

## Value-Added Employment: Study Looks at U.S. Jobs Retained Despite Offshore Production

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Just because apparel is made overseas doesn't mean there aren't a lot of U.S. jobs that go into making a label.

According to a recent study, approximately 70 percent of the work done to make a garment is done in the United States. That starts with the design of a fashion label and fabric development. Once it returns from an overseas factory, a garment is transported from customs to a warehouse and then on to a U.S. store. Sales people are hired to sell the product, and marketing experts seek ways to get the word out about the collection with advertisements and social networking.

“After the garments were landed in the United States, there was a significant value-added in a myriad of activities,” wrote Susan Hester, managing partner in **Moongate Associates Inc.**, which prepared the study for the Trans-Pacific Partnership Apparel Coalition, made up of representatives from the **American Apparel & Footwear Association**, the **National Retail Federation**, the **Retail Industry Leaders Association**, the **U.S. Association of Importers of Textiles and Apparel** and the **Outdoor Industry Association**.

The coalition is hoping that negotiations for a new trade agreement, called the Trans-Pacific Partnership, will not employ a yard-forward requirement, which means that any apparel will have to be made from regional yarns in order to qualify for duty-free entrance into the member countries of the trade agreement. The coalition would like yarns from outside the free-trade area, such as from China, to be allowed to qualify for duty-free entry. Duty-free entry is a bonus for consumers, who ended up paying lower prices. Currently, tariffs on most apparel products range from 7.1 percent to 27.7 percent, with the average rate of 16.8 percent on things such as men's and women's cotton knit shirts, men's and women's cotton trousers, and women's synthetic outerwear.

The study noted that most consumers take a black-and-white attitude toward apparel. Either it is made overseas (98 percent of the time) or it is manufactured in the United States (2 percent of the time). But that is far from the truth.

“The job categories that support the value chain represent high-quality American jobs,” Hester wrote. “Most of the lowest-skilled jobs are done overseas, leaving the more highly skilled professional employment concentrated in the United States.”

The report noted that U.S. value-added jobs started with fashion designers, whose average salary is \$73,640. Then there are the fabric and apparel patternmakers, who on average earn \$48,110. Distribution managers involved in moving the goods earn about \$82,923, and sales managers have a yearly wage of around \$111,283.

The report concluded that “the activities carried on in the United States in support of manufacturing abroad dwarf the value-added in foreign countries.”

Countries involved in negotiating the Trans-Pacific Partnership are

the United States, Peru, Chile, Brunei, Australia, Malaysia, New Zealand, Singapore and Vietnam. Mexico and Canada are expected to be included soon. The 16th round of TPP negotiations will take place March 4–13 in Singapore.—*Deborah Belgum*