As Goes Janesville
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From the Filmmaker

When our economy started crashing I did what most documentary filmmakers do: I started looking for a story to tell. I was not so interested in chronicling the fall. Rather, I wanted to make a film about how people reinvent their economies and their lives, something that would prove valuable now and far into the future. My guiding question was this: Is it possible to rebuild our economy without sacrificing the middle-class promise of America?

I didn’t have to venture far to find an important story to tell. The century-old General Motors (GM) plant in my wife’s hometown of Janesville, Wisconsin, was closing, threatening the very foundation of the solid middle-class community where my wife grew up. It’s only an hour and 15 minutes from my doorstep in Milwaukee, so I was off.

My first step is always a listening tour. I talked to as many people as I could find to learn what they believed the story to be. My conversations revealed that just beneath the gloss of this idyllic Midwestern auto town was a growing division about what a post-GM community should look like. Some business leaders confided that they’d just as soon see GM go and take its high-wage union jobs with it. Others said GM’s presence slowed economic diversification and projected a blue-collar image that made attracting new companies difficult. I met labor leaders fearful of an erosion of workers’ rights. And I met many unemployed workers stuck in the middle without much power to control their economic futures but facing the immediate and stark choice of either scrourng pennies to go back to school or leaving their families and unsellable houses behind to chase a GM job in another state. What also surprised me was the number of female breadwinners facing this crossroads, something different from what I’d expected, perhaps because I’d had a male stereotype of an assembly-line worker in my mind’s eye for too many decades. All told, Janesville leapt out to me as a microcosm of America, and an opportunity to tell a fascinating story from multiple points of view so that audiences could gain the same kinds of insights I was gleaning no matter their background or assumptions about our themes.

The grand point of the film is really quite simple: Rebuilding our economy is friggin’ hard to do. But the merit of the film lies in the questions it raises. Here are a few:

- Is it possible to overcome political polarization and work together to shape our economic futures?
- How can we both create jobs and sustain the middle class?
- What role should unions play in ensuring the future of the middle class?
- Is it legitimate for communities to give public dollars and tax incentives to companies? How transparent should the process of creating incentive packages be?
- Who should prosper and who should lose during a time of economic upheaval?

I don’t think our film provides any easy answers to these questions. And that is exactly why you should see our movie … because we need to wrestle with these vexing issues or else we will have to settle for misguided solutions based on avoidance rather than on engagement with the reality of our shared economic future.

Brad Lichtenstein
Filmmaker
The Film

As Goes Janesville reports from ground zero of America’s recession-ridden heartland—the city of Janesville, Wisconsin. When a bankrupt GM shuts down the community’s century-old plant, forcing workers to leave their families in search of decent jobs, local business leaders seize the moment to woo new companies with the promise of lower wages, reduced regulation, and tax breaks. Their powerful alliance with newly elected Republican governor Scott Walker starts with an “open for business” manifesto but soon morphs into a “divide and conquer” antiunion crusade that rips apart the state, triggers a historic recall election, and thrusts Wisconsin’s civil war onto front pages worldwide. A cautionary tale for a polarized country falling short of the American Dream, the film follows three years in the lives of laid-off workers struggling to survive, business leaders trying to reinvent their local economy, and a state senator caught in the middle, trying to negotiate a peace for his warring state while protecting workers’ rights. As Goes Janesville, so goes America.

Selected Individuals Featured in As Goes Janesville

Gayle Listenbee – Laid-off GM employee who went from a $28/hour job to finding only a minimum-wage job, rehired at the GM plant in Ft. Wayne, Indiana

Cindy Deegan – Laid off from Alcoa (a GM supplier) after 13 years, retrained to be a medical lab technician

Mary Willmer – Local bank president who united the area’s business and economic development leaders to bring new jobs to Janesville

Tim Cullen – Former Wisconsin state senator from another era who ran for office again after 24 years out of office and found a very different political environment
Background Information

Janesville as Microcosm
Over the last three to four decades, American industry has been steadily declining. As Goes Janesville presents an example of one community that has lost its long-standing industrial base and must reinvent its economy to replace lost jobs and tax revenue once provided by— in this case—the auto industry.

