



Edison Electric
INSTITUTE

Growing Communities

Through Business Diversity

**An Economic Impact Study on
Business Diversity Initiatives – 2022 Data**

Analysis performed by  **supplier io**

on behalf of EEI's participating member companies

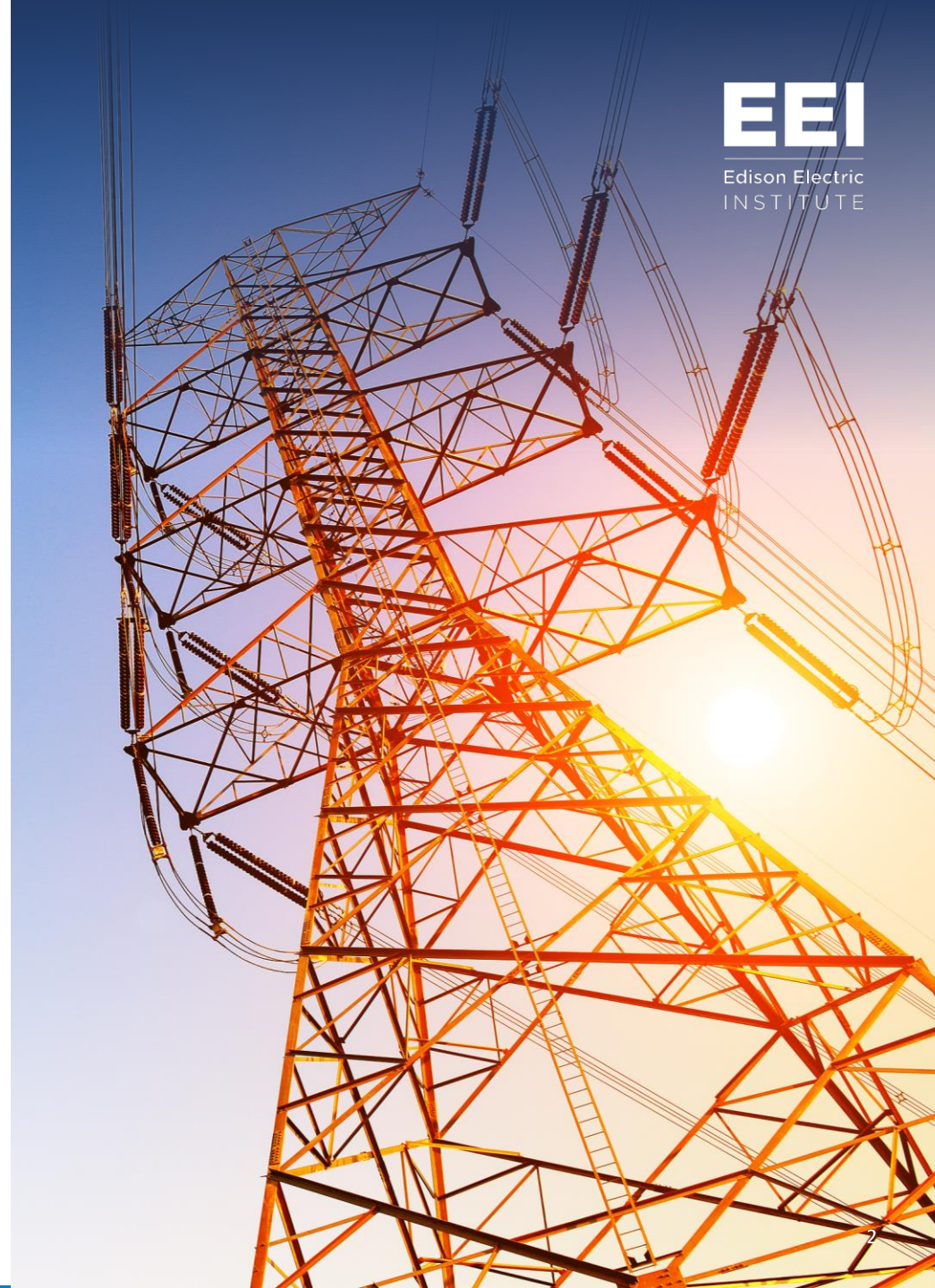


“By fostering a culture of inclusion and innovation, we tap into the different capabilities and perspectives of a variety of suppliers. Supplier diversity helps us deliver reliable and affordable electricity to our customers while strengthening our communities, creating jobs, and supporting economic growth. EEI member companies remain committed to long-term partnerships with diverse businesses that share our vision for the clean energy future.”



