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“Insourcing” Companies Should Not be Targeted in Election Spending Debate

WASHINGTON, D.C. As part of the reaction to last week’s Supreme Court decision on *Citizens United*, some lawmakers are stating concerns about the impact the decision has on foreign corporations’ spending. And, despite current law prohibitions on election spending by foreign corporations, some policymakers are unfairly targeting U.S. subsidiaries of foreign companies.

“The U.S. subsidiaries of foreign companies have insourced over 5 million American jobs,” said Nancy McLernon, President & CEO of the Organization for International Investment (OFII). “The political rights and patriotism of those U.S. citizens should not be called into question,” McLernon stated.

Under current law, election spending by foreign nationals -- including foreign governments, corporations, and individuals -- is **prohibited** by the Federal Election Campaign Act. That prohibition is unaffected by the ruling in *Citizens United*. The Federal Election Campaign Act prohibits U.S. subsidiaries of foreign companies from using funds from their foreign parent company for election-related spending. Additionally, foreign nationals, whether at the U.S. subsidiaries or at the international parents, may not participate in decisions about political expenditures in the United States.

Facts about Insourcing Companies:

- U.S. subsidiaries employ 5.5 million Americans - 4.6% of total U.S. private sector employment;
- U.S. subsidiaries account for 6% of total U.S. GDP;
- U.S. subsidiaries support an annual payroll of \$403.6 billion — with average compensation per worker of \$73,124, which is 34.7 percent higher than compensation at all U.S. companies;
- U.S. subsidiaries heavily invest in the American manufacturing sector; with 29 percent of the jobs at U.S. subsidiaries in manufacturing industries;
- U.S. subsidiaries manufacture in America to export goods around the world — accounting for nearly 18.5 percent of all U.S. exports, or \$215.6 billion;
- U.S. subsidiaries have a larger percentage of workers covered by a union collective-bargaining agreement than other U.S. companies -- 12.4% of employees at U.S. subsidiaries compared to just 8.2% at other U.S. firms.

The Organization for International Investment is a Washington-based business association representing U.S. subsidiaries of international companies headquartered. For additional information, see OFII’s web site at www.ofii.org.