

As outsourcing decimates American executives, and entrepreneurs are

manufacturing, a few top designers, on a mission to keep jobs at home

Local hero:
Anna Sui (in her New York City studio), an American designer who is fighting to keep her collections made in the United States.

Made in the U.S.A.

BY SUZANNA ANDREWS

COLLAPSIBLE

MODEL 2000

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MELANIE DUNEA/CREATIVE
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153

n a jumble of sunlit rooms in New York City's garment district, seamstresses stitch together Anna Sui's latest collection while the final shipments of her spring line are boxed for the delivery trucks downstairs. Surrounded by three assistants and eight pattern makers, the designer focuses her gaze on a purple silk dress.

Sui wants some changes—the sleeves shortened three quarters of an inch, the shoulders taken in an eighth of an inch. “Too bulky,” she says, as she pulls at the ruffling and re-pins it. She stands back and says, “That’s much better.” She will put the dress through at

least one more fitting before sending it off to be hand-sewn at one of the three local factories she has used since the 1980s.

Sui is that increasingly rare designer who depends on—and supports—American labor. In a factory loft just blocks from her studio, 87 garment workers turn out her dresses, coats, and blouses season after season. But theirs aren't the only jobs that hinge on Sui's dedication to her

hometown turf. Counting the pattern cutters, textile dyers, and creators of her trims and pleats, Anna Sui Corp. supports another 125 jobs—in addition to her in-house staff of 38.

“Without Anna, we would not exist,” says Tony Lee, whose company, Greenland NY, depends on Sui for nearly 70 percent of its business. The designer's passionate support of American industry makes her not just a hero in her hometown but also a leader in the small resistance army of American executives fighting the forces that have swept millions of these jobs overseas.

In her studio, Sui brightens as she describes the inspiration for her fall line: the American Arts and Crafts Movement that flourished from 1910 to 1925. She brings out a dress in stained-glass hues—“like Frank Lloyd Wright windows”—and a silk tunic woven in a landscape pattern of mountains and valleys. “A great many immigrants came here during that period, and they made a conscious effort to show off ‘America the Beautiful,’” says Sui, whose parents emigrated from France after World War II. “People were just astounded at how vast and beautiful the United States was.”

Sui loves her country, but making her clothes here isn't just about that. Her peers in the fashion world may be satisfied to check samples in China or view their designs digitally, but Sui needs to see her work up close to feel it. “You can draw a beautiful drawing, but it doesn't mean it's going to be a

beautiful dress,” she says. “The only way you can tell is when you see it here in the workrooms.”

“For many designers, this is the long-lost dream,” says Stan Herman, a former president of the Council of Fashion Designers of America, whose company mass-markets loungewear sold on QVC. “But there is just no way that you can be competitive.” For Herman, the only route to profitability is to manufacture cheaply in Asia, mainly in China. As he sees it, Sui is among a handful of designers—including Oscar de la Renta, Carolina Herrera, and Nanette Lepore—who are able to make a patriotic choice because their customers are willing to pay several hundred dollars for a dress. Designers who sell their clothing to big-box stores like Walmart and mainstream retailers like JCPenney cannot afford to make clothing here.

It's a complicated story, but some of it can be reduced to simple math. American garment workers must compete against their Honduran counterparts, who are paid 31 cents an hour, or Bangladeshi workers, who make 17 cents an hour. In China, workers typically earn 50 cents an hour, toiling in government-subsidized factories. These low wages—combined with old and inefficient U.S. factories, open markets for imports here, and tax incentives for American firms to outsource—have contributed to the demise of the American garment worker.

How bleak is the picture? In 1985, 80 percent of the clothes Americans

wore were made in the United States. By 2009, that figure had plummeted to 5 percent.

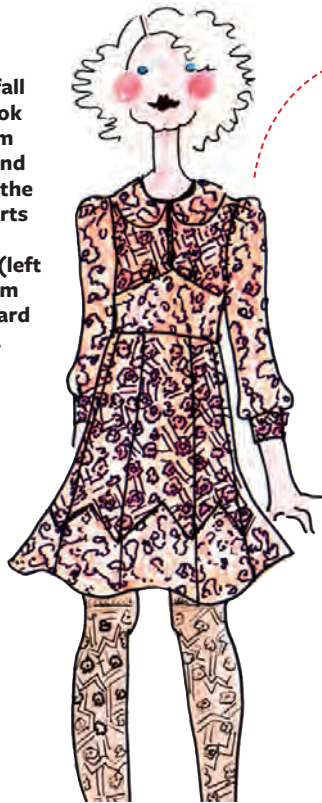
Behind these statistics is a story that reaches far beyond the fashion business. As the clothing manufacturers closed down, so did the once-great American textile mills: the wool manufacturers of New England and huge cotton mills that dotted the Southern states. According to some estimates, more than one million American textile and apparel jobs have been lost to overseas production in the past 16 years alone. And this was just a “microcosm,” as Herman puts it, “of what happened to industries across America.” During the past three decades, nearly 40 percent of the nation's manufacturing jobs have vanished—in industries as diverse as steel, cars, toys, and electronics—gone first to Japan, Taiwan, and Korea, then China, Pakistan, and Central America, and more recently, Eastern Europe and Africa. Five million American factory jobs—usually well paid, with full benefits—have vanished, and with them a big chunk of the middle class.

