Trade Justice
Education Fund

PO Box 77043
Washington, DC 20013
info@tradejusticeedfund.org
202-804-6473

Michigan's Trade-Related Job Losses More Than Doubled in Recent Years

Michigan has experienced an increase in trade-related job losses over the last three years, according to a new analysis of U.S. Labor Department data conducted by the Trade Justice Education Fund (TJEF). The state was already among the states suffering from the worst trade-related job loss in the nation.

Trade policy experts from TJEF compiled and reviewed data from the federal government's Trade Adjustment Assistance (TAA) program, which provides extended unemployment benefits to a subset of workers that the Department of Labor certifies as having lost their jobs to offshoring or displacement by imports.

Recent government data confirms that Michigan ranks among the states hit hardest by trade-related job loss. Worryingly, the frequency of these losses has actually grown in Michigan over the past three years (2017–2019) compared to the previous three years (2014–2016) — despite a supposed increased in attention to the issue by government officials.

That Michigan's government-certified trade-related job loss number for the past three years is more than double the previous three years is especially concerning because some of the TAA petitions filed in 2019 may not have even finished processing yet.[1] Moreover, TAA significantly undercounts the total trade job loss because the program only covers certain types of jobs and because workers need to know to apply and complete a detailed application to receive TAA assistance. The Michigan numbers put in this perspective are particularly troubling.

Michigan Hit Harder Than Most States

Last 3 Years ('17–'19)

2nd Most Trade-Related Job Loss in Country

Historic Total ('94–'19)

5th Most Trade-Related Job Loss in Country

Michigan is Among the States Hit Hardest by Trade-Related Job Loss

Perhaps it's not surprising that Michigan — the 10th largest state by population, according to the U.S. Census Bureau[2] — ranks higher than most states in the number of jobs certified as lost to offshoring and displacement. Over the last three years, however, Michigan has actually ranked second among all states in the number of trade-related job loss certified under TAA.[3] In fact, Michigan trails only California, a state with nearly four times as many people, in terms of cumulative TAA certifications for petitions filed in 2017, 2018 and 2019.

This ranking is even worse than Michigan's historically higher-than-average position as the state with the fifth most TAA certifications in the country during the so-called "NAFTA Era." Between January 1, 1994, when the North American Free Trade Agreement (NAFTA) first took effect, and the end of 2019, Michigan had 180,081 certified trade-related job losses, outpaced by just North Carolina, California, Pennsylvania and Texas.[4]

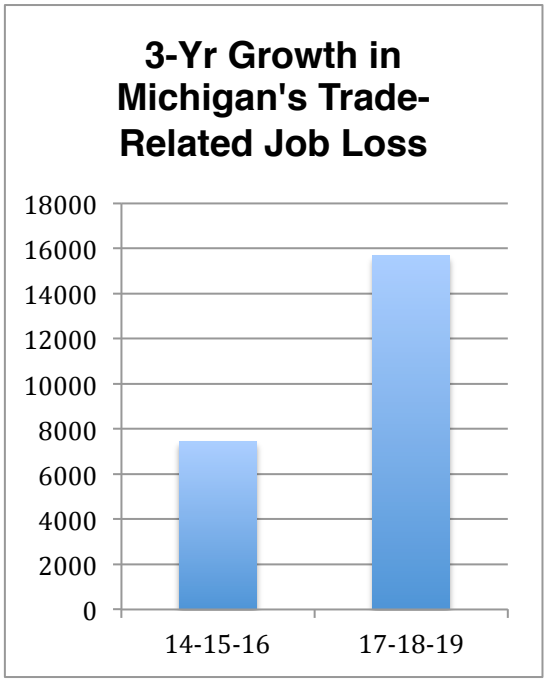
Michigan's status as a place hit much harder than others by trade-related job loss would be somewhat more palatable if the state's numbers of jobs lost to offshoring and displacement were decreasing on the whole. Unfortunately, the data tell a different story.

