



FIGHT CORPORATE MONOPOLIES

**CORPORATE POWER
MAP**



MICHIGAN



As markets become increasingly consolidated, people lose choices about where they work and spend their money. Decades of lacking antitrust enforcement has left a few big corporate actors in charge of sector after sector of the economy -- giving these corporations massive political, economic, and societal power.

This document maps out the large corporations and consolidated industries in Michigan. It's a broad overview of the corporate actors that have amassed serious power, instances where taxpayer money has directly subsidized these giants, and some of the harms that these corporations have caused. Aside from being an educational resource, we hope these maps serve as a source for those fighting corporate power, whatever your role may be.

If you think we've missed something, please let us know at info@fightcorporatemonopolies.org

HOW TO USE THIS MAP AS A POLICY MAKER

Commit to work on behalf of your constituents and not corporations. The public overwhelmingly supports reining in large corporations. For an overview of popular anti-corporate and anti-corruption policy, please visit: www.fightcorporatepower.org. Many of the outlined policies would check corporate power at the state level.

Use local examples as talking points. Several of the corporations that are mapped out in this brief have harmed your constituents. Using local examples helps make anti-corporate policy real and tangible.

HOW TO USE THIS MAP AS AN ADVOCATE

See which elected officials the corporations in this report fund. To better understand how the corporations in this report may influence politics in your state, see which elected officials the corporations donate to. You can view campaign contributions to federal elected officials through the [FEC website](http://www.fec.gov) or [Open Secrets](http://www.opensecrets.org). For contributions to

statewide and local officials, check your elections commission or secretary of state's website.

Ask your electeds to rein in mentioned corporations. Call, write to, or meet with your elected officials to discuss how they're protecting workers, consumers, and small businesses. Oftentimes the corporations mentioned in the brief will spend money lobbying elected officials on behalf of legislation that benefits them. If this is happening where you live, demand that your electeds oppose the legislation.

Fight local subsidies to mentioned corporations. Oftentimes, local or state governments sign off on huge subsidies to massive corporations. You can read more about how to spot these deals and how to fight them in [this guide](#).

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Big Tech

Amazon

Amazon has [at least 18 facilities](#) in Michigan, including four fulfillment centers and seven Whole Foods stores. It claims to have created 21,000 jobs there as of December 2020. Amazon is notorious for [tracking employees' every movement](#) and penalizing them for "time off-task," which deprives workers of dignified bathroom breaks and other rest time. Amazon warehouse logs show an [injury rate nearly double the industry average](#) and triple the average for private companies overall. Workers must also sign non-compete clauses that trap them in an abusive relationship with Amazon. In the past few years Amazon has been guilty of [union busting](#) and firing whistleblowers who pointed out [consumer data misuse](#).

Amazon has received [at least \\$41M](#) in state and local subsidies from Michigan since 2013.

A [study](#) by the Economic Policy Institute found that when an Amazon warehouse is built, the "county [hosting the facility] gains roughly 30 percent more warehousing and storage jobs but no new net jobs overall, as the jobs created in warehousing and storage are likely offset by job losses in other industries.

Google & Facebook

Michigan [lost 76 percent of its local journalism jobs](#) from 2005 to 2020 as **Google** and **Facebook**'s dominance in online advertising undermined traditional news organizations worldwide. The state [lost 26 percent of its newspapers](#) from 2004 to 2019, with 76 weeklies and 2 dailies closing for good. The recent **GateHouse-Gannett** merger will affect at least 20 newspapers in the state including its two largest dailies, the **Detroit Free Press** and the **Detroit News**. Gannett owns five other local outlets and GateHouse owns 13 more.

Apple

Apple claims to have 949 direct employees and 188 supplier firms in Michigan, including Dow-Corning.

Broadband Access

Comcast is the single largest internet service provider in Michigan. Comcast was [recently fined](#) in the state of Washington for violating the state's Consumer Protection Act, and is [under investigation](#) in Minnesota for allegedly violating the Minnesota Consumer Fraud Act and Uniform Deceptive Trade Practices Act. They have over 25,000 complaints through the Better Business Bureau in the past 3 years.

While the industry argues nearly everyone has high-speed internet access, that claim is based on defining high-speed as 25Mbps -- far shy of the 100Mbps speeds actually required to reliably engage with the modern internet. One third of urban residents and more than half of rural Michiganders have [only one 100Mbps provider available](#). Another 40 percent of urban residents and 16 percent of rural residents have just two provider choices.

