

**Regional Spotlight:
METRO Planning Region**

Life After Ford

A DEED analysis examined what happened to hundreds of workers who lost their jobs when the Ford assembly plant closed in St. Paul's Highland neighborhood.

The Twin Cities Ford Plant (TCFP) provided relatively well paid work for both high- and low-skilled workers in the region for more than 80 years. In April 2006, however, about 2,000 workers learned that the plant would close. Buyouts were finalized for 1,600 of the 1,750 line workers at the plant in November 2006, although it took several more years before the plant's doors finally closed in December 2011.¹

only a small dip in employment in motor vehicle manufacturing in Minnesota between 2006 and 2007. This is mostly due to a leveling effect of hiring increases at other companies in this industry over the same period. Moreover, manufacturing employment as well as subsectors like transportation equipment manufacturing fell so dramatically during the Great Recession that it overshadows

the 1,600 or so workers who were let go before the final plant closing.

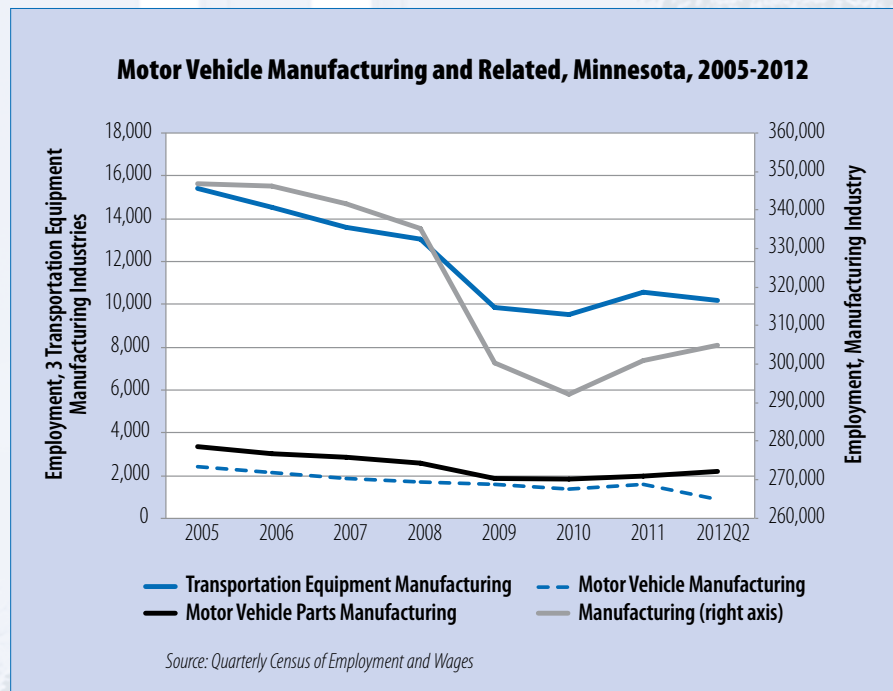
The TCFP shutdown coinciding with the Great Recession was terrible timing for the workers who lost their jobs. After layoff, they faced a declining labor market, particularly in manufacturing, followed by the worst labor market in 70 years. Although the recession did not

To find out what happened to those workers, we tracked the employment and wage outcomes of people who were employed at the Ford plant during the second quarter of 2005, examining data through the second quarter of 2012, almost one year after the final closing of the plant.

Transportation Equipment Manufacturing

Looking at the aggregate industry data belies the magnitude of the TCFP layoff for those directly impacted. Figure 1 shows, for example,

FIGURE 1



Data and Methodology

We used all available data sources for this article, including unemployment insurance (UI) wage records, which cover about 97 percent of employed Minnesotans. We also used Dislocated Worker (DW) Program records, with most Ford plant workers qualifying for the program and about half enrolling. We used the newly constructed Workforce Data Quality Initiative (WDQI) database to identify workers who enrolled in post-secondary education and training. Finally, we obtained data from the United Auto Workers (UAW) pension fund to find out how many workers have accessed pensions since November 2006.

