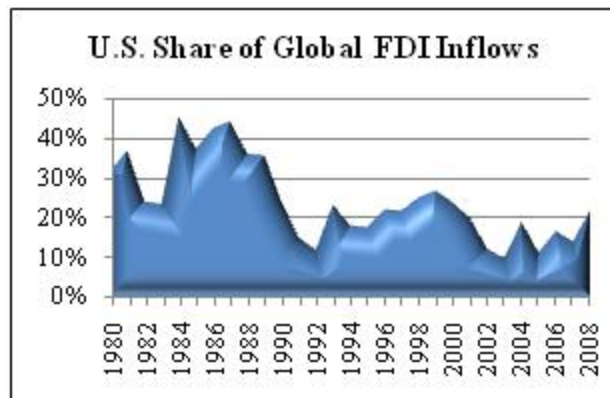


Foreign Direct Investment (FDI) contributes to productivity growth, generates U.S. exports, and creates high-paying jobs for American workers. The United States has historically been the most attractive destination in the world for FDI, but that leadership position cannot be taken for granted.¹ Some advantages of investing in the United States are as follows:

- Foreign Direct Investment Creates New Jobs:** U.S. affiliates of foreign companies (majority owned) employ approximately 5.3 million U.S. workers, or 4.6% of private industry employment.² Between 2003 and 2008, approximately 3,500 greenfield projects were announced or opened by foreign companies, yielding over \$210 billion in investment and creating over 450,000 jobs.³
- Foreign Direct Investment Boosts Wages:** Foreign companies support an annual U.S. payroll of \$364 billion, with average annual compensation per employee of over \$68,000.⁴ On average, U.S. subsidiaries of foreign firms pay 32 percent higher wages and salaries than U.S. companies.⁵
- Foreign Direct Investment Reinvests Profits Back into the U.S. Economy:** In 2007, foreign affiliates reinvested \$64 billion of their profits back into the U.S. economy.⁶
- Foreign Direct Investment Strengthens U.S. Manufacturing:** In 2006, over 30% of the jobs supported by U.S. affiliates of foreign companies were in the manufacturing sector, accounting for 12% of all manufacturing jobs in the United States.⁷
- Foreign Direct Investment Brings in New Research, Technology and Skills:** Affiliates of foreign companies spent over \$34 billion on research and development in 2006 and \$160 billion on plants and equipment.⁸



- Foreign Direct Investment Can Help U.S. Companies Penetrate International Markets, and Increase U.S. Exports:** U.S. companies can use multinationals' distribution networks and knowledge about foreign tastes to export into new markets. Approximately 20% (\$195 billion) of all U.S. exports were produced by U.S. subsidiaries of foreign companies in 2006.⁹

¹ See Chart, Source: UNCTAD

² Bureau of Economic Analysis (BEA), "Operations of Multinational Companies," <http://www.bea.gov/international/index.htm#omc>.

³ FDI Markets, http://www.fdiintelligence.com/index.cfm?page_name=markets.

⁴ BEA, "National Economic Accounts," <http://www.bea.gov/national>.

⁵ *Ibid.*

⁶ *Ibid.*

⁷ BEA and U.S. Department of the Treasury: "Fact Sheet: An Open Economy is Vital to U.S. Prosperity, May 10, 2007."

⁸ BEA.

⁹ *Ibid.*