

THE COMMITTEE ON WAYS AND MEANS

TAA - Frequently Asked Questions

Why does TAA exist?

Answer: The TAA Program has existed since the 1960s to support American workers
who have lost their jobs due to increased global economic competition. TAA
provides laid off Americans benefits and services in areas such as employment,
case management, income support, job training, job search, and relocation
allowances to navigate new, long-term careers at a competitive wage.

Do we need TAA if no new trade agreements are passed?

 Answer: Yes. TAA seeks to address job displacement of workers due to trade from ANY country, not just trade agreement partners. Further, trade continues to develop and change, and the TAA programs are necessary to support workers who have lost their jobs due to ongoing trade agreements, not just new ones.

If the economy keeps improving as the United States recovers from COVID-19, do we still need a robust TAA program?

Answer: Yes. The U.S. Department of Labor's (DOL) <u>findings</u> show that positive
TAA employment outcomes are not simply tied to an improved, declining, or
changing labor market as "performance results demonstrate that even
during a year of an economic crisis such as FY 2020, the TAA Program is
vastly relevant in providing important benefits and services to help tradeaffected workers obtain reemployment."

Does TAA actually provide long-term benefits to workers?

 Answer: Yes. According to DOL, performance remained near five-year highs in FY 2020 with approximately 76 percent of TAA participants obtaining new employment within six months of completing the program. These reemployment figures follow the long-term trend that individuals who complete TAA training have consistently higher employment rates than those who did not.

Do workers earn more money after participating in TAA?

Answer: Yes. A recent study by Benjamin Hyman, "<u>Can displaced labor be retrained? Evidence from quasi-random assignment to trade adjustment assistance</u>," compared differences among workers approved or denied TAA. Hyman found that workers who received TAA training earned \$50,000 more over a ten-year period.

Why would we expand TAA when participation rates were falling before COVID?

Answer: Changes in participation rates do not correlate to the success of the
individuals who have participated in TAA programs. A 2021 report by DOL found
that the fourth-quarter employment rate of TAA participants who completed
training and received a credential were higher than those participants who did
not, continuing a multi-year trend.