Unfortunately, complete data to track the outcomes of laid off workers are not available. For example, we do not know how many non-UAW-covered workers retired once their employment ended. We also do not know how many workers took jobs in another state. Finally, wage records data are unedited, which impacts the calculation of wage outcomes. We were forced to drop wage data that were clearly incorrect, but we were unable to identify with certainty all the wages that should have been dropped.

Company- and individual-specific data are challenging to use for this type of research. While a variety of information is collected, it can be released only in aggregate form to protect the privacy of both the firm and person. To that end, we can't release total employment at the TCFP for any time period. This limits some of the ways we would normally display data. Tables, direct percentages, or numbers of workers may be difficult to compare — and that's by design.

Our methodology was as follows: We selected all people employed at TCFP in second quarter of 2005 (the study group) and followed their employment in the UI wage records (employer, hours worked, wages earned by quarter) by Social Security number during the second quarters of 2007, 2009, 2011 and 2012. We also used that same pool of people, as identified by Social Security numbers, to determine participation in the Dislocated Worker Program, which gave us age and work or education status for a subset of the workers. Enrollment in post-secondary college including school and major came from the WDQI database. Because we were following a specific set of individuals, this article does not look at the temporary workers who may have been hired after 2006 or at total employment at the firm.



PHOTO COURTESY OF UAW 879

The Twin Cities Ford Plant (TCFP) provided relatively well paid work for both high- and low-skilled workers in the region for more than 80 years. In April 2006, however, about 2,000 workers learned that the plant would close. Buyouts were finalized for 1,600 of the 1,750 line workers at the plant in November 2006, although it took several more years before the plant's doors finally closed in December 2011.¹

To find out what happened to those workers, we tracked the employment and wage outcomes of people who were employed at the Ford plant during the second quarter of 2005, examining data through the second quarter of 2012, almost one year after the final closing of the plant.

Transportation Equipment Manufacturing

Looking at the aggregate industry data belies the magnitude of the TCFP layoff for those directly impacted. Figure 1 shows, for example, only a small dip in employment in motor vehicle manufacturing in Minnesota between 2006 and 2007. This is mostly due to a leveling effect of hiring increases at other companies in this industry over the same period. Moreover, manufacturing employment as well as subsectors like transportation equipment manufacturing fell so dramatically during the Great Recession that it overshadows the 1,600 or so workers who

were let go before the final plant closing.

The TCFP shutdown coinciding with the Great Recession was terrible timing for the workers who lost their jobs. After layoff, they faced a declining labor market, particularly in manufacturing, followed by the worst labor market in 70 years. Although the recession did not officially start until December 2007, manufacturing began losing jobs over the year in December 2005. Meanwhile, total nonfarm jobs were almost flat throughout 2007, showing only 0.5 percent growth over that year, before starting to

slide backward in May 2008. Moreover, the economy did not improve quickly like in most previous recessions. Manufacturing began adding jobs the same month as the economy as a whole began to recover, but that was not until August 2010.

Tracking Workers

The timeline on the next page depicts employment outcomes for the study group through the closing of the plant over a six-year period.² As the timeline shows, the second shift was eliminated at the end of 2006 and buyout applications were

A LONG DECLINE

After 80 years in operation, manufacturing at St. Paul's Ford plant was gradually dismantled over a six-year period.





The Twin Cities Ford Plant (TCFP) provided relatively well paid work for both high- and low-skilled workers in the region for more than 80 years. In April 2006, however, about 2,000 workers learned that the plant would close. Buyouts were finalized for 1,600 of the 1,750 line workers at the plant in November 2006, although it took several more years before the plant's doors finally closed in December 2011.¹

To find out what happened to those workers, we tracked the employment and wage outcomes of people who were employed at the Ford plant during the second quarter of 2005, examining data through the second quarter of 2012, almost one year after the final closing of the plant.

Transportation Equipment

Manufacturing

Looking at the aggregate industry data belies the magnitude of the TCFP layoff for those directly impacted. Figure 1 shows, for example, only a small dip in employment in motor vehicle manufacturing in Minnesota between 2006 and 2007. This is mostly due to a leveling effect of hiring increases at other companies in this industry over the same period. Moreover, manufacturing employment as well as subsectors like transportation equipment manufacturing fell so dramatically during the Great Recession that it overshadows the 1,600 or so workers who were let go before the final plant closing.