Pedro J. Pizarro

EEI Chair,
President & CEO
Edison International



Business Diversity Economic Impact Study

This Economic Impact Study presents a quantitative snapshot of the aggregated economic benefits derived from the business diversity initiatives of participating EEI member companies. Detailed examination of economic impact data and findings reinforce the business diversity business case, corroborate return on investment, and underscore the favorable economic ripple effects of spending with diverse suppliers. These results are central to the industry's social responsibility commitments and core values. We offer our ongoing attention and efforts to the continued enhancement of business diversity initiatives for impactful economic growth. We would like to express our appreciation to the EEI members whose contributions to this undertaking were invaluable and noteworthy.

“On behalf of EEI and our member electric companies, I would like to extend our sincere thanks to the members of the EEI Business Diversity Executive Advisory Committee for their tireless efforts to make this economic impact study a success. Thanks also to the more than 25 EEI member companies that provided data for this study. I am deeply proud of the commitment shown by EEI’s member companies every day to foster diversity throughout their businesses.”



Courtney Peterson

Senior Vice President, Chief Diversity Officer &
Chief Human Resources Officer
Edison Electric Institute

LaVonne Rose
Manager, Business Diversity Program
EEI

Jewel Smith
EEI Consultant
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Valerie Coyazo (Chair)
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Paul Buerkle (Vice-Chair)
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CenterPoint Energy

Vickie Irwin
Southern Company

Vernice Lewis
Exelon Corporation

Daniel Muschong
DTE Energy

Alejandro Serrudo
PG&E

Valerie M. Shearer
FirstEnergy Corp.

Dallas Simmons
Dominion Energy, Inc.

Rivers Frederick
Entergy Services
Honorary Emeritus

Byron Witherspoon
Ameren
Honorary Emeritus

EEI Business Diversity Committee Responsibilities

EXECUTIVE ADVISORY COMMITTEE (EAC)

BEST PRACTICES/ INDUSTRY TRENDS COMMITTEE

Responsibilities:

- Identify and inform members on new innovations/trends that impact Business Diversity (i.e., Supply Chain Sustainability, Technology, Supplier Consolidation, Workplace Diversity, etc.)
- Gather and share best practices from utilities and other industries
- Identify/develop business diversity training opportunities

MEMBER DEVELOPMENT COMMITTEE

Responsibilities:

- Develop and execute new member mentoring system
- Develop Business Diversity toolkit in support of new and existing member initiatives
- Provide resources, tools, and practices to enhance member development

PERFORMANCE MEASURES COMMITTEE

Responsibilities:

- Lead EEI Economic Impact Engagement
- Conduct periodic Business Diversity Benchmarking
- Develop EEI Business Diversity “storytelling” strategy on diverse/prime performance
- Develop, recommend, and provide metrics for both internal and external program accountability

COMMUNICATIONS/ EVENTS COMMITTEE

Responsibilities:

- Develop and execute EEI Business Diversity communication and strategy
- Leverage social media platforms for storytelling
- Assist with planning EEI Business Diversity Conference and Best Practices workshop as necessary
- Evaluate Legislative/Regulatory concerns

EEl's Economic Impact Study Participants





EI's membership continues to build close alliances with diverse suppliers, knowing that a business practice today will impact a business development tomorrow.

EI's Business Diversity Program will celebrate 40 years of creating opportunities for diverse businesses to take part in the growth of the energy industry. EEI members and partners aim to establish long-term relationships with diverse suppliers who provide products and services that help our industry succeed in a highly competitive environment. EEI's membership continues to build close alliances with diverse suppliers, knowing that a business practice today will impact business development tomorrow.

\$24.9 billion

Collective purchases by participating EEI members and industry partners from small and diverse businesses in 2022.

This is an increase of almost \$3 billion since 2019.

Activities and Events

The EEI Business Diversity Committee is committed to supporting supplier and workplace diversity events and activities around the U.S. EEI and its members and industry partners also hosted, sponsored, and attended some of the nation's premiere annual diversity events.

