# TABLE OF CONTENTS

**LETTER FROM IFA PRESIDENT & CEO**

**PREFACE & ACKNOWLEDGEMENTS**

**NATIONAL SUMMARY**

**CHARTS**
- Direct Economic Output As a Percent Of Private Sector Economy
- Direct Employment As a Percent Of Private Sector Economy
- Direct Contributions Of Franchised Businesses to the U.S. Economy
- Total Contributions Of Franchised Businesses to the U.S. Economy
- Total Economic Output As a Percent Of Private Sector Economy
- Total Employment As a Percent Of Private Sector Economy
- Jobs By Economic Sector
- Direct Impact Of Franchised Businesses–Jobs
- Direct Impact Of Franchised Businesses–Establishments
- Direct Impact Of Franchised Businesses–Output

**INDUSTRIES**

**CHARTS**
- Output By Line Of Business
- Payroll By Line Of Business
- Establishments By Line Of Business
- Direct Impact Of Franchised Businesses By Line Of Business

**STATE SUMMARY**

**CHARTS**
- Employment Because Of Franchising As a Percent Of State Private Nonfarm Jobs
- Output Because Of Franchising As a Percent Of State Private Nonfarm Output
- Direct and Total Contributions Of Franchised Businesses By State

**CONGRESSIONAL DISTRICTS**

**ABOUT THE DATA**

**ABOUT FRANCHISING**

**INDUSTRY CATEGORIES**

---

**View the full Economic Impact of Franchised Business, Vol. III Report**
LETTER FROM IFA PRESIDENT & CEO

We are very proud to present you with an Executive Summary of Volume 3 of the Economic Impact of Franchised Businesses. We are excited about this report, because it includes estimates based on the first-ever census of franchising in the United States, conducted by the U.S. Census Bureau for 2007. This report supplements the data compiled by the Census Bureau to provide a more complete picture of franchising in the U.S. in terms of establishments, employment, payroll, economic output, and contributions to GDP.

This report continues the series of economic impact studies prepared by PwC for the IFA Educational Foundation, and includes – additional industries not covered by the Census, estimates of franchising activities in businesses without employees*, additional economic variables, and estimates of additional economic activity generated by franchise businesses through the purchases of goods and services from other businesses (indirect impact).

This report documents the important role the franchising industry continues to play in the U.S. economy. In 2007, more than 825,000 establishments directly or indirectly provided nearly 18 million nonfarm jobs for Americans and generated $2.1 trillion in economic output to the U.S. private sector economy. To put this into perspective, franchise businesses provided nearly as many jobs as the durable goods manufacturing sector of the economy.

As you can see in this report, in every line of business and in every state, franchising is a major source of jobs and a critical engine of economic growth. Franchise businesses, while making up less than 3 percent of all businesses, provide economic contributions that are greatly out-sized in relation to their numbers. The economic significance of franchising is greater than the activity in franchise businesses alone, supporting nearly 12 percent of all nonfarm jobs, 9 percent of all U.S. nonfarm economic output, and nearly 10 percent of total nonfarm GDP.

The International Franchise Association is proud to represent the franchisors, franchisees and suppliers that make up the franchising industry – one of the fastest growing and most productive sectors of the U.S. economy. We salute the tens of thousands of locally-owned franchise businesses that dot the American landscape, bringing the best quality products and services to millions of loyal customers every single day.

Sincerely,

Stephen J. Caldeira, CFE
President & CEO

*The Economic Census does not cover non-employer businesses, such as small family-run businesses and independent contractors. According to the Census Bureau there are 21.4 million non-employer businesses (73.8%) compared to 7.7 million businesses with paid employees (26.2%).
This Executive Summary provides highlights of the full report, the Economic Impact of Franchised Businesses, Volume 3, prepared by PwC for the IFA Educational Foundation. The full 600-plus page report provides much more detail including more than 540 tables and charts and a section on the methodology and databases used to produce the report. The full report can be found on the IFA website at www.buildingopportunity.com/download/Part1.pdf.

Gathering and analyzing data on the franchising industry – which spans more than 300 lines of business – is a large-scale undertaking. Since 2003, the IFA Educational Foundation, with the assistance of PricewaterhouseCoopers (PwC), has conducted three economic impact studies – for the years 2001, 2005, and for this report, for 2007. Prior to the first report published in February, 2004, there were no comprehensive measures of the number of establishments, jobs, payroll and economic output due to franchising. In addition, there were no “identifiers” for franchise businesses in the U.S. government’s Economic Census. Compounding the problem, there was no one database that could provide all the measures required to do a comprehensive study. Therefore, much credit goes to the IFA Board of Directors for funding this ground-breaking research study. Much credit and our thanks go to the PwC team of economists for compiling various databases and developing the models necessary to develop the estimates for the first study.

The second report, built on the first study, further documented the growth of franchising from 2001 to 2005. Volume 2 demonstrated that the franchising sector outpaced many other sectors of the economy during this time period. Direct economic output expanded by nearly 40 percent compared to 26 percent for all businesses. During this period, the franchising industry created jobs at more than three times the rate of other businesses. This is a report card that the franchising business model and IFA members can be proud of!

Volume 3 continues the series and demonstrates that franchise businesses provide economic contributions to the U.S. economy – in terms of jobs, payroll, and output – in far greater proportion than their numbers. The report shows the huge economic footprint of franchising in every state and Congressional District in the country. For example, in some states franchising contributes 14 percent or more of the state’s total nonfarm employment – in Mississippi (15.8%), in Oklahoma (14.8%), in West Virginia (14.4%), in New Mexico (14%), and in Kentucky (14%). Franchise businesses support at least 10 percent of the private, nonfarm workforce in every state except for Rhode Island, Massachusetts, New York and the District of Columbia.

