The Business Case For
MINORITY BUSINESS ENTERPRISES

Fueling Economic Growth

NMSDC
National Minority Supplier Development Council
120 million strong and increasing by 2.3 million per year, multicultural populations are the growth engine of the future in the U.S. Hispanics, African-Americans, Asian-Americans, and all other multiculturals already make up 38% of the U.S. population, with Census projections showing that multicultural populations will become a numeric majority by 2044.
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The idea of minority supplier development began with a Presidential mandate, during the Nixon administration, for federal government projects to seek the inclusion of suppliers from the Asian, Black, Hispanic and Native American communities in the bidding and awarding of federal contracts.

Inspiring this innovation was a series of initiatives in Chicago in 1968 to showcase minority businesses and what they offered.
OUR GOALS

1. To ensure equivalent opportunities for minority businesses in federal entrepreneurship policies and contracting.

2. To demonstrate to federal policy makers and other business stakeholders that NMSDC is the thought leader in advocating for minority business growth and development.

3. To enlighten federal policy makers and others in how NMSDC’s minority supplier development policies and strategies are synonymous with best practices and are key tools for growing mature minority businesses of scale and size across all industry sectors.

4. To establish NMSDC’s authority as the go to resource for comprehensive information and advice concerning policies, regulations, and/or legislation concerning minority-owned businesses, contracting, growth and development.

OUR CALL TO ACTION

1. **Advocate** – urge the Trump Administration and the Congress to fully enforce existing federal rules concerning MBE diversity and inclusion for direct and federally assisted contracting. Request that the Trump Administration and the Congress collect, publish and assess data from every federal agency concerning their respective diversity and inclusion goals.

2. **Collaborate** – partner with NMSDC on ways to modernize and improve minority business/DBE certification processes and particularly federal certification requirements to better correspond to market realities.

3. **Support** – pilot programs that utilize NMSDC’s expertise in performing certification functions.
Our mission is to accelerate economic growth by driving opportunities and collaboration between corporations and minority businesses.
OUR MISSION

The National Minority Supplier Development Council (NMSDC) is in its fourth decade as 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.

Chartered in 1972, NMSDC has established a network of corporate members, now numbering over 1,400. Among them are America’s top companies – publicly, privately and internationally owned – as well as universities, hospitals and other institutions with supply-chain needs.

NMSDC connects these corporate members with qualified minority-owned suppliers of all sizes – Minority Business Entrepreneurs (MBE) – that meet a high standard of excellence. NMSDC insures that standard in four essential steps:

Certify

Examine and investigate each MBE, verifying its viability, its practices and its capacity for growth.

Develop

Assist and enable MBEs in expanding their visions and their capabilities, to meet the needs of corporate members.

Advocate

Introduce and facilitate a mutually beneficial business relationship between MBEs and corporate members.

Connect

Promote and strengthen a universal understanding of the value of minority supplier development.

From its headquarters in New York, NMSDC coordinates its work nationally through 23 regional councils, each of which certifies, develops, connects and advocates for the relationship between MBEs and corporate members in its region.

Passion inspires the mission of NMSDC.

Perspective builds a firm foundation, in fact and perception, for NMSDC’s goals.

Progress drives those enduring goals, in an evolving and ever-expanding business universe.
THE NETWORK

NMSDC connects 1,422 corporations (including 472 national corporate members and 950 local corporate members) with nearly 12,000 nationally-certified Asian, Black, Hispanic and Native American-owned businesses.
CORPORATE MEMBERS
Including 472 national corporate members and 950 local corporate members.

CERTIFIED MBES
Asian, Black, Hispanic and Native American-owned businesses.

70% MBE GROWTH RATE
Increase expected by 3.3 Million Minority Business Owners from 2000 to 2045.

$400 BILLION ANNUALLY
2.25 Million people actively employed both directly and indirectly by NMSDC-certified MBE firms.

1,422 CORPORATE MEMBERS
Including 472 national corporate members and 950 local corporate members.

