8th Annual Report
# 2025 State of Supplier Diversity

Trends, Transitions, and
Plans for the Future

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# About this report

We surveyed 225 program leaders across the supplier diversity and small supplier engagement space to identify the state of their programs, executive support, changes they've made, and plans for the future.

Use this report to benchmark your program and plan strategic priorities for 2025–2026.

# Introduction



## Supplier.io's 8th annual State of Supplier Diversity Report

This year, 225 leaders across procurement, supplier diversity, responsible sourcing, and supply-chain teams shared how their programs are evolving, what's working, what's changing, and where they're investing next. Their responses give a clear view into the business impact, executive support, data maturity, and strategic priorities shaping programs heading into 2026.

While this report continues tracking long-term trends, it also reflects several important shifts underway:

- How teams are repositioning programs toward small and local supplier engagement

- The expanded role of data, enrichment, and technology in program management

- How organizations are adapting to economic pressure and political noise

- The rising connection between supplier strategies, resilience, and broader ESG priorities

Our goal is to give you a clear picture of how leaders are navigating this moment, tightening operations, strengthening data foundations, reframing the narrative, and preparing for the next era of inclusive sourcing.

We hope this year's findings help you benchmark your own progress and make confident, data-driven decisions about where to focus next.

# Respondent demographics

This year, we heard from 225 respondents across a wide variety of industries, size, and levels of maturity within their programs.

**Company size**

| | | | | |
|---|---|---|---|---|
| 43% | 17% | 7% | 3% | 30% |
| > $5B | $1B-$5B | $500M-$1B | $250M-$500M | < $250M |

**Age of program**

| | | | |
|---|---|---|---|
| 11% | 17% | 47% | 26% |
| < 1 year | 1-2 years | 3-10 years | 10+ years |

**Industries**

| | | | | | | |
|---|---|---|---|---|---|---|
| 32% | 19% | 10% | 9% | 4% | 8% | 18% |
| Manufacturing | Business services | Finance & Insurance | Retail & media | Technology & telcom | Energy, Utilities, & Waste | Other |
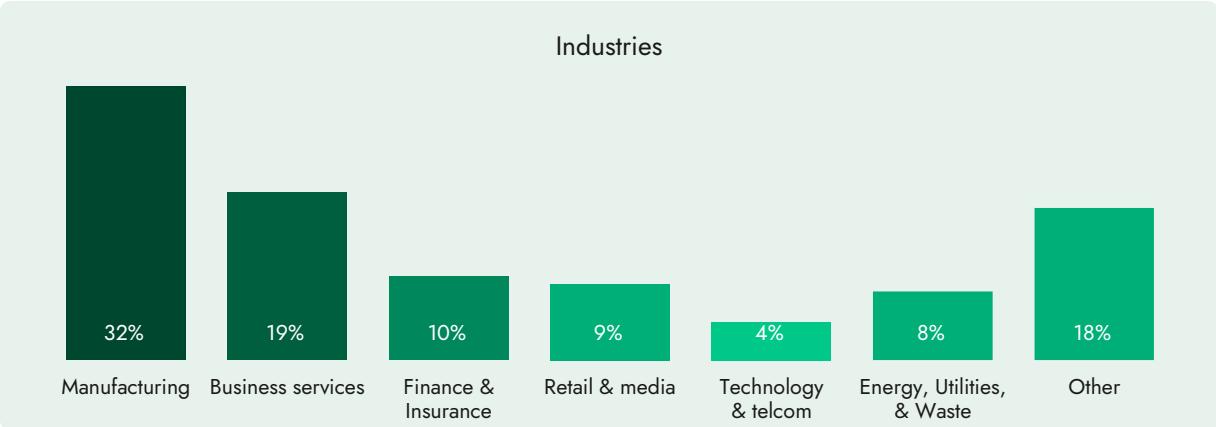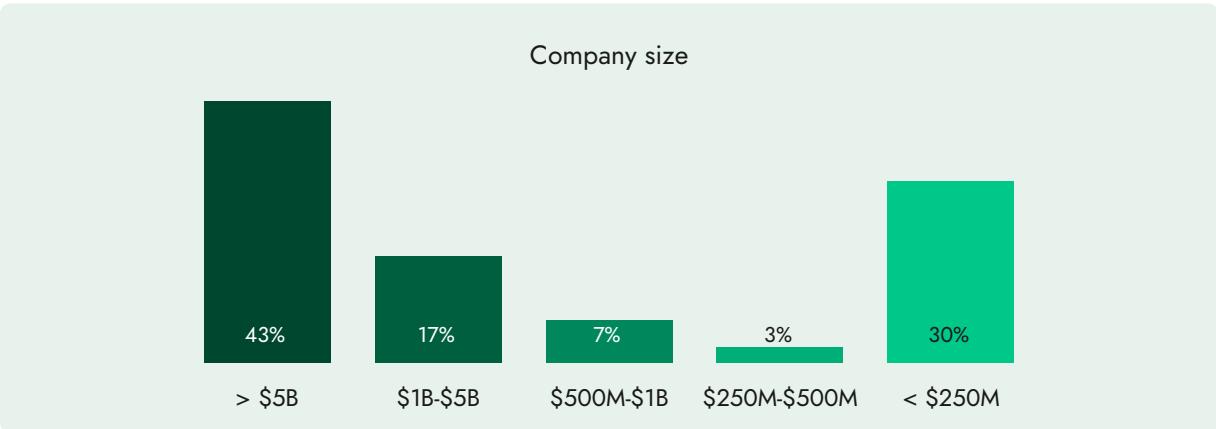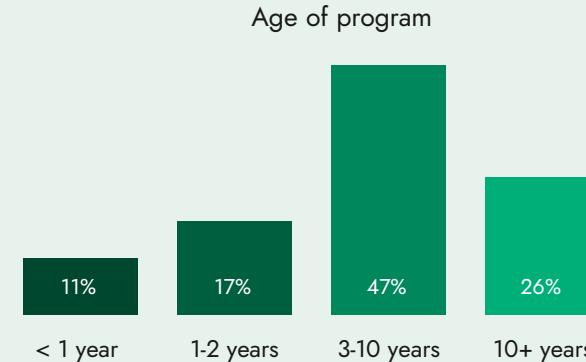
# 2025 Survey Results

