

**Multinationals in the U.S. Economy: 1994-2009**

	<u>1994-99</u>	<u>2000 - 2004</u>	<u>2005-2009</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Employment (% of U.S. Private Industry Employment)</b>								
U.S. parent companies	19.4%	20.2%	19.5%	19.2%	18.9%	18.7%	19.5%	21.4%
Majority-owned affiliates of nonbank foreign companies	4.3%	4.9%	4.8%	4.6%	4.7%	4.8%	4.9%	4.9%
All multinationals	23.7%	25.2%	24.3%	23.8%	23.6%	23.5%	24.4%	26.2%
<b>Manufacturing Employment (% of U.S. Total)</b>								
U.S. parent companies	51.3%	53.8%	53.6%	53.4%	52.7%	52.0%	52.3%	58.2%
Majority-owned affiliates of nonbank foreign companies	<u>11.2%</u>	<u>12.1%</u>	<u>13.0%</u>	<u>12.1%</u>	<u>12.2%</u>	<u>12.8%</u>	<u>13.8%</u>	<u>14.2%</u>
All multinationals	62.5%	65.8%	66.6%	65.4%	64.9%	64.8%	66.1%	72.4%
<b>Value-Added (% of U.S. GDP)</b>								
U.S. parent companies	18.9%	18.6%	18.1%	18.4%	19.0%	18.2%	17.5%	17.6%
Majority-owned affiliates of nonbank foreign companies	<u>3.8%</u>	<u>4.3%</u>	<u>4.5%</u>	<u>4.4%</u>	<u>4.6%</u>	<u>4.9%</u>	<u>4.5%</u>	<u>4.2%</u>
All multinationals	22.7%	22.9%	22.6%	22.7%	23.6%	23.0%	22.0%	21.8%
<b>Exports (% of U.S. Totals)</b>								
U.S. parent companies	59.4%	52.5%	46.9%	50.3%	48.3%	44.6%	42.7%	50.5%
Majority-owned affiliates of nonbank foreign companies	<u>20.1%</u>	<u>19.7%</u>	<u>19.3%</u>	<u>19.2%</u>	<u>19.3%</u>	<u>18.7%</u>	<u>18.8%</u>	<u>20.6%</u>
All multinationals	79.5%	72.2%	66.2%	69.5%	67.6%	63.3%	61.5%	71.1%
<i>Memo:</i>								
Exports to foreign affiliates of U.S. MNCs by U.S. persons other than the U.S. parent	4.8%	3.8%	3.6%	3.7%	3.7%	3.6%	3.4%	3.8%
<b>Imports (% of U.S. Totals)</b>								
U.S. parent companies	35.2%	33.5%	35.0%	34.7%	33.8%	33.2%	33.0%	41.5%
Majority-owned affiliates of nonbank foreign companies	<u>30.1%</u>	<u>27.7%</u>	<u>27.8%</u>	<u>26.3%</u>	<u>26.7%</u>	<u>27.5%</u>	<u>28.1%</u>	<u>30.5%</u>
All multinationals	65.3%	61.2%	62.7%	61.0%	60.5%	60.7%	61.1%	72.0%
<i>Memo:</i>								
Imports from foreign affiliates of U.S. MNCs by U.S. persons other than the U.S. parent	3.2%	2.9%	2.9%	2.9%	3.1%	2.8%	2.9%	2.8%
<b>R&amp;D Expenditures (% of Total Industrial R&amp;D)</b>								
U.S. parent companies	71.2%	71.6%	72.9%	78.5%	74.5%	75.6%	68.4%	69.1%
Majority-owned affiliates of nonbank foreign companies	<u>11.9%</u>	<u>13.9%</u>	<u>14.5%</u>	<u>13.8%</u>	<u>14.0%</u>	<u>15.2%</u>	<u>14.0%</u>	<u>15.4%</u>
All multinationals	83.1%	85.5%	87.4%	92.3%	88.4%	90.9%	82.4%	84.4%
<b>Assets (% of U.S. Total)</b>								
U.S. parent companies	27.3%	28.3%	27.6%	25.9%	25.5%	24.9%	34.1%	n.a.
Majority-owned affiliates of nonbank foreign companies	<u>8.2%</u>	<u>9.3%</u>	<u>12.4%</u>	<u>9.0%</u>	<u>9.3%</u>	<u>15.0%</u>	<u>15.5%</u>	<u>n.a.</u>
All multinationals	35.5%	37.6%	40.0%	34.8%	34.8%	39.9%	49.6%	n.a.
<b>Capital Expenditures (% of U.S. Nonresidential Private Investment)</b>								
U.S. parent companies	31.6%	32.3%	29.7%	28.0%	29.6%	30.3%	30.3%	30.3%
Majority-owned affiliates of nonbank foreign companies	<u>9.2%</u>	<u>9.5%</u>	<u>11.0%</u>	<u>9.8%</u>	<u>10.7%</u>	<u>11.6%</u>	<u>11.4%</u>	<u>11.4%</u>
All multinationals	40.8%	41.7%	40.7%	37.7%	40.3%	41.8%	41.7%	41.7%
<b>Compensation of Employees (% of Total Private Industry Compensation)</b>								
U.S. parent companies	24.1%	23.3%	23.1%	22.4%	22.5%	21.8%	22.9%	25.9%
Majority-owned affiliates of nonbank foreign companies	<u>5.3%</u>	<u>6.2%</u>	<u>6.3%</u>	<u>5.9%</u>	<u>6.0%</u>	<u>6.4%</u>	<u>6.4%</u>	<u>6.6%</u>
All multinationals	29.4%	29.5%	29.4%	28.3%	28.5%	28.2%	29.3%	32.5%
<b>Compensation of Manufacturing Employees (% of U.S. Total)</b>								
U.S. parent companies	60.8%	59.6%	62.5%	61.0%	61.7%	60.7%	60.4%	69.1%
Majority-owned affiliates of nonbank foreign companies	n.a.	<u>16.6%</u>	<u>17.7%</u>	<u>16.0%</u>	<u>16.9%</u>	<u>17.5%</u>	<u>18.4%</u>	<u>20.0%</u>
All multinationals	n.a.	76.2%	80.2%	77.0%	78.5%	78.3%	78.8%	89.2%

