

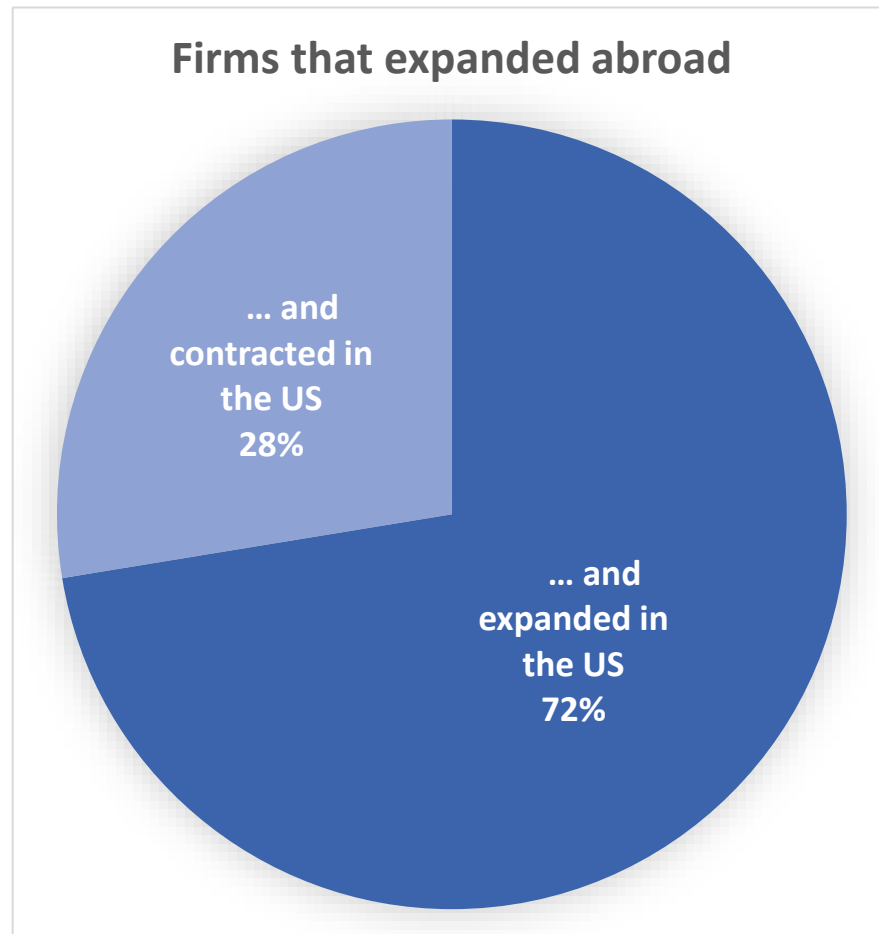
Do multinational firms export jobs?

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US MNEs that expanded abroad were more likely to hire workers in the US, 2009-2014



Note: This table was constructed using firm-level data on US multinational companies at the Bureau of Economic Analysis, US Department of Commerce under arrangements that maintain legal confidentiality requirements. The views expressed are those of the authors and do not reflect official positions of the US Department of Commerce.

Effects of offshoring on domestic workers

- Domestic and foreign workers are imperfect substitutes
- The net effect of offshoring on US employment is a small positive or close to zero
- But some workers are hurt depending on
 - Skill
 - Routine vs nonroutine tasks
 - Employment at MNEs vs non-MNEs

