

# Trade Adjustment Assistance

*Federal program created to reduce the damaging impact of imports felt by certain sectors of the U.S. economy due to the Trade Expansion Act of 1962.*

**Features 4 components of Trade Adjustment Assistance: Communities, Workers, Farmers, and Firms.**

# Trade Adjustment Assistance For Firms

*Technical Assistance & Cost Sharing of  
Improvement Projects for American  
Manufacturers to Strengthen their Competitive  
Abilities in a Global Economy*

**Mid-America Trade Adjustment Assistance Center**

# Trade Adjustment Assistance for Firms (TAAF)

- Established by Congress – **Trade Act of 1974**
- Funded & administered - Department of Commerce's **Economic Development Administration (EDA)**
- National Network - 11 Trade Adjustment Assistance Centers (TAAC) [www.taacenters.org](http://www.taacenters.org)
  - **Mid-America TAAC is an awardee of the University of Missouri-Extension & serves Iowa, Kansas, Missouri, and Nebraska**

# TAAF Program

- **Purpose** - to cost share in improvement projects for American manufacturers that have been negatively impacted by foreign trade imports to strengthen their global competitiveness through increased profits, jobs creation and long-term financial stability.
- **Assistance** - designed to identify a firm's weaknesses through interaction with the participating firm's management, as well as, objective observation of a firm's operations, and then to address each operational weakness with proactive projects implemented by industry experts and consultants at a cost share with the participating firm.
- **Results** - achieved a significant return on investment (ROI) in terms of new jobs created, existing jobs retained, reduced operational costs, increased firm sales, and improved productivity levels sales.

# TAAF Program Objectives

- **Competitiveness Turn Around** - Improve impacted firms' ability to compete *with imports*
- **Firm Stabilization** - Stabilize or increase *employment* and increase *profitability*

