

\$14 per hour The new auto dream job;  
Lower-paying jobs are welcome opportunity for new Delphi workers

DATELINE: FLINT

A \$14-an-hour job at auto supplier Delphi Corp. means that Tricia Sermeno no longer chooses between buying groceries or paying the rest of her bills.

For Mike Rick, it means quitting his \$8.95-an-hour Wal-Mart job for one that gets the 55-year-old to a decent retirement.

And for Mike King, who worked in real estate but is now losing his home, it means a paying job in an economy where paydays are scarce.

The two-tier wage system being put in place for thousands of United Auto Workers often sounds like a step down in an industry where hourly wages started near \$30 an hour. But people are clamoring to join the \$14-an-hour work force even as veteran autoworkers scoff at the notion and 3,650 American Axle workers threaten a strike to avoid the lower wage.

The reason is that for years, the shrinking auto industry left many workers out in the cold, unable to land the high wages of old-style factory work. For them, the lower-tier jobs are not a stepping stone to a way of life, as for past generations of autoworkers, but a definite step up.

"If they could, people will line up in the streets like they did in the '60s to get these jobs," Sermeno said.

Two years ago, Sermeno, Rick and King beat out several thousand applicants for the jobs. Even now, at least 2,500 people have their names on a waiting list for jobs at Delphi's Saginaw and Flint plants, according to local union officials.

New Big 3 workers are next

These three Delphi workers are the future of the auto industry. After the Troy-based supplier declared bankruptcy and won the right to pay new hires lower wages, Detroit's Big Three automakers are now taking the same road. Chrysler LLC, Ford Motor Co. and General Motors Corp. are making a final push with buyout and early retirement offers to shed their aging blue-collar workers who enjoy the gold standard in wages and benefits: Starting pay of nearly \$30 an hour, pensions and top-notch health care benefits for themselves and their families.

As many as 56,000 such workers will leave the automakers during the next four years, according to Ann Arbor's Center for Automotive Research. Most will be replaced by workers starting at \$14 an hour, with 401(k) savings plans instead of pensions and health care that ends when they retire. That's similar to the pay and benefits Delphi offered to 2,500 Flint and Saginaw workers hired two years ago. Where some see the end of a blue-collar golden age, however, others see an era of new opportunity.

"These are the types of workers who probably have been nicked-and-dimed their whole working lives," said Lou Glazer, president of Michigan Future Inc., an Ann Arbor think tank that studies work trends

"That's the thing about the Detroit Three auto jobs, they're an anomaly in today's economy," Glazer said. "There's no denying the economic reality for a whole generation of Michigan workers has been brutal: bad or no health care, no job security. So while you occasionally hear some critics decry the new \$14-an-hour standard as the death of a lifestyle, the truth is, for a lot of workers, that lifestyle was long gone. It was never available." The new Delphi workers agree.

Job's a 'stepping stone'

"It's sad," Tricia Sermeno said. "You go to school and graduate and come out and make \$10 an hour. Sometimes you can't find those jobs." The 25-year-old Burton native graduated from Mott Community College in Flint four years ago with an associate degree. She got a job in the accounts receivable department of a small auto supplier for \$10 an hour before moving to Delphi's Flint East plant. The new job has nearly doubled her income to \$29,000 a year before taxes. Nine months ago, Sermeno gave birth to a son. She and her boyfriend, who sells nuts and bolts, live in a tidy bungalow on a dead-end street near the aging Delphi plant.

"The balancing act of paying all my bills on time is a lot more manageable," Sermeno said. "And I can still buy groceries. We've got it pretty good now."

Now, with some breathing room in the budget, Sermeno is studying to become a teacher. She sees the Delphi job as a way to a new career, not a job for life. Two weeks ago, Sermeno was laid off but has been told she soon will be transferred to a GM unit being set up at the Delphi facility. The layoff doesn't faze her.

"I don't think it's the same mentality it used to be," she said. "It's more of a stepping stone."

Having a voice in the union

Mike Rick, 55, assembles steering columns at Delphi's Saginaw facility. He worked in the same plant 33 years ago when, facing a long layoff caused by the 1970s oil embargo, the Saginaw native went back to college and earned a theology degree. Rick was a police officer for a while, then worked for 17 years in adult foster care, where he was paid \$4 an hour as recently as five years ago, before moving on to Wal-Mart as a personnel trainer.

Besides the better paycheck, it's the benefits, the health care and the chance to be part of an activist union that motivates him at Delphi, Rick said.

"At my age, I don't have a lot of needs and wants, so I can live pretty simple," he said. "But to suddenly have a voice again with the union, that's what's really the big difference. You meet so many workers who don't feel they have much a chance to stand up for their rights."

'It's a job and it's paying'

Mike King knows first-hand the luxuries of the old standard of high-wage auto jobs with lots of even higher-paying overtime. His father, who spent most of his career at Flint's Delphi East, retired and lives on 40 acres.

King, 35, is losing his house in foreclosure. He graduated from Western Michigan and joined the National Oceanic and Atmospheric Administration in Washington, working on nautical charts of the Great Lakes.

Family reasons brought King back to Michigan, where he's worked for an engineering firm, a surveying company and his family's real estate business. The real estate meltdown led him to a job at Delphi assembling circuit boards.

"It's a job and it's paying," King says. "Right now, a lot of people out there don't have that."

King now works as the local UAW benefit's rep for retirees. When he started at the Delphi plant, "I thought a year or two years, at that time, and I can see it's going about another two years," he said. "It's not where I wanted to be but it's allowed me to be close to my family and be moderately comfortable. "It allows me to keep my head above water," he said, "I don't have any reservations about that."