
Summary

New research shows that the large number of Americans who have chosen to link to the global economy live differently from other Americans. They enjoy benefits that many otherwise similar Americans, oriented solely to the US economy, do not. But the choice of global engagement is precisely that—a choice. And it is a choice that remains available to most Americans.

The principal findings of this research illustrate the benefits of choosing to go global:

- Jobs and sales in globally engaged American firms grow more strongly and stably.
- Their workers are 5 to 20 percent better paid and more productive.
- The biggest benefits come from choosing to commit to global linkage in the first place; further benefits sometimes come from deepening that commitment, but they are smaller than the initial benefits.
- Employment and market shares grow over time for the globally committed, by several percent per year, in the process rejuvenating entire industries.
- Not just the globally engaged firms and workers themselves, but also the communities in which they locate experience higher wages and productivity.

The first three of these patterns are already familiar from research on US exporting, which found

over a decade ago that export-oriented firms of every size and industry, and export-oriented workers of every level of skill (and whether unionized or not), seem to enjoy these performance premiums—and enjoy them in both good times and bad. The last two patterns are new findings, however.

The recent research reveals still other new conclusions. It shows that other forms of global activity, such as foreign investment and technology transfer, yield many of the same benefits. These same patterns also:

- characterize Americans involved with *inward as well as outward* global investment—Americans who are linked in various ways to corporate parents, partners, and affiliates abroad,
- seem to characterize Americans who depend on *imports* for productivity-enhancing components and capital equipment, and
- characterize *foreign* firms, workers, and communities that commit to global engagement.

If there is a dark side to this new research, it is that the future may be bleak for Americans and others who, left to themselves, are unwilling or unable to choose to engage the global economy. But many of these may benefit from a helping hand. Sensible new government policies may involve empowering them to engage the global economy and helping them to share the still-significant gains from deeper global integration.