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## **Resources to Track Trade-Related Job Loss for Your State and District**

Nearly 5 million U.S. manufacturing jobs – one out of every four – have been lost since implementation of the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO).<sup>1</sup> Since NAFTA took effect, more than 55,000 American manufacturing facilities have closed.<sup>2</sup>

**Growing trade deficits post-NAFTA, WTO and other Free Trade Agreements (FTAs) drive job loss:** Under the NAFTA-WTO model, U.S. manufacturing imports have soared while growth of U.S. manufacturing exports has slowed. The growth of the U.S. trade deficit with China since that country entered the WTO in 2001 has had a devastating effect on U.S. workers and the domestic economy: between 2001 and 2011, an estimated 3.2 million U.S. jobs were lost or displaced.<sup>3</sup> Since NAFTA's enactment, annual growth in U.S. manufacturing exports to Canada and Mexico has fallen 41 percent below the annual rate seen in the years before NAFTA.<sup>4</sup> The inflation-adjusted U.S. goods trade deficit with Canada of \$30 billion and the \$2.6 billion surplus with Mexico in 1993 (the year before NAFTA took effect) turned into a combined NAFTA trade deficit of \$182.1 billion by 2014 – a real increase in the “NAFTA deficit” of 565 percent.<sup>5</sup> The Economic Policy Institute (EPI) estimated that the ballooning trade deficit with Mexico alone destroyed about 700,000 net U.S. jobs between NAFTA's implementation and 2010.<sup>6</sup> And since NAFTA, more than 850,000 specific U.S. workers have been certified for Trade Adjustment Assistance (TAA) – a narrow program that is difficult to qualify for – as having lost their jobs due to imports from Canada and Mexico or the relocation of factories to those countries.<sup>7</sup> Overall, the aggregate U.S. trade deficit with FTA partners has ballooned. The inflation-adjusted aggregate trade deficit with FTA partners has *increased* by about \$144 billion – a 427 percent jump – since the FTAs were implemented. By contrast, the aggregate trade deficit with all non-FTA countries has *decreased* by about \$95 billion – an 11 percent drop – since 2006, the median entry date of existing FTAs.<sup>8</sup>

**Devastation of U.S. manufacturing drives down wages, erodes tax base, heightens inequality:** Despite a doubling of American worker productivity since the 1970s, real median wages have remained effectively flat.<sup>9</sup> Government data show that about one out of every three displaced manufacturing workers who were rehired in 2014 experienced wage reductions of more than 20 percent.<sup>10</sup> Such middle class wage losses have helped push inequality to levels not seen since the pre-depression 1920s.<sup>11</sup> With the loss of manufacturing, tax revenue that could have funded social services or local infrastructure projects has declined,<sup>12</sup> while displaced workers have turned to ever-shrinking welfare programs.<sup>13</sup> This has resulted in the virtual collapse of some local governments in areas hardest hit.<sup>14</sup>

**For detailed data on trade-related job loss, visit Public Citizen's Trade Data Center**  
**[www.citizen.org/trade-data-center](http://www.citizen.org/trade-data-center)**

- Find regularly updated data on the total number of manufacturing jobs lost in your state.
- Track some of the specific, factory-by-factory, trade-related job losses in your area, as counted by the Department of Labor's Trade Adjustment Assistance program.
- See the number of jobs in your area that are threatened by particular NAFTA-style deals and estimates of job loss in your state from China trade and NAFTA.

## ENDNOTES

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- <sup>1</sup> U.S. Bureau of Labor Statistics, Current Employment Statistics survey, series ID CES3000000001, manufacturing industry, 2015.
- <sup>2</sup> U.S. Bureau of Labor Statistics, “Quarterly Census of Employment and Wages,” County High Level Excel Files, manufacturing, number of establishments. Comparison between levels in fourth quarter of 1993 with fourth quarter of 2014. Accessed on August 14, 2015, Available at <http://www.bls.gov/cew/datatoc.htm>.
- <sup>3</sup> Robert Scott and Will Kimball, “China Trade, Outsourcing and Jobs,” Economic Policy Institute, December 11, 2014. Available at: <http://www.epi.org/publication/china-trade-outsourcing-and-jobs/>.
- <sup>4</sup> U.S. International Trade Commission, “Interactive Tariff and Trade Dataweb,” accessed February 20, 2015. Available at: <http://dataweb.usitc.gov>. Manufacturing exports are defined as NAIC 31, 32, and 33 from 1997-2003, and as SIC 2 and 3 from 1989-1996. (Pre-1989 data is not available.) The statistic is a comparison of the pre- and post-NAFTA compound annual growth rates of inflation-adjusted manufacturing exports to Mexico and Canada.
- <sup>5</sup> For this paragraph and the accompanying graph: U.S. International Trade Commission, “Interactive Tariff and Trade Dataweb,” accessed February 20, 2015. Available at: <http://dataweb.usitc.gov>. Exports are domestic exports and imports are imports for consumption.
- <sup>6</sup> Robert E. Scott, “Heading South: U.S.-Mexico trade and job displacement after NAFTA,” Economic Policy Institute Briefing Paper 308, May 2011. Available at: [http://www.epi.org/publication/heading\\_south\\_u-s-mexico\\_trade\\_and\\_job\\_displacement\\_after\\_nafta/](http://www.epi.org/publication/heading_south_u-s-mexico_trade_and_job_displacement_after_nafta/).
- <sup>7</sup> Public Citizen, Trade Adjustment Assistance Database, 2014, accessed August 19, 2015. Available at: <http://www.citizen.org/taadatabase>.
- <sup>8</sup> U.S. International Trade Commission, “Interactive Tariff and Trade Dataweb,” accessed February 20, 2015. Available at: <http://dataweb.usitc.gov>.
- <sup>9</sup> Median wage data for 1979-2014: U.S. Bureau of Labor Statistics, “Weekly and Hourly Earnings Data from the Current Population Survey,” Series ID LEU0252881600, extracted May 2015. Available at: <http://data.bls.gov>. Productivity data: U.S. Bureau of Labor Statistics, Major Sector Productivity and Costs index, Series ID PRS88003093, extracted May 2015. Available at: <http://data.bls.gov>.
- <sup>10</sup> U.S. Bureau of Labor Statistics, “Displaced Workers Summary,” Table 7, U.S. Department of Labor, Aug. 26, 2014. Available at: <http://www.bls.gov/news.release/disp.nr0.htm>.
- <sup>11</sup> Thomas Piketty and Emmanuel Saez, “The Evolution of Top Incomes: A Historical and International Perspective,” National Bureau of Economic Research Paper 11955, January 2006; numbers updated through 2012 in a September 2013 extract, available at: <http://www.econ.berkeley.edu/~saez/>
- <sup>12</sup> Corliss Lentz, “Why Some Communities Pay More Than Others? The Example of Illinois Teachers,” *Public Administration Review*, 58:2, March-April 1998. This study shows that high levels of manufacturing employment are associated with higher starting salaries for public school educators.
- <sup>13</sup> David Brady and Michael Wallace, “Deindustrialization and Poverty: Manufacturing Decline and AFDC Reciprocity in Lake County, Indiana, 1964-93,” *Sociological Forum*, 2001.
- <sup>14</sup> Robert Farrant, “Greater Springfield Deindustrialization: Staggering Job Loss, A Shrinking Revenue Base, and Grinding Decline,” U of Massachusetts-Lowell Paper, April 2005.