

The Southern Auto Industry

Over the past three decades, the South has become an important locale for the American automotive industry. At least 23 assembly plants currently are located in the South, as are numerous parts and supply manufacturers, dealerships and related enterprises. These findings come from a recent report by the Southern Legislative Conference entitled [*The Drive to Move South*](#).

Though born in the Midwest, the automotive industry long has had a presence in the South. Ford established a plant in Georgia in 1909, as did General Motors in 1947. Beginning in 1970, however, the Southern automotive industry underwent a significant expansion. First parts manufacturers, then entire assembly plants, then foreign producers came South in response to low costs, a favorable labor climate, generous financial and workforce training incentives, extensive transportation links and access to cutting-edge technology.

Table 1 shows that the percentage of gross state product (GSP) accounted for by the automotive industry rose in the South from 0.6 percent to 1.1 percent between 1991 and 2001. Note the following:

Table 1: Automotive Industry Contributions to Southern GSP, 1991-2001						
	GSP (\$ millions)		Contribution of Automotive Industry			
			Amount (\$ millions)		Percent of GSP	
State	1991	2001	1991	2001	1991	2001
AL	75,977	121,490	555	1,600	0.7	1.3
AR	41,277	67,913	203	543	0.5	0.8
FL	269,845	491,488	190	456	0.1	0.1
GA	148,722	299,874	891	2,529	0.6	0.8
KY	70,834	120,266	2,373	10,255	3.4	8.5
LA	95,918	148,697	172	300	0.2	0.2
MS	41,311	67,125	106	331	0.3	0.5
NC	147,743	275,615	740	2,348	0.5	0.9
OK	59,698	93,855	719	990	1.2	1.1
SC	68,776	115,204	279	2,212	0.4	1.9
TN	102,049	182,515	1,491	5,425	1.5	3.0
TX	403,286	763,874	920	1,584	0.2	0.2
VA	153,965	273,070	803	1,802	0.5	0.7
WV	29,331	42,368	16	124	0.1	0.3
<i>Total South</i>	<i>1,708,732</i>	<i>3,063,354</i>	<i>9,458</i>	<i>32,499</i>	<i>0.6</i>	<i>1.1</i>
<i>Total U.S.</i>	<i>5,895,430</i>	<i>10,137,190</i>	<i>45,496</i>	<i>111,431</i>	<i>0.8</i>	<i>1.1</i>

Source: Southern Legislative Conference. "The Drive to Move South." 2003. p. 15.

- The automotive industry contributed 8.5 percent of Kentucky's GSP in 2001, the highest level in the South.
- The automotive industry contributed 0.1 percent of Florida's GSP in 2001, the lowest level in the South.
- Ten Southern states posted an increase in the share of GSP accounted for by the automotive industry between 1991 and 2001. The largest increase – 5.1 percentage points – occurred in Kentucky.
- While North Carolina has no passenger car assembly plants, the share of GSP accounted for by the auto industry rose between 1991 and 2001. This is because over 1,000 automotive-related firms are located in the state. North Carolina currently has the nation's 10th largest automotive cluster in terms of total employment.

The automotive industry also is a significant employer in many Southern states, even in those without passenger car assembly plants. Table 2 profiles automotive employment in the South.

State	# Passenger Car Assembly Plants	% of Total Workforce*	Direct Employment (#)	Auto-Related Employment (#)	Auto Dependent Employment (#)	Total Wages*
AL	4	5	19,500	33,800	96,200	\$ 3 billion
AR	0	4	6,000	18,500	46,800	\$1.3 billion
FL	0	2.6	45,400	47,300	182,900	\$8.7 billion
GA	3	5	31,200	64,400	184,800	\$6.4 billion
KY	4	10	28,100	72,600	165,500	\$5.5 billion
LA	1	3.8	15,500	19,100	67,900	\$2.2 billion
MS	1	4.2	8,800	15,600	47,400	\$1.3 billion
NC	0	4	24,500	54,300	158,800	\$4.8 billion
OK	1	5	13,300	26,800	73,400	\$8.3 billion
SC	1	5	11,850	33,850	85,400	\$2.5 billion
TN	2	8	32,600	95,900	229,000	\$8 billion
TX	2	3.4	62,900	85,800	318,900	\$11.5 billion
VA	1	3.5	22,600	38,900	116,500	\$17.1 billion
WV	0	3.8	5,900	8,800	26,800	\$780 million

* denotes all automotive-related industries (assembly plants, part manufacturers, dealerships, etc.)
Source: Southern Legislative Conference. "The Drive to Move South." 2003.

Articles of Interest

Bill Bishop. "The Great Divide: Where We Live. What We Think. How We Vote." *The Austin American-Statesman*. April 4, 2004.

(http://www.statesman.com/news/content/auto/epaper/editions/sunday/news_04f60cdfc47a42e000cc.html)

* An analysis of political partisanship on the county level.

Timothy Noah. "Mister Landslide's Neighborhood." *Slate.com*. April 5, 2004.

(<http://www.slate.com/id/2098387/>)

* A critique of Bill Bishop's article from *The Austin American-Statesman*.

Paul Maslin. "The Frontrunner's Fall." *The Atlantic Monthly*. May 2004.

(<http://www.theatlantic.com/issues/2004/05/maslin.html>)

* Howard Dean's pollster discusses the inner workings of the presidential primaries.
