

## Nevada Depends on Globally Engaged U.S. Companies

### Overview

- Nevada’s economy includes 531 U.S. companies that operate internationally, competing in global markets on a daily basis for inputs, capital, and customers.
- These globally engaged U.S. companies serve as a critical engine of economic growth and source of employment in Nevada — accounting for 40% of Nevada’s private-sector economic output and 38% of its private-sector jobs in 2011.
- These companies operate in a highly competitive global marketplace in which differences in national tax systems can be a decisive factor in where companies choose to invest.
- A more competitive U.S. corporate tax system can help sustain and expand the critical contributions that these companies make to Nevada’s state economy, local communities, and working families.

### How Do Globally Engaged U.S. Companies Contribute to Economic Growth in Nevada?

Nevada’s economy includes 531 companies that operate internationally, competing in global markets on a daily basis for inputs, capital, and customers. These globally engaged U.S. companies serve as a critical engine of economic growth for the state. For instance, they directly contributed \$18.7 billion to Nevada’s economy in 2011. In addition, these companies indirectly contribute to the state economy by purchasing raw materials, intermediate products, professional services, and other inputs from other local businesses. They also serve as a source of income for workers in local communities, paying on average \$55,283 per job in wages, salaries, and fringe benefits in 2011. These payments boost consumer spending and drive additional economic activity throughout the state. Ultimately, all globally engaged U.S. companies directly and indirectly contributed \$41.8 billion to Nevada’s economy in 2011 — accounting for 40% of the state’s private-sector gross domestic product.

**531**

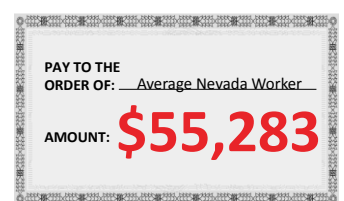
### Globally Engaged U.S. Companies in Nevada

**\$41.8  
Billion**

Contribution to Nevada’s GDP  
by All Globally Engaged  
U.S. Companies



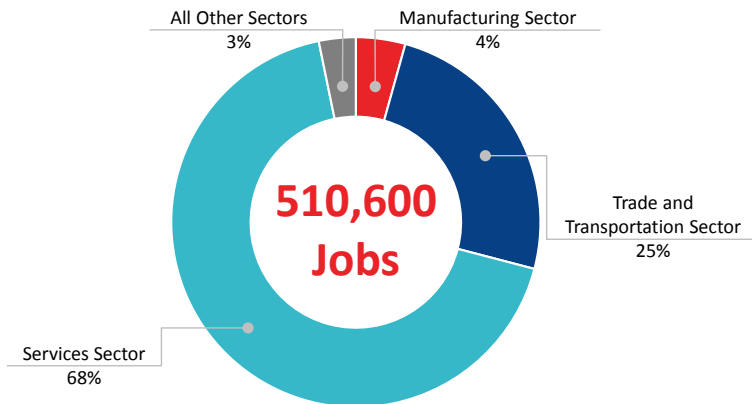
Jobs in Nevada Supported by  
All Globally Engaged  
U.S. Companies



Average Wages & Benefits Paid  
by Nevada’s Globally Engaged  
U.S. Companies

**How Do Globally Engaged U.S. Companies Contribute to Job Creation in Nevada?**

*Jobs Supported by Globally Engaged U.S. Companies  
Percent of Total, By Sector*



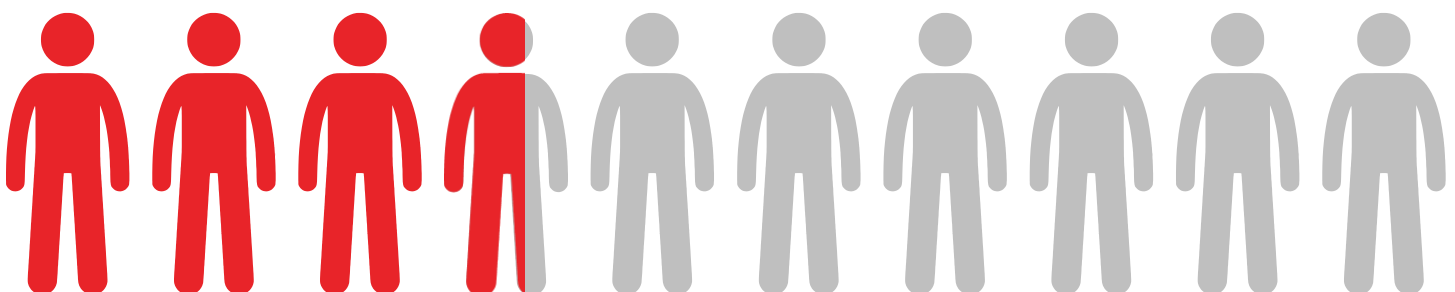
Globally engaged U.S. companies directly provided 200,300 jobs in Nevada in 2011, including 108,600 jobs in the services sector, 65,600 jobs in the trade and transportation sector, and 19,700 jobs in the manufacturing sector. These companies also indirectly support employment throughout local communities by purchasing goods and services from other local businesses in Nevada. In fact, such purchases supported an additional 122,300 jobs throughout the state in 2011, including 22,400 jobs in administrative services and 22,200 jobs in professional and scientific services. Finally, these globally engaged U.S. companies, as well as their