The TCFP shutdown coinciding with the Great Recession was terrible timing for the workers who lost their jobs. After

layoff, they faced a declining labor market, particularly in manufacturing, followed by the worst labor market in 70 years. Although the recession did not officially start until December 2007, manufacturing began losing jobs over the year in December 2005. Meanwhile, total nonfarm jobs were almost flat throughout 2007, showing only 0.5 percent growth over that year, before starting to slide backward in May 2008. Moreover, the economy did not improve quickly like in most previous recessions. Manufacturing began adding jobs the same month as the economy as a whole began to recover, but that was not until August 2010.

Tracking Workers

The timeline on the next page depicts employment outcomes

for the study group through the closing of the plant over a six-year period.² As the timeline shows, the second shift was eliminated at the end of 2006 and buyout applications were accepted. The initial shutdown date, however, was extended from 2008 to 2009, and finally to the end of 2011 due to continued demand for Ford Ranger trucks, which were manufactured at the plant.

Although re-employment was likely the goal for the majority of TCFP workers, most were eligible for a number of negotiated and public benefits to support them through the transition. Ford offered a selection of buyout options. About 1,600 of the 1,750 production workers employed at that time applied for these buyouts.³ Most TCFP workers were also eligible for DEED's Dislocated Worker Program, which provides intensive career counseling and, when appropriate, training and education benefits. In addition, some TCFP workers were also eligible for the Trade Adjustment Assistance (TAA) Program, which offers extended unemployment insurance benefits on top of training and education benefits. The Dislocated Worker Program served about 1,300 TCFP participants over the course of the shutdown, including more than 900 from our study group.⁴

As the timeline shows, many workers were able to extend their employment at TCFP well past the initial closing date of November 2006. Between 2007 and 2012, 55 percent of the workers employed at the plant during second quarter 2005 were employed there again for at least one quarter sometime after November 2006. In second quarter 2007, TCFP was still the primary job (meaning the largest share of their wage record earnings were from Ford) for almost half of the workers who were employed there in second quarter 2005. The numbers dwindled to about 25 percent in second quarter 2009 and to 20 percent by second quarter 2011.

Many other workers moved to other companies both in and outside of manufacturing. By

second quarter 2007, 22 percent of the 2005 workers had primary jobs other than at TCFP. That number increased to 35 percent by second quarter 2009 and 36 percent by second quarter 2011, remaining at that level in second quarter 2012. As the timeline shows, less than half of this group was employed in the manufacturing sector. By second quarter 2012, only about 28 percent of those employed in Minnesota were working in manufacturing. We will explore this shift later in the article.

The remainder of our study group does not appear in Minnesota wage records at all after the initial 2007 shutdown was announced, including 29 percent in second quarter 2007, 41 percent in second quarter 2009, 42 percent in second

TABLE 1

Employment and Wage Outcomes by Education for Former Ford Plant Workers

	Enrolled	Not Enrolled
Employed in Minnesota in 2012	32.5%	67.5%
Median Wage Change	-22.7%	-31.9%
Not Employed in Minnesota in 2012	17.2%	82.8%
Percent Employed	54.1%	33.7%

*Wages were dropped from the calculation if the hourly wage was over \$100 or under \$7.25 because they were likely incorrect.

Source: DEED analysis using the Workforce Data Quality Initiative database

The Twin Cities Ford Plant (TCFP) provided relatively well paid work for both high- and low-skilled workers in the region for more than 80 years. In April 2006, however, about 2,000 workers learned that the plant would close. Buyouts were finalized for 1,600 of the 1,750 line workers at the plant in November 2006, although it took several more years before the plant’s doors finally closed in December 2011.¹

To find out what happened to those workers, we tracked the employment and wage outcomes of people who were employed at the Ford plant during the second quarter of 2005, examining data through the second quarter of 2012, almost one year after the final closing of the plant.