Trade-Related Job Loss in Michigan Isn't Slowing Down — It's Accelerating

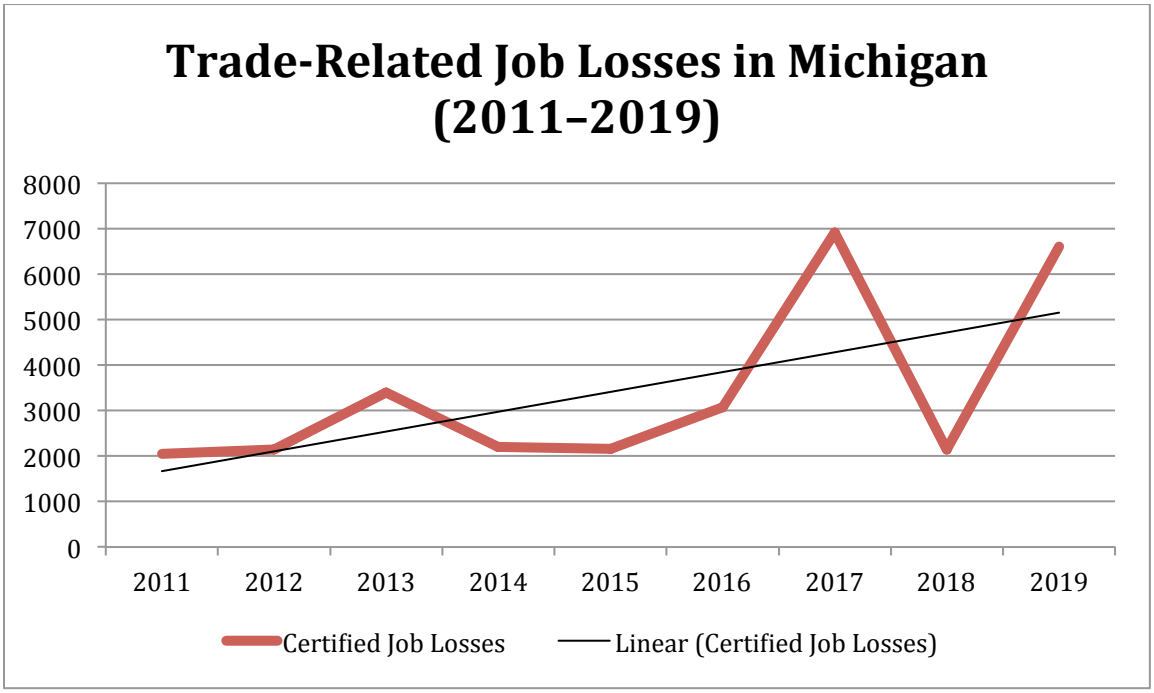
The most-troubling trend uncovered by TJEF's analysis of U.S. Labor Department statistics is that trade-related job loss has more than doubled in Michigan in recent years.

Michigan experienced a 211% increase in trade-related job losses over the last three years in comparison to the three years before that, with 15,675 job losses certified for TAA under petitions filed between 2017 and 2019 compared to 7,428 between 2014 and 2016.

Michigan likewise suffered a 308% increase in trade-related job losses last year over the year before, with 6,607 individual jobs certified by the Labor Department as lost to offshoring or displacement by imports under petitions filed in 2019 as compared to 2,146 for petitions filed in 2018.

