

Supplier Diversity Economic Impact Report

2023



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ABOUT US

Fidelity is a financial services firm dedicated to helping people live better lives by making financial expertise broadly accessible and effective. Fidelity is committed to strengthening diversity and inclusivity in our communities, and our workplace. Our firm is equally committed to conducting business in a fair and equitable manner, including partnering with diverse suppliers to help develop and strengthen their businesses and drive positive impact in the communities we serve. Our partners are a critical component of our ability to provide industry-leading solutions to our customers. We believe diversity drives innovation and creativity. Having a diverse network of suppliers is imperative to our continued success. As our supplier diversity program continues to grow and evolve, we look forward to making a meaningful and sustainable economic impact in the communities we serve.

Thank you for joining us on this journey.

Nick Pinarligil
Chief Procurement Officer



WE ARE FIDELITY

Since Fidelity's founding in 1946, our focus has been on strengthening and securing our clients' financial well-being through exceptional service and innovative solutions. With **\$11.5 trillion assets under administration and discretionary assets of \$4.4 trillion as of June 30, 2023**, we focus on meeting the unique needs of our diverse customers.

WHO WE SERVE

- We help more than 43 million individuals feel confident in their most important financial goals, manage employee benefit programs that help over 24,000 businesses support their employees' total well-being, and support more than 3,700 wealth management firms* and institutions with innovative investment and technology solutions to grow their businesses.
- We continue to challenge the status quo and harness innovation to move faster and create value for our customers and clients, developing new products and services to stay ahead of their distinct and evolving financial needs.
- Our diverse businesses and independence give us insight into the entire market and the stability and scale needed to think and act for the long term as we deliver value to our customers and clients.

For more information, visit fidelity.com/about-fidelity/our-company.

Data as of June 30, 2023 U.S. and global regular associates

**Serviced by Fidelity Institutional Clearing & Custody*



OUR PRESENCE

Headquartered in Boston, MA with **70,000+** associates, across **13** global sites. Our presence spans 10 countries across North America, Europe, Asia and Australia.



The reason why we exist hasn't changed since our founding...**to strengthen and secure our clients' financial well-being.**"

ABBY JOHNSON | CHAIRMAN AND CEO

SUPPLIER DIVERSITY

Our focus is to promote awareness and inclusion of diverse suppliers while protecting the reputation and integrity of our firm. We know that a diverse and inclusive workforce is key to creating a relevant and differentiated customer experience. Building a connected and collaborative workforce that reflects the broader society will help us help our customers.



“

Diversity drives innovation—period. Establishing both an inclusive workforce and supplier network go hand-in-hand to create value for our customers through a cross-cultural competency that can only come from diversity of thought and skill.”

MAGGIE SERRAVALLI | CHIEF FINANCIAL OFFICER

BY THE NUMBERS

650+



We do business with over 650 small and diverse-owned businesses annually

\$480M



In 2023, we spent over \$480 million dollars with small and diverse Tier 1 and Tier 2 suppliers.

80+



Diverse partnerships with industry and trade organizations, clients and suppliers.

BENEFITS OF A DIVERSE SUPPLY CHAIN

At Fidelity, we believe diversity is a business imperative. In today’s rapidly changing landscape, consumers, suppliers and businesses represent diverse backgrounds, experiences and values. As a customer obsessed company, we believe our suppliers should reflect those we serve.

Diversity in our supply chain helps increase innovation, improve quality and create opportunities and economic growth in the communities we serve. Additionally, our commitment to diversity and inclusion in Procurement provides a competitive advantage, opening doors to new markets, products and services.



KEY SUPPLIER DIVERSITY PARTNERSHIPS



Economic Impact 2023



HOW WE MEASURE ECONOMIC IMPACT

Economic Impact Metrics

Economic impact reports communicate the impact on the economy using these standard measures: **Output, Incomes, Jobs, and Tax Revenues.**



OUTPUT

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



INCOMES

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



JOBS

Created within Fidelity's supply chain and in the supplier's communities.



TAX REVENUES

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



TOTAL ECONOMIC IMPACT



TOTAL OUTPUT
\$716.9M



TOTAL JOBS
3,965



TOTAL INCOMES
\$317.2M

ECONOMIC IMPACT CHANNELS

Fidelity’s spending with diverse suppliers generates economic activity in the supply chain and supplier communities.