PricewaterhouseCoopers LLP tabulations of data obtained from the following sources:

- All data on U.S. parent company operations are from the U.S. Bureau of Economic Analysis, "U.S. Multinational Companies", *Survey of Current Business*, various issues, and associated online data.
- All data on majority-owned affiliates of foreign companies are from the U.S. Bureau of Economic Analysis, "U.S. Affiliates of Foreign Companies", *Survey of Current Business*, various issues, and associated online data.
- Aggregate data for the U.S. is from:
  - Employment: U.S. Bureau of Labor Statistics, "Current Employment Statistics Database"
  - Value-added, Exports and Imports: U.S. Bureau of Economic Analysis, National Income and Product Accounts Table 1.1.5
  - Industrial R&D: National Science Foundation, *Science and Engineering Indicators*, 2012
  - Assets: Internal Revenue Service, *Statistics of Income Bulletin* Fall 2011, Appendix Table 13.
  - Capital Expenditures: U.S. Bureau of Economic Analysis, National Income and Product Accounts Table 5.3.5
  - Compensation of Employees: U.S. Bureau of Economic Analysis, Annual Industry Accounts, "Components of Value Added by Industry".

Note: There is a break in the data. For U.S. parent companies, data for 2007 and before excludes banks. Data for 2008 and 2009 includes banks. For majority-owned affiliates of foreign companies, data for 2006 and earlier exclude banks. Data for 2007-2009 include majority-owned bank affiliates.

### Foreign Affiliates of U.S. Multinationals: 1994-2009

	<u>1994-99</u>	<u>2000 - 2004</u>	<u>2005-2009</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Foreign Affiliate Employment</b>								
Share of U.S. MNC worldwide employment	28.5%	30.6%	35.3%	33.1%	34.0%	35.3%	38.3%	35.9%
As a percent of total private sector employment in U.S.	7.8%	8.9%	10.5%	9.5%	9.8%	10.2%	11.0%	12.0%
<b>Foreign Affiliate Employee Compensation</b>								
Share of total U.S. MNC worldwide employee compensation	22.2%	21.9%	24.9%	24.0%	24.2%	25.6%	24.8%	25.5%
As a percent of total private industry compensation in U.S.	6.9%	6.5%	7.6%	7.1%	7.2%	7.5%	7.5%	8.9%
<b>Foreign Affiliate Assets</b>								
Share of U.S. MNC worldwide assets	28.1%	32.4%	41.6%	37.6%	39.4%	41.6%	42.9%	44.3%
As a percent of total private non-residential assets in U.S.	10.7%	13.6%	16.6%	15.6%	16.6%	17.7%	16.4%	n.a.
<b>Majority-Owned Foreign Affiliate Capital Expenditures</b>								
Share of U.S. MNC worldwide capital expenditures	22.8%	22.6%	26.7%	25.7%	25.8%	25.6%	27.0%	29.3%
As a percent of total nonresidential private investment in U.S.	9.3%	9.6%	10.8%	9.7%	10.3%	10.4%	11.2%	12.6%
<b>Majority-Owned Foreign Affiliate Value Added</b>								
Share of U.S. MNC worldwide value-added	24.3%	24.8%	30.5%	28.2%	28.3%	30.5%	33.2%	31.7%
As a percent of total value-added in U.S. (GDP)	6.1%	6.1%	7.9%	7.2%	7.5%	8.0%	8.7%	8.2%
<b>Majority-Owned Foreign Affiliate R&amp;D Expenditures</b>								
Share of U.S. MNC worldwide R&D expenditures	12.0%	13.2%	15.0%	13.5%	13.8%	14.5%	17.3%	15.6%
As a percent of total industrial R&D in U.S.	9.7%	10.9%	12.9%	12.2%	11.9%	12.8%	14.3%	12.7%
<b>Foreign Affiliate Net Income</b>								
Share of U.S. MNC worldwide net income	32.1%	37.6%	57.8%	49.7%	48.3%	53.8%	83.6%	59.6%
As a percent of total U.S. corporation U.S. net income	17.8%	37.6%	47.2%	33.4%	37.6%	46.0%	95.3%	n.a.