Our commitment to business diversity is exemplified by our involvement in the following events:

- EEI Annual Business Diversity Conference
- EEI Annual Business Diversity Best Practices
- American Association of Blacks in Energy Annual National Conference
- National Association of Regulatory Utility Commissioners Winter, Summer & Annual Meeting
- National Minority Supplier Development Council Conference
- Women's Business Enterprise National Council Annual Conference/Summit & Salute
- National Utilities Diversity Council Annual Meeting
- Women in Energy Annual Summit



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Business Diversity Economic Impact Study 2022 Data



Economic Impact Metrics



Output

Measures the cumulative revenues of all businesses impacted through the program: Direct, Indirect, and Induced.



Jobs

Created within EEI's supply chain and in the suppliers' communities.



Incomes

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



Taxes

Measures the federal, state, and local tax revenues that are generated through economic activity.

EEl's Business Diversity Economic Impact



\$46.2 Billion
TOTAL OUTPUT

Total economic impact from EEl members' small and diverse vendor relationships



\$24.9 Billion
DIVERSE SPEND



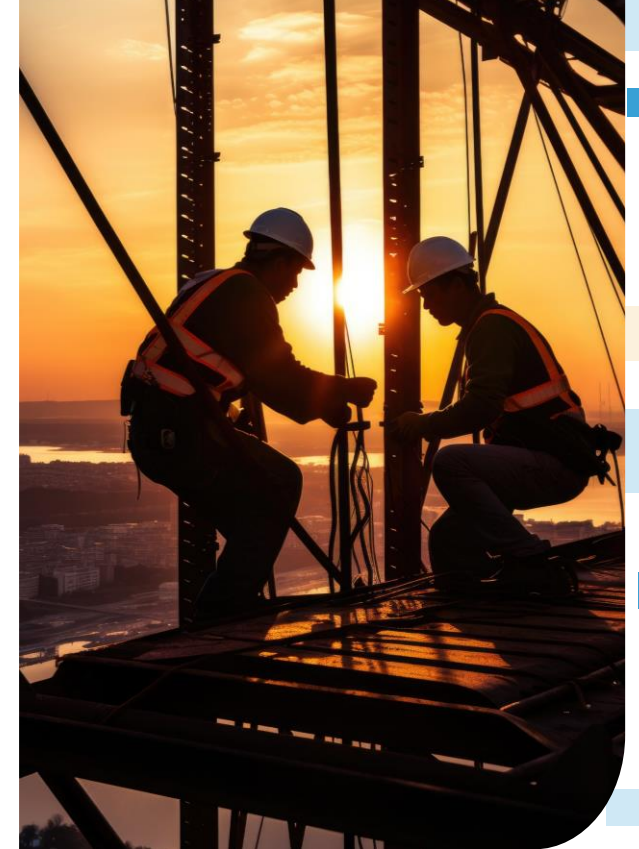
231,980
JOBS SUPPORTED



\$16.9 Billion
INCOMES SUPPORTED



\$5 Billion
TAXES GENERATED



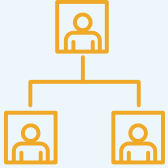
Economic Impact Channels

EEl members' purchasing decisions have a ripple effect on the supply chain. The total economic impact is comprised of three components: Direct, Indirect, and Induced.



Direct Impact

Impact at EEl's immediate small and diverse suppliers.



Indirect Impact

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

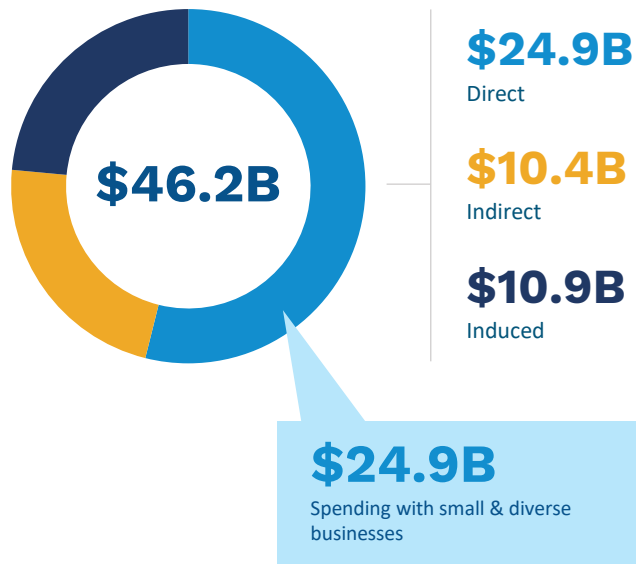


Induced Impact

The employees in the jobs created in the supply chain to satisfy EEl's purchases support additional jobs in their communities.