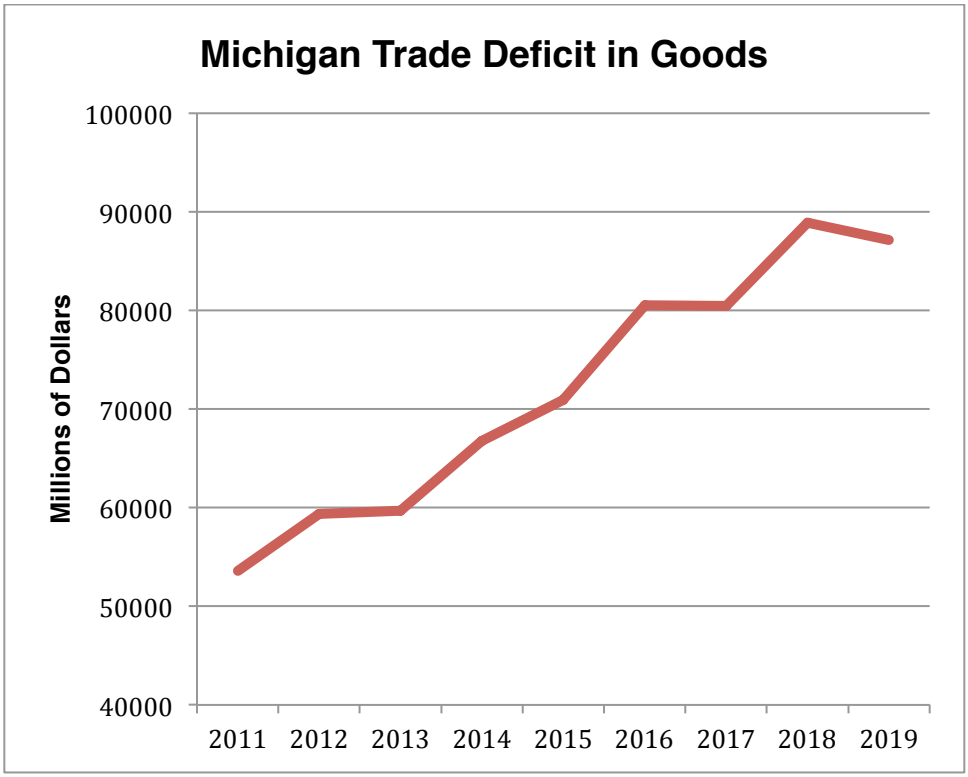


While trade-related job loss in Michigan was relatively flat for the first half of the decade, the trend line is now on a clear upward trajectory.



The growing number of trade-related layoffs in Michigan is remarkable for coming during a period when government officials claim to have taken action to balance international trade and protect American jobs.

In point of fact, however, the U.S. trade deficit in goods and Michigan's own trade deficit in goods are both on the rise, reaching over $852 billion nationally and $87 billion in state in 2019, according to data from the U.S. Census Bureau.[5]



Examples of Recent Trade-Related Job Losses in Michigan

The increase in trade-related job loss had touched cities and towns across Michigan. Here are recent examples:

Company Name	City	Petition Date	Jobs Eliminated
Inteva Products, LLC	Adrian	6-Mar-17	295
Ossur Americas	Albion	4-Jun-19	34
L. Perrigo Company	Allegan	5-Jun-17	7
Pensmore Reinforcement Technologies, LLC	Ann Arbor	14-Jun-18	39
Adient US LLC	Auburn Hills	13-Jun-17	154
MH Sub I, LLC	Auburn Hills	21-Mar-18	32
Benteler Automotive Corporation	Auburn Hills	5-Jun-18	7
Faurecia Automotive Seating, Inc.	Auburn Hills	19-Oct-18	30
FTE Automotive, USA, Inc.	Auburn Hills	7-May-19	28
SPX Flow ClydeUnion	Battle Creek	28-Mar-17	10
Kellogg Ready to Eat Cereal Plant - RTEC	Battle Creek	1-Mar-18	24
TreeHouse Private Brands, Inc.	Battle Creek	1-Jul-19	84
DENSO Air Systems Michigan, Inc.	Battle Creek	28-Feb-20	82
Brownstown Battery Assembly	Brownstown C.T.	7-Jan-19	106
BorgWarner Thermal Systems Inc.	Cadillac	6-Mar-17	32
GM Detroit Hamtramck Assembly and GMSM LLC	Detroit	6-Jan-17	1,192
International Specialty Steel, LLC	Detroit	12-Apr-17	110
Android Industries- Detroit	Detroit	1-Jun-17	241
Integrated Manufacturing and Assembly	Detroit	1-May-18	182
General Motors Detroit-Hamtramck Assembly	Detroit	15-Jan-19	3
Integrated Manufacturing and Assembly	Detroit	4-Apr-19	78
The Crown Group Co. (PPG Coatings Services)	Detroit	21-Aug-19	1
Kautex, Inc.	Detroit	9-Jan-20	105
Logistics Insight Corp.	Detroit	3-Feb-20	67
Express Employment Professionals	Detroit	3-Feb-20	3
General Motors Detroit-Hamtramck Assembly	Detroit	15-Jan-19	672
General Motors Subsystems Manufacturing, LLC	Detroit	15-Jan-19	22
Android Industries	Detroit	3-Feb-20	97
United State Steel Corporation	Ecorse	20-Sep-19	1,390
Ventra Evart, LLC	Evart	15-Feb-17	55
Harman Becker Automotive Systems	Farmington Hills	25-Sep-19	25
TIDI Products, LLC	Fenton	13-Feb-18	58
Ford Motor Company	Flat Rock	4-Mar-19	1,056
Faurecia Automotive	Fraser	27-Jan-17	123
Benteler Automotive Corporation	Galesburg	7-Jun-18	215
Isringhausen	Galesburg	26-Apr-19	32
Meijer Great Lakes Limited Partnership	Grand Rapids	31-Jan-18	249
Steelcase Inc.	Grand Rapids	11-Apr-18	85
Infor (US), Inc.	Grand Rapids	6-Jun-18	4

