

# The Last Supper: American Chains Serving Lies and a Lifetime of Poverty.

How corporate America ate the middle class and Trump wants to give them seconds.



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One should never underestimate Donald Trump’s genius for selling Americans their own disappointments wrapped in gold lamé. His latest gift to America? A promise to restore the halcyon days when one breadwinner could actually win bread—is perhaps his most audacious fiction yet. It’s the policy equivalent of Trump University: overpriced, fake, and fundamentally impossible to deliver. But the real scandal isn’t Trump’s mendacity (what else is new?). It’s that the American Dream he’s peddling has already been devoured by corporate America deadly killers: corporate tax breaks and private equity. And I rediscovered this truth in the most unlikely of places: over cheddar bay biscuits at a Red Lobster in Allentown, Pennsylvania.

Yesterday I was hungry and was craving crab. I texted my sister and asked her if she wanted to have an impromptu Sunday late lunch/early dinner.

I was me who suggested Red Lobster, that monument to American chain dining, which I hadn’t been to in decades—back when Trump was merely a tabloid curiosity rather than a political pestilence. The décor remained frozen in time, a sort of nautical-kitsch amber, complete with those lobsters in tanks that always seem more like a maritime serial killer finds than menu items.

But here's where it gets interesting, and by interesting I mean appalling: this particular Red Lobster, serving mediocre seafood to the good people of the Lehigh Valley, was until recently owned by Thai Union Group, a Bangkok-based conglomerate. The chain filed for bankruptcy in May 2024 and is now controlled by its lenders, including Fortress Investment Group. Every dollar dropped on those infamous biscuits begins an international journey worthy of a spy novel—from Pennsylvania to corporate coffers to creditors to shareholders scattered across continents like expatriates fleeing a revolution. This is the dirty secret of the American economy. We haven't just lost our factories; we've replaced them with something far more insidious—extraction machines disguised as familiar comfort.

## The Lehigh Valley's Tally of Tears

Let me paint you a picture of the Lehigh Valley, where the ghost of Bethlehem Steel is haunting. This is Trump country, theoretically—the kind of place where his promises of restoration should resonate like a dinner bell. But follow the money and you'll find a very different story. Take Darden Restaurants, that colossus of casual dining that operates Olive Garden, LongHorn Steakhouse, and potentially other brands in the Valley. Based on industry analysts' estimates, a typical Olive Garden generates approximately \$4-6 million annually, while LongHorn Steakhouses average similar figures. If we conservatively estimate four Darden locations generating \$20 million total—a reasonable assumption for a metro area of 860,000 people—the corporate profit extraction becomes clear. Darden's own investor reports tout operating margins of 20-25% for their flagship brands, though specific location data isn't publicly available. What we do know is that Darden returned \$338 million to shareholders in just the first quarter of fiscal 2024—money that came from communities exactly like the Lehigh Valley.

But Darden is merely the appetizer in this feast of extraction. Yum! Brands—what a deliciously ironic name—operates the Valley's KFCs, Taco Bells, and Pizza Huts, funneling profits to Louisville with the regularity of a colonial governor sending tribute to the crown. The company's 59,000 global locations and \$6.8 billion in 2023 revenue tell the story of extraction at scale. Restaurant Brands International, controlling Burger King, Popeyes, and Tim Hortons from Toronto (Toronto!), manages the neat trick of being both foreign and familiar, like a British actor playing an American president. Their 30,000 locations worldwide generate over \$40 billion in system-wide sales. The *pièce de résistance*? Inspire Brands, backed by Roark Capital (somewhere, Ayn Rand is spinning in her grave with either delight or horror). This private equity Goliath controls Arby's, Buffalo Wild Wings, Sonic, Dunkin', and Jimmy John's—over 32,000 locations worldwide that function less like restaurants and more like ATMs that happen to serve food.

But here's where Trump's restoration fantasy completely collapses, like a soufflé in an earthquake: This model has metastasized beyond restaurants into every artery of

American commerce. But Don knows this. He doesn't care. The CEOs pay their memberships to Mar-a-lago - they have to get the money somewhere!

## The Total Conquest

Walk through any American town—certainly through the Lehigh Valley—and witness the corporate colonization. Walmart, with its 4,600+ U.S. stores, and Target, with nearly 2,000 locations, have replaced local department stores with the thoroughness of an invasive species. Amazon's warehouses employ thousands at wages that, according to multiple studies, often require workers to rely on food stamps—the ultimate perversion of subsidy. Your emergency room? Quite possibly owned by TeamHealth (owned by Blackstone) or Envision Healthcare (recently emerged from bankruptcy), both private equity-controlled companies that together staff approximately 40% of U.S. emergency departments. Your dentist? Increasingly likely to be part of a dental service organization—private equity now backs roughly 15% of dental practices, according to industry estimates.

