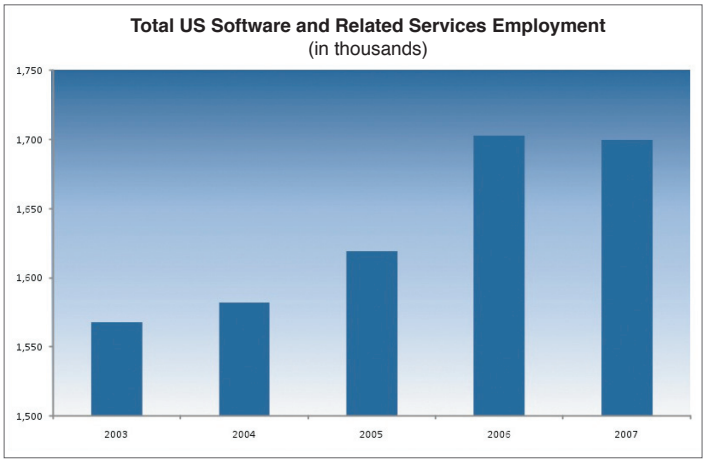
Software Industry Facts and Figures

The software industry employs more than 1 million people in the US…

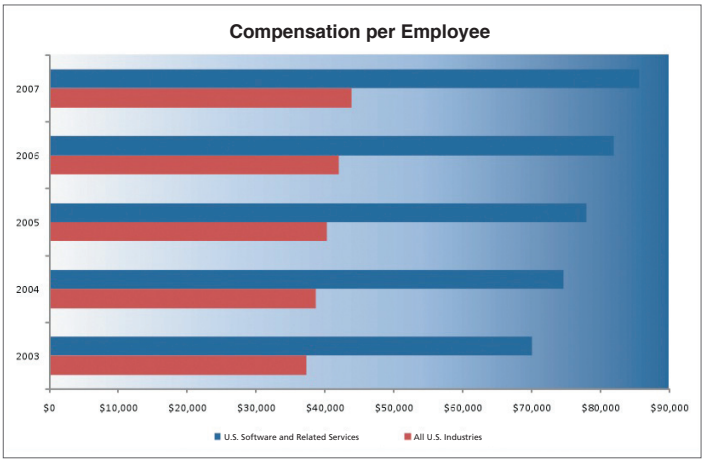
- **ENGINE OF EMPLOYMENT:** The software and related services sector employed 1.7 million people in the US in 2007. *[Source: OECD, STAN Database for Structural Analysis, ed. 2008]*



Source: OECD, STAN Database for Structural Analysis, ed. 2008

… In jobs that pay nearly twice the national average

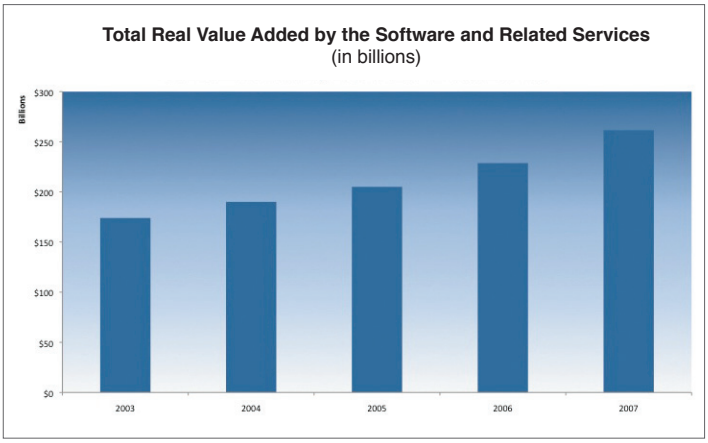
- **GOOD, HIGH-PAYING JOBS:** On average, workers in the software and related services sector were paid $85,600 in 2007. This is 195% of the national average. *[Source: OECD, STAN Database for Structural Analysis, ed. 2008]*