Dematic Corporation	Grand Rapids	21-May-18	166
AT&T Business-Global Operations & Services	Grand Rapids	2-Jul-19	3
Blackmer	Grand Rapids	27-Dec-19	27
Yanfeng US Automotive Interior Systems 1, LLC	Highland Park	17-Jan-18	152
Holland, Inc.	Holland	14-Mar-17	24
SAF-HOLLAND, Inc.	Holland	12-Apr-17	111
Homer Donaldson Company LLC	Hudson	23-Oct-18	71
Trulife Inc.	Jackson	21-Mar-18	9
Alphi Manufacturing	Jonesville	30-Nov-18	120
Schawk USA Inc.	Kalamazoo	14-Dec-17	24
Hydro Extrusion North America, LLC	Kalamazoo	16-Oct-19	183
Steelcase Inc.	Kentwood	11-Apr-18	10
Biewer Lumber	Lake City	2-Oct-18	33
General Motors (GM)	Lake Orion	29-Aug-17	85
Alliance Interiors	Lansing	12-Jun-17	52
Yanfeng Global Automotive Interiors	Lansing	11-Aug-17	231
A123 Systems LLC	Livonia	4-Apr-17	140
A123 Systems LLC	Livonia	24-May-19	81
Dormakaba USA Inc.	Madison Heights	10-Dec-18	135
Biewer Lumber	McBain	2-Oct-18	96
International Automotive Components (IAC)	Mendon	22-Jan-20	290
ESCO Company, LLC	Muskegon	25-Apr-17	39
Eagle Mine LLC	Negaunee	17-Sep-19	11
Harman International Industries, Inc.	Novi	12-Oct-18	56
Burroughs Inc.	Plymouth	24-Feb-17	52
General Motors Global Propulsion Systems	Pontiac	5-Jun-19	473
General Motors Pontiac Metal Center	Pontiac	5-Aug-19	30
WKW Extrusion-Bowers Manufacturing Company	Portage	26-Jan-18	149
Lear Corporation	Rochester Hills	12-Oct-17	57
A123 Systems LLC	Romulus	4-Apr-17	216
Kerr Corporation	Romulus	20-Mar-18	25
A123 Systems LLC	Romulus	24-May-19	81
Barber Steel Foundry Corporation	Rothbury	28-Oct-19	130
Suniva, Inc.	Saginaw	24-Feb-17	147
General Motors	Saginaw	13-Feb-18	34
The Crown Group Co. (PPG Coatings Services)	Shelby Township	21-Aug-19	1
Michigan Seamless Tube, LLS	South Lyon	2-Oct-18	45
Allied Ring Corporation	St. Johns	9-Jan-18	86
Johnson Rauhoff, Inc.	St. Joseph	20-Mar-18	34
Faurecia Automotive	Sterling Heights	27-Jan-17	277
Fiat Chrysler America (FCA)	Sterling Heights	6-Apr-17	3,000
Kelly Services, Inc.	Troy	15-Jun-17	30
Populus Group	Troy	31-Jan-19	56
Geometric Americas, Inc.	Troy	24-May-19	6

PPG Industries, Inc.	Troy	21-Aug-19	1
General Motors (GM)	Warren	25-Jul-17	156
GM Technical Center	Warren	26-Feb-19	1,298
Allegis, Jones Lang Lasalle, Eurest Services	Warren	1-May-19	3
General Motors	Warren	1-May-19	472
Behr-Hella Thermocontrol, Inc.	Wixom	2-Nov-17	62
Bosal Industries-Georgia, Inc.	Ypsilanti	22-Mar-19	220

