Indian Roots, American Soil

A survey of Indian companies' state-by-state operations in the United States
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Every year, the Confederation of Indian Industry (CII) undertakes a survey of Indian companies operating in the United States to discern their growing presence. Previous studies over the last three years revealed aggregate data of Indian companies’ operations in the United States as a whole. This year, in its fourth edition, the survey ventured deeper, effectively capturing the presence of participating companies through a state-by-state breakout, in order to truly understand and highlight their geographical sprawl and impact on the U.S. economy.

In the widest outreach effort thus far, conducted with Grant Thornton LLP, CII received detailed responses from 100 Indian companies, outlining the volume of tangible foreign direct investments (FDIs), employment generation and future expansion plans in each U.S. state.

The results of the survey point toward a particularly positive trajectory, with companies growing increasingly diversified and geographically dispersed across the length and breadth of the country.

Indian companies in the United States: Presence
Indian companies have operational presence (by way of physical investments as well as leased spaces) in all 50 states in the United States, as well as Washington, D.C. According to the survey, the top five states that have the highest concentrations of Indian companies are New Jersey, California, New York, Pennsylvania and Illinois.

Results highlights

100 Indian companies in the United States responded to the survey

> $15.3 billion
of tangible investments made

> 91,000
jobs created

SPREAD ACROSS 50
states in the United States, as well as Washington, D.C., with tangible investments in 35 states

TOP 5 STATES

Beneficiaries of the highest Indian FDI
1. Texas – $3.84 billion
2. Pennsylvania – $3.56 billion
3. Minnesota – $1.8 billion
4. New York – $1.01 billion
5. New Jersey – $1 billion

TOP 5 STATES

With the highest number of jobs*
1. New Jersey – 9,300
2. California – 8,400
3. Texas – 6,200
4. Illinois – 4,800
5. New York – 4,100

* Numbers have been rounded to nearest hundred
Figure 1: Indian companies in the United States: Geographical presence

- Over 15 companies
- 5 to 15 companies
- Less than 5 companies
Indian companies in the United States: Sector diversification
Diversified across a wide array of sectors, these companies are most prevalent in the following sectors: IT and IT-enabled services (IT-es); life sciences, pharmaceuticals and health care; mining, materials and manufacturing; design, engineering and construction; financial services; automotive; energy; media and entertainment; tourism and hospitality; and food and agriculture.

Undoubtedly, the IT and IT-es sector still dominates industry diversification, with 40% of surveyed Indian companies operating in this sector in the United States. However, the emergence of a significant number of companies in the life sciences, manufacturing and automotive sectors is a remarkable development as a major contributor to job creation. More companies operating in the financial services space is indicative of their growing prominence in the U.S. market, as well as the surging demand from a large and economically strong Indian Diaspora. Major investments in energy, including conventional sources such as oil and gas, as well as renewables, have also contributed to the increasing diversity of Indian companies’ operations in the United States. Another notable development, though still small and emerging, is the interest of companies in the tourism and hospitality, food and agriculture, as well as in the media and entertainment sectors.

84.5% of the companies plan to make more investments in the United States

Figure 2: Indian companies in the United States: Sector diversification
- IT, IT-es and telecom 40%
- Life sciences, pharmaceuticals and health care 14%
- Mining, materials and manufacturing 14%
- Financial services 6%
- Design, engineering and construction 5%
- Media and entertainment 5%
- Others 4%
- Automotive 4%
- Energy 4%
- Tourism and hospitality 2%
- Food and agriculture 2%
Indian companies in the United States: Tangible investments

Together, 100 Indian companies have made tangible investments in excess of $15.3 billion across the United States. These tangible investments are spread across 35 U.S. states.

More than half of these states have received over $100 million each in collective investment from Indian companies. The average amount of investment received from Indian companies per state is $433 million. The range of investment received by a state from Indian companies varies from a maximum of $3.85 billion to a minimum of $65,000.

The top five states that have received the highest volume of investment – $1 billion and above – from Indian companies are: Texas ($3.85 billion), Pennsylvania ($3.56 billion), Minnesota ($1.8 billion), New York ($1.01 billion) and New Jersey ($1 billion).

