



University of Michigan



Office of the Vice President for Research



**Institute for Research on Labor,  
Employment, and the Economy**

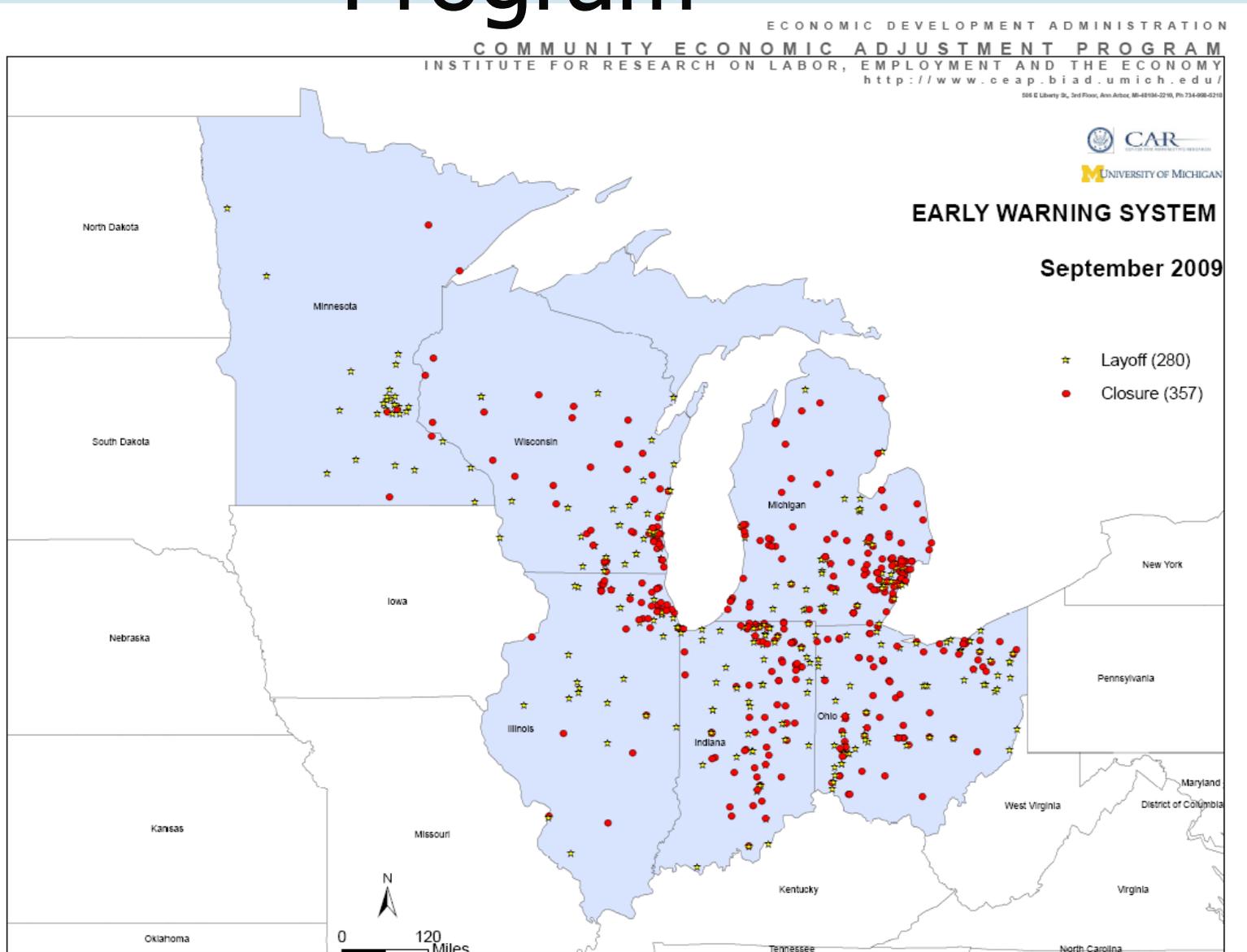
Marian J. Krzyzowski, Director

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# 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 (IRLEE)

