

BAIN CAPITAL'S INVESTMENTS COSTS AMERICA TENS OF THOUSANDS OF MANUFACTURING JOBS & NEARLY \$ 12 BILLION IN LOST INCOME, ECONOMIC IMPACT ANALYSIS REVEALS

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An economic impact analysis of the effect of Bain Capital's investments shows that Bain's investments have resulted in a net outsourcing of at least 15,865 manufacturing jobs from the American economy. From sources as diverse as the Wall St. Journal, New York Times as well as Bain Capital's own website a profile of known Bain outsourced manufacturing jobs has been assembled and analyzed. Utilizing a conservative multiplier of 1.0 this means Bain's investment portfolio has resulted in the loss of at least 31,730 jobs. Bain has followed a consistent pattern of buying American manufacturing plants and, within one to four years, shipping equipment and jobs to China, Mexico and India. While Bain may have added some jobs in service companies in which they have invested (Burger King and Staples office supply for example) these jobs have little or no positive impact on the American economy since they pay much less than manufacturing jobs and simply shift service and retail purchases within the country. Moreover, the majority of Bain's current investment profile is in foreign manufacturing operations (which help foreign competitors) most of which were not included in these calculations.

The outsourcing of good paying manufacturing jobs was pioneered by current GOP Presidential candidate Willard Mitt Romney. The nearly 16,000 Bain outsourced manufacturing jobs that could be identified in this study include jobs as diverse as automobile parts, boat and recreational products, kitchen appliances, medical equipment and supplies, photographic equipment, clocks and virtually the whole spectrum of American manufacturing. They include jobs destroyed in Colorado, Michigan, California, Rhode Island, Massachusetts, Illinois, Florida and other states too numerous to mention. They include outsourced jobs from Bain owned companies that are well known including Mr. Coffee, Proctor

Silex, Sunbeam, Hewlett-Packard, Cisco Systems, Sun Systems, MicroSoft and Holston Burnes as well as a score of lesser known companies.

Though it is impossible to fully track or profile the entire impact of Bain manufacturing investments because of the secretive nature of this privately held firm and its complex network of horizontally and vertically integrated firms around the globe, this analysis provides an only partial list of outsourced manufacturing jobs in Table 1 below. This list includes fourteen companies who have outsourced manufacturing jobs from the U.S. to foreign factories in the last fifteen to twenty years. The likely number of Bain outsourced manufacturing jobs is likely several times greater but we cannot know for certainty because Bain does not voluntarily release data on its outsourcing. What we do know is that Mitt Romney designed, built and operated the American manufacturing job-killing and outsourcing machine that is Bain Capital and all of its subsidiaries and affiliates. Though Mitt Romney tries to say he left Bain Capital in 1999, his own signature on SEC filings show him as the sole owner and CEO until at least 2002. Even when he sold the company he still retained millions in Bain stock (and makes millions each year from the Bain stock and Bain sale) and, moreover, sold it on terms that require the new Bain owners to operate in an even more predatory way as it relates to outsourcing American manufacturing jobs.

One of the most egregious examples of Mitt Romney's pioneering of outsourcing is the case of wholesale outsourcing of home and kitchen appliance products in 1998 by Bain owned Brookside Capital of which Mitt Romney was the sole owner and CEO. In this case Romney outsourced as many as 4300 manufacturing jobs from American firms (household names such as Mr. Coffee, Sunbeam, Hamilton Beach and Proctor Silex) to one Chinese company-- Global-Tech, based in Dongguan, China. While Mitt Romney's campaign commercials quote him saying "We will not let China continue to steal jobs from the United States of America" the truth is China does not have to steal jobs—Mitt Romney's Bain Capital is delivering them on a silver platter. Table 1 below shows the details.