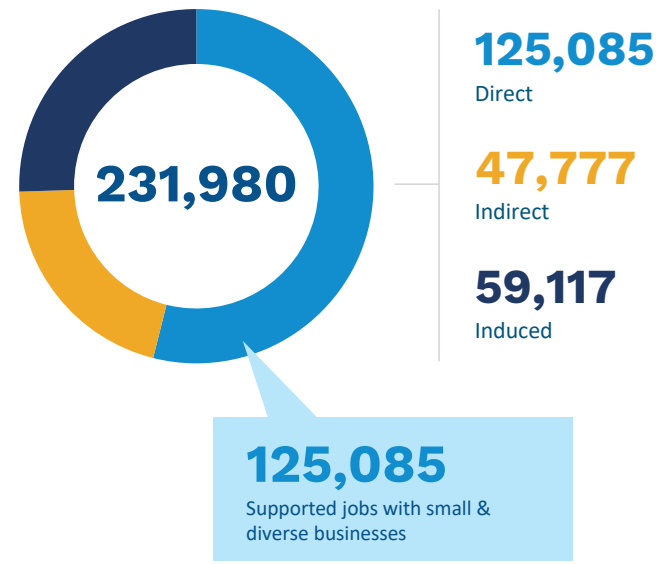
EEI's 2022 Economic Impact Channels

TOTAL OUTPUT



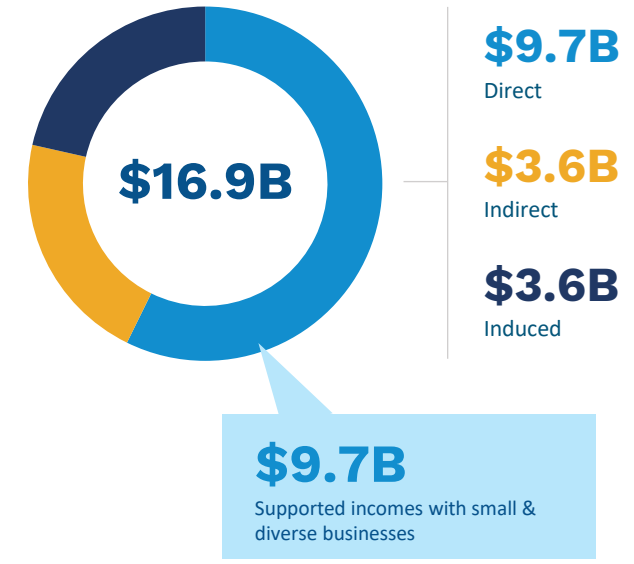
EI members purchased \$24.9B from small and diverse businesses. This spending resulted in the total impact of \$46.2B, which is broken down into \$24.9B Direct impact, \$10.4B Indirect impact, and \$10.9B Induced impact.

TOTAL JOBS SUPPORTED



EI members' Supplier Diversity spending with small and diverse suppliers supported an estimated 231,980 jobs. 125,085 of these were supported in the Direct channel, 47,777 jobs in the Indirect channel, and 59,117 jobs from the Induced channel.

TOTAL INCOMES SUPPORTED



EI members' purchases from small and diverse suppliers supported jobs throughout the supply chain that paid employees a total of \$16.9B in income. Earned income in Direct, Indirect, and Induced channels are estimated at \$9.7B, \$3.6B, and \$3.6B respectively.

Note: Direct, Indirect, and Induced numbers may not add up to the total due to rounding.

