



OXFORD  
ECONOMICS



# SUPPORTING THE U.S. ECONOMY

## THE ECONOMIC IMPACT OF RECKITT IN THE U.S.

FEBRUARY 2025

The economic impact of Reckitt in the U.S.



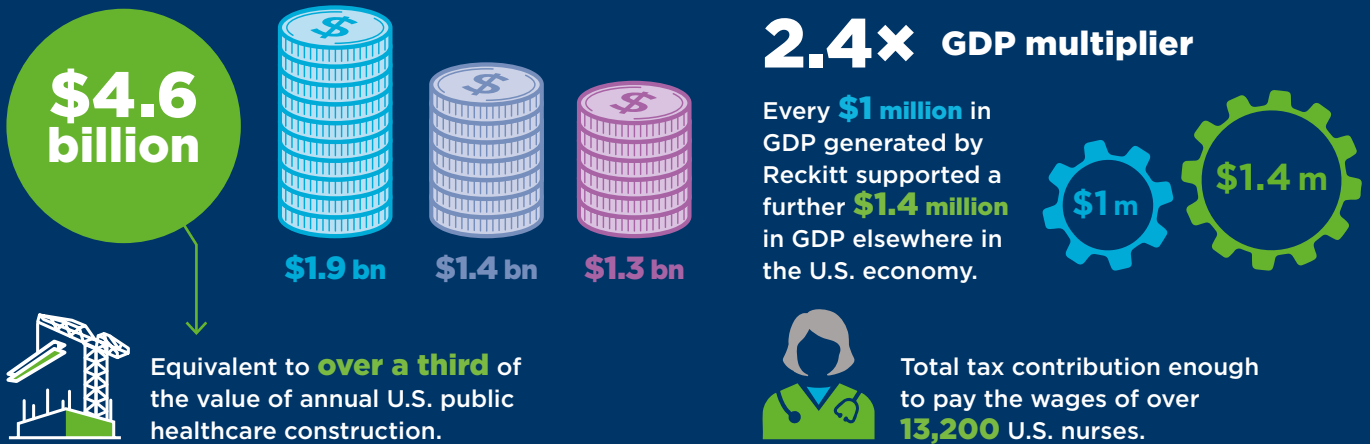
# SUPPORTING PROSPERITY ACROSS THE U.S.



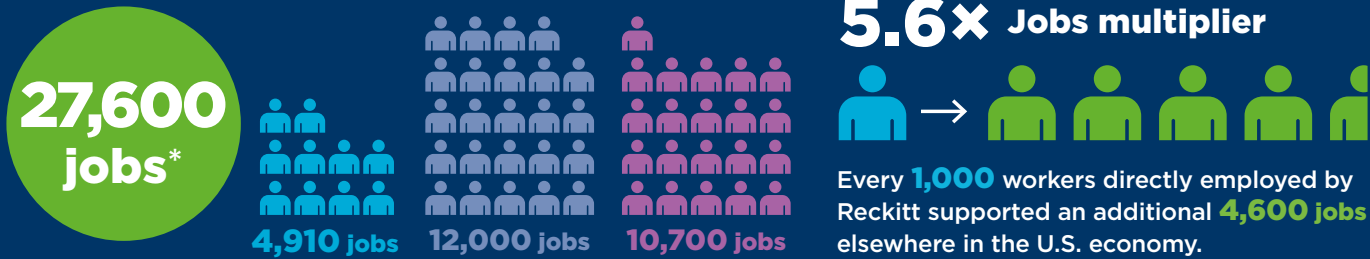
## IN 2023, RECKITT'S U.S. OPERATIONS SUPPORTED:

● Total impact ● Direct impact ● Indirect impact ● Induced impact

### U.S. GROSS DOMESTIC PRODUCT (GDP) CONTRIBUTION

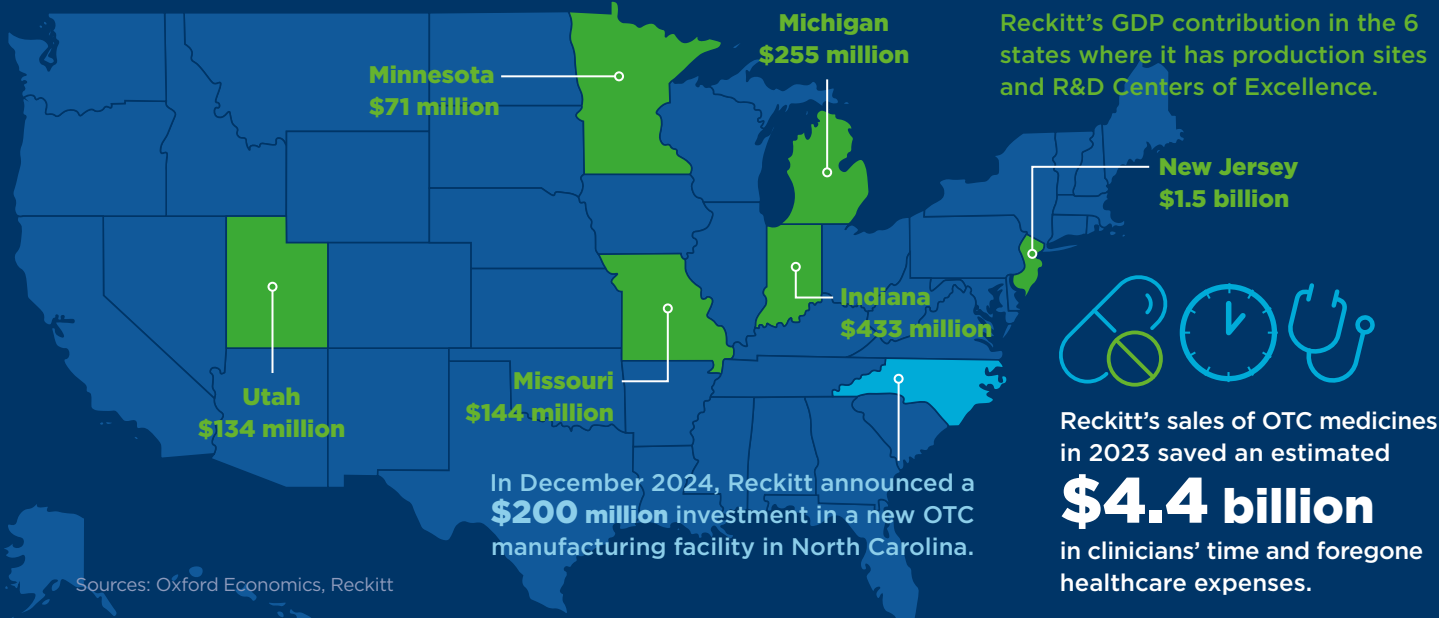


### EMPLOYMENT CONTRIBUTION



\* Figures do not sum due to rounding.

Suppliers in **44 states** and employees across the country, generating an economic footprint in **all 50 states**.



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# EXECUTIVE SUMMARY

Reckitt is responsible for producing some of the most recognizable health, hygiene, and nutrition brands in the U.S. The company’s overarching purpose to protect, heal, and nurture is fundamental to how the business is run. Whether it is through its sales of over-the-counter (OTC) medicines such as Mucinex® and Biofreeze® to help support the health of individuals, or its ongoing development of Lysol® disinfectant products to kill viruses and bacteria on surfaces and in the air, Reckitt is continuously working to support public health ambitions.

This study, commissioned by Reckitt, assesses the economic footprint of Reckitt’s U.S. operations on the U.S. economy in 2023. It is the second of its kind, following Oxford Economics’ previous [economic impact assessment](#) of the company’s U.S. operations in 2019. This subsequent analysis provides an update on the impact of Reckitt’s activities across the country and demonstrates Reckitt’s ongoing contribution to the U.S. economy. We have used sophisticated modeling techniques to estimate the impact of Reckitt’s own operations, its supply chain impacts, and the impacts of its spending on wages (through its own employees and employees in its supply chain).

## RECKITT’S ECONOMIC FOOTPRINT ACROSS THE U.S.

**We estimate Reckitt’s U.S. operations supported a total contribution to GDP across the U.S. of \$4.6 billion in 2023.**

This economic footprint was spread across all 50 states, and approximately \$1.9 billion was **directly** generated by Reckitt itself through its 20 sites across the U.S. These included its U.S. headquarters, six production facilities, three R&D global centers of excellence (two of which were located on production sites), and 12 additional sales and logistics sites.

A further \$1.4 billion was estimated to have been supported by its spending with U.S. suppliers across 44 states (**indirect impact**). Finally, we estimate \$1.3 billion was stimulated by the wage-funded spending of its employees, and employees in its U.S. supply chain (**induced impact**).

**The total GDP impact was 2.4 times the direct GDP impact alone, meaning that Reckitt’s “GDP multiplier” was 2.4.** In other words, for every \$1 million in GDP directly generated by Reckitt in 2023, its expenditure on inputs and wages stimulated a further \$1.4 million in GDP across the U.S. economy.

**\$4.6 billion**  
Total GDP contribution of Reckitt to the U.S. economy in 2023.

**This economic contribution was estimated to have sustained around 27,600 jobs throughout the U.S. economy in 2023.**

Reckitt **directly** employed 4,910 people across its 20 sites across the country in 2023. An additional 12,000 jobs are estimated to have been supported throughout the U.S. supply chain (**indirect**), while an estimated 10,700 workers were supported through **wage-induced** spending.

**In this case, the employment multiplier was 5.6 in 2023.** This means for every 1,000 people employed by Reckitt, 4,600 jobs were sustained in other parts of the U.S. economy. The employment multiplier was higher than the GDP multiplier, due to the high productivity and spending power of Reckitt's employees, who supported more jobs, on a relative basis, in other parts of the economy.

Indeed, Reckitt's workers had an average productivity of around \$385,000 in 2023, as measured by the GDP contribution per worker.<sup>1</sup> This was more than double the U.S. average. Reckitt employees also received an average wage around 60% higher than the national average.<sup>2</sup>

**Finally, the economic activity supported by Reckitt in 2023 generated an estimated \$1.0 billion in government receipts in the U.S.** This was equivalent to the annual salaries of over 13,200 nurses in the same year.

## RECKITT'S WIDER CONTRIBUTIONS TO THE U.S. ECONOMY

Reckitt provides effective solutions to everyday health and wellness needs. In 2023, the company sold \$1.2 billion worth of OTC medication. We estimate this led to savings of up to \$4.4 billion in clinicians' time and foregone healthcare expenses.<sup>3</sup>

Reckitt also invested \$104 million in R&D in 2023 through its three R&D global centers of excellence. These R&D centers were in turn responsible for developing 30 new products in 2023, including the Lysol® Air Sanitizer. This R&D will support the long-run prosperity of the U.S. economy.

# 27,600

**Total jobs supported by Reckitt in the U.S. economy in 2023.**



<sup>1</sup> This measure of labor productivity is calculated as the direct contribution to GDP (employment costs and profits) divided by the headcount.

