

## PRIVATE EQUITY'S *IMPACT* ACROSS

# AMERICA

**The American Investment Council** welcomes the Trump Administration and incoming members of the 119th Congress and looks forward to working together on policies that will help families and workers across America. In every state and congressional district across the country, private equity and private credit play a critical role in supporting small businesses, creating well-paying jobs with strong benefits, and strengthening the retirements of millions of American workers and public servants.

### **Directly Backing 12 Million Well-Paying Jobs**

Private equity invests in every Congressional district across America – directly backing over [12 million jobs](#), which on average, provide [\\$80,000 in wages and benefits](#), equating to roughly \$41 per hour for a full-time worker and nearly \$10,000 more than the average U.S. worker. Throughout the U.S. supply chain, private equity-backed companies created a net of four new jobs per 100 full-time employees this year.

### **Supporting 32,000 Small Businesses**

Small businesses increasingly turn to private equity and private credit for strategic investments and operational assistance. In 2022, [approximately](#) 85 percent of private equity-backed businesses were small businesses that directly employed a total of 1.4 million workers throughout the U.S. economy. Private equity-backed small businesses, suppliers, and related consumer spending also [supported](#) 4.4 million workers, earning \$360 billion in wages and benefits and fostered \$615 billion of gross domestic product (GDP) growth in 2022.

### **Supporting the Retirements of 34 Million Public Servants**

Pensions are a promise to first responders, public school teachers, and every dedicated public servant who gives back to their communities. Private equity is a critical component of almost every public pension plan in the U.S., consistently delivering outsized returns and providing options for diversification during economic turmoil. In 2023, private equity delivered a 15.2 percent median annualized return over a 10-year period, higher than all other asset classes, including public equity, real estate, and fixed income. More than 88 percent of all public pension funds invest a portion of their portfolios in private equity, and 34 million U.S. public sector workers depend on these robust private equity returns.

## **Bolstering American Manufacturing**

For the past decade, private equity has [invested](#) more than \$1.4 trillion in more than 11,000 manufacturing businesses in every state of the country. Each year, nearly 1,000 manufacturers take on new private equity investments, and it is common to see at least \$100 billion invested into these companies in any given year. For example, in 2017 private equity led an investment effort into beloved golf manufacturer TaylorMade that empowered the company to invest in new product development and launch regional initiatives around the world.

## **Fostering Innovation**

Private equity is [providing](#) capital and industry expertise to thousands of companies that are at the forefront of innovation and that are addressing some of our most pressing societal challenges. Private equity has invested more than \$40 billion in over 200 cybersecurity providers to help protect government organizations, financial firms, healthcare providers, retail companies, and more. Over the past decade, private equity industry has invested almost \$300 billion in IT service providers as well.

## **Offering Ownership to Workers**

Private equity-backed businesses are offering workers ownership in their companies and the opportunity to build wealth for their families. Many private equity firms have partnered with [Ownership Works](#), a nonprofit initiative that builds employee wealth by expanding shared employee ownership of companies, enabling employees to [directly benefit](#) from the company's success. Since its founding in 2021, Ownership Works has impacted nearly 163,000 employees nationwide, generating over \$176 million in payouts to low- and moderate-income workers.

## **Driving \$1.7 Trillion in Economic Growth**

Private equity remains a major driver of economic growth by supporting small businesses and paying high wages to millions of workers that private equity-backed businesses employ. In 2022, private equity directly generated [\\$1.7 trillion](#) of GDP in the U.S., approximately 6.5% of GDP for that year.

## **Raising Significant Tax Revenue**

Private equity firms and their investments generate significant tax revenues, which strongly support federal, state, and local governments. In 2022, private equity paid [\\$304 billion](#) in federal, state, and local taxes, with approximately \$208 billion or two-thirds going to federal taxes and the remaining \$95 billion going to state and local governments.

## **Financing Life-Saving Treatments and Cures for Patients**

Private equity is helping finance medicine manufacturers, especially over-the-counter options and generics, providing low-cost options to patients. Private equity and private credit firms are also helping pharmaceutical companies expand operations and become more efficient, introducing new technologies and resources that lead to better innovations at a timely rate. For example, private equity-backed Anthos recently announced they developed a new drug that could significantly reduce the risk of blood clots, providing a safer alternative for the 12.1 million Americans expected to suffer from atrial fibrillation by 2030.