



Outsourcing

- I. Political
 - a. Increasingly outsourcing high-paying jobs
 - b. Proposals exist for anti-offshore legislation
 - i. Part of a bill that provides tax breaks for companies that keep jobs in the U.S.
 - ii. Passed in Senate. Mostly supported by democrats
 - iii. Opposed by Business lobby.
- II. Economic
 - a. Millions of dollars are saved by sending jobs overseas
 - b. Seems very good economically for outsourcers
 - c. Potential Downside: Can't afford to buy anymore.
 - d. If everybody outsources the same jobs, competition will just drive profit margins back to where they were.
 - e. Myths (by Heritage Foundation)
 - i. "Losing jobs" – more working than ever (or nearly)
 - ii. "Discouraged workers" – also not true
 - iii. "Free Trade Harms Economy" – governments that intervene tend to have lower GDP than those that don't.
 - iv. "One-Way Street" – insourcing is growing faster than outsourcing
- III. Social
 - a. Concern is that white-collar jobs are involved now.
 - b. 1 in 3 jobs is at risk to be outsourced
 - c. Some factories / businesses are shutting down because they can't compete with other firms that engage in outsourcing
 - d. Already have "interstate" outsourcing within the U.S., so what's so different?