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# What we know about Pete Buttigieg's McKinsey clients

After increased scrutiny, Buttigieg has released a list of the clients he worked for at McKinsey.

By Ella Nilsen and Emily Stewart | Updated Dec 11, 2019, 7:15pm EST



South Bend, Indiana, Mayor Pete Buttigieg arrives at a campaign event December 8, 2019 in Coralville, Iowa. | Win McNamee/Getty Images

After increased pressure from the public and his fellow candidates, **Pete Buttigieg** on Tuesday released the names of the clients he worked for at **McKinsey**, a consulting firm Buttigieg himself has called “amoral.”

The South Bend, Indiana, mayor's campaign released a list of seven clients he worked for from 2007 to 2010 after graduating from Harvard and Oxford. They include Blue Cross Blue Shield of Michigan, Canadian Grocery chain Loblaw's, Best Buy, the US Department of Defense, the Energy Foundation, the US Postal Service, and a group of environmental nonprofits, public utilities and government agencies like the Environmental Protection Agency for whom Buttigieg wrote a report on energy efficiency.

“Now, voters can see for themselves that my work amounted to mostly research and analysis,” the candidate said in a statement Tuesday night. “They can also see that I value both transparency and keeping my word.”

Up until this week, the candidate was waiting for McKinsey to release him from a nondisclosure agreement he had signed with the firm. Being a management consultant isn't always the most exciting stuff, but Buttigieg was fielding numerous questions about it on the campaign trail, both from voters and reporters. That's in large part because of McKinsey's reputation; though it's a prestigious global consultancy firm with **annual revenues** of over \$10 billion, it's faced increased scrutiny for some of its ethically questionable work.

The firm worked with drug company Purdue Pharma to boost opioid sales even in the middle of America's addiction crisis, and earlier this month, ProPublica and the New York Times **published a report** detailing the company's work with Immigration and Customs Enforcement on detaining and deporting immigrants — which included McKinsey recommending cuts on government spending on food for migrants.

Buttigieg has repeatedly denounced projects like this at McKinsey, and said the most egregious examples of the firm's work happened after he left.

“I can think of at least four times in the decade since I left that I've opened the newspaper and been disgusted about something I saw,” Buttigieg told a group of New Hampshire voters last week, after one asked about his work there. “And what you see is a company that I think basically reflects what's wrong with corporate America. It's all about shareholders and profit maximization, that's what companies do — which is why

companies need to be regulated ... so they're never going outside the boundaries of what is morally acceptable."

Buttigieg's client list is out, but he will likely continue to get questions about his work, and the effects of it. (On Tuesday night, **MSNBC's Rachel Maddow** asked Buttigieg whether his Blue Cross Blue Shield work in 2007 contributed to mass layoffs there two years later.) As **my colleague Emily Stewart and I noted**, his time with McKinsey isn't "necessarily a dealbreaker for many Democratic voters," but given Buttigieg's path to national renown and the case that he's always been part of an elite class, the party's more progressive voters are inherently skeptical of his ties to powerful organizations and donors.

The past few weeks have been Buttigieg's test of being an insurgent frontrunner in the early states; he's **polling in fourth place nationally** and has gained ground in both **Iowa and New Hampshire. Big donors appear to like him**, and he's shifted toward the center as the primary has gone on, apparently seeing an opening for his candidacy in a more moderate lane occupied by former Vice President Joe Biden.

Whether he can withstand the dose of the increased scrutiny that comes along with being in the spotlight remains to be seen.

## **Here's what we know about what Buttigieg did at McKinsey**

It's not like Buttigieg was McKinsey's CEO; it was an early job after he graduated from school. He worked at the firm from 2007 to 2010, with a brief stint away in late summer and fall of 2008 to work on a Democratic campaign for governor in Indiana.

"There's nothing particularly sizzling about the list of clients that I served," Buttigieg told Maddow on Tuesday night.

Here's a brief timeline of Buttigieg's work at McKinsey.