When Sui first came to New York in the 1970s, the garment district was still a bustling, thriving neighborhood. Delivery trucks clogged the streets, pedestrians dodged runners pushing rolling racks of clothes, and wherever she looked, there were stores selling buttons, trims, and zippers. Moving to Manhattan had been the culmination of a childhood

dream for Sui, whose father was an architectural engineer and mother a Sorbonne-trained artist. After a stint at Parsons School of Design, Sui worked for large clothing companies for a decade; then in 1981, with \$300 to her name, she started her own company in her living room.

Today Anna Sui Corp. is a global operation, worth, by some estimates, more than \$200 million, with over 300 sales outlets in 30 countries, including 50 store franchises in Japan, Korea, Taiwan, Hong Kong, Kuwait, Dubai, Turkey, and the United States. Some 80 percent of her merchandise is made in the United States, includ-

American inspiration: Anna Sui's fall 2010 line took its cues from the colors and patterns of the American Arts and Crafts Movement (left to right, from drawing board to runway).



ing the foundation of her empire, the runway fashions she presents every season.

The question is, How long can she hold out? About 12 years ago, her Massachusetts wool maker went out of business, forcing her to go overseas for her fabrics for the first time. "My beginning collections were always 100 percent domestic," she says. "It's in the past ten years that wool and cotton have disappeared. Those used to be among the biggest industries in this country.

"It's very sad," she adds softly. "We always used American manufacturers for our velvet—until last year, when they closed down. And

readersdigest.com 12/10-1/11

(DRAWING) COURTESY ANNA SUI; (DRESS) COURTESY THOMAS LAU/ANNA SUI

“How can the U.S. economy survive on just service?” asks Joe Wells III. “There’s a need to manufacture in the United States.”

they made the best-quality velvet in the world.”

As part of a struggling made-in-the-U.S.A. movement, her story echoes those told by executives from century-old companies to start-ups. Joe Wells III, the fourth-generation CEO of Homer Laughlin China Co. of Newell, West Virginia, employs 800 men and women, who turn out 24 million pieces of tableware a year. “My father and grandfather told me that we had a responsibility to the community to provide local jobs,” says Wells, whose company was founded in 1873. “It’s been a battle to stay afloat, but we are doing it. We reinvest and modernize. We can’t compete with foreign competition on scale, but by finding niche areas, and by doing that well, we have been able to preserve jobs—and we no longer have any U.S. competition.”

Wells believes that consumers are finally becoming more aware of the value of products made in America, and it bothers him that politicians seem to have given up on domestic manufacturing. “How can the U.S. economy survive on just service?” he says. “We have to create things here. It’s valuable to work hard, use

your brain, develop better ways to do things, improve quality—and beat the competition. We can do it. I’m tired of all the hogwash; there’s a need to manufacture in the United States.”

Exactly, says Jim Poss, 38, president of Big Belly Solar, a green start-up company that makes solar-powered trash compactors in Needham, Massachusetts. Poss’s products, which help cities and other public institutions reduce labor and energy costs, are now found in 40 states and 25 countries, and sales have doubled in recent years. “We are proud that the Big Belly is made almost entirely of American-made materials with 100 percent American labor,” says the patriotic Poss. “If we could, we would go with all American goods, but essential components like small solar panels are not mass-produced here anymore. I’d pay more for an American-made panel, but I can’t pay double the price.”

Buy cheaper or buy American? That’s what it comes down to in the view of Richard Laird, 65, founder of buyamerica.com, a website that represents some 600 U.S. companies. Whether you are a small-business owner or a mom on a budget, “when

you can get a \$2.95 T-shirt made in Vietnam or an American T-shirt for \$4, which one are you going to buy?" he asks. "In today's economy, you're going to buy the cheaper one. But if you were a factory worker who's just lost his job, and you were shopping for a T-shirt, which would you buy? You'd want to buy the American one."

There are about 75 websites that claim to lead consumers to American-made products. Some are sprawling databases, such as madeinamerica.com (300,000 companies). Others resemble Stephanie Sanzone's stillmadeinusa.com, which has 800 carefully updated listings—for both single products and companies—and attracts about 60,000 unique visitors a month. Sanzone, 50, started her website in 2004 as a graduate student, "trying to buy basic American-made sweatpants for my kids." After she struck out at the mall, she came home and started Googling. Five months later, she launched her website, which has morphed from an obsession to a hobby that she tends to when work and family allow.

