The next reason outsourcing is harming the U.S. is that it temporarily increases the unemployment rate. The U.S. Department of Commerce’s data conveys, “U.S. multinational corporations, the big brand-name companies that employ a fifth of all American workers… cut their workforces in the U.S. by 2.9 million during the 2000’s while increasing employment overseas by 2.4 million.” A 2012 survey created and analyzed by the Duke’s Fuqua School of Business contends that three quarters of responders said that labor cost savings are a major driver of outsourcing (5 facts About Outsourcing). A University of California study affirms that 14 million white collar jobs are in danger of being outsourced (Roberts, Paul, Craig, PhD). These numbers show an alarming quantity of jobs are affected negatively by outsourcing.

Lastly, outsourcing can have secluded costs. This is the case because a company financially binds themselves to another business. The company needs to find a vendor, to perform the specified outsourced task. This is extremely important because the company will trust the other company with important assets. If the vendor has an oversight the other company’s image could be destroyed. a lawyer must be hired to verify the contract. This can cost anywhere from 0.2 percent to 2 percent of the annual cost, which is very significant when speaking of billions of dollars. Sequentially, the most expensive part of this process is the transition period; which can last anywhere for three months to a year (Hidden Cost of Outsourcing).

In my opinion, outsourcing is harming the United States. Outsourcing has the risks of low quality goods, reduced management control, and threatens companies’ security. Outsourcing has already destroyed 2.9 million jobs. If large firms, which employ 20 percent of the full time workforce, fail, then our economy fails. Who knows what will happen to America If companies keep gambling?

Outsourcing is both benefiting and harming the United States. Outsourcing can aid in product availability, help companies grow, and benefit consumers with inexpensive prices. Outsourcing can harm a large firm’s image, skyrocket the unemployment rate, and have large hidden cost for firms. The question is do the benefits outweigh the harm, or does the harm outweigh the benefits?