### **2007**

- Buttigieg worked at Blue Cross Blue Shield of Michigan for his first study with the firm. He worked on a project for the health insurance company three months, looking at the non-profit insurance company's overhead expenses like rent, utilities, and company travel. Buttigieg's campaign stated the project didn't involve insurance policies, premiums or benefits.

Maddow questioned the candidate about whether his work analyzing overhead costs in 2007 were part of the insurance provider's decision to cut about 1,000 jobs in 2009. Buttigieg has said his work came two years before that decision.

## 2008

- Buttigieg worked in Toronto, Canada, for grocery store Loblaw's, analyzing the effects of price cuts on various items in hundreds of stores. Buttigieg has also written about this work in his autobiography. Loblaw's and other grocery stores in the country were found to have taken part in a **scheme to raise bread prices** from 2001 to 2015, and Loblaw's famously offered customers a \$25 gift card to not sign onto a class action lawsuit. Loblaw's **told CNN** that Buttigieg had no role in the price-fixing scheme, and Buttigieg campaign spokesperson Sean Savett said in a statement to Vox that the mayor "had nothing to do with" the issue and hadn't heard of it until recently. "He was part of a team that ran analytics and put together a model to help this supermarket chain determine how much—and in what stores—they could make certain items more affordable in order to gain new customers," he said.
- In Chicago, Buttigieg worked on a project for a division of Best Buy, looking at how the company could sell more energy efficient home products.

## 2008-2009

- Buttigieg worked for a collection of environmental nonprofits, public utilities and the EPA and Department of Energy, researching how energy efficiency could reduce climate change. Buttigieg's report from that is publicly available.

## 2009

- Working in California, Buttigieg worked on a project for the Energy Foundation, again looking at energy efficiency and renewables.
- Buttigieg consulted for the US Department of Defense and traveled to Iraq and Afghanistan as part of a project focused on "increasing employment and entrepreneurship in those countries' economies," according to his campaign.

## 2009-2010

- Buttigieg consulted for the US Postal Service in Washington to look at potential new revenue streams. The study was his last for McKinsey, according to his campaign.

## The McKinsey scrutiny plays into broader questions about Buttigieg's coziness to power

Among the 2020 Democratic field, Buttigieg has become pretty popular with big donors — something that's not lost on his progressive competitors and critics who have worked hard to move the party away from moneyed interests.

Buttigieg's campaign announced on Monday they'd open his fundraisers to press, after scrutiny around that as well. Last week, Sen. Elizabeth Warren responded to a reporter's question about Buttigieg's work at McKinsey by calling on him to be more transparent about his fundraising. "It is even more important that candidates expose possible conflicts of interest right now," **Warren said**. "And that means, for example, that the mayor should be releasing who's on his finance committee, who are the bundlers who are raising big money for him, who he's given titles to and made promises to."

Warren and Sen. Bernie Sanders have eschewed big donations and private fundraisers, instead relying on small-dollar donations to fuel their campaigns. Biden is doing big fundraisers, but he's let press into them from the beginning. Buttigieg's campaign has now promised to do the same.

"In a continued commitment to transparency, we are announcing today that our campaign will open fundraisers to reporters and will release the names of people raising money for our campaign," Buttigieg campaign manager Mike Schmuhl said in a statement on Monday. "Fundraising events with Pete will be open to press beginning tomorrow, and a list of people raising money for the campaign will be released within the week."

As primary season approaches and Buttigieg's profile rises, he's going to get more questions, not fewer — on McKinsey, on his donors, **on his handling of race**, and more. Given his brief political biography before running for office, answering those questions will be key. We have to look at what he has done in whatever capacity, and then we have to take him at his word, and it's a word that sometimes changes. Case in point: **He used to be for Medicare-for-all**, and now he's critical of it.

Getting money out of politics is a big issue for Democrats, whether liberal or moderate. Democrats want politicians who are less beholden to corporate interests and who don't feel like they owe favors to donors. That's the concern Buttigieg is trying to allay, but he will likely be getting more questions down the road.

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