12,000 CERTIFIED MBES
Asian, Black, Hispanic and Native American-owned businesses.
ANNUAL SALES OF CERTIFIED MBES

OVER $1 BILLION

OVER $50 Million

Annual sales between $10-$50 Million

Annual sales between $1-$10 Million

Annual sales less than $1 Million

20

576

1,689

4,288

4,178
**MBE ETHNICITY**

Thirty-seven percent of certified MBEs are Black American; the next largest group represented is Hispanic, at 31%. A total of 14% and 13%, respectively, of certified MBEs are Asian Indian and Asian Pacific.

Of the four primary groups represented, 5% of the total number of certified MBEs is Native American.

According to the 2012 U.S. Census Bureau, minorities represent 35% of the total U.S. population and are expected to become the majority by 2043.

**MBE GENDER**

Currently, the number of NMSDC-certified MBEs is 12,000. Of that total, 73% are male and 27% are female.
MINORITY ENTREPRENEURSHIP GROWTH

- Minority-owned firms in the U.S. rose from 5.8 million in 2007 to 8 million in 2012.
- Minority-owned businesses employed 7.2 million people in 2012.
- Minority-owned businesses increased by 2.2 million while non-minority owned businesses saw a decline by 1.1 million from 20.1 million in 2007 to 18.9 in 2012.

Source: U.S. Census Bureau’s 2012 Survey of Business Owners

Of the 12,000 NMSDC certified MBEs, 94% represent the:

TOP 10 INDUSTRY GROUPS

33% PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

13% CONSTRUCTION

11% WHOLESALE TRADE

3% INFORMATION

2% REAL ESTATE, RENTAL AND LEASING

13% MANUFACTURING

11% ADMINISTRATIVE AND SUPPORT WASTE MANAGEMENT AND REMEDIATION SERVICES

4% TRANSPORTATION AND WAREHOUSING

2% RETAIL TRADE

2% FINANCE AND INSURANCE
“MBEs have saved us money in many areas across Pfizer. We have experienced innovation in the packaging and lab equipment areas. When provided with an opportunity to perform as a Tier 1 supplier, they did a great job and cost about 25% less than one of our incumbent suppliers.”

- Ellen Jameson, Pfizer’s Director, Supplier Diversity
Our Supporters: Americas Top Corporations

NATIONAL CORPORATE MEMBERS

AARP
Abbott Laboratories, Inc.
AbbVie
Abercrombie & Fitch Co.
Abt Associates Inc.
Accenture
Adecco USA, Inc.
ADP, LLC
Aetna, Inc.
AFLAC US
Aisin World Corporation
Akebono Brake Corporation
Alkermes, Inc.
Allergan Sales, LLC
Allstate
Alstom Transportation, Inc
Altec Industries, Inc.
Altria Client Services, Inc.
Amdocs Inc.
American Airlines, Inc.
American Express Company
American Red Cross
Amgen Inc.
AMN Healthcare Inc.
AMTRAK
Ansco & Associates, LLC
Anschutz Entertainment Group
Anthem, Inc.
Aon Services Corporation
Apple, Inc.
ARAMARK Corporation

ARCADIS U.S., Inc.
ArcelorMittal USA Inc.
Archer Daniels Midland Company
AREVA, Inc.
ARRIS Group, Inc.
Associated Banc. Corp
AT&T
The Auto Club Group
Autoliv Inc.
Automotive Rentals, Inc.
Avis Budget Group, Inc.
AXA Equitable Life Insurance Company
Axalta Coating System
Bank of America Corporation
Barclays PLC
Barilla America, Inc.
The Bartech Group, Inc.
BASF Corporation
Battelle Memorial Institute
Bausch + Lomb, a Valeant Pharmaceutical Company
Baxter Healthcare Corporation
Bayer Corporation
BBDO New York
Becton, Dickinson and Company
Belk, Inc.
Black & Veatch Corporation
Blue Cross Blue Shield Association
BMC Software, Inc.
BMO Harris Bank

