

Governor Granholm Economic Advisor to President Elect Obama

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Governor Granholm:

I write to you in your capacity on the President-elect's advisory panel for economic recovery.

By way of self-introduction, I am a Chrysler retiree (after xxx years of company employ) and am currently a member of the Chrysler National Retirement Organization, an organization representing over 14,000 Chrysler retirees.

I am writing to urge you to include the interests of the nearly 200,000 white-collar Detroit 3 retirees in the government efforts to assist the automotive industry. Based on newspaper accounts, only the domestic auto companies and the UAW have been in the discussions thus far.

The Detroit 3 have made drastic cuts in white-collar retiree health care and life insurance benefits. These benefits have to be increased back to their previous dollar level as part of the recovery plans. It is wrong to assist the auto industry, its employees and UAW retirees, and then ignore its white-collar retirees, who are being faced with cost increases ranging from \$5,000 to \$10,000 more per year for comparable coverage.

White-collar retirees are middle-class clerical, administrative, professional, and executive non-union retirees. Benefits were promised to salaried retirees during their long years of dedicated service, but then were cancelled because of "small print" hidden in the company benefit packages. Most middle-class retirees simply cannot afford to pay this added cost, and are faced with cutting back on needed medical care and drugs.

Also, I ask that representatives of the salaried retiree organizations be included in future government meetings with the Detroit 3 and the UAW. The UAW does not represent non-union retirees. The companies and union have already met with the Advisory Board, and the leaders of Congress. There seems to be no mention of white-collar retiree issues in these meetings. (I will be pleased to provide you with contact information on the GM and Ford retiree organizations.)

Middle-class retirees accepted lower salaries while working, in exchange for retiree health care, insurance and pension benefits. We were asked to stay with our companies and not accept competing offers from other firms, again for the promises of care upon retirement. And we responded with loyalty and commitment to the companies who are now abandoning us in order to stay afloat. Rescue plans for the auto industry, and for all those entities receiving Federal assistance through these troubled times, must not abandon the retiree community.

We are also concerned with pension plans. Any organization receiving Federal assistance should not be allowed to give executive perks or pay dividends on preferred/common stock until retiree fringe benefits are restored and pension plan funding/investment is reported on a quarterly basis.

White-collar retirees are a potential huge spending force in the economy, and will become an even greater force when the baby-boomers come into the retiree ranks. As prudent people, retirees won't/can't spend when they fear for their pension, the safety of their bank accounts and investments, their health care needs/costs, and the viability of social security.

The automotive industry is said to affect 1 out of every 10 jobs in the country. It probably also affects the same proportion of retirees. The benefit reduction actions taken in the auto industry will snowball throughout the automotive retiree community, and then the whole economy, if the government does not take action to preserve and restore white-collar retiree benefits.

Longer term actions are needed. Bills are being proposed in the House of Representatives to protect middle-class retiree health care and pension benefits. But, such action will be too late. The precedent must be set now with the auto industry recovery plans.

In conclusion, I again ask that the 200,000 automotive white-collar retirees and the 1-in-10 automotive related middle-class retirees be included in the federal assistance plan for the automotive industry. Retiree benefits must be restored to previous levels. I also ask that representatives from the white-collar Detroit 3 retiree organizations be included in all government meetings with the Detroit 3 and the UAW.

Sincerely,
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Phone Number
Email address

Suggestions and comments about this website should be addressed to webmaster@ncro.org