# TAAF Funding Opportunities managed by Mid-America TAAC

## **\$30,000\* Adjustment Assistance**

- 25% Company Cost Share Match
- 75% Government Cost Share Match

*\*up to \$30,000*

## **\$150,000\* Adjustment Assistance**

- 50% Company Cost Share Match
- 50% Government Cost Share Match

*\*between \$30,000-\$150,000*

# Typical Client Profile\*

## **\$30,000 Adjustment Assistance**

- Annual Revenues up to \$5 Million

## **\$100,000 Adjustment Assistance**

- Annual Revenues between \$5 & \$10 Million

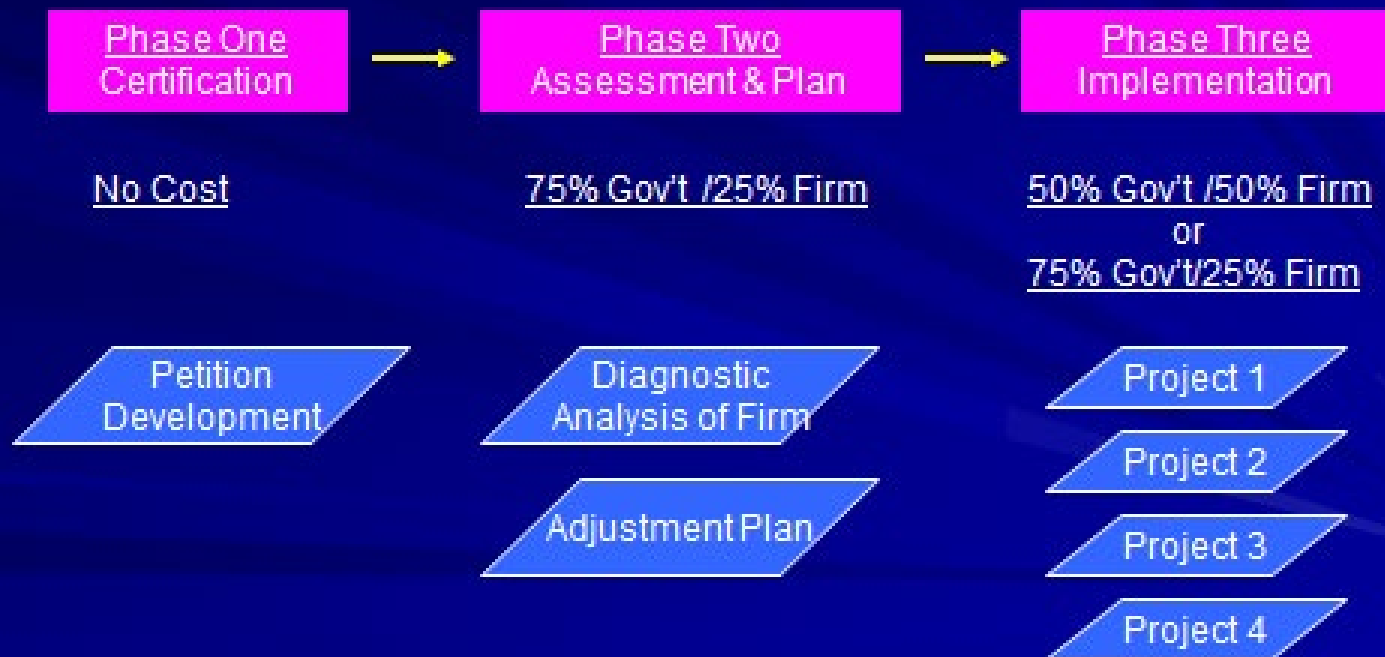
## **\$150,000 Adjustment Assistance**

- Annual Revenues \$10 Million and above

\*Varies based on Federal Funding and current client load

# Three Phase Process

## Trade Adjustment Assistance Three Phase Process



# Phase 1- Eligibility Assessment

## ***PETITION APPLICATION DEVELOPMENT***

- Firms must have experienced the following:
  - Sales decrease of 5% or more\*
  - Employment decrease of 5% or more\*
  - Increasing Imports for firm product line(s)\* *(research provided by TAAC)*
- TAAC develops a Petition application and submits to EDA for certification

*\*Rolling timeframe (1-3 year review)*

# Phase 2 – Recovery Assessment

## ***ADJUSTMENT PROPOSAL DEVELOPMENT***

- **TAAC conducts a comprehensive assessment of the firm, including financial analysis benchmarked against industry standards**
- **TAAC works collaboratively with each firm to identify opportunities for improvement (SWOT Analysis)**
- **TAAC develops a Recovery Strategy including improvement projects, budget and timeline for implementation and submits to EDA for approval**

# Phase 3 – Recovery Implementation

## ***ADJUSTMENT PROPOSAL IMPLEMENTATION***

- **Cost Sharing - Firms have 5 years to implement projects identified in their Adjustment Proposal to improve their competitive abilities.**
  - Firm chooses a consultant
  - 3-Party Contract between firm, consultant & TAAC
  - Consultant performs
  - Firm pays their share to consultant
  - TAAC pays governments share to consultant

# Eligible Improvement Projects

## ***FINANCIAL & GENERAL MANAGEMENT***

- Compensation and Incentive Programs
- Profit Planning, Cash Management and Budgeting
- Cost Management, Debt Restructuring, and Profit Planning
- Organizational Analysis
- Expansion and Diversification
- Succession Planning
- Workforce Development & Training

# Eligible Improvement Projects

## **MARKETING & SALES**

- Advertising and Sales Promotion Development
- Distribution Analysis and Development
- eCommerce
- Export & International Trade Assistance
- Market Research and Planning
- Sales Force Management Programs
- Social Media
- Trade Shows
- Website Development, Updating, and Smart Phone Compatibility
- Product Line Evaluation
- Analysis of Competition

# Eligible Improvement Projects

## ***MANUFACTURING, ENGINEERING & PRODUCTION***

- Inventory Management
- ISO Preparation & Registration
- Operation Analysis
- Process Engineering
- Product Development, Designing, Prototyping, Testing & Certification
- Productivity Improvement (LEAN, Six Sigma)
- Quality Improvements
- Facility and Equipment Review
- CAD/CAM Selection and Implementation

