



***Investment = More U.S. Exports =
More U.S. Jobs = A Stronger U.S. Economy
March 29, 2011***

Investment by American worldwide companies, at home and abroad, is critical for U.S. economic growth, exports, and U.S. jobs.* American worldwide companies maintain U.S. global competitiveness.

International Operations:

- **President Obama** said that in today's globalized economy, more than 90% of our customers are outside the boundaries of the U.S. We reach these customers through trade from the U.S., supply chains anchored in the U.S., and on-site sales by American worldwide affiliates in foreign markets.
- **U.S. MNCs play an essential role in competing for customers in foreign markets**
 - U.S. MNCs account for more than 46% of U.S. goods exports;
 - Sales by the foreign affiliates of American worldwide companies are in excess of \$5 trillion.
 - Nearly 90% of these sales, or \$4.5 trillion of U.S. goods exports, are to foreign markets.

Jobs:

- American worldwide companies employed over 31 million workers in 2008.
 - Employment by American worldwide company *parents* was just over 21 million workers
 - Employment by their overseas affiliates was just over 10 million workers.
 - More than 50% of workers in U.S. foreign affiliates are in Canada and Europe; less than 10 % are in China
- In general, the direction of employment by these companies and their foreign affiliates track each other over an extended period of time. As American worldwide companies add workers abroad, they also add workers in the U.S.
 - From 1988 through 2007 affiliate employment rose by 5.2 million workers. Over that same period parent employment in the U.S. increased by 4.3 million workers.
- As one leading economist has observed “Many studies using company-level data on U.S. multinationals have found that the large majority of these firms exhibit employment changes consistent with parent and affiliate operations being *complements rather than substitutes*” (*italics added*).¹
- It is a false proposition to assume that foreign affiliate jobs can be transferred to the U.S.; it is more accurate to observe that the creation of foreign affiliate jobs supports and often increases U.S. jobs for parent companies. C. D. Rodgers, CEO of Cypress Semi Conductor puts it this way: “I have 1000 jobs in the Philippines and 1000 jobs in the U.S. Those jobs in the U.S. *would not exist* (*italics added*) if not for the jobs in the Philippines”²

¹ Matthew Slaughter: “How U.S. Multinational Companies Strengthen the U.S. Economy; Data Update”, a paper submitted to the U.S. Council for International Business and the Business Roundtable, March 2010.

² Interview with C.D. Rodgers, CEO, Cypress SemiConductor, “The NewsHour”, February 18, 2011.

*Note: Data are drawn from the U.S. Department of Commerce, *Survey of Current Business, August, 2010 (latest data available)*.