<sup>2</sup> We estimate the average wage of Reckitt's staff to be \$121,000 in 2023.

<sup>3</sup> Consumer Healthcare Products Association, "[The Power of OTCs to Provide Consumer Value](#)", 2022, accessed September 2024

## RECKITT'S COMMITMENT TO THE U.S. ECONOMY

As this study relates to 2023, the results presented reflect the structure of the business in 2023. In July 2024, Reckitt announced a “significant sharpening of its brands portfolio and a move to a simpler, more effective organisation”.<sup>4</sup> This includes focusing on its market-leading Health and Hygiene products, and exiting its portfolio of homecare brands that are no longer core, including Air Wick®, Calgon®, and Cillit Bang®. Additionally, the company is considering all strategic options for its infant formula and child nutrition business.

At the time of this study’s publication, there have been no further announcements relating to the possible sale of these business units. However, the areas of the business accounted for differing shares of Reckitt’s 2023 footprint.

For example, if the infant formula child nutrition business was excluded from the 2023 analysis, Reckitt’s total contribution to GDP and employment would each have been 30% lower. While the fall in GDP would have been fairly consistent across the three channels of impact, there would have been some divergence for employment.

Direct employment would have seen a reduction of 42%, while indirect and induced employment levels would have been 23% and 32% lower, respectively—reflecting relatively strong productivity in Reckitt’s U.S. supply chain for this business unit.

However, Reckitt notes “these changes allow the company to focus capital against brands that offer the best long-term opportunity for growth”.<sup>5</sup> For instance, in December 2024 Reckitt announced a \$200 million investment in a new Mucinex® manufacturing facility in Wilson, North Carolina. According to Reckitt, this will become their biggest over-the-counter (OTC) manufacturing facility in the U.S. and is expected to create nearly 300 jobs. In the future, Reckitt plans for the facility to have capabilities to support additional products including Move Free® and Biofreeze®. This investment, along with Reckitt’s capital allocation strategy, should support Reckitt’s economic footprint in the U.S. going forward.



<sup>4</sup>Reckitt, “Reckitt Strategy Update”, 2024, accessed October 2024

<sup>5</sup>As previous footnote.



# 1. INTRODUCTION

**Reckitt is a global health, hygiene, and nutrition company, which sells around 30 million products each day throughout the world.**<sup>6</sup> It employs over 40,000 people from 125 nations, with a goal to deliver a cleaner, healthier world. Reckitt aims to achieve this through its global brand portfolio, which includes some of the most well-known brands in hygiene, health, and nutrition. More than 70% of its brands occupy market-leading positions in their respective categories, on a net-revenue basis.<sup>7</sup> Reckitt's values involve working collectively for its consumers, employees, and wider stakeholders. It strives to minimize the environmental impact of its business and works towards creating a more equitable society, while still addressing evolving consumer needs. Its largest global market, the U.S., has operations across its manufacturing sites, distribution centers, and Research and Development (R&D) centers of excellence throughout the country.

**This study, commissioned by Reckitt, assesses the economic contribution the company's operations in the United States (U.S.) made to the U.S. economy in 2023.** The study updates the results of the previous [Oxford Economics study](#) relating to the year 2019. In conducting this assessment, we have used sophisticated economic modeling to assess the impact of Reckitt's own operations, its procurement from suppliers based in the U.S., and its payment of wages to workers in the U.S. (including those in the company's U.S. supply chain). These impacts are quantified at both a national and state level. Reckitt's footprint is evaluated using three key metrics: its gross value-added contribution to gross domestic product (hereafter "contribution to GDP"), employment, and tax revenues. Reckitt's contribution to the U.S. extends beyond this footprint, and a series of case studies, selected by Reckitt, highlight the wider impact the company has across the country.

## 1.1 INTRODUCTION TO RECKITT

Reckitt's business origins date back to the early 19th century, in the U.K., before the merger of Reckitt & Colman plc and Dutch company Benckiser NV led to the formation of Reckitt Benckiser in 1999. The company re-branded to Reckitt in 2021. The company's global headquarters are in Slough, U.K., yet Reckitt's presence extends across the globe. Its business operations employ staff in 68 different countries (see Fig. 1). Reckitt's products are also sold in almost 200 countries, generating \$18.1 billion in revenues in 2023.

The company's global brands are categorized into three areas:

- **Hygiene**—household products such as Lysol®, Air Wick®, Finish®, Resolve®, and Woolite®.
- **Health**—self-care products such as Dettol®, Mucinex®, Airborne®, Neuriva®, Move Free®, Delsym®, Biofreeze®, Durex®, and K-Y®.
- **Nutrition**—products that support nutrition, such as Enfamil®, Nutramigen®, Enfagrow®, Puramino® and Prosobee®.

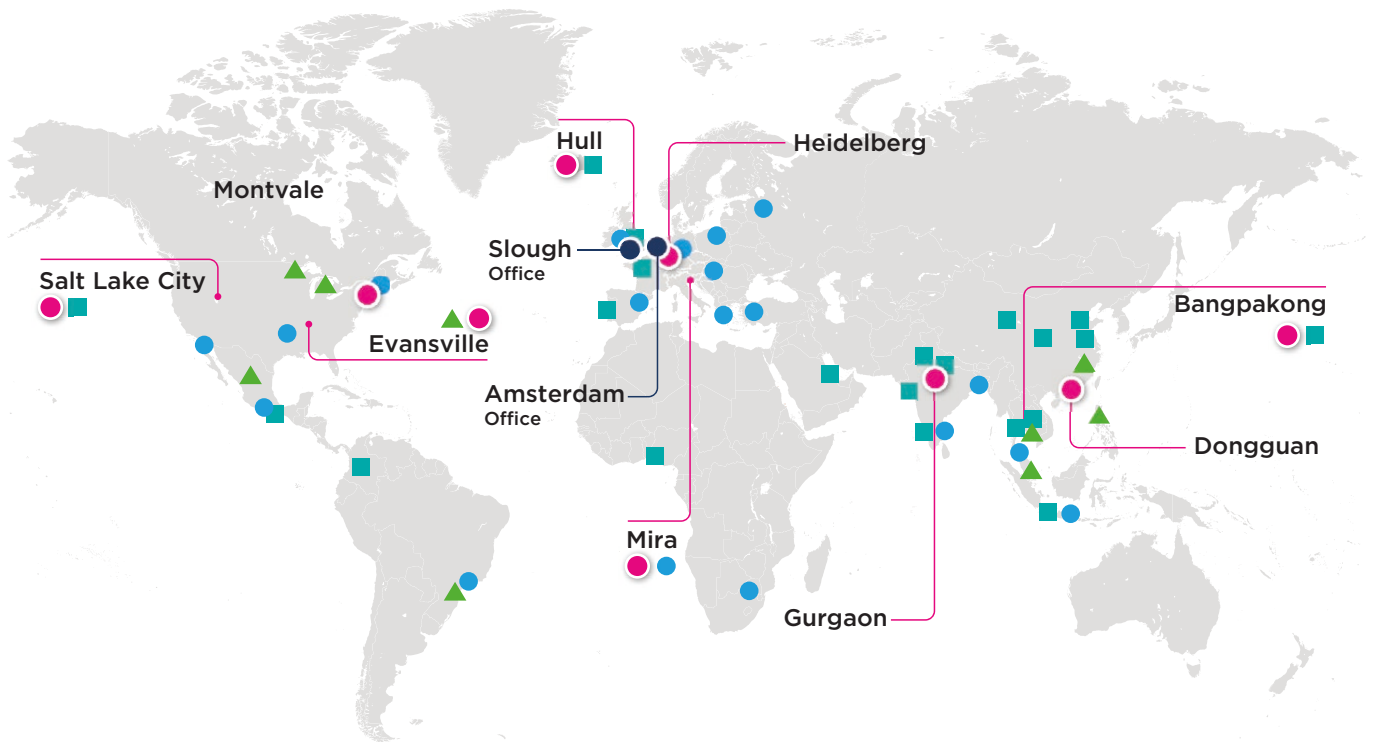


**Fig. 1: Reckitt’s global operational presence**

**60+**  
COUNTRIES OVER  
SIX CONTINENTS

**9**  
R&D CENTERS  
OF EXCELLENCE

● R&D Centers of Excellence  
Manufacturing sites by business unit  
● Hygiene ■ Health ▲ Nutrition



**1.2 RECKITT’S ACTIVITIES IN THE U.S.**

Reckitt has a sizeable presence in the U.S., the company’s largest market.<sup>8</sup> From its U.S. headquarters in Parsippany, New Jersey, it manages 19 additional sites across the country, including six production facilities, and three R&D global centers of excellence. In 2023, the company employed 4,910 workers in the U.S.

Reckitt brands are household names across the U.S., demonstrated by their widespread reputation and use. Mucinex for example, is the brand most trusted by U.S. doctors for coughs and colds.<sup>9</sup> Reckitt undertakes continuous product development at its R&D centers of excellence to create new and innovative products, while also maintaining high standards across its existing offering via its quality functions.

<sup>8</sup> Reckitt, “Annual Report and Accounts 2023”, accessed September 2024  
<sup>9</sup> ProVoice Survey for IQVIA, accessed August 2023

**In 2023, Reckitt employed 556 workers in R&D and quality roles in the U.S.—equivalent to 11% of the company’s U.S.-based personnel.**

Reckitt also invested \$104 million in R&D in the same year, filing 31 patents and 59 designs, while also partnering with 23 U.S. colleges and universities. Moreover, Reckitt launched 30 new products in the U.S. market, reflecting the company’s ongoing investment in R&D.

**Reckitt’s most significant product launch in 2023 was Lysol Air Sanitizer—the first product approved by the U.S. Environmental Protection Agency (EPA) to kill 99.9% of bacteria and viruses in the air when used as directed.**

In recognition of the pioneering nature of this new product, Reckitt won an R&D100 award in September 2024.<sup>10</sup> Other recent innovations include Mucinex Instasoothe—the only cough drops and lozenges on the U.S. market to contain the oral pain reliever Hexylresorcinol—launched in 2021, and Neuriva Ultra—a brain health supplement with Phosphatidylserine and B Vitamins—launched in 2023.<sup>11</sup>

**In addition to the immediate benefits to Reckitt consumers themselves, the company also supports wider benefits in the U.S. economy through the sale of over-the-counter (OTC) medication.** It is estimated that in 2023, individuals spent \$43.4 billion on OTC products across the country, representing an increase of 23% since 2019.<sup>12</sup> Reckitt itself generated net revenues of \$1.2 billion from sales of OTC medications across all 50 U.S. states in 2023. OTC medications provide effective and accessible treatment to individuals with less severe ailments, freeing up the healthcare system and allowing medical professionals to spend more time dealing with the diagnosis and treatment of more serious diseases. Based on external estimates, we have evaluated that in 2023, Reckitt’s sales of OTC medicines saved up to \$4.4 billion in clinicians’ time and foregone healthcare expenses.<sup>13</sup>

**However, Reckitt’s impact extends beyond its products—it also implements initiatives to promote healthier behaviors and habits.**

Of particular note is the company’s decade-long commitment to highlight the increasingly pervasive issue of antibiotic resistance.<sup>14</sup> As part of this ambition, Reckitt implemented a video campaign in clinic waiting rooms across the U.S. between 2019 and 2020. This is estimated to have led to a 3.5% reduction in antibiotic prescriptions, which has the potential to generate \$1 billion (in constant 2023 prices) in healthcare savings across the U.S. each year following this.<sup>15</sup>

### 1.3 STRUCTURE OF THIS REPORT

The remainder of this report is structured as follows:

- **Section 2** sets out Reckitt’s direct contribution to GDP and jobs in the U.S. economy for 2023.
- **Section 3** assesses the economic footprint of Reckitt in the U.S. through the indirect and induced channels of impact for GDP and jobs.
- **Section 4** summarizes the company’s total economic footprint across all three channels of impact for GDP, jobs, and taxes, and disaggregates the GDP and jobs impacts at a state level.
- The **Appendix** provides a detailed description of the methodology.

