



Business Roundtable

July 2009

Kentucky's Economy Depends on Worldwide American Companies

Kentucky's 590 worldwide American companies and their employees need a level international playing field to prosper and grow. These companies support substantial employment and economic output in Kentucky, directly through their production of goods and services, through their suppliers, and through spending by the people they employ.

If the Congress raises international taxes on worldwide American companies – while other nations are adopting more competitive tax structures – it will put Kentucky companies and their employees at a competitive disadvantage with their foreign competitors and jeopardize the substantial contributions they make to Kentucky's economy.

The Economic Contribution of Worldwide American Companies in Kentucky, 2007

	Direct Contribution*	Indirect Contribution**	Total Contribution	Total Contribution as a percent of State Total
Jobs	274,200	542,800	816,900	40.1%
Payroll	\$14.1 B	\$20.4 B	\$34.5 B	44.2%
Value-Added	\$25.4 B	\$34.1 B	\$59.4 B	47.5%

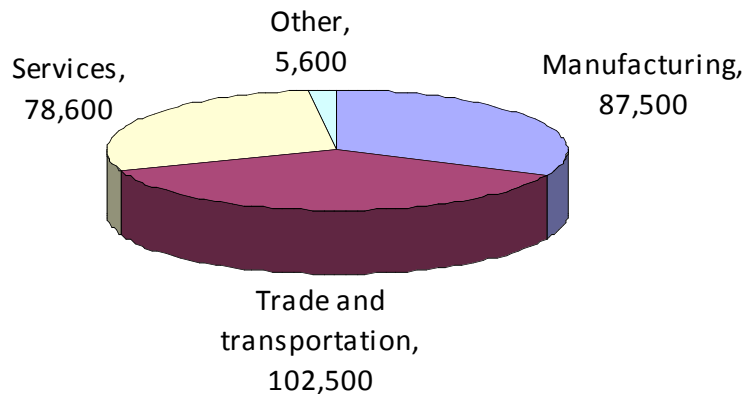
**The direct contribution consists of employment in and the payroll and production of worldwide American companies in the state.*

***The indirect contribution consists of employment, payroll, and production supported by worldwide American companies through their supply chains and the consumption spending of the people they employ directly or indirectly.*

- In 2007, worldwide American companies in Kentucky employed **274,200** people and supported an additional **542,800 jobs** through their supply chains and spending by the people they employed directly or indirectly.
- These jobs accounted for **40.1 percent** of all private-sector employment in Kentucky and **44.2 percent** of the total private-sector payroll in the state.
- Worldwide American companies in Kentucky create high quality jobs, paying on average **\$51,526 per worker** in wages and salaries and fringe benefits in 2007.
- Worldwide American companies in Kentucky accounted for **47.5 percent** of Kentucky's GDP (\$59.4 billion) in 2007.
- Worldwide American companies also paid approximately **\$1.6 billion** in dividends to Kentucky residents in 2007.

Direct Employment by Worldwide American Companies in Kentucky by Industry

Worldwide American companies employed **274,200** Kentucky workers in 2007 in a wide range of industries, including the following:



Trade and transportation: 268 companies, 102,500 jobs

Services: 262 companies, 78,600 jobs

- Food services: 23 companies, 19,100 jobs
- Administrative and support services: 54 companies, 9,900 jobs
- Educational and other services: 47 companies, 9,000 jobs
- Other services: 184 companies, 40,600 jobs

Manufacturing: 221 companies, 87,500 jobs

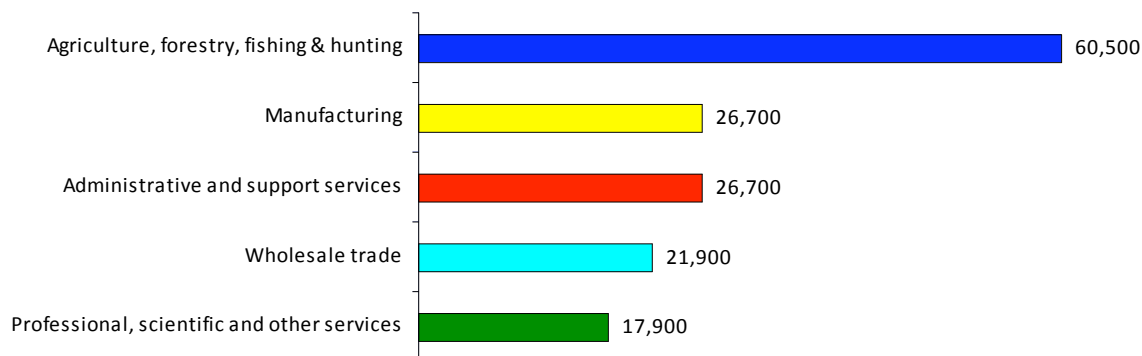
- Motor vehicles: 15 companies, 21,500 jobs
- Food: 16 companies, 8,200 jobs
- Chemical products: 32 companies, 8,200 jobs
- Other manufacturing: 172 companies, 49,600 jobs

All other industries: 40 companies, 5,600 jobs

Note: Company counts by industry do not sum to the state total (590) because a company may have operations in multiple industries. Job counts have been rounded to the nearest 100. Detail may not sum to totals due to rounding.

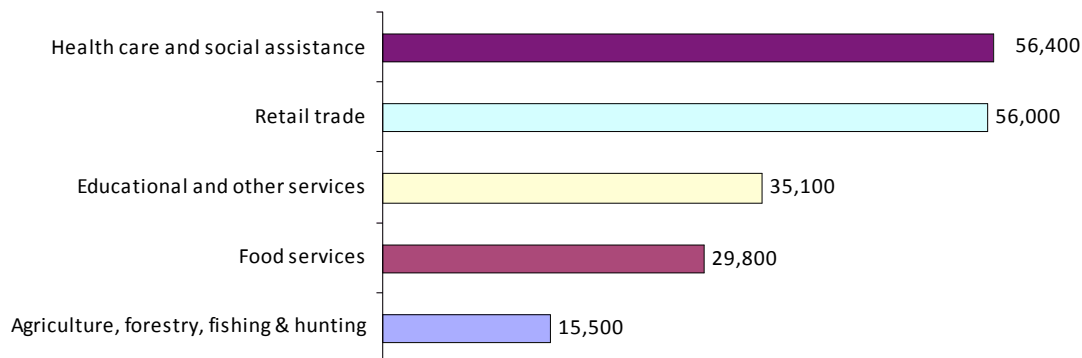
Indirect Employment through Purchases of Goods and Services from Suppliers

Worldwide American companies supported an additional **265,500 jobs** in Kentucky in 2007 through their purchases of goods and services from suppliers in Kentucky. Top Kentucky suppliers for worldwide American companies include the following industries:



Indirect Employment through Consumption Spending by Employees

Consumption spending by the employees of worldwide American companies and their suppliers supported an additional **277,300 jobs** in Kentucky in 2007, including in these leading industries:



Protect U.S. Jobs and Wages. U.S. Tax Policy Must Keep Worldwide American Companies Competitive with Foreign Multinational Firms.