

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 Kansas plays a vital role in supporting jobs in the state. U.S. subsidiaries of foreign firms now employ 32,900 workers in Kansas.⁹

- In fact, the relative portion of jobs in the state supplied by U.S. subsidiaries remains significant. They provide the livelihood for nearly 3% of Kansas's private-sector workforce.
- U.S. subsidiaries support 12,700 manufacturing jobs in Kansas. 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.
- Seven percent of manufacturing jobs in Kansas are supported by U.S. subsidiaries.
- U.S. subsidiaries' employment in Kansas is heavily concentrated in manufacturing. Nearly 40% of these jobs are in manufacturing industries.

Examples of Recent Foreign Investments in Kansas:¹⁰

- July 2007 - European Aeronautic Defence and Space Company (Netherlands) is investing in the city of Wichita in the aerospace sector in a manufacturing project, creating 75 jobs. The European commercial jet builder is giving its engineering shop in Old Town design responsibility for the entire wing of the A380, the company's new double-decker jumbo jet that is scheduled for first delivery later this year.
- March 2007 - CapGemini (France) is investing \$5.5 Mn in Junction City in the business services sector in a customer contact centre project, creating 600 jobs. This will be the seventh Capgemini contact centre in North America.
- November 2006 - VVF (India) is investing \$18 Mn in Kansas City in the *consumer products* sector in a headquarters project, creating 60 jobs. VVF is an Indian soap and shampoo manufacturer.

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 Kansas" 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/>.