

**United States House of Representatives**  
**Committee on Ways and Means**  
**“Overcoming Racism to Advance Economic Opportunity”**

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**Written Testimony of Dr. Carmen Rojas**  
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Chairman Neal, Ranking Member Brady and members of the Committee. Thank you for the opportunity to testify before you this morning on the role racism plays in perpetuating economic inequality, and the ways federal programs have created barriers to economic well-being for all Americans.

My name is Carmen Rojas and I am the President and CEO of the Marguerite Casey Foundation (MCF, 2022). We are a racial and economic justice philanthropic organization located in the state of Washington. It is our charitable purpose to support nonprofit organizations throughout the United States working to make sure all people have an equal voice in our democracy and can thrive in our economy.

I want to start by talking about my mom. My mom, Maria Elena Aviles, is the second eldest of 17 kids from a small town in Nicaragua. In 1960, at 17 she immigrated to the United States, like millions of people before her and millions of people after her—in search of a better life for herself and her family. This wasn’t an easy decision. She would be leaving behind her best friends, her favorite foods, all of the creature comforts that came with belonging. She did this because she believed deep in her bones that here in the U.S. if she worked hard and served her community she could have a future where she could afford a home to raise her kids, where she would be able to vote for the people that represented her dreams and aspirations, and where she would have a government that she could be proud of.

My mom was an economic and opportunity migrant. She left the people she loved most because of a set of international policies that often worked against her being able to have a stable life in her home country where she could raise a family and have a steady job.

She immigrated to the United States when going to college was affordable and attainable to most working families (Hanson, 2022). She immigrated to the U.S. when the ratio between CEO and employee pay was 21 to 1 (Kandra & Mishel, 2021). She immigrated when we saw the greatest gains for working people and people of color resulting from union and civil rights organizing. These weren't magical times. These were times when our political leaders and employers made different choices about what it takes for us to look out for each other, and made investments keeping front-of-mind how we want our people to live. Throughout this time we saw the growth of a predominantly white middle class—because people in your seats understood that it was their job to make our lives better.

We often have conversations about race and the economy erasing the role our government and political leaders play in shaping the norms, rules, and commitments of our economic lives. I want to use my testimony to describe the ways in which trade and labor policy has left millions of people out of economic opportunity solely because of race. These policies have in large part excluded or exploited Black, Native, Asian Pacific Islander, and Latino taxpayers.

Our trade policy establishes the nature of the relationships between working people and capital across the globe. It creates the terrain onto which we understand not only the movement of goods, but more importantly the underlying reasons motivating the movement of people, like my mom, from one place to another in search of economic opportunity. Over the last 50 years, U.S. domestic and international economic policy has been influenced by billionaires and corporate CEOs who want to earn profit at any expense. While trade policy and the associated research is often disconnected from domestic policy and rarely delves into the specific impacts these policies have on people of color, scholars and lawmakers are now making the explicit connection between trade policies, worker dislocation, and racial discrimination (Western, 2021).

We have seen how our economic policies have impacted all workers. And they have hurt workers of color most. We've seen the complete bifurcation of our labor market: on the top end are technology and capital intensive jobs and at the bottom we find manufacturing and service sector jobs. At one moment in time manufacturing work in the United States, as a result of union density, created a national context where you could make goods and be in the middle class. This was true specifically for Black workers who moved from the rural South to the North and Midwest to a robust and union organized sector (Mishel, 2018). In the later part of the 1990s Black workers were as likely as white workers to work in manufacturing, with over 40% represented by a labor union (Bucknor 2016). Just 20 years later, that number had declined to just over 13%. As one study notes: "Between 1960 and 2010, the downward trend in manufacturing employment contributed to a 12% increase in the racial wealth gap between Black and white men" (Western, 2021, p. 4).

In the intervening years, the federal government has sought to reduce the impacts of 40 years of trade policy by putting in place programs like Trade Adjustment Assistance, which provides critical assistance to those workers who have lost jobs as a result of increased imports. This has allowed for more robust data collection on the specific ways our trade policies have hurt workers of color. The impacts of our corporate centered trade policies and labor market disparities have disproportionately displaced Black and Latino workers from the economy. "For every 100 Black workers who lose their jobs 21.1% remain unemployed, for every 100 Latino workers who lose their jobs 21.8% remain unemployed. Meanwhile, for every white worker who loses their job, 14.3% remain unemployed" (Western, 2021, p. 7).

Over the last 20 years, over one million workers have been displaced from the labor market as a result of our importation of goods from China (Acemoglu, 2016). The so-called China Shock is directly tied to both the decline of manufacturing in the U.S. as well as to a decline in the quality of jobs across other industries. Reducing the power and presence of labor unions in manufacturing has had a detrimental impact on the ability of working people—both in the United States and abroad—to bargain for better wages, work in safe and healthy working environments, and have access to the protections necessary to make work dignified.

The decline in quality union jobs can be directly correlated to past economic policies that are contingent on a race to the bottom where U.S. corporations, shareholders, and boards have no incentive and face no consequence should they seek to move production to places that exploit workers, destroy the environment, and act as tax havens. Corporate CEOs and billionaires have had their thumb on the scale shaping economic policy that benefits them at our collective expense. Wages are currently so low that no minimum wage worker can afford to rent an apartment in the city they work in with only one job (NLIHC, 2021). Deaths of despair increase for working white people who are losing the little gains they made a generation before (Case & Deaton, 2015). Most of us will continue to lose what we have and suffer if we continue to disarticulate the impacts of our international trade policy from the lives of working people.

We are seeing some hopeful signs for the Committee to build upon. Shifting our policies from a regime of “corporations take all trade” to worker-center trade is an amazing signal. A trade ambassador, in Ambassador Tai, who has actively reset the norms of our trading relationships to be focused on “respecting and promoting the dignity of work and our workers” is a beacon of light for all workers. President Biden’s prioritization of racial and intersectional equity in the U.S. trade agenda is a critical and necessary first step to make sure that those workers who have long been left behind in the economic gains of our nation are front and center in the future of work. Finally, this Committee has a critical opportunity to build upon key legislative efforts—to promote workers and unionization, as evidenced by the labor chapter of the recent U.S.-Mexico-Canada Agreement, and to strengthen programs that support American workers of all colors, which is found in the Committee’s proposal to improve and renew Trade Adjustment Assistance (TAA).

The Federal government, and this committee, have an unprecedented opportunity to right the wrongs of practices that have left millions behind. In order to address the gaps in our trade and labor policy, trade policy should be focused internationally on a “race to the top” where we use our trade position to improve workplace standards, support collective bargaining, and prioritize protecting our environment. Domestically, trade policy should be tied to a more robust safety net which includes expanding and creating easier access to child care, paid leave, and unemployment insurance.

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