

## About HSBC

### U.S. Has Most Middle Market Companies on a Global Comparison, Though Segment Can Be Overlooked: HSBC

*\*U.S. Middle-Market Companies Contribute \$1.7 Trillion to Economy, Support 16.5 Million American Jobs\**

March 3, 2015

**New York, NY** - At 55,700, the U.S. has the largest concentration of middle market companies and generates the highest amount of economic output among such companies in major global markets, according to the first global survey of the mid-market sector commissioned by HSBC, and authored by Oxford Economics.

Among the 15 global economies tracked in the HSBC report, *Hidden Impact: The Vital Role of Mid-Market Enterprises*, U.S. middle market companies directly contribute \$1.7 trillion to the U.S. economy, or 13 percent of output, and support 16.5 million American jobs, or close to 13 percent of employment, making these businesses a critical engine for growth. Middle market companies examined in the report have annual sales between \$50 million to \$500 million.

"Middle market companies clearly generate a large proportion of economic output in most countries, and even more importantly, are vital to the functioning of a dynamic economy, like the U.S." said Derrick Ragland Executive Vice President and Head of U.S. Middle Market Corporate Banking, HSBC Bank USA, N.A. "They bring new innovations and products to the market and compete with large incumbents, increasing standards and competitiveness. Yet, they can be considered the middle child of the global economy - too small to have influence, but too big to benefit from the interventions, incentives and support afforded to smaller businesses."

#### **Middle Market Companies Deliver Additional Benefits to Wider Economy**

In addition to direct economic impact, middle market companies generate indirect benefits to the wider economy through demand generated in their supply chains and induced economic impacts from the wage-financed consumption of their employees. The combined indirect and induced effects from U.S. middle market companies contribute an extra \$2.2 trillion in U.S. economic output, and support an additional 21.3 million American jobs. When considered in aggregate (direct, indirect and induced effects), globally middle market companies sustain between 20 to nearly 40 percent of economic output in the market sector of the 15 countries studied.

#### **Business Services, Manufacturing, and Wholesale / Retail Lead U.S. MMEs**

In terms of industry, more than one-third of the American middle market segment are in the wholesale and retail sectors, followed by business services (legal, accounting, engineering and design) with 14,100, and manufacturing with 7,500, according to the report.

Key findings from HSBC's Made For Trade research include: Other U.S. industry highlights include:

- Though second to wholesale and retail in numbers, business services middle market companies provide the largest overall economic contribution to the economy at \$1.1 trillion, or about five percent. This group also directly accounted for around 4.5 million jobs.
- Wholesale and retail, with an estimated \$1.8 trillion in sales, follows as the second largest contributor to national economic output and accounted for about 3.1 million jobs.
- Manufacturing provides the third largest contribution (two percent) to U.S. economic output but generates the second largest number of jobs at 3.3 million among U.S. middle market companies.

The remaining sectors of the economy - transport, storage, information and communication; construction; financial services; mining and utilities; accommodations and food; agriculture and fishing; and other services - are notably smaller representing less than two percent each of U.S. national economic output.

"U.S. MMEs are at the heart of our economy and society," Ragland concluded. "However, they reach a point, where, having grown successfully for some time, they have to shake up the way they do things if they want to grow further. With the right kind of support though, including understanding their characteristics, the choices and the challenges they face, they could make an even greater contribution to local, regional and national growth."

China follows the U.S. with an estimated 40,200 middle market companies, contributing 74 million jobs, or about 12 percent of employment. And, even in smaller economies, the number of middle market companies is substantial with proportionately large employment figures: Singapore is estimated to have just over 1,500 supporting over 400,000 jobs and Poland has around 2,100 such firms sustaining 1.7 million jobs.

Globally, the estimated 161,800 middle market companies analyzed contribute \$11.5 trillion to gross domestic product (GDP), employ around 169 million people, have combined sales of \$16.6 trillion, and generate \$4.8 trillion

in economic value, accounting for between 10 to 17 percent of economic activity in the respective countries included in the report.

For more information about *HSBC's Hidden Impact: The Vital Role of Mid-Market Enterprises* and how HSBC is helping to make global connections, please visit: [cmbinsight.hsbc.com/middle-market-companies-us](http://cmbinsight.hsbc.com/middle-market-companies-us) or [globalconnections.hsbc.com](http://globalconnections.hsbc.com)

Follow the middle market company conversation on Twitter @HSBC\_US and #MadeForTrade

## Notes to editors:

For updates from the HSBC Press Office, follow us on Twitter: [www.twitter.com/HSBC\\_Press](http://www.twitter.com/HSBC_Press)

### HSBC Commercial Banking

For nearly 150 years we have been where the growth is, connecting customers to opportunities. Today, HSBC Commercial Banking serves businesses ranging from small enterprises to large multinationals in almost 60 developed and faster-growing markets around the world. Whether it is working capital, trade finance or payments and cash management solutions, we provide the tools and expertise that businesses need to thrive. With a network covering three quarters of global commerce, we make HSBC the world's leading international trade and business bank. For more information see [www.hsbc.com/1/2/business-and-commercial](http://www.hsbc.com/1/2/business-and-commercial)

### About HSBC Bank USA, N.A.

HSBC Bank USA, National Association (HSBC Bank USA, N.A.), with total assets of \$179.9bn as of 30 September 2013 (US GAAP), serves 3 million customers through retail banking and wealth management, commercial banking, private banking, asset management, and global banking and markets segments. It operates more than 240 bank branches throughout the United States. There are over 155 in New York State as well as branches in: California; Connecticut; Delaware; Washington, D.C.; Florida; Maryland; New Jersey; Pennsylvania; Oregon; Virginia; and Washington State. HSBC Bank USA, N.A. is the principal subsidiary of HSBC USA Inc., an indirect, wholly-owned subsidiary of HSBC North America Holdings Inc. HSBC Bank USA, N.A. is a member of the FDIC.

## Media Contact

- Laura Sheridan Powers
- [laura.s.powers@us.hsbc.com](mailto:laura.s.powers@us.hsbc.com)
- + 1 212-525-0115

## Media Relations Contacts

The contacts listed here are for media-related inquiries only. For customer service, please visit "Contact HSBC."

- Juanita Gutierrez

212.525.6282

- Laura S. Powers

212.525.0115

- Rob Sherman

212.525.6901

- Neil Brazil

212.525.0269

© HSBC Bank USA, N.A. 2015. All Rights Reserved.

Member FDIC.



**†† Investments, Annuity and Insurance Products:**

**†† Investments, Annuity and Insurance Products:**

<b>ARE NOT A BANK DEPOSIT OR OBLIGATION OF THE BANK OR ANY OF ITS AFFILIATES</b>	<b>ARE NOT FDIC INSURED</b>	<b>ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY</b>	<b>ARE NOT GUARANTEED BY THE BANK OR ANY OF ITS AFFILIATES</b>	<b>MAY LOSE VALUE</b>
--	---------------------------------	---	--	-----------------------