

Ford to Offer Buyouts to All UAW Workers, Union Official Says

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DETROIT — Ford Motor Co. plans to expand buyout and early retirement offers to the company's entire U.S. hourly work force of 75,000 as part of a broader restructuring plan aimed at restoring the troubled No. 2 automaker to profitability.

One day before Ford was to detail the huge restructuring plan, the move was announced Thursday afternoon by the United Auto Workers union. Ford hasn't said how many workers it hopes will take the offers, but it has previously announced plans to cut up to 30,000 hourly jobs by 2012. The announcement came just after Ford's board of directors, including new Chief Executive Officer Alan Mulally, wrapped up a two-day meeting to approve the restructuring plan designed to cut costs in light of slumping sales.

But the UAW statement only fueled anxiety in Ford plants and offices across North America as workers braced for the announcement of further cuts scheduled for Friday morning. Catherine Madden, an auto industry analyst at the consulting company Global Insight Inc., said although not all 75,000 workers will take the packages, the size of the offer illustrates the magnitude of Ford's troubles. The offers also show a realization of Ford's troubles by the UAW, which said in a statement that it agreed to the packages due to the "extraordinary circumstances in the domestic auto industry."

Ford had about 82,000 workers represented by the UAW at the end of last year, but about 6,500 have taken previous buyout and early retirement offers made mainly at plants already slated for closure, company spokeswoman Marcey Evans said Thursday. Ford has been battered by the auto market's shift from trucks and sport utility vehicles to more fuel-efficient cars and crossovers. Its market share and sales have dropped while its Japanese competitors have gained. Under the buyout and early retirement plan, detailed in a UAW statement, workers can choose among eight packages that offer from \$35,000 to \$140,000 depending on their years of service, age and how close they are to retirement age. "I think it's a good package," said Chris Kimmons, president of UAW Local 919 at the Norfolk, Va., assembly plant. "I think they worked real hard on it. They've got to do something to help Ford out of this crisis."

The offers are similar to those made earlier this year to hourly workers at the General Motors Corp., where 35,000 people have agreed to leave the company. Ford is the second-largest carmaker in the U.S. after GM. The announcement also came as UAW local leaders at Ford plants gathered in Detroit to discuss Ford's financial situation and the buyouts.

Ford lost \$1.4 billion during the first half of this year and is under pressure from Wall Street to make further cuts and roll out new cars and trucks more quickly. In July, the company pledged to accelerate its "Way Forward" restructuring plan, which when introduced in January and called for the up to 30,000 job cuts as well as closing 14 facilities by 2012 (Ref. The Daughtry Times, Volume 5, Edition 1, 2005-06, ARMS). Ford shares fell 10 cents to close at \$9.09 on the New York Stock Exchange. Its shares have traded in a 52-week range of \$6.06 to \$10.09. Separately, Ford said that Anne Stevens, an architect of the restructuring effort at Ford and one of the auto industry's highest ranking women, is retiring. Stevens, 57, had been at the center of Ford's turnaround efforts since October 2005, when she was named executive vice president.

1. Approximately how much an hour, day, week, and month did Ford lose in the first half of the year?
2. At Ford's current worth, create an input-output functions table to determine the value on the New York Stock Exchange if you owned 100,000, 143,000, 167,000, 179,000, and 243,000 shares. Contrast these figures by creating an additional table with the value in shares prior to its fall.
3. Complete question three on Volume 5, Edition 1, located on the reverse side of this edition.
4. In a complete sentence, what led to the announcement of Ford's restructuring plan?
5. What percent of workers have already *not* taken previous buyout and early retirement offers?
6. Of the eight packages available, what factors might one consider prior to making a decision?
7. Assume for a moment that one of the packages available is as follows: the product of years in service (y) and your biannual base pay (p) previously excluding 27% in taxes, benefits, etc. and the sum of your highest quarterly annual income (p) divided by ten if you worked at Ford the difference between 32 years and six months and 72 years, with a greatest annual income of \$83,431.19. Something like his may assist you in your journeys; $[(p - 0.27p)(y) (\frac{1}{2}p + \frac{1}{4}p)] / 10$
8. In the passage above, in paragraph form, explain at least five ways using the red "Four-Step Reading" poster simplifies understanding of the material. Be specific.
9. Using contextual clues only, explain the meaning of the italicized words: *consulting*, *illustrates*, *magnitude*, and *slated*.
10. In paragraph form, explain five legitimate and educational purposes behind The Daughtry Times.