According to a [new revised federal dataset on broadband access](#), roughly 1.5 million Michiganders -- roughly 15 percent of the state -- have no internet access at home at all. Nearly 500,000 residents live in the 22 counties where median downspeed is below 25 Mbps (the industry's definition of "high-speed"), and another 2 million live in the 42 counties with median downspeeds between 25 and 50Mbps. No county has median downspeeds at or above the modern 100Mbps standard.

According to [research](#) by the Federal Reserve Bank of Richmond, slow broadband speeds in rural areas often slow job growth, reduce home values, and raise unemployment.

34% of Michigan households making <\$20,000 do not have internet access, and 10% of Black households do not have internet access. [8 in 10 Michiganders](#) are not able to purchase "low-priced" broadband under \$60/month.

Hospitals and Health Insurance

There are [eight total insurers](#) on Michigan's Affordable Care Act exchange, but [only one is available in the Upper Peninsula](#). The [average price of the lowest-cost plans](#) is

\$225 per month in 2021, a full 24 percent below the national average and lower than all but one of the Great Lakes states. The highest-tier “Gold” plans are \$370 per month, 23 percent below the national average and second-lowest in the Great Lakes region. Overall health care prices in Michigan rose by 13% from 2014 to 2018, [less than the national average](#) of 15%.

- [Michiganders’ overall out-of-pocket medical costs match the national average](#), while those with employer-sponsored coverage pay about 6 percent less than average out-of-pocket.
- Michigan provides [comprehensive protection against “surprise billing.”](#) though it does not outright ban the practice (it is legal for ambulance service, e.g.). It is one of 18 states with such comprehensive balance-billing laws.
- Roughly one in eight Michiganders have recently [forgone medical care due to costs](#). One in six rate as “highly burdened” on overall medical costs.
- Michiganders’ insurance costs are substantially below national averages in both raw-dollar and percent-of-income terms, according to [Commonwealth’s 2017 report](#).

In 2010, Michigan’s state insurance commissioner imposed a ban on most-favored-nation language in contracts between health insurers and healthcare providers. The change was made to put an end to a federal antitrust lawsuit against **BlueCross BlueShield of Michigan** over alleged price-fixing practices.

Michigan is one of just two states with a standing moratorium against adding new hospital capacity, a controversial policy that either mitigates or accelerates health care cost increases depending on who you ask.

Roughly two-thirds of all hospital beds in Michigan are controlled by just six firms: Ascension Health (13.9 percent), Beaumont Health (13.8 percent), Trinity (9.7 percent), Spectrum (9.6 percent), McLaren Health Care (9.3 percent) and Henry Ford Health System (8.8 percent). Concentration in hospitals is tied to [higher prices for patients](#) and [worse quality of care](#) after hospital acquisitions.

Ascension and **Trinity**, which is a national chain headquartered in Livonia, MI, are Catholic-run hospital firms. Together with Covenant's single large hospital in Saginaw, 25.9 percent of the state's total inpatient beds are run by Catholic providers.

Ascension and Trinity have been documented [refusing to provide abortion services, tubal litigation, and other reproductive healthcare services](#).

- Trinity Health is the [fifth-largest hospital corporation in the country](#) by facility count (92) and eighth-largest by revenue (\$17.7B, [per healthcare industry market research firm Definitive Healthcare](#)). It employs [24,000 in Michigan](#) and 117,000 nationwide. Trinity's sheer size means it is intimately interwoven with other healthcare industry monopolists, including medical IT leaders **Leidos**, **Epic**, and **Cerner** (its three largest consultants, with combined Trinity billings of \$121 million on [Trinity's most recent 990](#)).
- Ascension is owned by the U.S. Conference of Catholic Bishops

Beaumont and **Spectrum** closed a merger deal in 2022, a deal which put a quarter of Michigan's acute-care beds under one corporation's control. In addition to becoming the state's largest hospital provider, the merged firm [controls the insurance plan used by 1.2 million Michiganders](#), Spectrum-run Priority Health. (Southfield, MI-based Beaumont [previously attempted to merge](#) with fellow midwest hospital titan Aurora Advocate, but the deal fell apart in 2020.)

- Beaumont CEO John Fox [was paid a \\$2.6 million bonus weeks before the firm began receiving a total of \\$337 million in CARES Act funds](#). Though Beaumont's overall executive-suite bonuses were down from the year before, Fox's was an increase from the \$1.6 million awarded to him the prior year. The bonus figures were not publicly disclosed until fall 2020, [seemingly contradicting](#) Fox and Beaumont's announcement in the spring that he would take a 70 percent pay cut.