Source: OECD, STAN Database for Structural Analysis, ed. 2008

The software industry adds more than $260 billion in value to the US economy…

- **CONTRIBUTING TO NATIONAL PROSPERITY:** The software and related services sector's real contribution to GDP exceeded $261 billion in 2007. (This was nearly twice as large as the real value added by the entire recreational, cultural and sporting sector.) *[Source: OECD, STAN Database for Structural Analysis, ed. 2008]*



Source: OECD, STAN Database for Structural Analysis, ed. 2008

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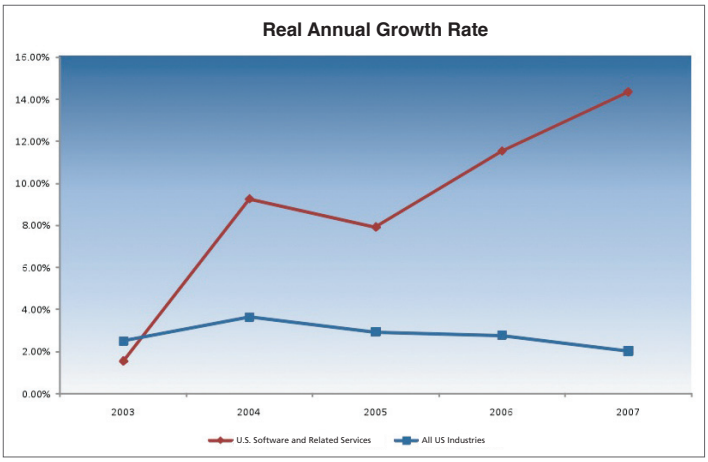
… And its contribution has historically grown much faster than the rest of the economy

- **OUTPERFORMING THE ECONOMY:** In 2007, the software and related services sector experienced a real annual growth rate of 14%, compared with a real annual growth rate of 2% for all US industries. This sector has outpaced the rest of the economy in each year since 2003. *[Source: OECD, STAN Database for Structural Analysis, ed. 2008]*



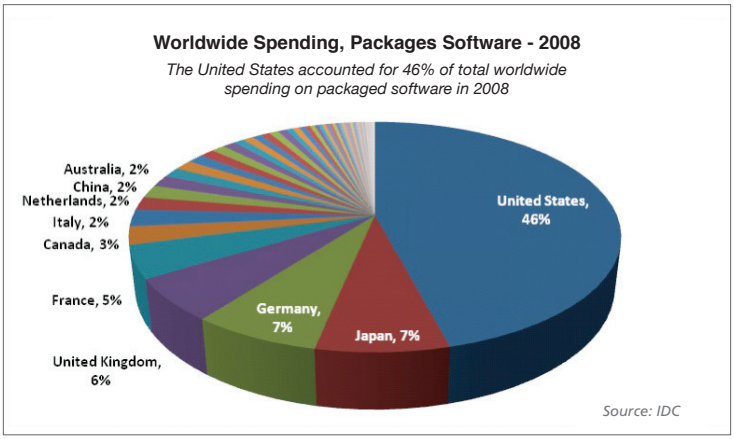
Source: OECD, STAN Database for Structural Analysis, ed. 2008

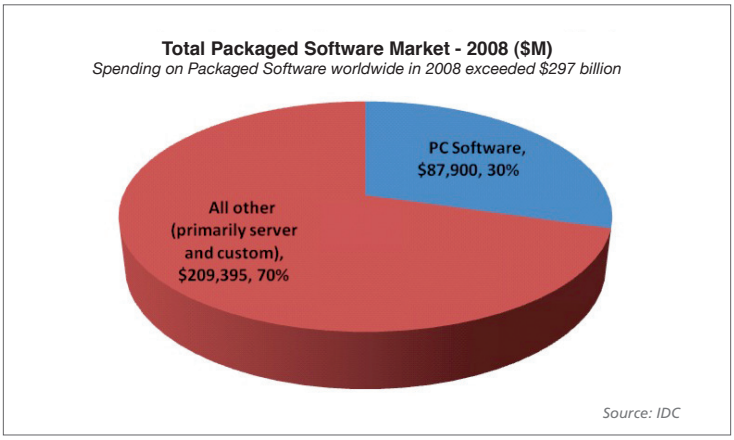
The software market is large and highly globalized…