PricewaterhouseCoopers LLP tabulations of data obtained from the following sources:

1. All data on the operations of foreign affiliates of U.S. MNCs are from the U.S. Bureau of Economic Analysis, "U.S. Multinational Companies", *Survey of Current Business*, various issues and associated online data.
2. Aggregate data for the U.S. is from:
  - (a) Employment: U.S. Bureau of Labor Statistics, "Current Employment Statistics Database"
  - (b) Value-added: U.S. Bureau of Economic Analysis, National Income and Product Accounts Table 1.1.5
  - (c) Industrial R&D: National Science Foundation, *Science and Engineering Indicators, 2012*
  - (d) Assets: Internal Revenue Service, *Statistics of Income Bulletin* Fall 2011, Appendix Table 13. 2008 total from Corporation Sourcebook.
  - (e) Capital Expenditures: U.S. Bureau of Economic Analysis, National Income and Product Accounts Table 5.3.5
  - (f) Compensation of Employees: U.S. Bureau of Economic Analysis, Annual Industry Accounts, "Components of Value Added by Industry Group".
  - (g) Corporate Net Income: Internal Revenue Service, *Statistics of Income Bulletin*, Fall 2011, Appendix Table 13, 2008 total from Corporation Sourcebook.

Note: There is a break in the data. For U.S. parent companies, data for 2007 and before excludes banks. Data for 2008 and 2009 includes banks.

