



Washington Fair Trade Coalition Education Fund

## Washington's Trade-Related Job Losses on the Rise in Recent Years

Washington 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 Washington Fair Trade Coalition Education Fund (WFTCEF). The state was already among the states suffering from the worst trade-related job loss in the nation.

Trade policy experts from WFTCEF 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 Washington ranks among the states hit hardest by trade-related job loss. Worryingly, the frequency of these losses has actually grown in Washington 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 Washington's government-certified trade-related job loss number for the past three years is more than the previous three years is especially concerning because some of the TAA petitions filed in 2019 may not have even finished processing yet.<sup>1</sup> 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 Washington numbers put in this perspective are particularly troubling.

### **Washington Hit Harder Than Most States**

**Last 3 Years ('17–'19)**

*9<sup>th</sup> Highest in Country Overall*

*5<sup>th</sup> Highest in Country by Population*

### ***Washington is Among the States Hit Hardest by Trade-Related Job Loss***

Perhaps it's not surprising that Washington — the 13<sup>th</sup> largest state by population, according to the U.S. Census Bureau<sup>2</sup> — ranks higher than most states in the number of jobs certified as lost to offshoring and displacement. Over the last three years, however, Washington has actually ranked ninth among all states in terms of new numbers of TAA certifications.<sup>3</sup> In fact, Washington ranks 5<sup>th</sup> highest for new TAA certifications by population.

It hasn't always been this bad. Washington only ranks a predictable 13<sup>th</sup> among the states for cumulative TAA certifications 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, Washington had 91,012 certified trade-related job losses, outpaced by sixteen other states.

Washington's status as a place hit harder than others by trade-related job loss in recent years 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.

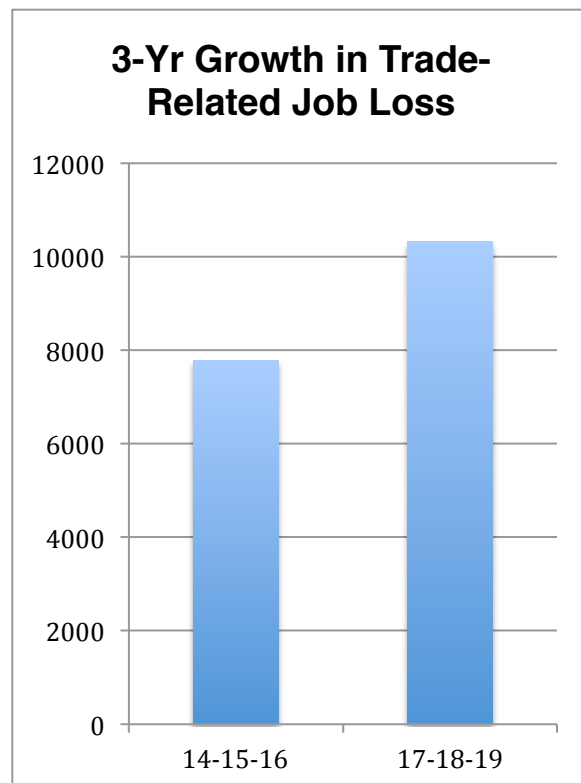
### ***Trade-Related Job Loss in Washington Isn't Slowing Down — It's Accelerating***

The most-troubling trend uncovered by WFTCEF's analysis of U.S. Labor Department statistics is that trade-related job loss in on the rise in Washington in recent years.