# EDA CEAP

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

## Wisconsin

Janesville-Rock County

## Ohio

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



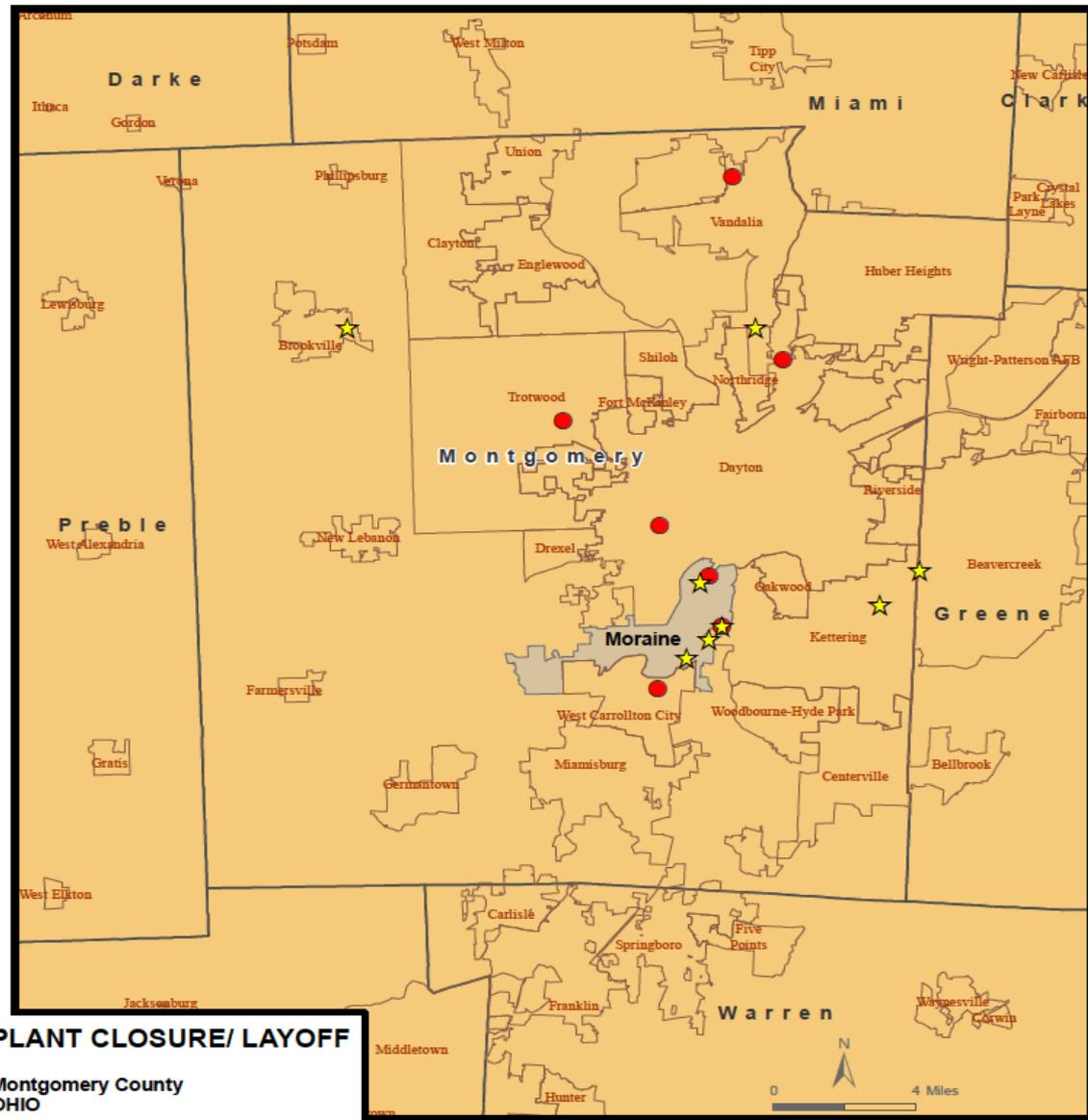
# Plant Data

## Vehicle Manufacturing

- 191 salaried employees
- 4,100,000 square feet
- 2,170 hourly employees



# Map of Events in Montgomery County



## PLANT CLOSURE/ LAYOFF

Montgomery County  
OHIO

September 2009

- Closure
- ★ Layoff

ECONOMIC DEVELOPMENT ADMINISTRATION  
COMMUNITY ECONOMIC ADJUSTMENT PROGRAM  
INSTITUTE FOR RESEARCH ON LABOR, EMPLOYMENT AND THE ECONOMY  
<http://www.ceap.biad.umich.edu/>  
506 E Liberty St, 3rd Floor, Ann Arbor, MI 48104-2210, Ph 734-608-8218