<sup>10</sup> Reckitt, “[Lysol Air Sanitizer](#)”, accessed September 2024

<sup>11</sup> Schiff, “[Breaking Down the Ingredients Behind Neuriva](#)”, accessed November 2024

<sup>12</sup> Consumer Healthcare Products Association, “[OTC Sales Statistics](#)”, 2023, accessed June 2024

<sup>13</sup> Consumer Healthcare Products Association, “[The Power of OTCs to Provide Consumer Value](#)”, 2022, accessed September 2024

<sup>14</sup> Reckitt, “[Mucinex launches “Flip the Script” campaign](#)”, accessed June 2024

<sup>15</sup> Value from Centers for Disease Control and Prevention, “[Antibiotic resistance threats in the United States, 2013](#)”, 2013, accessed June 2024, suggests the cost of AMR in the U.S. could be as high as \$27 billion in direct healthcare costs, and an additional \$48 billion in lost productivity. It has been adjusted for inflation using Oxford Economics’ GDP deflator forecasts.

### INTRODUCTION TO ECONOMIC IMPACT ANALYSIS

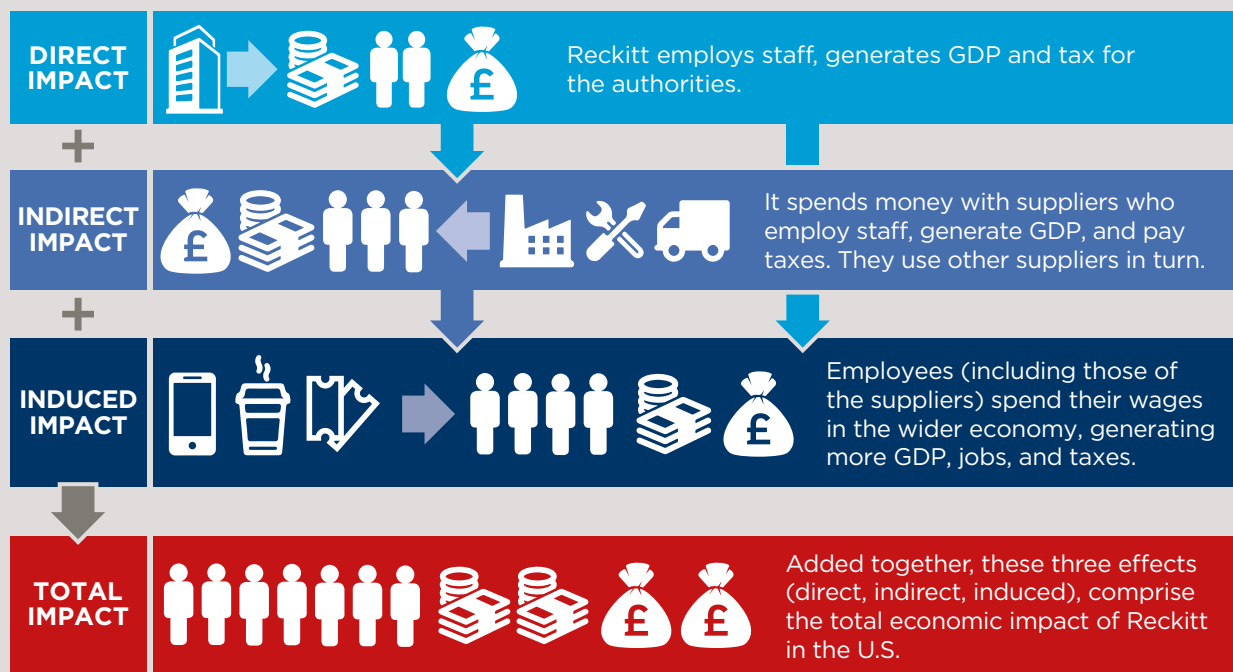
This report analyses Reckitt’s economic impact across the U.S. and along three core channels. These are as follows:

- The **direct impact** measures the economic benefit of Reckitt’s own operations and activities across the U.S.
- The **indirect impact** encapsulates the activity driven by Reckitt’s U.S. supply chain as a result of its procurement of goods and services from other U.S. businesses.
- The **induced impact** captures the impact of the spending of wages on consumer goods and services by Reckitt employees, and those employed in Reckitt’s U.S. supply chain.

The economic impact created and supported for each of these channels is measured across three indicators:

- **Gross value-added contribution to GDP (“contribution to GDP”)** is the contribution that Reckitt makes to U.S. GDP.
- **Employment** refers to the number of jobs that Reckitt supports.
- **Taxes** includes the gross tax receipts paid at federal, state, and local levels.

**Fig. 2: Channels of impact quantified for the economic impact assessment**



The results are presented on a gross rather than a net basis. In other words, we do not attempt to estimate what benefits could arise if Reckitt’s resources were put to alternative uses, as it is not possible to know what they

would have produced if they were employed in their next-most productive use. Nor does it address the displacement of activity by Reckitt from other firms or sectors.

# SUPPORTING PUBLIC HEALTH DURING COVID-19

As a leader in health and hygiene, Reckitt played an important role in responding to the public health challenges posed by the COVID-19 pandemic. Hygiene is considered one of the foundations of health, and its Lysol disinfectant products are highly effective against the virus. Indeed, two of its products were the first to be approved by the U.S. Environmental Protection Agency (EPA) to kill COVID-19 on surfaces.<sup>16</sup> Following public health advice on the efficacy of disinfectants in tackling COVID-19—particularly in indoor community settings—there was a surge in demand for Lysol.<sup>17</sup> In response, the brand rapidly increased the supply of its products, resulting in a 50% increase in sales during Q1 2020 compared with a year earlier.<sup>18</sup> Alongside this drive to increase supply, Lysol launched several initiatives to reduce the spread of COVID-19 by promoting hygiene in schools and raising awareness on the spread of the virus across the U.S.

Reckitt partnered with the CDC Foundation to help schools re-open safely, by distributing “Welcome Back Packs” to 14,000 Title 1 elementary schools.<sup>19</sup> These contained educational materials and posters to teach children about healthy habits such as regular handwashing, an empirically proven method of reducing the risk of catching COVID-19.<sup>20</sup> Lysol also donated Disinfecting Wipes to 9,000 Title 1 elementary schools, and virtual “Welcome Back Packs” to all 33,000 of such schools in the country. Lysol’s efforts to bring children back to education could have also prevented them from missing school in the future. Research finds that even after the pandemic, states that had a greater prevalence of school closures have had higher rates of student absenteeism.<sup>21</sup>



Further to this, the brand released the free Germ-Cast App in October 2020 to help consumers stay protected by improving their awareness of the spread of COVID-19. This tool provided real time estimates of the prevalence of both COVID-19 and the common flu at the postcode level. It also included videos teaching users how to use Lysol products for effective sanitization. Finally, Lysol created new products to make hygiene more convenient for consumers. These included “To Go Packs” of disinfectant wipes and the Lysol Hand Sanitizer.



<sup>16</sup> Gisela Crespo, and Alicia Lee, “EPA approves two Lysol products to effectively kill novel coronavirus on surfaces”, CNN, July 2020, Accessed June 2024

<sup>17</sup> CDC, “Safety Precautions: Cleaning and Disinfecting for COVID-19”, accessed November 2024

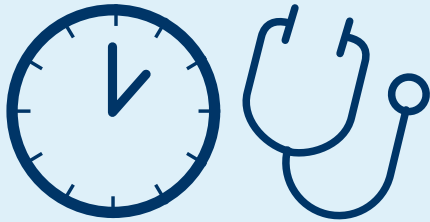
<sup>18</sup> Kevin Stankiewicz, “CEO of Lysol maker says sales are still up as a result of coronavirus pandemic”, CNBC, July 2020, Accessed June 2024

<sup>19</sup> The CDC foundation is the non-profit supporting the Centers for Disease Control. Title 1 schools receive additional funding based on their number of low-income students.

<sup>20</sup> Sarah Beale, et al, “Hand Hygiene Practices and the Risk of Human Coronavirus Infections in a U.K. Community Cohort”, Wellcome Open Research 98, no.5 (2020), accessed June 2024

<sup>21</sup> PNAS, “<https://www.pnas.org/doi/10.1073/pnas.2312249121>”, 2022, accessed November 2024

# PROVIDING SOLUTIONS TO EVERYDAY HEALTH AND WELLNESS NEEDS



Reckitt's sales of over-the-counter (OTC) medicines in 2023 saved an estimated **\$4.4 billion** in clinicians' time and foregone healthcare expenses.<sup>1</sup>

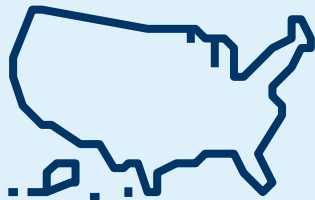
## Mucinex®

**Mucinex** is the most trusted brand by U.S. doctors for coughs and colds.<sup>2</sup>

## BIOFREEZE®

COOL THE PAIN

**Biofreeze** is the **#1** clinician recommended menthol topical pain relief brand.<sup>3</sup>



Reckitt OTC medicines were **sold in all 50 states** across the U.S.<sup>4</sup>



Reckitt sales of OTC medicines reached **\$1.2 billion** in the U.S. in 2023.

Reckitt launched a **campaign against antibiotic misuse** in 2019. This led to a **marked reduction** in antibiotic prescriptions, equivalent to **\$1 billion** in U.S. healthcare savings.<sup>5</sup>



**Sources:** 1 CHPA, Oxford Economics, Reckitt. 2 IQVIA, ProVoice Survey, July 2023.

3 Based on a survey of Clinicians: chiropractors, podiatrists, physical therapists, massage therapists, retail pharmacists, and athletic trainers, of OTC topical pain relief products, Ipsos Clinician Survey, Biofreeze.

