



2019 SUPPLIER DIVERSITY ECONOMIC IMPACT REPORT



Message from Ben Fowke

STATEMENT ON SUPPLIER DIVERSITY

Xcel Energy's commitment to supplier diversity is based upon our belief that we will obtain the best products and services when we have a broad base of supplier relationships. This will also allow us to reduce overall costs while offering new, innovative solutions.

Through this, we contribute to the economic growth and vitality of the communities in which we live and work.

We are committed to ensuring that our employee base and our network of suppliers and contractors reflect the communities we serve. As such, we strive to offer diverse businesses opportunities to compete in Xcel Energy's product and service procurement.

We continually seek ways to partner with diverse suppliers. If you are a certified, diverse business and would like to be considered for future opportunities at Xcel Energy, please contact us at supplierdiversity@xcelenergy.com.

Ben Fowke

Chairman and Chief Executive Officer
Xcel Energy

*Xcel recognizes diverse suppliers as Minority, Women, Veteran, Service Disabled Veteran, Disabled-Owned, Disadvantaged, HUBZone, 8(a) and LGBT businesses



Who We Are



Our Vision

We will be the preferred and trusted provider of the energy our customers need.

Our Mission

We provide our customers the safe, clean, reliable energy services they want and value at a competitive price.

Our Values

Our values reflect our core beliefs — who we are, how we conduct our business and the importance of our customers. They guide us in our work and in our interactions with each other. We are Committed, Connected, Safe and Trustworthy.

Our Commitment to Supplier Diversity

Our partnerships with small and diverse suppliers help us ensure that our products and services evolve to meet the needs of our customers.

In 2019, Xcel Energy's engagement with small and diverse businesses led to over \$2.3 billion in contributions to the US economy and supported 16,654 US jobs.

Xcel Energy spending with small and diverse suppliers supports job growth at these suppliers. It also triggers a multiplier effect that supports additional jobs in our supply chain and these suppliers' communities.



Economic Impact Methodology

The impact of spending with a company is greater than direct purchases made from the company. This is because money spent with the company is spent again on payroll, goods and services, and other suppliers in its supply chain. Employees use their salaries to purchase goods and services from other businesses. Downstream suppliers similarly use the proceeds from their sales on their employees and other businesses. A chain reaction of indirect and induced spending continues. This economic ripple effect is analyzed in an economic impact assessment.



Economic Impact Channels

In conducting this analysis, supplier.io used the 2019 spending by Xcel Energy with its small and diverse businesses as the direct spending or “impact.” An important note regarding assumptions for the geography of the impacts is that jobs are counted in the location of the employer. This assumption does not hold strongly for businesses with employees in other states. In such cases, the number of impacts attributed to the state should be considered an upper limit of the potential in the state. In reality, the impact is likely distributed across the states where the businesses have locations or provide service.

The study evaluates the impact of firms at the national, regional, and state levels. In general, the national impact of firms is greater than their regional impact. Input-output multipliers are regional and attempt to measure the impact of a company within that region. Therefore, multipliers for one state do not include the economic activity that may be generated in other states. National multipliers take into account the activity within each state and also the activities between states. The likelihood of finding goods and services required by a firm is greater nationally than it may be within its state. As a result, its activities generate greater jobs and associated activities when evaluated at a national level rather than at regional or state level.



Direct

The economic benefit of the company's operations and activities.



Indirect

The economic benefit and employment supported in the company's supply chain as a result of the procurement of goods and services.



Induced

The wider economic benefits that arise when employees of the company and its supply chain spend their earnings.

The Economic Impact Through Our Supplier Diversity Program in 2019



\$2.3 billion

Total Output

The cumulative revenues of all businesses impacted through the Supplier Diversity Program.

16,654

Jobs Supported

Jobs supported within Xcel Energy's Supplier Diversity Program and throughout the US.



\$849.6 million

Wages Supported

Earnings of employees in jobs supported through Xcel Energy's Supplier Diversity Program.