BMW North America, LLC
BNSF Railway Company
BNY Mellon Corporation
The Boeing Company
Bon Secours Health System, Inc.
Border States Electric
BorgWarner
Bostik, Inc.
Boston Scientific Corporation
BP America, Inc.
Brasfield & Gorrie, LLC
Bridgestone Americas Holding, Inc.
Bristol-Myers Squibb Company
Brocade
Brockfield Global Relocation Services, LLC
Burlington Industries, LLC
C&W Services
C. H. Robinson Worldwide, Inc.
CA Technologies
Caesars Entertainment Corporation
Campbell Soup Company
Capgemini USA
Capital One
Cardinal Health, Inc.
Cargill, Inc.
CarMax, Inc.
Caterpillar Inc.
Catholic Health Initiatives
CBRE Group, Inc.
CBS Corporation
CDK Global, Inc.
Loram Maintenance of Way, Inc.
L’Oreal USA
Lowe’s Companies, Inc.
Mack Trucks, Inc.
Macy’s
MAHLE Behr USA, Inc.
Major League Baseball
Mallinckrodt Pharmaceuticals
ManpowerGroup
Marathon Petroleum Corporation, LP
Mars Chocolate North America
Marsh & McLennan Companies, Inc.
McCain Foods USA, Inc.
McCormick & Company, Inc.
McGrawHill Education
Medtronic, Inc.
Memorial SloanKettering Cancer Center
Merck & Co., Inc.
Meridian Medical Technologies, Inc.
Meritor, Inc.
Messer Construction Company
MetLife, Inc.
MGM Resorts International
Michelin North America, Inc.
Microsoft Corporation
MolsonCoors
Mine Safety Appliances Company
Mitsubishi Hitachi Power Systems Americas, Inc.
Mondelez International, Inc.
Monsanto Company
Morgan Stanley
Motion Industries, Inc.
Motorola Solutions, Inc.
MUFG Union Bank, N.A.
NASDAQ
National Basketball Association (NBA)
National Grid USA
Nationwide Insurance
Nestlé USA, Inc.
New York Life Insurance Company
The Nielsen Company
Nike, Inc.
NiSource Inc.
Nissan North America, Inc.
Nokia
Nordstrom, Inc.
Northern Trust Company
Northrop Grumman Corporation
Novartis Pharmaceuticals Corporation
Novo Nordisk, Inc.
NPL Construction Co.
NRG Energy, Inc.
O.C. Tanner Company
Oakwood Home Services
Office Depot, Inc.
OhioHealth
Omnicell, Inc.
OnX Enterprise Solutions
Oracle Corporation
Ortho-Clinical Diagnostics
Owens & Minor
Pacific Gas and Electric Company
PCM, Inc.
Penske Truck Leasing Co., L.P.
Pepco Holdings, Inc.
PepsiCo, Inc.
PerfectVision Manufacturing, Inc.
Pfizer, Inc.
PGA of America
Phillips 66
Pitney Bowes Inc.
The PNC Financial Services Group
PowerTeam Services, LLC
Praxair, Inc.
PricewaterhouseCoopers LLP
Principal Financial Group
Procter & Gamble
Progress Software Corporation
Prudential Financial
PSC Industrial Outsourcing LP
Publicis Healthcare
Quad/Graphics, Inc.
Quest Diagnostics Inc.
R&R Partners
R.J. Reynolds Tobacco Company
R.R. Donnelley & Sons Company
Randstad USA
Raytheon Company
Realogix Corporation
Regions Financial Corporation
RELX Group
Robert Bosch LLC
Robert Half International, Inc.
Rockwell Automation
Ross Stores, Inc.
Ryder System, Inc.
S&P Global, Inc.
Saatchi & Saatchi
Sallie Mae Bank
Samsung Telecommunications America LLC
SAP SE
SAS Institute Inc.
Savannah River Nuclear Solutions LLC
Schneider Electric USA, Inc.
Scientific Games Corporation
Scripps Networks Interactive, Inc.
Securitas Security Services USA, Inc.
Sedgwick Claims Management Services, Inc.
Shell Oil Company
Skanska USA Building
Snap-on Incorporated
Sodexo, Inc.
Sonoco Products Company
Sony Pictures Entertainment
Southern California Edison Company
Southern Company Gas
Staff Management
Standard Insurance Company
Staples Inc.
Starbucks Corporation
Starwood Hotels & Resorts Worldwide, Inc.
State Compensation Insurance Fund
State Farm Insurance
State Street Corporation
Steelcase Inc.
Stryker Corporation
Sunbelt Rentals, Inc.
SunTrust Banks, Inc.
SUPERVALU, Inc.
Target Corporation
Tata America International Corporation
TD Bank Group
Tenneco Inc.
Terex Corporation
Teva Pharmaceuticals
The Resource Group, LLC
Thermo Fisher Scientific Inc.
TIAA-CREF
Time Warner Inc.
Title Source, Inc.
The TJX Companies, Inc.
T-Mobile USA, Inc.
Toyota Motor North America
TransCanada Corporation
Turner Construction Company
Tyco International
Tyson Foods, Inc.
U.S. Bank
U.S. Postal Service
UAW Retiree Medical Benefit Trust
Unilever
When NMSDC works to foster minority supplier development and empower minority businesses, it means business – bottom-line business. NMSDC is dedicated, first and foremost, to “the value proposition” for everyone involved.