Distant Wall Street firms have a significant interest in Michigan hospitals. **Blackrock**, **Vanguard**, and **Glenview** together own one-third of all stock in Texas-based **Tenet Healthcare**, Michigan's eighth-largest operator with 4.6 percent of beds. Another 1.3 percent of beds belong to **LifePoint**, which is owned by the private equity firm **Apollo**.

- Private equity giants are notorious for taking extreme steps to maximize profits. Studies have shown that private equity owned hospitals and nursing homes have [worse patient outcomes](#), [worse compliance with care standards](#), and were among the first to slash healthcare practitioner pay and benefits when COVID-19 hit.

[At least one](#) rural hospital in Michigan has closed since 2005. Health insurance trade groups touted a 2019 Navigant study which rated [18 others in the state as “high risk” for closure](#). [One in four rural hospitals in the state are at risk of closing](#) (9th in the nation) and rural access to specialists is rare. In Michigan’s mainly rural upper peninsula, [there isn’t a single child psychiatrist](#).

Pharmaceuticals, Pharmaceutical Benefits Management Firms (PBMs), &

Retail Pharmacies

Drug industry consolidation has caused economic havoc in Michigan since the turn of the century. Pharmaceutical manufacturer **UpJohn** was founded in Kalamazoo in the late 1800s and operated there continuously until 1995, [when Swedish firm Pharmacia bought UpJohn and closed its Michigan headquarters](#). Eight years later, Pfizer bought Pharmacia, immediately cutting [roughly a quarter of Kalamazoo’s 6,000 remaining pharmaceutical jobs](#) and later laying off or relocating [another 2,100 local workers](#) through consolidation plans. Kalamazoo [escaped further job cuts](#) in Pfizer’s subsequent 2010 acquisition of Wyeth, however.

Perrigo controls is one of the largest producers of store-brand over-the-counter drugs in the country. It manufactures generics for numerous large retailers including Amazon and Walmart. It was founded in Allegan, MI in the late 19th century, but has been formally domiciled in Ireland since a 2013 tax-inversion merger. As a result, although 70% of their sales are in the American healthcare system and less than 1% are in Ireland, they have been able to avoid U.S. corporate taxes. Pharmaceutical giant Mylan attempted a hostile takeover of Perrigo shortly after the inversion but was

rebuffed by shareholders after Perrigo responded with a restructuring plan that laid off 800 workers worldwide and [issued \\$2 billion in stock buybacks](#). Perrigo has 3,700 direct employees in Michigan, [according to Data Axle](#).

Kalamazoo-based **Stryker** is one of the world's largest manufacturers of medical devices. Its dominance in that broader industry reflects its particularly tight grip on joint replacement products. It maintains this hold thanks to a proprietary system for performing joint replacements -- which it owns after purchasing the firm that created the system for \$1.7 billion in 2013. Stryker has continued to consolidate competitors since then, purchasing Wright Medical Group for \$4.1 billion in 2020 -- a deal likely to lead to layoffs. ("Stryker bought Wright for Wright's products and customers," orthopedics industry expert Tiger Buford wrote of the deal. "Stryker did not buy the Wright employees.") The FTC [forced the company to divest](#) its ankle-joint business line as part of the deal, a move analysts predicted when the acquisition was announced.

PBMS

Michigan officials currently have limited authority over pharmacy benefit management corporations (PBMs) operating in the private insurance market.

Michigan's Medicaid system utilizes a managed-care agreement to administer benefits. [Pharmaceutical benefits are largely covered by that agreement's rules](#). The state spends a gross of \$2.1 billion on Medicaid pharmaceuticals each year, \$594 million of which is reimbursed. The state's Medicaid PBM deal did not cover hemophilia and cancer drugs as of 2019; a Kaiser Family Foundation (KFF) report that year asserted there were unspecified plans to change that, but it is unclear if such reforms were ever enacted.

The state trade group for pharmacists has alleged that PBMs have overcharged Michigan's Medicaid system [by at least \\$64 million](#) in recent years.

Retail Pharmacies

Corporate pharmacies control [72 percent](#) of Michigan's retail prescriptions market by sales volume.

- 62 percent of all retail pharmacies in Michigan are in chain drug stores, supermarkets, or big-box retailers.
- **CVS** and **Walgreens** alone run 24 percent of all retail pharmacies in the state.
- Roughly 80 percent of the state's community retail pharmacists work for corporate chains.

Michiganders face a corporate monopoly on pharmacy retail that endangers their health. Pharmacists at these corporate chains [report](#) being placed under tremendous time pressure that leads them to make errors in serving patients. Respondents to some surveys in other states describe store policies that lead to drug-dispensing errors that put patients at risk. At least one described a requirement to upsell patients on unnecessary medications and chain drugstore promotional programs.