**United States in the World Economy: 1960-2010**

<b>U.S. International Trade (percent of GDP)<sup>1</sup></b>	<b><u>1960-9</u></b>	<b><u>1970-9</u></b>	<b><u>1980-9</u></b>	<b><u>1990-9</u></b>	<b><u>2000-4</u></b>	<b><u>2005-9</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Exports	5.2%	7.4%	8.4%	10.4%	9.9%	11.5%	11.0%	11.8%	12.9%	11.4%	12.7%
Imports	4.5%	7.6%	10.2%	11.7%	14.2%	16.4%	16.7%	16.9%	17.9%	14.2%	16.2%
Trade openness: Exports plus imports	9.7%	15.0%	18.6%	22.2%	24.1%	27.9%	27.7%	28.8%	30.8%	25.5%	28.9%
<b>U.S. International Investment Position (\$ billions)<sup>2</sup></b>	<b><u>1980</u></b>	<b><u>1985</u></b>	<b><u>1990</u></b>	<b><u>1995</u></b>	<b><u>2000</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Net international investment position	\$360	\$62	-\$230	-\$430	-\$1,337	-\$1,932	-\$2,192	-\$1,796	-\$3,260	-\$2,396	-\$2,471
Net private international investment position	\$233	-\$53	-\$159	\$113	-\$469	\$78	\$458	\$1,212	-\$136	\$1,080	\$1,069
Private U.S.-owned assets abroad*:											
U.S. direct investment abroad	\$388	\$371	\$617	\$886	\$1,532	\$2,652	\$2,948	\$3,553	\$3,749	\$4,068	\$4,429
U.S. portfolio investment abroad	\$62	\$119	\$342	\$1,204	\$2,426	\$4,329	\$5,604	\$6,835	\$3,986	\$5,566	\$6,223
Private foreign-owned assets in the United States*:											
Foreign direct investment in the United States	\$127	\$247	\$505	\$680	\$1,421	\$1,906	\$2,154	\$2,346	\$2,397	\$2,442	\$2,659
Foreign portfolio investment in the United States	\$90	\$296	\$613	\$1,297	\$3,005	\$4,997	\$5,940	\$6,830	\$5,473	\$6,112	\$6,925
<b>U.S. Corporate Profits<sup>3</sup></b>	<b><u>1960-9</u></b>	<b><u>1970-9</u></b>	<b><u>1980-9</u></b>	<b><u>1990-9</u></b>	<b><u>2000-4</u></b>	<b><u>2005-9</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Gross receipts from foreign sources as share of total	7.1%	13.4%	16.7%	17.5%	24.6%	34.0%	27.0%	33.8%	46.6%	36.0%	31.6%
Net receipts from foreign sources as share of total	5.8%	10.9%	13.8%	14.0%	18.2%	22.9%	16.0%	23.2%	32.6%	26.5%	21.2%
<b>Gross Domestic Product (GDP)<sup>4</sup></b>	<b><u>1960-9</u></b>	<b><u>1970-9</u></b>	<b><u>1980-9</u></b>	<b><u>1990-9</u></b>	<b><u>2000-4</u></b>	<b><u>2005-9</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
U.S. share of world total	n.a.	30.0%	29.2%	26.7%	30.4%	25.4%	26.9%	25.1%	23.3%	24.2%	23.1%
<b>Population<sup>4</sup></b>	<b><u>1960</u></b>	<b><u>1970</u></b>	<b><u>1980</u></b>	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
U.S. share of world total	6.0%	5.6%	5.1%	4.7%	4.6%	4.6%	4.6%	4.6%	4.6%	4.5%	4.5%
<b>Merchandise Exports<sup>5</sup></b>	<b><u>1960-9</u></b>	<b><u>1970-9</u></b>	<b><u>1980-9</u></b>	<b><u>1990-9</u></b>	<b><u>2000-4</u></b>	<b><u>2005-9</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2008</u></b>	<b><u>2010</u></b>
U.S. share of world total	14.7%	12.1%	11.5%	12.2%	10.7%	8.5%	8.6%	8.4%	8.1%	8.5%	8.5%
<b>Total Exports of Goods and Services<sup>4</sup></b>	<b><u>1960-9</u></b>	<b><u>1970-9</u></b>	<b><u>1980-9</u></b>	<b><u>1990-9</u></b>	<b><u>2000-4</u></b>	<b><u>2005-9</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
U.S. share of world total	n.a.	13.3%	12.8%	13.1%	12.1%	9.7%	9.8%	9.5%	9.3%	9.9%	9.9%
<b>Direct Investment Stock<sup>6</sup></b>		<b><u>1970-9</u></b>	<b><u>1980-9</u></b>	<b><u>1990-9</u></b>	<b><u>2000-4</u></b>	<b><u>2005-9</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
U.S. share of world outward direct investment flows		45.1%	20.8%	21.3%	21.5%	15.2%	16.0%	18.1%	16.1%	24.2%	24.9%
U.S. share of world outward direct investment stock		n.a.	41.3%	37.8%	29.4%	25.5%	28.6%	27.6%	19.4%	22.6%	23.7%
<b>World's 20 Largest Corps. (ranked by sales)<sup>7</sup></b>	<b><u>1960</u></b>		<b><u>1980</u></b>	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Number of U.S.-headquartered corporations	18		11	7	8	9	10	8	7	8	9

\*Private U.S.-owned assets abroad does not include U.S. official reserves and government assets, claims on unaffiliated foreigners, claims on foreigners reported by U.S. banks, or ownership of foreign financial derivatives by U.S. persons. Similarly, private foreign-owned assets in the U.S. does not include foreign official assets, U.S. liabilities to unaffiliated foreigners, liabilities to foreigners reported by U.S. banks, or ownership of U.S. currency and financial derivatives by foreign persons. Foreign portfolio investment in the U.S. does include foreign ownership of Treasury securities.

PricewaterhouseCoopers LLP tabulations of data obtained from cited sources.

<sup>1</sup> PwC calculations based on data from the BEA, Table 1.1.5 "Gross Domestic Product"

<sup>2</sup> U.S. Department of Commerce, International Investment Position of the U.S. at Yearend: <http://www.bea.gov/international/index.htm#iip>

<sup>3</sup> PwC calculations based on data from the U.S. Department of Commerce: NIPA Table 6.16. Gross receipts include receipts by U.S. corporations of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations. Net receipts are gross receipts reduced by payments by U.S. affiliates of earnings to their foreign parents and by dividends paid by U.S. corporations to unaffiliated foreign residents.

<sup>4</sup> World Bank, World Development Indicators Online.

<sup>5</sup> International Monetary Fund, "International Financial Statistics Database."

<sup>6</sup> United Nations Conference on Trade and Development, *UNCTADstat* database.

<sup>7</sup> 1985 to 2001 calculated by combining the Forbes 500 list with the Forbes International 500 list. 2004 to 2010 from the Forbes 2000 list.