

Policy Responses to Offshore Outsourcing

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State unemployment rates

	Unemployment rate	Relative to US average
Michigan	7.6	1.52
Mississippi	6.8	1.36
South Carolina	6.6	1.32
Alaska	6.5	1.30
California	6.1	1.22
DC	6.1	1.22
Ohio	6.0	1.20
Arkansas	5.9	1.18
Nevada	5.8	1.16
US	5.0	1.00

State mean and median duration of unemployment

State	Mean	Median	Relative to US average
Massachusetts	25.5	12.4	1.54
Wisconsin	24.1	11.1	1.45
Hawaii	22.8	9.7	1.37
Indiana	22.1	10.8	1.33
Michigan	21.9	9.3	1.32
New York	21.8	12.0	1.31
Connecticut	20.3	11.7	1.22
Missouri	20.1	12.7	1.21
Mississippi	19.3	10.6	1.16
US average	16.6	8.4	1.00

State UI exhaustion rates

	Unemployment rate	Exhaustion rate	Relative to US average	Average payment
DC	6.1	0.534	1.52	\$285.80
Florida	4.7	0.465	1.32	\$235.34
New Jersey	4.5	0.443	1.26	\$343.54
California	6.1	0.435	1.24	\$301.06
Nebraska	3.2	0.433	1.23	\$229.15
Arizona	4.7	0.419	1.19	\$198.81
New Mexico	3.7	0.416	1.18	\$258.51
North Carolina	5.0	0.411	1.17	\$280.41
US	5.0	0.352	1.00	\$282.15

Objective: Assist workers who lose their jobs due to outsourcing

- **General versus targeted**
- **Why targeted?**
- **Remove discrimination**

Means: Trade Adjustment Assistance (TAA)

- Up to 78 weeks of income support if enrolled in training
- Training
- Health Coverage Tax Credit (HCTC)
- Wage Insurance (ATAA)
- Job Search Assistance
- Relocation Assistance

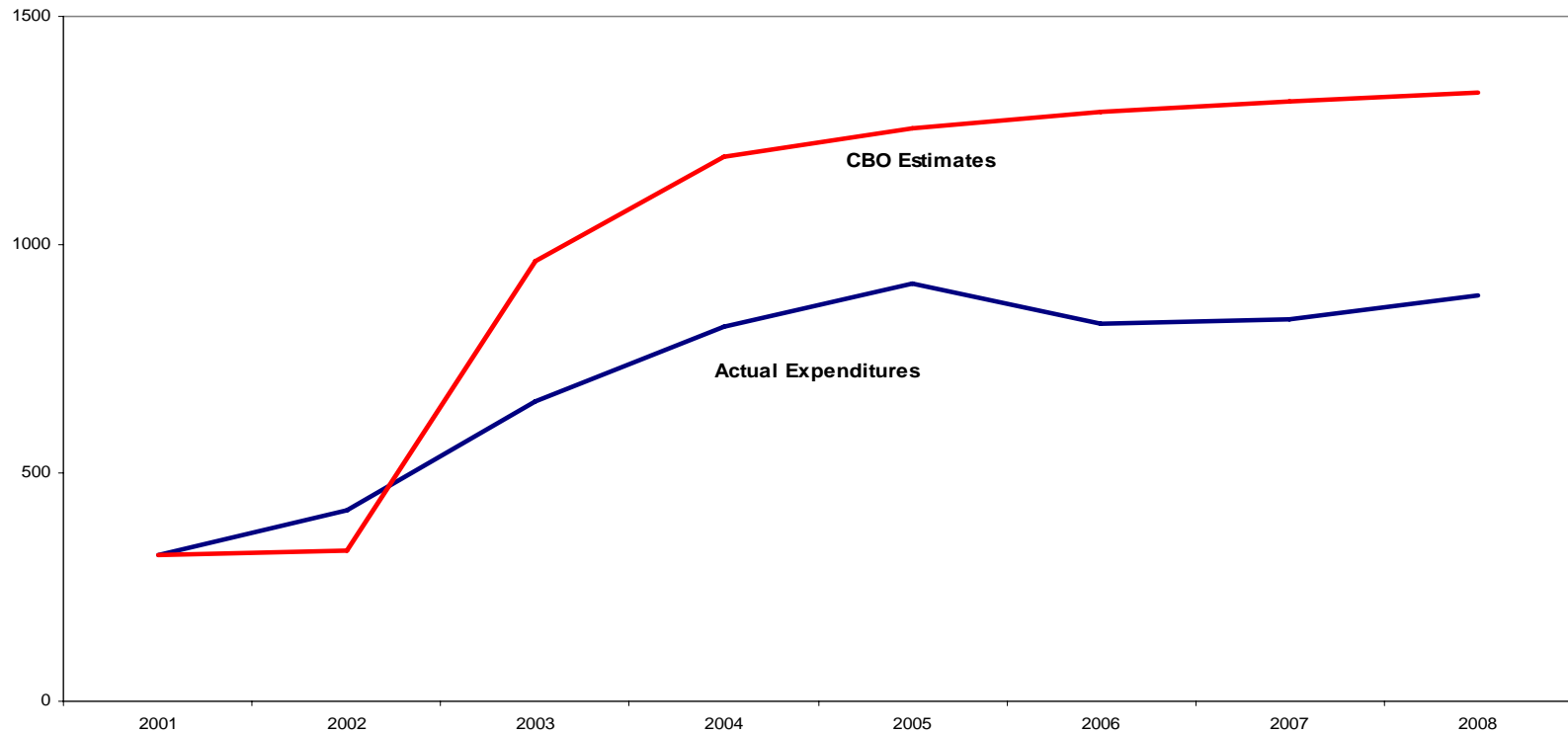
Legislative agenda

- **Reauthorization**
- **Program Reform and Expansion**
 - **Cover service workers**
 - **Increase HCTC**
 - **Expand wage insurance**
 - **Increase training funds**
 - **Fix technical problems**

Concerns: (1) Accurately target population

- **Change eligibility language to include “goods and services”**
- **20 percent rule**
- **Industry/occupation certifications**

Concern: (2) Costs



Congressional Budget Office estimates

	2008–17
Covering service workers, removing limitations to secondary worker and shifts in production criteria	200
Automatic certification due to affirmative ITC determinations	20
Industry-wide determinations	90
Raise training cap	160
Extending TRA by 26 weeks	110
Administrative costs and case management	70
HCTC	110
Wage insurance	70
	830

Bottom Line

- **Reauthorize TAA**
- **Extend eligibility to cover service workers**
- **Expand HCTC and wage insurance**
- **Fix training funding**