

Trade Adjustment Assistance 2013

Changes loom as number of certified workers ticks up

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The Trade Adjustment Assistance program is the gold standard in dislocated worker services. While no program can fully protect Ohio from mass layoffs, TAA has helped stabilize communities and families impacted by trade. TAA certified more than 81,500 workers in fiscal year 2012. More than 70 percent of American workers leaving the program entered employment, and 90 percent of those kept their new jobs the program logged an employment retention rate over 90 percent.

Since 2005, more than 76,500 Ohio workers have been certified for TAA. In 2012, the number of Ohio TAA-certified workers rose slightly, even though the overall number of petitions filed and certifications fell.

Since the 2007 recession, three sets of rules – from 2002, 2009, and current 2011 law – have covered TAA. It is nearly certain that Congress will allow the current rules to lapse, and as a result 2014 will bring big changes to TAA eligibility. Starting in January, the program will cover only manufacturing firms. Workers losing their jobs to outsourcing will be covered only if their job was moved to a nation that has signed a free trade agreement with the U.S. or benefited from one of three trade acts.

In 2012, 21 of Ohio's 54 TAA certifications covered service-sector work. Much of that service work was lost due to direct outsourcing. Whether the lost job produced door seals or provided customer service, the impact on the community and the family is the same. There are fewer jobs, fewer workers, and a greater need for retraining in growing industries. We estimate that if the 2002 rules had applied in 2012, 36 Ohio petitions, covering more than 900 workers, would have been ineligible for TAA certification.

TAA could play a much larger role in strengthening Ohio's workforce. The program already provides the most comprehensive set of income and training supports available to dislocated workers. A consistent set of guidelines would allow the state workforce development system to build capacity around TAA, rather than juggling almost annual changes in eligibility. Consistent program rules would provide the stability needed to develop targeted outreach, better relationships with employers and labor organizations, and a more comprehensive response to trade-initiated mass layoffs.

Key findings and recommendations

- Nationally, TAA certified more than 81,500 workers in fiscal year 2012. More than 70 percent of exiters found jobs and more than 90 percent of those stayed employed for at least nine months.
- In Ohio, the estimated number of certified workers increased slightly in 2012, while the number of petitions filed and certified fell slightly.
- Congressional action is needed to maintain TAA eligibility for service sector workers and workers losing jobs to nations without a free trade agreement or not covered in one of three trade acts.
- TAA needs rational, consistent rules to support Ohio workers and communities.