

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 Wisconsin plays a vital role in supporting jobs in the state. U.S. subsidiaries of foreign firms now employ 85,300 workers in Wisconsin.⁹

- Wisconsin has proven to be an attractive location for international employers, ranking 22nd 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 3.5% of Wisconsin's private-sector workforce.
- U.S. subsidiaries support 36,700 manufacturing jobs in Wisconsin. 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.
- More than 7% of manufacturing jobs in Wisconsin are supported by U.S. subsidiaries.
- U.S. subsidiaries' employment in Wisconsin is heavily concentrated in manufacturing. Nearly 45% of these jobs are in manufacturing industries.

Examples of Recent Foreign Investments in Wisconsin:¹⁰

- August 2007 - Rexam (UK) is investing \$15.5 Mn in the city of Sussex in the packaging sector in a design, development & testing project, creating 103 jobs.
- May 2007 - Kerry Group (Ireland) is investing \$45 Mn in the city of Beloit in the food sector in a headquarters project, creating 250 jobs. Kerry Americas, a worldwide leader in food production, sales and marketing, will expand its American headquarters in Beloit, Wisconsin.
- March 2007 - FlexLink Systems (Sweden) is investing \$8.13 Mn in the city of Appleton in the industrial machinery sector in a sales, marketing & support project, creating 42 jobs. Establishing their engineering office in Appleton is key to their strategy of providing excellent support to their strong customer base in this region.

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 Wisconsin" taken from Organization for International Investment "Insourcing Jobs by State" (2008). ¹⁰ Language and data taken from OCO Monitor, April 2008, <http://www.ocomonitor.com/>.