

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

|   | <b>1994-99</b> | <b>2000 - 2004</b> | <b>2005-2009</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   |
|---|----------------|--------------------|------------------|---------------|---------------|---------------|---------------|
| <b>Employment (% of U.S. Private Industry Employment)</b>                               |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 19.4%          | 20.2%              | 19.5%            | 18.9%         | 18.7%         | 19.5%         | 21.2%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>4.3%</u>    | <u>4.9%</u>        | <u>4.8%</u>      | <u>4.7%</u>   | <u>4.8%</u>   | <u>4.9%</u>   | <u>4.9%</u>   |
| All multinationals  | 23.7%          | 25.1%              | 24.3%            | 23.6%         | 23.5%         | 24.4%         | 26.1%         |
| <b>Manufacturing Employment (% of U.S. Total)</b>                                       |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 51.3%          | 53.8%              | 53.5%            | 52.7%         | 52.0%         | 52.3%         | 57.9%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>11.2%</u>   | <u>12.1%</u>       | <u>13.4%</u>     | <u>12.2%</u>  | <u>12.8%</u>  | <u>13.8%</u>  | <u>16.6%</u>  |
| All multinationals  | 62.5%          | 65.8%              | 66.9%            | 64.9%         | 64.8%         | 66.1%         | 74.5%         |
| <b>Value-Added (% of U.S. GDP)</b>  |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 18.9%          | 18.6%              | 18.3%            | 19.0%         | 18.2%         | 17.5%         | 18.6%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>3.8%</u>    | <u>4.3%</u>        | <u>4.5%</u>      | <u>4.6%</u>   | <u>4.9%</u>   | <u>4.5%</u>   | <u>4.2%</u>   |
| All multinationals  | 22.7%          | 22.9%              | 22.8%            | 23.6%         | 23.0%         | 22.0%         | 22.8%         |
| <b>Exports (% of U.S. Totals)</b>   |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 59.4%          | 52.5%              | 46.9%            | 48.3%         | 44.6%         | 42.7%         | 50.3%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>20.1%</u>   | <u>19.7%</u>       | <u>19.3%</u>     | <u>19.3%</u>  | <u>18.7%</u>  | <u>18.8%</u>  | <u>20.4%</u>  |
| All multinationals  | 79.5%          | 72.2%              | 66.2%            | 67.6%         | 63.3%         | 61.5%         | 70.7%         |
| <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%          | 3.6%          | 3.4%          | 3.9%          |
| <b>Imports (% of U.S. Totals)</b>   |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 35.2%          | 33.5%              | 35.2%            | 33.8%         | 33.2%         | 33.0%         | 42.8%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>30.1%</u>   | <u>27.7%</u>       | <u>27.7%</u>     | <u>26.7%</u>  | <u>27.5%</u>  | <u>28.1%</u>  | <u>30.4%</u>  |
| All multinationals  | 65.3%          | 61.2%              | 62.9%            | 60.5%         | 60.7%         | 61.1%         | 73.2%         |
| <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%             | 3.1%          | 2.8%          | 2.9%          | 2.9%          |
| <b>R&amp;D Expenditures (% of Total Industrial R&amp;D)</b>                             |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 71.2%          | 71.6%              | 73.8%            | 74.5%         | 75.6%         | 68.4%         | 73.4%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>11.9%</u>   | <u>13.9%</u>       | <u>14.3%</u>     | <u>14.0%</u>  | <u>15.2%</u>  | <u>14.0%</u>  | <u>14.3%</u>  |
| All multinationals  | 83.1%          | 85.5%              | 88.1%            | 88.4%         | 90.9%         | 82.4%         | 87.7%         |
| <b>Assets (% of U.S. Total)</b>   |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 27.3%          | 28.3%              | 27.6%            | 25.5%         | 24.9%         | 34.1%         | 36.4%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>8.2%</u>    | <u>9.3%</u>        | <u>12.4%</u>     | <u>9.3%</u>   | <u>15.0%</u>  | <u>15.5%</u>  | <u>15.1%</u>  |
| All multinationals  | 35.5%          | 37.6%              | 40.0%            | 34.8%         | 39.9%         | 49.6%         | 51.5%         |
| <b>Capital Expenditures (% of U.S. Nonresidential Private Investment)</b>               |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 31.6%          | 32.3%              | 30.0%            | 29.6%         | 30.3%         | 30.3%         | 32.0%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>9.2%</u>    | <u>9.5%</u>        | <u>11.0%</u>     | <u>10.7%</u>  | <u>11.6%</u>  | <u>11.4%</u>  | <u>11.1%</u>  |
| All multinationals  | 40.8%          | 41.7%              | 41.0%            | 40.3%         | 41.8%         | 41.7%         | 43.1%         |
| <b>Compensation of Employees (% of Total Private Industry Compensation)</b>             |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 24.1%          | 23.3%              | 23.1%            | 22.5%         | 21.8%         | 22.9%         | 25.8%         |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>5.3%</u>    | <u>6.2%</u>        | <u>6.3%</u>      | <u>6.0%</u>   | <u>6.4%</u>   | <u>6.4%</u>   | <u>6.6%</u>   |
| All multinationals  | 29.4%          | 29.5%              | 29.3%            | 28.5%         | 28.2%         | 29.3%         | 32.4%         |
| <b>Compensation per Employee (% of Economy-Wide Average)</b>                            |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 122.9%         | 113.8%             | 116.9%           | 118.8%        | 116.7%        | 117.6%        | 121.7%        |
| Majority-owned affiliates of nonbank foreign companies                                  | <u>122.6%</u>  | <u>124.0%</u>      | <u>128.9%</u>    | <u>128.5%</u> | <u>132.5%</u> | <u>129.1%</u> | <u>135.8%</u> |
| All multinationals  | 122.9%         | 115.8%             | 119.3%           | 120.7%        | 120.0%        | 119.9%        | 124.3%        |
| <b>Compensation of Manufacturing Employees (% of U.S. Total)</b>                        |                |                    |                  |               |               |               |               |
| U.S. parent companies   | 60.8%          | 59.6%              | 62.6%            | 61.7%         | 60.7%         | 60.4%         | 69.8%         |
| Majority-owned affiliates of nonbank foreign companies                                  | n.a.           | <u>16.6%</u>       | <u>17.7%</u>     | <u>16.9%</u>  | <u>17.5%</u>  | <u>18.4%</u>  | <u>19.9%</u>  |
| All multinationals  | n.a.           | 76.2%              | 80.3%            | 78.5%         | 78.3%         | 78.8%         | 89.7%         |