Negative Trends for Industry
A few select numbers show some of the major changes in the economy in the last 30 to 40 years:

- Since the 1970s, the portion of gross domestic product contributed by manufacturing has dropped from 25 percent to 12 percent. During that same period, the portion of manufactured goods imported for use in the United States has risen from a tenth to a third.
- In 2008, the U.S. steel industry produced only 7 percent of global steel output.
- Since the 1970s, U.S. oil companies have not built a single new domestic refinery despite the steadily increasing consumption of petroleum products.
- Between 2000 and 2008, the number of manufacturing jobs in the domestic computer and electronics industry fell 33 percent as China moved ahead of the United States to become the largest manufacturer by a substantial margin.
- The U.S. auto industry has been losing market share in this country since the 1980s; its share is half of what it was three decades ago.

Reasons for Industrial Decline
There are several reasons for the changes listed above, including
- globalization of marketing and distribution networks, allowing American companies to produce goods in other countries using cheaper labor;
- free-trade legislation that eliminated trade barriers such as tariffs and legal restrictions imposed during the Cold War, resulting in competitive advantages that allowed foreign manufacturers with lower production costs to gain larger shares of the U.S. market;
- technological advances, making it possible to meet production goals with fewer workers.

Source

Selected Cities and Towns Affected by Economic/Industrial Decline

Ravenswood, WV (pop. 4,000), where Century Aluminum closed one part of the aluminum works in 2009, laying off 650 of its almost 1,700 employees.

Georgetown, SC (pop. 9,000), where the closing of the local steel mill in 2009 left International Paper as the last major private employer.

Madawaska, ME (pop. 4,000), where workers voted in 2010 to take an 8.5% wage cut to keep the financially strapped paper mill going.

Glenwood, WA (pop. 500), where flat lumber prices and rising land prices are crippling the forest products industry.

Gary, IN (pop. 80,000), founded by U.S. Steel in 1906, where the population dropped from 200,000 in the 1950s to just over 80,000 today. Once known as the “City of the Century,” major buildings have been left to decay and the city is a hollowed-out version of its former bustling self.

Dalton, GA (pop. 30,000), the mills of which once produced half the world’s carpet. However, as the housing industry has declined, so has the need for wall-to-wall carpet. The carpet mills surrounding Dalton lost 4,600 jobs over the course of 2011, leaving the city with an unemployment rate of around 12 percent.

Flint, MI (pop. 100,000), which in the early 1980s was home to nearly 80,000 GM jobs and produced millions of auto parts for the state’s main industry. But plant closures and the globalization of the auto-part industry cut the city’s population in half from 200,000 in 1950 to just over 100,000 today.

Sources
» www.detroitnews.com/article/20051211/AUTO01/512110339

Effects on Industry Towns
As factories have closed and manufacturing has moved offshore, the towns and cities that were home to these plants have faced stark realities and difficult choices. While some have proactive and visionary leaders who implement actions to inject new life into their communities, in many cases the closing of a factory or major business leaves a city bereft of a sufficient tax base or other resources necessary to restructure the economy. Population declines as jobs disappear, buildings decay, and what’s left is an incipient ghost town.
A Search for Solutions

Back to Nature
Some cities in America’s Northeastern and Midwestern Rust Belt are undergoing radical, physical changes. A case in point is Flint, Michigan, the original headquarters of General Motors, where the labor force of seventy-nine thousand has shrunk to eight thousand. Local leaders have determined that the city must also shrink in order to survive. They are implementing a plan to consolidate local services and the dwindling population into a smaller, sustainable area. The plan involves razing abandoned homes and other buildings and returning much of the land to nature. Similarly, in nearby Detroit, which is suffering extreme urban decay, there are plans to divide the city into several urban centers separated from each other by countryside.

