Patterns of Production and Employment by U.S. Multinational Companies

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U.S. MNCs (Nonbank) Account for a large share of the U.S. economy

In 2001:

- $2.5 trillion in gross product (value added) - almost a quarter of private-sector GDP
- 23.4 million employees - over a fifth of nonbank employment
- $425 billion in exports of goods - 58 percent of U.S. total
- $433 billion in imports of goods 38 percent of total imports of goods
Worldwide operations of U.S. MNCs are concentrated in the United States

- Production
- Capital Expenditures
- Employment

2001

Percent

U.S. parents
Foreign affiliates
U.S.-Parent Share of MNC Production

[Chart showing the U.S.-Parent Share of MNC Production over time, with bars indicating the level (left scale) and change from prior year (right scale).]
U.S.-Parent Share of MNC Capital Expenditures

![Graph showing the share of MNC capital expenditures by the U.S. parent company over time, with blue bars indicating the level and red bars showing the change from the prior year.](www.bea.gov)
U.S.-Parent Share of MNC Employment

[Bar chart showing changes in U.S.-Parent Share of MNC Employment over years from 1977 to 2001.]
High-Wage-Country Share of Affiliate Employment

- Level (left scale)
- Change from prior year (right scale)
Ratio of Purchased Goods and Services to Sales for U.S. Parents

![Graph showing the ratio of purchased goods and services to sales for U.S. parents from 1977 to 2001. The graph includes a blue bar for the level (left scale) and a red bar for the change from prior year (right scale).]
U.S. Imports of Goods and Services as a Share of U.S. Gross Domestic Purchases
Some Possible Causes of a Change in the Domestic Share of U.S.-MNC Employment

- Different rates of economic growth in the United States and abroad
- Different rates of productivity growth in U.S. parents and foreign affiliates
- New market opportunity abroad that cannot be served by U.S. exports
- Changes in foreign government policies toward direct investment
- U.S. parent outsources an activity to a domestic company that is not also a U.S. parent
- U.S. parent outsources an activity to an unaffiliated or affiliated foreign company
Data Limitations

• No information on the *types* of jobs MNCs offer in the United States and abroad
• The most recent data cover 2001
• Release of summary estimates for 2002 is being accelerated
  – News release on April 16
  – Total employment, sales, and capital expenditures (no country or industry detail)
  – Separate estimates for U.S. parents, foreign affiliates, and U.S. affiliates of foreign companies