# Montgomery County Events

## September 2007- present

Facility	Direct jobs	Indirect jobs	Total jobs
GM Assembly	2,170	10,850	13,020
DMAX	645	3,225	3,870
Jamestown Indus.	80	400	480
Johnson Controls	130	650	780
PMG Ohio	70	350	420
Plastech	88	440	528
Delphi Plants (4)	2,120	10,600	12,720
Tenneco	118	590	708
EFTEC	83	415	498
<b>Total</b>	<b>5,504</b>	<b>27,520</b>	<b>33,024</b>

# 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



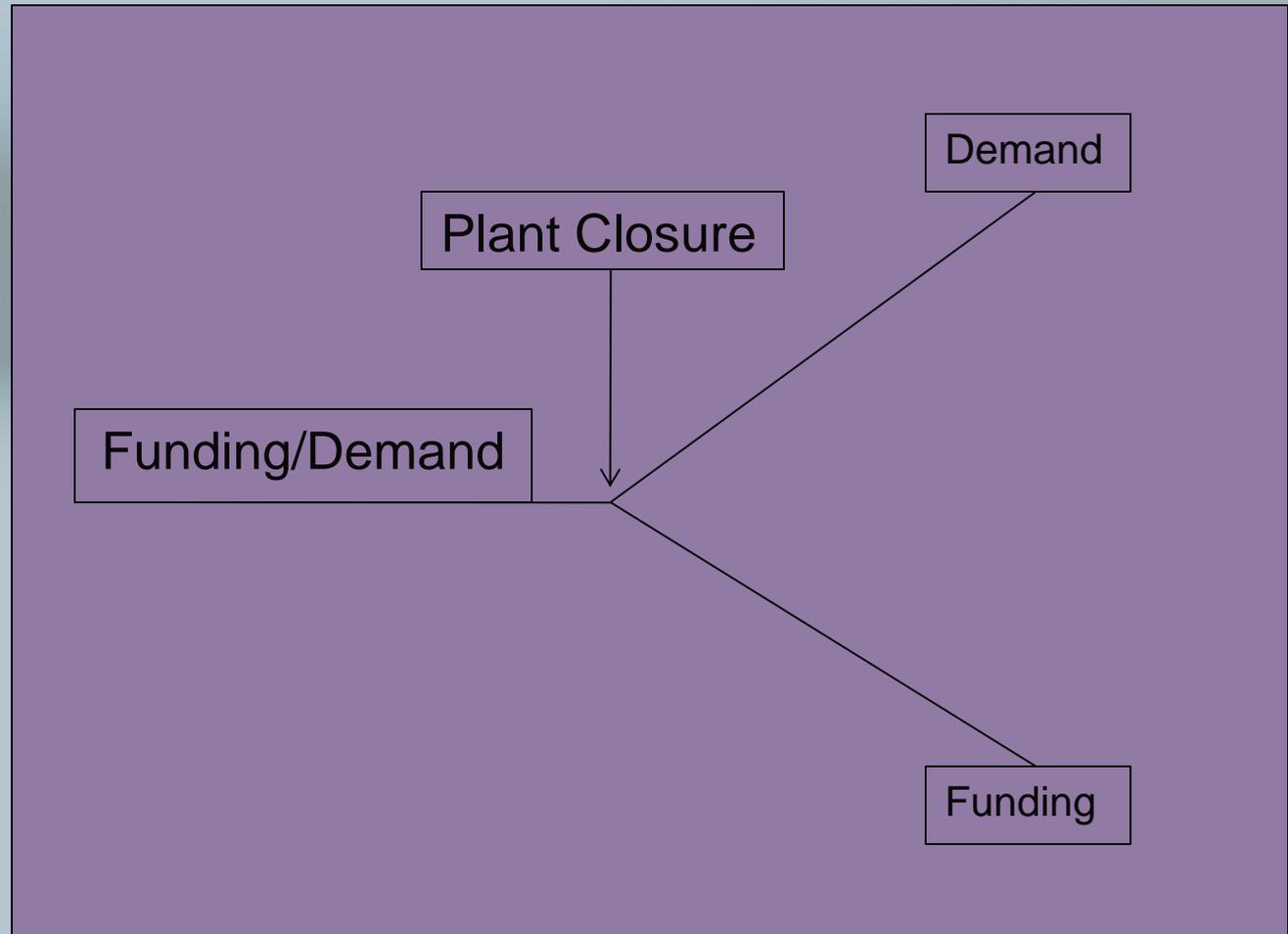
**TOTAL economic impact to  
regional economy =  
\$705,250,000**