Source

The Challenge of Reinvention
Janesville is an example of a town that has chosen to reinvent itself, offering incentives to attract new businesses and jobs. Janesville has the good fortune to be located near several major urban areas—including Milwaukee, Wisconsin; Chicago, Illinois; St. Louis, Missouri; Des Moines, Iowa; and Minneapolis, Minnesota—and has been able to recently establish itself as a distribution hub for major companies. The community had also faced previous workforce reductions at GM, and so had begun to intentionally diversify its economy in the 1990s, so it did not have to start from scratch when GM finally shut down the assembly plant.

Former manufacturing towns generally face formidable challenges in their struggle to survive. Any new industry they might attract will likely not be unionized and thus will not provide jobs as high-paying as those that were lost. Potential employers may consider cheaper labor a plus, but workers may not be willing to stay and work for lower pay. Competition for desirable high-tech companies is intense. Older towns lacking high-performing schools and amenities may not be so attractive to “creative class” workers. Luring new companies could require extensive changes to the infrastructure and built environment as well as a major shift in the cultural character of the town—potentially difficult and expensive adjustments.

Sources

Where the Jobs Are
Which U.S. cities hold the most promise for current and future job seekers?

Forbes magazine published a list in 2011, using the 52 largest metropolitan areas in the country (with populations over 1 million), ranking them based on job growth and demographic factors that included family growth rates, the increase in the number of college-educated migrants, population growth, and measures of attractiveness such as the ability of a person to settle down, make money and start businesses. Here are the Forbes top 10:

No. 1: Austin, Texas
No. 2: Raleigh, North Carolina
No. 3: Nashville, Tennessee
No. 4: San Antonio, Texas
No. 5: Houston, Texas
No. 6: Washington, D.C. area
No. 7: Dallas, Texas
No. 8: Charlotte, North Carolina
No. 9: Phoenix, Arizona
No. 10: Orlando, Florida

Source
What Happens to the Workers?

Anyone who has ever lost a job will be familiar with the uncertainty and anxiety associated with “involuntary displacement.” Even a severance package that includes several months’ pay only provides a temporary cushion against the bills and day-to-day living expenses. Without a regular paycheck, foreclosure looms as mortgage payments slide. If a job previously included benefits such as health care, now checkups and other medical procedures may have to be put off, risking potential health problems. As was the case with Gayle Listenbee in the film, taking a new job may mean the relocation of a family breadwinner and the stress caused by the separation. Loss of a job can lead to depression related to disengagement from social and civic participation, further eroding access to much-needed social support. Worker dislocation on a mass scale diminishes the vibrancy of a city and its institutions.

For some, being laid off can be converted into an opportunity to go back to school and learn a new trade or profession, just as Cindy Deegan does in the film—albeit at a lower wage. Such people may be able to survive the structural unemployment that occurs when a community transforms its economic base from one industry to an entirely new one—for example, from a manufacturing-based economy to an information-based one (see sidebar).

Source

U.S. Industrial Policy

Should the United States have an industrial policy? And if so, what should it be? These questions have been debated since the early days of our country. An industrial policy means long-term strategic planning that articulates what the country needs in order to prosper and prescribes an allocation of resources and funding to ensure beneficial economic outcomes. This is a discussion that typically resurfaces during economic downturns.

Supporters of an aggressive industrial policy say that the government should provide targeted capital and other incentives to keep industry and jobs in America. They argue in support of policies that aim to keep scientific and entrepreneurial talent at home, offer trade protections for traditional manufacturing sectors, and provide money to incubate new businesses. The revitalization of manufacturing, they suggest, should be linked to national goals covering our needs for energy, defense, transportation, and other areas.

Those opposed to an interventionist industrial policy say that the government should not “pick winners”—such a strategy would undermine American principles of free enterprise. Furthermore, they argue that government cannot make better decisions than the market, which behaves “rationally.” In fact, they say, government can do more harm than good when it interferes in private business.

