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**New study confirms auto industry continues to
contribute significantly to U.S. economy, employment
*Manufacturing remains critical to GDP***

ANN ARBOR, Mich., April 22, 2010– The current economic recession has highlighted the importance of the automotive industry to the economy and the nation’s employment, where 1.7 million automotive-related direct jobs impact over 8 million jobs in the private sector. A newly-released report by the Sustainable Transportation and Communities group at the Center for Automotive Research (CAR), an Ann Arbor-based nonprofit research organization, examines the economic and employment impact of automotive manufacturers, parts suppliers, and dealerships in contributing to the economies of all 50 states. The report also outlines what economic and employment impacts to expect in the near future.

The automotive industry spends \$16 to \$18 billion dollars a year on research and product development, half a trillion dollars on employee compensation, and is a major driver of the overall manufacturing contribution to the GDP.

“It is difficult to imagine manufacturing surviving in this country without the automotive sector. This report details the employment and economic contributions to the U.S. economy and each of the fifty states” said Kim Hill, director of the Sustainable Transportation and Communities group at CAR, and the study’s lead. “The industry’s impact is huge on a host of other sectors as diverse as raw materials, construction, machinery, legal, computers and semi-

conductors, financial, advertising, healthcare and education. In this time of national introspection concerning the value of the U.S.-based auto industry, it is clear the value is quite high.”

The study was written by Hill, Deb Menk, project manager, and Adam Cooper, research associate. The complete study is available at www.cargroup.org.

“The CAR study results provide strong evidence of the deep vertical and horizontal integration of the U.S. auto industry with so much of the U.S. economy,” said Sean McAlinden, executive vice president of research and chief economist at CAR. “The study also illustrates the high productivity potential of the U.S. auto industry and the importance of its role in leading the U.S. economy in the current recovery. This study definitely proves that federal assistance to the industry last year will produce many benefits in jobs, income, and public revenues for years to come.”

The Center for Automotive Research’s mission is to conduct research on significant issues related to the future direction of the global automotive industry, as well as organize and conduct forums of value to the automotive community. CAR performs numerous studies for federal, state and local governments, corporations, and foundations. The Sustainable Transportation and Communities group focuses its research on the long-term viability and sustainability of the auto industry, the surface transportation system, and the communities that lie at the heart of both the industry and the system.

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