

Autoworkers hear advice on buyouts

Program shows those taking
GM, Delphi packages
how to invest

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WYOMING -- Brian Borr always expected to work at Delphi Corp. until he hit 30 years with the auto supplier.

He reached that mark in June. But now, because of an early-retirement package, his wife and co-worker, Mary Borr, is being paid to leave the Wyoming plant, too.

Before the Wayland couple left their skilled-trades jobs at Delphi, they knew they needed some help with their investments.

"We tried doing our own investing. It was just too much to keep up with," Brian said.

The Borrs, in their early 50s, joined 15 former Delphi and General Motors Corp. workers at an afternoon investment seminar Wednesday hosted by GM's United Auto Workers Local 730.

This summer, more than 1,000 local GM and Delphi hourly employees have walked away from the companies through buyouts and early retirement, and others left Delphi to take jobs at GM plants in Wyoming and Lansing.

Delphi employees share a special pain. Those holding the company stock in their retirement portfolio saw its value plunge to pennies when Delphi filed for bankruptcy last year.

The Borrs sold their last Delphi stock at 30 cents a share, although it has edged up to \$1.80 now.

"We lost enough. It was an 'ouch,' " Brian Borr said. "Some people lost everything."

That experience could make people wary of the stock market, but that is a costly mistake, warned financial adviser David Kudla.



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Voice of experience: Financial advisor David Kudla tells autoworkers to stick with the stock market and steer clear of annuities.

Local 730 invited Kudla, who heads Grand Blanc-based Mainstay Capital Management LLC, to run three investment sessions Wednesday. Kudla specializes in retirement funds offered by Detroit automakers and suppliers.

He urged the former autoworkers to figure out their risk tolerance, to sort out whether they should invest aggressively, conservatively or choose a moderate course.

Fixed-income funds, the most conservative investments, are a way of "going broke safely," Kudla said. And a buy-and-hold philosophy is simple, but misses trends in the market.

"No matter what risk tolerance you have, you want to achieve the highest return you can," Kudla said.

He urged potential investors to be aware of shortcomings with annuities, investments tied to insurance products. Although they promise the return of principal over time, they can carry high fees for early surrender of the policy.