But, in reality, the government has long been “interfering in private business” through taxes, tariffs, special loans, bailouts, research grants, and other methods, usually with little regard for the long-term needs of the country. Many of our differences over industrial policy are driven more by ideological beliefs than actual policy nuances. To date, the United States has no formally unified industrial policy and the debate continues.

Sources
» www.guardian.co.uk/commentisfree/cifamerica/2009/jun/01/general-motors-china-auto-industry
» prospect.org/article/industrial-policy-road-not-taken
Labor Unions’ Diminishing Size and Power

As manufacturing has declined, so have labor unions. At their peak in the 1950s, unions represented 35 percent of the labor force, largely workers engaged in manufacturing. It was often a “good union job” with high wages and solid benefits that helped many Americans enjoy a middle-class lifestyle. By 2010, union membership had dropped to 14.7 million, or 11.9 percent of all wage and salary workers. Today, a far greater percentage of workers in the public sector are unionized compared to the percentage of union members in the private sector. Public-sector workers are those employed by federal, state, or local governments and they include teachers, police officers, and firefighters. As unions’ size and power diminished, employers became more willing to resist new union formation. The growing numbers of displaced workers and the availability of new immigrants willing to work for lower wages strengthened the hand of employers, and much American industry has moved to southern and western parts of the United States, where the union tradition is weaker than in the Northeast and Midwest.

Sources
» economics.about.com/od/laborinamerica/a/union_decline.htm
» usgovinfo.about.com/od/moneymatters/a/Labor-Union-Membership-Declined-In-2010.htm

Wisconsin’s Union Fight

In February 2011, demonstrators began to pour into Madison to protest Governor Scott Walker’s “budget repair bill,” which contained provisions that would strip most state employees of any meaningful bargaining rights. The governor said this was necessary in order to close the state’s $137 million budget gap. The unions and their supporters saw this as a partisan move to defund the unions that form the backbone of the Democratic Party, and noted that the budget gap had recently increased dramatically due to the governor’s own fiscal and tax proposals.

The governor’s proposal could be seen as an audacious move in light of the fact that Wisconsin is a stronghold of the labor movement. It is the birthplace of the American Federation of State, County and Municipal Employees, one of the nation’s largest labor unions, and it has a long history of successful battles for workers’ rights. Wisconsin was also the first state to provide collective bargaining rights to public employees in 1959. This union tradition is part of the reason the pushback against Walker’s bill was so strong. At their height, the demonstrations brought more than one hundred thousand protesters to Madison, who filled the streets around the Capitol and occupied the building itself for several weeks. Eventually, the bill was passed over the objections of its opponents, raising concern that it sets a powerful precedent for other conservative governors who want to weaken collective bargaining rights.

After the demonstrations ended, the protesters launched a recall effort against Scott Walker and the Republican state senators who supported his bill. Several senators were defeated and partisan control of the Senate flipped to the Democrats, but Governor Walker survived his recall. Wisconsin bears watching to see how unions fare in the coming months and years.

Sources
» www.motherjones.com/mojo/2011/02/whats-happening-wisconsin-explained
» truth-out.org/news/item/9576-wisconsin-recall-campaign-spending-tops-$60-million

Influence of Money on Politics

The money spent on the recall elections in Wisconsin has been described as “a torrent,” “obscene,” and “off the charts.” For the senatorial and gubernatorial recall elections, total campaign spending topped $100 million, many times greater than had ever been spent in Wisconsin before. Out-of-state and undisclosed sources made up much of the contributed funds to campaigns and independent groups working in these elections. Money has been a major factor in American elections for some time, but the 2010 Citizens United Supreme Court ruling has allowed campaign spending to reach new levels, as corporations, unions, and issue advocacy organizations may now spend unlimited amounts of money on independent political expenditures in support of or in opposition to a candidate. The mechanism for accepting and channeling donations is the super PAC (political action committee), whose sponsors are not required to reveal the names of individual donors.