\$1.2 billion

Small and Diverse Purchases

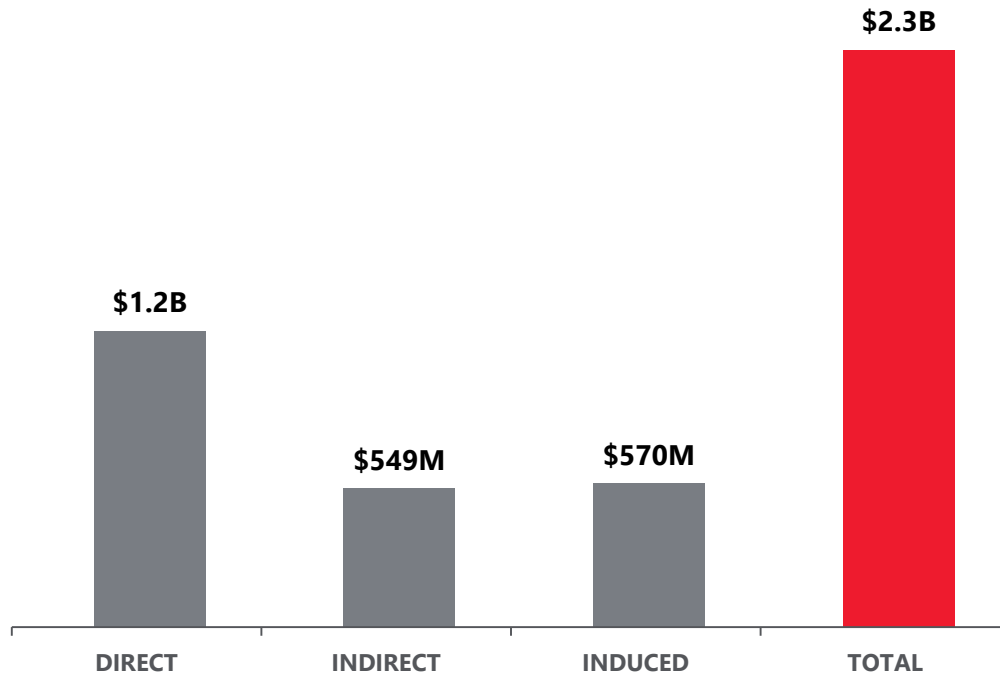
Xcel Energy's spending with small and diverse suppliers.



Our Numbers Tell the Story

GDP Contribution

\$2.3 Billion



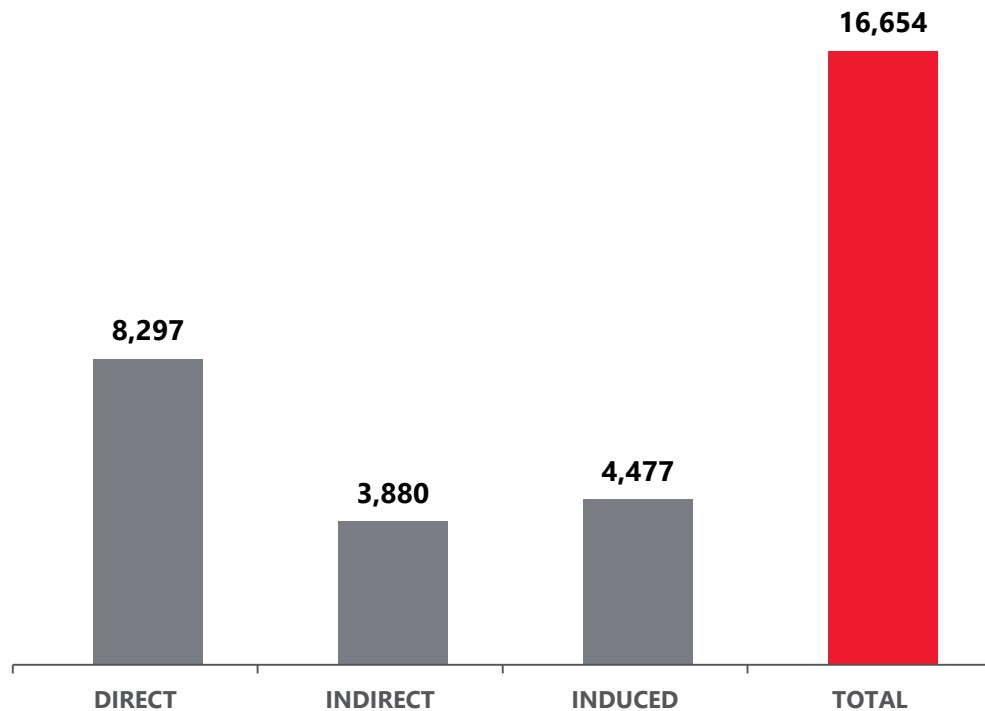
Xcel Energy purchased \$1.2 billion from small and diverse businesses. This spending reflects the direct effect of the overall impact, creating indirect effects of \$549 million and induced effects of \$570 million.



