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The Great Recession wrought life-altering changes for St. Louis area autoworkers

By MARY DELACH LEONARD • MAY 23, 2018

Autoworker Chris Paplanus says umpiring helped him stay afloat after he was laid off from Chrysler during the recession.

CAROLINA HIDALGO | ST. LOUIS PUBLIC RADIO

On a breezy spring evening, Chris Paplanus donned his umpire gear to work the plate at a girls softball game at the Chesterfield Valley Athletic Complex.

It was a long first inning, with the 14-year-old pitchers on both teams struggling mightily. Each time Paplanus called a strike — *Hup!* — the sidelines erupted in supportive cheers.

By day, Paplanus, 60, is an autoworker at the General Motors Assembly plant in Wentzville, where he began working after a life-changing layoff a decade ago.

But twice a week, he spends his evenings at the ball yards in Chesterfield, umpiring kids' baseball and softball games.

"It's fun, and it pays well,'' Paplanus said, cheerfully before the game. "And it keeps me out of trouble.''

For a time during the Great Recession, calling balls and *hups!* on this sprawling field of dreams also helped Paplanus hold on to his American Dream.

Paplanus was one of 3,500 autoworkers who lost their jobs when Chrysler shut down its minivan and truck plants in Fenton during the financial meltdown. He worked every game he could back then — earning $38 a game — to make his house payment.

“It's what kept me from losing my house,’’ Paplanus said. “Now, it's back to, I do it because I choose to, rather than I have to.”

Ten years after the start of the recession, financial analysts say the U.S. economy has recovered, but has not returned to its pre-recession levels.

Paplanus says his personal finances are doing about the same as the economy: improved but not yet recovered.

He was hired by GM in late 2011 and was relieved to get back to building American vehicles again — Chevy Colorado and GMC Canyon pickup trucks and Chevy Express and GMC Savana vans. But he makes less than he did at Chrysler. He won’t earn the top scale of $30 an hour for several more years due to wage concessions made by his union to help keep the U.S. auto industry afloat during the recession.

Still, he considers himself fortunate because he knows many former Chrysler co-workers who haven’t fared as well.

“I've been through the worst period of my life and came out on the other side,’’ Paplanus said. “I didn’t lose my house. I didn't cash in my retirement. I didn't move out of town, and I didn't develop a negative attitude of ‘Why me.’ I'm not rich by any case. And I'm not broke. What I have put away for retirement is nowhere near what it would have been. But it's a lot more than it would have been if I had just given up and tried to live day to day.’’

Chris Paplanus takes a break while umpiring a game at the Chesterfield Valley Athletic Complex.
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Chrysler closure hit the region hard

The U.S. economy was already in disarray in June 2008 when Chrysler announced that it would idle its minivan plant in Fenton by that fall and would cut a shift at its truck plant. In May 2009, it closed the truck plant, too.

The busted housing market had set the economy hurtling downhill, flattening demand for goods and services as it went. High on the list of things Americans weren't buying: New cars, vans and trucks.

The federal government would eventually spend $80 billion to bail out two of the nation's Big Three automakers — Chrysler and General Motors. In 2009, Ford received $5.9 billion in government loans to retool its manufacturing plants.

St. Louis employers cut 70,000 jobs between December 2007, when economists say the Great Recession began, and June 2009, when it officially ended. The region shed another 50,000 jobs through February 2010.

The Chrysler closure accounted for a hefty share of that pain — nearly one-third of the region's job losses from 2007 to 2010, according to a study commissioned by St. Louis County, the state of Missouri and the city of Fenton. The final tally: 43,000 jobs, when factoring in the impact the layoffs had on suppliers and businesses that catered to its workers.

"It's your job to provide"

Paplanus and his co-workers expected to be called back after the topsy-turvy economy righted itself. They were accustomed to temporary layoffs because demand for cars and trucks fluctuates even in good times, he said. So it was a bitter pill when the company moved Fenton's Dodge Caravan operation to Canada and its Dodge Ram truck line to Mexico.

Autoworker Chris Paplanus has been umpiring as a second job for 20 years because he enjoys it. After he was laid off during the recession, he worked as many games as he could to help pay his mortgage.

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Any lingering hopes were dashed in 2011 when the company liquidating Chrysler properties opted to tear down the factories where St. Louisans had built Dodges since 1959. A decade ago, Paplanus was 50 and had worked at Chrysler for 26 years. He was just old enough to take early retirement, one of the options offered. Instead of unemployment, he began collecting his pension, clearing about $2,000 a month. It was a help, but didn't cover all of his expenses, which included a $1,600 monthly mortgage on his family's home.

Paplanus wasn’t too worried because he had earned a master’s degree in business administration while working at Chrysler and thought it would make him more marketable. But his job search was rough. Some employers told him he was overqualified.

When he finally landed a full-time job with a small manufacturing company, it paid about $9 an hour. His annual pay, excluding overtime, was just under $20,000, about one-third of his base pay at Chrysler. He was working as hard as ever, plus umpiring nights and weekends, to maintain his family’s middle-class lifestyle.

Paplanus was in the same quagmire as millions of older American workers who were years from Social Security when they were laid off, or took buyouts or early retirement from downsizing companies. The average monthly number of unemployed Americans ages 55 to 64 was 1.5 million in 2009, double the number in 2007.

The plant closing devastated thousands of families in the region, not just Chrysler employees, Paplanus said.

“There was a lot of stress because I didn't feel like I was a good provider,’’ he said. “And I'm sure my wife was struggling because, day after day, we weren't sure if we were going to keep our house. If it was just me, and I had to live in a van down by the river, that's OK. But when you have a family, it's your job to provide. If you can't do that, then who are you?”