- These corporate pharmacy retailers built their monopoly [through years of unchecked mergers & acquisitions](#). CVS made at least four major retail-pharmacy acquisitions from 2004 to 2018, including numerous **Schnucks** locations in the midwest and hundreds of **Eckerds**, **Albertsons**, and **Target** pharmacies nationwide. Walgreens made several acquisitions, though none with a clear direct impact in Michigan.

Industrial Agriculture

Midland-based **Corteva** is one of the four global monopolies that control the agricultural chemicals (11 percent market share, fourth-largest) and seeds (19 percent market share, second to Bayer-Monsanto) business. It was created out of the 2017 merger-split deal between Dow and DuPont, whereby the two industrial chemical monopolies first united and then spun off their combined agribusiness interests to form Corteva. Its main offices are located at the same corporate campus that Dow has built up in Midland over decades.

Dow Chemical is the world's second-largest producer of industrial chemicals, after German titan BASF. Dow was founded in Midland, MI, and remains headquartered there despite a flurry of megamergers in recent years. Dow merged with DuPont in 2017, briefly forming the world's largest chemical supplier before splitting into three similarly dominant entities: Dow Chemical, DuPont, and agrochemicals monopolist Corteva (see above). Dow had previously made significant acquisitions of competitors to achieve its market dominance, including the 1999 purchase of Union Carbide and the 2008 acquisition of Rohm & Haas. It launched an advanced battery arm in 2009 and received \$365 million in state tax incentives for a factory that broke ground in 2010, but sold its stake four years later after disappointing sales. Dow itself has received at least \$130 million in further subsidies from Michigan taxpayers.

Michigan's primary agricultural output comes from feed crops like corn and soybeans. It also has a substantial dairy-farming industry and is the nation's top producer of blueberries. Nearly all of the state's farmed acreage is family-owned by single operators and the average size of farms in the state is 191 acres, according to the state Farm Bureau.

Meatpacking and processed-foods monopolists also have several facilities in the state, including **Tyson Foods** (one location), **Cargill** (3 locations including a major egg-processing plant in Lake Odessa), **Perdue** (at least one production facility in the Detroit area), **JBS** (one slaughterhouse near Kalamazoo), and **Smithfield** (at least two locations, neither a slaughterhouse:

- In 2022, JBS [agreed](#) to pay a \$52.5 million settlement over allegations that it fixed prices in the market for beef.
- Tyson Foods has had [47 acquisitions](#) since 1995 and has numerous factory worker complaints, including a points-based punishment system that pressures employees to work mandatory overtime.

Retail

Michigan once had 110 **Sears** and **K-Mart** locations. After a private equity bust-out of the two retailers engineered by hedge fund owner Eddie Lampert drove the chains

into bankruptcy, all but 86 of those 110 stores closed. Lampert and his investors made hundreds of millions off of the deal.

Dollar General, Family Dollar, and Dollar Tree operate roughly 1,100-1,300 locations across Michigan, though an exact figure is hard to come by given disparities in sources. The Institute for Local Self-Reliance counted roughly [1-1.5 stores for every 10,000 residents](#) as of 2017, and the brands have expanded dramatically nationwide since then. Dollar General alone has 612 Michigan stores (the other two brands, which merged in 2015, no longer break out store counts by state in their annual reports).

These corporations' expansion overlaps with a hollowing-out of local grocery stores in rural areas nationwide. The typical dollar-store customer earns less than \$40,000 per year; Dollar General and Dollar Tree have a combined market cap of nearly \$50 billion. The business model of this industry sector causes both economic and social harm to the areas it targets:

- Dollar stores' charge far higher per-unit prices for staple goods than even high-end traditional retailers. Milk at a dollar store [can cost more per gallon](#) than at high-end luxury chains like Whole Foods.
- Dollar stores destroy locally-owned retailers then extract local wealth to faraway investors and executives. Because Dollar General is owned by the private equity firm **KKR** and has a lower-income customer base than even Walmart, its business model strips income out of Michigan and into high-net-worth investors' pockets. Family Dollar and Dollar Tree also siphon profits out of state to the large professional investors that are the primary shareholders of these corporations. Surrounding communities generally lose locally-owned businesses and the associated revenue and economic stability independent retailers provide. The average dollar-store retailer employs roughly half as many people as the average locally-owned grocery.
- Dollar-store corporations have also been criticized as [magnets for violent crime](#) in urban-area storefronts.