We categorize economic impact into three channels. Direct impact includes supplier jobs and associated payroll directly supported by Fidelity procurement contracts. Indirect impacts reflect supplier agreements beyond Tier 1 and Tier 2 relationships where suppliers procure goods and services from other local industries. Induced impacts reflect the tertiary changes that occur in a community as a result of Fidelity’s supplier relationships that, when shared with others in the community, produces jobs and other socioeconomic outcomes.



ECONOMIC IMPACT CHANNELS

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



Direct

This is impact at Fidelity’s immediate diverse suppliers.



Indirect

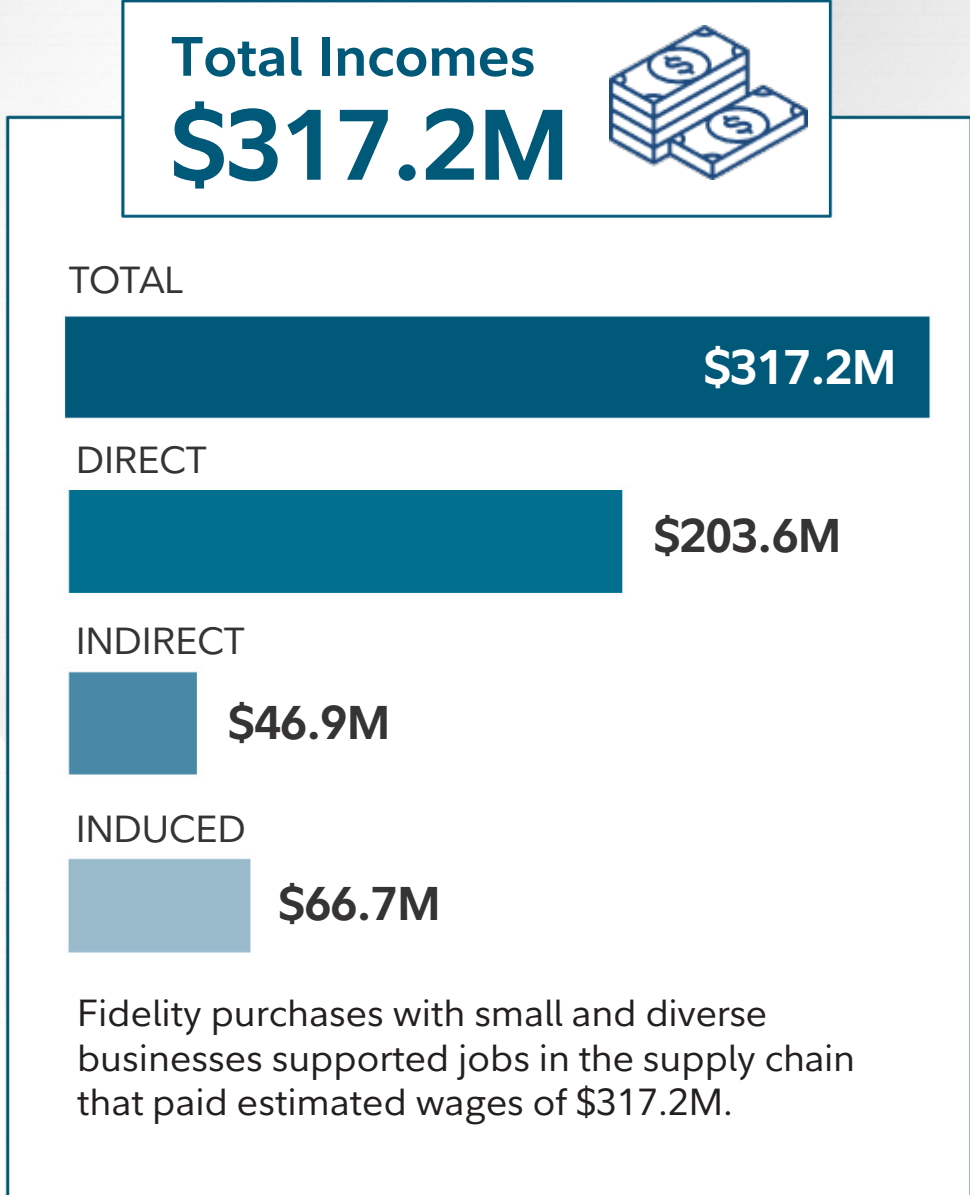
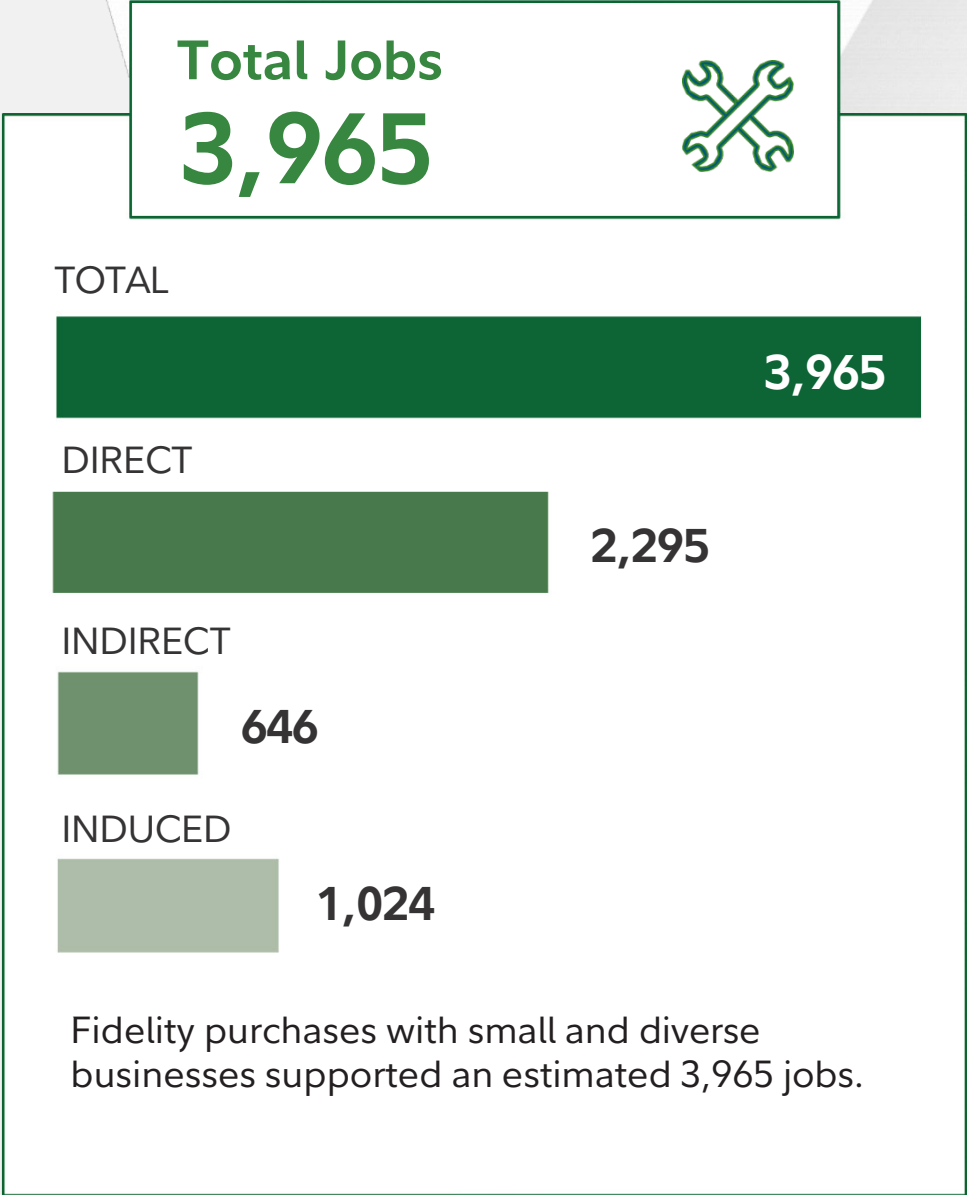
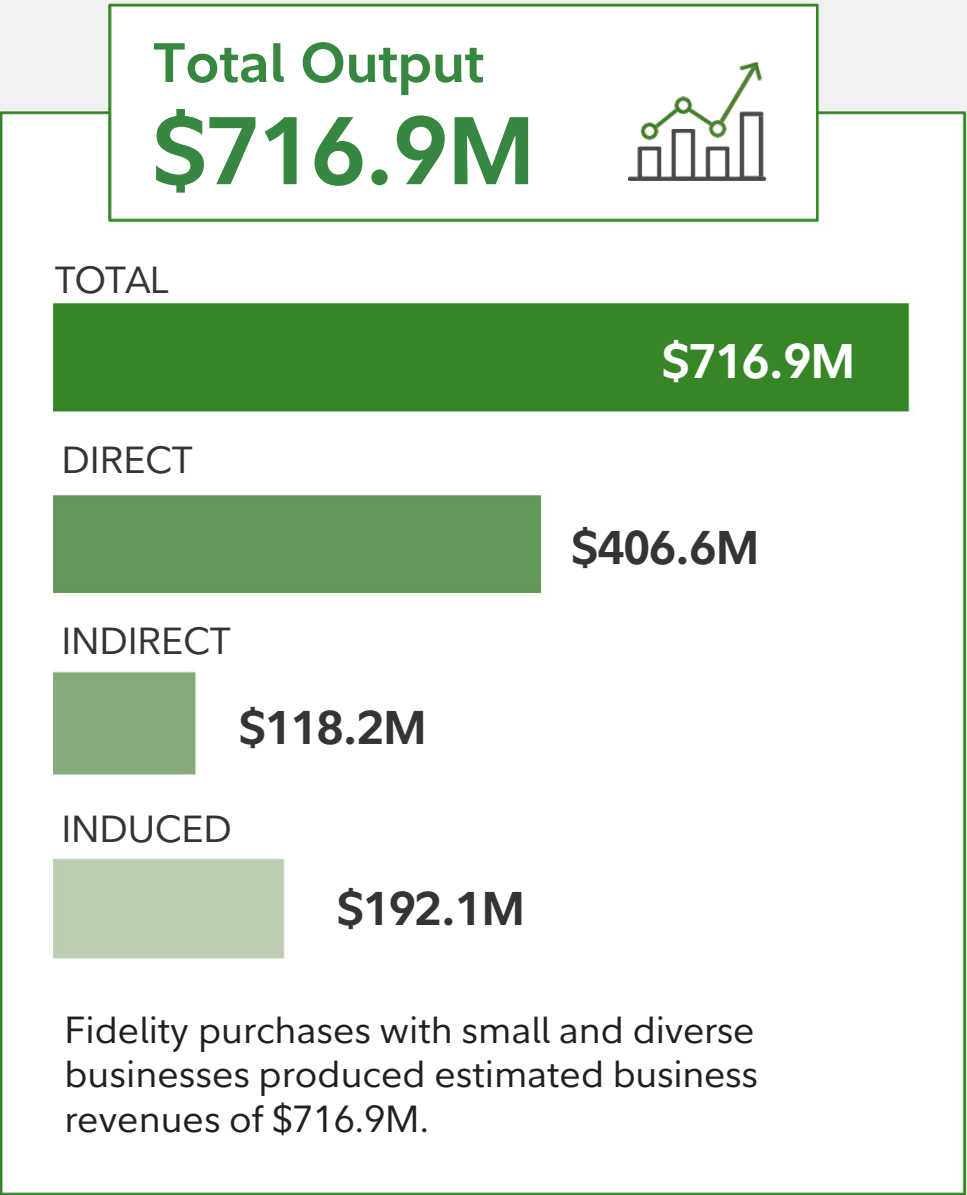
Fidelity’s small and diverse suppliers purchase goods and services from other suppliers, which creates a ripple effect through the economy.