Spend with Diverse Businesses

SMALL
BUSINESS SPEND

**\$10
Billion**

Total EEI purchases from
Small businesses

MINORITY-OWNED
BUSINESS SPEND

**\$9
Billion**

Total EEI purchases from
Minority-owned businesses

WOMEN-OWNED
BUSINESS SPEND

**\$8.1
Billion**

Total EEI purchases from
Women-owned businesses

VETERAN-OWNED
BUSINESS SPEND

**\$1.4
Billion**

Total EEI purchases from
Veteran-owned businesses

SD-VET-OWNED
BUSINESS SPEND

**\$560.4
Million**

Total EEI purchases from
SD-Vet-owned businesses

DISABLED-OWNED
BUSINESS SPEND

**\$518.6
Million**

Total EEI purchases from
Disabled-owned businesses

DBE-OWNED
BUSINESS SPEND

**\$68.3
Million**

Total EEI purchases from
DBE-owned businesses

LGBTQ+OWNED
BUSINESS SPEND

**\$24.4
Million**









Total EEI purchases from
LGBTQ+owned businesses

\$24.9 Billion

Total purchases of products and services from
EEI members' small and diverse businesses

Note: Suppliers are included in every category for which they qualify, and therefore, numbers may add up to greater than the total spend.

Jobs at Diverse and Small Businesses

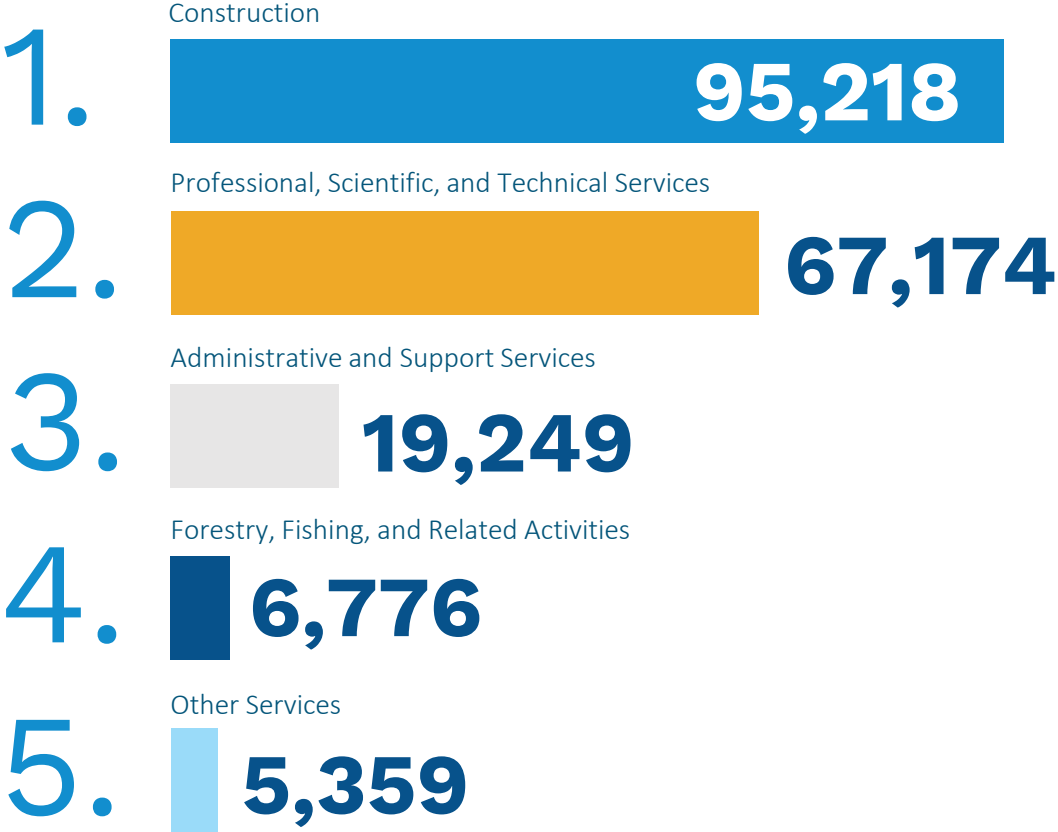
MINORITY-OWNED BUSINESS SPEND	SMALL BUSINESS SPEND	WOMEN-OWNED BUSINESS SPEND	VETERAN-OWNED BUSINESS SPEND	SD-VET-OWNED BUSINESS SPEND	DISABLED-OWNED BUSINESS SPEND	DBE-OWNED BUSINESS SPEND	LGBTQ+-OWNED BUSINESS SPEND
							