Indian companies in the United States: Employment generated

Collectively, 100 Indian companies have generated employment for over 91,000 people in the United States. Further, in terms of regional economic analysis, the multiplier effect, which measures the linkages between different industry sectors within a region, is an important consideration and would significantly add a number of indirect and induced jobs in other industries, apart from the boost in jobs during the construction phase.

The top five states in which Indian companies have generated maximum employment are: New Jersey (9,278 jobs), California (8,397 jobs), Texas (6,230 jobs), Illinois (4,779 jobs) and New York (4,134 jobs). In 21 of the 35 U.S. states where they have made investments, Indian companies support at least 1,000 jobs and above. The average number of jobs supported by Indian companies is just over 2,000.
Indian companies in the United States: Future plans

According to the data from the Reserve Bank of India, the United States features among the top five destinations for FDI from India. Further, India ranked as the eighth fastest-growing source of FDI in the United States in 2013, according to SelectUSA, U.S. Department of Commerce.

Corroborating these statistics, over 84% of Indian companies that responded to the survey indicated that they plan to make more investments in the United States over the next five years. Additionally, a whopping 89.61% of the companies indicated that they plan to hire more employees locally in the United States in the next five years.

According to the survey, the top most promising states for expected future investment include: California, New Jersey, New York and Texas.

The CII–Grant Thornton survey 2014 shines light on significant positive developments amongst the presence of Indian companies operating in the United States. Their presence in nearly all 50 states and tangible investments in 35 states points to their appetite of exploring business opportunity beyond the larger metropolitan cities and into the U.S. hinterland in terms of economic activity.

With growing investments and strengthening employment generation, the economic impact of Indian companies on the U.S. economy is increasing manifold. All of these factors fit with the current renewal of India-U.S. ties underway and point toward further growth in bilateral economic relations.

The significant and growing contributions of Indian investments on the U.S. economy remains a critical component of the bilateral partnership. Truly, companies with Indian roots are continuing to make their impact on American soil.
Figure 7: Number of Companies that plan to make future investment in the state

- Over 15 companies
- 5 to 15 companies
- Less than 5 companies
Survey results
Top 25 states with largest Indian investment
Texas

- Population: 26,448,193
- Growth rate: 3.7%
- Unemployment: 6.33%

Indian companies in Texas: Sector diversification

- IT, IT-es and telecom: 64%
- Design, engineering and construction: 12%
- Energy: 6%
- Life sciences, pharmaceuticals and health care: 6%
- Media and entertainment: 6%
- Mining, materials and manufacturing: 6%

- Number of Indian companies present: 17
- Total volume of investment ($): $3,847,854,973
- Number of jobs created: 6,230
Pennsylvania

- Population: 12,773,801
- Growth rate: 0.7%
- Unemployment: 7.61%

Number of Indian companies present: 20

Total volume of investment ($): $3,563,546,300

Number of jobs created: 3,370

Indian companies in Pennsylvania: Sector diversification

- IT, IT-es and telecom: 60%
- Life sciences, pharmaceuticals and health care: 25%
- Mining, materials and manufacturing: 10%
- Energy: 5%
Minnesota

- Population: 5,420,380
- Growth rate: 2.8%
- Unemployment: 5.13%

Indian companies in Minnesota: Sector diversification

- IT, IT-es and telecom: 83%
- Mining, materials and manufacturing: 17%

Number of Indian companies present: 6
Total volume of investment ($): $1,804,000,000,000
Number of jobs created: 2,454
New York

Population 19,651,127
Growth rate 0.7%
Unemployment 7.73%

Number of Indian companies present 23
Total volume of investment ($) $1,011,030,333

Number of jobs created 4,134

Indian companies in New York: Sector diversification

- IT, IT-es and telecom 44%
- Financial services 26%
- Mining, materials and manufacturing 13%
- Tourism and hospitality 9%
- Life sciences, pharmaceuticals and health care 4%
- Media and entertainment 4%
New Jersey

Population 8,899,339
Growth rate 1.1%
Unemployment 8.57%

Number of Indian companies present 36
Total volume of investment ($) $1,004,940,346
Number of jobs created 9,278

Indian companies in New Jersey: Sector diversification

- IT, IT-es and telecom 53%
- Life sciences, pharmaceuticals and health care 25%
- Media and entertainment 5%
- Mining, materials and manufacturing 5%
- Automotive 3%
- Design, engineering and construction 3%
- Financial services 3%
- Food and agriculture 3%
Massachusetts