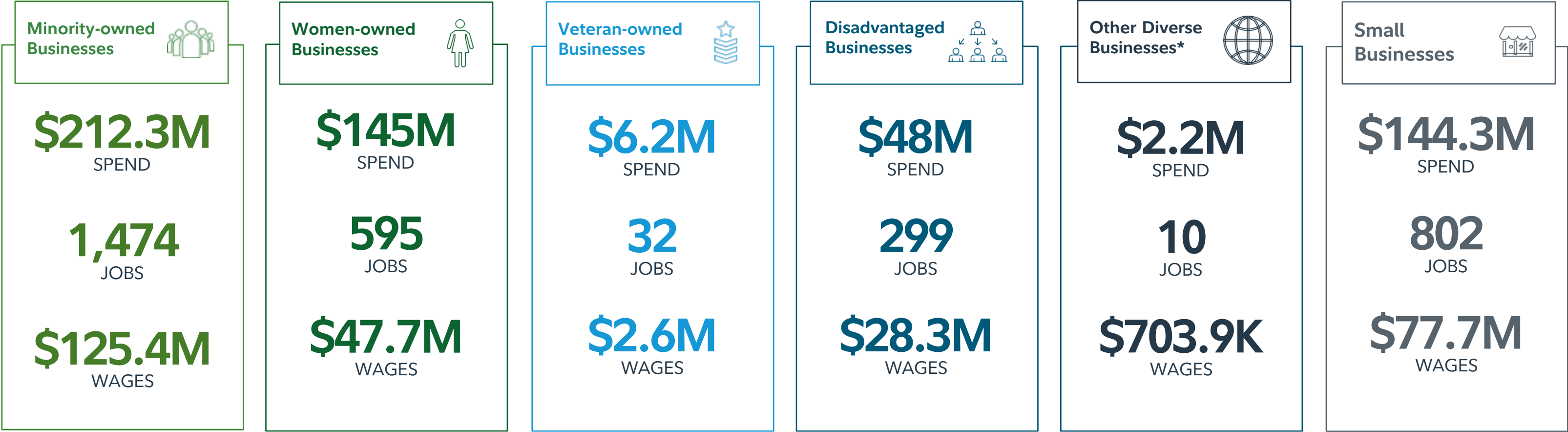
Induced

Employees in the jobs created in the supply chain to satisfy Fidelity’s purchases support additional jobs in their communities.

2023 ECONOMIC IMPACT



IMPACT OF DIRECT BUSINESS SPEND



NOTE: Suppliers are included in every category for which they qualify. Therefore, spend data may reflect sums greater than total spend.

*Other Diverse Businesses includes certified; LGBTQ+-owned businesses, HubZone businesses, Disability-owned businesses, SDVET-owned businesses, and HBCU.

TOP 5 INDUSTRIES

with Supported Jobs

1  **1,767**
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

2  **1,179**
ADMINISTRATIVE AND SUPPORT SERVICES

3  **272**
CONSTRUCTION

4  **184**
INTERNET AND OTHER INFORMATION SERVICES

5  **106**
WHOLESALE TRADE

NOTE: Jobs are assigned to industries as reflected in the North American Industry Classification System (NAICS).



IMPACT BY STATE

State	Diverse Business Spend	Impact From Direct, Indirect and Induced		
		Total Production	Total Jobs	Total Wages
MA*	\$74.7M	\$139.7M	732	\$78.2M
NM*	\$52.9M	\$83.8M	674	\$32.5M
MD	\$51M	\$68.1M	190	\$15.2M
NY	\$50M	\$90.7M	497	\$46.4M
CA	\$33.9M	\$58.8M	299	\$21.7M
FL*	\$27M	\$58.5M	398	\$29.7M
NJ*	\$18.2M	\$29.1M	109	\$10.2M
CT	\$15.3M	\$30.1M	168	\$17.4M
VA	\$13.7M	\$24.7M	132	\$9M
NH*	\$10.2M	\$19.4M	104	\$7.8M
IN	\$10M	\$16.4M	59	\$3.8M
IL	\$8M	\$16.1M	97	\$8.7M
CO*	\$6.2M	\$13M	71	\$5.8M
SC	\$5.2M	\$9.8M	82	\$6.4M
PA	\$3.7M	\$7.5M	47	\$4.3M
MI	\$3.6M	\$7.5M	43	\$2.5M
Other States	\$23M	\$43.8M	263	\$17.5M

NOTE: State production, job and wage data is rounded.

*Fidelity regional campus location.

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 incomes 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](#)

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

[United States GDP](#)

[Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II Multipliers](#)

[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](#)



2023 SUPPLIER DIVERSITY ECONOMIC IMPACT REPORT