Findings from this year's State of Supplier Diversity survey

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# Executive Summary

Despite external pressures, most programs remain intact and are evolving toward impact, resilience, and measurable value

| | | |
|---|---|---|
| **87% of programs retain executive support, with growing focus on business impact.** | **Leaders are expanding small supplier sourcing to strengthen supply chain resilience.** | **Data quality and economic impact reporting are top areas of investment for 2026.** |
| Most organizations continue to invest in supplier diversity. Programs remain widely supported by executives and are increasingly seen as core to business performance rather than compliance or culture alone. | Leaders are enhancing support for small suppliers with continued focus on supporting a resilient supply chain. Small and diverse suppliers are seen as strategic to addressing expected continued volatility. | Leaders are shifting from activity reporting to outcomes that are better aligned with the business requirements. Spend metrics continue to get scrutinized as many teams continue to improve data quality. |

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# Current state of programs

**01**

## Companies remain committed to supplier diversity and small supplier engagement

In spite of the challenging year, executive support remains high, and most programs remain supported at the end of 2025:

- Executive support remained for most program and even grew for some.

- Programs that grew support were able to successfully connect the value of their programs to measurable business value.

- The drivers for supplier diversity did shift significantly this year, especially related to government compliance.

# 87% of execs continue to support programs

## Despite shifting external narratives

### Executive support this year vs. last year



- 17%
- 13%
- 70%

■ Same support

■ Less support
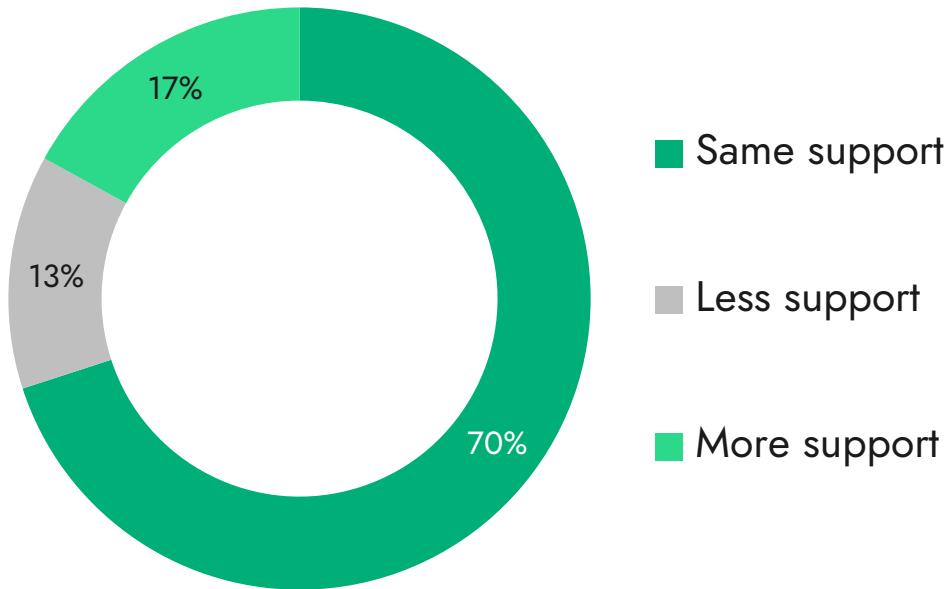
■ More support

### Continued executive support

Despite shifting headlines and changes in how programs are communicated, executive commitment to supplier diversity and small-supplier sourcing remains strong with 87% of respondents reporting the same or even more executive support.

