



Federal Reserve
Bank of Atlanta

2021

Supplier Diversity
Economic Impact Report

Analysis performed by
supplier.io



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Message from our President



Raphael W. Bostic
President & Chief Executive
Officer

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We at the Atlanta Fed have prioritized economic mobility and resilience as part of our maximum employment mandate. We seek to better understand why some people and places thrive economically and withstand sudden shocks while others do not. Based on robust research and evidence, we know that many deeply entrenched systemic barriers prevent people, especially historically underserved communities and people of color, from achieving their full economic potential and being able to weather life's hiccups.

We are committed to fostering diversity in our procurement processes by encouraging the participation of diverse business enterprises. We actively seek to foster business relationships with diverse suppliers who offer high-quality goods and services with competitive pricing and premium customer service. We recognize the vital role that diverse businesses play in contributing to the economic growth and development of the communities we serve. Promoting a diverse and inclusive mix of suppliers is important because it helps the Fed fulfill its mission of promoting a healthy economy.

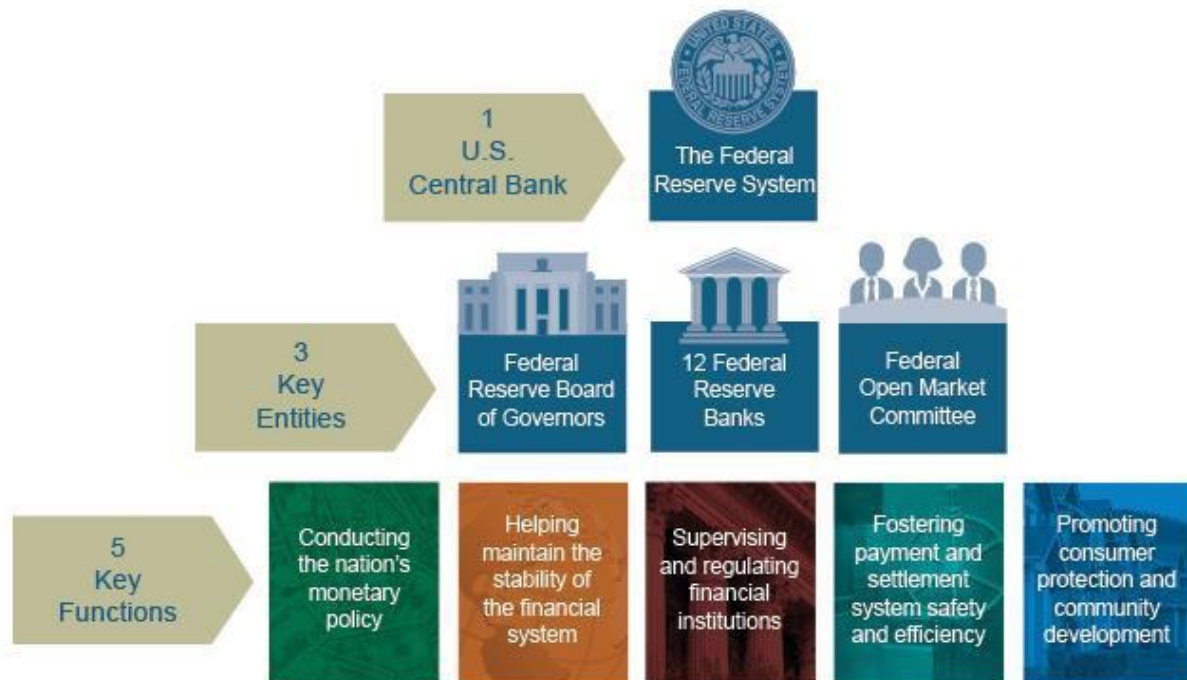
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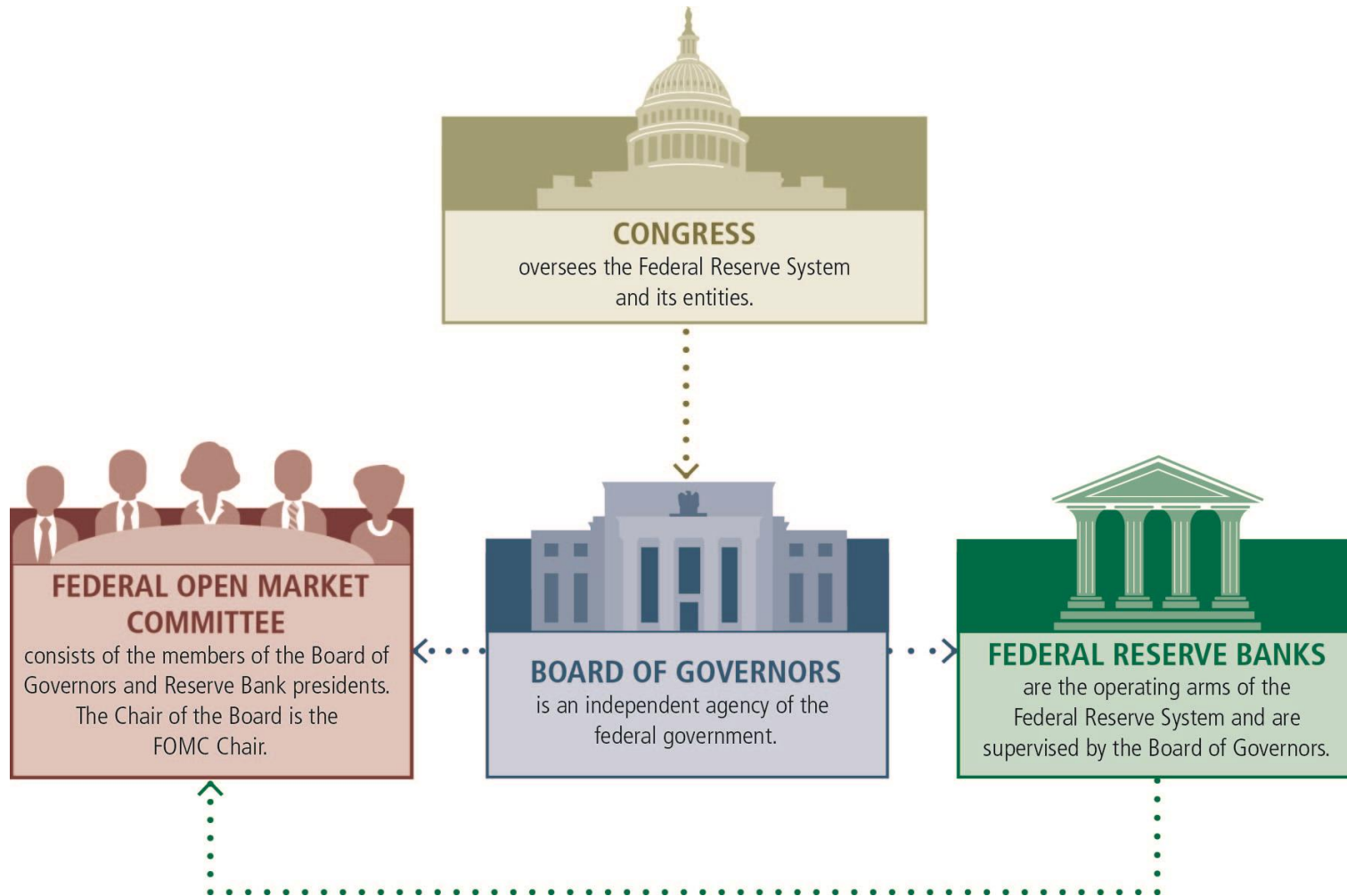
About Us

