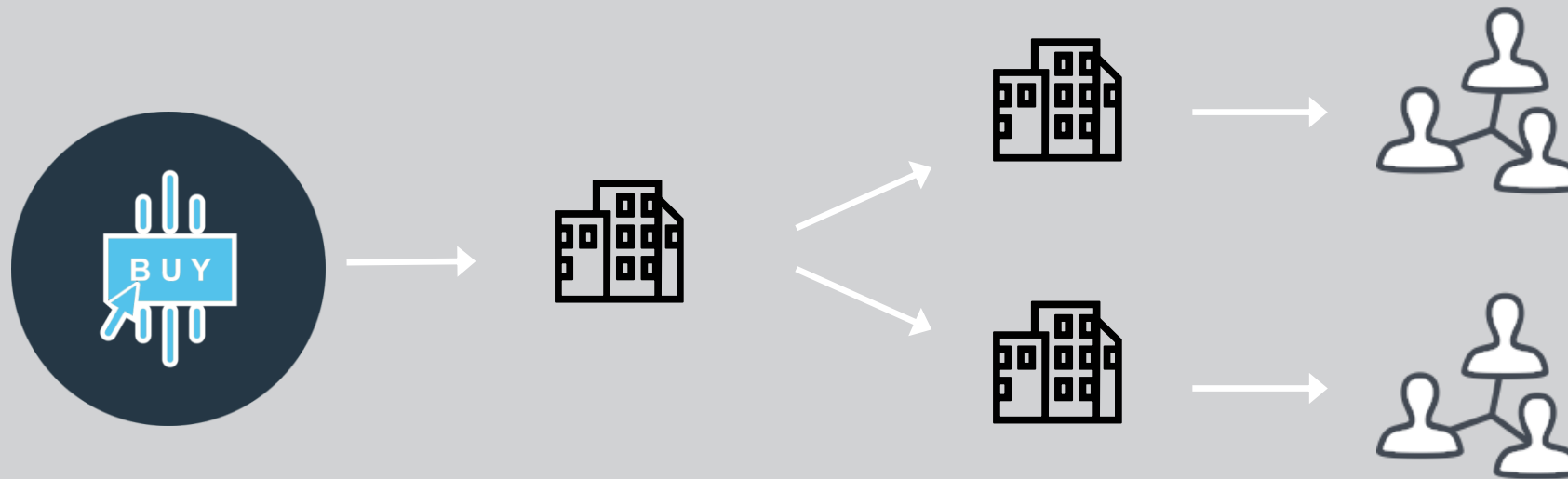


### Taxes

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 DFW MSDC Certified MBEs have a multiplier effect on the economy. These purchases iterate through multiple tiers of the supply chain and their communities. This effect is manifested through 3 channels.



## Purchases from 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 DFW MSDC Certified MBEs who employ people and other suppliers to support their sales to our corporate members.

## Indirect Impact

Our DFW MSDC Certified MBEs also purchase goods and services from other suppliers which creates jobs in their supply chains.

## Induced Impact

Employees at these jobs support additional jobs in their communities through purchases of everyday goods and services.

## Appendix: Economic Impact Modeling

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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.<sup>1</sup>

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 industry, or by others, on other industries and the entire economy. This matrix representation and the related Input-Output tables ultimately measure the 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 that shows who buys what from whom in the economy.<sup>2</sup>

This report is based on an analysis of data provided by Dallas Fort Worth Minority Supplier Development Council using IMPLAN's Input-output multipliers.

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### supplier.io

#### 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](http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n)
2. United States GDP: <http://www.tradingeconomics.com/united-states/gdp>





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