### Strong strategic value

More than half of respondents (51%) say the program is strategically important, a strong signal of sustained executive alignment.

### Less public reporting

One reason it may seem that programs are struggling is the reduction in public reporting.  Less than half (49%) of organizations publicly shared their results this year, down from 63% last year. This decline reflects caution in external communications rather than a loss of internal support.

# How leaders got more exec support

Leaders who emphasized business partnership and economic impact reporting were
**~2x** more likely to see executive support increase
**19%** more likely to report budget growth

We looked specifically at programs that grew executive support in 2025 and identified two key variables:

**More time with business and sourcing leaders**

Leaders who spent more time partnering with business units and working closely with sourcing teams, rather than focusing primarily on reporting, saw stronger momentum behind their programs. These leaders consistently described deeper engagement, clearer alignment with business needs, and a better understanding of how supplier partnerships contribute to performance.

**More focus on impact**

We also saw a similar effect among leaders who conducted economic impact reporting. Their ability to show how their supplier investments translate into jobs, wages, and community value helped them tell a stronger story internally and connect their work to broader organizational goals.

# Shifting program drivers from 2017 to 2025

For 8 years we've asked leaders on the drivers of their programs. This year we saw major shifts away from culture and government reporting but increased value for supply chain competitiveness, brand and even continued customer requirements.

% of respondents who identified key drivers of their program



| 67% | 65% | 50% | 42% | 45% | 27% |

Alignment with corporate culture · Improve supply chain competitiveness · Enhance brand image · New in 2024 · Win new business (RFPs) · Customer requirement · Government compliance

■ 2017  ■ 2018  ■ 2019  ■ 2021  ■ 2022  ■ 2023  ■ 2024  ■ 2025

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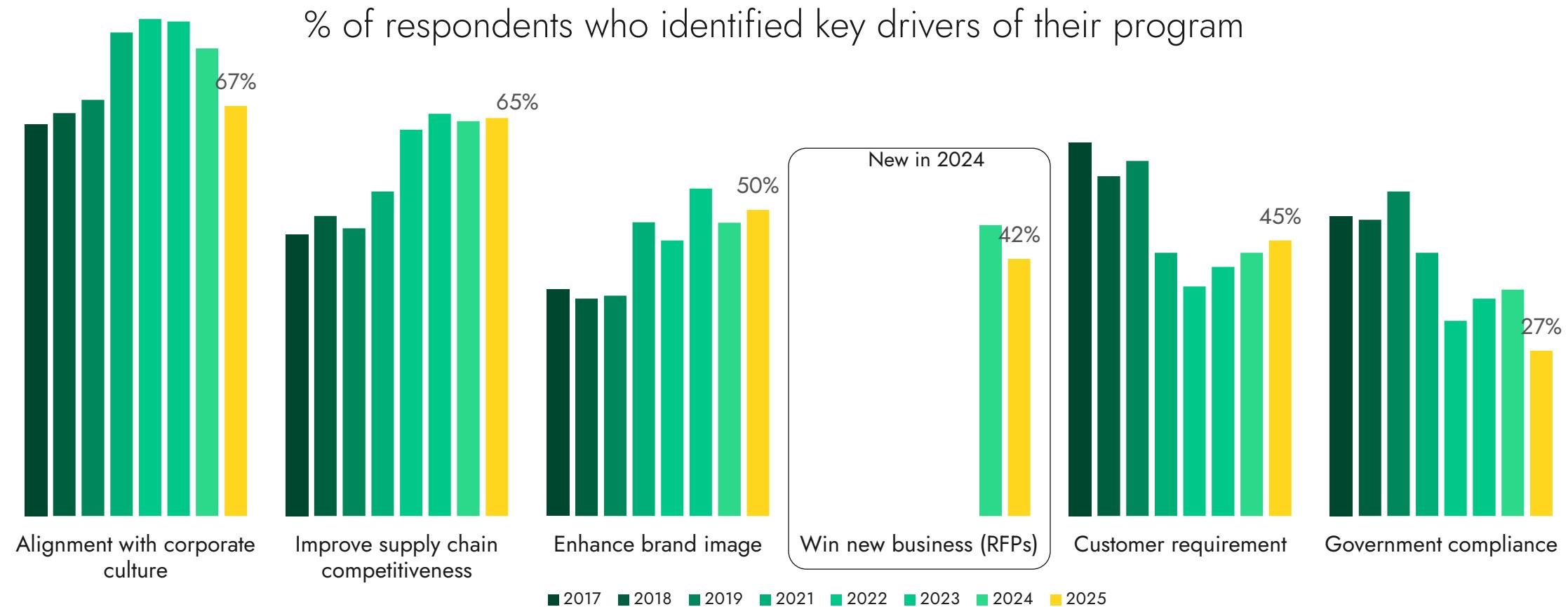
# 2025 Program Updates