48,690 JOBS	47,469 JOBS	39,698 JOBS	7,028 JOBS	3,137 JOBS	2,898 JOBS	363 JOBS	112 JOBS
\$4 Billion INCOMES	\$3.5 Billion INCOMES	\$3.2 Billion INCOMES	\$494.8 Million INCOMES	\$258.1 Million INCOMES	\$232.6 Million INCOMES	\$27.8 Million INCOMES	\$10.6 Million INCOMES

Note: Supplier spend is included in every category for which the supplier qualifies. Therefore, spend dollars by category will add up to greater than the total spend.



Top 5 Industries

with Supported Jobs



Note: Jobs are assigned to industries included in the North American Industry Classification System (NAICS) that was developed by the federal government.

Supporting Small & Diverse Businesses Across the Nation

IMPACT FROM Direct, Indirect, and Induced

State	Member Purchases	Total Output	Total Jobs	Total Incomes	Jobs at Small and Diverse Suppliers	Taxes Supported
California	\$5.3 Billion	\$10.3 Billion	49,082	\$4.2 Billion	26,734	\$1.4 Billion
Illinois	\$2 Billion	\$3.8 Billion	18,508	\$1.5 Billion	9,413	\$425.4 Million
Georgia	\$1.7 Billion	\$3.3 Billion	18,202	\$1.1 Billion	10,049	\$313.5 Million
Texas	\$1.6 Billion	\$3.3 Billion	17,134	\$1.2 Billion	8,783	\$323.5 Million
Michigan	\$1.1 Billion	\$2.2 billion	11,765	\$806.5 Million	6,017	\$238.1 Million
Alabama	\$1.1 Billion	\$1.9 Billion	10,710	\$646.4 Million	6,053	\$172.4 Million
North Carolina	\$1.1 Billion	\$2.0 Billion	10,868	\$686.8 Million	5,849	\$201.1 Million
New Jersey	\$1.1 Billion	\$1.8 Billion	8,976	\$785.5 Million	5,203	\$249.1 Million
Missouri	\$1 Billion	\$1.8 Billion	8,147	\$525.8 Million	4,030	\$153 Million
Pennsylvania	\$923.3 Million	\$1.7 billion	8,611	\$668.5 Million	4,473	\$188.6 Million
Ohio	\$856.2 Million	\$1.6 Billion	8,652	\$586.6 Million	4,592	\$163.5 Million
Mississippi	\$593.4 Million	\$909.2 Million	4,709	\$227 Million	2,809	\$71 Million
Louisiana	\$573.3 Million	\$1 Billion	5,804	\$370.9 Million	3,147	\$82.5 Million

Note: State jobs may not add up to the total jobs due to rounding.

Supporting Small & Diverse Businesses Across the Nation

IMPACT FROM Direct, Indirect, and Induced

State	Member Purchases	Total Output	Total Jobs	Total Incomes	Jobs at Small and Diverse Suppliers	Taxes Supported
Massachusetts	\$534.1 Million	\$1 Billion	4,139	\$361.5 Million	1,994	\$103.6 Million
Virginia	\$487.9 Million	\$824.7 Million	4,159	\$290.7 Million	2,463	\$87.8 Million
Maryland	\$463.9 Million	\$748.3 Million	3,492	\$244.4 Million	2,007	\$76.9 Million
Florida	\$448.9 Million	\$896.6 Million	4,558	\$302.3 Million	2,178	\$47.8 Million
Indiana	\$414.2 Million	\$656.3 Million	3,079	\$197.5 Million	1,747	\$62.5 Million
Washington	\$357.7 Million	\$651.2 Million	2,354	\$222.9 Million	1,155	\$86.3 Million
South Carolina	\$336.4 Million	\$590.9 Million	3,245	\$201.5 Million	1,790	\$60.2 Million
Tennessee	\$278.6 Million	\$490.6 Million	2,374	\$171.2 Million	1,239	\$44.8 Million
Kentucky	\$262.1 Million	\$456.2 Million	2,830	\$168.1 Million	1,729	\$44.2 Million
Nebraska	\$239.7 Million	\$460.8 Million	2,380	\$146.7 Million	1,362	\$38.8 Million
Wisconsin	\$239.5 Million	\$434.7 Million	2,474	\$168.6 Million	1,422	\$43.7 Million
Arkansas	\$233.6 Million	\$378.7 Million	2,074	\$108.3 Million	1,248	\$34.3 Million
Oklahoma	\$231.7 Million	\$433.5 Million	2,432	\$139.7 Million	1,290	\$34.9 Million

Note: State jobs may not add up to the total jobs due to rounding.