Volume 3 provides estimates for two major categories – business format franchises and product distribution franchises. The report includes estimates for 10 major lines of business within the business format franchise category. The full report also includes a breakout by establishments owned and operated by franchisees and those owned and operated by franchisors.

Two significant improvements were made with the Volume 3 report, the first with many thanks to the U.S. Census Bureau, and the second thanks to new mapping technology. For the 2007 Economic Census, the Census Bureau added questions specific to franchising in nearly 300 industry sectors covering businesses with paid employees. (The Economic Census does not include businesses without paid employees, also known as non-employers.) As a result, this provided a wealth of new data for the Volume 3 report. Of equal importance, the Economic Census provided “identifiers” for franchise businesses within each of these business lines which establishes a baseline for future comparative research studies. Work has already begun on the 2012 Economic Census and we are looking forward to the results of the census surveys.

The second improvement was due to new mapping software, which allowed PwC to provide estimates for Congressional Districts without the double-counting of some counties in the two previous reports. With the new mapping software, using zip code level data, PwC was able to allocate economic activity within a county located in multiple congressional districts. The result is a more accurate picture of the economic contributions of franchising in every Congressional District.

On behalf of the International Franchise Association and the IFA Educational Foundation, we offer our sincere appreciation to the team of economists and researchers at PwC for this comprehensive report. We offer our sincere thanks and appreciation to the U.S. Census Bureau for expanding the Economic Census to include the franchising sector.

As franchise businesses continue to play an increasingly more significant role in the growth and vitality of the American economy, we will continue to measure the contributions of this very dynamic business model.

John R. Reynolds, CFE
President, IFA Educational Foundation
what happens in franchised businesses

Franchised businesses operated over 828,000 establishments in the United States in 2007, counting both establishments owned by franchisees and franchisors. These establishments represented 2.8 percent of all nonfarm business establishments in the United States. Franchised businesses directly provided more than 9.1 million jobs, met a $304 billion payroll, produced $802 billion of output, and added over $468 billion of gross domestic product (“GDP”).

Franchised businesses accounted for 6.2 percent of all private nonfarm jobs, 4.2 percent of all private nonfarm payroll, 3.4 percent of all private nonfarm output, and 3.9 percent of private nonfarm GDP in 2007.
what happens because of franchised businesses

The economic impact of franchising goes beyond activities inside franchised businesses, because franchises purchase products and services from non-franchise suppliers and their owners and workers spend income earned from franchising on personal purchases. As a result of these spillover effects, in 2007, franchising directly and indirectly accounted for 17.4 million private nonfarm jobs (11.8 percent of all private nonfarm jobs) and $0.7 trillion of private nonfarm payroll (9.7 percent of all private nonfarm payroll), $2.1 trillion of private nonfarm output (9.0 percent of all private nonfarm output), and $1.2 trillion of private nonfarm GDP (9.7 percent of all private nonfarm GDP).

1 IN 8
private nonfarm jobs is because of franchising.

TOTAL CONTRIBUTIONS OF FRANCHISED BUSINESSES TO THE U.S. ECONOMY // 2007

<table>
<thead>
<tr>
<th>BECAUSE OF FRANCHISED BUSINESSES (TOTAL)</th>
<th>PERCENT OF U.S. NONFARM PRIVATE SECTOR ECONOMY (TOTAL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOBS 17,430,700</td>
<td>11.8%</td>
</tr>
<tr>
<td>PAYROLL $707.6 BILLION</td>
<td>9.7%</td>
</tr>
<tr>
<td>OUTPUT $2.1 TRILLION</td>
<td>9.0%</td>
</tr>
<tr>
<td>GDP $1.2 TRILLION</td>
<td>9.7%</td>
</tr>
</tbody>
</table>
To indicate economic size in a different way, franchised businesses provided about the same number of jobs in the United States in 2007 as the manufacturers of durable goods. Durable goods include computers, engines and other industrial equipment and machinery; communications, lighting and other electronic equipment; cars, trucks, planes, and other transportation equipment; hardware, stampings, and other fabricated metal products; basic steel and other primary metals; lumber and wood products; medical, controlling, and other instruments; furniture and fixtures; and stone, clay, and glass products.

Looking at other points of reference, franchised businesses provided more jobs in 2007 than any one of the following industries: finance and insurance; real estate and rental and leasing; wholesale trade; transportation and warehousing; nondurable goods manufacturing; or information (including software and print publishing, motion pictures and videos, radio and television broadcasting, and telecommunications carriers and resellers).
Business format franchises sell the franchisor’s product or service, with the franchisor’s trademark, and operate the business according to a system provided by the franchisor. Product distribution franchises sell the franchisor’s products and are supplier-dealer relationships. Business format franchising was more prevalent than product distribution franchising in 2007, accounting for almost 20 times as many establishments and more than 5 times as many jobs. Franchisees owned most (86 percent) of the establishments that operated under a business format franchise. Among business format franchises, Quick Service Restaurants accounted for more establishments and jobs and produced greater output and value-added than any other single line of business in 2007. Only Business Services met a greater payroll. Among product distribution franchises, Automotive and Truck Dealers provided the most jobs and greatest payroll.

