

**VIEW US(1)**

***The Economic Impact of Franchised Businesses***

**DIRECT CONTRIBUTIONS TO THE U.S. ECONOMY, 2007**

	<b>In Franchised Businesses</b>	<b>Percent of U.S. Nonfarm Private Sector</b>
<b>Jobs</b>	9,125,700	6.2 %
<b>Payroll</b>	\$ 304.4 billion	4.2 %
<b>Output</b>	\$ 802.2 billion	3.4 %
<b>GDP</b>	\$ 468.5 billion	3.9 %
<b>Establishments</b>	828,138	2.8 %

- There were 828,138 franchised business establishments in the United States in 2007.
- Franchised businesses provided 9,125,700 jobs, or 6.2 percent of the U.S. private nonfarm workforce in 2007.
- Franchised businesses supplied an annual payroll of \$304.4 billion, or 4.2 percent of all private nonfarm payrolls in the United States in 2007.
- Franchised businesses produced goods and services worth \$802.2 billion, or 3.4 percent of private nonfarm output in the United States in 2007.
- Franchised businesses contributed \$468.5 billion to GDP, or 3.9 percent of all private nonfarm GDP in the United States in 2007.
- We include in “franchised businesses” all those establishments that are part of a franchise system – those businesses owned by franchisees and those owned by franchisors.

**VIEW US(2)**

***The Economic Impact of Franchised Businesses***

**TOTAL CONTRIBUTIONS TO THE U.S. ECONOMY, 2007**

	<b>Because of Franchised Businesses</b>	<b>Percent of U.S. Nonfarm Private Sector</b>
<b>Jobs</b>	17,430,700	11.8 %
<b>Payroll</b>	\$ 707.6 billion	9.7 %
<b>Output</b>	\$ 2.1 trillion	9.0 %
<b>GDP</b>	\$ 1.2 trillion	9.7 %

- Franchised businesses demand products and services from other businesses and provide income to their workers and owners, who then spend their income and create still more income for other parties. As this cycle repeats, the jobs, payroll, output, and contribution to GDP that exist *because of* franchised businesses grow beyond the jobs, payroll output, and contribution to GDP that are *in* franchised businesses alone.
- Franchised businesses were the cause of over 17 million jobs, or 11.8 percent of all U.S. private nonfarm employment in 2007.
- Franchised businesses were the cause of \$707.6 billion of annual payrolls, or 9.7 percent of all private nonfarm payrolls in the United States in 2007.
- Franchised businesses were the cause of \$2.1 trillion of annual output, or 9.0 percent of all private nonfarm output in the United States in 2007.
- Franchised businesses were the cause of \$1.2 trillion in GDP, or 9.7 percent of all private nonfarm GDP in the United States in 2007.

VIEW US(3)

***The Economic Impact of Franchised Businesses*****BUSINESS FORMAT AND PRODUCT DISTRIBUTION FRANCHISES  
IN THE UNITED STATES, 2007****In Franchised Businesses**

	<u><b>Business Format</b></u>	<u><b>Product Distribution</b></u>	<u><b>Percent Contributed by Business Format</b></u>	<u><b>Percent Contributed by Product Distribution</b></u>
<b>Jobs</b>	7,759,700	1,366,000	85.0 %	15.0 %
<b>Payroll</b>	\$ 240.0 billion	\$ 64.4 billion	78.8 %	21.2 %
<b>Output</b>	\$ 654.2 billion	\$ 148.0 billion	81.6 %	18.4 %
<b>GDP</b>	\$ 378.8 billion	\$ 89.6 billion	80.9 %	19.1 %
<b>Establishments</b>	788,285	39,853	95.2 %	4.8 %

**Because of Franchised Businesses**

	<u><b>Business Format</b></u>	<u><b>Product Distribution</b></u>	<u><b>Percent Contributed by Business Format</b></u>	<u><b>Percent Contributed by Product Distribution</b></u>
<b>Jobs</b>	14,461,200	2,969,500	83.0 %	17.0 %
<b>Payroll</b>	\$ 566.2 billion	\$ 141.3 billion	80.0 %	20.0 %
<b>Output</b>	\$ 1,700.9 billion	\$ 397.4 billion	81.1 %	18.9 %
<b>GDP</b>	\$ 932.0 billion	\$ 222.4 billion	80.7 %	19.3 %

Note: Job numbers have been rounded to the nearest 100. Details may not add to totals due to rounding.

- Business format franchising accounted for 788,285 establishments and product distribution franchising accounted for an additional 39,853 establishments in the United States in 2007.
- Business format franchising provided 7.8 million jobs in 2007, or more than five times as many as product distribution franchising.
- Business format franchising was the cause of 14.5 million private nonfarm jobs in the United States.
- Product distribution franchising was the cause of 3.0 million private nonfarm jobs in the United States.

