

# PROMISES BROKEN #2

The Offshoring of  
American Jobs Continues



A Report by Good Jobs Nation  
Washington DC, August 2018

## **About Good Jobs Nation**

The mission of Good Jobs Nation is to hold the President and all politicians – whether Democrat or Republican – accountable to America’s workers.

We believe that our taxpayer dollars should be invested in corporations that create good union jobs in the USA – not firms that keep workers in poverty and ship our jobs overseas.

Since 2013, Good Jobs Nation has won 3 historic executive orders to raise wages, crack-down on labor law abuses, and extend paid leave at companies that receive federal funding. Good Jobs Nation has also been at the forefront of federal fight to raise the minimum wage to \$15 an hour and to safeguard the freedom of workers to organize.

## **About this Report**

This report was written by George Faraday, Legal and Policy Director for Good Jobs Nation.

The research methodologies utilized in this analysis were developed in collaboration with Public Citizen’s Global Trade Watch.

## INTRODUCTION

On the campaign trail Donald Trump proclaimed that he was going to stop offshoring on “day one” of his presidency.<sup>1</sup> It’s been 18 months since he took office, and as this report shows, what he called “the greatest jobs theft in the history of our world” continues unabated. Federally-funded government contractors, major corporations that rake in billions in taxpayer dollars each year, are outsourcing jobs at nearly the fastest rate on record, according to our research.

President Trump has the power to stop this and turn his campaign rhetoric into reality. As president -- or CEO of America Inc. -- he could issue an executive order blocking the award of lucrative federal contracts to corporations that outsource American jobs to foreign countries. This authority is grounded in the Procurement Act of 1949, which permits the president to establish “policies and directives” for federal contracting.

President-elect Trump seemed to be following through on his campaign promises when he announced in November 2016 that he’d reached a deal with United Technologies Corporation, a major federal contractor, to stop almost 1,000 jobs at UTC’s Carrier subsidiary in Indianapolis from being outsourced to Mexico.”<sup>2</sup> However, that turned out to be an empty promise as offshoring at United Technologies (including Carrier) and other federal contractors continues to grow, unchecked by President Trump.

This report uses data on outsourcing of production to foreign countries gathered by the U.S. Department of Labor’s Trade Adjustment Assistance (TAA) Program<sup>3</sup> and data on federal contract awards posted on [usaspending.gov](http://usaspending.gov). This report is an update of two earlier reports published by Good Jobs Nation in November 2017,<sup>4</sup> and by Good Jobs Nation and Public Citizen’s Global Trade Watch in April 2017.<sup>5</sup>

Our April 2017 report found that 56 percent of the top 100 federal contractors in 2016 engaged in outsourcing, sending almost 60,000 American jobs abroad. These corporations received \$176 billion in contract awards in 2016, or more than one-third of all federal contract spending.

The November 2017 report found that outsourcing of American jobs by federal contractors rose to the highest annual level on record in Trump’s first year in office, with

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1 <http://www.cq.com/doc/newsmakertranscripts-4984731?5>

2 <https://www.nytimes.com/2016/12/01/business/economy/trump-carrier-pence-jobs.html>

3 Data for petitions certified prior to 4/30/2018 was downloaded from <https://www.doleta.gov/TradeAct/taa-data/petitions-determinations-data/docs/PetitionData.xlsx>. More recently certified petitions were located and downloaded individually from [https://doleta.gov/tradeact/petitioners/taa\\_search\\_form.cfm](https://doleta.gov/tradeact/petitioners/taa_search_form.cfm). These sources were consulted on June 6, 2018. The TAA program provides benefits to workers displaced by trade competition and outsourcing decisions. <https://www.doleta.gov/tradeact/>

4 <https://goodjobsnation.org/s/TRUMPS-FIRST-YEAR-11222017-v3a.pdf>

5 <https://www.citizen.org/sites/default/files/gjn-gtw-report-federal-contracting-with-corporate-offshorers-continues-final.pdf>

major federal contractors sending 10,269 American jobs abroad, which was almost triple the number outsourced by contractors in the last year of the Obama administration (3,801). These corporations received \$21 billion in federal contract awards.