4 Reckitt. 5 CHPA, Centers for Disease Control and Prevention, Oxford Economics, Reckitt.





## 2. THE DIRECT ECONOMIC FOOTPRINT OF RECKITT'S U.S. OPERATIONS

Reckitt supports an important economic footprint across the U.S. The company provides well-paid jobs to its U.S. workforce, who in turn support Reckitt's day-to-day activities by developing, producing, and

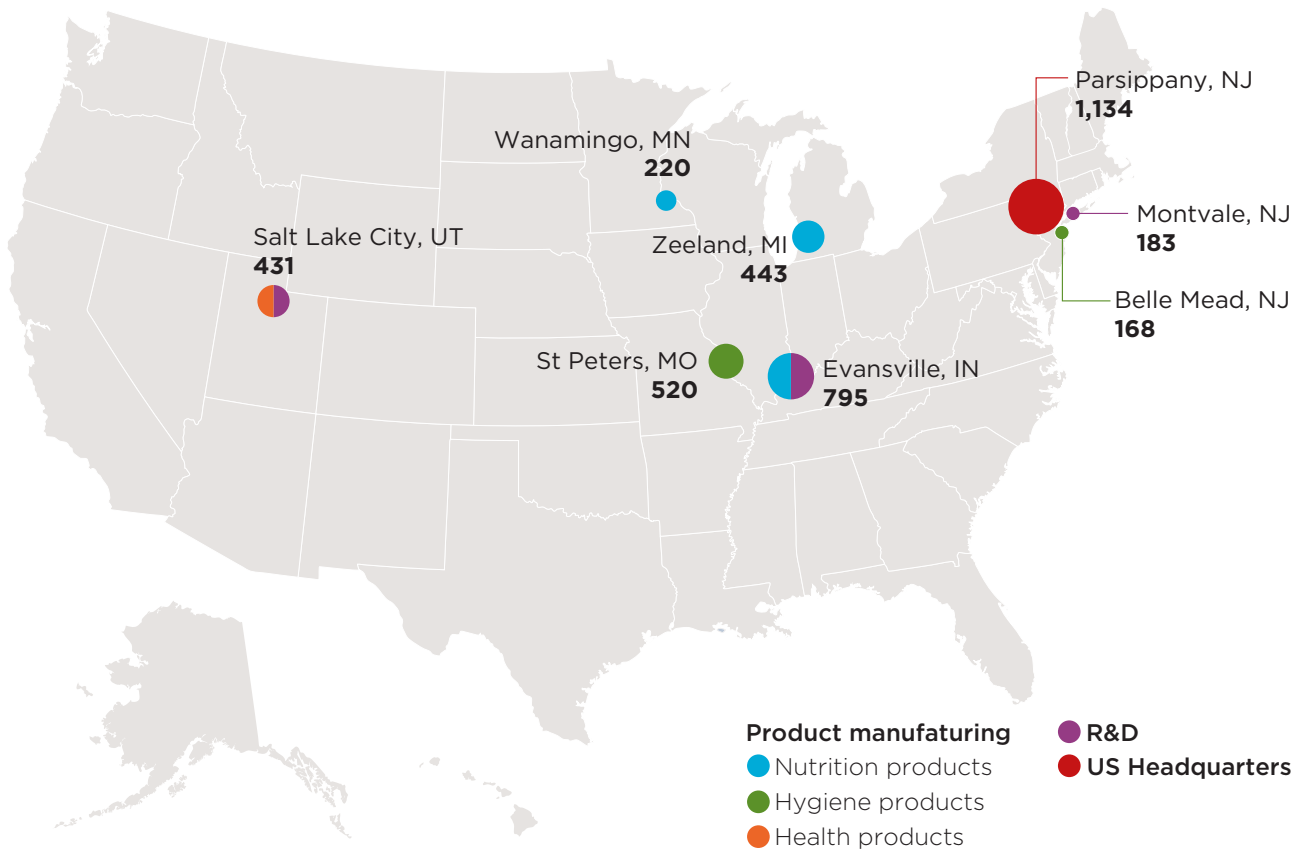
distributing its products for sale. In this section, we quantify Reckitt's direct impact in the U.S. in terms of the contribution to GDP and employment.

### 2.1 RECKITT'S DIRECT CONTRIBUTION TO GDP AND EMPLOYMENT

**Reckitt directly contributed \$1.9 billion to U.S. GDP in 2023.** This is a measure of the value added by Reckitt's operations in the U.S. This direct impact comprises profits and employee income, which is the sum of total wage payments and other employment costs (such as social security contributions).

**In 2023, Reckitt employed 4,910 workers at 20 sites across the country.** Almost one-quarter—or 1,134—of these were employed at the company's U.S. headquarters in Parsippany, NJ. Its next largest sites were Reckitt's nutrition product manufacturing and R&D facility in Evansville, IN, with 795 employees, while 520 additional workers were based at its hygiene product manufacturing and logistics facilities in St. Peters, MO.

**Fig. 3: Main Reckitt facilities in the U.S.**

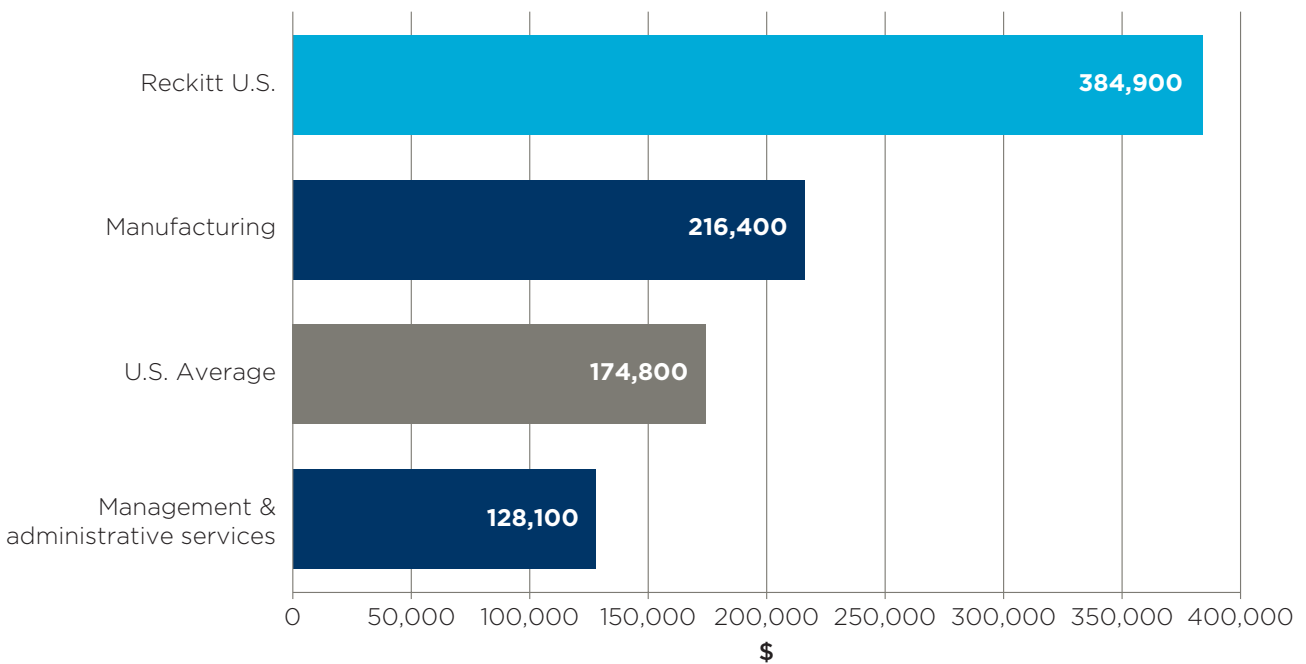




**Reckitt’s own staff are highly productive and well compensated.** We measure productivity as the GDP contribution per worker, and Reckitt workers had an average productivity of around \$385,000 in 2023.<sup>22</sup> This was 2.2 times the national average, and 1.8 times the manufacturing sector average. Having highly productive workers is important because it boosts the price competitiveness of Reckitt’s products, and it improves the standard of living for the broader U.S. economy. This productivity was also linked to the above-average wages Reckitt pays its employees relative to those available in the wider economy. Indeed, our analysis estimates that Reckitt’s workers in the U.S. were paid an average wage of \$121,000 in 2023—60% higher than the national average.<sup>23</sup>

**Reckitt is also committed to equality in gender pay.** In addition to the U.K. (where it is required), the company voluntarily publishes gender pay gap data for nine of its global markets, including the U.S. In 2023, the median gender pay gap for the company’s U.S. operations was 19.1% in favor of women.<sup>24</sup> This means that the “typical” wage of a woman employed by Reckitt was 19.1% higher than the “typical” wage of a man employed by the company. This shows a significant variation from the national U.S. median gender pay gap which, in 2023, was 16.4% in favor of men.<sup>25</sup> Reckitt’s gender pay gap reflects the gender distribution of staff across its functions; a greater share of men work in manufacturing roles, which are likely to be lower-paid, while a greater share of women work in its corporate offices.<sup>26</sup>

**Fig. 4: Productivity by sector, 2023**



Source: Reckitt, Oxford Economics

<sup>22</sup> This measure of labor productivity is calculated as the direct contribution to GDP (employment costs and profits) divided by the headcount.

<sup>23</sup> Average wage is calculated by dividing the total wages paid by Reckitt in the U.S. by its total number of employees in 2023.

<sup>24</sup> Reckitt, “Reckitt Sustainability Report 2023”, 2023, accessed September 2024. The median is defined as the midpoint value of a distribution.

<sup>25</sup> U.S. Bureau of Labor Statistics, “Women’s earnings were 83.6 percent of men’s in 2023”, accessed September 2024

<sup>26</sup> 78% of manufacturing roles were held by men in Reckitt’s U.S. operations.





Angela



# 3. THE WIDER ECONOMIC FOOTPRINT OF RECKITT'S U.S. OPERATIONS

Reckitt's U.S. operations generate an economic footprint that extends far beyond its direct impact. The additional economic activity is supported by its spending on business supplies (the indirect impact), and the employee spending enabled by its wage payments together with wages paid along the supply chain (the induced impact). This section describes the wider economic footprint of Reckitt's U.S. operations on the country's economy, in addition to the direct impacts set out in Section 2.