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* and *InfoBrief* no.13-313 (January 2013).
  - Assets: Internal Revenue Service, *Statistics of Income Bulletin* Fall 2012, Appendix Table 13 and *2010 Corporation Sourcebook*.
  - 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 after includes banks. For majority-owned affiliates of foreign companies, data for 2006 and earlier exclude banks. Data for 2007 and after 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>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%              | 35.0%            | 34.0%       | 35.3%       | 36.2%       | 36.2%       |
| As a percent of total private sector employment in U.S.         | 7.7%           | 8.9%               | 10.5%            | 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%            | 24.2%       | 25.6%       | 24.8%       | 25.6%       |
| As a percent of total private industry compensation in U.S.     | 6.9%           | 6.5%               | 7.6%             | 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%            | 39.4%       | 41.6%       | 42.9%       | 44.5%       |
| As a percent of total private non-residential assets in U.S.    | 10.7%          | 13.6%              | 16.6%            | 16.6%       | 17.7%       | 16.4%       | 29.2%       |
| <b>Majority-Owned Foreign Affiliate Capital Expenditures</b>    |                |                    |                  |             |             |             |             |
| Share of U.S. MNC worldwide capital expenditures                | 22.8%          | 22.6%              | 26.4%            | 25.8%       | 25.6%       | 26.8%       | 27.9%       |
| As a percent of total nonresidential private investment in U.S. | 9.3%           | 9.6%               | 10.8%            | 10.3%       | 10.4%       | 11.1%       | 12.4%       |
| <b>Majority-Owned Foreign Affiliate Value Added</b>             |                |                    |                  |             |             |             |             |
| Share of U.S. MNC worldwide value-added                         | 24.3%          | 24.8%              | 30.2%            | 28.3%       | 30.5%       | 33.2%       | 30.6%       |
| As a percent of total value-added in U.S. (GDP)                 | 6.1%           | 6.1%               | 7.9%             | 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%              | 15.1%            | 13.8%       | 14.5%       | 17.3%       | 15.9%       |
| As a percent of total industrial R&D in U.S.                    | 9.7%           | 10.9%              | 13.1%            | 11.9%       | 12.8%       | 14.3%       | 13.9%       |
| <b>Foreign Affiliate Net Income</b>                             |                |                    |                  |             |             |             |             |
| Share of U.S. MNC worldwide net income                          | 32.1%          | 37.6%              | 57.6%            | 48.3%       | 53.8%       | 83.6%       | 58.3%       |
| As a percent of total U.S. corporation U.S. net income          | 17.8%          | 37.6%              | 47.2%            | 37.6%       | 46.0%       | 95.3%       | 94.6%       |

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 c
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* and *InfoBrief* no.13-313 (January 2013).
  - (d) Assets: Internal Revenue Service, *Statistics of Income Bulletin* Fall 2012, Appendix Table 13 and *2010 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 2012, Appendix Table 13 and *2010 Corporation Sourcebook*.