Our Numbers Tell the Story

Jobs Supported

16,654



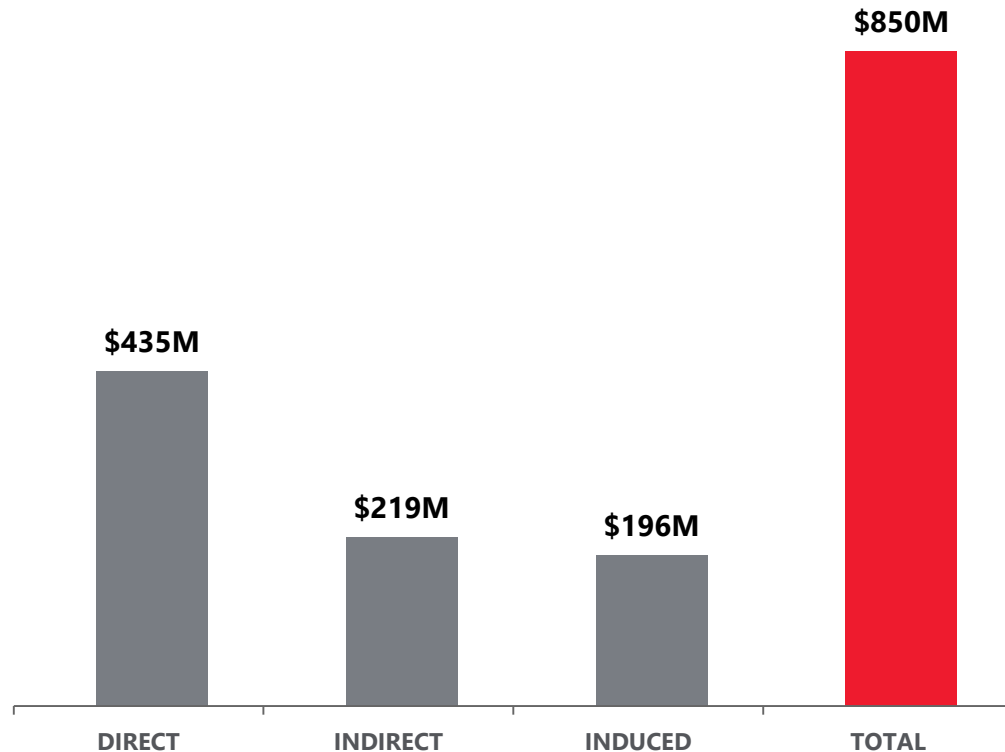
Xcel Energy's Supplier Diversity spending supported an estimated 8,297 jobs at its small and diverse suppliers. Additionally, 3,880 jobs were supported by the indirect effect and 4,477 jobs from the induced effect.



Our Numbers Tell the Story

Wages Earned

\$850 Million



Sales to Xcel Energy helped support jobs at its small and diverse suppliers. Employees earned an estimated \$435 million in wages and benefits through these jobs. Employees in jobs created through the indirect and induced effects earned an estimated \$219 million and \$196 million respectively.



Impact by Diversity Category

Xcel Energy's spending with small and diverse businesses fosters job creation and direct **economic** improvement in local communities.

Minority-owned businesses

\$256 million

Xcel Energy purchases

1,853

Jobs

\$92 million

Wages

Women-owned businesses

\$182 million

Xcel Energy purchases

1,279

Jobs

\$67 million

Wages

Veteran-owned businesses

\$41 million

Xcel Energy purchases

489

Jobs

\$20 million

Wages

LGBTQ-owned businesses

\$227 thousand

Xcel Energy purchases

4

Jobs

\$139 thousand

Wages

Small businesses

\$965 million

Xcel Energy purchases

6,531

Jobs

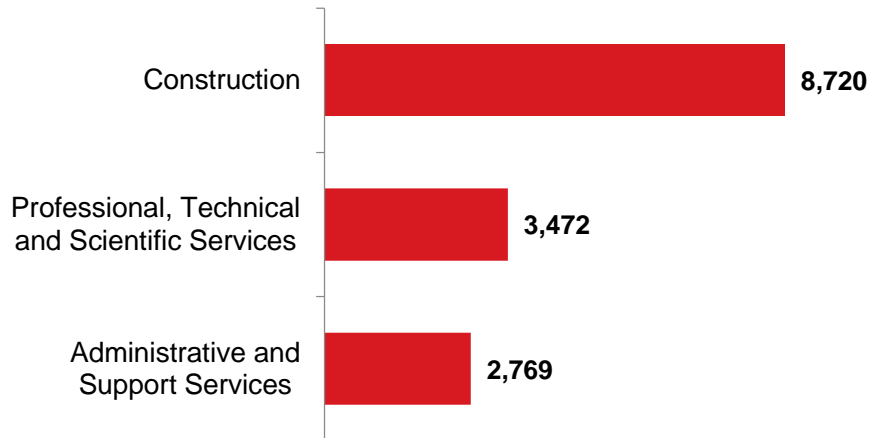
\$352 million

Wages

Small and Diverse Business Spending

Xcel Energy's spending with small and diverse businesses fosters job creation and direct economic improvement in local communities.

