

Letter to Granholm or Bonior

Jennifer Granholm

Governor, State of Michigan

P.O. Box 30013

Lansing, Michigan 48909

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 write to urge you to champion not only the domestic auto companies and their active employees in their struggle for survival, but also to provide relief and assurance to the hundreds of thousands of automotive retirees.

To restore prosperity to our economic system requires an acknowledgement that this system is consumer driven. Without consumer spending, the economic engine stops and major economic problems start to surface. Certainly inflated expectations of endless double-digit growth, corporate cost cutting (job elimination, outsourcing, reduced service, etc.), questionable repackaging of mortgage debt and unchecked hedge-fund leveraging have contributed to the recent demise.

But so too has the vulnerability of the ever-increasing retirement population. Retirees are a potential huge spending force 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 (money market funds included), their health care needs/costs, and the viability of social security. And until/unless these four areas are removed from the fear list, retiree consumer spending will continue to dry up, and the economy will not rebound.

That said, this is part of the message NCRO is trying to put forward - rescue plans have to include retirees and their needs. 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 have foregone higher salaries while working, for promises that health care, insurance and pension benefits would be there when we retired. 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 those folks who are now abandoning us in order to stay afloat.

I ask that you surface the following for discussion for any entity receiving Federal assistance:

- that hire-in bonuses, performance bonuses, separation package payments and the ubiquitous “coffin bonuses” not be allowed until or unless pension plans are fully (100%) funded and pension plan funding/investment is reported on a quarterly basis (including privately held Cerberus)

- that retiree health care benefits be restored if/when these companies return to prosperity (even if reorganized) ... before any dividend is paid on preferred or common stock

- that further erosion of the remaining few retirement benefits be halted.

If the government does not require these “concessions” and unfunded automotive pensions are turned over to the PBGC, it too will go bankrupt. And consumerism from the retiree block will totally collapse. Likewise, if health care is reduced or costs are not funded, consumerism will suffer, and society will face an unheard of choice ... abandonment of the senior generation. A same dire fate will befall retirees if Social Security is cut or abandon.

I end by asking you not to forget the 200,000 automotive salaried retirees and the 2,000,000 hourly retirees. We are needed as contributors to whatever recovery actions are crafted. Please include our needs at inception and throughout the planning and implementation stages of our recovery.

Sincerely,
Name Address

Phone Number
Email address

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