The Federal Reserve Bank of Atlanta territory covers the Sixth Federal Reserve District, which includes all of Alabama, Florida, and Georgia, and parts of Louisiana, Mississippi, and Tennessee. In this report, "Southeast" is used interchangeably with the Atlanta Fed's Sixth Federal Reserve District.

The Federal Reserve System is the central bank of United States. It performs five general functions to promote the effective operation of the US economy and, more generally, the public interest.



- Conducts the nation's monetary policy to promote maximum employment, stable prices, and moderate long-term interest rates in the US economy.
- Promotes the stability of the financial system and seeks to minimize and contain systemic risks through active monitoring and engagement in the United States and abroad.
- Promotes the safety and soundness of individual financial institutions and monitors their impact on the financial system as a whole.
- Fosters payment and settlement system safety and efficiency through services to the banking industry and the U.S. government that facilitate U.S.-dollar transactions and payments.
- Promotes consumer protection and community development through consumer-focused supervision and examination, research and analysis of emerging consumer issues and trends, community economic development activities, and the administration of consumer laws and regulations.



Three Federal Reserve Entities

The Federal Reserve Board of Governors (Board of Governors), the Federal Reserve Banks (Reserve Banks), and the Federal Open Market Committee (FOMC) make decisions that help promote the health of the U.S. economy and the stability of the U.S. financial system



Our Supplier Diversity Program

The mission of the Atlanta Fed's supplier diversity program is to advance economic mobility and resilience by partnering with stakeholders to increase procurement opportunities for diverse business enterprises. The Atlanta Fed does this by advocating for diverse businesses, partnering with business lines to forecast and identify sourcing opportunities for diverse businesses, seeking 40 percent inclusion of diverse businesses on all competitive bids, and working with suppliers to practice inclusive sourcing.

Over the years, the Atlanta Fed's supplier diversity program has expanded to not only be inclusive of minority and women owned businesses but also veteran, LGBTQ, and small businesses.