Transportation Equipment

Manufacturing

Looking at the aggregate industry data belies the magnitude of the TCFP layoff for those directly impacted. Figure 1 shows, for example, only a small dip in employment in motor vehicle manufacturing in Minnesota between 2006 and 2007. This is mostly due to a leveling effect of hiring increases at other companies in this industry over the same period. Moreover, manufacturing employment as well as subsectors like transportation equipment manufacturing fell so dramatically during the Great Recession that it overshadows the 1,600 or so workers who were let go before the final plant closing.

The TCFP shutdown coinciding with the Great Recession was terrible timing for the workers who lost their jobs. After

layoff, they faced a declining labor market, particularly in manufacturing, followed by the worst labor market in 70 years. Although the recession did not officially start until December 2007, manufacturing began losing jobs over the year in December 2005. Meanwhile, total nonfarm jobs were almost flat throughout 2007, showing only 0.5 percent growth over that year, before starting to slide backward in May 2008. Moreover, the economy did not improve quickly like in most previous recessions. Manufacturing began adding jobs the same month as the economy as a whole began to recover, but that was not until August 2010.

Tracking Workers

The timeline on the next page depicts employment outcomes for the study group through the closing of the plant over a six-year period.² As the timeline shows, the second shift was eliminated at the end of 2006 and buyout applications were accepted. The initial shutdown date, however, was extended from 2008 to 2009, and finally to the end of 2011 due to continued demand for Ford Ranger trucks, which were manufactured at the plant.

Although re-employment was likely the goal for the majority

TABLE 2

Wage Changes by Industry, 2005 to 2012

Industry of Primary Job	Percent Change 2005 to 2012	
	Average Wage	Median Wage
Manufacturing	-9.2	-14.9
Other	-25.4	-34.4

*Wages were dropped from the calculation if the hourly wage was over \$100 or under \$7.25 because they were likely incorrect. In all, wages for 16 workers were dropped in the “other” category and wages for 12 workers were dropped in the “manufacturing” category in 2012.

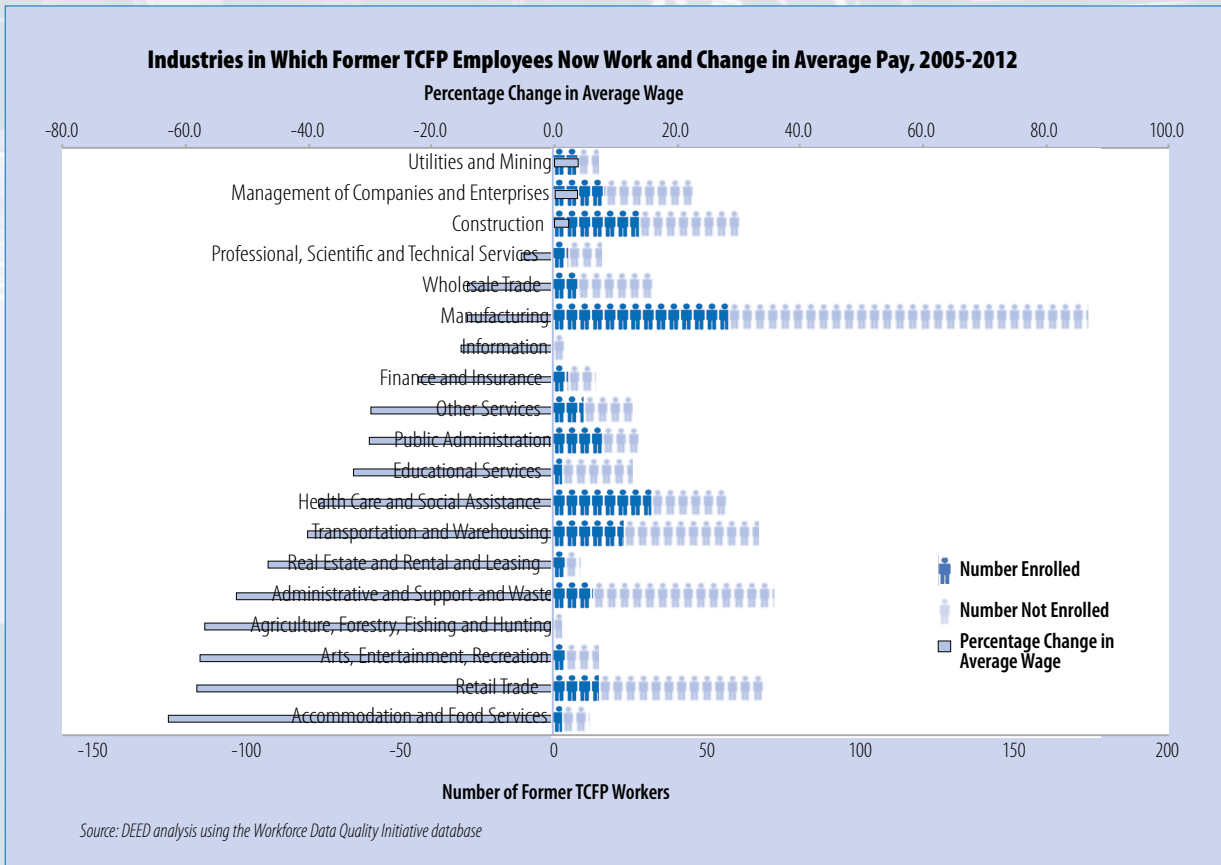
Source: DEED analysis using Unemployment Insurance wage records