NMSDC seeks to build strategic, mutually beneficial partnerships in which corporate needs are met – and often exceeded – by MBEs who want nothing more than an opportunity to bid for and do the job.

“"It has been a pleasure to watch Mosaic Global Transportation grow into such a successful business, bringing innovation and leadership to a competitive market and industry and reaching $10.5 million in 2016."

- Denise Coley, Founder & Principal, Enable Your Vision
NMSDC National Affiliates

Certification and front-line service to corporate and MBE constituents begins with the affiliate councils. The Regional Affiliates certify and match 12,000 minority-owned businesses with member corporations that want to purchase their products, services and solutions.

“Commitment is an act, not a word.”
- Jean-Paul Sartre
The Emerging Minority Marketplace:
GROWTH TRENDS

GROWTH RATE
From 2000 to 2045, 3.3 MILLION Minority Business Owners are expected to experience a growth rate increase of:
• 17% annually
• 34% annually in sales
• 70% of total increase in purchasing power

MINORITY PURCHASING POWER
From 2000 to 2045, Minority purchasing power may surpass $2 TRILLION in 2015, $3 TRILLION by 2030 and $4 TRILLION by 2045 (An increase of $3 TRILLION during the 45 year period.).

ECONOMIC OUTPUT
In 2014 Minority-owned business generated $1 TRILLION in economic output to the U.S. economy, creating nearly 6 MILLION American Jobs.

In all, minorities, now 37% of the population, are projected to comprise 57% of the population by 2060.

(Source: U.S. Census Bureau, January 2000 Based Annual Projections 1999-2001) Projections]
NMSDC retained The Institute for Thought Diversity to conduct a study to assess the economic impact that the NMSDC MBE community has on the United States economy.

This impact includes the increased business activity created by NMSDC certified Minority Business Enterprises (MBEs), the jobs that are maintained/created as a result of this activity throughout the various sectors of the US economy, and the incremental business taxes that are generated.

The results of the study illustrate that today, NMSDC MBEs have a total economic impact of over $400 billion dollars in output that results in the creation of and/or preservation of more than 2.2 million jobs held by persons who find themselves either directly or indirectly employed by NMSDC certified MBEs.

Economic Impact Report Shows Pivotal Role of Minority-Owned Businesses In U.S. Economy

(Source: U.S. Census Bureau, January 2000 Based Annual Projections 1999-2001) Projections)
Jobs Attributable to NMSDC MBEs annually is 2.25 Million

$400 billion

$49 billion

34% per year
Minority Business Enterprises
Minority suppliers are a part of the **growth equation**. The more jobs they have and the more wages they earn, the more they are able to participate in the economy, whether that means buying healthy foods or snacks, durable goods or over-the-counter drugs, life’s essentials or entertainment, even cars and houses.

