ECONOMIC IMPACT REPORT 2024

INTRODUCTION

The Puerto Rico Minority Supplier Development Council (PRMSDC) is proud to present its 2024 Economic Impact Report, an annual assessment of the contributions and performance of PRMSDC-certified businesses across the island. This report provides a comprehensive analysis of the economic value created by these enterprises, offering clear insight into their role in strengthening Puerto Rico's business ecosystem. Through detailed data and measurable outcomes, the report highlights how certified businesses continue to drive innovation, generate employment, and deliver sustained economic growth for the region.

Throughout the report, readers will find key performance metrics that illustrate the depth and breadth of this impact. Together, these key performance metrics highlight the vital role that certified businesses play in driving economic vitality, supporting families, and promoting long-term prosperity across Puerto Rico.

PRMSDC CERTIFIED BUSINESS HIGHLIGHTS

Number of Certified Businesses 540

As of December 31, 2024, the PRMSDC proudly stands alongside **540 certified Minority Business Enterprises**, each representing the innovation, resilience, and economic strength of Puerto Rico's business community. This milestone reinforces the Council's unwavering commitment to expanding opportunities, elevating certified businesses, and accelerating their success across local, national, and global markets.

Total Certified Business Revenue: $7b

In 2024, PRMSDC-certified companies generated **$7.0 billion in total revenue**, underscoring their substantial contribution to Puerto Rico's economic vitality. This level of economic activity reflects the capacity and competitiveness of MBEs, highlighting their essential role in driving innovation, business growth, and long-term economic development across the region.

Direct Jobs: 40k

In 2024, certified companies created **40,000 direct jobs**, demonstrating their critical role as engines of employment and economic stability. These jobs provide meaningful opportunities for workers across Puerto Rico and highlight the significant impact MBEs have in strengthening communities, supporting families, and building a more prosperous economy.

TOTAL ECONOMIC IMPACT OF PRMSDC CERTIFIED BUSINESSES FOR 2024

Total Production: $9.5b

PRMSDC-certified businesses generated **$9.5 billion in total production in 2024**. This figure represents the total value of goods and services produced by these enterprises, highlighting their significant contribution to Puerto Rico's economic output.

Total Direct and Indirect Jobs: 61k

The economic activity of PRMSDC-certified businesses supported **61,000 direct and indirect jobs** in 2024. This includes employment within certified companies as well as additional jobs created across the economy through their business operations, supply chain activity, and community impact.

Total Wages: $2.5b

In 2024, PRMSDC-certified MBEs paid a total of **$2.5 billion in wages,** underscoring their vital role in providing well-paying jobs and supporting the financial well-being of thousands of individuals and families throughout Puerto Rico. This wage impact reflects the strong economic footprint of MBEs and their contribution to the island's overall prosperity.

CONCLUSION

The 2024 results clearly demonstrate the significant economic impact of PRMSDC-certified businesses and their crucial role in driving Puerto Rico's economic growth. With 545 certified diverse business enterprises generating $7.0 billion in revenue, creating 40,000 direct jobs, and contributing to a total economic impact that includes $9.5 billion in production and $2.5 billion in wages, these enterprises continue to serve as catalysts for growth, innovation, and opportunity.

PRMSDC remains deeply committed to advancing the success of certified businesses by expanding access to new markets, strengthening corporate partnerships, and fostering an inclusive business ecosystem that enables diverse-owned enterprises to succeed. As we look ahead, the Council will continue to build on this momentum, empowering businesses, strengthening communities, and contributing to a more competitive and prosperous Puerto Rico for generations to come.

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ECONOMIC IMPACT EXPLAINED

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 revenues, cycles through the economy in terms of "indirect and induced output," or additional revenues, 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 revenues, 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.

Assumptions & Business Rules

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.

Analysis was performed using the following business rules:

- Initial year end data, pulled in early January 2025, included MBEs that expired in December 2024, under the assumption that a majority to all would complete certification renewal.
- If an MBE was missing revenue data in the most recent year, the previous year's revenue was included in the most recent year's revenue field.
- If an MBE was missing data in both years, had zero revenue in both years, or had negative revenue, these MBEs were removed from the analysis.
- If an MBE had a status of expired, these MBEs were removed from the analysis.

Based on these data analysis rules, NMSDC's 2024 Minority Businesses Economic Impact Report may vary from regional affiliate economic impact reports or otherwise published data from the regional affiliates or NMSDC that may use different business rules during the analysis.

REFERENCES

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

- [2023 Minority Business Economic Impact Report]
- [Bureau of Economic Analysis (BEA)]
- [United States 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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