- **TOP SOFTWARE-USING NATIONS:** In 2008, the US share of the packaged software market was $136.6 billion, or 45.9% of the world market. Although the US is the single largest software market in the world, more than half of the world's software market lies outside the US. *[Source: IDC]*

- **GLOBAL MARKET SIZE:** The worldwide PC software market was $88 billion in 2008, representing 30% of the total packaged-software market, which was $297 billion. Packaged software includes applications (e.g., Corel Draw, or Autodesk Autocad), application development and deployment tools (e.g. Adobe ColdFusion or Embarcadero RAD Studio 2010), and system infrastructure software (e.g., Microsoft .NET Framework). PC software includes all packaged software that runs on personal computers, including operating systems (e.g., Apple OS X and Microsoft Windows), systems software such as databases (e.g., Sybase Advanced Server Enterprise 15), security packages (e.g., Symantec Norton 360 or McAfee Total Protection), and business and consumer applications (e.g., Intuit Quicken, Rosetta Stone, Corel WordPerfect or Quark QuarkXPress). *[Source: IDC]*

- **NUMBER OF UNITS SHIPPED:** About 3.6 billion units of software were deployed in 2008, a 20% increase over 2007. Approximately 288 million PCs were shipped, a 10% increase over 2007. *[Source: IDC]*





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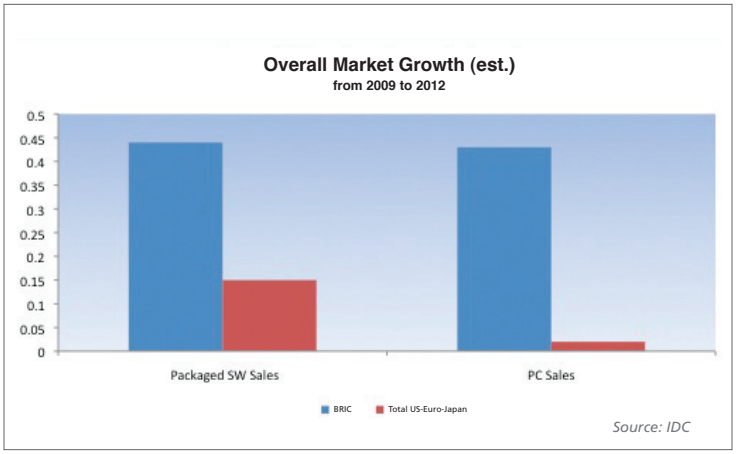
… And the fastest growth is in emerging markets

- **EXPLOSIVE GROWTH FORECASTED IN "BRIC" COUNTRIES:** PC sales in the so-called "BRIC" markets (Brazil, Russia, India, and China) are projected to grow by 43% between 2009 and 2012 to a total of more than $66 billion. By comparison, PC sales are projected to grow only 2% in the United States; Central, Eastern, and Western Europe; and Japan collectively in this timeframe.

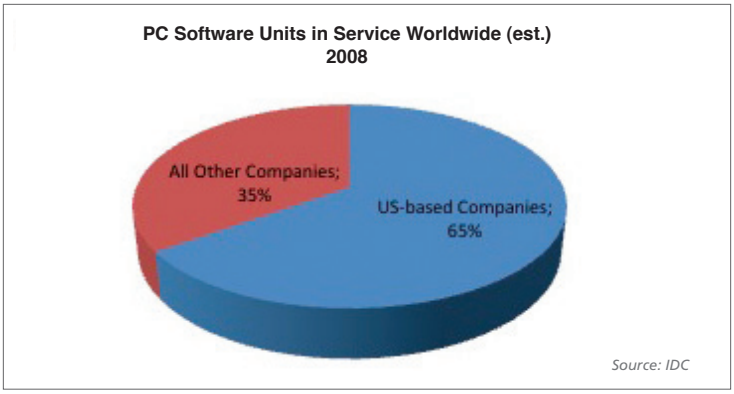
  Over the same period, packaged software sales in the BRIC markets are projected to rise by 44% to a total of nearly $22 billion. By comparison, packaged-software sales are projected to grow 15% in the United States; Central, Eastern, and Western Europe; and Japan collectively in this timeframe. By 2011, the BRIC markets will account for 25% of global PC sales and 6% of packaged software sales. *[Source: IDC]*