**Business format franchising had 20 times as many establishments as product distribution franchising, and provided more than 5 times the jobs provided by product distribution franchising.**
Among business format franchises, Quick Service Restaurants provided more establishments and jobs and generated more output and contributed more to GDP than any other single line of business (37 percent of all jobs in business format franchises); followed by Table/Full Service Restaurants (13%) and Business Services (12%). Business Services met a greater payroll than any other line of business.

Among product distribution franchises, the Automotive and Truck Dealer line of business accounted for more establishments, provided more jobs, supported a greater payroll, and generated more output and contributed more to GDP than any other single line of business in product distribution franchising.

One out of every four dollars of economic output in franchising comes from a quick service restaurant.
Quick service restaurants, business services and personal services count for almost half of all franchise establishments.
### Direct Impact of Franchised Businesses by Line of Business

#### Business Format Franchising

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
<th>Payroll</th>
<th>Output</th>
<th>GDP</th>
<th>Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick Service Restaurants</td>
<td>2,875,300</td>
<td>$54.1 Billion</td>
<td>$163.9 Billion</td>
<td>$79.6 Billion</td>
<td>147,211</td>
</tr>
<tr>
<td>Table/Full Service Restaurants</td>
<td>988,800</td>
<td>$18.6 Billion</td>
<td>$48.2 Billion</td>
<td>$23.4 Billion</td>
<td>33,010</td>
</tr>
<tr>
<td>Business Services</td>
<td>963,500</td>
<td>$57.7 Billion</td>
<td>$125.0 Billion</td>
<td>$73.6 Billion</td>
<td>109,100</td>
</tr>
<tr>
<td>Lodging</td>
<td>673,100</td>
<td>$22.6 Billion</td>
<td>$64.8 Billion</td>
<td>$39.1 Billion</td>
<td>24,608</td>
</tr>
<tr>
<td>Personal Services</td>
<td>594,400</td>
<td>$29.6 Billion</td>
<td>$70.8 Billion</td>
<td>$40.2 Billion</td>
<td>129,343</td>
</tr>
<tr>
<td>Retail Food</td>
<td>464,400</td>
<td>$13.0 Billion</td>
<td>$31.2 Billion</td>
<td>$21.5 Billion</td>
<td>58,400</td>
</tr>
<tr>
<td>Real Estate</td>
<td>370,500</td>
<td>$9.3 Billion</td>
<td>$60.1 Billion</td>
<td>$49.2 Billion</td>
<td>94,319</td>
</tr>
<tr>
<td>Retail Products &amp; Services</td>
<td>366,600</td>
<td>$9.8 Billion</td>
<td>$24.4 Billion</td>
<td>$16.6 Billion</td>
<td>90,896</td>
</tr>
<tr>
<td>Commercial &amp; Residential Services</td>
<td>279,700</td>
<td>$13.9 Billion</td>
<td>$35.5 Billion</td>
<td>$16.4 Billion</td>
<td>69,920</td>
</tr>
<tr>
<td>Automotive</td>
<td>183,500</td>
<td>$11.5 Billion</td>
<td>$30.4 Billion</td>
<td>$19.1 Billion</td>
<td>31,478</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,759,700</strong></td>
<td><strong>$240.0 Billion</strong></td>
<td><strong>$654.2 Billion</strong></td>
<td><strong>$378.8 Billion</strong></td>
<td><strong>788,285</strong></td>
</tr>
</tbody>
</table>

#### Product Distribution Franchising

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
<th>Payroll</th>
<th>Output</th>
<th>GDP</th>
<th>Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive &amp; Truck Dealers</td>
<td>1,267,700</td>
<td>$60.4 Billion</td>
<td>$125.9 Billion</td>
<td>$83.2 Billion</td>
<td>32,027</td>
</tr>
<tr>
<td>Gasoline Service Stations Without Convenience Stores</td>
<td>72,700</td>
<td>$2.0 Billion</td>
<td>$6.0 Billion</td>
<td>$4.4 Billion</td>
<td>7,347</td>
</tr>
<tr>
<td>Beverage Bottling</td>
<td>25,500</td>
<td>$1.9 Billion</td>
<td>$16.1 Billion</td>
<td>$2.0 Billion</td>
<td>479</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,366,000</strong></td>
<td><strong>$64.4 Billion</strong></td>
<td><strong>$148.0 Billion</strong></td>
<td><strong>$89.6 Billion</strong></td>
<td><strong>39,853</strong></td>
</tr>
</tbody>
</table>

#### All Franchised Businesses

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
<th>Payroll</th>
<th>Output</th>
<th>GDP</th>
<th>Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,125,700</strong></td>
<td><strong>$304.4 Billion</strong></td>
<td><strong>$802.2 Billion</strong></td>
<td><strong>$468.5 Billion</strong></td>
<td><strong>828,138</strong></td>
</tr>
</tbody>
</table>
BUSINESS FORMAT FRANCHISING

AUTOMOTIVE
Includes motor vehicle parts and supply stores, tire dealers, automotive equipment rental and leasing, and automotive repair and maintenance.

COMMERCIAL AND RESIDENTIAL SERVICES
Includes building, developing, and general contracting; heavy construction; special trade contractors; facilities support services; services to buildings and dwellings; and waste management and remediation services.

QUICK SERVICE RESTAURANTS
Includes limited-service eating places, cafeterias, fast-food restaurants, beverage bars, ice cream parlors, pizza delivery establishments, carryout sandwich shops, and carryout service shops with on-premises baking of donuts, cookies, and bagels.