Kellogg's was founded in Battle Creek in 1906 and remains headquartered there. It today employs fewer than 1,000 people in Battle Creek. It is the largest U.S. cereal

producer and one of the largest overall snack food companies in the world, a position it built in part through aggressive merger and acquisition activity including the 2012 purchase of Pringles from Procter & Gamble and the 2017 acquisition of RXbar. Tours of its flagship factory [reportedly once brought a half-million tourist dollars to town each year](#), but Kellogg's discontinued the tours in 1986, took a loan from the state to build a museum intended to replace the lost economic activity from its tours decision, then shuttered the museum with debt still outstanding on the loan after it repeatedly failed to generate even half as many visitors as the cereal giant predicted. Kellogg's has [announced](#) that it'll be shifting its headquarters from Battle Creek, MI, to Chicago.

Whirlpool was founded in Benton Harbor in 1911 and remains headquartered there. It is today the third-largest home appliance manufacturer in the world, after previously occupying the top spot for decades. It built its dominant position by absorbing competitors around the world. The buying spree began in the 1980s with acquisitions of major foreign manufacturers in India, Germany, Canada, and Brazil. Its most significant domestic roll-up was the 2005 acquisition of Maytag, it's primary competitor -- after which it laid off thousands of Maytag workers and shuttered the corporate campus that had been the center of economic activity in Newton, IA for a century. Whirlpool continued rolling up smaller firms until the 2008 financial crash and has been retrenching (including by laying off workers and shutting plants) for most of the past decade.

Real Estate

Housing prices have increased in Michigan [by 47 percent](#) since 2020, despite a [recent boom](#) in home construction. Part of this price increase can be attributed to the role of private investors in the housing market, who in 2021 [bought 19% of Michigan homes sold](#).

Out-of-state private equity firms, like **YES! Communities** and **Havenpark Capital Partners**, have been [buying up dozens of mobile home parks](#) across the state and rapidly increasing rents and utilities fees. [Several bills](#) have been introduced in the Michigan legislature to protect the rights of manufactured homeowners, though none have yet passed.

Other Monopolists With Ties In Michigan

Quicken Loans is the nation's largest mortgage originator, surpassing Wells Fargo in 2020. Founder Dan Gilbert moved Quicken's headquarters to Detroit shortly after the housing crisis. Quicken subsequently launched Rocket Mortgage, and the success of the automated online loan platform helped propel Gilbert's firm past traditional brick-and-mortar originators. Quicken Loans received \$47 million in state tax credits from Michigan for the relocation in 2009. Gilbert also owns commercial real estate developer and property manager **Bedrock Detroit**, which received a \$618 million tax subsidy from the state in 2018.

Both **Ford** and **General Motors** are based in Michigan. Detroit is known for its [once thriving dominance](#) in the automotive industry, but saw [a rapid decline](#) in manufacturing jobs in the mid-20th century, in part due to outsourcing. Ford has 5% of the global automotive market share and has announced [a partnership with big tech giants](#) that will further the tech firm's dominance.

Raytheon has factories in Lansing and Holt, and a corporate office in Muskegon. Raytheon in late 2020 completed a merger with United Technologies which made it the second-largest overall aerospace and defense company in the U.S. The deal now means that four of what were once the five largest competitors in the sector -- Raytheon, UTC, Pratt & Whitney, and Collins Aerospace -- are one conglomerate.

Johnson Controls (JCI), the [third-largest HVAC company in the U.S.](#) with a market cap of \$31 billion, has multiple factories in Michigan. JCI had previously also been a dominant auto parts supplier, but it exited that line of business in the late 2010s and much of its historic presence in western Michigan has now been spun off. JCI received a \$170 million subsidy package from the state in 2009.

Global electronics and appliances leader **LG** has significant battery research and production facilities in Holland, Hazel Park, and Troy. It received \$326 million in state subsidies in 2009 and 2010.

Ada Township-based **Alticor** is the parent firm of Amway, the world's largest multi level-marketing corporation. Alticor is owned by the DeVos family, who finance much of the right-wing non-profit and astroturfing infrastructure in the state, including the [bankrolling of the nonprofit most directly responsible](#) for anti-lockdown anti-mask protests at the state capitol in 2020. Alticor has 4,000 direct employees in Michigan, [according to Data Axle](#).

Marathon Petroleum is the third-largest oil company in the U.S. by revenue and has a refinery in Detroit. It received a \$186 million state subsidy in 2007.

Livonia-based **Valassis** is a dominant player in the coupon-processing industry and a top-50 employer statewide.