

A review of the actual text of the Peterson Institute for International Economics' (PIIE) Trans-Pacific Partnership (TPP) study update that was recently released – versus the slanted press coverage – shows:

- The study's methodology relies on absurd assumptions.
- Even so, the claimed gains for the United States are small.
- The study identifies significant downsides for the United States, including more than 500,000 U.S. jobs lost in the pact's first 10 years.

Despite the administration's rosy framing, even the PIIE's pro-TPP study predicts lackluster results for U.S. economic growth as well as U.S. job losses.

Income gains from the TPP, as predicted by PIIE, are VERY small – a TOTAL of one-half of one percent by 2030 – i.e. a rounding error of under 0.036 percent per year. That is to say, the gain in U.S. growth with the TPP at the end of 15 years sums up to 0.5 percent. TPP proponents use the gross number to be able to tout “billions” in gains because in context to projected U.S. economic growth without the TPP, the so-called TPP gain is miniscule.

- The sum total of projected U.S. economic gains approximately equals the amount that Americans will spend on St. Patrick's Days, over-the-counter teeth whiteners and tattoos by the time the TPP's benefits are supposed to materialize.
- [Notes CEPR's Dean Baker](#): “The study's projection of a cumulative gain to GDP of 0.5 percent by 2030 implies an increase in the annual growth rate of 0.036 percentage points. This means that if the economy was projected to grow by 2.2 percent a year in a baseline scenario, it will instead grow at a 2.236 percent rate with the TPP, assuming the Peterson Institute projections prove correct. *The projections imply that, as a result of the TPP, the country will be as rich on January 1, 2030 as it would otherwise be on April 1, 2030.*”

The Obama administration was called out by the Wall Street Journal for trying to distort this paltry gain, which they are touting because the only [official U.S. government](#) study undertaken by the U.S. Department of Agriculture shows that the TPP would have no economic benefits for the U.S. economy.

- The USDA study concluded that even if all tariffs were slashed to zero (which did not happen) the TPP would increase U.S. GDP by 0.00 percent in 2025. You read that right – 0 percent. It doesn't get any lower than that.

The meager projected TPP gain in the U.S. economy comes even despite the study's use of a model that assumes no job loss or rise in inequality, two of the issues of greatest concern to many TPP opponents.

- Yet even using a methodology that assumes full employment, buried in the fine print of the Peterson Institute's study is a prediction that 53,700 U.S. jobs PER YEAR will be displaced in the TPP's first ten years. That is, the total job loss projected by the study, despite its rosy assumptions, is more than 537,000 lost jobs in the pact's first decade.

Another recent economic modeling study concluded that [450,000 American jobs would be lost under the TPP](#).

- The TPP includes rules that will make it easier to offshore more American jobs to low wage countries.

Using an economic model that allows for the possibility of less than full employment and rising income inequality, [Tufts University economists](#) found that the TPP would result in a net loss of income in the United States and significant job loss.

- There is [academic consensus](#) that trade has contributed to the major rise in inequality. A [recent study](#) finds the **TPP would spell a pay cut for all but the richest 10 percent of Americans** by exacerbating income inequality, as past trade deals have done.
- Macroeconomic theory predicts if Americans face more competition from workers in Vietnam who make less than 65 cents/hour, wages will be pushed down.
- Sixty percent of manufacturing workers losing jobs to trade who find reemployment face pay cuts, with one in three losing more than 20 percent, per U.S. Department of Labor data.