**02**

# Changes to programs in 2025

The biggest changes in 2025 were how programs are positioned and how success is measured.

While public reporting may be less clear, internally leaders have taken action to reposition their programs, realign reporting metrics, and ensure they have accurate data.

- **Shifts in program positioning** — Leaders shifted how they talk about their programs from community benefit to company and supply chain value. Supply chain resilience is now the most common benefit.

- **More focus on impact reporting** — Leaders now speak less about how much money they spend with specific communities and more about the positive impact of that spend

- **Continued focus on data** — Leaders saw continued scrutiny of the data and metrics driving many to continue to invest in better tools and processes.

- **Less support for certification** — One of the biggest metrics to change this year was drop-in support for certification agencies.

# Top ways organizations repositioned in 2025

About 50% of programs updated their messaging and positioning this past year. Many leaders met with their legal teams and connected with business stakeholders to redefine the goals of their programs and focus on specific needs from the company at this moment in time.  In qualitative meetings with leaders, we heard three common updates:

## Clarified their program

Many programs updated their websites and public copy to clearly define what *diverse* means including small, veteran, and other suppliers. They also made it very clear that all contracts are awarded based on merit to avoid any additional confusion

## Expanded their program

Many mature programs have been focused on small suppliers for several years. Others added a new focus on small and local suppliers as part of their program. They also updated their supplier portals to ensure anyone can register as a supplier, regardless of diversity status.

## Shifted focus to sourcing

For the past few year, many leaders focused on how they can accurately report small or diverse spend. With more supply chain volatility, many leaders started talking more about how their programs can provide alternate sourcing to manage risk.

# Shifts in messaging driving shift in metrics

## Leaders shifted to measuring outcomes tied to performance, impact, and value

Teams are moving beyond traditional spend reporting and tracking a broader set of results that reflect how supplier diversity contributes to business performance. While spend remains universal, more organizations are measuring impact on RFP wins (46%), economic impact (43%), and cost savings (40%).

Measures tied to organizational reputation and community impact rose sharply. Economic impact reporting increased to 43%, and brand impact rose to 31%, showing that leaders are using a more holistic view of value to demonstrate the reach and relevance of their programs.

Which metrics do you utilize to report the success of your program?



