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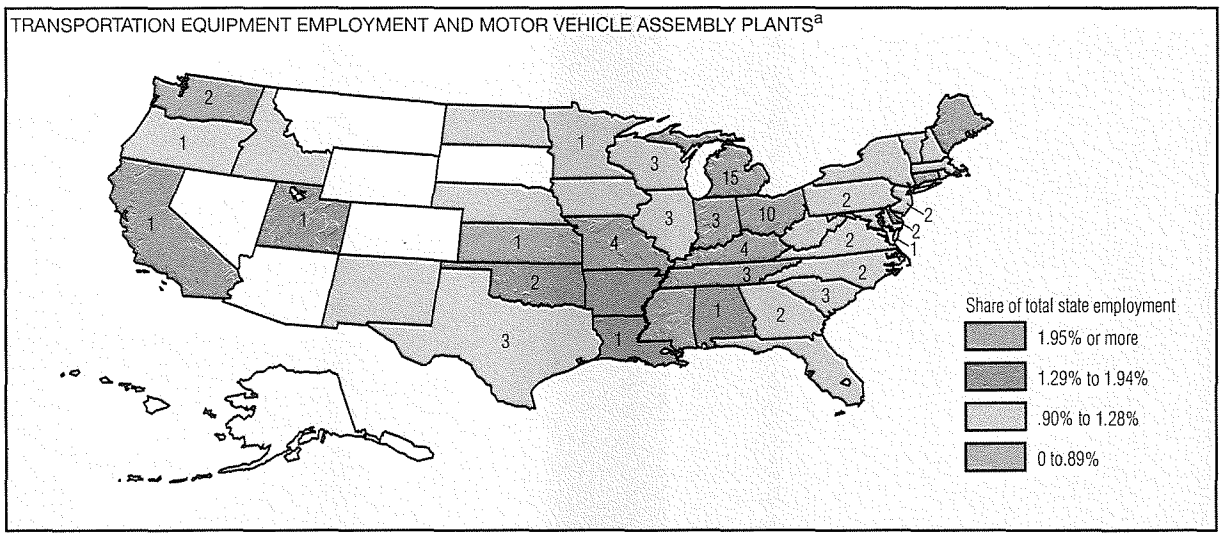
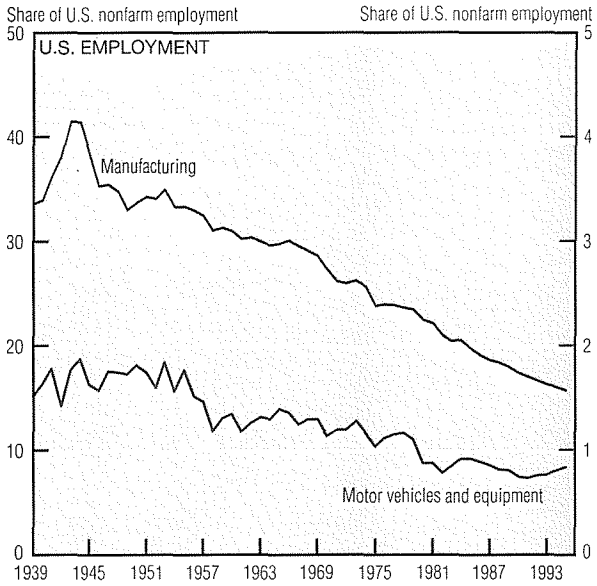
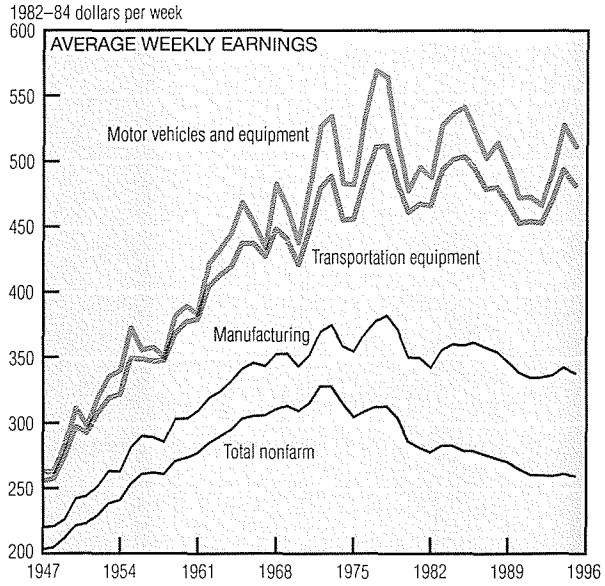
The Auto Industry







a. Numbers indicate final assembly plants in state. Data are unavailable for Alaska, Arizona, Colorado, Hawaii, Montana, Nevada, South Dakota, and Wyoming.
SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; and *Ward's Automotive Reports*, September 2, 1996.

With another round of negotiations between the major automakers and the unions winding down, a potentially large shock to Fourth Federal Reserve District employment appears to have been averted. Most auto production in the U.S. follows Interstate 75 south from Detroit through Ohio, Kentucky, Tennessee, and Georgia. Michigan and Ohio have the most final assembly plants, and parts producers are typically located nearby.

Like manufacturing employment, motor vehicle production represents a decreasing share of the U.S. employment base. Despite this trend, as of 1995 about 968,000 workers still had jobs in the industry, down only slightly from 1978's peak of over 1 million. With foreign automakers expanding their U.S. production and domestic companies recovering some of their market share, employment in the industry has actually expanded each year since 1991. Over the 1993–94 and 1994–95 periods, motor vehicle manufacturers added to their payrolls at the robust rates of 8.7% and 6.5%, respectively. During the same time, manufacturing employment remained about even.