Supporting Small & Diverse Businesses Across the Nation

IMPACT FROM Direct, Indirect, and Induced

State	Member Purchases	Total Output	Total Jobs	Total Incomes	Jobs at Small and Diverse Suppliers	Taxes Supported
New York	\$148.3 Million	\$253.5 Million	1,076	\$99.1 Million	616	\$32.4 Million
West Virginia	\$130.1 Million	\$193.6 Million	931	\$55.6 Million	567	\$15.6 Million
North Dakota	\$126.3 Million	\$215.6 Million	1,170	\$75.6 Million	721	\$16.6 Million
Colorado	\$121.9 Million	\$236.8 Million	1,062	\$84.9 Million	513	\$25 Million
District of Columbia	\$114.5 Million	\$155.3 Million	613	\$72 Million	443	\$13.7 Million
Utah	\$108.8 Million	\$204.9 Million	991	\$64.6 Million	515	\$18.8 Million
Connecticut	\$107.4 Million	\$182.7 Million	766	\$69.5 Million	395	\$21.8 Million
Minnesota	\$95.3 Million	\$175.3 Million	832	\$62.7 Million	411	\$19.2 Million
New Hampshire	\$86.4 Million	\$157.9 Million	891	\$74.4 Million	520	\$17.4 Million
Oregon	\$74.8 Million	\$142.6 Million	788	\$59.6 Million	418	\$16.9 Million
Iowa	\$72.6 Million	\$112.9 Million	483	\$31.5 Million	268	\$9.2 Million
Kansas	\$58.1 Million	\$99.2 Million	589	\$33.3 Million	368	\$8.8 Million

Note: State jobs may not add up to the total jobs due to rounding.

Supporting Small & Diverse Businesses Across the Nation

IMPACT FROM Direct, Indirect, and Induced

State	Member Purchases	Total Output	Total Jobs	Total Incomes	Jobs at Small and Diverse Suppliers	Taxes Supported
Delaware	\$27.7 Million	\$43.8 Million	201	\$12.1 Million	111	\$3.5 Million
Arizona	\$27.1 Million	\$53.1 Million	255	\$17.8 Million	117	\$5.5 Million
Nevada	\$15.8 Million	\$28 Million	136	\$10.1 Million	67	\$2.6 Million
Maine	\$9.5 Million	\$16.9 Million	112	\$6.5 Million	68	\$1.9 Million
Idaho	\$8.9 Million	\$14.8 Million	84	\$5 Million	48	\$1.6 Million
Rhode Island	\$8.8 Million	\$16.2 Million	113	\$9.2 Million	68	\$2.5 Million
Vermont	\$5.8 Million	\$8.7 Million	37	\$2.5 Million	21	\$794.8 Thousand
Wyoming	\$5.8 Million	\$8.1 Million	37	\$2.4 Million	23	\$640.8 Thousand
South Dakota	\$4.7 Million	\$7 Million	27	\$1.8 Million	15	\$446.1 Thousand
Montana	\$2.6 Million	\$4 Million	17	\$1 Million	8	\$311.5 Thousand
New Mexico	\$2.4 Million	\$2.9 Million	10	\$423.6 Thousand	7	\$136.6 Thousand
Hawaii	\$185.2 Thousand	\$309.4 Thousand	1	\$109.2 Thousand	1	\$34.9 Thousand

Note: State jobs may not add up to the total jobs due to rounding.

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 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.

Analysis performed by supplier

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 codes, 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.

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.

References

This report is based on an analysis of data provided by the customer and information from the following sources:

[U.S. Government Revenues](#)

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

[U.S. GDP](#)

[What is NAICS](#)

[IMPLAN](#)

[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](#)

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