



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

### Overview

- The U.S. economy includes 2,302 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 the United States — accounting for 54% of its economic output and 48% 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 the U.S. economy, state and local communities, and working families.

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

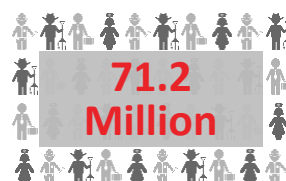
The U.S. economy includes 2,302 U.S. companies that operate internationally, competing in global markets on a daily basis for inputs, capital, and customers. These globally engaged U.S. companies serve as a critical engine of economic growth for the country. For instance, they directly contributed \$3.0 trillion to the U.S. economy in 2011. In addition, these companies indirectly contribute to the 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 state and local communities, paying on average \$72,841 per job in wages, salaries, and fringe benefits in 2011. These payments boost consumer spending and drive additional economic activity throughout the nation. Finally, these globally engaged U.S. companies contribute to economic growth through their capital expenditures, investing \$514 billion in 2011. Ultimately, all globally engaged U.S. companies directly and indirectly contributed \$6.9 trillion to the U.S. economy in 2011 — accounting for 54% of the country's gross domestic product.

**2,302**

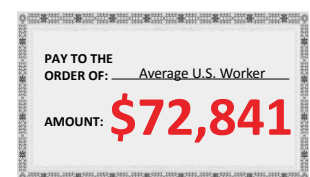
### Globally Engaged U.S. Companies in the United States



Contribution to U.S. GDP by All Globally Engaged U.S. Companies



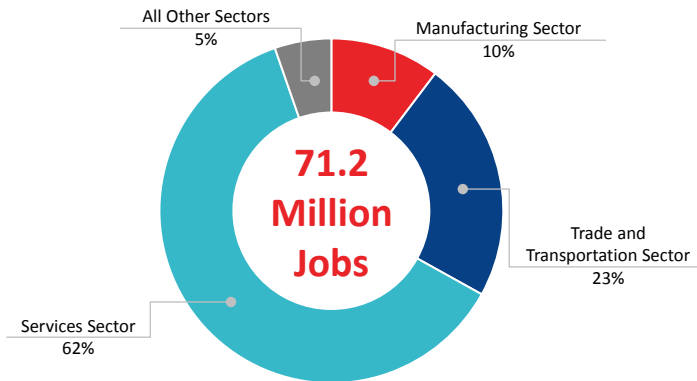
Jobs in the U.S. Supported by All Globally Engaged U.S. Companies



Average Wages & Benefits Paid by All Globally Engaged U.S. Companies

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

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



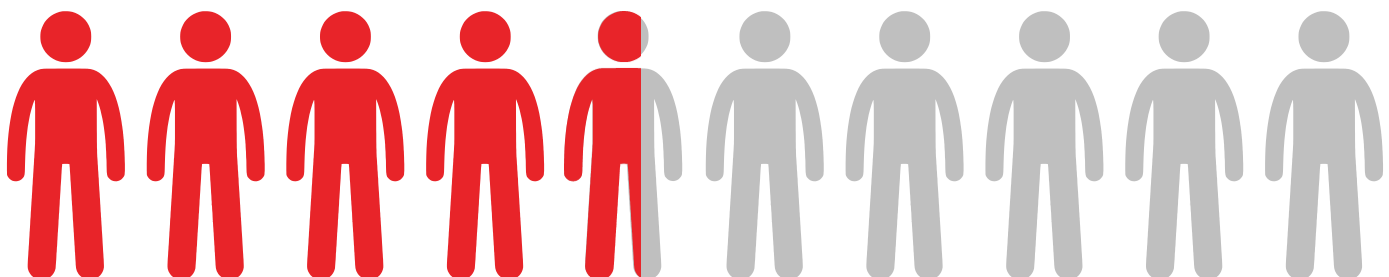
Globally engaged U.S. companies directly provided 22.9 million jobs in the United States in 2011, including 9.5 million jobs in the services sector, 7.1 million jobs in the trade and transportation sector, and 5.7 million jobs in the manufacturing sector. These companies also indirectly support employment throughout state and local communities by purchasing goods and services from other local businesses in the United States. In fact, such purchases supported an additional 19.0 million jobs in 2011, including 3.3 million jobs in professional and scientific services and 3.1 million jobs in administrative 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 26.0 million jobs in 2011, including 6.3 million jobs in health care and social assistance and 4.4 million jobs in retail trade.

Beyond providing their workers with a source of income in the form of wages and salaries, globally engaged U.S. companies contribute to job creation through their dividend payments and capital expenditures. These companies provided \$159.3 billion in dividend payments to U.S. residents in 2011, providing an additional boost to the country’s economy through the induced economic activity associated with increased consumer spending. In fact, these dividend payments supported an additional 678,500 jobs in the United States in 2011. In addition, globally engaged U.S. companies supported 2.7 million jobs in 2011 as a result of their capital expenditures.

In all, globally engaged U.S. companies directly and indirectly supported 71.2 million jobs throughout the United States in 2011 — accounting for 48% of its private-sector employment.

*Globally Engaged U.S. Companies Account for **48%** of Total U.S. Private-Sector Employment*



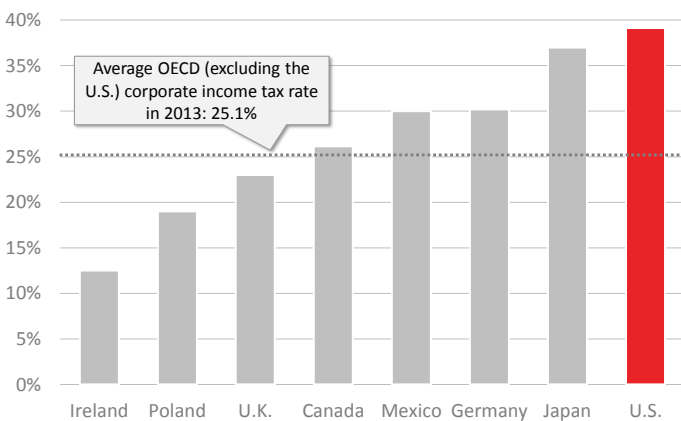
**How Can We Sustain and Expand the Contributions of Globally Engaged U.S. Companies?**

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. 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 the U.S. economy, state and local communities, and working families.

**Globally Engaged U.S. Companies in the United States: 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	22,892,900	48,314,300	71,207,200	48%
Payroll	\$1.7 T	\$2.5 T	\$4.1 T	54%
Value-Added	\$3.0 T	\$4.0 T	\$6.9 T	54%

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

\*\*The indirect contribution consists of employment, payroll, and production supported by globally engaged U.S. companies through their purchases of intermediate inputs and capital goods, 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.