

## Why Export?

Increasing the number of North Carolina companies that export will strengthen our economy. The internet, improved logistics options, and array of federal, state, and local export assistance has made exporting more viable for even the smallest businesses. U.S. companies that export not only grow faster but are **8.5 times less likely to go out of business**, according to a study by the Institute for International Economics. Following are some reasons why:

### **The Scale of the Export Opportunity is Huge:**

About 95 percent of consumers and 84 percent of spending power resides outside the United States. As the middle class grows around the world, an increasing share of spending power will be outside the country.

### **Exporters Become More Innovative**

Two Years After Starting to Export: According to the U.S. Export-Import Bank website, a study done by professors at USC and the University of Minnesota found that two years after exporting, exporters file seven times more patents and deliver four times more product innovations than their non-exporting peers. That's because exporters can often access diverse knowledge bases not available in the domestic market.

### **Exporters Enjoy Higher Productivity:**

Exporting plants with fewer than 250 employees had 1.9 times more revenue than non-exporting plants, according to the U.S. Census Bureau. The U.S. International Trade Commission found that U.S. small and medium-sized manufacturers that exported earned more per firm than non-exporters. Also, labor productivity as measured by revenue per employee was over 70 percent greater.

### **Exporters Grow Faster:**

The U.S. International Trade Commission, in examining the domestic and global operations of smaller enterprises, found that U.S. exporters outperform their non-exporting counterparts by several measures. Whether they deal in services or manufacturing, exporting businesses show higher total revenues, faster total revenue growth and higher labor productivity than their peers that focus exclusively on domestic markets.

### **Exporters Enjoy Stronger Workforce:**

In the analysis of 94 of the largest 100 metropolitan areas, for every \$1 billion in exports of a metro area industry, workers in that industry earn roughly one to two percent higher wages, including employees without high school diplomas. This wage effect can be seen even adjusting for worker characteristics, occupation, or the characteristics of the metropolitan area. Firms that export have been shown to be more skilled and productive, as well as paying higher wages than non-exporting firms, regardless of their size, according to the U.S. Export-Import Bank website.