**Minority Purchasing Power**

Minority purchasing power is projected to surpass **$3 trillion by 2030**. Growth initiatives will require a diverse workforce and supplier base to provide critical market knowledge and the ability to identify areas with sales potential.

Minority purchasing power will rise from approximately 20 percent in 2000 to over **45 percent by the year 2045**. In fact, between 1990 and 1997, buying power in African-American, Hispanic, and Asian communities rose by **54 percent**, **58 percent**, and **72 percent**, respectively.

This trend is expected to continue with minority purchasing power surpassing **$2 trillion by 2015** and **$3 trillion by 2030**.
Minority purchasing power will rise from approximately 20% in 2000 to over 45% by 2045.

American Diversity is Destiny

92% of the total growth in U.S. population from 2000 to 2014, came from multicultural consumers

<table>
<thead>
<tr>
<th>Race</th>
<th>2014 Pop (M)</th>
<th>2014 %</th>
<th>2016 %</th>
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<tr>
<td>Hispanic</td>
<td>56</td>
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<tr>
<td>Non-Hispanic White</td>
<td>197</td>
<td>62.1%</td>
<td>42.6%</td>
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<tr>
<td>African American</td>
<td>40</td>
<td>12.7%</td>
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<tr>
<td>Asian American</td>
<td>16</td>
<td>5.0%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Other/2+ Races</td>
<td>14</td>
<td>4.3%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>
Source: Nielsen Pop-Facts, CY2014 with U.S. Census Bureau, 2060 projections (Dec 2012) with reported numbers to exceed 100% due to allocation/overlap for Hispanics of mixed race. Included in "Other/2+" are 3.1 million native American Indian and Native Alaskans (AINA), plus 600,000 Native Hawaiian & Pacific Islanders (NHPI), all generally of moderate growth.
Minority-Majority

By 2044
Multicultural consumers are the fastest growing segment of the U.S. population. Already over 120 million strong and increasing by 2.3 million per year.

In major metro areas, the reality of a multicultural future is apparent, as 21 of the top 25 most populated counties in the United States are already more than 50% multicultural.

Though Asian-Americans represent about 6% of the total U.S. population, their relative affluence allows them to disproportionately outsize their ethnic peers with an estimated $1 trillion buying power by 2018.

By 2050 Hispanics will account for 85% growth among multicultural consumers.

Multicultural Population Over 50%

Asian-Americans Buying Power

Purchasing Power

Increased from $661 billion in 1990 to $3.4 trillion in 2014. More than double the growth of total U.S. buying power.

Hispanics will experience the most growth among multicultural consumers. By 2020, Hispanics will account for over half of all U.S. population growth and nearly 85% by 2050.
THE FUTURE NUMERIC MAJORITY

Multicultural consumers are the fastest growing segment of the U.S. population. Already over 120 million strong and increasing by 2.3 million per year, multicultural populations are the growth engine of the future in the U.S. Hispanics, African-Americans, Asian-Americans, and all other multiculturals already make up 38% of the U.S. population, with Census projections showing that multicultural populations will become a numeric majority by 2044.
A PATH TO SUCCESS

The business of NMSDC is the promise of that robust American future for all. NMSDC is synonymous with best practices, with a proven record of growing mature MBEs of scale and size across all industry sectors.

Its goal in the immediate future is to work closely with federal policy makers in the executive and legislative branches, as well as other business stakeholders, with the recognition of NMSDC as the thought leader in minority business growth and development.

In its 45-year history, Corporate America has recognized NMSDC as the gold standard in minority supplier development, yet real success also creates challenges, and – at a pivotal time in the history of American business – NMSDC embraces the challenges.

Aligning with our corporate strategies and values, BP is committed to providing opportunities to diverse businesses that are competitive, operate safely and efficiently, and are of scale. Partnering with diverse firms allows us to accomplish our objective of being a focused oil and gas company delivering value over volume, while simultaneously bringing economic benefits and job growth to local communities.

- John Mingé, Chairman and President, - BP America