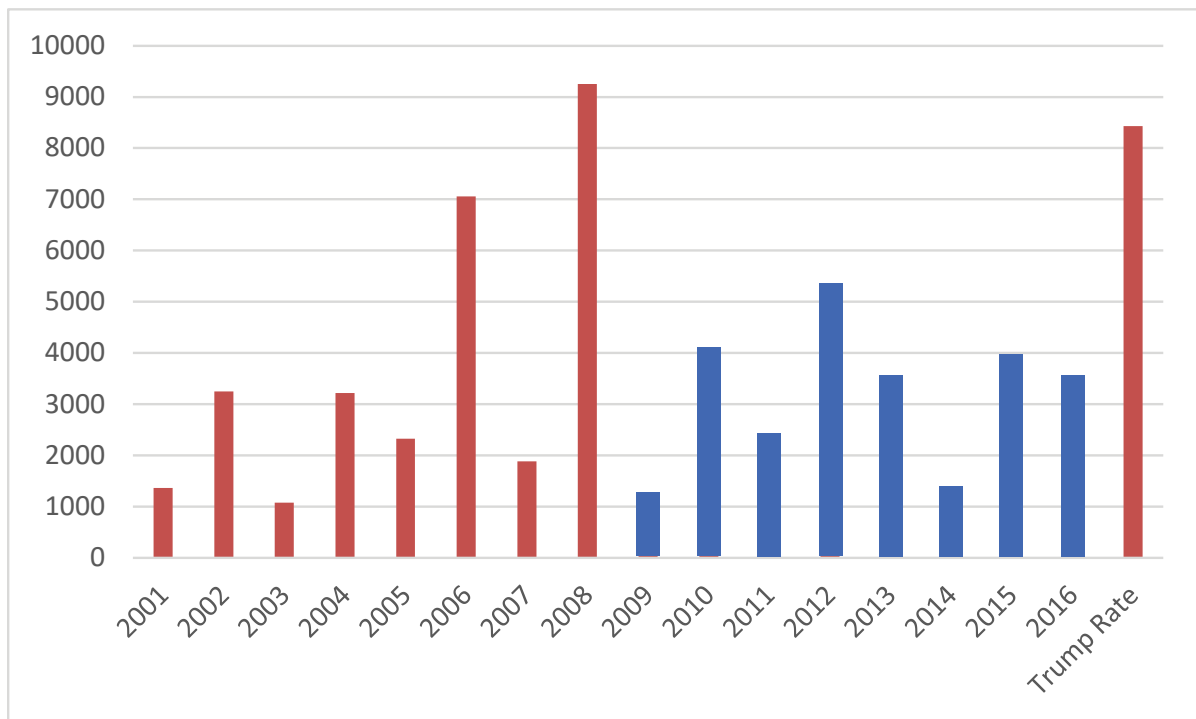
## FINDINGS

The rate of offshoring by major federal contractors is on track to be the highest in a decade. Since November 2017, the top 100 federal contractors sent an additional 2,972 jobs abroad, bringing the total since Trump's election to 13,241.

Expressed as an annual rate, offshoring under Trump is running at 8,363 jobs per year, which is higher than every annual total except for 2008, the year of the Great Recession. By comparison the average rate per year for the Obama administration was 3,100, and 3,677 for the George W. Bush administration.

The total number of jobs in the U.S. lost to offshoring continues to run at an annual rate of 89,906 since Trump's election, still above the average rate for the previous five years, with top 100 federal contractors accounting for almost 10 percent of the total job losses.<sup>6</sup>

### CHART ONE: Jobs Offshored by Top 100 Federal Contractors 2001-2018



<sup>6</sup> The total of estimated job losses was searched at [https://www.doleta.gov/tradeact/taa\\_reports/petitionsresults.cfm](https://www.doleta.gov/tradeact/taa_reports/petitionsresults.cfm) on 6/08/18. The 2012-2016 annual mean is calculated based on figures for estimated job losses associated with certified petitions reported in <https://www.doleta.gov/tradeact/docs/AnnualReport16.pdf> at p 11.

The flow of federal taxpayer dollars to offshoring corporations also has continued under President Trump. In total, major federal contractors that have offshored since Trump's election have received almost \$51 billion in contracts.

**TABLE ONE: Jobs Offshored and Contract Value Awarded to Major Federal Contractors Under Trump**

<b>COMPANY</b>	<b>VALUE OF CONTRACTS AWARDED UNDER TRUMP <sup>7</sup></b>	<b>JOBS OFFSHORED</b>
GENERAL MOTORS	\$558,000,000	2,818
BOEING	\$29,016,000,000	2,681
UNITED TECHNOLOGIES	\$2,580,000,000	1,645
SIEMENS	\$549,000,000	1,432
GENERAL ELECTRIC	\$2,605,000,000	1,251
PFIZER	\$1,710,000,000	1,200
HONEYWELL	\$3,384,000,000	545
IBM	\$2,055,000,000	536
MERCK	\$2,281,000,000	290
AT&T	\$912,000,000	270
PHILIPS	\$280,000,000	242
HEWLETT PACKARD	\$2,212,000,000	210
OTHERS	\$3,765,000,000	121
<b>TOTAL</b>	<b>\$51,907,000,000</b>	<b>13,241</b>

## CONCLUSION

One and a half years into his presidency, Donald Trump shows no sign of following through on his promise to put an end to offshoring. In fact his administration continues to award lucrative federal contracts to corporations that are sending thousands of American jobs abroad.

<sup>7</sup> These figures are based on the value of contracts awarded after Trump's inauguration, as reported on [usaspending.gov](http://usaspending.gov) on June 8, 2018.