



Buying Domestic: Is it Worth It?

By Dan Searles

One of my favorite stories is the one about the boy on the beach. It's after a big storm and he is picking up starfish and throwing them back in the ocean. By and by, an old man walking the beach strikes up a conversation with the boy. "Son," he explains, "there's been a big storm. For a thousand miles in either direction there are starfish washed up on the beach. What difference does it make for you to throw six, ten, or even fifty starfish back into the ocean?" The little boy picked up another starfish. He considered it, looked up at the old man and, as he tossed the starfish into the ocean, said, "It matters to me and it matters to that one." The old man smiled and began to help.

This story is meaningful on several levels and it is certainly applicable to our lives and current times. First, like the little boy, we should each do what we can to help others and ourselves. Second, like the old man, we need to be willing to look at old problems with a fresh outlook. That brings us to our question of the month:

"Dear Dan: I need to buy a new car. And, because of the troubles at the domestic automakers, for the first time since the 1980's, I am considering a domestic make. I feel that purchasing a domestic car will help preserve more jobs at home than buying a foreign make. A friend claims that foreign cars assembled in the U.S. create the same number of jobs. What say you? Signed, Trying to do the right thing in Maryland."

Dear Trying: While I applaud your patriotism, the first thing you need to do is consider the various models that appeal to you and research them. What does J.D. Power say about the car's quality? How about Consumer Reports? (Cautionary note: before jumping to conclusions using decades' old quality information, we encourage all our readers to look anew. Domestic models, like the Ford Fusion Hybrid, the Chevy Malibu (recently voted Motor Trend's Car of the Year) and the all-new Dodge pickup, have gotten rave reviews for quality and workmanship. If, after your research, you like what you see, by all means, give the domestics a chance. I recently bought a Buick Enclave and it's a fantastic ride.

Now, as to the part of your question regarding which purchase supports the most U.S. jobs, my research led to the good folks at The Level Field Institute. They measure

jobs that take place “beyond the assembly line including engineering, design, finance, and more.” In a nutshell, their rating system helps you see how many U.S. workers are employed for every 2,500 cars sold in the U.S. Their research concludes that Ford (Lincoln, Mercury) employs, “87 Americans for every 2,500 cars sold,” followed by GM (Chevrolet, Buick, Pontiac, Cadillac, GMC, Saturn) and Chrysler (Dodge, Jeep, GEM Electric Cars) at 78 and 66, respectively. Among the foreign automakers, Honda leads with 44, followed by Toyota (42), Nissan (34), and Hyundai/Kia at 15. Buying a Ford, GM, or Chrysler product supports a lot more jobs than buying a foreign car. Case in point, buying a Ford supports almost six times more jobs than buying a Hyundai.

They go on to say: “Secondarily, autos assembled outside the U.S. by companies based here support significantly more U.S. jobs than autos assembled here by companies with most of their engineering, design and headquarter jobs located overseas. For example, a Ford assembled in Mexico this year will likely support approximately six times more U.S. jobs as a Hyundai assembled in Alabama. It will also contain more U.S. and Canadian parts than Hyundai’s assembled in Alabama.”

Having said that, if you want to support U.S. jobs, you need to buy cars manufactured by U.S. based corporations. But, in order to take care of yourself, you need to make sure that those companies have made a high quality vehicle that suits your budget and taste. My conclusion comes with a disclaimer. I own a U.S. made Jeep, Mexican assembled Chrysler P.T. Cruiser Convertible, a U.S. made Buick and a German V.W. camper bus. My partner, John, owns two American assembled Toyotas, a Chrysler and a U.S. made Harley Davidson motorcycle.

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