The Atlanta Fed formalized its supplier diversity program with the passing of the Dodd-Frank Act in 2010. This legislation ensures that all Federal Reserve Banks are inclusive of minority and women owned businesses in their sourcing practices. It also ensures that all Federal Reserve Banks provide technical training and assistance to minority and women owned businesses. Although the program began as a mandate from the government, the Bank recognizes the business value of an inclusive supply chain and the corporate social responsibility to help ensure that sourcing and spend reflects the communities they serve. The Atlanta Fed partners with internal and external stakeholders to continue to identify new opportunities to increase the diversity and inclusiveness of its procurement processes and support diverse business enterprises in our communities. Supplier Diversity is extremely important to the Bank and supports the organization's strategic priority of Economic Mobility and Resilience (EMAR).





Supplier Diversity Program Highlights

In 2021, our Supplier Diversity team focused its efforts on refreshing the supplier diversity strategic objectives and creating an internal infrastructure that would strengthen the outcomes of the program. Below are some 2021 program highlights:

Onboarded a New Supplier Diversity Program Manager

Our program manager leverages experience in strategic sourcing and supplier diversity in both corporate and nonprofit companies to advance the District's supplier diversity strategic objectives. The program manager led the effort this year to refresh our existing supplier diversity strategy with an emphasis on expanding external partnerships and reinforcing internal engagement and accountability.

Launched Supplier Diversity Champions Council

Launched the District's first supplier diversity champions council, the Roundtable for Inclusive Supplier Engagement, or RISE. This cross-functional group adds an industry best practice to the program and will leverage talent throughout the District to advance supplier diversity strategic priorities and increase stakeholder engagement in supplier diversity strategies.

Leveraged new technology, data, and processes to help increase the inclusion and utilization of diverse suppliers

In 2021, The Federal Reserve System implemented a new enterprise resource planning (ERP) platform. This new platform provides greater visibility throughout the procurement lifecycle, including the inclusion of diverse suppliers in competitive acquisitions. In addition, the data the ERP platform provides allow us to create more forward-looking procurement forecasts, increasing our inclusion of diverse suppliers.

Created new awareness and education programs for internal and external DE&I stakeholders

As part of the initiative to establish a more robust internal infrastructure, the program created new media content to showcase the Bank's support for supplier diversity. This content is used for ongoing training, conferences, and events. In addition, the program leveraged the content to conduct internal technical training for business lines and DE&I stakeholders to raise awareness of the supplier diversity tools and resources available to support the program throughout the Bank.

Increased System collaboration to create new supplier diversity events

Partnered with the Richmond and Philadelphia Feds to host the first-ever Regional Supplier Diversity Summit. This event offered collective sourcing opportunities and provided vendors access to both District and regional contract opportunities. The event also provided technical training on how to do business with the Fed.



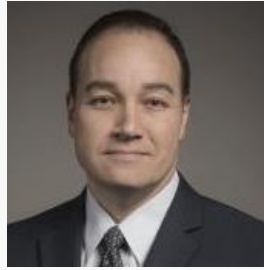


Supplier Diversity Champions



Brian Bowling
Chief Financial
Officer (CFO)

“A robust supplier diversity program can have a positive impact on local economies and communities. Simply put, supporting diverse businesses is the right thing to do, and it makes good business sense.”



Patrick Dierberger
Senior Procurement
Officer (SPO)

“The Atlanta Fed has always been committed to diverse and inclusive sourcing operations. Our goal is to have the highest quality supply chain in the financial services industry and to strengthen our supply chain through the full inclusion of diverse businesses.”



Stacye McCall
Deputy Diversity
Officer (DDO)

“Diversity, equity, and inclusion are embedded in the fabric of the Bank to make us stronger and to position us to fulfill our mission, both within the Bank and in the communities we serve.”



Karen Leone de Nie
Vice President
Community Economic
Development (CED)

“The Community and Economic Development program identifies policies and practices that improve economic opportunity for low-income and historically underinvest communities. Among the Bank’s tools is a supplier diversity program that understands and addresses the barriers business owners of color face.”



Cameron Boli
Supplier Diversity
Program Manager

“Successful supplier diversity programs perpetuate a cycle of equitable empowerment and create a more inclusive economy. Our supplier diversity program is directly linked to our economic mobility and resilience strategic priority.”



Supplier Diversity Supports Sustainability

The Bank’s sustainability program formally started in 2008 with a focus on reducing the district’s energy, water, and waste. Since then, the district has reduced its energy and water usage across all offices by 52 percent and 46 percent, respectively—an overall annual savings of about \$1.7 million. Additionally, the District has increased its waste diversion rate to over 70 percent, including diverting over 1000 tons of currency shreds annually by reusing them as a component in fuel at waste-to-energy facilities, or as part of a compost mix to help aerate soil. The District Headquarters in Atlanta, earned LEED Platinum certificate for existing buildings in 2018, making it the only building in the Federal Reserve System to earn this achievement. While the Bank continues to make progress reducing energy, water, and waste, it has a new opportunity to engage vendors on sustainability as well as to change how Bank employees think and talk about their impact on sustainability.