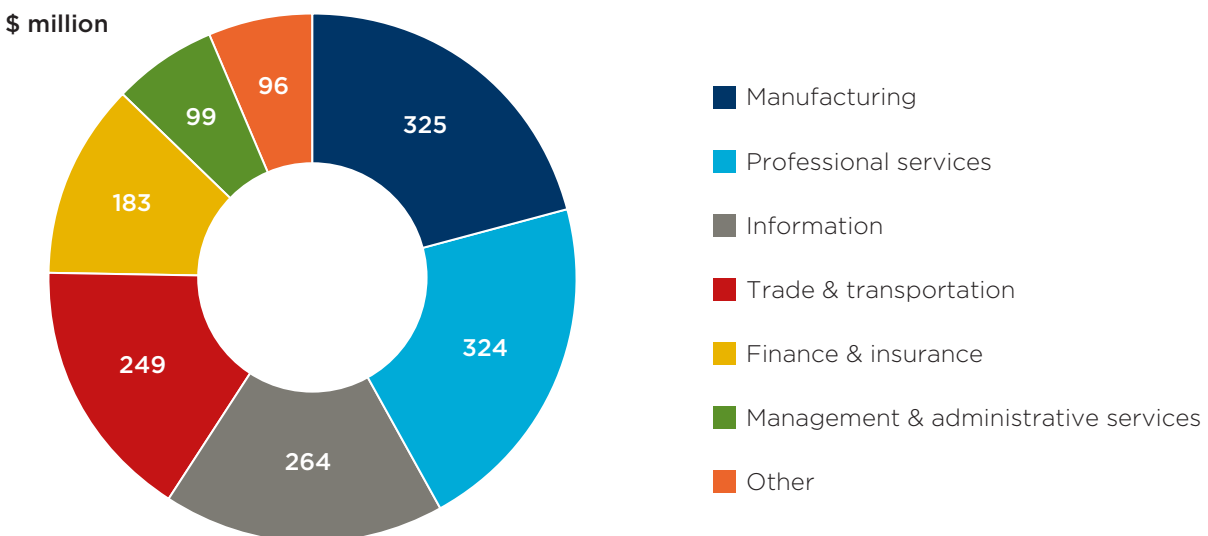
## 3.1 RECKITT'S INDIRECT IMPACT

Reckitt purchases inputs of goods and services from suppliers around the globe during its day-to-day operations. These include vital materials such as chemicals and packaging for its manufacturing processes, as well as a range of other inputs like professional and business services to ensure the effective management, and logistics and transportation to efficiently bring its products to market.

**In 2023, Reckitt's U.S. operations spent \$1.7 billion on purchases of third-party goods and services.** This included both operational and capital spending. Of this, 90% (or \$1.5 billion) was spent with almost 1,800 suppliers based in the U.S., with the remaining 10% from suppliers located overseas. The majority of this overseas spend was with suppliers in the Netherlands, the U.K., and Mexico.

By product type, 21% (or \$325 million) of spending was with suppliers in the manufacturing sector—which included spend on chemicals, and paper and plastic packaging. The same share of the total spend (21% or \$324 million) was spent with professional services—including advertising, market research, and management consultancy. Additionally, 17% (or \$264 million) was spent in the information sector (such as internet publishing and communications).

**Fig. 5: Reckitt's third-party expenditure in the U.S. by sector, 2023**

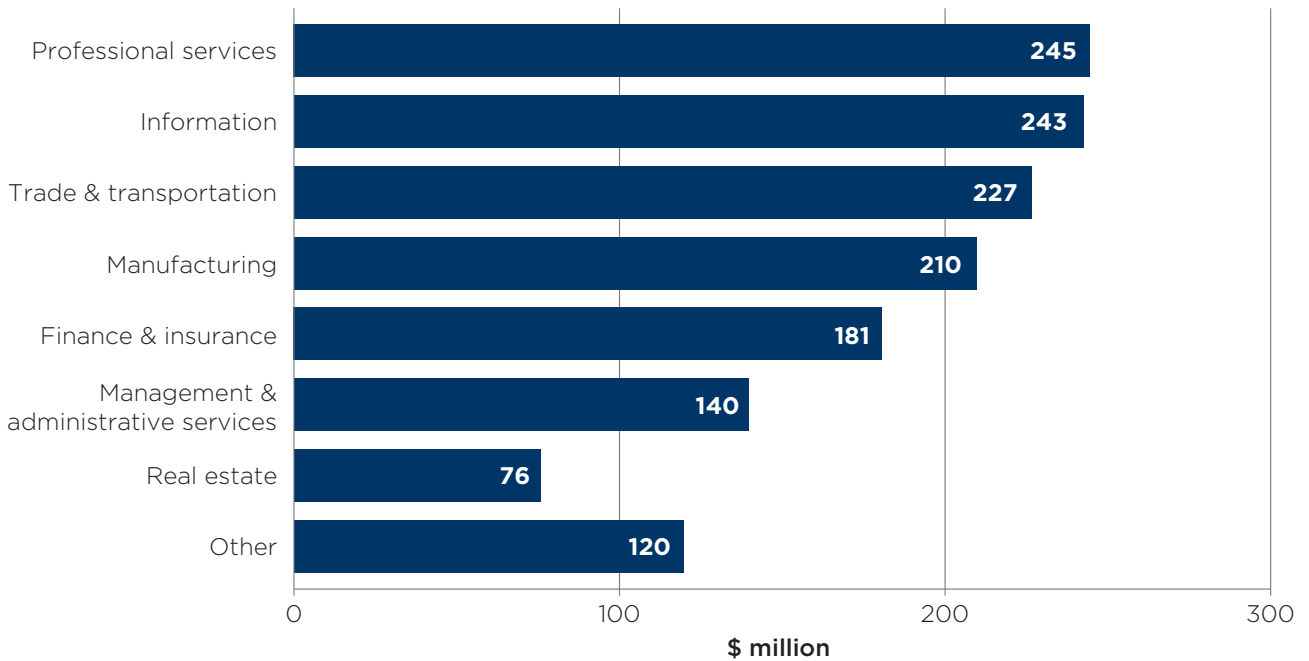


Source: Reckitt, Oxford Economics

**We estimate this spending with U.S. suppliers supported an indirect contribution of \$1.4 billion to GDP in the U.S. economy in 2023.** This footprint reached all parts of the U.S. economy. Similar to the pattern of procurement spending, just under one-fifth—or an estimated \$245 million—was supported in the professional services sector, while the information sector accounted for a further 17%, or \$243 million. Manufacturing accounted for an estimated 15% of the indirect GDP impact—lower than the sector’s share of procurement (21%). This reflects the high share of import content embedded in U.S.-sourced manufacturers—relative to services—and the use of various services by Reckitt’s manufacturing suppliers supporting subsequent rounds of supply chain impacts.

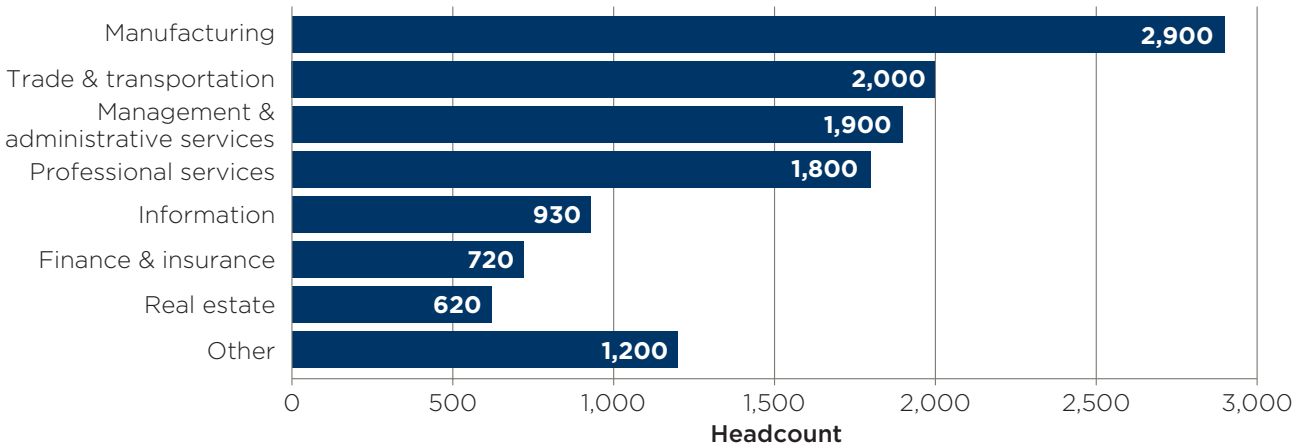
**This economic activity was estimated to have sustained 12,000 jobs in the U.S. supply chain in 2023.** Considering the sectors in which these jobs were located, 2,900 (or 24%) were estimated to have been supported in manufacturing, followed by 2,000 in trade and transportation (17%), and 1,900 in management and administrative services (16%). The distribution of indirect jobs differs from that of indirect GDP due to variations in productivity across sectors. For example, manufacturing accounted for 24% of all indirect jobs but only 15% of indirect GDP, attributable to the labor-intensive nature of activity in this sector.

**Fig. 6: Indirect contribution to GDP by sector, 2023**



Source: Reckitt, IMPLAN, Oxford Economics

**Fig. 7: Indirect employment by sector, 2023**



Source: Reckitt, IMPLAN, Oxford Economics

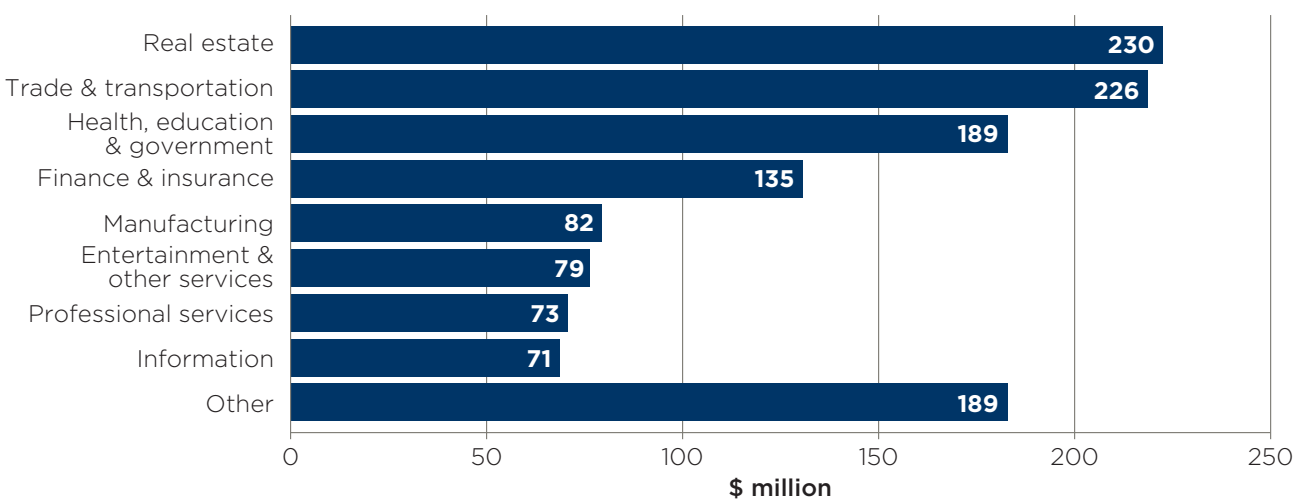
### 3.2 RECKITT'S INDUCED IMPACT

Reckitt, and the companies in its U.S. supply chain, pay their staff wages, enabling their workers to make purchases in the wider consumer economy. Employees make purchases at retail, leisure, and other outlets across the U.S. and beyond, further stimulating economic activity.

