

Social Security change could affect strategy



So how much extra money do you need to save, if Washington takes the advice of Federal Reserve

Chairman Alan Greenspan and kicks up the retirement age for Social Security benefits?

I put this question to some number crunchers. Before we get to those numbers, let's understand one thing: Most working people already need to wait until after age 65 to collect the fattest monthly Social Security check.

The retirement age for full benefits is shifting from 65 to somewhere between ages 66 to 67, depending when you were born.

The 67 rule hits people who are now in their 20s, 30s and early 40s. Working folks born in 1960 or later must wait until age 67 if they want to get full benefits.

Yes, people can get retirement benefits at age 62. But those are reduced benefits.

People who are in their late 40s, 50s or 60s need to refer to a Social Security chart at www.ssa.gov to figure out their limit.

Live, wait longer

When I turned to the number crunchers at **T. Rowe Price**, we looked at one possibility.

What if the age for maximum benefits jumps from age 67 to 70? And say you want to retire at age 67 anyway and wait until 70 to claim the maximum benefits?

It's not a cheery thought. But it's easy for Washington to argue that people live longer and budget woes could demand more drastic changes.

The crunched numbers: If you're 30 now, you would need to save an extra 0.6 percent of your salary to make up for the gap. So, if you made \$45,000, you'd start saving an extra \$270 a year. Someone who is 40 needs to save an extra 1.1 percent. Or \$495 a year if making \$45,000.

Estimates are optimistic

On the surface, it seems like chump change to divert disaster. But not so fast.

You have to realize that some optimism was built into the model:

- You'd get annual raises of 3 percent a year and would save more each year.

- You'd get an 8-percent average annual return on your money in a tax-deferred account before retirement.

- You could live on 70 percent of your preretirement income.

- You're not living just on Social Security checks. You'd tap into other savings and possibly a pension, too.

There's also another not-so-small point to consider. This extra money would be on top of any money you'd already need to save for retirement.

"It's running the last mile at the end of the marathon," said Stuart Ritter, the financial planner who ran the numbers at T. Rowe Price.

And if you want more worrisome numbers, well, swallow your breakfast and read on.

Take 40-year-olds. They should be saving 13 percent of salary a year — assuming they've already set aside enough money to cover one year's annual salary, another T. Rowe Price study shows.

Someone who is 40 and hasn't saved a dime yet? He or she should start saving 19 percent of salary each year.

Someone who is 30 and hasn't any retirement savings would need to set aside 10 percent of salary each year.

The earlier study assumed a retirement age of 65. So theoretically, if you work until age 70 you could save less money each year.

Sure, we'd like to crunch the calculator that crunched these numbers. But if you ever thought Greenspan had some head smarts, save something extra now for retirement. Anything extra.

Contact SUSAN TOMPOR at 313-222-8876 or tomp@freepress.com.



SMALL BUSINESS | HELP WANTED

Repair shops struggle to find mechanics to fill high-paid positions. **6E.**

FORD AD DROPPED

Chrysler sends cease-and-desist letter over minivan commercial. **5E.**

MONDAY

March 8, 2004

Industry Report 2

The Business List 3

Motley Fool 4

Tip Sheet 4

ON THE WEB
www.freep.com

PHONE 313-222-8765

Section E

BUSINESS

DETROIT FREE PRESS

SOCIETY OF AUTOMOTIVE ENGINEERS 2004 WORLD CONGRESS

TEAM PLUGS NOISE LEAKS



Photos by DAVID P. GILKEY/Detroit Free Press

Rani Beniwal, left, and Manmohan Singh prepare an array of microphones in the anechoic chamber at Wayne State University.

Computers indicate where to halt frustrating loudness of driving

By JEFF BENNETT
FREE PRESS BUSINESS WRITER

THE EVENT

WHAT: Society of Automotive Engineers 2004 World Congress

WHERE: Cobo Center, Detroit

WHEN: Today through Wednesday 9-5, Thursday 9-4

EXPECTED ATTENDANCE: About 38,000 automotive engineers and job seekers plus 1,000 exhibitors

TOPICS: Advanced propulsion and powertrains, lightweight materials, advanced electronics, environment and emissions, safety and testing, general engineering and management

FEATURES: More than 300 technical and business sessions and 1,500 technical papers.

