



### Overview

- Louisiana's economy includes 601 U.S. companies that operate internationally, competing in global markets on a daily basis for inputs, capital, and customers.
- These globally engaged U.S. companies serve as a critical engine of economic growth and source of employment in Louisiana — accounting for 56% of Louisiana's private-sector economic output and 48% of its private-sector jobs in 2011.
- These companies operate in a highly competitive global marketplace in which differences in national tax systems can be a decisive factor in where companies choose to invest.
- A more competitive U.S. corporate tax system can help sustain and expand the critical contributions that these companies make to Louisiana's state economy, local communities, and working families.

### How Do Globally Engaged U.S. Companies Contribute to Economic Growth in Louisiana?

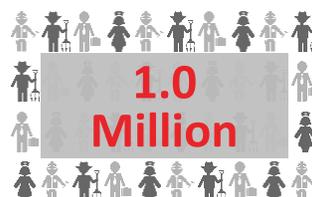
Louisiana's economy includes 601 companies that operate internationally, competing in global markets on a daily basis for inputs, capital, and customers. These globally engaged U.S. companies serve as a critical engine of economic growth for the state. For instance, they directly contributed \$46.2 billion to Louisiana's economy in 2011. In addition, these companies indirectly contribute to the state economy by purchasing raw materials, intermediate products, professional services, and other inputs from other local businesses. They also serve as a source of income for workers in local communities, paying on average \$64,971 per job in wages, salaries, and fringe benefits in 2011. These payments boost consumer spending and drive additional economic activity throughout the state. Ultimately, all globally engaged U.S. companies directly and indirectly contributed \$99.0 billion to Louisiana's economy in 2011 — accounting for 56% of the state's private-sector gross domestic product.

# 601

## Globally Engaged U.S. Companies in Louisiana



Contribution to Louisiana's GDP  
by All Globally Engaged  
U.S. Companies



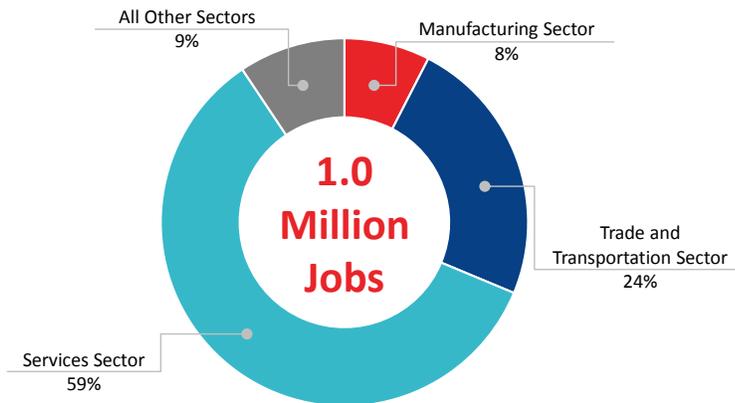
Jobs in Louisiana Supported  
by All Globally Engaged  
U.S. Companies



Average Wages & Benefits Paid  
by Louisiana's Globally Engaged  
U.S. Companies

**How Do Globally Engaged U.S. Companies Contribute to Job Creation in Louisiana?**

*Jobs Supported by Globally Engaged U.S. Companies  
Percent of Total, By Sector*



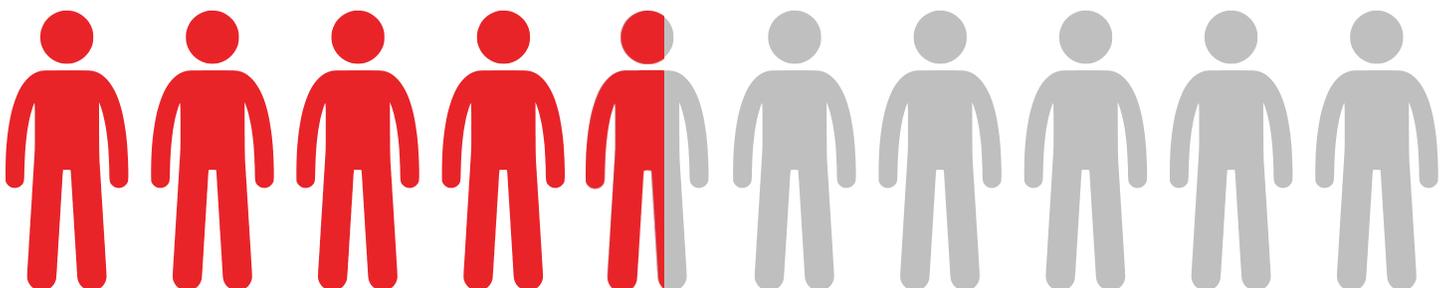
Globally engaged U.S. companies directly provided 335,900 jobs in Louisiana in 2011, including 126,400 jobs in the services sector, 115,300 jobs in the trade and transportation sector, and 67,700 jobs in the manufacturing sector. These companies also indirectly support employment throughout local communities by purchasing goods and services from other local businesses in Louisiana. In fact, such purchases supported an additional 319,300 jobs throughout the state in 2011, including 55,500 jobs in professional and scientific services and 46,400 jobs in administrative services. Finally, these globally engaged U.S. companies, as well as their