**We estimate that through this wage-induced spending, Reckitt sustained an additional \$1.3 billion contribution to GDP across the U.S. economy, as well as around 10,700 jobs.**

By sector, the largest impact of \$230 million was stimulated in real estate, driven by spending on rent and housing by employees, an important component of consumer spending. This was followed by the trade and transportation (\$226 million) and health, education, and government sectors (\$189 million).

**Fig. 8: Induced contribution to GDP by sector, 2023**



Source: Reckitt, IMPLAN, Oxford Economics



# SUPPORTING LOCAL COMMUNITIES AFFECTED BY DISASTERS

As the climate crisis has escalated in recent years, a rising number of Americans have been affected by natural disasters, meaning that the American Red Cross services have become increasingly important. In 2023 alone, there were a record-breaking 28 natural disasters—across 46 states—where costs reached or exceeded \$1 billion. This is more than double the frequency—on average 12 per year—in the 20 years between 2003 and 2022.

Disaster Responder members provide financial support to the Red Cross, enabling the organization to train volunteers, maintain its vehicles, update its systems, and stock its warehouses, which in turn facilitates immediate aid to those in need. According to Red Cross estimates, Reckitt’s financial aid in the 2023 financial year could have provided as many as 12,500 meals, 9,300 clean up kits, 23 nights of shelter for 150 people, or other vital disaster relief.<sup>28</sup>

Additionally, Reckitt has provided access to health, hygiene, and nutrition products to people affected by disaster through in-kind donations. For example, in 2023 they donated 164 pallets of Woolite laundry detergent pods, which were distributed to those affected by home fires and other local disasters in New Jersey, as well as 1,500 cases of infant formula to support relief efforts associated with the wildfires in Maui, Hawaii.

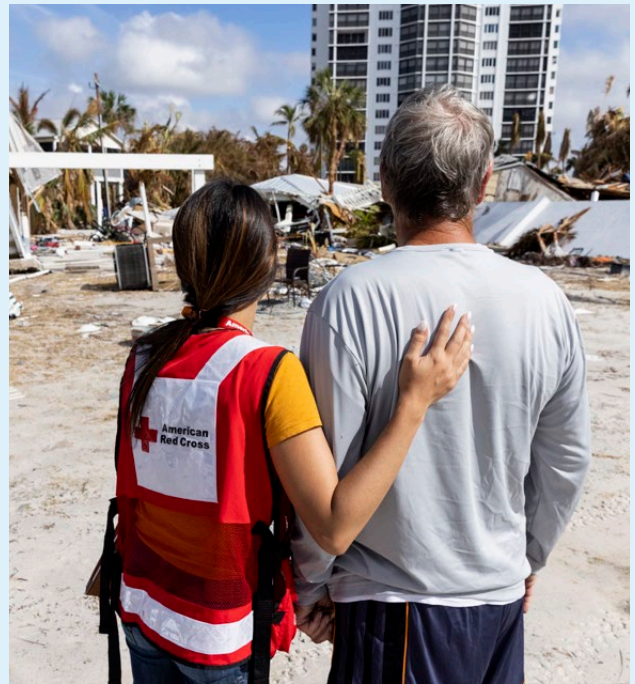
©Scott Dalton/American Red Cross



Red Cross workers survey heavy tornado damage in Silver City, Miss.

The American Red Cross—which Reckitt has partnered with since 2022—provides vital relief services to communities affected by disasters big and small, including home fires, hurricanes, floods, and countless other crises. The Red Cross responds to about 65,000 disasters across the country each year and provides comfort and care to affected families more than 175 times a day.<sup>27</sup>

Reckitt’s work as a Red Cross Disaster Responder member is bolstering the efforts of the most comprehensive disaster relief provider in the country. Reckitt’s support earned it the Red Cross of New Jersey’s “Outstanding Partner” award in April 2024, where Reckitt is headquartered in the U.S.



Hurricane damage in Fort Myers Beach.

©Scott Dalton/American Red Cross

<sup>27</sup> American Red Cross, “Disaster Relief”, accessed May 2024

<sup>28</sup> American Red Cross, “Disaster Responder Impact Report - Reckitt FY23”, 2023, accessed May 2024



# BOOSTING U.S. INNOVATION

## IN 2023, RECKITT'S U.S. BASED OPERATIONS...



Invested **\$104 million** in R&D, up **3.5%** from 2019.



Employed over **550** R&D staff, equivalent to more than **10%** of Reckitt's U.S. workforce.

## LEADING TO...



**31** new patents filed



**3** Centers of R&D Excellence



**59** designs filed



Partnerships with **23** U.S. colleges and universities

**30** new products being developed, including...



## RECKITT'S U.S. R&D FOOTPRINT



- Quality functions
- R&D and quality at corporate HQ
- R&D Center of Excellence and quality functions





# 4. RECKITT'S TOTAL ECONOMIC FOOTPRINT IN THE U.S.

Throughout this report we have demonstrated how Reckitt's total economic footprint in the U.S. extends far beyond its own operations, affecting all sectors of the economy. In this section we summarize Reckitt's total economic

footprint across the direct, indirect, and induced channels, and illustrate the wide-reaching geographical impacts across all U.S. states.

## 4.1 NATIONAL IMPACTS

### 4.1.1 Reckitt's total GDP footprint

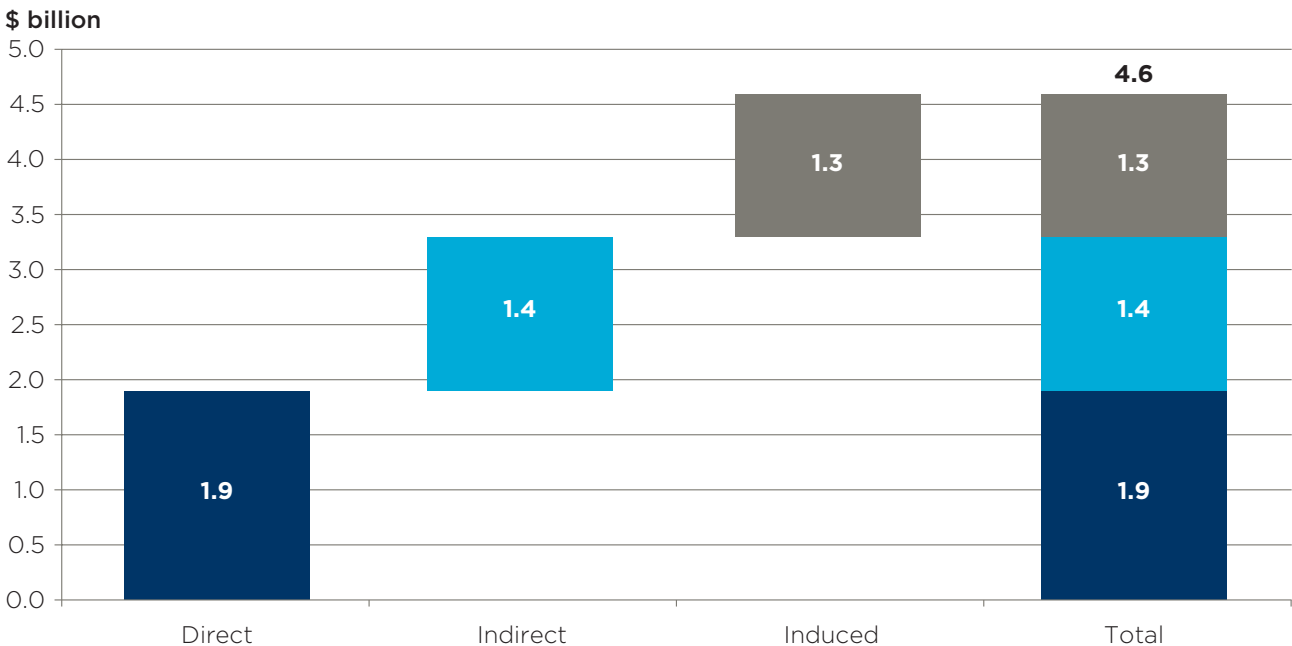
In 2023, we estimate Reckitt supported a total contribution of \$4.6 billion to U.S. GDP. This was comprised of \$1.9 billion in the direct channel, \$1.4 billion supported in the indirect channel, and \$1.3 billion in the induced channel.

Since the total GDP impact was 2.4 times the direct GDP impact alone, we can say that Reckitt had a GDP multiplier of 2.4. In other words, for every \$1 million in GDP directly generated by Reckitt, its expenditure on inputs and wages stimulated a further \$1.4 million in GDP across the U.S. economy.

### 4.1.2 Reckitt's total employment footprint

Reckitt also sustained an estimated 27,600 jobs across the U.S. in 2023. Of these, 4,910 jobs were in the company itself, 12,000 jobs were supported in the indirect channel, and 10,700 jobs were supported through the induced channel.

**Fig. 9: Total GDP impact by channel, 2023**



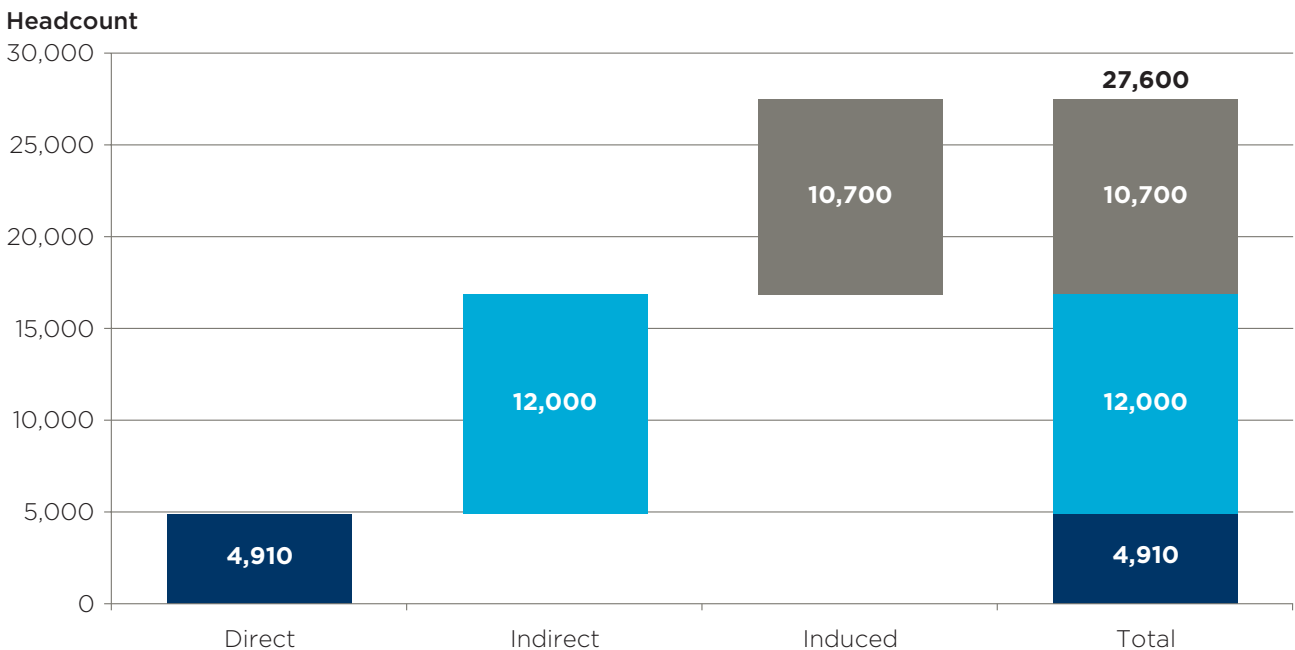
Source: Reckitt, IMPLAN, Oxford Economics

**In this case, we estimate the employment multiplier was 5.6.** This means for every 1,000 workers employed by Reckitt itself, its expenditure on inputs and wages supported a further 4,600 jobs across the U.S. economy. The higher employment multiplier, relative to the GDP multiplier, was stimulated by the high productivity and spending power of Reckitt’s employees, in turn supporting more jobs (on a relative basis) in other parts of the economy.

