



# Business Roundtable

July 2009

## California’s Economy Depends on Worldwide American Companies

California's 1,701 worldwide American companies and their employees need a level international playing field to prosper and grow. These companies support substantial employment and economic output in California, directly through their production of goods and services, through their suppliers, and through spending by the people they employ.

If the Congress raises international taxes on worldwide American companies – while other nations are adopting more competitive tax structures – it will put California companies and their employees at a competitive disadvantage with their foreign competitors and jeopardize the substantial contributions they make to California’s economy.

### The Economic Contribution of Worldwide American Companies in California, 2007

	Direct Contribution*	Indirect Contribution**	Total Contribution	Total Contribution as a percent of State Total
Jobs	2,485,300	4,728,300	7,213,600	41.2%
Payroll	\$190.1 B	\$266.1 B	\$456.2 B	46.3%
Value-Added	\$335.8 B	\$441.8 B	\$777.6 B	48.6%

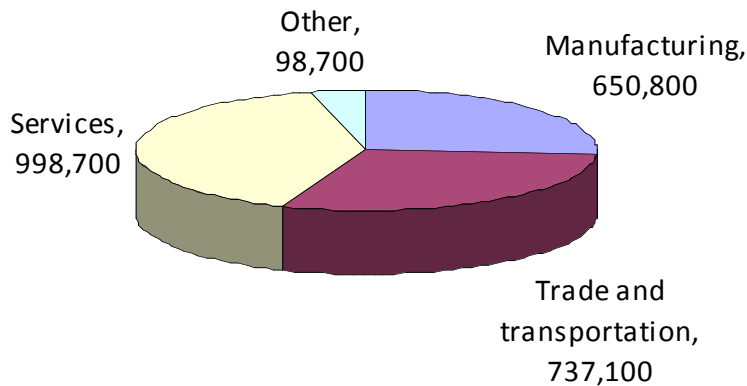
\*The direct contribution consists of employment in and the payroll and production of worldwide American companies in the state.

\*\*The indirect contribution consists of employment, payroll, and production supported by worldwide American companies through their supply chains and the consumption spending of the people they employ directly or indirectly.

- In 2007, worldwide American companies in California employed **2,485,300** people and supported an additional **4,728,300 jobs** through their supply chains and spending by the people they employed directly or indirectly.
- These jobs accounted for **41.2 percent** of all private-sector employment in California and **46.3 percent** of the total private-sector payroll in the state.
- Worldwide American companies in California create high quality jobs, paying on average **\$76,476 per worker** in wages and salaries and fringe benefits in 2007.
- Worldwide American companies in California accounted for **48.6 percent** of California’s GDP (\$777.6 billion) in 2007.
- Worldwide American companies also paid approximately **\$24.1 billion** in dividends to California residents in 2007.

## Direct Employment by Worldwide American Companies in California by Industry

Worldwide American companies employed **2,485,300** California workers in 2007 in a wide range of industries, including the following:



### **Services: 978 companies, 998,700 jobs**

- Administrative and support services: 236 companies, 152,600 jobs
- Food services: 33 companies, 111,000 jobs
- Educational and other services: 175 companies, 84,800 jobs
- Other services: 848 companies, 650,300 jobs

### **Manufacturing: 914 companies, 650,800 jobs**

- Communications equipment and semiconductors: 259 companies, 125,400 jobs
- Transport equipment except motor vehicles: 34 companies, 71,400 jobs
- Chemical products: 148 companies, 59,900 jobs
- Other manufacturing: 682 companies, 394,200 jobs

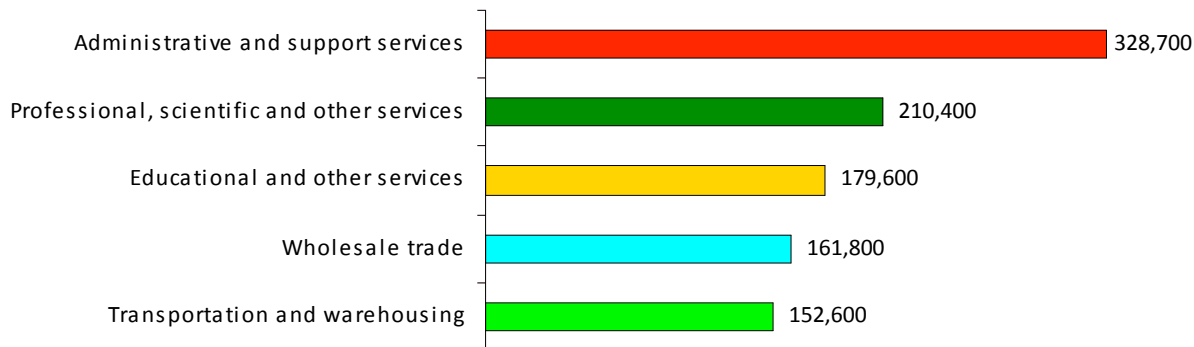
### **Trade and transportation: 723 companies, 737,100 jobs**

### **All other industries: 142 companies, 98,700 jobs**

Note: Company counts by industry do not sum to the state total (1,701) because a company may have operations in multiple industries. Job counts have been rounded to the nearest 100. Detail may not sum to totals due to rounding.

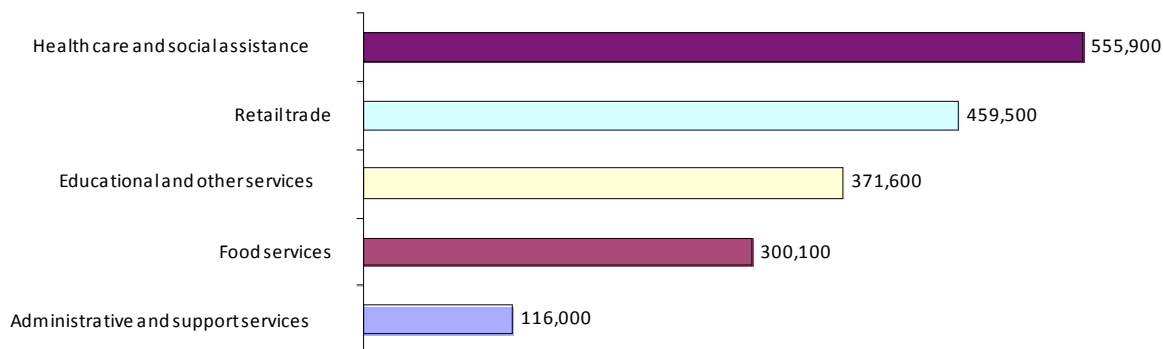
## Indirect Employment through Purchases of Goods and Services from Suppliers

Worldwide American companies supported an additional **2,068,100 jobs** in California in 2007 through their purchases of goods and services from suppliers in California. Top California suppliers for worldwide American companies include the following industries:



## Indirect Employment through Consumption Spending by Employees

Consumption spending by the employees of worldwide American companies and their suppliers supported an additional **2,660,200 jobs** in California in 2007, including in these leading industries:



**Protect U.S. Jobs and Wages. U.S. Tax Policy Must Keep Worldwide American Companies Competitive with Foreign Multinational Firms.**