# Impact on Families From the GM Moraine Plant

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

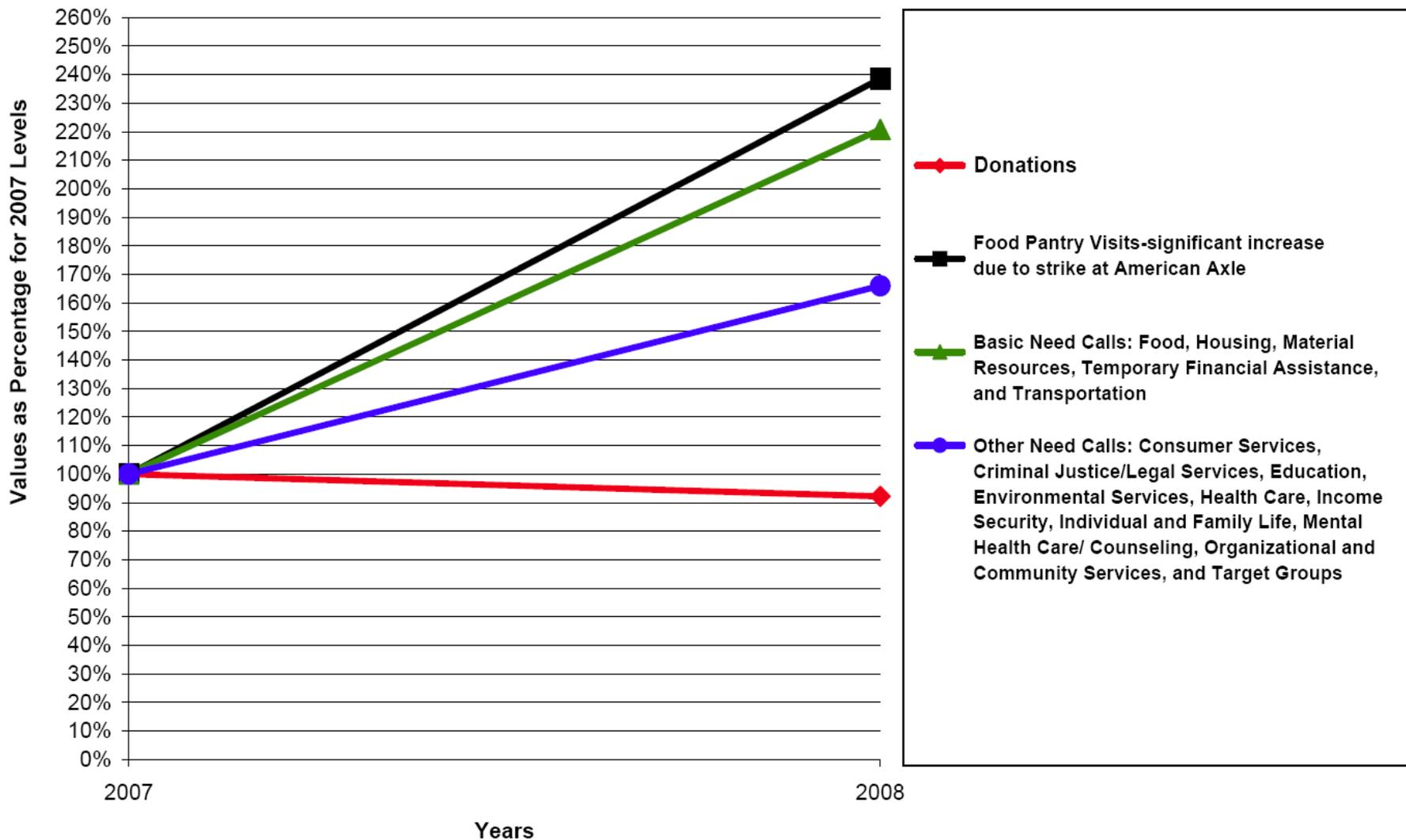
Individuals affected = 52,080

# The Growing Strain on the Safety Net...



# Dayton Area United Way

## Change in Donations vs. Needs



# 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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