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## Black Workers Hurt by Detroit's Ills

By MARY M. CHAPMAN

DETROIT — Since millions of African-Americans began leaving Southern farms for Northern factories nearly a century ago in what is still known as the Great Migration, the destinies of many of them have been entwined with the auto industry's.

The car companies were hardly multiracial utopias, but they, especially [Ford](#), employed blacks when many industries would not. Through the decades, the automakers and their higher wage scales provided a route to the middle class for many blacks, especially those with limited education, and their children.

Now, with Detroit reeling, many blacks find their economic well-being threatened.

By last month, nearly 20,000 African-American auto workers had lost jobs, a 13.9 percent decline in employment, since the recession began last December, according to government jobs data analyzed by the [Economic Policy Institute](#), a liberal Washington research firm. That compares with a 4.4 percent decline for all workers in manufacturing.

"African-Americans earn much higher wages in the auto industry than in other parts of the economy, and the loss of these solid, middle-class jobs would be devastating," said a report this month by the Economic Policy Institute.

"The motor vehicle and parts industry, a sector of the economy that has been particularly welcoming to African-Americans, is becoming a shrinking island of prosperity," the report said.

Claudia Perkins, 55, who has worked in the automobile industry for 33 years and is now at [G.M.](#)'s assembly plant at Lake Orion, Mich., put it more bluntly. "If it wasn't for the factory, the average black would not have been able to survive all these years, especially without an education," she said.

African-Americans occupy most rungs of the car production ladder, from plant workers to white-collar employees to auto suppliers and car dealers. Nelson White III, an industrial materials analyst at [Ford Motor](#)'s transmission plant in Livonia, Mich., said he was concerned that other African-Americans would not receive the opportunities he has.

Mr. White started as an hourly worker in a Ford factory, attended college under a Ford program and made the leap to management in 1999. In May, he will graduate with a master's degree in organizational leadership.

"There's a saying that when America catches a cold, African-Americans catch the flu," said Mr. White.

As in most recessions, African-Americans have been hit harder by this recession than other workers. The overall unemployment rate for blacks increased to 11.2 percent in November, an increase of 2.8 percentage points over last year. By comparison, national unemployment last month was 6.7 percent, up 2 percentage points from a year ago.

In all, blacks made up 14.2 percent of the total automotive work force in 2007, according to the policy institute report, compared with 11.2 percent of the overall American work force. Blacks in the manufacturing and parts sector earned \$17.08 an hour, compared with \$15.44 an hour for blacks in all industries, the report said.

"Because African-Americans continue to have less education than other groups, the loss of high-paying manufacturing jobs has long been magnified in the black community," said Robert E. Scott of the policy institute. "When benefits are considered, the auto industry is one of the best sources of jobs for workers without a college degree."

For instance, 21.9 percent of black workers in the nation's overall work force have four-year college degrees, compared with

33.7 percent of whites in the entire labor force, Mr. Scott said.

Almost from the beginning, blacks found opportunities in the car companies when they did not find them in other industries. In the early 1940s, while many industries in the United States were enforcing or even creating segregated workplaces — [United States Steel's](#) factories and dormitories around Birmingham, Ala., were an example — [Henry Ford](#) employed blacks and whites in the same plants.

Ford and other auto company owners pioneered the hiring of black workers, though many of them were often given the dirtiest jobs. Ms. Perkins, the G.M. worker, was raised in Jemison, Ala., about 45 miles south of Birmingham. She moved north in the 1950s with her parents, who found work in the auto industry.

Her mother took a job in Flint, Mich., at AC Spark Plug, now owned by the [Delphi Corporation](#), while her father worked for 28 years at the Fisher Body plant of G.M., winding up as the operator of a power sweeper.

“There was always so much talk down South about the manufacturing jobs up here and how easy you could get a job,” said Ms. Perkins, whose siblings and other relatives work in the auto industry. “People were excited about the pay, and after they’d get a job they would help their families back in the South. They would all the time drive their new cars down and show them off.”

Ms. Perkins, however, resisted going to work in “some grungy factory.” But after an aunt, who was a plant manager, persuaded Ms. Perkins to apply at AC Spark Plug, she gave in. “I made one paycheck and told myself I’d quit after one more, but that day never came,” she said, chuckling.

Her earnings helped her buy a home and pay college expenses for her daughter, an Army major who received a teaching degree. Thus far, Ms. Perkins has escaped the job cuts at G.M.

Some black auto dealers have not been as lucky. About 150 of the nation’s 2,000 minority dealers have closed this year, and 300 more could shut by the middle of January, said Damon Lester, president of the National Association of Minority Auto Dealers.

About 95 percent of all minority dealers are first-generation owners, as opposed to 30 percent of the nation’s nonminority dealers, who are more established and have more clout at banks, said Mr. Lester, which in these days of tight credit can make a big difference.

“Capitalization from a historical standpoint has always been an issue,” he said. “Then when a downturn occurs, black dealerships are less likely to weather economic storms.”

Detroit’s three automakers have minority dealer development programs, which have provided training, mentoring and loans to prospective dealers.

But as automakers eliminate some brands and models under the restructuring plans they have submitted to Congress, Mr. Lester said, those programs could suffer. Half of all minority dealerships sell Detroit vehicles.

“A lot of minorities got their first opportunities through these programs,” he said. “And that’s a good thing. But we want to make sure those programs don’t go away.”

G.M. said it planned to continue its minority dealer development program although the program would save money by using teleconferencing in place of some physical dealer meetings, said Susan Garontakos, dealer communications manager.

While G.M. told Congress it would cut its dealership network by 35 percent, black dealers would not be singled out, she said.

“Everyone is facing significant challenges in the U.S. market, given changes in the landscape and the economic downturns,” Ms. Garontakos said. “But our program is very important, and our diverse dealer network is a strategic advantage. It’s very important to the way we look at our business and market our cars and trucks.”

In Atlanta, Steve Harrell, who is black, said he hoped he would be one of the dealers left standing. Mr. Harrell, president of the Harrell Swatty Company, has 12 showrooms across the country, selling Ford, G.M., Kia, Lexus, and others. .

An auto dealer for 21 years, he said he expected his total showroom sales to drop to \$200 million by the end of this year, from \$320 million in 2007. He has cut his staff to 375 employees, from 600.

“All dealers are suffering,” Mr. Harrell said. “But we were the last ones to the table, so our staying power, our ability to hang in there, is not as great as nonminorities’.” If his showrooms are unable to get loans within the next 60 days, “we could be extinct,” he said.

So could some parts suppliers. There are roughly 60 black-owned parts suppliers in the United States, with about \$3.5 billion in sales. One is Leon Richardson, who owns a supply company, ChemicoMays, in Chesterfield, Mich., that does 65 percent of its business with the automobile industry. About 60 percent of its 200 employees are black, said Mr. Richardson, who is also chairman of the National Association of Black Automotive Suppliers.

“The credit market has always been extremely tight and difficult for black suppliers even before this meltdown. It was difficult for them to generate cash as it was, and it’s going to be more difficult,” Mr. Richardson said.

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