Population 6,692,824
Growth rate 1.6%
Unemployment 6.87%

Number of Indian companies present
14

Total volume of investment ($)
$935,248,333

Number of jobs created
2,137

Indian companies in Massachusetts: Sector diversification

- IT, IT-es and telecom 50%
- Life sciences, pharmaceuticals and health care 15%
- Design, engineering and construction 7%
- Media and entertainment 7%
- Mining, materials and manufacturing 7%
- Tourism and hospitality 7%
- Other 7%
Georgia

Population 9,992,167
Growth rate 1.8%
Unemployment 8.31%

Number of Indian companies present 16
Total volume of investment ($) $343,598,500
Number of jobs created 4,021

Indian companies in Georgia: Sector diversification

- IT, IT-es and telecom 63%
- Life sciences, pharmaceuticals and health care 13%
- Mining, materials and manufacturing 13%
- Food and agriculture 6%
- Others 6%

Responses may not total 100% due to rounding.
Population: 4,625,470
Growth rate: 1.3%
Unemployment: 6.48%

Number of Indian companies present: 7
Total volume of investment ($): $335,000,000
Number of jobs created: 359

Indian companies in Louisiana: Sector diversification
- IT, IT-es and telecom: 57%
- Life sciences, pharmaceuticals and health care: 29%
- Mining, materials and manufacturing: 14%
Arkansas

Population 2,959,373
Growth rate 2.4%
Unemployment 7.33%

Number of Indian companies present 6
Total volume of investment ($) $304,500,000
Number of jobs created 1,184

Indian companies in Arkansas: Sector diversification
- IT, IT-es and telecom 83%
- Mining, materials and manufacturing 17%
California

Population 38,332,521
Growth rate 2.0%
Unemployment 8.89%

Number of Indian companies present
30

Total volume of investment ($)
$295,972,543

Number of jobs created
8,397

Indian companies in California: Sector diversification

- IT, IT-es and telecom 47%
- Life sciences, pharmaceuticals and health care 13%
- Design, engineering and construction 10%
- Media and entertainment 10%
- Mining, materials and manufacturing 7%
- Financial services 3%
- Food and agriculture 3%
- Tourism and hospitality 3%
- Others 3%

Responses may not total 100% due to rounding.
Number of Indian companies present

10

Total volume of investment ($)

$241,900,000

Number of jobs created

3,040
North Carolina

- Population: 9,848,060
- Growth rate: 2.3%
- Unemployment: 8.57%

Number of Indian companies present: 8

Total volume of investment ($): $236,970,000

Number of jobs created: 2,579

Indian companies in North Carolina: Sector diversification

- IT, IT-es and telecom 75%
- Automotive 13%
- Life sciences, pharmaceuticals and health care 13%

Responses may not total 100% due to rounding.
Kentucky

Population: 4,395,295
Growth rate: 1.6%
Unemployment: 8.17%

Number of Indian companies present: 6
Total volume of investment ($): $225,000,000
Number of jobs created: 1,808

Indian companies in Kentucky: Sector diversification
- IT, IT-es and telecom 67%
- Mining, materials and manufacturing 33%
Population: 5,742,713
Growth rate: 1.7%
Unemployment: 6.78%

Number of Indian companies present: 8
Total volume of investment ($): $159,000,000
Number of jobs created: 1,243

Indian companies in Wisconsin: Sector diversification
- IT, IT-es and telecom 63%
- Life sciences, pharmaceuticals and health care 25%
- Design, engineering and construction 12%
Illinois

Population 12,882,135
Growth rate 0.9%
Unemployment 9.11%

Number of Indian companies present: 18
Total volume of investment ($): $158,676,000
Number of jobs created: 4,779

Indian companies in Illinois: Sector diversification:
- IT, IT-es and telecom 61%
- Design, engineering and construction 11%
- Life sciences, pharmaceuticals and health care 11%
- Energy 6%
- Financial services 6%
- Mining, materials and manufacturing 6%

Responses may not total 100% due to rounding.
Kansas

Population: 2,893,957
Growth rate: 1.9%
Unemployment: 5.56%

Number of Indian companies present: 5
Total volume of investment ($): $113,000,000
Number of jobs created: 320

