

## Study: Offshoring of U.S. jobs accelerating

More white-collar jobs moving to India, China, Russia  
The Associated Press

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SAN JOSE, Calif. - New figures on offshore outsourcing suggest that American companies are sending even more white-collar jobs to low-wage countries such as India, China and Russia than researchers originally estimated.

Roughly 830,000 U.S. service-sector jobs — ranging from telemarketers and accountants to software engineers and chief technology officers — will move abroad by the end of 2005, according to a report released Monday by Forrester Research Inc.

The Cambridge, Mass.-based firm projected in 2002 that 588,000 jobs would move overseas by the end of next year.

Forrester also increased its long-term job loss prediction, estimating that 3.4 million jobs will leave the United States by 2015. The company originally predicted long-term job loss of 3.3 million positions — a figure that members of Congress and labor activists said was cause for great alarm. Researchers said the short-term losses surged as companies began experimenting, but the long-term numbers will likely moderate.

Forrester analysts boosted their short-term job loss expectations by 40 percent based on updated job data based provided by the U.S. Department of Labor.

Lead researcher John C. McCarthy said widespread publicity over the cost savings associated with offshoring — increasingly a topic of partisan debate in the presidential campaign — may have hastened the trend. The average computer programmer in India earns roughly \$10 per hour, compared to more than \$60 per hour for the average American.

"People were reading about offshoring at their breakfast table," McCarthy said in a phone interview. "That made a lot of (chief information officers) who were unaware of the cost savings consider moving in that direction."

Executives in the financial services and technology industries have embraced the trend. Tech hubs such as Silicon Valley, Seattle and Austin, Texas, have higher unemployment than the nation at large.

But the Forrester report says a new wave of white-collar offshoring among manufacturing companies — automobile parts suppliers and agribusinesses, for example — will bring the trend to other parts of the country, particularly the Midwest.

The region is still reeling from the offshoring of blue-collar jobs to low-wage countries in eastern Europe, Latin America and China. It's unclear what impact the loss of accountants, programmers and business analysts would have in places such as Detroit, Chicago and Cincinnati, McCarthy said.

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