Jobs Supported at Top 3 Industries



\$1.2 billion

Spending with small and diverse suppliers

178

**Minority
Businesses**

289

**Women
Businesses**

118

**Veteran
Businesses**

1

**LGBTQ
Business**

5,928

**Small
Businesses**

National Impact of Small and Diverse Suppliers

State	Total Output	Total Jobs	Total Incomes
Alabama	\$11,645,968	80	\$3,852,197
Arkansas	\$12,804	0	\$4,465
Arizona	\$2,049,512	16	\$838,983
California	\$38,993,344	244	\$16,153,048
Colorado	\$622,815,871	4,342	\$229,054,036
Connecticut	\$1,246,640	8	\$563,229
District of Columbia	\$188,867	1	\$97,969
Delaware	\$57,243	0	\$8,081
Florida	\$41,018,102	354	\$14,823,377
Georgia	\$155,175,898	1,302	\$55,104,460
Iowa	\$66,294,516	513	\$25,577,775
Idaho	\$46,664,812	374	\$17,277,401
Illinois	\$47,452,494	299	\$16,464,609
Indiana	\$2,847,273	18	\$820,352
Kansas	\$9,390,674	74	\$3,833,756
Kentucky	\$1,701,910	14	\$579,244
Louisiana	\$712,689	3	\$173,244
Massachusetts	\$15,923,447	88	\$6,532,248
Maryland	\$3,374,480	23	\$1,550,712
Maine	\$165,960	1	\$47,399
Michigan	\$8,122,835	67	\$2,866,500
Minnesota	\$348,955,704	2,843	\$135,949,784
Missouri	\$31,337,809	292	\$13,234,521
Mississippi	\$6,288	0	\$2,263
Montana	\$39,969	0	\$15,334

****red denotes Xcel Energy service territory**

National Impact of Small and Diverse Suppliers

State	Total Output	Total Jobs	Total Incomes
North Carolina	\$3,950,593	40	\$1,545,581
North Dakota	\$92,120,281	575	\$34,017,437
Nebraska	\$2,077,313	16	\$758,115
New Hampshire	\$371,358	3	\$135,824
New Jersey	\$10,712,224	101	\$5,044,569
New Mexico	\$63,973,237	436	\$20,364,049
Nevada	\$151,522	1	\$65,362
New York	\$4,042,517	22	\$1,632,710
Ohio	\$11,926,640	68	\$3,813,881
Oklahoma	\$12,173,037	81	\$3,872,937
Oregon	\$1,157,743	8	\$372,825
Pennsylvania	\$11,678,138	74	\$4,356,096
Rhode Island	\$5,769	0	\$2,375
South Carolina	\$1,014,687	11	\$410,426
South Dakota	\$1,722,625	12	\$474,551
Tennessee	\$8,644,584	64	\$3,708,806
Texas	\$274,840,955	1,821	\$103,122,341
Utah	\$10,310,971	71	\$3,533,523
Virginia	\$5,289,168	31	\$2,058,909
Vermont	\$246,205	2	\$84,261
Washington	\$10,693,367	70	\$4,573,914
Wisconsin	\$310,495,849	2,181	\$109,826,763
West Virginia	\$50,966	0	\$13,394
Wyoming	\$996,767	8	\$379,234

****red denotes Xcel Energy service territory**

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 spending, cycles through the economy in terms of “indirect and induced output,” or additional spending, personal income, and employment.¹

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 spending, 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.

An Input-Output model uses a matrix representation of a nation’s interconnected economy to calculate the effect of changes in spending by consumers, by an industry, or by others, on other industries and the entire economy. This matrix representation and the related Input-Output tables ultimately measure “multiplier effects” of an industry by tracing the effects of its inter-industry transactions – that is the number value of goods and services that are needed (inputs) to produce each dollar of output for the individual sector being studied. In essence, an Input-Output model is a table which shows who buys what from whom in the economy.²

This report is based on an analysis of data provided by Xcel Energy using IMPLAN’s Input-output multipliers, and the supplier diversity information in supplier.io’s database of nearly 1.6 million active certifications.

supplier.io

ABOUT SUPPLIER.IO

SUPPLIER.IO is redefining supplier diversity solutions. By providing comprehensive, accurate data in near real time, we help our customers get information they need to grow their supplier diversity program. To learn more, visit <https://supplier.io>.

References:

1. US Government Revenues: http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n
2. United States GDP: <http://www.tradingeconomics.com/united-states/gdp>