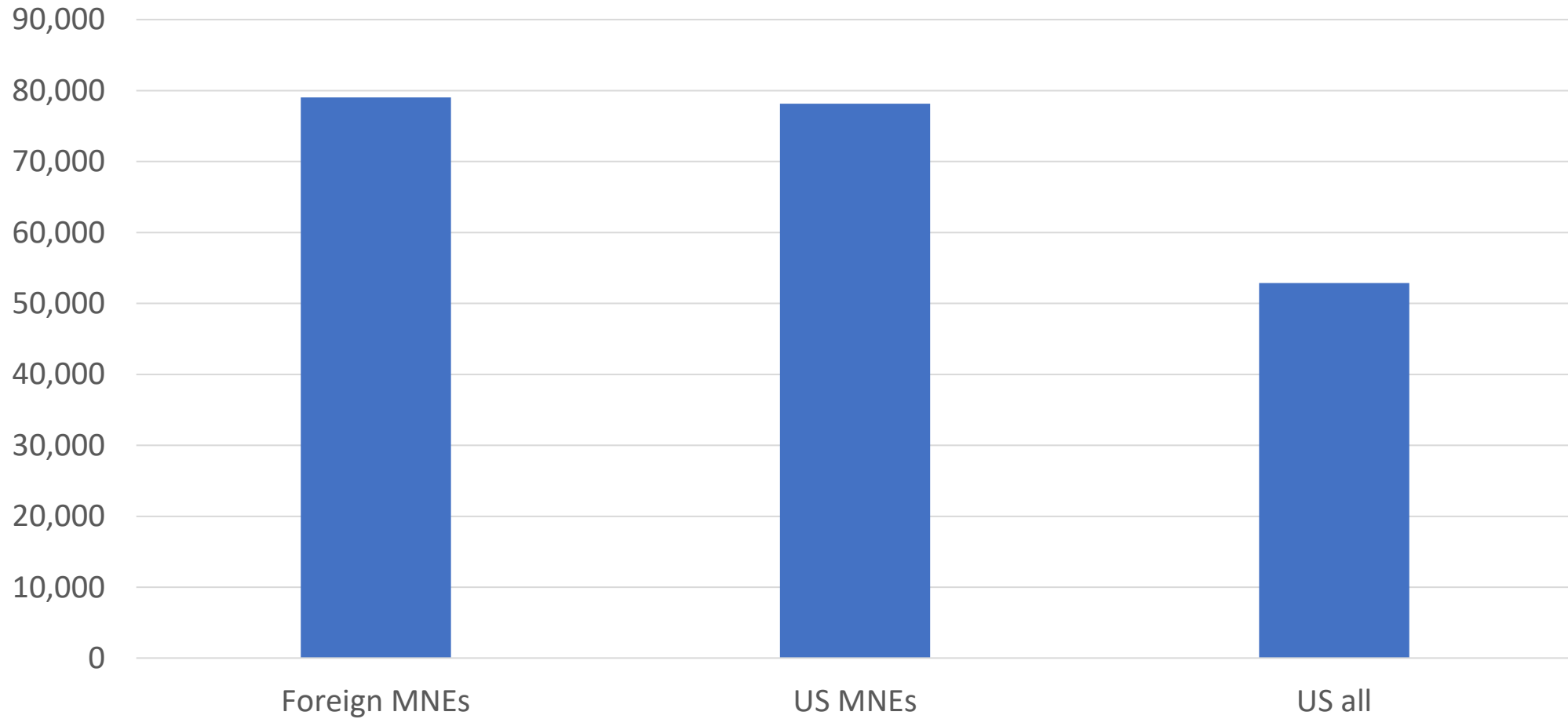
Trade Adjustment Assistance (TAA) outcomes

Fiscal Year	Employed 3 months after training	Still employed after 6 months
2013	71.6%	91.7%
2014	72.4%	91.4%
2015	74.1%	92.4%
2016	74.3%	92.2%
2017	72.9%	90.9%

Source: <https://www.doleta.gov/tradeact/docs/AnnualReport17.pdf>

- \$50,000 higher cumulative earnings 10 years later (Hyman 2018)
- About 90,000 workers/year certified by TAA; about 40% participate

Annual Compensation of US workers (2015)



Source: Authors calculations based on data published by the US Bureau of Economic Analysis Note: Average annual compensation of workers is the cost to the firm of employing workers, including wages and benefits.

Conclusions

- Overall, the net effect of MNE offshoring on domestic jobs is close to zero or a small positive.
- Aggregate effects hide distributional consequences. Less educated workers and those who perform routine tasks are more vulnerable, while more educated workers gain.
- Trade Adjustment Assistance (TAA), particularly worker training, could potentially help mitigate some of the negative effects of offshoring without sacrificing the benefits.