| | |
|---|---|
| ■ 2024 | ■ 2025 |
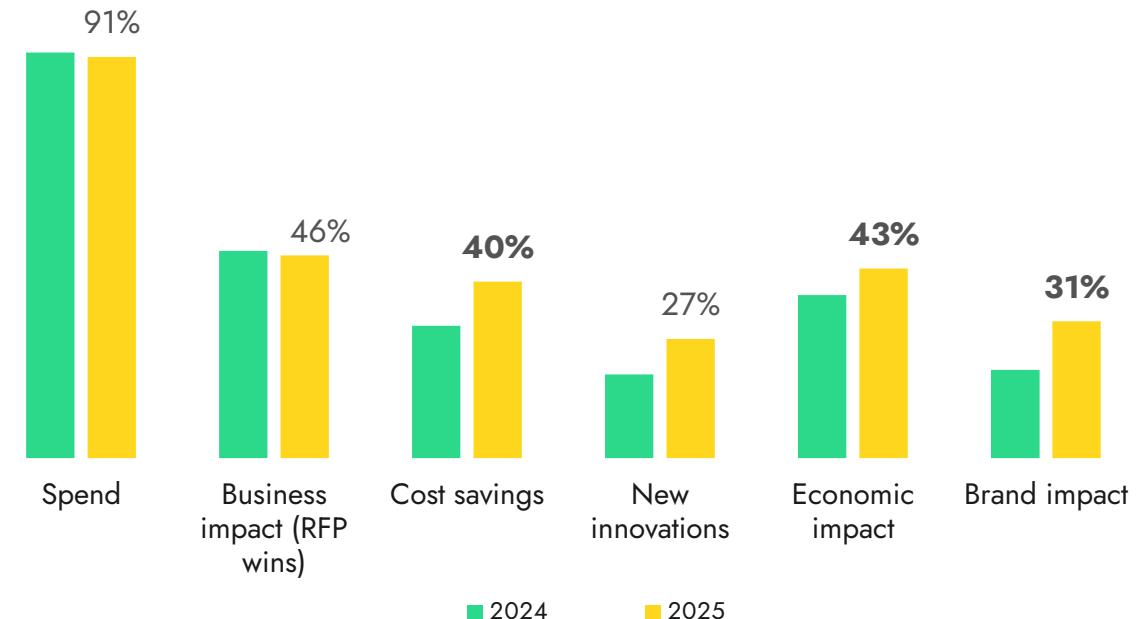
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# Data quality is now a differentiator

## Organizations are improving data quality and integrity with 3rd party tools

Over the last year, expectations for accuracy and defensible reporting have grown significantly. As supplier diversity becomes more scrutinized, leaders are moving beyond manual tracking and investing in stronger systems, enriched datasets, and more reliable validation methods.

Nearly one-third of organizations report an increased focus on data quality (33%), and a similar number are prioritizing improved technology support (28.7%).

External research reinforces this trend; according to the Hackett Group's 2025 Supplier Diversity Study, 75% of leaders plan to strengthen data integrity practices, and more than 60% are expanding the use of technology to run and verify their programs.

## 33%
**Report a growing focus on data quality**

## 28.7%
**Report a growing focus on systems and technology support**

## 75%
**Of leaders plan to strengthen supplier diversity data integrity**

(source: The Hackett Group 2025 Supplier Diversity Study)

# Changes with certification agencies

## 74% increase in companies with no diversity council membership

While programs remain, investments in certification agencies did change significantly. Respondents in this year's survey reported significantly lower membership in almost every council and we saw a 74% increase in the number of leaders reporting membership with no council.

**WARNING: 40% more data challenges**— As companies separated from councils, we also saw an increase in complaints about data. For the first time in years leaders say they now must depend more on onboarding data for reporting. However, organizations that report using onboarding data and other manual processes also reported 40% more challenges with their data and reporting. Many say the data is harder to get and gets more challenge from executive stakeholders.

## Changes in council membership from 2024 to 2025

**NMSDC**
# 62.6% to 45.1%

**WBENC**
# 52.5% to 45.7%

**No council**
# 21.3% to 37.2%

# Where leaders indicate stability

Despite shifts in messaging and external pressures, leaders report strong stability across core parts of their programs.

**Support for diversity** - A majority say their focus on diverse suppliers remains unchanged, with 60% reporting no shift in emphasis and an equal share noting increases and decreases at 20% each.

**Support for Tier 2** - Tier 2 reporting shows a similar pattern of steadiness. 53% of leaders report no change in effort, while increases (23%) and decreases (25%) are almost evenly split. This consistency underscores the continued importance of Tier 2 visibility as organizations respond to supply chain expectations and reporting needs.

## Programs continue to operate with steady focus and consistent support

# Outlook on supplier diversity

Leaders expect steady support and are sharpening their strategies for stronger business value.

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# 2026 Plans and priorities

## Expectations and plans for 2026

We asked respondents what they expect for 2026 and how they're planning to continue to evolve their programs.

While public reporting may be less clear, internally leaders have taken action to reposition their programs, realign reporting metrics, and ensure they have accurate data.