US-based companies are leading the world in meeting this demand…

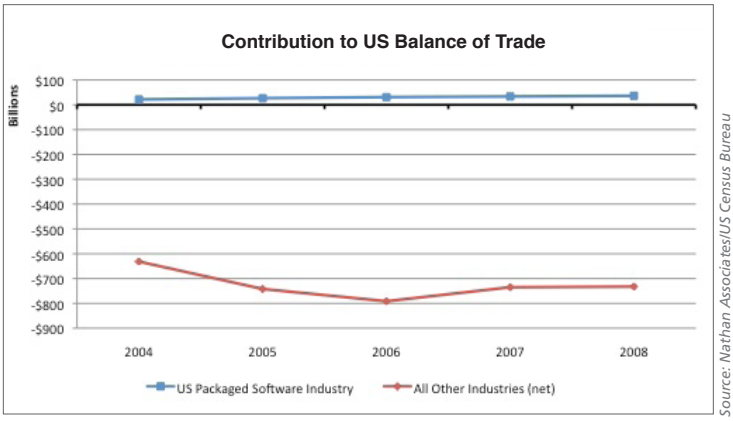
- **US LEADERSHIP IN GLOBAL MARKET:** An estimated 65% of the PC software units in service worldwide in 2008 were from US-based companies. In recent years, about 60% of global spending on PC software has been paid to US-based software companies. *[Source: IDC]*

- **IMPORTANCE OF OVERSEAS MARKETS:** Non-US sales represent more than 50% of revenues for most of BSA's publicly traded member companies. *[Source: Business Software Alliance analysis of US SEC Forms 10-K]*



… And contribute significantly to US trade performance

- **A TOP CONTRIBUTOR TO US TRADE PERFORMANCE:** The US packaged-software industry contributed an estimated $36 billion surplus to the US balance of trade in 2008. *[Source: Nathan Associates]*



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The IT industries are leaders in innovation. . .

- **INVESTMENT IN R&D:** BSA's publicly traded member companies spent nearly $43 billion on R&D in 2008, equal to 7.1% of their collective revenues. Many of BSA's member companies invested double or triple that percentage of their revenues in 2008. *[Source: Business Software Alliance]*

- **PATENTS:** BSA member companies hold nearly 90,000 US patents, and several BSA members were among the top 15 US companies awarded patents in 2006 and 2007. *[Source: Business Software Alliance]*

… And provide benefits throughout the economy

- **SOLUTIONS TO BUSINESS CHALLENGES:** Software drives productivity and innovation in almost every economic sector, helping businesses of all sizes perform better in good times and bad. Some of the top 15 industry users of information technology (IT) are manufacturing, telecoms, financial services, construction, health, and utilities.

- **IT LEADS PRODUCTIVITY GROWTH:** In the United States, IT was responsible for two-thirds of total factor growth in productivity between 1995 and 2002, and virtually all of the growth in labor productivity. *[Source: Information Technology Industry Foundation]*

Top US industries Investing in IT, 2008

(In US dollars)

Banking	$59.4 billion
Communications & Media	$50.7 billion
Construction	$34.2 billion
Discrete Manufacturing	$33.7 billion
Securities and Investment Services	$31.5 billion
Health Care	$24.9 billion
Insurance	$23.5 billion
Process Manufacturing	$21.5 billion
Resource Industries	$19.6 billion
Retail	$19.0 billion
Professional Services	$15.5 billion
Transportation	$15.0 billion
Utilities	$9.6 billion
Wholesale	$5.7 billion
Consumer & Recreational Services	$4.1 billion
	$368.5 billion

Source: IDC, US Black Book Q2 2009

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