



The Resurgence of the U.S. Auto Industry

When President Obama took office, the U.S. automotive industry was in dire straits. Two of the “Big Three” U.S. automakers, General Motors (GM) and Chrysler, were teetering on the brink of collapse. The industry was in the process of shedding **more than one-fifth** of its workforce in just a year and a half. Auto sales had fallen **nearly 40 percent**. The crisis threatened parts suppliers and retail outlets across the country.

The Obama administration, with support from Democrats in Congress, took decisive action to support GM and Chrysler while demanding tough restructuring measures in return for financial assistance. The efforts were unpopular at the time, but they were successful in helping to pull the U.S. auto industry back from the brink and return it to a path to growth.

The U.S. auto industry was in **dire straits** when President Obama took office.

- From December 2007 to June 2009, auto industry employment plunged by more than 600,000 jobs—more than one-fifth of total employment in the industry.
- Michigan’s unemployment rate peaked at 14.9 percent in June 2009, the worst in the nation.
- Auto sales fell nearly 40 percent from the first quarter of 2008 to the first quarter in 2009. Total sales in 2009 were at a 27-year low, about 5.7 million units lower than just two years prior in 2007.

Seven years later, GM and Chrysler are **turning profits and increasing sales**.

- When 2015 earnings are reported in the coming weeks, GM and Chrysler (now FCA US) are expected to have turned a profit for the sixth and fifth year in a row, respectively.
- The government’s investment in GM and Chrysler ended in 2014. The companies repaid the vast majority of the money invested in them—including all funds provided by the Obama administration.

The U.S. auto industry has added **nearly 650,000 jobs** under President Obama since mid-2009.

- Motor vehicle and parts manufacturers have added more than 300,000 jobs since June 2009, contributing to job growth of nearly 900,000 in the manufacturing sector overall during the recovery.
- Motor vehicle and parts retail dealers have added more than 350,000 jobs since February 2010.
- The auto industry added more than 100,000 jobs in 2015, including both manufacturing and retail.

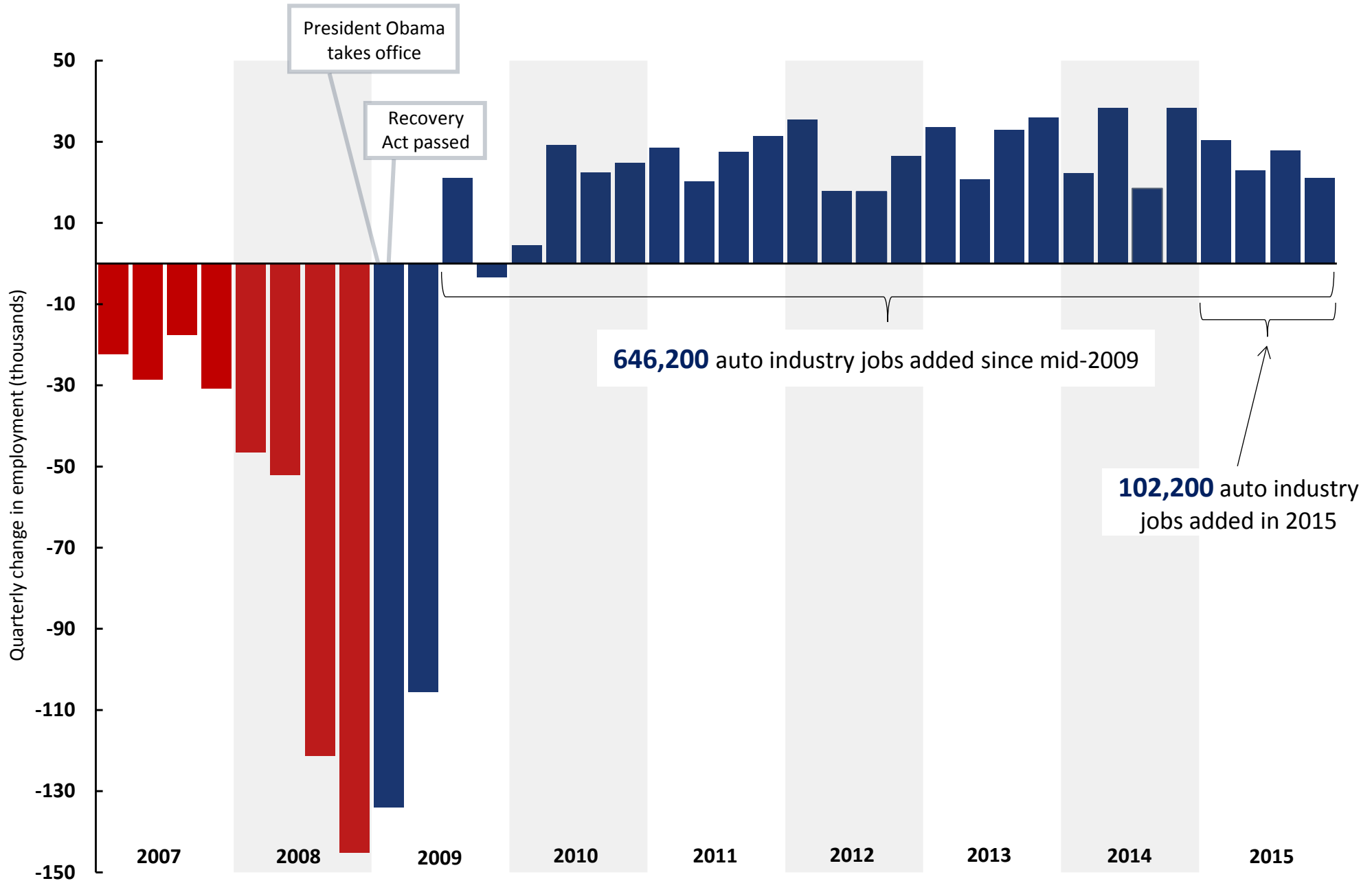
Auto sales hit a **record high of 17.4 million units** in 2015.

- Auto sales have now increased by at least around 1 million units for six straight years. This is both a sign of a stronger economy and a driver of further economic growth.
- U.S. car and truck production has more than doubled since 2009.
- Low gas prices have contributed to strong sales. In 2015, average gas prices were about as low as they had been in a decade, and prices are currently under \$2 per gallon in about three-quarters of states.

Michigan businesses have added **more than half a million jobs** and the state’s unemployment rate has **fallen by nearly two-thirds** since mid-2009.

- Michigan businesses have added more than half a million jobs since mid-2009, including about 70,000 jobs in motor vehicle and parts manufacturing.
- As of November 2015, Michigan unemployment was 5.1 percent, just slightly above the national rate.

The U.S. Auto Industry Has Added Jobs for 6 Straight Years



Source: Bureau of Labor Statistics (updates next on April 1, 2016)

Notes: Includes workers in the motor vehicle and parts industries of the manufacturing and retail trade sectors; data are seasonally adjusted