

22 May 2020

MEMORANDUM FOR: GENERAL DISTRIBUTION

FROM: Veronica Wright

SUBJECT: Creating Jobs in US through Economic Analysis of Cost Sharing

The purpose of this memorandum is to request an economist to study a cost sharing business model.

### **The Need/Challenge**

The importance of textile manufacturing companies to return to the US or to their local markets is reflective of the fact that consumers want what their goods fast. Shipping inventory from Asia via sea to Western markets typically takes 30 days. Air freight is not cost effective. Differences in trade agreements between countries and the current public health pandemic drives the need to diversify and shorten the supply chains not only within textile manufacturing but other manufacturing industries as well. One of the biggest challenges currently is sourcing of raw materials and fabrics. The current bulk of production and consumption of the above-mentioned resources is regionally focused on Asia. As labor costs rise in China, textile companies are beginning to realize that cheap labor from overseas will not be enough to sustain a profitable business. New innovative business models will be necessary to sustain or increase profit margins and to withstand market volatility.

### **Vision for the Economic Impact**

For companies to remain competitive, they will need to adopt business practices that will reduce operating costs. The proposed study is to analyze a business model where companies within the textile manufacturing base can share costs such as labor, energy and capital expenses. This textile manufacturing base comprises of companies who make fibers, fabric finishes, fabric, chemical dyes, etc. The objective of the business case analysis is to identify how many jobs can be created when companies share costs as described above. Additional goals of the study are to identify the following:

1. Specific areas where companies can share costs
2. Potential profits/cost savings
3. Potential number of jobs created
4. Areas of where the US can invest in an effort to bring textile manufacturing to the state of Maryland

I am looking for an economist who can conduct a study of the above analysis. The ***vision for the economic impact*** is to create higher paying jobs for low-wage, low-skill workers in America.

Please feel free to call or email me 310-809-4505 and/or email: [comfycozybyvw@gmail.com](mailto:comfycozybyvw@gmail.com)

Very Respectfully,

Veronica Wright