Sanzone, who calls herself the Dear Abby of the buy-American community, also fields questions and offers advice. And after six years of e-mail, she has heard lots of reasons why consumers want American-made products. "People are concerned about the conditions under which things were made, concerned about

the environmental consequences of making something halfway across the world and then shipping it over here. And plenty of folks are concerned about jobs and communities and what it does to a community when a major employer closes and goes away."

Though Anna Sui takes great pride in her homegrown designs, she made an exception last year when she produced a line for Target. She agonized over the decision, she says. "Because of Target's prices [which ranged from \$19.99 to \$149.99 for her collection, compared with the \$300 to \$800 for her designer garments], everything had to be manufactured in China," she says. But Target was also offering a multimillion-dollar national television ad campaign for Sui's line, something that she could not afford to do herself. Sui ultimately decided to abandon her strict standards "because it was a one-shot thing," she says, but not before she cajoled Target into giving her New York suppliers a chance to match Target's prices, which, she says, resulted in work for several of her longtime partners.

The lure to go offshore isn't just about price. "If you go to a garment factory in Pakistan or China, you'd be shocked at how beautiful they are," says Stan Herman, who blames domestic companies for failing to reinvest. "We don't have new garment factories here; they're all 50

years old." Unions are a scapegoat for many in the business. State and local governments should be faulted for not encouraging more investment, too, adds Herman. And the federal government has failed to articulate a coherent manufacturing policy (aside from arcane rules for "domestic content" in federal buying policies) but continues to provide lucrative tax breaks to companies that operate offshore.

Can the hemorrhaging of America's manufacturing jobs be stopped? David Huether of the National Association of Manufacturers is among the many economists who say no, at least for those workers with a high school degree or less. Those jobs—the ones that helped propel millions of American families into the middle class—are not coming back. But the United States, says Huether, still has "the largest manufacturing base in the world." Nearly 21 percent of the world's manufactured goods are made in America, a percentage that has not changed in some 40 years. It's just that the nation has shifted from industries that produced consumer goods, such as clothes, toys, and electronics, to industries like pharmaceuticals, heavy machinery, high-tech communications, and aircraft—jobs that require highly skilled and educated workers.

But in the garment industry, some experts say that change is not impossible, although it would depend heavily on American consumers' willingness to pay a few extra dol-

The American Way?

C Manufacturing is the backbone of the middle class. Manufacturing jobs pay higher wages and stabilize communities."

Nicole Y. Lamb-Hale, assistant U.S. secretary of Manufacturing and Services

C This used to be a country where you could have a job with a high school degree and be set. Those jobs don't exist anymore."

David Huether, chief economist, National Association of Manufacturers

C American businesses need consumers to buy U.S.-made products to be able to add jobs and continue this recovery."

Mark Zandi, chief economist, Moody's Analytics

C We should stop pining after the days when millions of Americans stood along assembly lines and continuously bolted, fit, soldered, or clamped what went by. Those days are over."

Robert B. Reich, professor of public policy at California State University, Berkeley, former secretary of the Department of Labor

lars to bring the jobs home. “Fashion is a consumer-driven business,” says Steven Kolb, executive director of the Council of Fashion Designers of America. “If the customer wants something, that is what we are going to make and sell. I think if there’s a consumer movement that says, ‘We want to buy “Made in the U.S.A.,”’

view. With some 375 jobs at stake, opposition turned fierce. The actor Danny Glover joined the campaign, publicly urging his fellow movie stars to boycott Hugo Boss clothing at the 2010 Academy Awards ceremony. Then some of the country’s largest pension funds—including California’s and New York City’s—got on

“Fashion is a consumer-driven business,” says Steven Kolb. “If customers want ‘Made in the U.S.A.,’ that’s what designers will sell.”

that definitely is going to influence the way the designer makes his or her clothes.”

American consumers have the clout. We are the biggest consumers in the world, and every year we spend more than \$1,000 per capita on apparel. But according to recent studies—and the marketplace—Americans care far more about price than they do about style.

“It’s all about prices,” says Sui. “There needs to be some consciousness raised about that.”

When Americans do care about where things are manufactured, however, it can make a difference. Take the case of the German fashion house Hugo Boss, which announced in 2009 that it was closing its factory in Cleveland because it was not “globally competitive,” in the company’s

the bandwagon, threatening to withdraw their multimillion-dollar investments in Hugo Boss if the plant was shut down. In late April, Hugo Boss’s owners announced a change in plans. Although there would be pay cuts—from \$13 to \$10 an hour—300 American workers would keep their jobs.