Note: There is a break in the data. Data for 2007 and before excludes banks. Data for 2008 and after includes banks.

### United States in the World Economy: 1960-2011

|   |                      |                      |                      |                      |                      |                      |                    |                    |                    |                    |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| <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>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%                | 11.8%              | 12.9%              | 11.4%              | 12.7%              |
| Imports   | 4.5%                 | 7.6%                 | 10.2%                | 11.7%                | 14.2%                | 16.4%                | 16.9%              | 17.9%              | 14.1%              | 16.3%              |
| Trade openness: Exports plus imports                                    | 9.7%                 | 15.0%                | 18.6%                | 22.2%                | 24.1%                | 27.8%                | 28.8%              | 30.8%              | 25.5%              | 29.0%              |
| <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>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             | -\$1,796           | -\$3,260           | -\$2,322           | -\$2,474           |
| Net private international investment position                           | \$233                | -\$53                | -\$159               | \$113                | -\$469               | \$78                 | \$1,212            | -\$136             | \$1,086            | \$1,010            |
| Private U.S.-owned assets abroad*:                                      |                      |                      |                      |                      |                      |                      |                    |                    |                    |                    |
| U.S. direct investment abroad   | \$388                | \$371                | \$617                | \$886                | \$1,532              | \$2,652              | \$3,553            | \$3,749            | \$4,029            | \$4,307            |
| U.S. portfolio investment abroad  | \$62                 | \$119                | \$342                | \$1,204              | \$2,426              | \$4,329              | \$6,835            | \$3,986            | \$5,566            | \$6,336            |
| Private foreign-owned assets in the United States*:                     |                      |                      |                      |                      |                      |                      |                    |                    |                    |                    |
| Foreign direct investment in the United States                          | \$127                | \$247                | \$505                | \$680                | \$1,421              | \$1,906              | \$2,346            | \$2,397            | \$2,398            | \$2,598            |
| Foreign portfolio investment in the United States                       | \$90                 | \$296                | \$613                | \$1,297              | \$3,005              | \$4,997              | \$6,830            | \$5,473            | \$6,111            | \$7,036            |
| <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>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%                | 34.1%                | 33.8%              | 46.6%              | 36.8%              | 34.3%              |
| Net receipts from foreign sources as share of total                     | 5.8%                 | 10.9%                | 13.8%                | 14.0%                | 18.2%                | 22.9%                | 23.2%              | 32.6%              | 26.3%              | 23.6%              |
| <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>2007</u></b> | <b><u>2008</u></b> | <b><u>2009</u></b> | <b><u>2010</u></b> |
| U.S. share of world total   | 37.5%                | 30.0%                | 29.1%                | 26.6%                | 30.3%                | 25.3%                | 25.0%              | 23.2%              | 24.0%              | 22.8%              |
| <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>2007</u></b> | <b><u>2008</u></b> | <b><u>2009</u></b> | <b><u>2010</u></b> |
| U.S. share of world total   | 5.9%                 | 5.6%                 | 5.1%                 | 4.7%                 | 4.6%                 | 4.5%                 | 4.5%               | 4.5%               | 4.5%               | 4.5%               |
| <b>Merchandise Exports<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>2007</u></b> | <b><u>2008</u></b> | <b><u>2008</u></b> | <b><u>2010</u></b> |
| U.S. share of world total   | 15.6%                | 12.4%                | 11.6%                | 11.9%                | 10.6%                | 8.3%                 | 8.2%               | 8.0%               | 8.4%               | 8.4%               |
| <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>2007</u></b> | <b><u>2008</u></b> | <b><u>2009</u></b> | <b><u>2010</u></b> |
| U.S. share of world total   | 16.3%                | 13.3%                | 12.8%                | 13.1%                | 12.1%                | 9.8%                 | 9.6%               | 9.3%               | 9.9%               | 9.7%               |
| <b>Direct Investment Stock<sup>5</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>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%                | 21.7%                | 14.8%                | 17.9%              | 15.7%              | 22.7%              | 21.0%              |
| U.S. share of world outward direct investment stock                     |                      | n.a.                 | 41.3%                | 36.7%                | 29.3%                | 25.2%                | 27.4%              | 19.0%              | 22.2%              | 22.8%              |
| <b>World's 20 Largest Corps. (ranked by sales)<sup>6</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>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                    | 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> United Nations Conference on Trade and Development, *UNCTADstat* database.

<sup>6</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.