Michigan locations with more than one hundred TAA certifications between 2017 and early 2020 include: Adrian (295 certified job losses); Auburn Hills (251 certified job losses); Battle Creek (200 certified job losses); Brownstown Charter Township (106 certified job losses); Detroit (2,773 certified job losses); Flat Rock (1,056 certified job losses); Frasier (123 certified job losses); Galesburg (247 certified job losses); Grand Rapids (534 certified job losses); Highland Park (152 certified job losses); Holland (135 certified job losses); Jonesville (120 certified job losses); Kalamazoo (207 certified job losses); Lansing (283 certified job losses); Livonia (221 certified job losses); Madison Heights (135 certified job losses); Mendon (290 certified job losses); Pontiac (503 certified job losses); Portage (149 certified job losses); Romulus (322 certified job losses); Saginaw (181 certified job losses); Sterling Heights (3,277 certified job losses); Warren (1,929 certified job losses); and Ypsilanti (220 certified job losses).

About the Data Set

As noted above, TJEF analyzed data from the federal government's Trade Adjustment Assistance (TAA) program for this report. The TAA program provides extended unemployment benefits to those from worksites that have been individually certified by the U.S. Department of Labor as having reduced employment due to direct offshoring or displacement by imports.

Unlike other data on trade-related job loss and job creation, TAA data provides a hard count of actual jobs at actual workplaces that the Labor Department has reviewed and determined were lost due to trade. The job numbers cited here can thus be tied to specific factories and other worksites that had layoffs on specific dates. TAA data is particularly reliable for that reason. The trade-related job numbers in most other government, academic and industry group reports rely on a variety of economic models that attempt to estimate the job impacts of given trade flows; those estimates are not backed up by being directly tied to actual jobs at specific workplaces like TAA certifications are.

Despite the utility of TAA statistics in this regard, at both the statewide and national levels, TAA data is always a significant undercount of the true number of jobs lost due to trade-related outsourcing and displacement. First, the TAA program has never covered all categories of work adversely affected by trade, focusing instead on just certain sectors of employment. Just as importantly, to be included in the TAA data set, someone must actively apply for Trade Adjustment Assistance. If no one files a TAA application for a given worksite, that worksite

obviously is not captured by the data — even if workers there would have otherwise qualified for the program. Likewise, many companies choose to reduce their payrolls through attrition before finally resorting to layoffs. Those earlier job losses are not accounted for in all TAA statistics.

Put simply: the certified job loss numbers included in this report should not be viewed as anywhere near the total number of jobs lost in Michigan due to trade.

Why Does the Recent Increase in Trade-Related Job Loss Matter?

Each one of the 15,675 certified trade-related job losses over the past three years, as well as the many others that have gone uncounted, has real consequences for Michigan families, Michigan communities and society at large.

At the family level, trade-related job loss can mean:

- Less income, cut-off benefits and increased stress for the households directly affected.
- Even with job retraining, many trade-displaced workers — particularly older ones — can face difficulty finding new employment that pays comparable wages to the jobs taken from them and may be forced to accept lower-paying work to survive.
- Workers who are lucky enough to find new work at comparable wages still often lose the workplace seniority that awards them better shifts and benefits.

At the community level, trade-related job loss can have ripple effects such as:

- Less money for people to spend at local businesses from restaurants, to hair salons, to auto dealers.
- Reduced tax revenue used to pay for schools, fire departments and other public services and public infrastructure.
- In some cases, plant closures can even lead to an exodus of community members as people move to search of new work elsewhere, exacerbating the other problems mentioned and reducing local real estate values.

At the societal level, the offshoring of jobs around the globe to wherever workers are the most exploited and environmental regulations are the weakest:

- Places a serious downward pressure on the wages and benefits of the jobs that are left — even those in professions that are currently impossible to offshore.
- Exacerbates inequality with disproportionate impacts on African American and Latinx workers, who are typically paid less for the same work as white workers, and who, on average, have considerably less savings and suffer higher unemployment.

- Accelerates climate change and other environmental crises via increased pollution levels and the promotion of “throw-away” consumer culture.

