

Made in the USA Reports

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Winners at the Olympic Games

By Joel D. Joseph, Chairman, Made in the USA Foundation

This year, our U.S. athletes proudly earned the most medals of any country at the Rio Olympics. And to further celebrate this victory, the most important winner was U.S. manufacturing. For the first time in many years, *nearly all* of the uniforms worn at the Olympic Games by our U.S. athletes were made in the U.S.A.



I first brought the issue of American-made Olympic uniforms up before the 2002 Olympic Games in Salt Lake City, Utah. In 2001, I testified before the Olympic Committee urging it to require that Olympic uniforms be made in the United States. In 2012, I appeared on numerous television programs criticizing Ralph Lauren and other manufacturers who had our uniforms made overseas. As a result of criticism, Mr. Lauren promised to make uniforms in the United States for future games. And he has kept his word. I would now like to present Ralph Lauren with a gold medal for demonstrating that we *can* make everything in the United States. Further, Mr. Lauren even had shoes made in the USA for the Olympic Games in Rio. Bravo!

Congress Should Have Taken Action (They Still Can)

When they learned in 2012 that the U.S. Olympic teams uniforms were made in China, Senate Majority Leader Harry Reid and Speaker John Boehner were quick to pounce. “I am so upset. I think the Olympic Committee should be ashamed,” Reid told reporters on Capitol Hill. “I think they should be embarrassed. I think they should take all the uniforms, put them in a big pile and burn them and start all over again.”

Speaker Boehner, meanwhile, said of the U.S. Olympic Committee: “You’d think they’d know better.” House Democratic Leader Nancy Pelosi told reporters at her weekly news conference that she’s proud of the nation’s Olympic athletes, but “they should be wearing uniforms that are made in America.”

Well, Speaker Boehner, and Democratic Leaders Reid and Pelosi, you should have known better. Congress is in charge, and should have taken meaningful action.

The U.S. Olympic Committee is a federally chartered non-profit corporation. Congress charters the USOC and Congress can amend the charter in five minutes to require that all USOC uniforms and licensed souvenirs be made in the United States.

This is a simple solution that Congress controls. In 2001, when Mitt Romney chaired it, I testified before the USOC in Utah and asked the same questions then as I do now: why not make American Olympic uniforms and souvenirs in the United States? After hearing my testimony, Mr. Romney continued the US Olympic Committee’s policy of going with the highest bidder, even if the products were made offshore.

The USOC does not receive money from Congress, but it does receive the very valuable, exclusive rights to license U.S. Olympic advertising and souvenir rights. Ralph Lauren bought the right to clothe the U.S. Olympic team for \$10 million. BMW, the Bavarian Motor Works, not exactly an American car company, bought the rights to be the official car of the U.S. Olympic team.

Even Nike, the Creator of Outsourcing, Made Uniforms in the United States

I have been criticizing Nike for 25 years for having soccer balls made by eight-year-olds in Pakistan, for violating the meager minimum wage laws of Indonesia and for outsourcing nearly everything to Asia. But, for the first time, Nike actually made Olympic Uniforms in the United States. Hell can freeze over! Also joining Nike in making uniforms in the good old U.S.A. is newcomer Under Armour. Kevin Plank, then a 23-year-old entrepreneur, started Under Armour in 1996 in his grandmother's basement in Maryland. I call upon Mr. Plank and Under Armour to expand its manufacturing in Baltimore so that those living in that city and suburbs can earn a decent living. The core source of the Baltimore riots several years ago was massive unemployment caused by closed factories and steel mills. The Olympic spirit should inspire Under Armour to fill in that gap and give thousands of Baltimoreans new jobs and a new source of pride.

Manufacturers are Coming Back to the U.S.A.!

Ashley Furniture, Masterlock, Apple Computers, Lincoln Logs, Karen Kane apparel, Buck knives, Sleek Audio headphone and many Walmart products are now made in the United States. Just a few years ago, many of these products were imported. The last few years mark the end of the decline in manufacturing in the United States.