Indian companies in Kansas: Sector diversification
- IT, IT-es and telecom: 80%
- Mining, materials and manufacturing: 20%
Maryland

Population: 5,928,814
Growth rate: 0.0%
Unemployment: 6.68%

Number of Indian companies present: 11
Total volume of investment ($): $104,275,000
Number of jobs created: 830

Indian companies in Maryland: Sector diversification
- IT, IT-es and telecom: 64%
- Life sciences, pharmaceuticals and health care: 27%
- Food and agriculture: 9%
Population: 8,260,405  
Growth rate: 0.1%  
Unemployment: 5.48%

Number of Indian companies present: 12

Total volume of investment ($): $103,410,500

Number of jobs created: 1,431

Indian companies in Virginia: Sector diversification:
- IT, IT-es and telecom 75%
- Life sciences, pharmaceuticals and health care 8%
- Mining, materials and manufacturing 8%
- Others 8%

Responses may not total 100% due to rounding.
Iowa

Population 3,090,416
Growth rate 2.9%
Unemployment 4.69%

Number of Indian companies present
6

Total volume of investment ($)
$100,030,000

Number of jobs created
576

Indian companies in Iowa: Sector diversification
- IT, IT-es and telecom 50%
- Design, engineering and construction 17%
- Life sciences, pharmaceuticals and health care 17%
- Mining, materials and manufacturing 17%

Responses may not total 100% due to rounding.
Ohio

- Population: 11,570,808
- Growth rate: 1.8%
- Unemployment: 7.19%

Number of Indian companies present: 18
Total volume of investment ($): $52,965,769
Number of jobs created: 3,759

Indian companies in Ohio: Sector diversification:
- IT, IT-es and telecom: 56%
- Mining, materials and manufacturing: 28%
- Automotive: 6%
- Design, engineering and construction: 6%
- Life sciences, pharmaceuticals and health care: 6%

Responses may not total 100% due to rounding.
**Missouri**

- Population: 6,044,171
- Growth rate: 0.8%
- Unemployment: 6.66%

**Indian companies in Missouri: Sector diversification**

- IT, IT-es and telecom: 71%
- Life sciences, pharmaceuticals and health care: 29%

**Number of Indian companies present**: 7

**Total volume of investment ($)**: $45,000,000

**Number of jobs created**: 966
Tennessee

Population: 6,495,978
Growth rate: 0.8%
Unemployment: 8.16%

Number of Indian companies present: 6
Total volume of investment ($): $40,000,000
Number of jobs created: 690

Indian companies in Tennessee: Sector diversification

- IT, IT-es and telecom 67%
- Life sciences, pharmaceuticals and health care 17%
- Mining, materials and manufacturing 17%

Responses may not total 100% due to rounding.
Michigan

- Population: 9,895,622
- Growth rate: 2.0%
- Unemployment: 8.73%

Number of Indian companies present: 18

Total volume of investment ($): $38,903,466

Number of jobs created: 3,057

Indian companies in Michigan: Sector diversification

- IT, IT-es and telecom: 50%
- Design, engineering and construction: 17%
- Life sciences, pharmaceuticals and health care: 11%
- Mining, materials and manufacturing: 11%
- Automotive: 6%
- Energy: 6%

Responses may not total 100% due to rounding.
Oregon

- Population: 3,930,065
- Growth rate: 2.7%
- Unemployment: 7.88%

Indian companies in Oregon: Sector diversification

- IT, IT-es and telecom: 80%
- Mining, materials and manufacturing: 20%

Number of Indian companies present: 5
Total volume of investment ($): $25,000,000
Number of jobs created: 612
Indian companies in Indiana: Sector diversification

- IT, IT-es and telecom 60%
- Life sciences, pharmaceuticals and health care 20%
- Mining, materials and manufacturing 20%

Number of Indian companies present

5

Total volume of investment ($)

$15,000,000

Number of jobs created

766
State Fact Box Source:
Population: United States Census Bureau
http://www.census.gov/popest/data/state/totals/2013/

Growth Rate: U.S. Bureau of Economic Analysis
Percentage Change in Real GDP by State, 2013
http://www.bea.gov/newsreleases/regional/gdp_state/2014/_images/gsp_0614.png

Unemployment Rate: United States Bureau of Labor Statistics
2013 State Unemployment Rates
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