Sources
» www.motherjones.com/mojo/2011/02/whats-happening-wisconsin-explained
» truth-out.org/news/item/9576-wisconsin-recall-campaign-spending-tops-$60-million
Is the Middle Class Disappearing?

These days a lot of campaign rhetoric is directed to the plight of the middle class: They are struggling to make ends meet; they carry the banner of family values; they work hard, play by the rules and deserve better than they are getting. The most alarming statements claim that this great swath of American society is about to disappear altogether. While there seems to be a general consensus that a large segment of the American population—“the middle class”—is under stress due to current economic conditions, trying to define that segment is a slippery exercise.

So what does it mean to be middle class in America today? That depends on whom you ask. The great majority of Americans, when polled, place themselves in the middle-class category. This includes people who earn as little as thirty thousand dollars a year and those with yearly incomes of around two hundred thousand dollars. Within that broad range of income, some may call themselves upper middle class, and some, working class. Even individuals who are officially “poor,” based on the federal poverty level, often consider themselves middle class. Families with yearly incomes of fifty thousand to sixty thousand dollars who live in low-cost areas may be quite comfortable financially; others with six-figure incomes feel squeezed because costs are high where they live.

Other factors help define middle class, such as education level, cultural values, and lifestyle choices, but generally, when politicians talk about the middle class they are referring to that large, ambiguously defined segment of the population that traditionally has had middle-income jobs. According to a report from the New America Foundation, this demographic is under stress because of high unemployment and the restructuring of the labor market. Here are a few supporting facts from that report:

- Middle-income jobs are disappearing from the economy. The share of middle-income jobs in the United States fell from 52 percent in 1980 to 42 percent in 2010.
- Middle-income jobs have been replaced by low-income jobs, which now make up 41 percent of total employment.
- Seventeen million Americans with college degrees are doing jobs that require less than the skill levels associated with a bachelor’s degree.
- Wages and salaries fell from 60 percent of personal income in 1980 to 51 percent in 2010. Government transfers rose from 11.7 percent of personal income in 1980 to 18.4 percent in 2010, a postwar high.

Sources
- factcheck.org/2008/01/defining-the-middle-class
- www.msnbc.msn.com/id/21272238/ns/us_news-gut_check/t/who-or-what-middle-class/#.UBvbcc2JmkI
Topics and Issues Relevant to *As Goes Janesville*

A screening of *As Goes Janesville* can be used to spark interest in any of the following topics and inspire both individual and community action. In planning a screening, consider finding speakers, panelists, or discussion leaders who have expertise in one or more of the following areas:

- Economic development
- Employment counseling
- Labor organizing
- Community development
- Globalization
- Entrepreneurship
- Worker displacement
- Business-labor relations
- Political activism
- Campaign finance reform
- Industrial policy / economic policy
- Elected political leadership

**Thinking More Deeply**

1. What is the responsibility of government in offering incentives to support business ventures in a community? What type of goal-setting and accountability measures should the government require of businesses receiving such support?

2. What is the responsibility of government in providing “safety nets” for individuals who have lost employment and benefits? How far should those safety nets extend— for example, should they include unemployment payments only, or should health care coverage be included as well? How about low-cost housing loans? Child care? Retraining programs? All of the above?

3. What responsibility do businesses have, if any, toward employees who are laid off?

4. Should job creation be left entirely up to the private sector? Why or why not? What, if anything, should government do to promote industry and create jobs?

5. How can business and labor work together to benefit both?

6. In light of the many adverse economic developments in recent years, such as layoffs of thousands of workers in a variety of industries, suppression of union organizing, and the banking and mortgage crisis, why have there not been more protests like those in Wisconsin?

7. Do you feel differently about your children’s economic prospects than your parents did about yours? If so, describe the difference.

8. Many economists and other experts believe that the Janesville experience is the story of the United States as a whole. Do you agree? Why or why not? What lessons can other communities learn from Janesville?