TABLE/FULL SERVICE RESTAURANTS

REAL ESTATE
Includes lessors of buildings, self-storage units, and other real estate; real estate agents and brokers; and property management and other related activities.

RETAIL PRODUCTS AND SERVICES
Includes furniture and home furnishings stores, electronics and appliance stores, building material and garden equipment and supplies dealers, health and personal care stores, clothing and general merchandise stores, florists and gift stores, consumer goods rentals, photographic services, and book and music stores.

BUSINESS SERVICES
Includes printing, business transportation, warehousing and storage, data processing services, insurance agencies and brokerages, office administrative services, employment services, investigation and security services, tax preparation and payroll services, and heavy equipment leasing.

PERSONAL SERVICES
Includes educational services, health care, entertainment and recreation, personal and laundry services, veterinary services, loan brokers, credit intermediation and related activities, and personal transportation.

PRODUCT DISTRIBUTION FRANCHISING

AUTOMOTIVE AND TRUCK DEALERS

GASOLINE SERVICE STATIONS WITHOUT CONVENIENCE STORES

BEVERAGE BOTTLING
Includes soft drink and bottled water manufacturing, beer and ale wholesalers.
Franchised businesses operate in all 50 states, the District of Columbia, and in every congressional district. Below is a key for states with the greatest amount of economic activity due to franchised businesses:

Jobs in franchised businesses were greatest in California, Texas, and Florida in 2007.

Payroll, output, and contribution to GDP of franchised businesses were greatest in California, Texas, and New York.

Relative to the size of the statewide economy, franchising had the greatest impact on jobs in Mississippi, Oklahoma, and West Virginia.

Franchising accounted for the largest share of payroll in Hawaii, Mississippi, and Nevada and the largest share of GDP in Hawaii, Nevada, and Mississippi.

