KPMG

Measuring diverse supplier economic and social contributions



Why it matters

Companies face increasing stakeholder pressure to establish credible and defensible social impact metrics. Social impact frameworks require companies to demonstrate their impact—not simply outcomes—on the economy and people.

KPMG employs rigorous analytical tools to quantify the economic effects of your diverse supplier spending throughout the supply chain. Our approach attributes these effects to local communities, providing you with real comprehensive results.

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Support social impact goals and voluntary reporting

- Measure positive contributions and trace their impact through specific communities
- Provide insights into the local, state, and national contributions of a diverse supply chain
- Demonstrate commitment to diversity and inclusion

Improve business opportunities and negotiation strategies

- Improve business opportunities with socially conscious buyers
- Educate local and state leaders regarding the contributions of your spending in their communities

Direct contributions

A company's direct purchases

from diverse suppliers

How a supplier diversity economic contribution study adds value to your company

Contribute to long-term reputational benefits

- Enhance public image and reputation
- Foster trust and strengthen relationships with stakeholders
- Attract and retain top talent

Identify opportunities for growth

- Identify sectors and communities where diverse suppliers are thriving and where there is potential for growth
- Inform strategies that support local economic inclusion and growth

Total Contribution

Indirect contributions

Economic activities generated by the company's diverse suppliers and their supply chain

Induced contributions

The spending of labor income by employees of the company's diverse suppliers and their supply chain

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How KPMG can help you

Economic contribution analysis

Using **input-output models**, which capture the multiplier impact of your spending with Tier 1 or Tier 2 suppliers, KPMG's team of economists can help estimate the indirect and induced economic contributions **across city**, **county**, **and state economies**.

Economic contributions are measured by:

- Employment or total jobs supported
- Total employment income, including wages
- Total output or production
- Tax revenues.

This allows you to **quantify the total impact** of your supplier activities and **attribute the benefits** to specific communities.

Social contribution analysis

Using public data sources, **KPMG** can summarize measures of prevailing social well-being and inclusion in a region. Our analysis uses a broad range of socio-economic categories—**education**, **healthcare**, **housing**, **environment**, etc. to measure individual indicators of progress. Leveraging this data, we can help you:

- Identify local community well-being needs in diverse supplier regions
- Create compelling visualizations and narratives to showcase the possible relationships between the activities of diverse suppliers and social outcomes in the communities where they operate.

Contact us



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