Walmart's return to U.S. suppliers has been a game-changer for the entire economy. Walmart has agreed to buy \$250 billion more of American-made products over a ten-year period. Apple is now building its top-of-the-line Mac Pro in Austin, Texas. Ashley Furniture, the number one retailer of furniture in the United States, has returned some manufacturing back. Ashley's North Carolina factory will be producing 16,000 pieces of upholstered products each week for customers mostly in the Southeast. Masterlock is once again making some of its iconic locks in Wisconsin.

K'NEX, a family-owned toy maker in Hatfield, Pennsylvania recently returned most production of its plastic building toys to the U.S. from China. But K'NEX had trouble

finding a U.S. maker for Lincoln Logs, the toy it produced in China under license from Hasbro Inc. PrideSports LLC, a maker of golf tees, contacted K’NEX in 2013 after seeing an article in *The Wall Street Journal* mentioning the search. PrideSports said its factory in Burnham, Maine, had equipment for golf tees that could also make toy logs. The made-in-U.S. Lincoln Logs hit the market in 2015.

China’s Costs are Rising

Peerless Industries, which manufactures audio-visual mounting systems, recently moved production of its products back to Illinois, where the company is headquartered. The company’s president and CEO, Michael Campagna, cited a common concern among American companies that have reshored: rising labor costs. “The labor costs in China are rising, even more so now than when we left,” Campagna told *The China Daily*. “We quoted some new projects this year to double-check costing in China and we discovered that they have gone up.” As China’s cost advantages shrink, the U.S. has the potential, with investments in automation, to retrieve a share of such imported household products as TVs, vacuum cleaners and toasters, said Hal Sirkin, a Chicago-based senior partner at Boston Consulting Group. U.S. firms will do it “not to be patriotic,” he said, “but because they can make money.”

Cutting steps out of the supply chain makes for a cheaper production process. That’s what cookware manufacturer All-Clad Metalcrafters of Canonsville, Pennsylvania, realized when it performed a cost-benefit analysis of overseas versus domestic manufacturing. “If you can reduce the length of the supply chain, you can reduce the cost of capital,” Trevor Dunthorne, the vice president of operations, told *Product Design & Development magazine*. “This frees up cash flow that can be used in the company on other projects.”

U.S. Consumers Prefer “Made in the USA” Products

The president of Intertech Plastics, which manufactures custom injection molded plastic products, says the company will double its 2011 revenue by the end of 2012, growing from \$20 million to nearly \$40 million” partly because of its reshoring decision. Noel Ginsburg says while he was manufacturing in China, his customers began telling him that they would only do business with American suppliers. By reshoring in 2011, he positioned the company to acquire business that was directed toward suppliers that manufactured locally. “I was at the consumer electronics show,” Ginsburg told industry blog *PlasticsNews.com*. “I met with six potential customers and without exception, they said [they] were looking for U.S. suppliers.”

Companies like Buck Knives in Idaho are recognizing the true marketing potential of a

stamp that reads “Made in U.S.A.” The company, which had outsourced about 30% of its knife production to China, recently returned production to North Falls, Idaho, where the company was founded in 1902. “Hunters are rednecks, and they don’t like anything with that C word on it,” Chuck Buck, the company's chairman, told *The Idaho Statesman*.

Quality and Control of Production

Often, there isn’t just one reason a company decides to come back home. Sleek Audio, which manufactures headphones, cited a list of factors “from poor quality to the difficulty of traveling overseas,” as the main reasons they moved production back to St. Petersburg, Florida. “It became very difficult and taxing,” Jason Krywko, one of the company’s founders, told Fortune magazine. “Now we control the quality of the product. No more waiting for production has been a wonderful thing.”

Karen Kane Clothing is starting to see an uptick in domestic production. Quality is not their only concern: Since fashions can change on a whim, nimble companies are better able to capitalize on a trend. And with more sophisticated manufacturing techniques, production is no longer prohibitively expensive. Karen Kane, for instance, a fashion company based in California, recently reshored most of its production locally. “We looked at the cost of doing manufacturing here domestically, and the cost is not that different,” Michael Kane, director of marketing, told Reuters.