Paplanus had planned to retire after 30 years with Chrysler and work part time. Now, he plans to keep working full time until he’s 67 to build up his savings.

Even after a decade, Paplanus said he still avoids driving Interstate 44 and passing the 295-acre site where the Chrysler plants once stood.

“I can't look when I go by,’’ he said. “So it never goes away.’’

Glenn Kage, president of UAW Local 2250 in Wentzville, poses for a portrait in his office. Kage, a former Chrysler worker, now works at GM.

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“We built that.”

After World War II, GM, Ford and Chrysler all had plants in St. Louis or St. Louis County. Ford shut its Hazelwood plant in 2006.

GM opened the 3.7 million-square-foot truck assembly facility in Wentzville in 1983. Three years later, the company shut down an aging but landmark facility at Union Boulevard and Natural Bridge Avenue in St. Louis that once produced Corvettes.

For a time during the recession, GM curtailed its operations at Wentzville, but it remained open. In 2015, the company added shifts and about 1,000 jobs to meet growing demand for mid-sized pickup trucks. The automaker has also invested more than $120 million in plant improvements and equipment upgrades.

The plant has expanded to about 3,800 autoworkers on three shifts.

Autoworkers have always earned a solid middle-class living — and they still do, said Glenn Kage, president of UAW Local 2250, which represents autoworkers at Wentzville. But the Great Recession wrought lasting changes.

Among its legacies is a two-tiered contract that pays new hires lower wages than older “traditional” workers. Hourly wages for tier-two employees, even experienced workers like Paplanus, now start at about $17 an hour, and don’t reach the top scale of $30 an hour, until eight years of service.

"There's nothing better when you drive down the highway than to see one of our vehicles pass by that we built," Kage said. "You say, 'Hey! That came out of our plant. We built that.' That's pride and joy."

The UAW first agreed to the two-tiered wage structure in 2007 — a major concession when GM was trying to avoid bankruptcy. The tiered approach was tweaked during 2015 negotiations to give tier-two employees a path to wage parity.

“It was a cut in pay, and our members have suffered through it,’’ Kage said. “But it's still better than a lot of the jobs out there. There's too many people that take what the unions have provided for granted.’’

The median weekly earnings for union workers was $1,041 last year, compared to $829 for nonunion members, according to the U.S. Bureau of Labor Statistics. Although the nation’s overall unemployment rate has dropped to just below 4 percent, analysts say that many of the higher-paid union jobs lost during the recession were replaced in the economy by lower-paid jobs in the service sector.

Slightly more than 10 percent of the U.S. labor force belongs to unions today, Kage said. That’s a steep decline from the mid-1950s when 35 percent of U.S. workers were union members.

“You know the nation never had the economic woes that it has today when General Motors was our nation's No. 1 private employer,’’ Kage said. “And, now it's Walmart. And when you take all those $60,000 auto assembly jobs out of the economy, and you replace them with $16,000 Walmart jobs, you lose the economic stimulus on $44,000. Our people go out, and they buy washers. They buy dryers. They buy cars and TV. You also lose the tax income on that $44,000 — and everything in our society suffers.”

Kage, 60, also worked for Chrysler and lived through lean times before being hired by GM in 2014.

Earning good wages matters, Kage said. But he says that former Ford and Chrysler workers, who now work at the GM plant, are also proud to be building American-made vehicles again.

“There's nothing better when you drive down the highway than to see one of our vehicles pass by that we built,’’ he said. “You say, ‘Hey! That came out of our plant. We built that.’ That’s pride and joy.’’

Somebody has to tune up the robots

Amid all the “Made in USA” rhetoric, a 2017 study by the Pew Research Center found that most Americans are aware that U.S. manufacturing jobs have declined. But they don’t know that the output of American manufacturers is growing.

In 2016, the United States produced about $5.4 trillion worth of goods and products, according to the Bureau of Economic Analysis. The biggest categories are food, beverages and tobacco products; chemical products; and motor vehicles and parts.

But there are 1.2 million fewer manufacturing jobs than in December 2007, when the recession started.

A photo of the iconic water tower on the grounds of Chrysler's St. Louis assembly plant in Fenton. The plant was torn down in 2011.
CREDIT FILE PHOTO | ST. LOUIS BEACON

Automation is altering the landscape — and there is no stopping it, said economics professor Steven Fazzari of Washington University.

“The Great Recession magnified what has been a multi-decade trend of falling manufacturing jobs as a share of total employment,’’ he said. “And this is global. This is not just in the U.S. The unfortunate news for people who think manufacturing is central to our economic prosperity is that manufacturing is the sector of the economy that's most easily improved by improving technology.’’

Kage knows that more changes are coming. Automation will continue, and it will eliminate jobs. He’s an electrician, and his job includes servicing the plant’s robots.

“I think that's going to be the trend,’’ Kage said. “And the good part is, it does create good-paying jobs. The bad — it eliminates jobs, as well.”

Kage believes that manufacturing jobs will continue to grow for workers in the skilled trades. For that reason, he would like to see high schools emphasizing vocational training programs again.

Follow Mary Delach Leonard on Twitter: @marydleonard

Note: This story was updated to clarify that Ford was not part of the $80 billion bailout, but did receive a $5.9 billion government loan in 2009.

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This report was informed, in part, by the Public Insight Network. In the coming months, St. Louis Public Radio will continue talking with area residents to see how they’re faring, a decade after the worst financial downturn since the Great Depression.