

INSOURCING

Unfortunately for the U.S., competition from other countries has caused a slight decline in insourcing here, which is down 2.4% (or 128,000 jobs) since last year, according to the Organization for International Investment, a nonprofit research group based in Washington, D.C.

That still leaves 5.1 million jobs, or about 4.5% of the total, that are provided by foreign companies and their subsidiaries. Moreover, these employers support a payroll of \$324.5 billion, up from \$254.5 billion five years ago. Interestingly, non-U.S. companies tend to pay better than their Yankee counterparts, the OFII reports. Average compensation per worker is \$63,428, 32% higher than the average at all U.S. companies.

And, while they have to abide by U.S. employment law, employers based overseas tend to have somewhat different policies, depending on the culture and customs of their homelands. I've known people who have gone to work for European companies in the U.S., for instance, who are pleasantly surprised at how much vacation time they get.

Overseas companies' operations here are heavily concentrated in manufacturing, which accounts for roughly one-third of all insourced jobs. The top 10 states for foreign investment are California, New York, Texas, Florida, Illinois, Pennsylvania, New Jersey, Ohio, Michigan, and North Carolina.

But insourcing pops up almost everywhere. A few months ago, Denso Corp. of Japan broke ground for a new car-parts manufacturing plant in Arkansas that will employ about 500 people. Because of the region's 13.5% unemployment rate, Arkansas governor Mike Huckabee said the Denso project was "like water to a thirsty soul."