Chrysler To Add 1,800 Jobs At IL Plant

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BELVIDERE, Ill. (AP) — Chrysler said Thursday that it is hiring 1,800 new workers and increasing production at its plant in Belvidere, a once-dominant manufacturing area that now has the state's highest unemployment rate and has been battered by the economic downturn.

The news, some said, should provide both financial and psychological boosts to a region — including nearby Rockford — more accustomed to headlines about layoffs and closures. About 23,000 people in the Rockford-Belvidere area were unemployed in December in a workforce that numbers about 167,000, according to state figures.

Chrysler said at an on-site news conference that about 500 of the new employees will work on the new Dodge Dart while the others will work on the existing Jeep Compass and Liberty models. All are expected to be hired by the third quarter of this year. The plant already employs about 2,700 people and creates hundreds of other jobs at nearby parts suppliers and other vendors.

Chrysler CEO Sergio Marchionne acknowledged the area's struggles when he spoke to several hundred workers assembled at the sprawling plant. Chrysler laid off almost 1,000 employees in Belvidere in 2008 before emerging from bankruptcy with new owners.

"I know that times you've endured in the recent past were not easy," Marchionne said. "In 2009, when we emerged from bankruptcy, there was only one shift that was running here ... with little hope and tremendous uncertainty."

Unemployment in Boone County, where the plant is located, was a state-high 14 percent in December. Winnebago County, where Rockford is, had a jobless rate of 12.2 percent.

Gov. Pat Quinn, appearing with Marchionne, cheered the creation of more manufacturing jobs in an area where Chrysler is the largest employer and just over 19 percent of the local workforce is employed in manufacturing.

"Manufacturing is the key part of our American economy and our Illinois economy," Quinn said.

Chrysler said this week that 2011 was its first profitable year since 1997. Three years ago, the automaker was in bankruptcy and briefly shut down the Belvidere plant, leading to fears that the facility might close for good.

The new jobs are tied to a 2010 package of $62 million in state tax breaks and other incentives given to the automaker. Those tax breaks could grow if company adds more jobs, though the milestones Chrysler would have to reach to receive the

maximum state perks haven't been set, said Marcelyn Love, a spokeswoman for the state Department of Commerce and Economic Opportunity.

It is good news, said Carl Campbell, an associate professor of economics at Northern Illinois University, but shouldn't be taken as a sign that the economic recovery in Illinois is accelerating. Multiple companies threatened to leave last year over increases in the income tax, and statewide unemployment hovers just under 10 percent.

One Chrysler employee, while thankful, was skeptical about the long-term impact on local unemployment.

"I'd like to see more," said 58-year-old Art Nemmers, a 14-year plant veteran. "This is a drop in the ocean."

The area's ongoing economic problems — which date to the decades-old downturn in U.S. manufacturing — have kept the demand steady at social service agencies like the Rock River Valley Pantry in Rockford. The food pantry helps almost 7,000 people a month, director Kim Bakke said, a figure that has grown 20 percent since 2008.

At least some of them, she said, will likely no longer need the food pantry because of Chrysler's announcement.

"We have about 1,700 households that if they had an opportunity to apply for a position and were selected, it could make an immediate impact on us," she said.

Some of the area's long-term unemployed suspect they're penalized when they apply for open positions, because they haven't had jobs in a while.

Vera Spates of Rockford lost her job as a forklift operator at a distribution center in 2008, and has only found temporary and volunteer work since. The 51-year-old said she isn't sure if she'll apply at the Chrysler plant.

"I'm constantly here," she said as she waited at the local unemployment office Thursday, "but the problem is once they see there's a gap in your employment, that has a negative effect."

A spokesman for the state Department of Employment Security, which administers unemployment benefits, said putting well over a thousand people back to work in the area will no doubt be meaningful for the local economy.

"These are real dollars being spent in real diners and real taverns and real grocery stores," Greg Rivara said. "And with Rockford, given its history and how closely it aligns itself with manufacturing, it is significant."

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