Franchising supports at least 10 percent of the private nonfarm workforce in 47 of the 50 states.
Franchising supports 14 percent or more of these states’ total nonfarm workforce—Michigan, West Virginia, New Mexico, Oklahoma, and Kentucky. The states with the largest amount of jobs directly in franchised businesses were California, Texas, Florida, Illinois, and Ohio.
<table>
<thead>
<tr>
<th>STATE</th>
<th>Franchise Establishments</th>
<th>Franchising Employment</th>
<th>Total Franchising Payroll ($ MILLIONS)</th>
<th>Franchising Output ($ MILLIONS)</th>
<th>Franchising GDP ($ MILLIONS)</th>
<th>Employment Because of Franchising ($ MILLIONS)</th>
<th>Payroll Because of Franchising ($ MILLIONS)</th>
<th>Output Because of Franchising ($ MILLIONS)</th>
<th>GDP Because of Franchising ($ MILLIONS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>14,866</td>
<td>155,800</td>
<td>3,912.8</td>
<td>10,925.8</td>
<td>5,838</td>
<td>275,300</td>
<td>8,669.4</td>
<td>28,342.2</td>
<td>14,039.5</td>
</tr>
<tr>
<td>Alaska</td>
<td>1,990</td>
<td>20,300</td>
<td>688.6</td>
<td>1,858.2</td>
<td>1,071.1</td>
<td>36,700</td>
<td>1,444.6</td>
<td>4,566.3</td>
<td>2,433.2</td>
</tr>
<tr>
<td>Arizona</td>
<td>17,039</td>
<td>192,700</td>
<td>6,681.4</td>
<td>17,436.8</td>
<td>10,584.6</td>
<td>362,300</td>
<td>14,234.2</td>
<td>40,785.2</td>
<td>23,877.7</td>
</tr>
<tr>
<td>Arkansas</td>
<td>9,746</td>
<td>96,700</td>
<td>2,240.4</td>
<td>6,441</td>
<td>3,331.6</td>
<td>170,500</td>
<td>4,975.6</td>
<td>16,891.3</td>
<td>7,953.2</td>
</tr>
<tr>
<td>California</td>
<td>82,739</td>
<td>925,700</td>
<td>36,965.5</td>
<td>94,206.6</td>
<td>58,187</td>
<td>1,852,200</td>
<td>89,305.3</td>
<td>255,366.6</td>
<td>147,610.5</td>
</tr>
<tr>
<td>Colorado</td>
<td>17,463</td>
<td>163,800</td>
<td>5,845.4</td>
<td>15,625.1</td>
<td>9,236.5</td>
<td>319,900</td>
<td>13,690.6</td>
<td>40,364.5</td>
<td>22,969.6</td>
</tr>
<tr>
<td>Connecticut</td>
<td>7,845</td>
<td>107,300</td>
<td>5,295.9</td>
<td>12,653.4</td>
<td>7,866.5</td>
<td>211,700</td>
<td>12,090.5</td>
<td>31,811.3</td>
<td>19,037.1</td>
</tr>
<tr>
<td>Delaware</td>
<td>2,220</td>
<td>26,900</td>
<td>978.1</td>
<td>2,525.8</td>
<td>1,481.9</td>
<td>49,100</td>
<td>2,122.1</td>
<td>6,250</td>
<td>3,394.9</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>1,822</td>
<td>26,000</td>
<td>1,367.5</td>
<td>3,464.3</td>
<td>2,282.2</td>
<td>48,100</td>
<td>3,235.4</td>
<td>7,765.9</td>
<td>5,061.6</td>
</tr>
<tr>
<td>Florida</td>
<td>49,424</td>
<td>563,400</td>
<td>19,364.9</td>
<td>49,774.4</td>
<td>29,499.4</td>
<td>1,111,900</td>
<td>42,175.4</td>
<td>119,485.1</td>
<td>68,927.4</td>
</tr>
<tr>
<td>Georgia</td>
<td>32,546</td>
<td>338,400</td>
<td>10,701</td>
<td>28,061</td>
<td>16,103.2</td>
<td>614,700</td>
<td>23,701.2</td>
<td>71,710.3</td>
<td>38,994.1</td>
</tr>
<tr>
<td>Hawaii</td>
<td>2,800</td>
<td>46,800</td>
<td>1,912</td>
<td>5,074.3</td>
<td>3,055.2</td>
<td>92,200</td>
<td>3,717.9</td>
<td>10,915.7</td>
<td>6,189.6</td>
</tr>
<tr>
<td>Idaho</td>
<td>5,144</td>
<td>48,600</td>
<td>1,257.1</td>
<td>3,481.2</td>
<td>1,910.7</td>
<td>89,500</td>
<td>2,709</td>
<td>8,425</td>
<td>4,355.5</td>
</tr>
<tr>
<td>Illinois</td>
<td>36,106</td>
<td>412,800</td>
<td>16,509.1</td>
<td>42,382.2</td>
<td>25,731.4</td>
<td>819,400</td>
<td>38,148.5</td>
<td>109,743.6</td>
<td>61,807.6</td>
</tr>
<tr>
<td>Indiana</td>
<td>18,350</td>
<td>216,000</td>
<td>5,590.8</td>
<td>15,537.6</td>
<td>8,342.8</td>
<td>392,700</td>
<td>12,762.9</td>
<td>41,294.4</td>
<td>20,437.1</td>
</tr>
<tr>
<td>Iowa</td>
<td>11,727</td>
<td>117,000</td>
<td>2,852.9</td>
<td>8,191.2</td>
<td>4,255.5</td>
<td>207,700</td>
<td>6,256.4</td>
<td>20,923.2</td>
<td>9,957.3</td>
</tr>
<tr>
<td>Kansas</td>
<td>10,871</td>
<td>112,700</td>
<td>2,879.6</td>
<td>7,979.9</td>
<td>4,239.7</td>
<td>202,100</td>
<td>6,510.6</td>
<td>21,470.5</td>
<td>10,550.2</td>
</tr>
<tr>
<td>Kentucky</td>
<td>14,926</td>
<td>160,700</td>
<td>3,957.6</td>
<td>11,089.7</td>
<td>5,827.4</td>
<td>269,600</td>
<td>8,256</td>
<td>26,970.9</td>
<td>13,254.9</td>
</tr>
<tr>
<td>Louisiana</td>
<td>12,752</td>
<td>147,000</td>
<td>4,497.9</td>
<td>12,266.7</td>
<td>6,787</td>
<td>267,300</td>
<td>9,724.7</td>
<td>32,449.5</td>
<td>15,613.9</td>
</tr>
<tr>
<td>Maine</td>
<td>3,674</td>
<td>38,900</td>
<td>1,068.9</td>
<td>2,999.2</td>
<td>1,604.4</td>
<td>74,100</td>
<td>2,358.5</td>
<td>7,423.5</td>
<td>3,780</td>
</tr>
<tr>
<td>Maryland</td>
<td>14,862</td>
<td>161,200</td>
<td>5,900.9</td>
<td>15,135.8</td>
<td>9,139.9</td>
<td>315,500</td>
<td>13,485.5</td>
<td>37,448.7</td>
<td>21,884.6</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>13,676</td>
<td>149,600</td>
<td>6,357.6</td>
<td>15,840.4</td>
<td>9,890.1</td>
<td>323,900</td>
<td>16,841.3</td>
<td>44,725.2</td>
<td>26,611.3</td>
</tr>
<tr>
<td>Michigan</td>
<td>24,458</td>
<td>260,600</td>
<td>7,877.4</td>
<td>21,974.2</td>
<td>12,638.1</td>
<td>505,100</td>
<td>19,143.5</td>
<td>58,231.2</td>
<td>31,646.3</td>
</tr>
<tr>
<td>Minnesota</td>
<td>18,135</td>
<td>190,900</td>
<td>6,007.4</td>
<td>15,944.9</td>
<td>9,146.8</td>
<td>366,200</td>
<td>14,248.2</td>
<td>42,316.3</td>
<td>22,812.8</td>
</tr>
<tr>
<td>Mississippi</td>
<td>10,320</td>
<td>108,100</td>
<td>2,565.7</td>
<td>7,368.7</td>
<td>3,870</td>
<td>183,900</td>
<td>5,209.8</td>
<td>17,716.6</td>
<td>8,363.3</td>
</tr>
<tr>
<td>Missouri</td>
<td>20,822</td>
<td>220,700</td>