There are two key drivers of a sector’s employment multiplier: its labor intensity, and how much of the sector’s final output is value-added. For example, in manufacturing sectors, the final value of output tends to be

largely comprised of the inputs used in the production process—leading to a higher jobs multiplier. Compared to U.S. averages, Reckitt’s employment multiplier is higher than other manufacturing sectors, which tend to be more labor-intensive and have higher value-added shares of production, such as stationery and footwear manufacturing. On the other hand, manufacturing sectors which are more capital-intensive with a low value-added share of production, such as car and pharmaceutical manufacturing, have higher multipliers. Reckitt’s employment multiplier reflects its operations in the U.S. which are a combination of manufacturing and management activities.

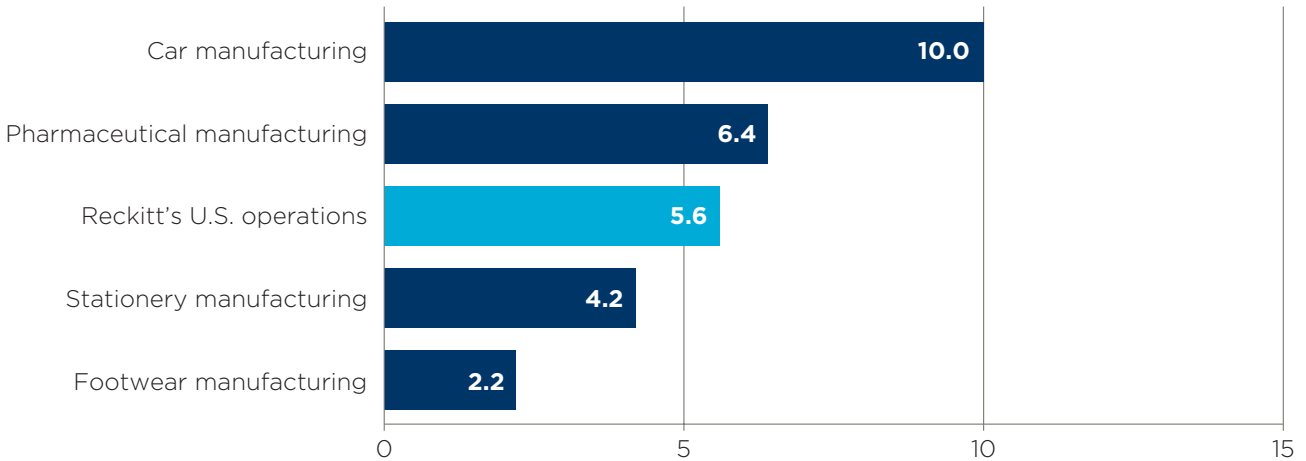
**Fig. 10: Total employment impact by channel, 2023**



Source: Reckitt, IMPLAN, Oxford Economics

Note: figures may not sum due to rounding

**Fig. 11: Employment multiplier of Reckitt compared to U.S. industries**



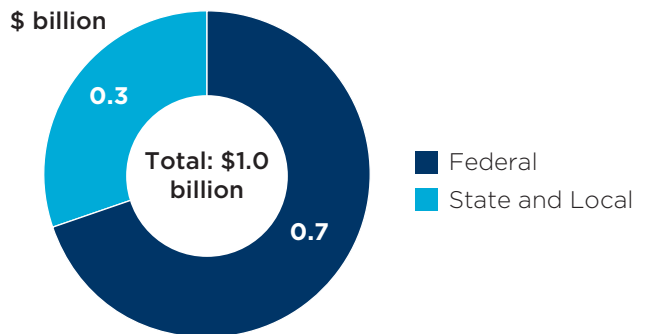
Source: Reckitt, IMPLAN, Oxford Economics

**4.1.3 Reckitt's total tax footprint**

In 2023, we estimate Reckitt supported a total tax contribution of \$1.0 billion to the U.S. government. This was equivalent to the average wages of over 13,200 nurses in the same year.<sup>29</sup> The total was comprised of individual income tax, corporate income tax, and taxes paid during production such as excise taxes and import duties.<sup>30</sup>

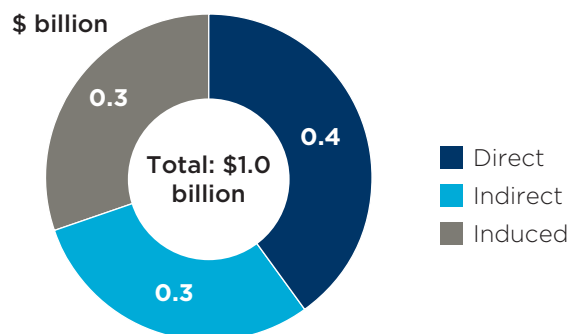
More than two-thirds—or \$688 million—of the contribution was paid to the federal government, while the remaining one-third (\$312 million) was paid to state and local governments. By channel of impact, 37%—or \$367 million—was accounted for in the direct channel of impact (payment by Reckitt and its workers), while a further 33% (\$328 million) and 30% (\$304 million) was stimulated in the indirect and induced channels of impact.

**Fig. 12: Reckitt's tax contribution in the U.S. by type, 2023**



Source: Reckitt, Oxford Economics

**Fig. 13: Reckitt's tax contribution in the U.S. by channel, 2023**



Source: Reckitt, Oxford Economics

<sup>29</sup> U.S. Bureau of Labor Statistics, "May 2023 National Industry-Specific Occupational Employment and Wage Estimates", accessed October 2024

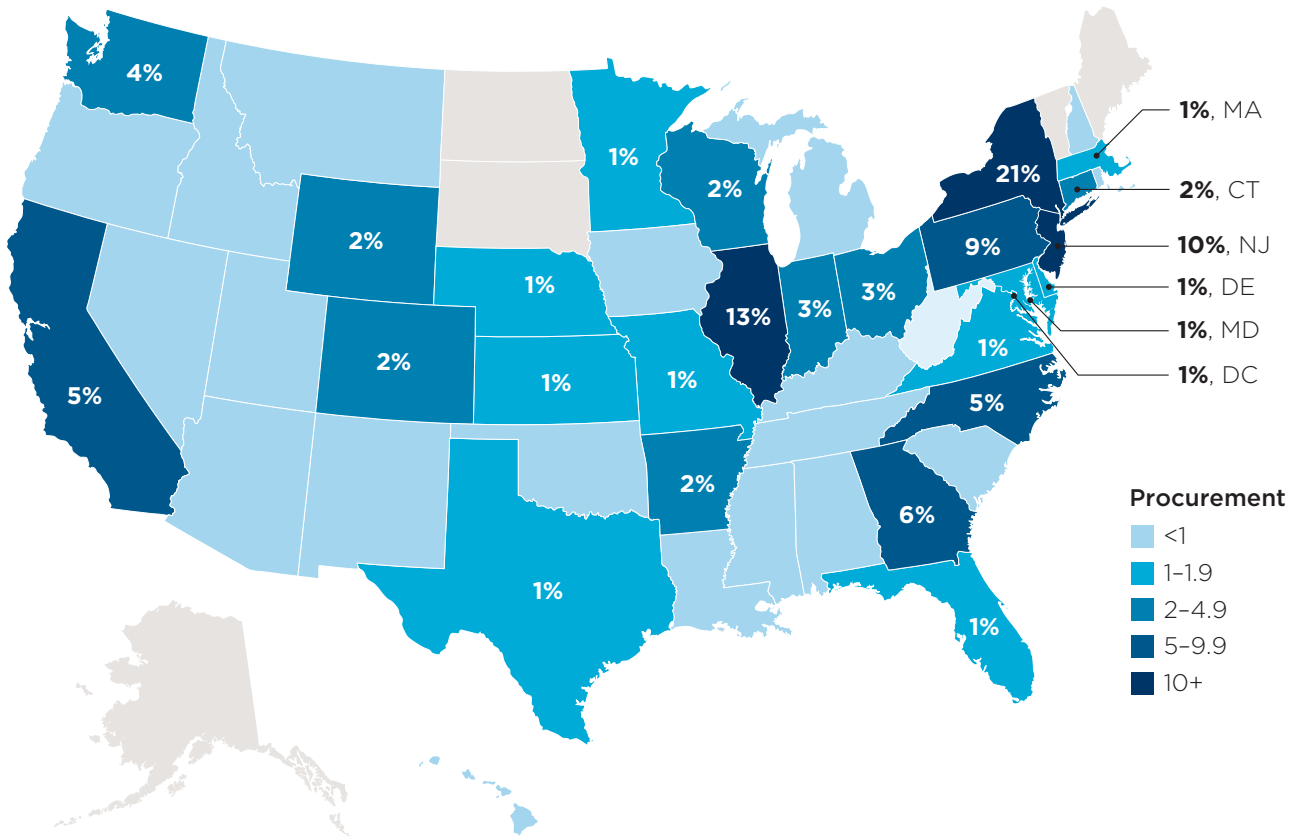
<sup>30</sup> Total does not include customs or excise duties.

**4.2 RECKITT’S IMPACT ACROSS THE U.S.**

In 2023, Reckitt’s procurement expenditure was made with suppliers located in 44 states across the U.S. Some 16% of Reckitt’s spending with U.S. suppliers was in the states of Reckitt’s production facilities—with New Jersey accounting for the largest amount, at 10% of the company’s overall U.S. expenditure. However, the majority of this expenditure (some 84%) was with suppliers spread across the rest of the U.S., in particular in New York (21% of the total), Illinois (13%), Pennsylvania (9%), and Georgia (6%). The impact of Reckitt’s supply chain extends further than the location that the company purchases from too. Reckitt suppliers purchase inputs from their own supply chains located across the U.S.—broadening the geographic footprint of Reckitt’s spending.