- Engineering students face tough job market. **1A.**
- Microsoft thinks it's on right road to auto market. **2A.**
- Study shows that stability controls are effective. **2E**

There you are cruising down the highway at 70 miles per hour when you hear *that* noise.

Perhaps it sounds like the rumbling of the road or whipping wind. You stop and slam the door harder but it's not long before the realization hits. Despite spending thousands to buy the car, you will always be plagued by *that* sound.

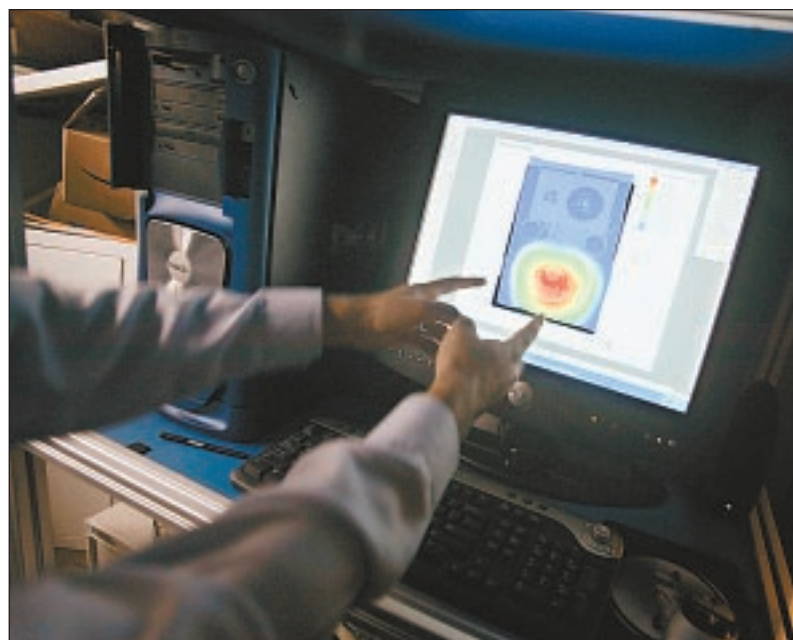
Frustrating? You bet. Each year automakers, truck builders and airplane designers spend thousands of hours and millions of dollars to inject a little more peace and quiet into their products.

But a new company, founded in the research labs of Wayne State University, could hold the technological key to help companies actually see sound so they can stop the noise from leaking in and out of their products.

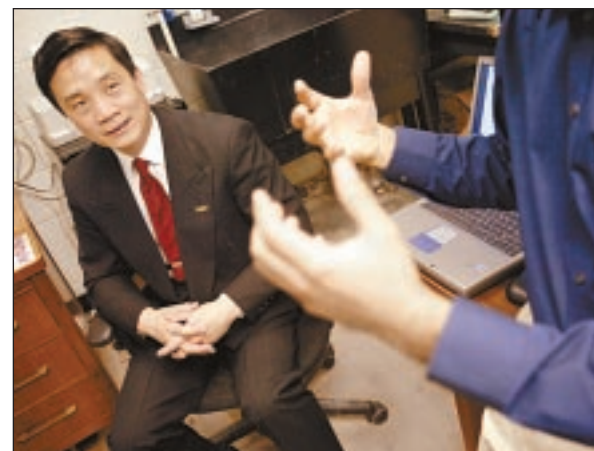
SenSound LLC has developed a computerized process that uses mathematical equations, microphones and color to track sound waves.

The company is to make its debut today at the Society of

Please see SOUND, Page 2E



Areas where sound is blocked are shaded blue, while areas where noise has leaked are yellow and red.



Professor Sean Wu talks with a student at WSU, where SenSound began as an experiment to develop a process using mathematical equations, microphones and color to track sound waves.