# Eligible Improvement Projects

## ***IT SUPPORT SYSTEMS***

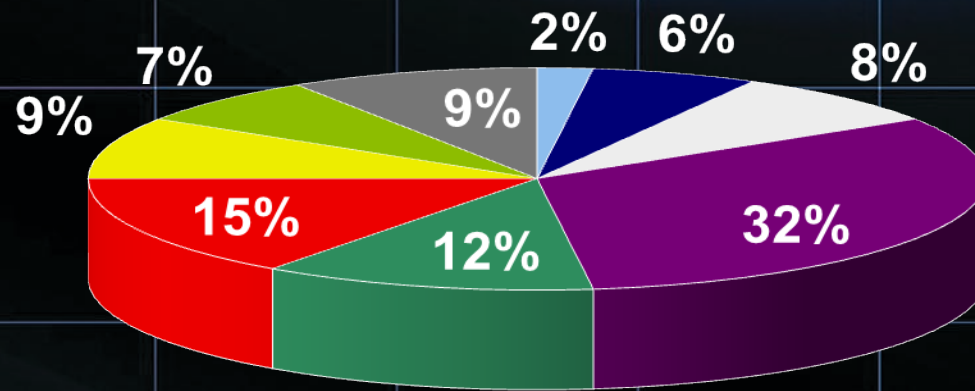
- Custom Programming
- Employee Training
- Integrated Manufacturing Systems
- Hardware and Software Evaluation
- Software Upgrades
- System Conversion and Enhancements
- E-Commerce
- Cyber Security

# **Adjustment Assistance Improvement Projects**

**FY 2021 (May 21 – April 22), Mid-America TAAC managed contracts totaling \$1,074,657.36 and implemented 50 improvements projects to 27 firms.**

**Most common types of assistance provided to participating firms in FY 2021 were marketing/sales and support systems improvement projects.**

# Industries Served In The Mid-America Region



■ Food & Kindred  
■ Lumber & Wood  
■ Chemicals  
■ Mach & Fab  
■ Misc.

■ Textile & Apparel  
■ Furniture  
■ Stone/Clay & Concrete  
■ Elec & Equip

# TAAF Program Results

- **EDA's FY 2020 Annual Report to Congress found firms reported a 31% increase in sales and a 32% increase in employment from the time they were certified into the TAAF program to two years after completing the program.**  
(Census Bureau's Annual Survey of Manufacturers reported the national manufacturing industry in aggregate experienced an average sales decrease of 6% while the U.S. Bureau of Labor Statistics reported an average manufacturing employment increase of 1%.)
- **Comparing sales and employment figures reported in 2021 to those reported in 2020, Mid-America TAAC's clients experienced an increase in sales of \$111+Million, a 9.2% sales increase. They also retained 2526 jobs and created 42 jobs, a 2% employment increase.**

# TAAF Program Benefits

- *Improved Cash Flow/Leverage*
- *Improved Competitive Abilities*
- *Increased Sales and Production*
- *Job Growth and Retention*

# Mid-America Trade Adjustment Assistance Center

A Business Development Program within the University of Missouri Extension

Donna Porch, Director  
4200 Little Blue Parkway, Suite 590  
Independence, MO 64057

816.666.9407

[mid-amer@taacenter.org](mailto:mid-amer@taacenter.org) [www.taacenter.org](http://www.taacenter.org)

Funded by the U.S. Economic Development Administration (EDA).



# Contacts

- **Missouri & Kansas – Becky Nace**  
**816-666-9411 [nacer@taacenter.org](mailto:nacer@taacenter.org)**
- **Nebraska & Iowa – Mark Allen**  
**816-666-9406 [allenmd@taacenter.org](mailto:allenmd@taacenter.org)**

**Thank You**

**Questions?**