By contrast, the residence of Reckitt employees was more closely linked to its facility locations. The greatest share of the company’s employees lived in New Jersey (28%), the state of Reckitt’s U.S. headquarters, while a further 50% of its U.S. workforce resided in the other five states where Reckitt’s production facilities are located. Reckitt employees spend their wages in and around the states they live in, supporting further economic activity through the induced channel.

**Fig. 14: Reckitt’s share of procurement spending by state, 2023**



**4.2.1 Reckitt’s GDP and employment footprint by state**

Reckitt’s footprint reached all 50 states of the U.S. economy when all three channels of impact are considered. The six states where Reckitt’s production facilities and R&D centers of excellence are located—New Jersey, Indiana, Utah, Missouri, Minnesota, and Michigan—accounted for 55% of the total GDP impact and 44% of the employment impact. However, New York, California, and Illinois made notable contributions too. The greatest shares of Reckitt’s total spend were with suppliers in

New York (21%) and Illinois (13%), and as a result, New York supported the third largest GDP and employment contributions, while Illinois stimulated the fifth largest employment contribution. California generated the fifth largest GDP contribution as Reckitt, and suppliers in its supply chain supported activity in the information and professional services sectors across the state. Figs. 15 and 16 provide more detail on the highest-performing states.

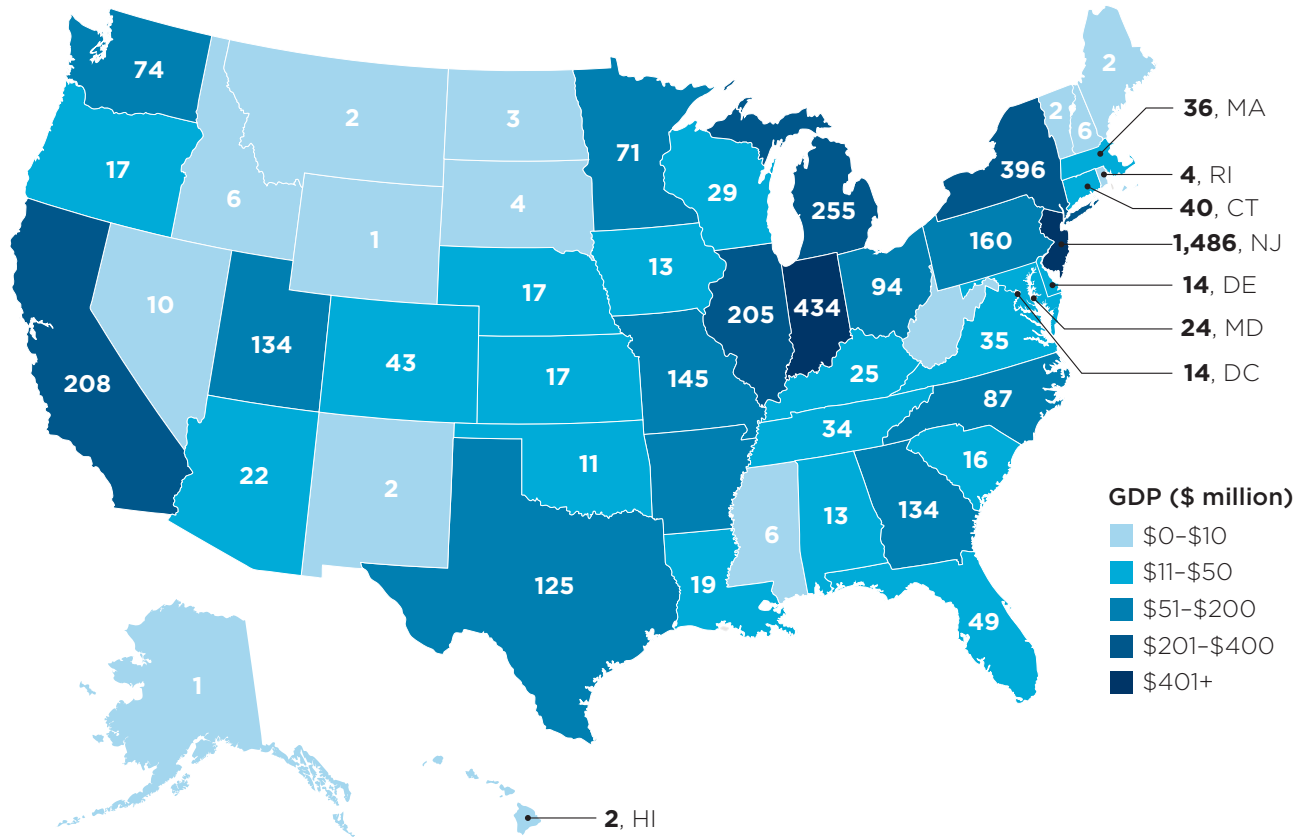
**Fig. 15: Top states by estimated GDP and employment impacts, 2023**

TOP GDP STATE IMPACTS			TOP EMPLOYMENT STATE IMPACTS		
State	GDP impact (\$ million)	% of total	State	Employment impact	% of total
<b>New Jersey</b>	<b>1,482</b>	<b>32.2</b>	<b>New Jersey</b>	<b>4,600</b>	<b>16.5</b>
<b>Indiana</b>	<b>433</b>	<b>9.4</b>	<b>Indiana</b>	<b>2,600</b>	<b>9.2</b>
New York	396	8.6	New York	2,300	8.5
<b>Michigan</b>	<b>255</b>	<b>5.5</b>	<b>Michigan</b>	<b>1,600</b>	<b>5.9</b>
California	208	4.5	Illinois	1,600	5.6
Illinois	205	4.5	Pennsylvania	1,400	5.0
Pennsylvania	160	3.5	<b>Utah</b>	<b>1,400</b>	<b>4.9</b>
<b>Missouri</b>	<b>144</b>	<b>3.1</b>	<b>Missouri</b>	<b>1,300</b>	<b>4.8</b>
<b>Utah</b>	<b>134</b>	<b>2.9</b>	California	1,300	4.6
Georgia	134	2.9	Georgia	1,000	3.7
<b>Minnesota</b>	<b>71</b>	<b>1.5</b>	<b>Minnesota</b>	<b>640</b>	<b>2.3</b>

Note: states in **bold** are locations of Reckitt facilities



**Fig. 16: Reckitt GDP contributions by state, 2023**



# RESPONDING TO THE U.S. INFANT FORMULA SHORTAGE

In February 2022, there was an infant formula shortage across the U.S. As supplies diminished, out-of-stock rates reached an estimated 74% nationally, burdening parents who needed to secure sources of infant formula.<sup>31</sup>

Reckitt's subsidiary Mead Johnson Nutrition, one of the largest infant formula producers in the country, led the response to this public health crisis. Mead Johnson Nutrition set into motion a plan to both increase production and expedite transport, while ensuring the highest levels of product safety and quality. The company operated its plants 24/7, streamlined its product portfolio to maximize production capacity, and had its trucks on standby ready to load as soon as the product was quality checked. These measures cut the time to market by 40%, and through strong partnerships with retailers, they were able to expedite orders and ensure the deliveries of these critical products were prioritized.<sup>32</sup> At the same time, Mead Johnson Nutrition worked closely with the U.S. federal government to secure approvals to import base formula powder from its facilities in Singapore and Mexico, which then underwent final blending and packaging in the U.S.<sup>33</sup>

By May 2022, Mead Johnson Nutrition was supplying 30% more formula relative to the same period the year prior and feeding over

half of all formula-fed infants in the U.S. during this shortage. For families enduring economic hardship and participating in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Mead Johnson provided formula to four out of 10 infants.<sup>34</sup>

Mead Johnson Nutrition's efforts helped bridge a U.S. national supply gap of infant formula. By November 2022, it is estimated out-of-stock rates were 12.5%, close to the pre-shortage levels.<sup>35</sup>



Base formula powder ready to be shipped from Reckitt's facility in Tuas, Singapore to the United States.



Team photo outside Reckitt's manufacturing facility in Tuas, Singapore.

<sup>31</sup> Bloomberg, "One in Five US States Is 90% Out of Baby Formula", 2022, accessed June 2024

<sup>32</sup> U.S. House of Representatives, "Statement of Robert Cleveland before the Subcommittee on Oversight and Investigations", 2022, accessed June 2024

<sup>33</sup> Reckitt, "FDA approval to import infant formula", 2022, accessed June 2024

The FDA does not normally allow imports of infant formula. However, Mead Johnson received approval to import the product from Singapore in June 2022. This enabled the company to bring an additional 66 million 8-oz servings to the country.

<sup>34</sup> Reckitt, "Spotlight on US efforts", accessed June 2024

<sup>35</sup> The 19th, "The 19th Explains: Why baby formula is still hard to find months after the shortage", 2022, accessed June 2024



# APPENDIX—METHODOLOGY

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment, a company, or a sector of the economy. Impact analysis traces the economic contribution of an investment or other spending through three separate channels:

- The **direct impact** measures the economic benefit of Reckitt's own operations and activities across the U.S.
- The **indirect impact** encapsulates the activity driven by Reckitt's U.S. supply chain as a result of the procurement of goods and services from other U.S. businesses.
- The **induced impact** captures the impact of the spending of wages on consumer goods and services by Reckitt employees, and those in Reckitt's U.S. supply chain.

These impacts are quantified in terms of the gross value-added contribution to GDP, employment, and taxes.

Impacts were calculated using the IMPLAN economic impact software. IMPLAN is an industry-standard tool that collates government economic data from a variety of sources and streamlines economic impact calculations across different geographies.

For both the national and state level analyses, Oxford Economics collected vendor-level information, and financial and employment

data from Reckitt. Vendor-level information included the amount spent and the state where the spending took place. Only vendors based in the U.S. were considered for impact modeling. *The duns & bradstreet* data were used to identify the type of goods and or service purchased, based on vendor name. Capital investments by Reckitt were also treated as indirect expenditures. The number of direct employees and their compensation was provided by Reckitt and includes both full and part-time workers directly employed by Reckitt. Reckitt also provided the number of contract workers, who are counted as indirect workers in the results.

Direct tax contributions were provided by Reckitt, while indirect and induced tax impacts were calculated using IMPLAN.

For the state-level impacts, all national model inputs (direct employment and compensation and vendor spend) were split to the state level, and impacts were calculated using Multi-Regional Input-Output (MRIO) models in IMPLAN, with total impacts controlled to the national impact value. Other inputs, including capital income, taxes paid directly by Reckitt, and investment spending were allocated based on employment levels at Reckitt's major facilities. Where state information was missing, IMPLAN trade data were used to allocate spending based on the locations of Reckitt's major facilities.

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## February 2025

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The modeling and results presented here are based on information provided by third parties, upon which Oxford Economics has relied in producing its report and forecasts in good faith. Any subsequent revision or update of those data will affect the assessments and projections shown.

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