- **Biggest risks –** Most leaders expect political and cultural changes to continue to present risks to their programs.

- **Program positioning** – The biggest shift reported for next year is an increased focus on small supplier sourcing.

- **Data and reporting** – The biggest changes in data and reporting is an increased focus on economic impact metrics as well as internal tracking and reporting.

# Top challenges leaders expect for next year

## Leaders see the biggest risks in:

**Executive support** - Looking ahead to 2026, most leaders expect executive support to remain the same (50.6%). However, 36.3% do expect less executive support in the coming year while 13.1% expect more executive support.

**Politics and culture** - Leaders expect political and cultural shifts to be the biggest risk to their program (39.6%), followed by the economy (20.7%), and potential budget cuts (18.9%).

**Budget risks** — While it may be a bit early, we did ask specifically about budget impacts. 44% were still waiting to hear but 30.4% will maintain investments for next year. 9.9% are getting their budget cut by up to 10% and 5% expect their budget to be cut by over 10%.

# Top focus areas for 2026

## Programs are expanding, reporting is maturing, and positioning is shifting

**Strengthen reporting** - Looking ahead to 2026, organizations are planning meaningful changes to how they operate their programs next year, driven by rising expectations for transparency, business alignment, and sourcing performance. One of the most notable shifts is in reporting: teams expect a 30% increase in internal tracking, a 34% increase in economic impact reporting, and 56% plan to report publicly. This reflects a move toward greater visibility and more defensible results.

**Expanding programs** - Leaders are also expanding the scope of their programs. 38% plan to deepen their focus on small suppliers, and 46% expect to increase small-supplier sourcing efforts, tying supplier diversity more directly to sourcing strategy, competition, and resilience.

**Shift in positioning** - Instead of framing programs solely around participation, organizations are emphasizing the business outcomes they enable. Half of respondents (50%) are prioritizing supply chain resilience, while 49% are focusing on economic impact as a key measure of success.

# Opportunities for your supplier program

Where to focus in the future

# 2026 Playbook: 4 way to strengthen your program

We analyzed the data to see how top performing programs operate and get support. Here are a few recommendations for your program in the year ahead

## Modernize your data and reporting

Improve data quality, reduce manual processes, and strengthen validation. Reliable, enriched data is essential as expectations for accuracy and transparency grow.

## Reposition for business impact

Shift program goals and messaging toward cost efficiency, competitiveness, resilience, and innovation. Ensure leaders see how the program supports enterprise priorities.

## Strengthen your small-supplier strategy

Increase focus on small and local suppliers who offer flexibility, redundancy, and speed. This supports both risk reduction and stronger supply chain performance.

## Spend more time with business stakeholders

Once you've automated data and reporting, it's critical leaders spend more time with key stakeholders. Make sure they know how your program supports key business initiatives and builds a more resilient supply chain.

# Ready to take the next step?



## Supplier.io can help you

Trusted by over 50% of the Fortune 100

Supplier.io is the leading data and technology partner for organizations that want to modernize their supplier diversity and responsible sourcing programs. We provide the intelligence, insights, and tools needed to improve data quality, increase visibility, and measure impact across your supply base.

Trusted by over half of the Fortune 100 companies, our platform helps teams work smarter; from finding small and diverse suppliers, to strengthening reporting, to demonstrating measurable results that matter to executives. Whether you're building resilience, expanding impact, or preparing for new reporting demands, our solutions give you the clarity and confidence to move forward.

**Reach out to one of our supplier diversity experts:**

**708-236-2000 or https://supplier.io/talk-to-an-expert**

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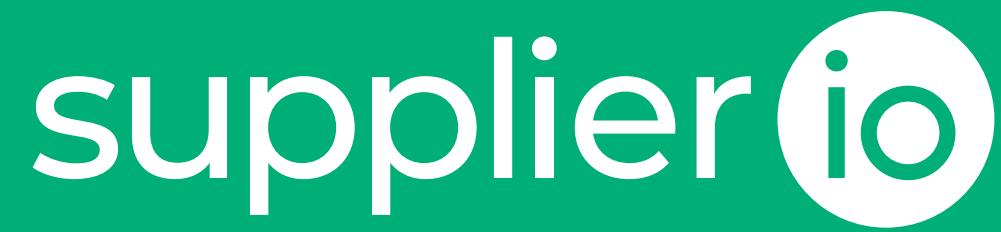
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