Auto part suppliers study jobs

Analysts predict drain on U.S. production work

By WILLIAM DIEM
FREE PRESS SPECIAL WRITER

Automotive jobs will continue to leave Michigan, but there are remedies, says a report on the future of manufacturing to be delivered today at the opening session of the Society of Automotive Engineers World Congress in Cobo Center.

The United States is expected to see an 11 percent drop in its automotive production jobs by 2010, according to "The Odyssey of the Auto Industry" a study conducted by **Roland Berger Strategy Consultants for the Original Equipment Suppliers Association**.

"I don't want this to be used as a case for protectionism," said David Andrea, vice president of business development for the association. "The message should be:

Please see JOBS, Page 2E

Pier 1 engages 'Queer Eye' pitchman

Design guru Filicia leads TV campaign

By GRETA GUEST
FREE PRESS BUSINESS WRITER

Is Queer Eye about to become Pier Eye?

Some viewers of the popular TV show "Queer Eye for the Straight Guy" might wonder Thursday when the show's design expert Thom Filicia replaces Kir-

stie Alley in national television commercials for **Pier 1 Imports**.

The ads were designed by Warren-based **Campbell-Ewald**, which won the Pier 1 business in 2000. Last summer, the firm came up with the concept of using a national designer to help people select items at Pier 1.

At the same time, "Queer Eye"

was becoming a break-out hit for the NBC-owned **Bravo** cable channel.

"We began a dialogue with Thom and his people. We found out that Thom had been an avid Pier 1 customer for a number of years," said Phil Schneider, executive vice president of marketing for Pier 1. "We thought he would be a great spokesperson for Pier 1."

"Queer Eye" features five gay

men who specialize in decorating, grooming, culture, fashion and food and wine. They help style-challenged straight men improve their habits in each area.

While Filicia isn't required under his 1-year contract to feature Pier 1 merchandise on the show, he made a visit to its Manhattan store for an early episode that aired last summer. He selected

Please see EYE, Page 5E



Pier 1 Imports
Warren-based Campbell-Ewald designed the campaign around Thom Filicia.

BUSINESS TODAY

AUTOS

Steel dispute poses major threat to Delphi

Court documents show that **Delphi Corp.** fears shutdowns by its steel parts suppliers could cost it \$10 million a day.

Delphi was awarded a temporary restraining order against two of its suppliers — **Republic Engineered Products LLC** and **NSS Technologies** — on Feb. 20 in Saginaw County Circuit Court.

The suppliers had threatened to stop shipping steel parts if Delphi would not agree to pay more for the parts. Steel prices have been escalating as much as 30 percent since December, when many suppliers received notice from their steel distributors informing them of the surcharges.

Several of Delphi's plants could be idled in as soon as one day if the shipments are halted. That could in turn force **General Motors Corp.** plants to go idle

in as little as two days.

The temporary restraining order expires at the end of March.

Ana Lopes, director of government relations at the Motor and Equipment Manufacturers Association, said the surcharges started out at about \$20 to \$60 a ton, depending on the product type. The surcharges now range from \$80 to \$130, she said.

Three major suppliers to Delphi recently wrote letters to the company requesting the price increases, saying a dramatic rise in steel costs is putting pressure on their finances. The suppliers threatened to break their contracts if Delphi wouldn't comply.

Delphi in turn asked GM, its biggest customer, to help absorb the costs, but the automaker refused.

By Free Press news services

GM, partner in China to buy plant from Daewoo

General Motors Corp. and its biggest Chinese partner, **Shanghai Automotive Industry Corp.**, agreed to buy an engine plant in eastern China's Shandong province from South Korea's bankrupt **Daewoo Motor Co.**, their second joint takeover in two weeks.

GM, Shanghai Auto and their venture **Shanghai General Motors Corp.** didn't disclose the price they are to pay for **Shandong Daewoo Automotive Engine Co.** GM will rename the company **Shanghai GM Dong Yue Automotive Powertrain Co.** and reorganize it to make up to 300,000 engines a year for its Buick model, GM said in a statement.