The housing market has undergone a documented transformation that would make any Victorian landlord jealous. Invitation Homes, American Homes 4 Rent, and other institutional investors own more than 500,000 single-family rental homes nationwide. Your rent check, which once went to the local landlord who lived three streets over and spent his profits at the corner bar, now funds some hedge fund manager's house in the Hamptons. Even Fido isn't safe from the extraction machine. Mars Inc. does indeed own VCA Animal Hospitals (900+ locations) and Banfield Pet Hospitals (1,000+ locations). Your dog's annual checkup enriches the same people profiting from your stress-eating Snickers. It's vertically integrated exploitation—they make you sick and then charge you to get better.

The daycare where you drop your children has likely been absorbed into this vast extraction apparatus as well. Bright Horizons (over 1,000 centers) or KinderCare (1,400+ centers) extract profit from working parents with the precision of a Swiss bank, turning the necessity of childcare into yet another pipeline to Wall Street. Your oil change at one of Jiffy Lube's 2,000+ locations, your tax preparation at H&R Block's 9,000+ offices, your gym membership at Planet Fitness's 2,400+ clubs—each transaction is a small donation to distant shareholders who know nothing about your life except how much they can extract from it.



# THE RED LOBSTER AUTOPSY



## How Private Equity Turned Endless Shrimp Into Endless Debt

The most honest thing about Red Lobster's recent bankruptcy might be its timing—filed in May 2024, just as Americans were wondering how their favorite chains keep dying while private equity firms keep getting richer. It's a murder mystery where everyone knows the killer but nobody can stop them from killing again.

Here's how the perfect crime worked: In 2014, Golden Gate Capital bought Red Lobster from Darden Restaurants for \$2.1 billion. But Golden Gate didn't actually pay \$2.1 billion of its own money—that would be ridiculous. Private equity firms don't get rich by risking their own capital. Instead, they used the time-honored technique of a leveraged buyout: borrowing money to buy the company, then making the company responsible for paying back that debt. It's like buying a house by forcing the house to take out its own mortgage.

But Golden Gate's masterstroke came next. The firm immediately sold Red Lobster's real estate—about 500 properties—to a real estate investment trust for \$1.5 billion. Red Lobster, which had owned its locations, now had to pay rent on its own restaurants. Golden Gate pocketed the proceeds from the real estate sale, recovering most of its investment instantly while leaving Red Lobster saddled with both debt and rent payments that would total \$200 million annually.

Think about that for a moment. Golden Gate extracted \$1.5 billion by selling the ground from under Red Lobster's feet, then charged Red Lobster rent to stand on that same ground. It's the corporate equivalent of stealing someone's shoes and then charging them to walk.

The results were as predictable as a sunset. Red Lobster, now paying massive debt service and rent on properties it once owned, struggled to invest in restaurants, couldn't weather disruptions, and gradually bled out. By 2020, Golden Gate had sold its stake to Thai Union Group, walking away with profits while leaving behind a mortally wounded company. Thai Union inherited a chain so financially engineered it couldn't survive even normal business challenges. The bankruptcy in 2024 was simply the final convulsion.

This isn't a unique story—it's private equity's standard operating procedure. Toys "R" Us, that cathedral of childhood capitalism, was destroyed by the same playbook. KKR, Bain Capital, and Vornado bought it in 2005 for \$6.6 billion, using \$5 billion in debt. The toy store that had survived Walmart and Amazon couldn't survive paying \$400 million annually in debt service. When it died in 2017, 33,000 people lost their jobs while the private equity firms had already extracted millions in fees.

The pattern repeats like a broken record: Payless Shoes (Golden Gate Capital again), Friendly's (Sun Capital), Fairway Market (various PE firms)—all suffocated by debt they didn't create for purposes that didn't benefit them. The chains die, workers lose jobs, communities lose services, but the private equity firms profit regardless.

Here's the beautiful scam of it all: private equity firms typically charge 2% annual management fees on assets under management plus 20% of profits (the infamous "two and twenty"). So even as Red Lobster struggled under its debt load, Golden Gate was collecting millions in fees just for the privilege of owning it. When you sell the real estate and extract special dividends, you've already won regardless of whether the company survives. It's heads I win, tails you lose, and the house always belongs to private equity—literally, after they sell it and lease it back.