suppliers, provide their workers with a source of income, which increased consumption spending and supported an additional 360,000 jobs in 2011, including 101,800 jobs in health care and social assistance and 62,800 jobs in retail trade.

In addition to providing their workers with a source of income in the form of wages and salaries, globally engaged U.S. companies provided \$1.6 billion in dividend payments to Louisiana residents in 2011. These payments serve as another source of income to local residents, thereby providing an additional boost to the state’s economy through the induced economic activity associated with increased consumer spending. In fact, these dividend payments supported an additional 6,600 jobs throughout Louisiana in 2011.

In all, globally engaged U.S. companies directly and indirectly supported 1.0 million jobs throughout Louisiana in 2011 — accounting for 48% of Louisiana’s private-sector employment.

*Globally Engaged U.S. Companies Account for **48%** of Louisiana’s Total Private-Sector Employment*



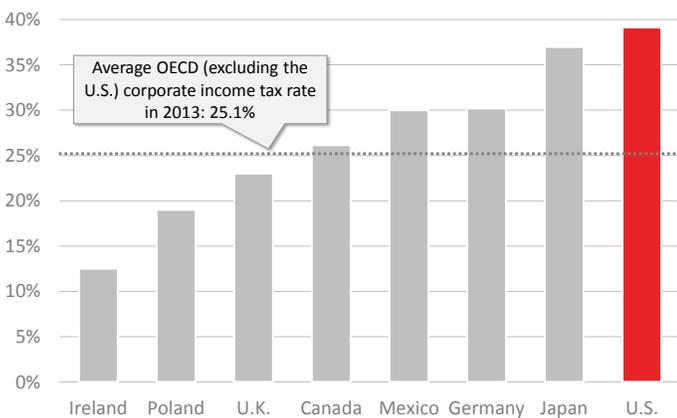
**How Can We Sustain and Expand the Contributions of Globally Engaged U.S. Companies?**

U.S. companies operate in a highly competitive global marketplace. As cross-border trade and investment have increased, the field of competition has widened in many industries. In this environment, differences in national tax systems can be a significant factor in where companies choose to invest.

Unfortunately, the current U.S. corporate tax system has become an outlier relative to the tax systems of our trading partners. The United States maintains the highest statutory corporate tax rate among OECD countries. In addition, the United States still uses an antiquated system of worldwide taxation, which imposes a second round of taxes on foreign earnings for U.S. companies.

**OECD Statutory Corporate Income Tax Rates**

**2013**



Source: OECD

Reforming the U.S. corporate tax system by reducing corporate tax rates and revising international tax rules would make the United States a more attractive location for companies to invest and base their global headquarters, while also encouraging them to return their foreign earnings for investment throughout the United States, including Louisiana. Ultimately, a more competitive U.S. corporate tax system is critical to sustaining and expanding the contributions that globally engaged U.S. companies make to Louisiana’s economy, local communities, and working families.

**Globally Engaged U.S. Companies in Louisiana: Summary of Economic Contributions, 2011**

| <b>Indicator</b> | <b>Direct Contribution*</b> | <b>Indirect Contribution**</b> | <b>Total Contribution</b> | <b>Contribution as a % of State Private Sector</b> |
|------------------|-----------------------------|--------------------------------|---------------------------|--|
| Jobs             | 335,900                     | 685,900                        | 1,021,800                 | 48%  |
| Payroll          | \$21.8 B                    | \$31.3 B                       | \$53.2 B                  | 54%  |
| Value-Added      | \$46.2 B                    | \$52.9 B                       | \$99.0 B                  | 56%  |

\*The direct contribution consists of employment, payroll, and production of globally engaged U.S. companies in the state.

\*\*The indirect contribution consists of employment, payroll, and production supported by globally engaged U.S. companies through their supply chains, the consumption spending of the people they employ directly or indirectly, and the consumption spending associated with the dividends they pay.

For purposes of this analysis, a globally engaged company is defined as a U.S. company that conducts operations abroad through a 10-percent or more owned foreign affiliate.

Source: PwC, *The Economic Impact of Globally Engaged U.S. Companies*, July 2013. Unless otherwise specified, all data referenced in this document are taken from this report.