GM is buying factories and reorganizing its businesses in China to help it compete with **Volkswagen AG** and **Toyota Motor Corp.**

Daewoo wins deal to sell parts to U.S. automakers

Daewoo International Corp., a South Korean trading company, said it has been awarded a 5-year contract to sell \$160 million of vehicle parts to U.S. carmakers.

The trading company will make and sell aluminum wheels for use in 10 types of passenger cars and sport-utility vehicles made by **General Motors Corp.**, **Ford Motor Co.** and **Chrysler Group.**

U.S. automakers have been buying auto parts from South Korean makers as part of their effort to improve the quality of their vehicles. Asian carmakers like **Toyota Motor Corp.**, **Honda Motor Co.** and **Hyundai Motor Co.** have led quality surveys by **J.D. Power & Associates.** Toyota had nine models in 17 segments polled by J.D. Power in June. Japanese automakers have consistently ranked higher than U.S. and European competitors in the J.D. Power surveys.

The aluminum wheels will be manufactured by South Korea's **Dong Hwa & Co.**, which also provides part to Hyundai Motor, **Kia Motors Corp.** and other carmakers.

CONGLOMERATES

Closing arguments to begin in Tyco trial

After five months of testimony, jurors are to begin hearing closing arguments today in the trial of two former top executives at **Tyco International Ltd.**, former CEO L. Dennis Kozlowski and Mark Swartz, the conglomerate's former chief financial officer.

On Friday, State Supreme Court Justice Michael Obus threw out a count of enterprise corruption, one of the most serious against the two.

The jury will still consider charges of grand larceny, falsifying business records and violating state business laws.

HOW TO REACH US

The Free Press welcomes your comments and questions.

Business, Detroit Free Press

600 W. Fort, Detroit 48226

Fax: 313-222-5992 E-mail: Business@freepress.com

Leslie J. Allen, automotive editor	313-222-8657	Philip Nussel, deputy business editor	313-223-4651
Jeff Bennett, technology	313-222-8769	Jocelyn Parker, automotive	313-222-5391
Jamie Buttner, automotive	313-222-8775	Mark Phelan, automotive	313-222-6731
John Gallagher, develp./architecture	313-222-5173	Mike Santa, business editor	313-222-8767
Omar Gardner, Sunday editor	313-222-4480	Steve Spalding, assistant editor	313-223-4437
Greta Guest, retail	313-223-4192	Susan Tompor, personal finance	313-222-8876
Jeff McCracken, automotive	313-222-8763	Rajiv Wyas, aviation	313-222-8760
David McKay, slot editor	313-222-6711	Tom Walsh, columnist	313-223-4430
Roberta Moore, research assistant	313-222-8743	Sarah Webster, automotive	313-222-5394
Kim Norris, health care	313-222-8762		

SOCIETY OF AUTOMOTIVE ENGINEERS 2004 WORLD CONGRESS

High-tech braking systems are big aid for drivers, study finds

Electronic stability control reduces chance of spinning

By DEE-ANN DURBIN
ASSOCIATED PRESS

WASHINGTON — Drivers in cars with high-tech systems that apply the brakes to individual wheels maintained much better control of their vehicles in difficult driving situations, according to a study conducted at a government lab.

Drivers lost control just 3.4 percent of the time when the electronic stability control system was on, compared to 27.9 percent when it wasn't, according to the study being released today at the Society of Automotive Engineers World Congress in Detroit.

The system automatically ap-

plies brakes when it senses the car isn't heading in the direction the driver intended. It is marketed under various names, including **StabiliTrak**, **Dynamic Stability Control** and **AdvanceTrac**.

University of Iowa researchers conducted the study using the federal government's National Advanced Driving Simulator. **Continental Teves Inc.** and **Bosch Corp.**, the main producers of electronic stability control systems, provided software and paid for the tests, though researchers worked independently.

The study tested 120 male and female drivers ages 18 to 65. They drove a 2003 Ford Expedition or 2002 Oldsmobile Intrigue and were given three scenarios: swerving to avoid a truck as it entered a highway with a 65-m.p.h. speed limit; a curve simulating a highway on-ramp where drivers averaged 55 m.p.h., and a gust of wind that pushed their

vehicle into oncoming traffic. The braking system was turned off in half the cases.