In-line with many top organizations around the world, the Bank has aligned its sustainability efforts with the United Nations Sustainable Development Goals (SDG). The SDGs provide a framework for achieving progress on the three Ps of sustainability: people, planet, and prosperity. While the Bank’s work touches many of the 17 SDGs,

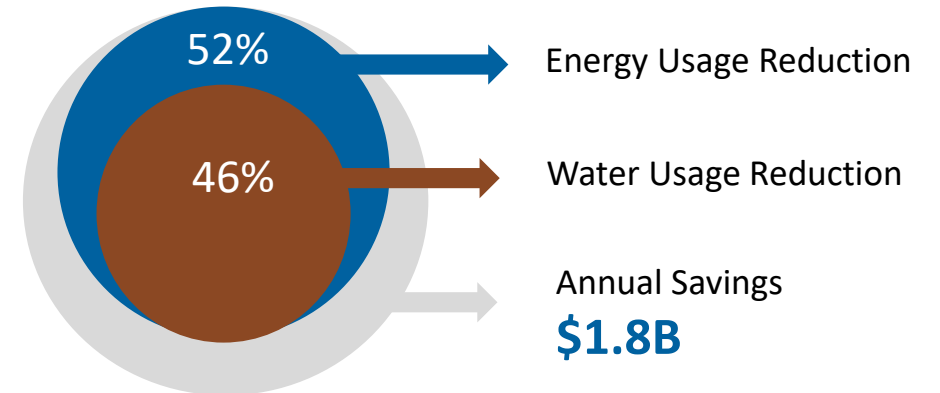
Our strongest alignment is with five:

SDG 8	Decent Work & Economic Growth
SDG 10	Reduced Inequalities
SDG 11	Sustainable Cities & Communities
SDG 12	Responsible Consumption & Production
SDG 16	Peace, Justice & Strong Institutions

The driving principle behind SDG 8 – Decent Work and Economic Growth is to ensure that decent jobs and economic opportunities exist for all. The Bank’s Supplier Diversity Program directly supports this goal, as its mission is to advance economic mobility and resilience by partnering with stakeholders to increase procurement opportunities for diverse business enterprises. This helps perpetuate a cycle of equitable empowerment and create a more inclusive economy.

Sustainability Stats:

As of 2021, the district has collectively reduced water and energy consumption:



**Sixth District Headquarters in Atlanta:
LEED Platinum Certified**

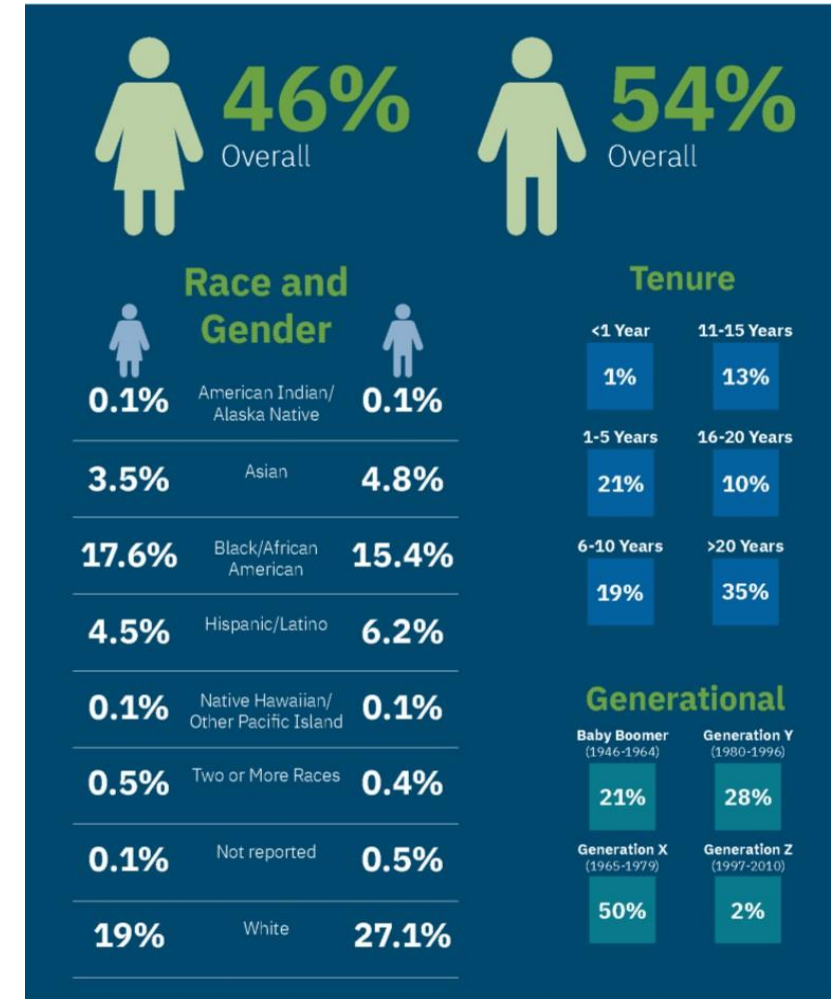


Our Workforce

At the Atlanta Fed, we believe intentionally weaving diversity, equity, and inclusion (DE&I) into every aspect of the Bank’s business and talent management strategies improves our performance and enables us to attract and retain the talent we need to achieve our public mission. Currently, minorities represent 54 percent of the Atlanta Fed’s workforce, and women represent 46 percent. Additional data by job category is provided below.

Workforce Diversity by Job Category as of 12/31/2021

Job Category	Minorities	Women
Senior Executives	40%	47%
Mid-Level Managers	46%	40%
Professionals	50%	50%
Total External Hires	66%	44%
Total Interns	69%	53%



Note: Data are current as of 12/31/2021.



Our Employee Resource Networks

Employee resource networks (ERNs) have been an integral part of the Bank’s diversity and inclusion program since 2012. These voluntary, employee-led ERNs build business value by bringing awareness to relevant diversity and inclusion issues that affect Bank staff and our culture. The Bank’s 10 ERNs host influential and meaningful programs and events annually, to provide staff with a broader cultural awareness and understanding of issues impacting our Bank’s culture and inclusive environment.



ASPIRE
Asian-Pacific Islander |
Respect Empowerment



BUILD
Blacks United In Leadership
Development



EAGLE
Equality Alliance for Gay
& Lesbian Employees



iHOLA!
Honoring Our Latino/
Hispanic Allies

10

Our Employee
Resource Networks



VRN
Veterans Resource Network



WISE
Women Inspiring Success
& Empowerment



GPS
Generations Promoting Success



WFN
Working Families Network



Idea Network
Technology. Innovation. Creativity.



WREN
Working Remote Employee Network



Supplier Diversity Partnerships





Community and Economic Development

The Atlanta Fed's Community and Economic Development team focuses on promoting the sustainability and scalability of small businesses across the Sixth District. Small businesses serve as the lifeblood of the economy, helping to drive innovation and competitiveness in the Southeast. There are more than 5.5 million small businesses in the Southeast, which employ 43.8 percent of all workers in the Southeast and represent 97.9 percent of all southeastern employer firms. Business ownership offers a promising alternative to many people, allowing them to create their own jobs, provide employment opportunities to others in their community, and build an asset that can be passed down to future generations. Supporting small businesses promotes economic mobility and resilience. Additionally, promoting targeted interventions that support firms of color helps foster an economy that works for all.

The challenges that small businesses face today are magnified by the uncertainty of near- and long-term effects of COVID-19 as well as broader economic pressures. To help support small businesses, the Atlanta Fed's Community and Economic Development team bolstered its research and engagement efforts, paying close attention to the firms most vulnerable to COVID's economic fallout. Our work has been organized around three core strands: *engaging communities*, *building the evidence*, and *advancing the systems*.

Engaging Communities

Small businesses of color faced significant disparities prior to COVID-19. We believe these disparities were exacerbated by the pandemic, which means that to help these businesses recover in the short run and create economic equity in the long run, communities need to scale up existing strategies and simultaneously create new strategies. The Atlanta Fed piloted a place-based effort, engaging with a Broward County, Florida, community leaders' team as part of the Philadelphia Fed's Reinventing Our Communities (ROC) Program. The ROC Program is a yearlong capacity-building effort focused on expanding economic opportunities through the application of multi-sector strategies to achieve more inclusive regional economies. The overarching approach to this program is to support a cross-sector of community leaders to identify the most pressing challenges and create powerful, innovative, and scalable solutions. Through participation, the Broward team identified a collective goal to promote equal access to capital and opportunities, enabling small businesses of color to thrive and strengthen their regional small business ecosystem through local solutions, and developed plans to achieve that goal. The Atlanta Fed also launched a three-part small business webinar series as part of our Inclusive and Resilient Recovery efforts to discuss the challenges these businesses are facing during the pandemic, share the District's Small Business Credit Survey findings, and offer best practices that can foster an inclusive and effective ecosystem.