The community impact is devastating but invisible in the spreadsheets. Each shuttered Red Lobster means dozens of lost jobs, empty real estate that's now owned by distant REITs, and another hole in the local economy. The servers, cooks, and managers who lost their jobs when locations closed didn't share in Golden Gate's real estate windfall. The communities that gave tax incentives to attract these restaurants didn't get a cut of the sale-leaseback proceeds.

This is financial engineering's gift to American capitalism: the ability to extract value from a company faster than the company can create it, to profit from destruction rather than construction, to win by ensuring everyone else loses. It's not creative destruction—it's just destruction with better lawyers.

Red Lobster's bankruptcy isn't a business failure. It's a private equity success story.

## The Bethlehem Steel: How to Die with Dignity

The Lehigh Valley understands catastrophic loss intimately. When Bethlehem Steel shuttered in 2003, after beginning its decline in the 1990s, it ultimately eliminated approximately 20,000 jobs over the course of its decline. The psychological and economic impact was devastating and well-documented. Those steelworkers—and this is the crucial bit Trump’s base seems to have forgotten—earned what would be \$60,000-80,000 in today’s dollars, enough to buy homes, educate children, and retire with actual pensions. When the mills closed, it was tragedy, but it was honest tragedy. The company didn’t stick around for another half-century, paying starvation wages while extracting millions for shareholders. It had the decency to actually die.

The corporate chains have figured out something far cleverer and crueler. They remain open, providing just enough employment to claim they’re contributing, while structuring those jobs to guarantee poverty. It’s the economic equivalent of keeping someone on life support not to save them, but to harvest their organs. Consider the mathematics of this new serfdom. According to self-reported data on salary websites and various wage surveys, restaurant chain workers typically earn between \$10-15 per hour, with many positions at or near minimum wage. In the Lehigh Valley, MIT’s Living Wage Calculator (a real tool that anyone can verify) shows a single adult needs \$23.15 per hour just to cover basic expenses. A single parent with one child needs \$44.17 per hour. These aren’t jobs; they’re economic prisons with time clocks.

## **The Tax Break Tango**

Now here’s where it gets properly obscene, like watching someone steal your wallet and then ask you for a loan. These corporate chains routinely negotiate tax incentives that reduce their burden compared to local businesses. While specific deals are often confidential, the practice is so widespread that the nonprofit Good Jobs First maintains a database tracking billions in corporate subsidies. PILOT programs—Payments In Lieu Of Taxes—are standard in economic development. Tax increment financing diverts future revenues back to developers. Property tax abatements lasting decades are common. Amazon alone has received over \$5 billion in subsidies according to Good Jobs First’s tracking. Meanwhile, the local restaurant owner who actually lives in the community, whose children attend local schools, who serves on the library board, pays full taxes from day one. It’s economic asymmetry at its finest, if by finest you mean most grotesque.

The extraction goes deeper than profits and tax avoidance—it’s built into the very DNA of corporate operations. Corporate chains typically use centralized supply chains—it’s one of their fundamental competitive advantages, as any business school textbook will confirm. That Red Lobster doesn’t buy from boats docking at the Jersey Shore, despite being a mere 90 miles away. Darden, in its own investor materials, touts its centralized procurement and distribution network as a key competitive advantage. The Olive Garden’s tomatoes don’t come from the farms surrounding the Lehigh Valley, despite the region’s agricultural heritage. They arrive on trucks from

distribution centers that could be anywhere, part of contracts negotiated by people who think Pennsylvania is somewhere near Ohio.

Industry studies consistently show that locally-owned businesses recirculate a far higher percentage of revenue locally—the Institute for Local Self-Reliance and numerous economic studies put the difference at 2-4 times more local recirculation compared to chains. This isn't just about sentimentality or shopping local as a virtue signal. It's about whether money stays in a community long enough to create actual economic benefit, or whether it's extracted so quickly it might as well have never been there at all.

## The Mathematical Reality Check

Let me break down the arithmetic of extraction, using publicly available data and reasonable estimates based on industry standards, because if we're going to despair, we might as well despair accurately. For publicly traded companies like Darden, we know that institutional ownership typically runs 70-90%. Vanguard, BlackRock, and State Street—the three largest asset managers—collectively own significant stakes in virtually every major corporation. Individual investors, including everyone from day traders to retirees, own the remainder.

