

NAFTA'S DISPROPORTIONATE DAMAGE TO U.S. LATINO AND MEXICAN WORKING PEOPLE



NAFTA'S FALSE PROMISES

Donald Trump hijacked a progressive critique of the North American Free Trade Agreement (NAFTA) to win working-class support during his campaign. NAFTA *has* harmed many U.S. workers, so promises to renegotiate or end the trade deal struck a nerve.

But Trump's xenophobic narrative about NAFTA – that Mexico cooked it up to harm U.S. workers – is entirely wrong. NAFTA was the brainchild of U.S. presidents, and its terms that have led to the loss of U.S. jobs and put downward pressure on U.S. wages were made in U.S. corporate boardrooms.

Far from benefitting from it, Mexican workers and farmers have suffered extreme losses under NAFTA, and U.S. Latino workers have been hit disproportionately by the outsourcing and job losses Trump loves to invoke.

NAFTA HAS BEEN DEVASTATING TO WORKING PEOPLE IN BOTH MEXICO AND THE UNITED STATES

The U.S. public was promised that NAFTA would create a million new high-wage jobs in its first five years. Mexicans were told it would raise wages and bring standards of living closer to those in the United States and Canada.

The reality has been the opposite. Instead of creating U.S. jobs, NAFTA eliminated them. Mexican workers have seen wages decline in real terms since NAFTA and two million Mexicans engaged in farming and related work lost their livelihoods altogether.

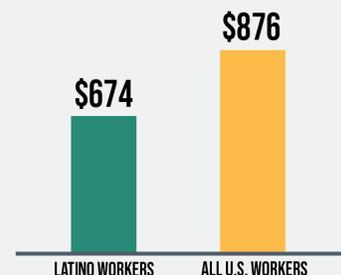
With millions of displaced rural Mexicans competing for new manufacturing jobs outsourced from the U.S. – and a lack of independent unions in Mexico – employers could keep Mexican wages reprehensibly low.

U.S. LATINO WORKERS HAVE SUFFERED DISPROPORTIONATELY UNDER NAFTA

- NAFTA's U.S. economic damage has been greatest in regions where the Latino population is concentrated. The 15 states where 85 percent of Latinos reside account for nearly half of the more than 950,000 certified NAFTA job losses.

WAGES FOR U.S. LATINO WORKERS

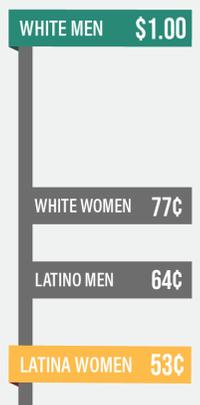
Median Weekly Earnings for Full-Time U.S. Workers



THE LATINO-WHITE U.S. WAGE GAP

The Latino-white wage gap has remained wide over the years.

Latino men earn 64 cents and Latina women earn **53 CENTS FOR EVERY DOLLAR** earned by a non-Hispanic white man.



Sources: National Employment Law Project; U.S. Bureau of Labor Statistics, Current Population Survey

- Latino workers have been disproportionately represented in light manufacturing industries hit hardest by the outsourcing NAFTA incentivizes. Latinos have lost 138,000 jobs in the apparel and textile sector and 123,000 jobs in the U.S. electronics industry during the NAFTA era.
- As NAFTA has eliminated U.S. manufacturing jobs, wage stagnation for workers without college educations across all industries has hit Latinos asymmetrically. Rather than the Latino-white pay gap closing, it has increased during the NAFTA years.

NAFTA AND IMMIGRATION

The conditions NAFTA created in Mexico became major push factors for increased migration to the United States. From 1993 to 2000, annual immigration from Mexico increased from 370,000 to 770,000. More than 7,000 people have died crossing the U.S.-Mexico border since 1998.

The total number of *undocumented* Mexican immigrants in the United States increased from 2.9 million after NAFTA went into effect to 6.9 million by 2007. Even before the Trump administration's attacks, Mexican migrants who survived the perilous border crossing were some of the most vulnerable workers in the U.S. economy. And, as the 2005 Central America Free Trade Agreement spread trade-induced displacement through Central America, migration from that region increased as well.

The United States militarized the border in response to the inflow of people displaced by U.S. trade policies. The number of U.S. Border Patrol agents jumped from 5,000 to over 20,000 since NAFTA. Tens of thousands are met with deportation, while the Trump administration keeps hundreds of thousands of mainly Mexican-American "Dreamers" and Central American Temporary Protected Status holders in limbo to bargain for funding for a border wall.

NAFTA 2.0 IS A WORK IN PROGRESS

A look at NAFTA's negative effects on working people in the United States and Mexico underscores why it must be replaced. That is why unions and consumer, faith and environmental groups are demanding key changes be made to NAFTA 2.0, and that **no deal should be sent to Congress unless:**

- Monopoly rights for Big Pharma to keep medicine prices high are eliminated from a final deal.
- The deal includes strong labor and environmental standards subject to swift and certain enforcement.
- Mexican environmental laws are not exposed to attack by oil firms using undemocratic ISDS tribunals.



The way forward is neither NAFTA's failed neoliberalism nor Trump's hateful nationalism – but a new trade agreement model that increases wages and democracy and reduces outsourcing and corporate power.

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