Stories like this give Anna Sui hope. Standing in her sample room, surrounded by seven seamstresses bent over their machines, and two pattern cutters expertly snipping away, she flashes a rare smile of unabashed joy. “To me, this is the most exciting thing,” she says, “when you see what happens with the fabrics.” Every time she has considered giving up, she says, “I would see an interesting fabric or print, and suddenly I would see the beginning of a new collection. I guess that’s why I’m still here.”

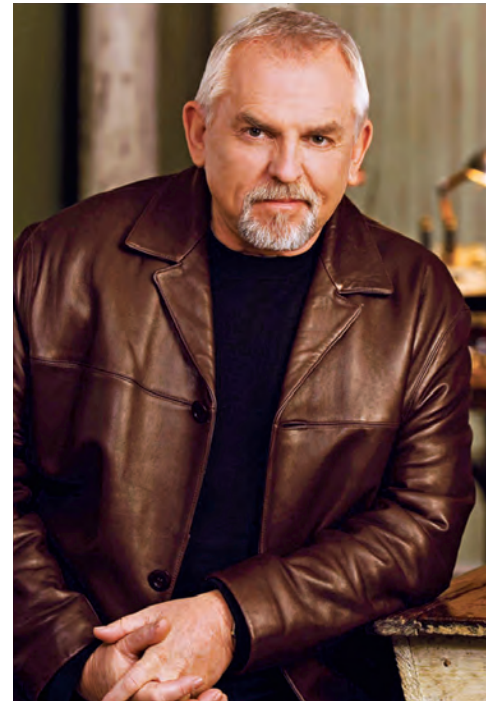
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What You Can Do

BY NATALIE VAN DER MEER

Actor John Ratzenberger (below), perhaps best known as the barfly postman Cliff Clavin on TV’s *Cheers*, now plays an even more engaging role off-screen as an activist. He has spoken out for American manufacturers at congressional hearings, and in 2004, he created, produced, and hosted *Made in America*, a show for the Travel Channel, in which he visited 200 iconic U.S. companies to celebrate the men and women still making products on American soil. He is also completing an independent film about the current job crisis, *Industrial Tsunami*. Here, his recommendations for keeping jobs at home.

COURTESY JOHN RATZENBERGER



Buy American. “Everyone who’s out shopping should just go into a store and say, ‘Where’s your made-in-America section?’ If they say they don’t have any, then say, ‘Thanks, I’ll find it somewhere else.’ They’ll get the message. Go to my website, ratzenberger.com, for updates about the shortage of skilled American laborers and more tips on what else you can do.”

Support hands-on training. “We need to reinstate vocational training in skilled manual crafts. Ask about adding shop classes to your local school curriculum. If you’re experienced in a trade, offer an apprenticeship to students to learn your skill. It’s alarming that the average age of industrial workers today is 55, and the younger generation isn’t being equipped to take their place.”

Change perceptions. “A lot of people think that manual labor is demeaning, that if you don’t have a college degree you’re a lesser human being. High school guidance counselors should be telling students that factories today are immaculate, and some people in manufacturing make good money. Within two years, there will be a need for over 500,000 welders in the United States. Look around at all the things that need welding: bridges, water systems, sewer systems, ships, railroads. One of the reasons the Roman Empire collapsed is that roads fell into disrepair and there weren’t enough stonemasons to repair them. The same thing could happen here.”

Still Made Here—

Proudly! Nine of our best homegrown products

BY TARA CONRY



◀ **AIRSTREAM**

Jackson Center, Ohio
Employees: 200
Passionate owners include Johnny Depp and Steve Carell

KOHLER ▼

Kohler, Wisconsin
Employees: 6,500
Nearly all of its fixtures made from recycled and reclaimed iron

MERLE NORMAN ▶

Los Angeles, California
Employees: 500
Makeup company launched in the 1920s by Merle Nethercutt Norman, inventor of the before-and-after makeover



◀ **ANCHOR HOCKING**

Lancaster, Ohio, and Monaca, Pennsylvania
Employees: 1,700
Glassware company sold tumblers “two for a nickel” in the Great Depression



STEINWAY & SONS ▲

New York, New York
Employees: 400
The last major piano maker still making music here

REGAL WARE ▼

Kewaskum and West Bend, Wisconsin
Employees: 400
Cookware company has made more than five million canteens for the Boy Scouts



POOF-SLINKY, INC. ▲

Hollidaysburg, Pennsylvania
Employees: 115
Popular toy made of American steel since 1945

INDIAN MOTORCYCLES ▼

Kings Mountain, North Carolina
Employees: 45
Each bike hand-assembled by a team of two craftsmen



LOUISVILLE SLUGGER ▼

Louisville, Kentucky
Employees: 300
Takes 40,000 trees to make enough bats for one baseball season