The Lehigh Valley's metropolitan statistical area contains about 860,000 people—roughly 0.26% of the U.S. population. Even if Valley residents owned stocks at the national average rate (about 58% of Americans own some stock, mostly through retirement accounts), and even if they invested proportionally in every company, the math is stark. Taking a hypothetical \$7 million in profits extracted from the Valley by chain restaurants: If 80% is institutionally owned (a conservative estimate), and Valley residents represent 0.26% of individual shareholders, approximately \$3,640 would return to Valley residents through stock ownership. After mutual fund fees (typically 0.5-1% annually), we're down to roughly \$3,500.

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*But here's the crucial part that should make everyone furious: Federal Reserve data shows the wealthiest 10% of Americans own 89% of all stocks. The bottom half owns less than 1%. So that \$3,500 flows almost entirely to the Valley's wealthiest residents—the doctors and lawyers and business owners who least need it. The Red Lobster server making \$11.20 an hour? She owns no stock. The Olive Garden busboy? No stock. The LongHorn line cook? No stock. They generate the profit but share in none of it. They're not stakeholders in capitalism; they're its fuel.*

*Compare this to a locally-owned restaurant where, according to economic multiplier studies, each dollar of revenue generates \$1.50-2.00 in local economic activity as it recirculates through wages, local purchases, and owner spending. That hypothetical \$7 million in profit, if*

*generated by local businesses, would create \$10.5 to \$14 million in total local economic activity. Instead, the Valley gets back \$3,500, and only for its wealthiest residents.*

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## Let Them Eat Breadsticks

So here we are, in the twilight of American capitalism's promise, eating corporate food in corporate restaurants while corporations extract what wealth remains in places like the Lehigh Valley. The question isn't whether Trump can restore the golden past—the mathematical and structural realities make that impossible. The economy he's promising to restore has been replaced by something entirely different, something that looks similar on the surface but operates on fundamentally different principles. You cannot restore what no longer exists, any more than you can unbake a cake or unmuddy water.

The question is whether we'll continue to tolerate an economy where corporate chains extract millions while returning pennies, where profitable companies pay wages so low their workers need public assistance (a well-documented phenomenon reported everywhere from academic studies to government data), where private equity owns increasing shares of everything from hospitals to homes. The question is whether we're comfortable with an economy that's essentially a giant vacuum cleaner, sucking wealth from everywhere and depositing it in a few metropolitan areas and investment accounts. The question is whether we can build something different before there's nothing left to extract.

Those cheddar bay biscuits at Red Lobster? They're not free. They represent part of a systematic wealth transfer from communities to corporations and their shareholders—a transfer that industry structure, wage data, and ownership patterns make undeniable, even if the exact numbers vary by location and company. They're a symbol of an economy that promises comfort food while delivering economic extraction. They're what we get instead of the middle class.

My sister and I finished our dinner—\$124.43 became \$155.00 with tip—and drove home through the Valley's streets, past the remains of Bethlehem Steel and the bright signs of chains, past the promises that mathematics proves can't be kept and the extraction that won't stop. Of our \$155.00, based on the ownership structures and profit margins typical in the industry, perhaps a few cents will eventually return to a Valley resident's mutual fund. A few cents. That's not an economy; it's a heist in slow motion.

*That's the economy Trump promises to restore*—an economy that no longer exists because it's been replaced by an extraction machine that runs continuously, efficiently, and legally. The golden past isn't coming back because the very structure of corporate ownership, supply chains, and employment has changed so fundamentally that restoration is impossible. You might as well promise to bring back the Dodgers to Brooklyn.



The breadsticks aren't free. The promises aren't mathematically possible. And the extraction—documented in corporate reports, wage data, and ownership filings—continues with every purchase, every transaction, every meal. We're not customers anymore; we're extraction points. We're not communities; we're markets to be mined. We're not citizens; we're consumers whose only purpose is to generate returns for shareholders we'll never meet.

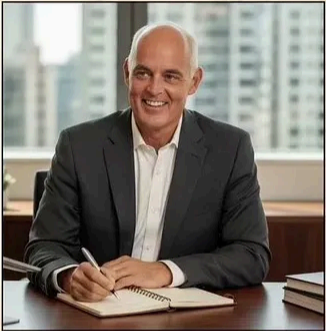
Bon appétit, America.

And yes trust me, MAGA will pay the check while Donald will be in the restroom when comes to the table.

Life's funny that way.

**Note: Specific revenue figures for individual restaurant locations are estimates based on industry averages and corporate reports. Actual figures for specific Lehigh Valley locations are not publicly disclosed. Wage data comes from self-reported sources and industry surveys. Stock ownership percentages are based on Federal Reserve data and may vary by individual company.**

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