<td>6,366.2</td>
<td>17,197.3</td>
<td>9,604.8</td>
<td>412,800</td>
<td>14,472.9</td>
<td>44,321.5</td>
<td>23,152.6</td>
</tr>
<tr>
<td>STATE</td>
<td>Franchising Establishments</td>
<td>Franchising Employment</td>
<td>Franchising Payroll ($ MILLIONS)</td>
<td>Franchising Output ($ MILLIONS)</td>
<td>Franchising GDP ($ MILLIONS)</td>
<td>Employment Because of Franchising</td>
<td>Payroll Because of Franchising ($ MILLIONS)</td>
<td>Output Because of Franchising ($ MILLIONS)</td>
<td>GDP Because of Franchising ($ MILLIONS)</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------</td>
<td>------------------------</td>
<td>----------------------------------</td>
<td>---------------------------------</td>
<td>-----------------------------</td>
<td>----------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Montana</td>
<td>2,974</td>
<td>32,300</td>
<td>817.2</td>
<td>2,478.2</td>
<td>1,347</td>
<td>58,400</td>
<td>1,714.5</td>
<td>5,901.5</td>
<td>3,004</td>
</tr>
<tr>
<td>Nebraska</td>
<td>7,569</td>
<td>74,900</td>
<td>2,017.7</td>
<td>5,669.7</td>
<td>3,013.8</td>
<td>136,400</td>
<td>4,456.6</td>
<td>14,434.2</td>
<td>7,005.8</td>
</tr>
<tr>
<td>Nevada</td>
<td>7,339</td>
<td>102,400</td>
<td>4,334.9</td>
<td>11,229.6</td>
<td>7,065.9</td>
<td>187,400</td>
<td>8,196.2</td>
<td>23,315.7</td>
<td>14,063.7</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>3,708</td>
<td>39,200</td>
<td>1,401</td>
<td>3,557.9</td>
<td>2,118.9</td>
<td>77,800</td>
<td>3,170.3</td>
<td>8,873.8</td>
<td>5,047.5</td>
</tr>
<tr>
<td>New Jersey</td>
<td>19,708</td>
<td>215,400</td>
<td>9,440.1</td>
<td>22,801.3</td>
<td>12,727.4</td>
<td>536,200</td>
<td>18,371.6</td>
<td>58,144.3</td>
<td>30,328.8</td>
</tr>
<tr>
<td>New York</td>
<td>34,467</td>
<td>349,600</td>
<td>16,813.6</td>
<td>41,018.4</td>
<td>25,646.1</td>
<td>784,300</td>
<td>22,756.3</td>
<td>64,343.1</td>
<td>38,060.7</td>
</tr>
<tr>
<td>North Carolina</td>
<td>26,219</td>
<td>296,100</td>
<td>584.8</td>
<td>1,679.4</td>
<td>894.6</td>
<td>136,400</td>
<td>4,456.6</td>
<td>14,434.2</td>
<td>7,005.8</td>
</tr>
<tr>
<td>North Dakota</td>
<td>1,878</td>
<td>23,600</td>
<td>1,679.4</td>
<td>894.6</td>
<td>41,800</td>
<td>136,400</td>
<td>4,456.6</td>
<td>14,434.2</td>
<td>7,005.8</td>
</tr>
<tr>
<td>Ohio</td>
<td>31,336</td>
<td>382,000</td>
<td>10,996.4</td>
<td>29,196.9</td>
<td>15,947.7</td>
<td>703,600</td>
<td>24,543.5</td>
<td>75,041.9</td>
<td>38,469.9</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>12,987</td>
<td>136,500</td>
<td>3,555.6</td>
<td>9,929.1</td>
<td>5,230.8</td>
<td>246,100</td>
<td>7,922.2</td>
<td>25,805.2</td>
<td>13,006.5</td>
</tr>
<tr>
<td>Oregon</td>
<td>10,409</td>
<td>114,200</td>
<td>3,558</td>
<td>9,529.4</td>
<td>5,352</td>
<td>223,400</td>
<td>8,045.9</td>
<td>23,848.3</td>
<td>12,837.8</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>29,514</td>
<td>318,600</td>
<td>10,742.1</td>
<td>28,394.7</td>
<td>16,719.9</td>
<td>662,200</td>
<td>27,621</td>
<td>82,357.3</td>
<td>44,652.7</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>2,422</td>
<td>26,700</td>
<td>935.7</td>
<td>2,386.9</td>
<td>1,382.9</td>
<td>51,700</td>
<td>2,046.3</td>
<td>5,826.6</td>
<td>3,222.7</td>
</tr>
<tr>
<td>South Carolina</td>
<td>13,252</td>
<td>145,000</td>
<td>3,829</td>
<td>10,473.8</td>
<td>5,768.9</td>
<td>254,300</td>
<td>7,929.1</td>
<td>24,875.1</td>
<td>12,876.8</td>
</tr>
<tr>
<td>South Dakota</td>
<td>2,300</td>
<td>27,400</td>
<td>684</td>
<td>2,042.4</td>
<td>1,124.5</td>
<td>50,700</td>
<td>1,513.9</td>
<td>5,048.8</td>
<td>2,573.1</td>
</tr>
<tr>
<td>Tennessee</td>
<td>21,291</td>
<td>223,900</td>
<td>6,721.4</td>
<td>18,094.8</td>
<td>10,232.4</td>
<td>412,500</td>
<td>15,181.2</td>
<td>45,814.4</td>
<td>24,305.8</td>
</tr>
<tr>
<td>Texas</td>
<td>66,355</td>
<td>727,500</td>
<td>23,349.1</td>
<td>61,736.6</td>
<td>35,676</td>
<td>1,352,000</td>
<td>55,901.6</td>
<td>175,795.2</td>
<td>95,159.7</td>
</tr>
<tr>
<td>Utah</td>
<td>7,624</td>
<td>84,200</td>
<td>2,372.7</td>
<td>6,620.1</td>
<td>3,778.5</td>
<td>162,200</td>
<td>5,446.6</td>
<td>17,466.5</td>
<td>9,041.3</td>
</tr>
<tr>
<td>Vermont</td>
<td>2,134</td>
<td>22,100</td>
<td>635.1</td>
<td>1,776.6</td>
<td>977.3</td>
<td>42,100</td>
<td>1,366.6</td>
<td>4,198.2</td>
<td>2,201.1</td>
</tr>
<tr>
<td>Virginia</td>
<td>24,872</td>
<td>287,000</td>
<td>9,326.7</td>
<td>24,569</td>
<td>14,307.7</td>
<td>513,000</td>
<td>20,461.8</td>
<td>59,442.8</td>
<td>33,311.6</td>
</tr>
<tr>
<td>Washington</td>
<td>14,823</td>
<td>164,700</td>
<td>5,799.8</td>
<td>15,117.2</td>
<td>8,939.9</td>
<td>323,500</td>
<td>13,706.8</td>
<td>40,393.7</td>
<td>22,361.7</td>
</tr>
<tr>
<td>West Virginia</td>
<td>5,832</td>
<td>62,200</td>
<td>1,465.4</td>
<td>4,178.9</td>
<td>2,185.9</td>
<td>105,000</td>
<td>3,059.4</td>
<td>9,985.6</td>
<td>4,920.6</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>15,353</td>
<td>177,100</td>
<td>4,888.4</td>
<td>13,499.1</td>
<td>7,317</td>
<td>341,800</td>
<td>11,657.3</td>
<td>37,488.3</td>
<td>18,445.4</td>
</tr>
<tr>
<td>Wyoming</td>
<td>1,782</td>
<td>20,100</td>
<td>559.8</td>
<td>1,646.6</td>
<td>929.3</td>
<td>34,900</td>
<td>1,758.8</td>
<td>4,133.8</td>
<td>2,130</td>
</tr>
<tr>
<td>Total</td>
<td>828,138</td>
<td>9,125,700</td>
<td>304,375.9</td>
<td>802,199.8</td>
<td>468,463.6</td>
<td>17,430,700</td>
<td>70,570.2</td>
<td>2,098,302.2</td>
<td>1,154,417.7</td>
</tr>
</tbody>
</table>

