

# Private Equity is Investing in America's Future

Investing over **\$3 Trillion** in American Businesses over the next 5 years

Private equity is long on America. In the past 5 years, private equity has supported more than **39,000 American businesses**. Over the next five years, the private equity industry will invest over **\$3 trillion** across America — driving growth and innovation in every sector of the economy and supporting high paying jobs for workers and providing benefits for their families.

## How private equity works with local businesses in every state and Congressional district:

### Step 1

Private equity firms invest in local companies and then work with these companies to expand or improve the business.

### Step 2

After four to seven years of ownership and working with the company, the fund manager will take that business public or sell it to another firm. Then, the firm distributes profits from the sale to the investors (typically pension funds and colleges) in the fund and the fund manager.

### Step 3

Over a ten-year window, private equity consistently delivers the strongest returns to investors and American retirees. At the end of these long-term partnerships, successful private equity investments result in better jobs, stronger companies, and healthier communities.

## Private equity's strong investment in America supports:

### Over 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.

### 15,000 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.

# Private equity's strong investment in America **supports:**

## American Manufacturers

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.

## Cutting-Edge 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.

## Significant Tax Revenue for the Federal Government

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.

## 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.

## 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.



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