of TCFP workers, most were eligible for a number of negotiated and public benefits to support them through the transition. Ford offered a selection of buyout options.

About 1,600 of the 1,750 production workers employed at that time applied for these buyouts.³ Most TCFP workers were also eligible for DEED's Dislocated Worker Program,

which provides intensive career counseling and, when appropriate, training and education benefits. In addition, some TCFP workers were also eligible for the Trade

FIGURE 2



¹Welbes, John. "Ford's Final Night Shift Nears — Some May Come Back as Temps," St. Paul Pioneer Press, Dec. 13, 2006.

²All events described in the graphic come from the news reports cited below:

Welbes, John. "Ford's Final Night Shift Nears — Some May Come Back as Temps," St. Paul Pioneer Press, Dec. 13, 2006.

Welbes, John. "Ford Plant Closing Delayed 1 Year — Car Maker, UAW Tentatively Agree to Keep St. Paul Operation Going into '09," St. Paul Pioneer Press, Nov. 6, 2007.

Welbes, John and Nicole Garrison-Sprenger. "2 More Years — St. Paul's Ford Plant and its 968 Employees Stay at Work until 2011," St. Paul Pioneer Press, July 25, 2008.

Sitaramiah, Gita. "Ford to Idle Ranger Plant for December — Automaker Lost Fleet Orders for the Small Pickups because of Credit Squeeze, Union Rep Says," St. Paul Pioneer Press, Oct. 17, 2008.

Sitaramiah, Gita. "Ford Plant to Boost Ranger Production — Union: St Paul Factory to Begin OT Shifts in September," St. Paul Pioneer Press, Aug. 14, 2009.

³Welbes, John. "End of the Line for Many St. Paul Ford Workers," St Paul Pioneer Press, Dec. 13, 2006.

⁴When the Dislocated Worker Program declares a mass layoff event, eligible workers who lose jobs or earnings include recent hires or workers at other impacted firms such as suppliers or transportation companies. As a result, many of the workers who claimed benefits in the Dislocated Worker Program and two TAA-certified events declared during TCFP's six year decline were not necessarily TCFP employees and were therefore not in our study group.

⁵Reports state that half of Ford workers nationwide were eligible for retirement at the time the closure was announced. Data from the Dislocated Worker Program and the union pension system, however, indicate a younger workforce at the Twin Cities plant.

⁶Welbes, John. "Ford Workers Seek New Opportunities — One Veteran Worker is Pulling up Roots and Heading to Kansas City Assembly Plant," St. Paul Pioneer Press, June 3, 2007.

⁷McCartney, Jim. "Ford Presents Buyout Offers — St. Paul Plant's Workers get 8 Plans to Choose From," St. Paul Pioneer Press, Oct. 18, 2006.

⁸Note wage changes are not adjusted for inflation.

⁹Based on WDQI records.