9. Are any aspects of what occurred in Janesville reflected in your community? If so, what are they?

10. What would you like to change about your community? How would you bring polarized political groups together to make change happen?
Suggestions for Action

Together with other audience members, brainstorm actions that you might take as an individual and that people might do as a group. Here are some ideas to get you started:

1. Is there an issue dividing your community, or an issue that has potential to polarize the community? Gather a group of concerned citizens to organize a community meeting to begin addressing the issue. Be sure to include individuals who are familiar with community organizing and conflict resolution, including faith-based groups, who are able to work across political lines and are trained in approaches for discussing polarizing issues. The goal is to convene diverse interest groups and help find common ground in solving the community’s problem. You can find resources and information on the website of National Issues Forums (nifi.org).

2. If your town is experiencing a business closure or other major economic shift, learn from towns that have tackled a similar problem. Look at models of other cities and towns that have faced major economic changes and have worked to transform themselves. Among these are:
   - Steubenville, Ohio
     www.progressalliance.com/About
   - Omaha, Nebraska
     www.selectgreateromaha.com/Greater-Omaha-Development-Community-Development.aspx
   - Muncie, Indiana
   - Mansfield, Ohio
     www.ci.mansfield.oh.us/Economic%20Development/index.html

   Note: This list of towns and cities is from the book After the Factory: Reinventing America’s Industrial Small Cities, edited by James J. Connolly; more information at www.scribd.com/doc/80751406/After-the-Factory-Reinventing-America-s-Industrial-Small-Cities

3. Keep tabs on the federal subsidies your state receives and help monitor how these funds are used. Visit the Good Jobs First website (www.goodjobsfirst.org) and click on the “Accountable USA” interactive map.

4. Would you like to reduce the influence of money on elections? Learn about the influence of money on elections in your state and what you can do about it at www.followthemoney.org. For additional outreach ideas, visit www.communitycinema.org. For local information, check the website of your PBS station.
Resources

asgoesjanesville.com — This is the official website of the film. Read the blog for ongoing commentary from the film’s director.

bizVizz App — This mobile app and related website provide users with information about business tax rates, tax subsidies, employment records, and political contributions. Available November 2012.

www.nlc.org — The National League of Cities (NLC) is dedicated to helping city leaders build better communities. Working in partnership with the 49 state municipal leagues, NLC serves as a resource to and an advocate for the more than nineteen thousand cities, villages, and towns it represents.

www.marquette.edu/cps/Community_Transformation_Project.shtml — The Community Transformation Project, sponsored by Marquette University in Milwaukee, provides safe places for all voices in a community to explain and share their hopes and ideas for transforming their communities.

www.clasp.org — The Center for Law and Social Policy (CLASP) is a nonprofit organization that seeks to improve the lives of low-income people by developing and advocating federal, state, and local policies to strengthen families and create pathways to education and work. Among the issues it addresses are employment strategies, basic skills, and workforce training.

communitybenefits.org — The Partnership for Working Families is dedicated to building power and reshaping the economy and urban environment for workers and communities by expanding and connecting communities and by worker organizing for quality jobs, affordable housing, shared prosperity, and a healthy environment.

www.goodjobsfirst.org — Good Jobs First is the nation’s leading resource for grassroots groups and public officials seeking to make economic development subsidies more accountable and effective.

nifi.org — National Issues Forums (NIF) is a network of individuals and organizations — civic, educational, and otherwise — whose common interest is to promote public deliberation in America. It has grown to include thousands of civic clubs, religious organizations, libraries, schools, and many other groups that meet to discuss critical public issues. NIF does not advocate specific solutions or points of view but provides citizens the opportunity to consider a broad range of choices, weigh the pros and cons of those choices, and meet with each other in a public dialogue to identify the concerns they hold in common.

www.bls.gov/ooh/About/Projections-Overview.htm — The Occupational Outlook Handbook, published by the Department of Labor’s Bureau of Labor Statistics, provides information on a variety of occupations, explaining which ones are likely to experience growth in the next decade.