

Outsourcing From Indiana Doubles From Previous Recessions

INDIANAPOLIS (AP) — Burial casket jobs in Richmond and computer assembly services in Carmel have shifted to Mexico. Auto stamping work once done in Howe has moved to Canada and India. Client performance analysis done in South Bend is now being handled in China.

The number of Indiana plants, warehouses and offices sending jobs abroad since the recession began in December 2007 has more than doubled that of past economic downturns, U.S. Department of Labor reports show.

The shifts are largely due to lower wages in foreign countries such as Mexico, where workers earn 10 percent of what their U.S. counterparts make.

"It's hitting us very hard," said Mayor William Graham of Scottsburg, where four plants have closed for trade-related reasons. "It's impossible to be competitive with Mexico or China because of their labor costs."

During the 1982 recession, workers at 75 Indiana companies were certified as dislocated by foreign trade from January 1980 to December 1983, Labor Department reports show. This time, 163 plants, warehouses and offices are involved.

The 163 cases cited by the Labor Department could account for an estimated 50,000 job losses — about one of every six unemployed people in the state.

Michael Hicks, director of Ball State University's Center for Business and Economic Research, said the Internet and technology make it easier for companies to outsource operations to other locales than in the past.

In some cases, the imports could be a cost-control measure to weather the hard times. But many industrial workers say they'll be surprised if the jobs come back to the U.S.

"The first few times you hear a company is moving outside the U.S., it kind of shocks you. Then you get numb to it," said Larry Neer, a father of six displaced from a \$12.85-per-hour logistics job last year when JDS Uniphase moved electronics assembly to Guadalajara, Mexico, from Indianapolis. "It just seems like that's the common thing to do now."

The shifting jobs have put more workers in need of job retraining.

About 7,000 workers in Indiana were certified last year for retraining, and federal

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officials allocated \$7 million for aid.

The aid pays tuition for 104 weeks, extends unemployment compensation and provides stipends in some cases for job searches and relocations. But no jobs are guaranteed for retrained graduates, many of whom lost jobs in the auto industry.

Many of those retraining for new jobs will make significantly less than they did in their factory jobs.

Anna Rains of Lynn lost her \$15.85-per-hour job when Richmond burial casket maker Milso shifted work to Mexico. She took courses in business computer skills under the trade assistance program but still hasn't found full-time work.

She's currently cleaning houses in Richmond.

Graham, the Scottsburg mayor, says his community lost nearly 800 jobs, nearly a third of the southern Indiana county's industrial base.

"The change has been so rapid and drastic; yesterday's world is just gone," said Graham. "The rapidness is just an absolute shock.

The county's unemployment rate is 12.8 percent, but Graham says the full impact of the plant closings still hasn't been felt.

"Many of these people who lost their jobs are in training and draw unemployment. Once this runs out, we're going to be in a real crisis if we don't see some new jobs," he said.

Nelson Spaulding, director of the Scott County Clearinghouse food bank, said more people are seeking help than ever before.

He said the jobless rate approached 25 percent during the 1982 recession, but then jobs returned. This time, the factories closed for good.

Kimberly Kiefer, one of five family members formerly employed by city mainstay Freudenberg NOK, is trying to find a silver lining in her situation.

"I look at this as a great opportunity for me to go back to school," she said.

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