Policy Recommendations

Reasons for Michigan’s increase in trade-related job losses likely vary. Trade justice advocates point out that, in addition to the ongoing failure to rectify the underlying causes of long-term trade imbalances, actions taken by the federal government in recent years have actually promoted offshoring. Most notably that:

- ***The December 2017 tax law incentivizes the offshoring of Michigan manufacturing jobs.*** One of the many ways the “Tax Cuts and Jobs Act of 2017” reduces taxes for big corporations is by creating a significantly lower tax rate for firms that move production from the United States to other countries. Under the new law, if a U.S. company paid a 21% federal corporate tax rate on profits from goods made in Michigan, their income earned offshore would be taxed at only a 10.5% rate. This is a major incentive for corporations to move production abroad.[6]
- ***The China trade deal makes it safer for big corporations to offshore Michigan jobs.*** Large sections of the so-called “Phase 1” China trade deal signed in January 2020 are about making the relocation of jobs to China safer for big employers. Neglecting to even mention, let alone address, the abysmal labor rights, forced labor, weak environmental standards and related causes of job offshoring to China, the top bullets in the U.S. Trade Representative’s fact sheet on the deal are about protecting “intellectual property” and stopping “technology transfer”[7] — items that large corporations demand in order to feel even more secure moving production to China.

To end trade-related job loss in Michigan, not only must the federal government’s outpouring of new, pro-offshoring measures like these come to an end, but forward-thinking solutions should be adopted. This includes:

- Protecting existing jobs in Michigan, increasing wages at home and abroad and building new markets for Michigan goods and services with trade policies that condition access to the lucrative U.S. market on countries adopting strong, internationally-recognized labor and environmental standards with swift and certain enforcement mechanisms;
- Establishing formal protections for joint labor activities — including collective bargaining — for workers across borders;
- Enforcing bans on products made with forced labor;
- Supporting the creation of new jobs and industries by realigning trade, tax, procurement, investment and other industrial-policy tools to promote such goals;

- Rebuilding domestic supply chains in the face of the COVID-19 and climate crises by bidding out long-term, multiyear contracts to U.S. firms under the Defense Production Act and new policies where needed for personal protective equipment, medicine, communications, agricultural and other essential goods and services; and
- Enacting domestic policies that require public notice and listing of offshoring of manufacturing or service sector jobs of more than 25 workers and prohibiting firms on that list from obtaining U.S. government procurement contracts or grants.

Conclusion

Trade-related job loss, which already hits Michigan harder than most other areas in the U.S., has been on the rise in the state in recent years. This ongoing job loss has severe adverse affects at the familial, community and societal levels, and must be stopped. To end and eventually reverse trade-related jobs loss in Michigan and beyond, federal officials must stop enacting bad policies that encourage offshoring and instead embrace trade and other policies that prioritize job creation.

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[1] The median amount of time between the U.S. Labor Department receiving a Trade Adjustment Assistance (TAA) petition and issuing an initial determination was 62 days for petitions filed between 2014 and 2019 across the nation, but approximately 8% of petitions took longer than six months to receive a determination, with the longest example taking 628 days. Presumably most TAA petitions filed in 2019 have already received determinations, but it is very possible that not all have. "Petitions and Determination Data," U.S. Department of Labor, Employment and Training Administration, Office of Trade Adjustment Assistance (OTAA), July 20, 2020. https://www.dol.gov/agencies/eta/tradeact/data/petitions-determinations.

[2] "State Population Totals and Components of Change: 2010-2019," U.S. Census Bureau, December 30, 2019. https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-total.html#par_textimage

[3] Unless otherwise noted, the raw data for all references to TAA statistics can be found at "Petitions and Determination Data," U.S. Department of Labor, Employment and Training Administration, Office of Trade Adjustment Assistance (OTAA), July 20, 2020. https://www.dol.gov/agencies/eta/tradeact/data/petitions-determinations. Unless otherwise noted, data was sorted and analyzed by "Petition Date," as this is the date in the data set that is typically closest to when the actual job loss occurred.

[4] For historical data going back to January 1, 1994, we used the same source cited in endnote 2, but analyzed data via the "Determination Date" because the "Petition Date" was not always provided going back that far.

[5] "State and Metropolitan Area Trade Data: U.S. Trade in Goods by State, by NAICS-Based Product," U.S. Census Bureau, June 4, 2020. https://www.census.gov/foreign-trade/statistics/state/index.html

[6] "How the Tax Plan Will Send Jobs Overseas," Gene B. Sperling, *The Atlantic*, December 8, 2017. https://www.theatlantic.com/business/archive/2017/12/tax-jobs-overseas/547916/

[7] “Economic and Trade Agreement Between the United States of America and the People’s Republic of China: Fact Sheet,” Office of the U.S. Trade Representative, January 15, 2020. https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/US_China_Agreement_Fact_Sheet.pdf