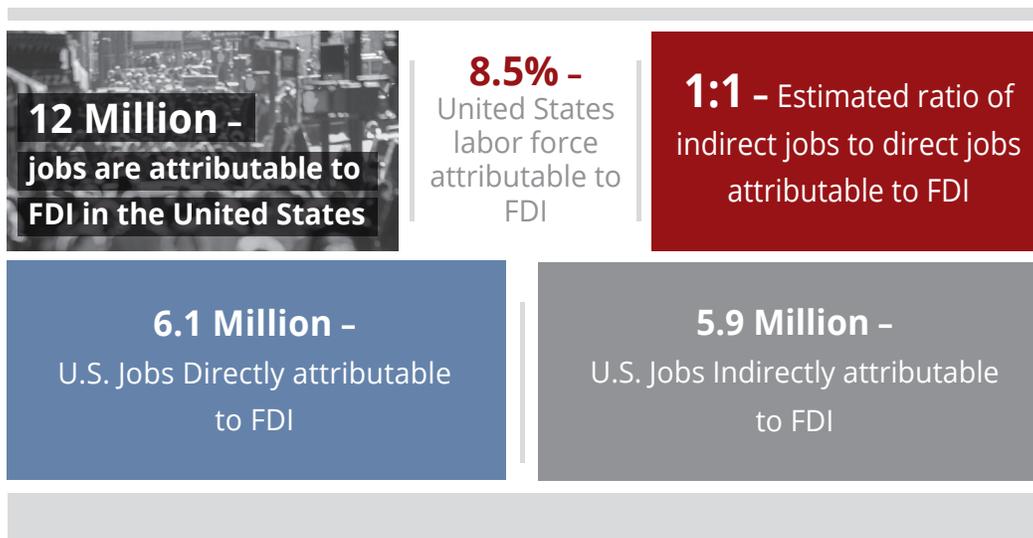
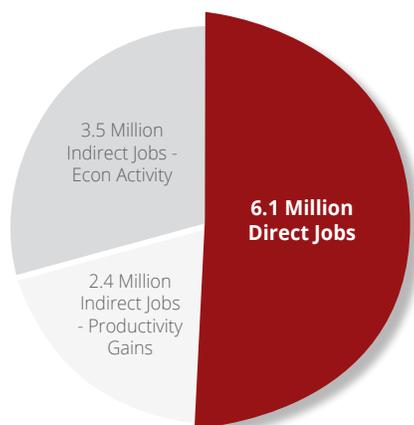


# JOBS ATTRIBUTABLE TO FDI

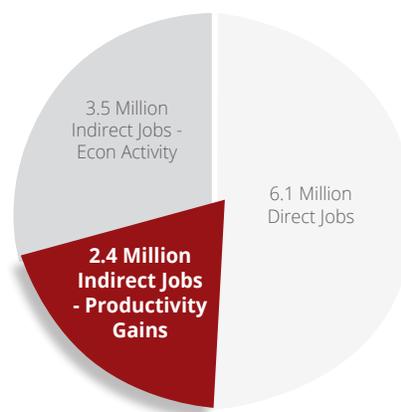
*New estimates tie inward Foreign Direct Investment (FDI) to 12 million U.S. jobs in 2013*



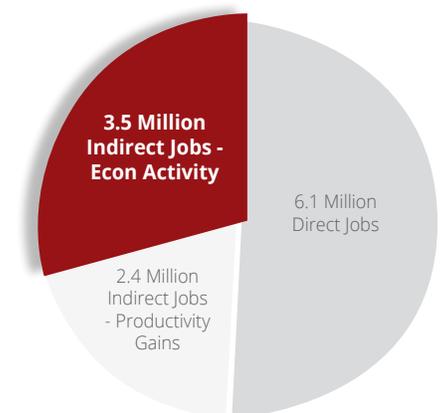
## 12 Million U.S. Jobs Attributable to FDI



**6.1 Million** reflects the number of U.S. workers who are directly employed by majority foreign-owned firms



**2.4 Million** includes jobs attributable to the economic activity of majority foreign-owned firms, including jobs in those firms' supply chains, jobs attributable to higher incomes, and other economic effects



**3.5 Million** includes jobs attributable to productivity gains in the manufacturing sector



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# JOBS ATTRIBUTABLE TO FDI FAQs

## ***1. What is the difference between jobs attributable to FDI and jobs supported by exports?***

Jobs supported by exports uses input-output (I-O) analysis. Jobs attributable to FDI uses computable general equilibrium (CGE) analysis. One important difference between the two approaches is that CGE assumes that resources are in limited supply. As a result, CGE tends to give more conservative estimates of employment effects than I-O. To emphasize the fact that these two approaches are not directly comparable we use word “attributable” rather than “supported” when referring to FDI-related employment.

## ***2. Why use a different approach to the jobs supported by exports methodology?***

There are differences between FDI and exports that necessitate different methodologies. Exports are easily expressed as a dollar-value flow of goods and services. This suits the I-O approach. Measuring FDI is more complicated. The economic impact of a foreign owned firm with assets, employees, suppliers and customers is very different to that of a flow of exports.

## ***3. How does the estimate of 12 million jobs attributable to FDI compare to other estimates?***

We are aware of two studies that use I-O analysis to measure the employment impact of FDI. One finds that FDI in the Nashville region supports 1.8 indirect jobs per direct job. The other finds that FDI due to TTIP and TTP would support 2.6 indirect jobs per direct job. Our estimate of 1 indirect job per direct job is relatively conservative.

## ***4. What's the difference between a direct job and an indirect job?***

A direct job is a person working at a majority foreign-owned firm. We define indirect jobs as jobs attributable to the economic activity generated by that foreign firm. These include jobs in foreign firms' supply chains, jobs in sectors where direct employees spend their income, jobs in sectors that benefit from increased productivity, and other economic effects.

## ***5. Do the jobs attributable to FDI change significantly over time?***

While export flows can vary significantly from year to year, the level of FDI in the United States is relatively stable. We would expect the jobs attributable to FDI to be relatively stable as well.

## ***6. How many jobs are attributable per dollar of FDI?***

We do not estimate the jobs attributable per dollar of FDI. Dollar-value measures of FDI, such as investment position, capture the financial relationship between foreign owners and their U.S. affiliates, but are less reliable as a gauge of the economic activity generated by these affiliates.



Questions about promoting  
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