Table 1: Known Outsourced Mfg. Jobs by Bain Capital 1993-2012

Bain-owned Company	U.S. Location	Jobs to:	Product(s):	U.S. Mfg. Jobs Lost:
1. Mr. Coffee	Multiple	China	Appliances	1400
2. Dade Behring	Westwood, MA	China/India	Medical Instr.	1700
3. BRP(Bombardier)	Benton, IL	Juarez, Mexico	Boats/Rec	350
4. Sensata Tech	Freeport, IL	China	Auto sensors	170
5. Michigan Camshaft	Michigan (2)	Asimco, China	autoparts	500
6. Modus Media*	CA/multiple	multiple	multiple	5000
7. Sunbeam	multiple	China	kitchen appliances	1200
8. Hamilton Beach	multiple	China	appliances	800
9. Proctor Silex	multiple	China/India	appliances	900
10. GS Industries	multiple	China	multiple	750
11. American Pad/Paper	multiple	China	office products	185
12. Holston Burnes	Michigan	China	Photo frames	450
13. Holston Burnes	Rhode Island	China	clocks	560
14. SMTC	Denver, CO	China	tech products	200
15. Hewlett-Packard*	multiple	China	Global Tech electronics	500
16. Cisco Systems*	multiple	China, Hungary	electronics	400
17. Sun Microsystems*	multiple	Mexico, Hungary	computing	400
18. Microsoft	Seattle, multiple	China, India	software	500

TOTAL MFG. JOBS LOST 15,865
 +X 1.0 (Job creation/loss multiplier)=15,865=TOTAL JOBS LOST= 31,730

*Modus Media number is an estimate; Bain-created and owned Modus Media assisted scores of other American manufacturing firms in outsourcing jobs to China, Mexico, India and other low wage countries. Others asterisked are also estimates based on Bain's investment in companies in China and Singapore (Global Technologies, Jabil Circuit and Flextronics).

Though the totality of the effect of Bain investments on Americans' incomes and the American economy is impossible to precisely calculate we can provide reasonable, if conservative, estimates. Table 2, Income Impact of Bain investments on the American Economy shows that the lost income from Bain outsourced American manufacturing jobs by Bain is at least \$ 2.38 billion per year. While this is an annual figure most of this lost income actually accrues over multiple years, even decades. Thus it can be assumed that the net cumulative effect in lost American income from Bain's investments safely equals nearly 12 billion American dollars. Moreover, most of these workers have then had to rely on U.S. government assistance programs including unemployment insurance, food stamp and job training programs, thus contributing to federal deficit spending. The estimates of income impact of Bain investments is shown in Table 2 below.

Table 2: Income Impact of Bain Investments on the American Economy

Lost Mfg. Jobs	Income Loss*	+ Income Multiplier+	Annual Lost Income#
15,865	\$ 951.9 Million	x 1.5(\$ 1.42785 Billion)=	\$ 2.37975 Billion

*Income lost per manufacturing job is estimated at \$ 60,000 per year

+An income multiplier of 1.5 is a conservative multiplier for manufacturing jobs

#Using an average of 5 years of lost income effect results in the final cumulative figure of \$ 11.9 billion in lost American worker income from Bain's manufacturing outsourcing investments.

Bain's manufacturing investment portfolio has been devastating to the American worker. Bain's model of outsourcing jobs to China, Mexico and India was designed, pioneered and operated by Mitt Romney. He continues to own stock in Bain Capital and profit to the tune of tens of millions from Bain's outsourcing of American manufacturing jobs.

What is just as disturbing as the loss of manufacturing jobs by American workers is the clear "sweatshop" conditions of workers getting those jobs, especially in China. An illustrative example is the Asimco Tech autoparts manufacturer (their plants "dot the landscape of eastern China" according to one source) which will employ people at 99 cents an hour, often working 12 hours per day and 7 days per week in communist China where workers have little or no free speech and labor rights. Young female workers are described as living military style bunk rooms with beds with flat plywood bases with no mattresses.

While precise calculations of the net effect of Bain's outsourcing cannot be determined what is certainly true is that Bain's investments in American manufacturing companies are a huge net destroyer of American jobs. Thus Mitt Romney, who champions the "job creator" concept is clearly a massive "job and income destroyer." It is not just that Mitt Romney's Bain Capital sometimes destroys American manufacturing jobs; indeed, it is the rule that Bain destroys American manufacturing jobs. A search of Bain's manufacturing portfolio has revealed no cases in which Bain owned companies have added significant net new American manufacturing jobs. While Bain's investments may be profitable for Mitt Romney and fellow investors they have been a death sentence to the American manufacturing worker. In fact one can make a strong case that Mitt Romney is the single individual responsible for outsourcing the most manufacturing jobs from the U.S. to China, Mexico and India.

Sources include: Wall St. Journal, New York Times, Los Angeles Times, Boston Globe, Denver Post, Southern Illinoisan, Huffington Post, Detroit Free Press, Mother Jones, Huffington Post, Bain Capital websites and Bombardier Recreational Products (BRP) website.