**STATE SUMMARY**

- **Franchising Establishments**
- **Franchising Employment**
- **Franchising Payroll ($ MILLIONS)**
- **Franchising Output ($ MILLIONS)**
- **Franchising GDP ($ MILLIONS)**
- **Employment Because of Franchising**
- **Payroll Because of Franchising ($ MILLIONS)**
- **Output Because of Franchising ($ MILLIONS)**
- **GDP Because of Franchising ($ MILLIONS)**

**= What happens in franchised businesses**

**= What happens because of franchised businesses**
Interested in finding out more about what is happening locally? Please visit www.buildingopportunity.com to see the economic impact of franchised businesses in each congressional district. You will be able to view the number of jobs and other economic measures that existed in each congressional district of a state in 2007. Not only are the numbers for franchised businesses shown, but the estimates of economic impact because of franchised businesses are shown as well.

Estimates of the economic significance of franchising in a congressional district in 2007 are shown at www.buildingopportunity.com and in the full report. There is a separate view for every district.

The view displays the number of establishments, jobs, payroll, output, and contribution to GDP in franchised businesses in a congressional district in 2007. The jobs, payroll, output, and contribution to GDP because of franchised businesses are also shown. Those estimates are displayed separately for business format franchising and product distribution franchising. The business format franchising estimates are also broken down to show franchisee-owned and franchisor-owned establishments separately.

Find out the economic impact of franchised businesses in your district.

For measuring activity occurring because of franchised businesses, PwC used the economic modeling system developed by the Minnesota IMPLAN Group. The model provides a consistent framework to trace such spillover effects and estimate the jobs, payroll, output, and contribution to GDP that occur throughout the economy because of franchised businesses.

For more details on research methodology see the full report.

In 2004, the Foundation released Volume I of The Economic Impact of Franchised Businesses, which provided measures of the total economic impact of franchised businesses in the United States using data for 2001. Volume II of the study, released in 2008, used the same data sources and methodology to estimate the total economic impact of franchised businesses in 2005.

Due to major changes in the underlying data sets and methodologies used in this report, the estimates contained in this report are not comparable to previous volumes of the study. In particular, the current estimates incorporate information from a census of businesses with paid employees, as reported in the 2007 Economic Census Franchise Report, along with other data sources. In the previous two volumes of this study, a “congressional district” was defined as a collection of those whole counties any portion (other than a de minimis portion) of which falls in the actual congressional district. As a result, in the previous two volumes, summing results across congressional districts would result in double counting. For the current report, PwC revised their methodology so that economic activity within a county located in multiple congressional districts is allocated among those congressional districts using zip-code level data to provide an exact mapping to actual congressional districts. As such, summing results across congressional districts in a state would now yield exactly the state totals.
The International Franchise Association is the world’s oldest and largest organization representing franchising worldwide. Celebrating 50 years of excellence, education and advocacy, IFA protects, enhances and promotes franchising through government relations, public relations and educational programs. Through its awareness campaign highlighting the theme, Franchising: Building Local Businesses, One Opportunity at a Time, IFA promotes the nearly 18 million jobs and $2.1 trillion of economic activity generated by franchising. IFA members include franchise companies in over 90 different business format categories, individual franchisees and companies that support the industry in marketing, law and business development.

