
POLICY MATTERS OHIO

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Press call: March 23, 2010 - 2:15 p.m.

Read Economic Policy Institute Study Here:

http://www.epi-data.org/docs/embargo/unfair_china/

Read Policy Matters Ohio Issue Brief Here:

<http://www.policymattersohio.org/JobsAndTheTradeDeficit2010.htm>

PRESS CALL:

Senator Schumer (D-N.Y) Joins Conference Call-in Press Briefing,

2:15 p.m. ET, Tuesday, March 23

Dial-in number 1-866-838-2054 (no access code needed)

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**Study finds 2.4 million American jobs lost due to trade with China;
More than 90,000 Ohio jobs lost to rising trade deficit
Study analyzes job loss by congressional district;
Senate weighs bill to penalize China for currency policy**

Trade between the United States and China has grown tremendously since commercial relations were liberalized between the two nations in 2001. The effect has been net job loss in the U.S. (2.4 million jobs) and in Ohio (91,800 jobs). The Economic Policy Institute and Policy Matters Ohio are each releasing studies at noon today, Tuesday March 23, examining job growth and loss in the nation and in Ohio.

The U.S. trade deficit with China rose from \$84 billion in 2001 to \$270 billion in 2008, an increase of \$186 billion or 18 percent per year. The growing trade deficit translates into job loss in the United States. Between 2001 and 2008, 2.4 million jobs were lost or displaced. On balance, this job loss grew by an average of 19 percent annually between China's entry into the WTO in 2001 and 2008, the most recent year for which data is available.

The impact of the trade deficit with China is not restricted to job displacement. Competition with low-wage workers from less-developed countries has driven down wages for other workers in manufacturing and reduced the wages and bargaining power of similar workers throughout the economy—essentially all production workers with less than a four-year college degree, roughly 70% of the private sector workforce, or about 100 million workers. China is the most important source of downward pressure from trade with less-developed countries, because wages there are so low, and because it was responsible for nearly 40% of our non-oil imports from less-developed countries in 2008.



Two thirds of the job displacement occurred in manufacturing. This affected Ohio disproportionately, as Ohio’s concentration of manufacturing employment, at 18 percent, is 50 percent higher than in the nation as a whole.

“Ohio is a supply chain state,” said Wendy Patton of Policy Matters Ohio. “Ohio’s strengths in durable goods production makes our industrial base valuable to our nation’s economy, but vulnerable to this growing trade deficit.”

As a result of the trade imbalance with China, Ohio lost 91,800 jobs between 2001 and 2008 alone. The loss occurred in every congressional district across the state as Table 1 shows.

Table 1: Job loss due to trade with China by congressional district in Ohio

Ohio Representative	Congressional District	Jobs Lost	Total Jobs	Loss as share of total
Rep. Steve Driehaus [D-OH1]	1	4,100	293,300	1.40%
Rep. Jean Schmidt [R-OH2]	2	5,200	319,200	1.63%
Rep. Michael Turner [R-OH3]	3	5,500	295,200	1.86%
Rep. Jim Jordan [R-OH4]	4	5,900	299,200	1.97%
Rep. Robert Latta [R-OH5]	5	6,700	311,200	2.15%
Rep. Charles Wilson [D-OH6]	6	3,300	268,400	1.23%
Rep. Steve Austria [R-OH7]	7	4,300	308,200	1.40%
Rep. John Boehner [R-OH8]	8	6,000	309,900	1.94%
Rep. Marcy Kaptur [D-OH9]	9	4,100	287,900	1.42%
Rep. Dennis Kucinich [D-OH10]	10	4,700	292,100	1.61%
Rep. Marcia Fudge [D-OH11]	11	3,400	235,000	1.45%
Rep. Patrick Tiberi [R-OH12]	12	5,100	349,100	1.46%
Rep. Betty Sutton [D-OH13]	13	5,700	311,300	1.83%
Rep. Steven LaTourette [R-OH14]	14	6,400	325,300	1.97%
Rep. Mary Jo Kilroy [D-OH15]	15	4,400	329,100	1.34%
Rep. John Boccieri [D-OH16]	16	6,200	311,800	1.99%
Rep. Timothy Ryan [D-OH17]	17	5,500	279,000	1.97%
Rep. Zachary Space [D-OH18]	18	5,000	287,000	1.74%
Ohio	Statewide	91,800	5,412,100	1.70%

Source: Economic Policy Institute, Based on Census Bureau, USITC and BLS Data

“Several factors need revisiting in our trade relationship with China,” said Robert E. Scott, EPI’s director of international programs, who authored the national report. “Chinese currency makes its goods artificially cheap and our goods artificially expensive; China refuses to observe core labor standards and actively suppresses labor rights; and China blocks access to its markets.”

“Sophisticated electronics and high-tech products that once were made in the United States are increasingly being made in China instead,” said Scott Paul, executive director of the American Association of Manufacturers, which co-released the report. “We are losing more and more of these good jobs.”