Building the Evidence

The Small Business Credit Survey is an annual survey of small businesses, run by a collaboration among all 12 Federal Reserve banks. The survey collects small business perspectives to provide information on the state of small businesses financing needs, performance, and experiences to policymakers, financial institutions, and other stakeholders. The Atlanta Fed actively participates in the survey design and dissemination through a collaborative effort. The Atlanta Fed leveraged the national survey to disaggregate small business performance and expectations across the Southeast, to produce 2020 Southeast and 2021 Southeast summaries that we used to help chambers of commerce, lenders, entrepreneurship centers, and others develop approaches to solve credit needs.



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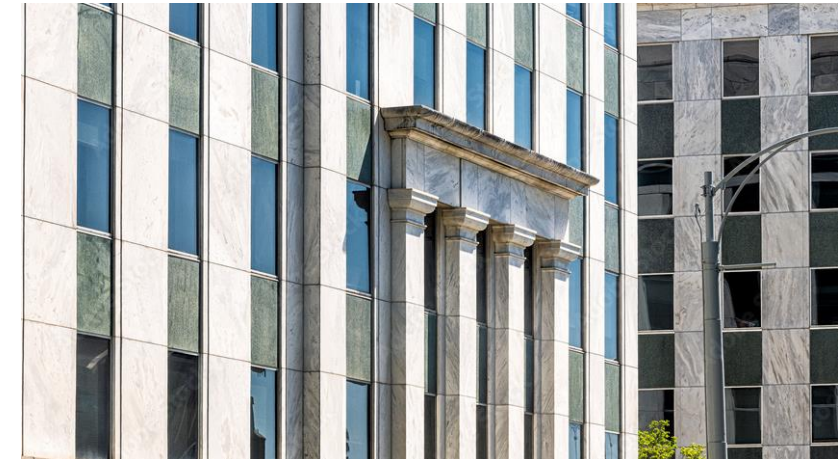
Advancing the Systems

Small Businesses of Color (SBOC) have become an increasingly important part of the economy. Despite the growth of SBOC across U.S. communities, the scale and stability of these businesses have been consistently compromised. Persistent structural barriers in acquiring the capital, knowledge, and market access needed by entrepreneurs of color to grow their firms account for these outcomes. The Atlanta Fed partnered with Kansas City Fed to create a Small Businesses of Color Recovery Guide to help support the recovery of these businesses by providing readers with a range of ideas in the areas of small business credit and capital, education and training, policy recommendations, and community support. In partnership with the Kansas City Fed, the Atlanta Fed engaged several partners to participate in structured interviews, surveys, and listening sessions. Gleaning insights from these stakeholders and analyzing data around small businesses' performance informed the recommendations. Additionally, the Atlanta Fed co-led the design of the Racism and the Economy: Focus on Entrepreneurship session. The webinar was designed to examine solutions that challenge persistent disparities and explore the potential for entrepreneurship to serve as one pathway to transform economic outcomes for communities of color and the broader economy.

Because small businesses are an important driver of our economy and critical job creators in Southeastern communities, the Atlanta Fed will continue to pilot ecosystem building efforts, partner with stakeholders closely anchored to this work, and support ongoing research and field building efforts that promote an economy that works for all.



Our Economic Impact





Total Economic Impact

Economic impact reports communicate the impact on the economy using these standard measures: Production, Wages, Jobs, and Tax Revenues.

Total Impact of the Federal Reserve Bank of Atlanta Supplier Diversity Program

\$17.9M

PRODUCTION

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



171

JOBS

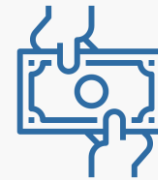
Created within Federal Reserve Bank of Atlanta's supply chain and in the supplier's communities.



\$7.4M

WAGES

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



\$5.1M

TAXES

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





Economic Impact Channels

Purchases of goods and services by Federal Reserve Bank of Atlanta have a multiplier effect in the economy. These purchases iterate through multiple tiers of the supply chain and their communities.

Federal Reserve Bank of Atlanta’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 Federal Reserve Bank of Atlanta’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.



The total economic impact is comprised of three components: Direct, Indirect and Induced.

DIRECT



This is impact at Federal Reserve Bank of Atlanta’s immediate small and diverse suppliers.

INDIRECT



Federal Reserve Bank of Atlanta’s small and diverse suppliers purchase goods and services from other suppliers, which creates a ripple effect through the economy.

