

Foreign Direct Investment (FDI) in the United States contributes to productivity growth, generates U.S. exports, and creates high-paying jobs for American workers.

- **Foreign Direct Investment Creates New Jobs:** U.S. affiliates of foreign companies (majority owned) employ over 5 million U.S. workers, or 4.4% of private industry employment.²
- **Foreign Direct Investment Brings in R&D:** Affiliates of foreign companies spent nearly \$32 billion on research and development and \$121 billion on plants and equipment in 2005.⁵
- **Foreign Direct Investment Increases U.S. Exports:** Approximately 19% (\$169.2 billion) of all U.S. exports came from U.S. subsidiaries of foreign companies in 2005.⁶
- **Foreign Direct Investment Boosts Wages:** Foreign companies support an annual U.S. payroll of \$335.9 billion, with average annual compensation per employee of over \$66,000.⁷ On average, U.S. subsidiaries of foreign firms pay 25 percent higher wages and salaries than that of domestically owned companies.⁸

Foreign Direct Investment in Connecticut plays a vital role in supporting jobs in the state. U.S. subsidiaries of foreign firms now employ 100,900 workers in Connecticut.⁹

- Connecticut has proven to be an attractive location for international employers, ranking 18th in the United States in the number of employees supported by U.S. subsidiaries.
- In fact, the relative portion of jobs in the state supplied by U.S. subsidiaries remains significant. They provide the livelihood for nearly 7% of Connecticut's private-sector workforce.
- Connecticut ranks 3rd in the country in the share of its workforce supported by U.S. subsidiaries.
- U.S. subsidiaries support 26,800 manufacturing jobs in Connecticut. Manufacturing companies tend to have a strong "multiplier" effect on the economy—stimulating a substantial amount of activity and jobs in other sectors through their demand for inputs from other suppliers.
- Almost 14% of manufacturing jobs in Connecticut are supported by U.S. subsidiaries.
- U.S. subsidiaries' employment in Connecticut is heavily concentrated in manufacturing. Over 25% of these jobs are in manufacturing industries.

Examples of Recent Foreign Investments in Connecticut:¹⁰

- December 2007: Bucher Industries (Switzerland) is investing in the city of Windsor in the *Industrial Machinery, Equipment & Tools* sector in a Design, Development & Testing project, creating an estimated 131 jobs.
- June 2007: Heineken (Netherlands) is investing in the city of Stamford in the *Beverages* sector in a Sales, Marketing & Support project, creating 77 jobs.
- April 2007: Aricus Solar (China) is investing in the city of Guildford in the *Electronic Components* sector in a Headquarters project, creating an estimated 147 jobs.

¹ UNCTAD "Foreign Direct Investment Database"; ² Bureau of Economic Analysis, "Foreign Direct Investment in the U.S.: Financial and Operating Data"; ³ U.S. Department of the Treasury "Fact Sheet: An open Economy is Vital to U.S. Prosperity," May 2007 www.treas.gov/press/releases/hp395.htm; ⁴ Bureau of Economic Analysis "Foreign Direct Investment in the U.S.: Financial and Operating Data"; ⁵ Ibid; ⁶ Ibid; ⁷ Ibid; ⁸ Bureau of Economic Analysis, "Foreign Direct Investment in the U.S.: Financial and Operating Data"; ⁹ Language and data for "Foreign Direct Investment in Connecticut" taken from Organization for International Investment "Insourcing Jobs by State" (2007). ¹⁰ Most recent FDI data, accessed from OCO Monitor, April 2008, <http://www.ocomonitor.com/>.