



# Business Roundtable

July 2009

## Tennessee's Economy Depends on Worldwide American Companies

Tennessee's 751 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 Tennessee, 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 Tennessee companies and their employees at a competitive disadvantage with their foreign competitors and jeopardize the substantial contributions they make to Tennessee's economy.

### The Economic Contribution of Worldwide American Companies in Tennessee, 2007

	Direct Contribution*	Indirect Contribution**	Total Contribution	Total Contribution as a percent of State Total
Jobs	494,000	867,300	1,361,300	42.6%
Payroll	\$27.3 B	\$36.8 B	\$64.1 B	46.4%
Value-Added	\$48.7 B	\$62.3 B	\$111.0 B	49.4%

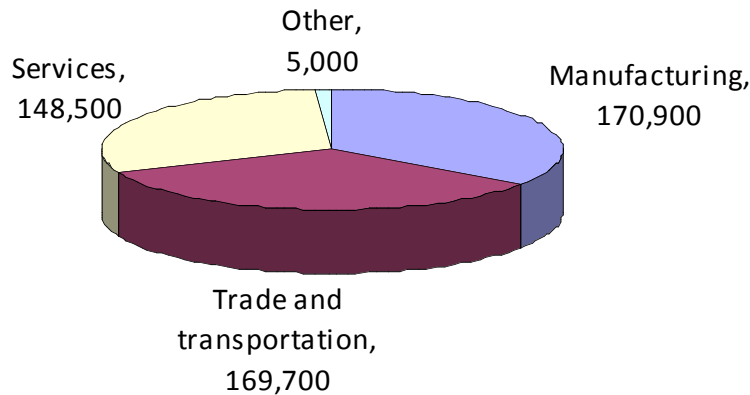
\*The direct contribution consists of employment in and the payroll and production of worldwide American companies in the state.

\*\*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 Tennessee employed **494,000** people and supported an additional **867,300 jobs** through their supply chains and spending by the people they employed directly or indirectly.
- These jobs accounted for **42.6 percent** of all private-sector employment in Tennessee and **46.4 percent** of the total private-sector payroll in the state.
- Worldwide American companies in Tennessee create high quality jobs, paying on average **\$55,219 per worker** in wages and salaries and fringe benefits in 2007.
- Worldwide American companies in Tennessee accounted for **49.4 percent** of Tennessee's GDP (\$111.0 billion) in 2007.
- Worldwide American companies also paid approximately **\$2.3 billion** in dividends to Tennessee residents in 2007.

## Direct Employment by Worldwide American Companies in Tennessee by Industry

Worldwide American companies employed **494,000** Tennessee workers in 2007 in a wide range of industries, including the following:



### **Services: 362 companies, 148,500 jobs**

- Food services: 25 companies, 22,600 jobs
- Administrative and support services: 100 companies, 22,200 jobs
- Health care and social assistance: 31 companies, 15,800 jobs
- Other services: 287 companies, 87,900 jobs

### **Trade and transportation: 350 companies, 169,700 jobs**

### **Manufacturing: 316 companies, 170,900 jobs**

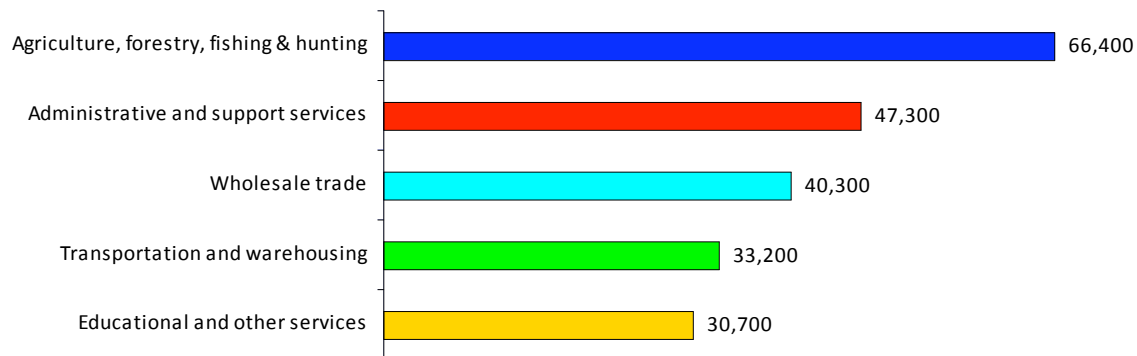
- Chemical products: 56 companies, 28,100 jobs
- Food: 25 companies, 14,000 jobs
- Primary metals: 21 companies, 12,800 jobs
- Other manufacturing: 246 companies, 116,000 jobs

### **All other industries: 48 companies, 5,000 jobs**

Note: Company counts by industry do not sum to the state total (751) 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.

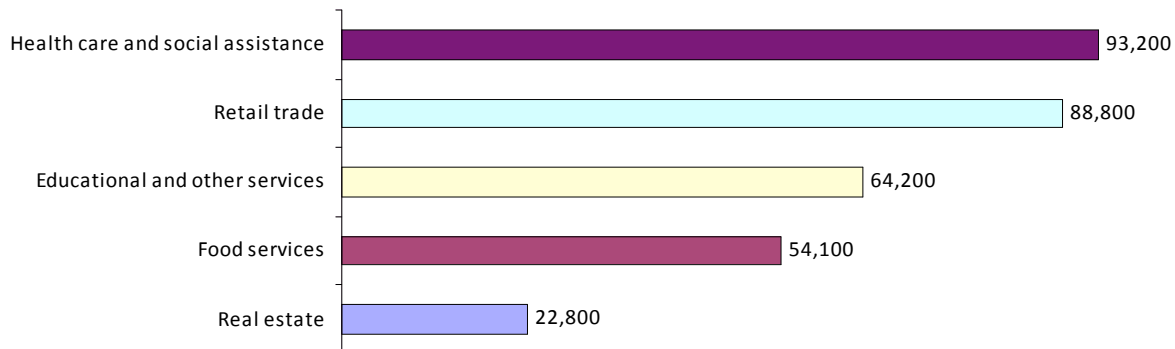
## Indirect Employment through Purchases of Goods and Services from Suppliers

Worldwide American companies supported an additional **399,400 jobs** in Tennessee in 2007 through their purchases of goods and services from suppliers in Tennessee. Top Tennessee 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 **467,900 jobs** in Tennessee 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.**