VIEW US(4)

***The Economic Impact of Franchised Businesses*****LINE OF BUSINESS AND OWNERSHIP OF  
BUSINESS FORMAT FRANCHISES IN THE UNITED STATES, 2007**

	<b><u>Jobs</u></b>	<b><u>Payroll</u></b>	<b><u>Output</u></b>	<b><u>GDP</u></b>	<b><u>Establishments</u></b>
	<b><u>Quick Service Restaurants</u></b>				
<b>Franchisor owned</b>	658,400	\$ 13.8 billion	\$ 41.8 billion	\$ 20.3 billion	29,467
<b>Franchisee owned</b>	2,216,900	\$ 40.3 billion	\$ 122.1 billion	\$ 59.3 billion	117,744
<b>Total</b>	2,875,300	\$ 54.1 billion	\$ 163.9 billion	\$ 79.6 billion	147,211
<b>% of line of business</b>	68.5 %	N/A	N/A	N/A	46.2 %
	<b><u>Table/Full Service Restaurants</u></b>				
<b>Franchisor owned</b>	327,200	\$ 4.7 billion	\$ 12.3 billion	\$ 6.0 billion	9,487
<b>Franchisee owned</b>	661,600	\$ 13.9 billion	\$ 35.9 billion	\$ 17.4 billion	23,523
<b>Total</b>	988,800	\$ 18.6 billion	\$ 48.2 billion	\$ 23.4 billion	33,010
<b>% of line of business</b>	21.0 %	N/A	N/A	N/A	12.7 %
	<b><u>Business Services</u></b>				
<b>Franchisor owned</b>	384,900	\$ 23.0 billion	\$ 49.9 billion	\$ 29.4 billion	15,752
<b>Franchisee owned</b>	578,600	\$ 34.6 billion	\$ 75.1 billion	\$ 44.2 billion	93,348
<b>Total</b>	963,500	\$ 57.7 billion	\$ 125.0 billion	\$ 73.6 billion	109,100
<b>% of line of business</b>	3.2 %	N/A	N/A	N/A	1.8 %

VIEW US(4)

***The Economic Impact of Franchised Businesses*****LINE OF BUSINESS AND OWNERSHIP OF  
BUSINESS FORMAT FRANCHISES IN THE UNITED STATES, 2007**

	<u><b>Jobs</b></u>	<u><b>Payroll</b></u>	<u><b>Output</b></u>	<u><b>GDP</b></u>	<u><b>Establishments</b></u>
	<u><b>Lodging</b></u>				
<b>Franchisor owned</b>	72,800	\$ 2.4 billion	\$ 7.0 billion	\$ 4.2 billion	2,011
<b>Franchisee owned</b>	600,300	\$ 20.1 billion	\$ 57.8 billion	\$ 34.9 billion	22,597
<b>Total</b>	673,100	\$ 22.6 billion	\$ 64.8 billion	\$ 39.1 billion	24,608
<b>% of line of business</b>	31.8 %	N/A	N/A	N/A	21.0 %
	<u><b>Personal Services</b></u>				
<b>Franchisor owned</b>	37,900	\$ 1.9 billion	\$ 4.5 billion	\$ 2.6 billion	3,713
<b>Franchisee owned</b>	556,500	\$ 27.7 billion	\$ 66.3 billion	\$ 37.7 billion	125,630
<b>Total</b>	594,400	\$ 29.6 billion	\$ 70.8 billion	\$ 40.2 billion	129,343
<b>% of line of business</b>	1.5 %	N/A	N/A	N/A	1.7 %
	<u><b>Retail Food</b></u>				
<b>Franchisor owned</b>	162,700	\$ 4.5 billion	\$ 12.4 billion	\$ 8.9 billion	20,737
<b>Franchisee owned</b>	301,700	\$ 8.5 billion	\$ 18.7 billion	\$ 12.6 billion	37,663
<b>Total</b>	464,400	\$ 13.0 billion	\$ 31.2 billion	\$ 21.5 billion	58,400
<b>% of line of business</b>	9.0 %	N/A	N/A	N/A	9.5 %

VIEW US(4)

***The Economic Impact of Franchised Businesses*****LINE OF BUSINESS AND OWNERSHIP OF  
BUSINESS FORMAT FRANCHISES IN THE UNITED STATES, 2007**

	<b><u>Jobs</u></b>	<b><u>Payroll</u></b>	<b><u>Output</u></b>	<b><u>GDP</u></b>	<b><u>Establishments</u></b>
	<b><u>Real Estate</u></b>				
<b>Franchisor owned</b>	13,600	\$ 0.3 billion	\$ 2.2 billion	\$ 1.8 billion	2,944
<b>Franchisee owned</b>	356,800	\$ 8.9 billion	\$ 57.9 billion	\$ 47.4 billion	91,375
<b>Total</b>	370,500	\$ 9.3 billion	\$ 60.1 billion	\$ 49.2 billion	94,319
<b>% of line of business</b>	5.4 %	N/A	N/A	N/A	3.7 %
	<b><u>Retail Products &amp; Services</u></b>				
<b>Franchisor owned</b>	82,400	\$ 2.2 billion	\$ 5.5 billion	\$ 3.7 billion	14,259
<b>Franchisee owned</b>	284,200	\$ 7.6 billion	\$ 18.9 billion	\$ 12.9 billion	76,637
<b>Total</b>	366,600	\$ 9.8 billion	\$ 24.4 billion	\$ 16.6 billion	90,896
<b>% of line of business</b>	2.6 %	N/A	N/A	N/A	3.0 %
	<b><u>Commercial &amp; Residential Services</u></b>				
<b>Franchisor owned</b>	44,600	\$ 2.2 billion	\$ 5.7 billion	\$ 2.6 billion	3,875
<b>Franchisee owned</b>	235,100	\$ 11.7 billion	\$ 29.9 billion	\$ 13.8 billion	66,045
<b>Total</b>	279,700	\$ 13.9 billion	\$ 35.5 billion	\$ 16.4 billion	69,920
<b>% of line of business</b>	1.8 %	N/A	N/A	N/A	1.4 %