Despite the flatness in manufacturing employment and the drop in real earnings in both manufacturing and total nonfarm employment over

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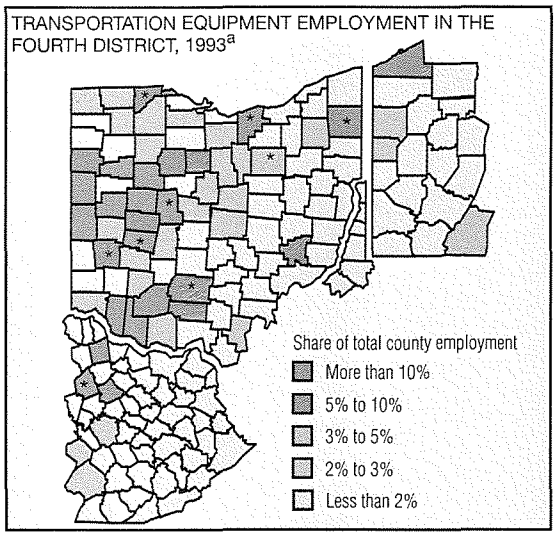
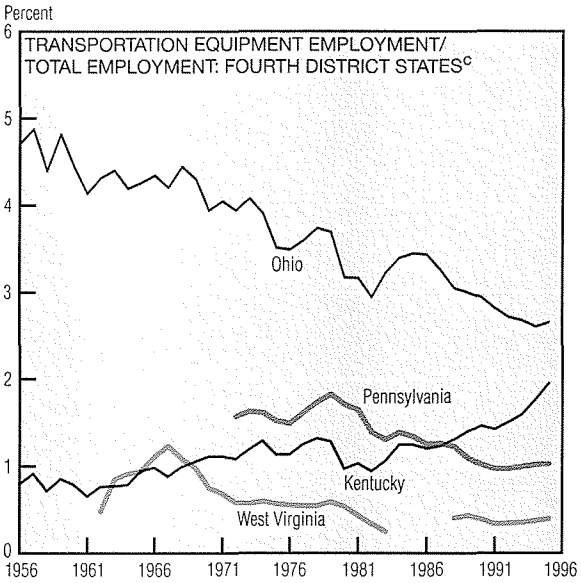
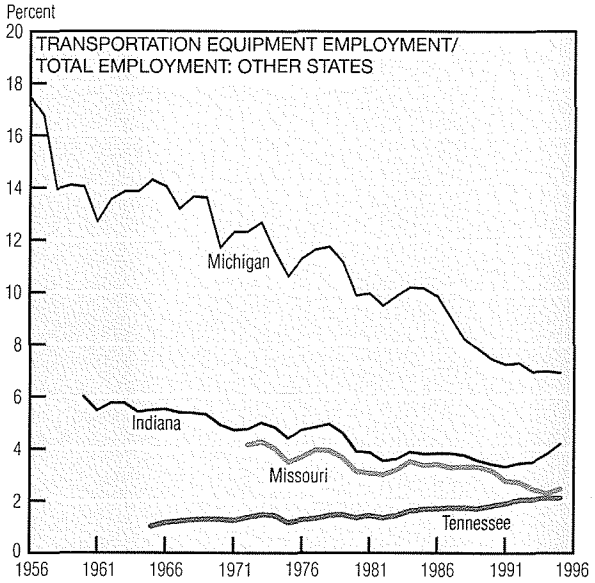
The Auto Industry (cont.)



Fourth District Final Assembly Plants[b]

Company	Location	Product
GM	Lordstown, OH	Cavalier, Sunfire
	Moraine, OH	Blazer, Jimmy, Bravada, postal vehicles
Ford	Avon Lake, OH	Villager, Quest
	Lorain, OH	Thunderbird, Cougar
Chrysler	Toledo, OH	Wrangler, Cherokee
Honda	East Liberty, OH	Civic, Acura CL
	Marysville, OH	Accord
Toyota	Georgetown, KY	Camry, Avalon





a. For some Fourth District counties, transportation equipment employment shares are based on the midpoint of the employment size class. Asterisks indicate final assembly plant(s) located within county.
b. Does not include medium or heavy trucks.
c. 1984–87 data for West Virginia are unavailable.
SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; County Business Patterns; and *Ward's Automotive Reports*, September 2, 1996.

the past 20 years, real earnings of workers in the motor vehicle and transportation equipment industries have remained relatively high. In fact, average weekly earnings in motor vehicles and equipment have exceeded those in transportation equipment as a whole, which includes aircraft production and shipbuilding.

In the Fourth District, employment in the transportation equipment industry is heaviest along the western border. Even though final assembly plants are found in only 10 Ohio counties, automotive parts suppliers are common and account for a large share of the District's auto industry employment.

Ohio leads the District in transportation equipment employment. Like the U.S., the state has seen employment in the industry decline as a share of total nonfarm employment, but it has been able to keep employment levels stable at around 139,000. Michigan follows a similar pattern: Transportation equipment accounted for nearly 17.5% of total employment in 1956, but by 1995, that figure had plummeted to 7%. States that have been able to buck this trend, like Kentucky and Tennessee, have benefited from the automotive industry's move southward.