

2024 ECONOMIC IMPACT REPORT EXECUTIVE SUMMARY

California Department of Insurance || Office of Insurance Diversity & Innovation



\$3.1 Billion
Total **Diverse Spend** in
California's Insurance Industry



\$6.7 Billion
Total **Economic Impact** to
California*

*The cumulative impact of California insurance companies' reported procurement from diverse suppliers. Impacts are measured through jobs supported, income earned (wages, salaries, and benefits), and economic output.

**Every dollar spent with
a diverse business
generates at least two
times in economic
benefits**

ABOUT THE REPORT

California's \$400 billion insurance market is the largest market in the United States and the second largest market in the world. Under the leadership of Insurance Commissioner Ricardo Lara, the 2024 Economic Impact Report provides a snapshot of the economic impact that California's insurance industry's procurement have made by contracting with the state's diverse businesses that are owned by women, LGBTQ+ people, veterans, disabled veterans, or people from historically underrepresented communities.

As a result of the Department's policies that advance transparency and consumer protection, this report illustrates how insurance companies' inclusive procurement practices are an economic multiplier that strengthens local communities by supporting the economic vitality of the communities they serve - from supporting job creation to generating tax revenues. - all of which are essential to a modern, resilient insurance market.

Data Source & Analysis: The report is based on data that insurance companies reported to the 2022 California Insurance Diversity Survey at the California Department of Insurance. Economic Impact Report year reflects the calendar year that this economic impact analysis was performed by Supplier.io.



KEY FINDINGS OF THE 2024 ECONOMIC IMPACT REPORT



Supplier Diversity Powers Economic Growth in California's Economy

- Every \$1 that insurance companies spent with California's diverse businesses generates at least twice (or \$2.16) in economic output to the state's economy



Minority Business Enterprises (MBEs) are a Primary Driver for Economic Impact

- MBEs accounted for nearly three quarters (72% or \$2.1B) of diverse spend, supporting 9,298 jobs and generating an income of \$795M



A 105% growth in MBE Spend Shows Progress and Signals Concentrated Gains

- Just as spend with MBEs grew, diverse spend with women-, veteran-, LGBTQ-, and disabled veteran-owned businesses collectively accounted for 28% (or \$825M)



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2024 ECONOMIC IMPACT REPORT

KEY FINDINGS

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ECONOMIC IMPACT IN CALIFORNIA

What is the economic impact of the \$3.1 billion that California's insurance industry spends with the state's small and diverse businesses?

ECONOMIC OUTPUT

\$6.7
Billion

The revenues earned by suppliers & businesses in the company's supply chain & their communities.

\$3.1 B

Direct

\$1.9 B

Indirect

\$1.7 B

Induced

JOBS SUPPORTED

29,131

The jobs supported through purchases with diverse businesses.

13,403

Direct

7,819

Indirect

7,908

Induced

INCOME EARNED

\$2.4
Billion

The income earned (wages, salaries, and benefits) in the supported jobs.

\$1.2 B

Direct

\$677 M

Indirect

\$564 M

Induced

TAX REVENUE GENERATED

\$917.6
Million

The revenues generated by personal, business, and sales taxes

\$ 592.5 M

Federal

\$ 233.2 M

State

\$ 92 M

Local

Note: Numbers may not add up to the total impact due to rounding.

Economic Impact Channels

Direct: This is the immediate impact that California insurance companies have on diverse businesses.

Indirect: The diverse businesses that benefit from California insurance companies' purchased goods and services, creating a ripple effect in the economy.

Induced: This measures the purchases of the suppliers' employees and the jobs supported through their purchases. These are the impacts generated in the communities of the suppliers' employees.

» Economic Impact Analysis performed by Supplier.io.



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