INDUCED

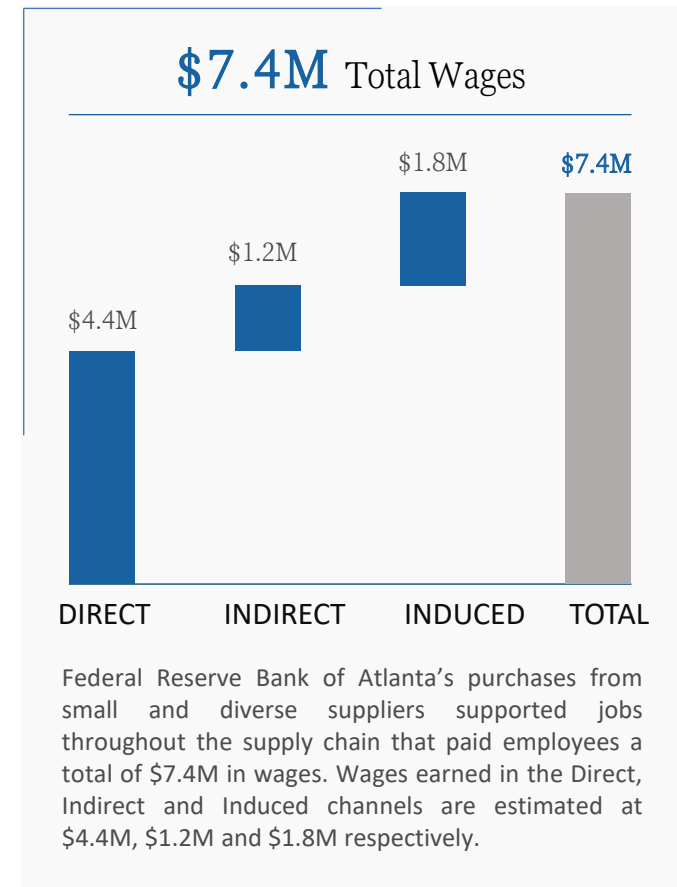
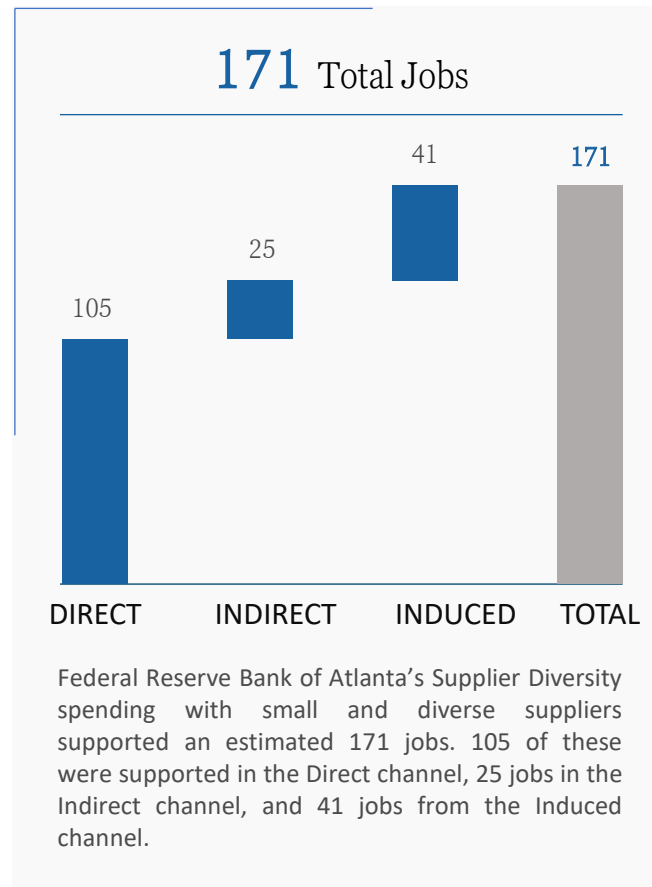
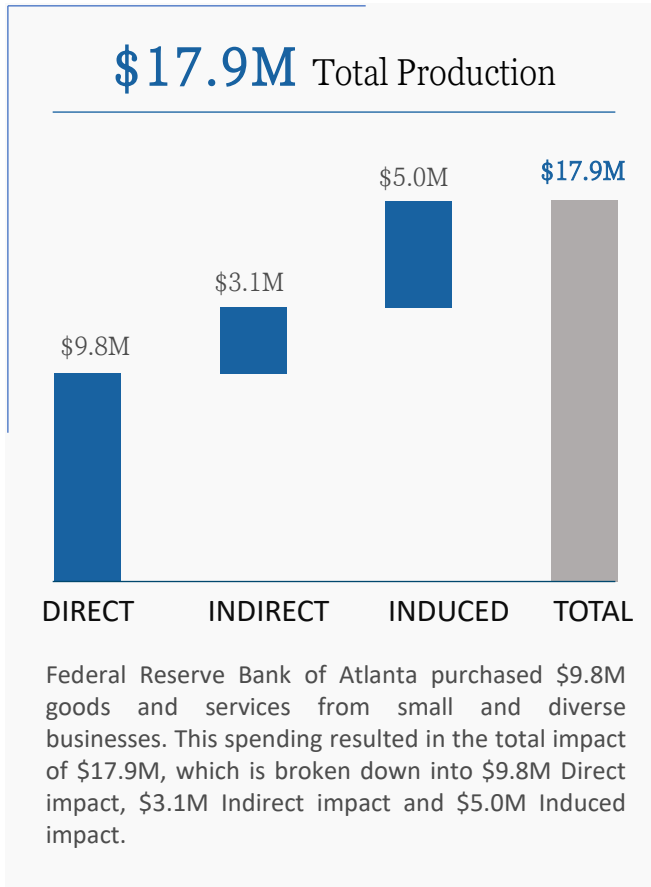


Employees in the jobs created in the supply chain to satisfy Federal Reserve Bank of Atlanta’s purchases support additional jobs in their communities.