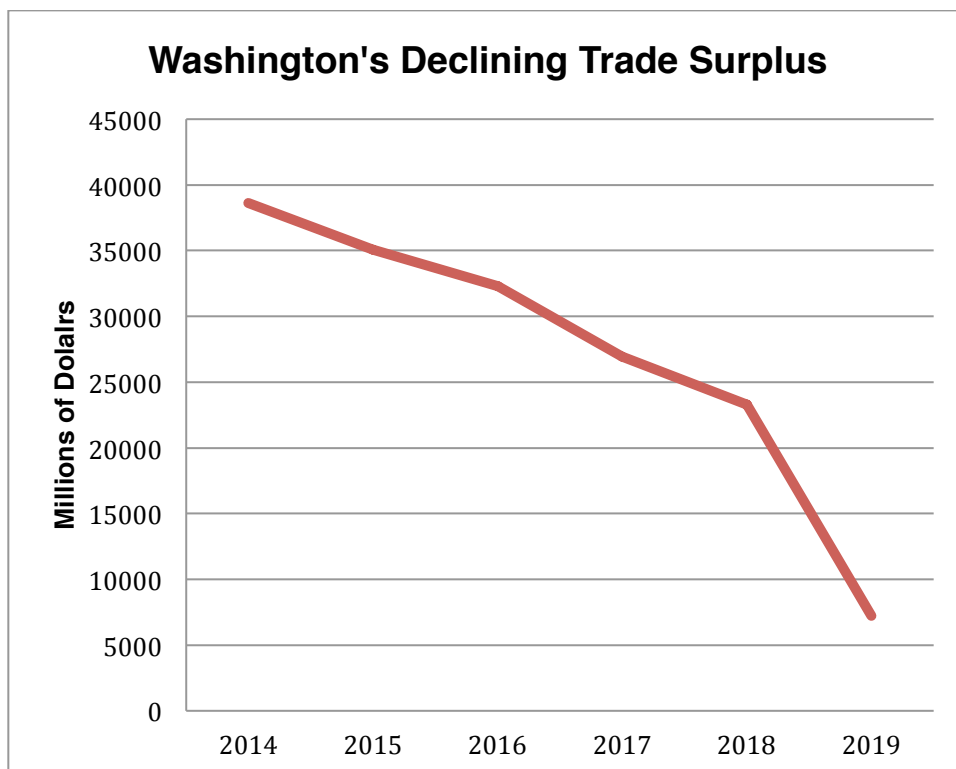
Washington experienced a 133% increase in trade-related job losses over the last three years in comparison to the three years before that, with 10,323 job losses certified for TAA on petitions filed between 2017 and 2019 compared to 7,780 between 2014 and 2016. The state likewise suffered an uptick in trade-related job losses in 2019 over the year before.

The growing number of trade-related layoffs in Washington 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 has been on the rise in recent years, reaching over \$852 billion nationally in 2019, according to data from the U.S.



Census Bureau. Washington itself is one of the rare states in the country with a trade surplus in goods, but it experienced a roughly 56% drop in its cumulative surplus in 2017, 2018 and 2019 compared to that of 2014, 2015 and 2016. Washington's surplus was also down roughly 69% in 2019 compared to 2018.<sup>4</sup>



## ***Examples of Recent Trade-Related Job Losses in Washington***

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

<b>Company Name</b>	<b>City</b>	<b>Petition Date</b>	<b>Jobs Eliminated</b>
Grays Harbor Community Hospital	Aberdeen	26-Feb-18	27
McFarland Cascade Holdings, Inc.	Arlington	15-Feb-17	22
Senior Aerospace AMT	Arlington	6-Mar-20	414
Zones, Inc.	Auburn	21-Feb-18	120
Loud Audio, LLC	Auburn	16-Oct-18	6
Valente Global	Bellevue	18-Dec-18	10
Lionbridge Technologies, Inc.	Bellevue	16-Feb-17	32
Healthcare Management Administrators, Inc.	Bellevue	18-Sep-18	15
Lumedx Inc.	Bellevue	7-May-19	22
Smartfocus US Inc.	Bellevue	12-Jun-19	6
Zodiac Aerospace	Bellingham	3-Jul-17	253
Georgia-Pacific Consumer Operations LLC	Camas	8-Mar-18	419
Sharp Laboratories of America, Inc.	Camas	6-Apr-17	143
Sharp Electronics Corporation	Camas	17-Aug-17	60
Karcher North America	Camas	20-Aug-19	223
Hearth and Home Technologies	Colville	28-Sep-17	85
Jamco America, Inc.	Everett	19-Apr-17	163
M.Torres America, Inc.	Everett	5-Dec-17	25
E. Roko Distributions, Inc.	Kent	4-Oct-19	23
Lowe's Home Centers, LLC	Kirkland	22-Mar-19	118
Itron Inc.	Liberty Lake	16-Apr-18	12
North Pacific Paper Company, LLC	Longview	2-Oct-17	147
Boyd Coffee Company	Lynnwood	27-Oct-17	5
Honeywell International Inc.	Lynnwood	3-Jul-18	15
Teck Washington Incorporated	Metaline Falls	29-May-19	299
Joyson Safety Systems	Moses Lake	2-May-18	61
REC Solar Grade Silicon LLC	Moses Lake	7-Sep-18	114
Stampede Forest Products, Inc.	Omak	8-Mar-17	35
Nippon Paper Industries USA Co. Ltd	Port Angeles	9-Mar-17	118
Wyndham Vacation Ownership, Inc.	Redmond	14-Nov-19	176
Providence Health & Services-Washington	Renton	18-Jul-19	141
Kaiser Foundation Health Plan of Washington	Renton	4-Feb-20	19
Echo Bay Minerals Company	Republic	24-Oct-17	97
Alaska Aggregate and Aspect Consulting	Republic	24-Oct-17	10
Echo Bay Minerals Company	Republic	19-Nov-19	45
HR Advantages LLC, Republic Security	Republic	19-Nov-19	13
McFarland Cascade Holdings, Inc.	Rochester	15-Feb-17	23
GM Nameplate, Inc.	Seattle	13-Sep-17	22
The Seattle Times	Seattle	16-Feb-17	3
International Business Machines (IBM)	Seattle	25-Sep-17	9