The IFA Educational Foundation serves as the research and education arm of the International Franchise Association. The Foundation is a 501 (c) (3) non-profit organization and donations are tax deductible. The Foundation conducts research to expand the knowledge and awareness of franchising’s role in the economy; provides continuing education and professional development programs through the Institute of Certified Franchise Executives (ICFE), and works to increase opportunities for women and minorities in franchising through the IFA Diversity Institute.

The terms “franchising” and “franchise” are often used interchangeably to mean a business, a type of business, or an industry. Strictly speaking, the “franchise” is the agreement or license between two parties which gives a person or group of people (the franchisee) the rights to market a product or service using the trademark and operating methods of another business (the franchisor). The franchisee has the obligation to pay the franchisor certain fees and royalties in exchange for these rights. In this sense, franchising is not a business or an industry, but it is a way of doing business.

This research study is focused on two types of franchises—product distribution franchises and business format franchises. Product distribution franchises sell the franchisor’s products and are supplier-dealer relationships. In general, the franchisor licenses the use of its trademark to the franchisee but may not in all cases provide the franchisee with a system for running its business. Examples of product distribution franchises are soft drink distributors, automobile dealerships, and gas stations.

Business format franchises not only sell the franchisor’s product or service with the franchisor’s trademark, but operate the business according to a system provided by the franchisor. The franchisor provides training, marketing materials, and an operations manual to the franchisee. There are many examples of business format franchises, including—quick service restaurants, automotive services, lodging, real estate agents, convenience stores, and tax preparation services, to name a few. The International Franchise Association represents business format franchising.

The typical franchise company (franchisor) will have establishments that are operated by franchisees as well as establishments that are operated by corporate employees. Over three quarters of franchised establishments are owned by franchisees. The remainder are owned by the franchisor. In the study, figures for “franchised businesses” include franchisee-owned and franchisor-owned establishments.

For more information about franchising, please visit the IFA website at www.franchise.org.
FRANCHISE OPPORTUNITIES
BY INDUSTRY CATEGORY

Advertising/Direct Mail
Assisted Living
Accounting/Tax Services
Automotive Products and Services
Auto & Truck Rentals
ATM’s
Batteries: Retail/Commercial
Beverages
Business/Management Consulting
Bookstores
Business Services
Business Brokers
Campgrounds
Chemicals & Related Products
Children’s Services
Check Cashing/Financial Service Center
Clothing & Shoes
Commercial Lighting
Computer/Electronics/Internet Services
Consumer Buying Services
Cosmetics
Construction: Materials, Services & Remodeling
Convenience Stores
Dating Services
Drug Stores
Educational Products & Services
Employment Services
Environmental Services
Equipment Leasing & Financing
Event Planning
Franchise Consulting
Food: Carribean
Financial Services
Fitness
Florist Shops
Food: Baked Goods/Donuts/Pastries
Food: Candy/Popcorn/Snacks
Food: Ice Cream/Yogurt
Food: Pizza
Food: Restaurants
Food: Specialty
Golf Equipment, Products & Services
Hair Salons & Services
Handyman Services
Health Aids & Services
Home Improvement
Home Appliances: Sales, Rental & Rep.
Home Furnishings: Retail, Sale & Rental
Home Inspection/Radon Detection
Hotels & Motels
Insurance
Janitorial Services
Jewelry
Laundry & Dry Cleaning
Lawn, Garden & Agricultural
Maintenance, Cleaning & Sanitation
MedSpa
Food: Meal Preparation
Maid & Personal Services
Marine Services
Metal
Optical Aids & Services
Package Preparation/Shipment-Mail Service
Painting Services
Paralegal Services
Payroll Services
Pest Control Services
Pet Services
Photography & Supplies
Playgrounds
Pressure Washing & Restoration
Printing/Photocopying Services
Pre-employment Screening Services
Publications
Rental: Equipment & Supplies
Recreation: Equipment & Supplies
Real Estate Services
Recreation: Exercise/Sports Ent./Products
Recycling Products and Services
Retail Stores: Specialty
Security Systems
Senior Care
Sign Products & Services
Senior Living Communities
Storage
Tanning Centers
Telecommunication Services
Tools & Hardware
Transportation Services
Travel Agents
Vending
Video/Audio Sales & Rentals
Vitamin & Mineral Stores
Water Conditioning
Wedding Planning
Weight Control
Wildlife Management Control

SUPPLIER FORUM
BY INDUSTRY CATEGORY

Accountants
Advertising/Design
Attorneys
Audio Visual Productions
Background Screening Services
Business Products/Systems
Call Center/Answering Service
Cell Phone Providers
Check/Credit Card Services
Computer Software/Internet Services
Construction/Management
Consumer Feedback / Market Research
Convention/Planning Travel
Direct Mail
Displays & Fixtures
Dispute Resolution
Document Retrieval Services
Education/Training
Executive Search
Financial Services
Floral Services
Franchise Brokers
Franchise Consultants
Franchise Research Services
Hotels
Human Resources
Insurance
Interior Design
International Development Consultants
Internet Sites
Lighting
Maintenance, Cleaning & Sanitation
Manuals
Marketing/Public Relations
Multimedia Design
Mystery Shopper
Online Advertising
Organizations
Point of Sales Systems
Printing
Promotional Items
Publications
Real Estate
Security Systems
Sign Products & Services
Site Selection
Tax Credit Program
Telecommunications
Teleconferencing Services
Trade Shows/Expos
Translation Services
Uniforms
Utilities
Vehicles