2021 Economic Impact

Federal Reserve Bank Of Atlanta’s purchases have a ripple effect on the supply chain. The total economic impact is comprised of three components: Direct, Indirect and Induced.





Impact of Direct Spend

\$17.9M

TOTAL 2021 PRODUCTION

Federal Reserve Bank of Atlanta's total production from small and diverse businesses

MINORITY — OWNED
BUSINESSES

\$8.2M

Direct Spend

95

Direct Jobs

\$3.8M

Direct Wages

WOMEN — OWNED
BUSINESSES

\$5.7M

Direct Spend

86

Direct Jobs

\$3.1M

Direct Wages

VETERAN — OWNED
BUSINESSES

\$315K

Direct Spend

1

Direct Job

\$41K

Direct Wages

SMALL
BUSINESSES

\$1M

Direct Spend

8

Direct Jobs

\$411K

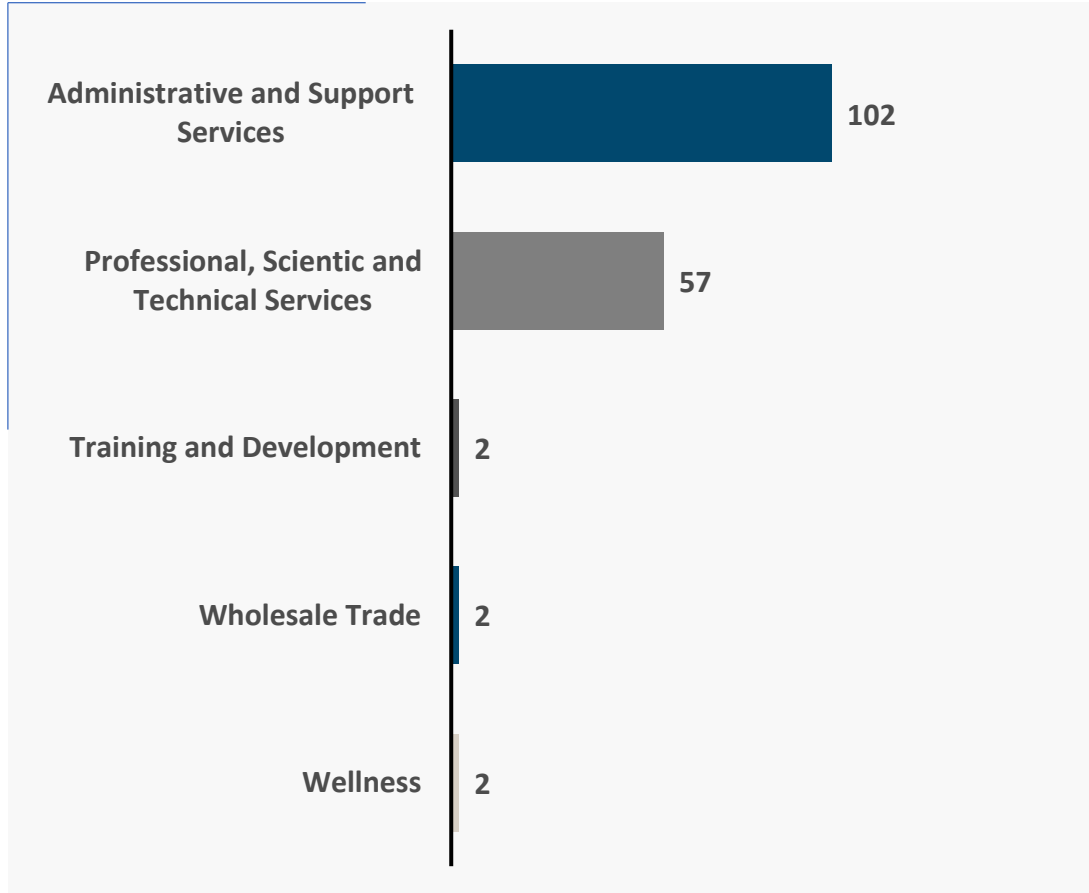
Direct Wages

Note: Suppliers 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.



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.

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

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 Input-

Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II Multipliers

<https://www.bea.gov/system/files/papers/WP2012-3.pdf>



Federal Reserve Bank *of* Atlanta

2021 Supplier Diversity Economic Impact Report

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