suppliers, provide their workers with a source of income, which increased consumption spending and supported an additional 180,800 jobs in 2011, including 37,400 jobs in health care and social assistance and 34,300 jobs in retail trade.

In addition to providing their workers with a source of income in the form of wages and salaries, globally engaged U.S. companies provided \$1.6 billion in dividend payments to Nevada residents in 2011. These payments serve as another source of income to local residents, thereby providing an additional boost to the state’s economy through the induced economic activity associated with increased consumer spending. In fact, these dividend payments supported an additional 7,200 jobs throughout Nevada in 2011.

In all, globally engaged U.S. companies directly and indirectly supported 510,600 jobs throughout Nevada in 2011 — accounting for 38% of Nevada’s private-sector employment.

*Globally Engaged U.S. Companies Account for **38%** of Nevada’s Total Private-Sector Employment*

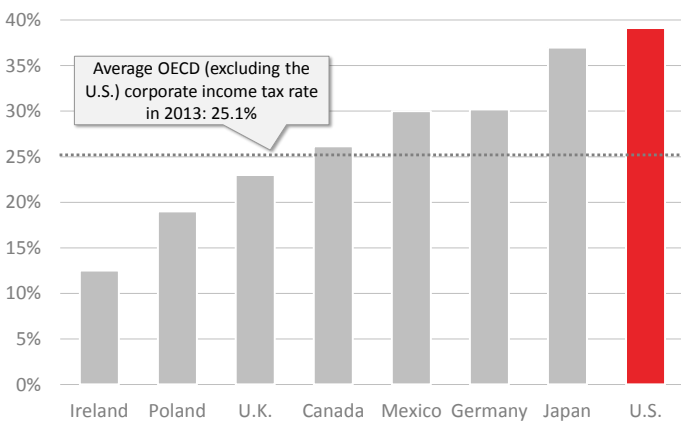


**How Can We Sustain and Expand the Contributions of Globally Engaged U.S. Companies?**

U.S. companies operate in a highly competitive global marketplace. As cross-border trade and investment have increased, the field of competition has widened in many industries. In this environment, differences in national tax systems can be a significant factor in where companies choose to invest.

Unfortunately, the current U.S. corporate tax system has become an outlier relative to the tax systems of our trading partners. The United States maintains the highest statutory corporate tax rate among OECD countries. In addition, the United States still uses an antiquated system of worldwide taxation, which imposes a second round of taxes on foreign earnings for U.S. companies.

**OECD Statutory Corporate Income Tax Rates 2013**



Source: OECD

Reforming the U.S. corporate tax system by reducing corporate tax rates and revising international tax rules would make the United States a more attractive location for companies to invest and base their global headquarters, while also encouraging them to return their foreign earnings for investment throughout the United States, including Nevada. Ultimately, a more competitive U.S. corporate tax system is critical to sustaining and expanding the contributions that globally engaged U.S. companies make to Nevada’s economy, local communities, and working families.

**Globally Engaged U.S. Companies in Nevada: Summary of Economic Contributions, 2011**

<b>Indicator</b>	<b>Direct Contribution*</b>	<b>Indirect Contribution**</b>	<b>Total Contribution</b>	<b>Contribution as a % of State Private Sector</b>
Jobs	200,300	310,300	510,600	38%
Payroll	\$11.1 B	\$14.2 B	\$25.3 B	42%
Value-Added	\$18.7 B	\$23.1 B	\$41.8 B	40%

\*The direct contribution consists of employment, payroll, and production of globally engaged U.S. companies in the state.

\*\*The indirect contribution consists of employment, payroll, and production supported by globally engaged U.S. companies through their supply chains, the consumption spending of the people they employ directly or indirectly, and the consumption spending associated with the dividends they pay.

For purposes of this analysis, a globally engaged company is defined as a U.S. company that conducts operations abroad through a 10-percent or more owned foreign affiliate.

Source: PwC, *The Economic Impact of Globally Engaged U.S. Companies*, July 2013. Unless otherwise specified, all data referenced in this document are taken from this report.