Avanade Inc.	Seattle	13-Dec-17	3
CellNetix	Seattle	12-Feb-18	65
Aviation Partners Boeing Inc.	Seattle	26-Mar-18	31
Star Forge LLC	Seattle	10-May-18	110
Filson Manufacturing	Seattle	6-Aug-19	39
McFarland Cascade Holdings, Inc.	Shelton	15-Feb-17	8
Boyd Coffee Company	Spokane	27-Oct-17	3
Triumph Composite Systems, Inc.	Spokane	23-Jan-17	138
Lincare Inc.	Spokane	13-Sep-17	6
Allianz Global Corporate & Specialty	Spokane	11-Apr-18	9
Web.com Group, Inc.	Spokane	8-May-19	79
Triumph Composites Systems, Inc.	Spokane	5-Sep-19	75
Ciena Corporation	Spokane Valley	10-Sep-18	28
Kellogg Sales Company	Sumner	5-Dec-17	250
Seneca Foods LLC	Sunnyside	9-Aug-19	300
TrueBlue, Inc. and StaffManagement, Inc.	Tacoma	6-Nov-17	46
KeyBank NA	Tacoma	11-Jul-18	1
The Boeing Company	Tukwila	19-May-17	5,275
Columbia River Logistics	Vancouver	17-May-18	467
Windstream Services, LLC	Vancouver	4-Oct-17	31
Sunlight Supply Inc.	Vancouver	6-Dec-17	47
Sigma Design, Inc.	Vancouver	4-Feb-19	50
HP Inc.	Vancouver	27-Jun-19	52
Workers of Insight Global, Inc., Accion Labs Inc., Adea Solutions, etc.	Vancouver	27-Jun-19	3
Loud Audio, LLC	Woodinville	16-Oct-18	93

Washington locations with more than one hundred TAA certifications between 2017 and early 2020 include: Arlington (436 certified job losses); Auburn (126 certified job losses); Bellingham (253 certified job losses); Camas (845 certified job losses); Everett (188 certified job losses); Kirkland (118 certified job losses); Longview (147 certified job losses); Metaline Falls (299 certified job losses); Moses Lake (175 certified job losses); Port Angeles (118 certified job losses); Redmond (176 certified job losses); Renton (160 certified job losses); Republic (165 certified job losses); Seattle (281 certified job losses); Spokane (310 certified job losses); Sumner (250 certified job losses); Sunnyside (300 certified job losses); Tukwila (5,275 certified job losses); and Vancouver (650 certified job losses).

### ***About the Data Set***

As noted above, WFTCEF 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 Washington due to trade.

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

Each one of the 10,323 certified trade-related job losses over the past three years, as well as the many others that have gone uncounted, has real consequences for Washington families, Washington 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 Washington’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 Washington 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 Washington, their income earned offshore would be taxed at only a 10.5% rate. This is a major incentive for corporations to move production abroad.<sup>5</sup>
- ***The China trade deal makes it safer for big corporations to offshore Washington 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”<sup>6</sup> — items that large corporations demand in order to feel even more secure moving production to China.

To end trade-related job loss in Washington, 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 Washington, increasing wages at home and abroad and building new markets for Washington 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 Washington 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 familiar, community and societal levels, and must be stopped. To end and eventually reverse trade-related jobs loss in Washington 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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<sup>1</sup> 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>.



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<sup>2</sup> “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](https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-total.html#par_textimage)

<sup>3</sup> Unless otherwise noted, the raw data for all references to Trade Adjustment Assistance (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), April 30, 2020. <https://www.dol.gov/agencies/eta/tradeact/data/petitions-determinations>

<sup>4</sup> “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>

<sup>5</sup> “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/>

<sup>6</sup> “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](https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/US_China_Agreement_Fact_Sheet.pdf)