Impacts of the Automotive Industry’s Restructuring
Community Economic Adjustment Program
A Coordinated Response

Economic Development Administration
Community Economic Adjustment Program (CEAP)

Administered by the University of Michigan’s Institute for Research on Labor, Employment, and the Economy (IRLEEE)
Over the past 3 years the CEAP has:

- Engaged 23 communities in Michigan, Ohio, Indiana, and Wisconsin

- Collected critical needs in each community focused on social service, workforce development, and economic development
EDA CEAP Communities

**Michigan**
- Grayling
- Washtenaw County
- Lenawee County
- Lansing- Tri-County
- Genesee County
- Macomb-St. Clair Counties
- Monroe County
- Northeastern Oakland County (Pontiac)
- Southwestern Oakland County (Wixom)
- City of Hamtramck

**Ohio**
- Southern Ohio
- Brook Park- Cuyahoga County
- Toledo-Maumee Region
- Moraine-Kettering Region
- Twinsburg-Summit County
- Richland County

**Wisconsin**
- Janesville-Rock County

**Indiana**
- Connersville-Fayette County
- Kokomo-Wabash Region
- Anderson Muncie Region
- Northeast Indiana Region
- North Central Indiana Region
CEAP 3-Step Process

1. Focus Group - identify critical needs

2. Workshop - provide federal, state, and non-profit resources

3. Follow-up - funding identification/proposal preparation
The Threadbare Social Safety Net
Social Service Critical Needs Collected

- Housing Assistance - 50% of Communities
  - Weatherization
  - Foreclosure Prevention
  - Rental Assistance
  - Affordable/Low Income
Critical Needs Continued

- Healthcare - 53% of communities
  - Affordability
  - Mental Health Assistance
  - Substance Abuse Interventions
- Dental care
- Community Clinics
Critical Needs Continued

- General Social Service - 68% of Communities
  - 211 System Expansion
  - One-Stop Assistance Centers
  - Outreach to Dislocated Workers and Families
- Family Counseling
- Streamlined Services
- Improved/Connected Case Management Systems
Case Study

General Motors Moraine Assembly Plant
(Montgomery County, Ohio)
Plant Data

Vehicle Manufacturing

- 191 salaried employees
- 4,100,000 square feet
- 2,170 hourly employees
Map of Events in Montgomery County
Montgomery County Events
September 2007 - present

<table>
<thead>
<tr>
<th>Facility</th>
<th>Direct jobs</th>
<th>Indirect jobs</th>
<th>Total jobs</th>
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<tbody>
<tr>
<td>GM Assembly</td>
<td>2,170</td>
<td>10,850</td>
<td>13,020</td>
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<tr>
<td>DMAX</td>
<td>645</td>
<td>3,225</td>
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<td>Jamestown Indus.</td>
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<td>400</td>
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<td>Johnson Controls</td>
<td>130</td>
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<td>EFTEC</td>
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<td>415</td>
<td>498</td>
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<td><strong>Total</strong></td>
<td><strong>5,504</strong></td>
<td><strong>27,520</strong></td>
<td><strong>33,024</strong></td>
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</tbody>
</table>
Economic Cost to Regional Economy From the GM Moraine Plant

2,170 direct jobs lost at $100,000

10,850 indirect jobs lost at $45,000

TOTAL economic impact to regional economy = $705,250,000
Impact on Families
From the GM Moraine Plant

For every 1 direct job lost = 4 people are affected by loss of livelihood, insurance, etc.

Individuals affected = 52,080
The Growing Strain on the Safety Net...
Dayton Area United Way
Change in Donations vs. Needs

Values as Percentage for 2007 Levels

- Donations
- Food Pantry Visits—significant increase due to strike at American Axle
- Basic Need Calls: Food, Housing, Material Resources, Temporary Financial Assistance, and Transportation
- Other Need Calls: Consumer Services, Criminal Justice/Legal Services, Education, Environmental Services, Health Care, Income Security, Individual and Family Life, Mental Health Care/Counseling, Organizational and Community Services, and Target Groups

Years
2007
2008
Dayton Area United Way
Additional Observations

9 in 10 partner agencies have increased demand- two-thirds have significant increases.

Revenue at partner agencies is down 17%.

7 in 10 agencies have decreased contributions from individuals and 5 in 10 have decreases in corporate and foundation gifts.

As a result:

- 2 in 3 agencies are reducing non-personnel costs
- 4 in 10 are laying off staff and/or reducing staff hours
- 1 in 5 has had to eliminate programs and/or reduce services
Policy Issues

- Regional social safety net vastly inadequate to meet current and increasing needs

- Small-medium size companies need assistance for stability and job retention and growth
Policy Level Recommendations

- Identify a Federal Agency to provide emergency funding that will help meet the additional demand in social service agencies.
- Pay special attention to children of dislocated workers (lack of food, basic needs, counseling).
- Attention to families and inability to meet their own needs.
- Focus on layoff aversion and job retention/creation in small to mid-sized firms.
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