VIEW US(4)

***The Economic Impact of Franchised Businesses*****Lines of Business and Ownership of  
Business Format Franchises in the United States, 2007**

	<b><u>Jobs</u></b>	<b><u>Payroll</u></b>	<b><u>Output</u></b>	<b><u>GDP</u></b>	<b><u>Establishments</u></b>
	<b><u>Automotive</u></b>				
<b>Franchisor owned</b>	46,900	\$ 2.9 billion	\$ 7.8 billion	\$ 4.9 billion	6,095
<b>Franchisee owned</b>	136,600	\$ 8.5 billion	\$ 22.6 billion	\$ 14.2 billion	25,383
<b>Total</b>	183,500	\$ 11.5 billion	\$ 30.4 billion	\$ 19.1 billion	31,478
<b>% of line of business</b>	7.6 %	N/A	N/A	N/A	4.8 %
	<b><u>All Business Format Franchises</u></b>				
<b>Franchisor owned</b>	<b>1,831,400</b>	<b>\$ 58.1 billion</b>	<b>\$ 149.1 billion</b>	<b>\$ 84.4 billion</b>	<b>108,340</b>
<b>Franchisee owned</b>	<b>5,928,300</b>	<b>\$ 181.9 billion</b>	<b>\$ 505.1 billion</b>	<b>\$ 294.4 billion</b>	<b>679,945</b>
<b>Total</b>	<b>7,759,700</b>	<b>\$ 240.0 billion</b>	<b>\$ 654.2 billion</b>	<b>\$ 378.8 billion</b>	<b>788,285</b>

N/A indicates data not available because there are no direct data on industry totals by line of business for the economic measure.

Note: Job numbers have been rounded to the nearest 100. Details may not add to totals due to rounding.

- Business format franchising was economically significant in 10 lines of business.
- In total, and in every line of business, there were more establishments that are owned by franchisees than by franchisors.
- Quick Service Restaurants accounted for more establishments and jobs and produced greater output and contributed more to GDP than any other single business format line of business. Only Business Services met a greater payroll.
- Franchised Quick Service Restaurants accounted for 68.5 percent of all jobs in the Quick Service Restaurant line of business. This was the largest percentage of franchised jobs within any business format line of business.

VIEW US(5)

***The Economic Impact of Franchised Businesses*****LINE OF BUSINESS IN PRODUCT DISTRIBUTION FRANCHISES  
IN THE UNITED STATES, 2007**

	<u><b>Jobs</b></u>	<u><b>Payroll</b></u>	<u><b>Output</b></u>	<u><b>GDP</b></u>	<u><b>Establishments</b></u>
	<b><u>Automotive &amp; Truck Dealers</u></b>				
<b>Total</b>	1,267,700	\$ 60.4 billion	\$ 125.9 billion	\$ 83.2 billion	32,027
<b>% of line of business</b>	71.9 %	N/A	N/A	N/A	14.2 %
	<b><u>Gasoline Service Stations without Convenience Stores<sup>1</sup></u></b>				
<b>Total</b>	72,700	\$ 2.0 billion	\$ 6.0 billion	\$ 4.4 billion	7,347
<b>% of line of business</b>	40.8 %	N/A	N/A	N/A	31.9 %
	<b><u>Beverage Bottling</u></b>				
<b>Total</b>	25,500	\$ 1.9 billion	\$ 16.1 billion	\$ 2.0 billion	479
<b>% of line of business</b>	14.5 %	N/A	N/A	N/A	8.7 %
	<b><u>All Product Distribution Franchises</u></b>				
<b>Total</b>	<b>1,366,000</b>	<b>\$ 64.4 billion</b>	<b>\$ 148.0 billion</b>	<b>\$ 89.6 billion</b>	<b>39,853</b>

N/A indicates data not available because there are no direct data on industry totals by line of business for the economic measure.

Note: Job numbers have been rounded to the nearest 100. Details may not add to totals due to rounding.

<sup>1</sup>Gas stations with convenience stores are included in Retail Food.

- Product distribution franchising was economically significant in three lines of business.
- Automotive and Truck Dealers provided more jobs, met a greater payroll, and generated more output and contributed more to GDP than any other single Product Distribution line of business.