The presence of electronic stability control was most dramatic in the wind gust test on the Oldsmobile Intrigue: 21 of 29 drivers without the system lost control, compared to just six of the 30 drivers with it.

No driver lost control in any of the scenarios when electronic stability control was used on the Ford Expedition, but nine of the 30 Ford drivers lost control on the curve when the system was turned off.

Loss of control was defined as a vehicle spinning off a highway at high speed or rotating 90 degrees or more.

Electronic stability control takes its cues from the driver. If the driver isn't steering, it's less effective, said Yiannis Papelis, one of the lead researchers on the Iowa study. During the test, most

drivers tried to steer away from the danger, a good move when the braking system is engaged.

"People do fight for their lives," Papelis said. "That's what the system requires you to do."

Electronic stability control is available on 10 percent of vehicles sold in the United States and one-third of those sold in Europe.

It is standard on some luxury vehicles, including cars from **Mercedes**, **BMW**, **Audi** and **Volvo**. As an option, the price varies widely. For example, on a luxury version of the Expedition it's \$795.

Safety groups want automakers to make electronic stability control standard equipment. The federal government could require that, but the National Highway Traffic Safety Administration is a long way from taking such a step. NHTSA officials have said the agency still is studying the systems to determine their effectiveness.



DAVID P. GILKEY/Detroit Free Press

Ravi Beiwal, left, and Manmohan Singh set up a sound test at a lab at Wayne State University.

SOUND | Company tracks noise leaks

From Page 1E

Automotive Engineers World Congress at Detroit's Cobo Center.

More than 500 high-tech companies, stretching from **Microsoft Corp.** to **Continental Teves**, will display their latest advances in automotive technology for the next three days. The annual event, which is closed to the public, brings together hundreds of engineers who will present 1,500 technical papers in areas ranging from computerized safety systems to advancements in engines.

For **SenSound's** creators — Sean Wu, a 47-year-old Wayne State professor of mechanical engineering who spent eight years developing **SenSound's** technology, and Sergio Mazza, president and chief executive officer — the show is the perfect spot to unveil the new company.

"The amount of noise is important, said Mazza, who met with Wu in January and decided to

start a company based on the professor's research. "It drives people's purchasing decisions when it comes to everything from appliances to automobiles."

In the **SenSound** process, a car door is bombarded with noise. The computer, using an array of about 50 mini-microphones inside the car, identifies where the noise is leaking through the door and at what intensity. It then displays this as a three-dimensional image on a computer screen. The parts of the door where sound is blocked is shaded blue, while areas where the noise has leaked are shaded yellow and red.

An automaker can use the data to choose the right place and material needed to plug the noise leak. As a result, soundproofing could become more accurate and automakers would spend less time and money because they would focus on only one spot instead of the entire door.

Andy DeWolfe, a product development engineer with **General Motors Corp.**'s Cadillac division,

said the technology is fantastic. The automaker tested the system while it was a university research project.

It helped DeWolfe identify where patches needed to be placed on the bottom of a car door to block the noise from seeping into the vehicle.

"Without it we would have been blindly testing to try and find the holes," he said.

Most automakers use a process that identifies only how much sound the car door blocks. It does not pinpoint where the sound leaks occur.

But the process isn't limited to noise leaking into a car. It can also be used to stop sound from leaking out.

Auto companies struggle to stop squealing brakes. The current system requires them to scan a brake with a laser for several hours. Wu's method pinpointed in six seconds where the squeal occurred.

"We did a test at one automaker when the engineers were on a

lunch break," Wu said.

Mazza said the auto industry is just the start for **SenSound**. He hopes to take the technology to other areas like consumer products.

"The next big area for environmental concern is noise," Mazza said. "It's not just noise from automobiles and airplanes but also noise from lawn mowers and leaf blowers. I remember reading where a town wanted to ban leaf blowers. This is going to be a huge issue."

Mazza said a leaf-blower production company could use **SenSound's** technology to soundproof its product.

Wu says he hopes to take the technology to the human body, allowing doctors to evaluate everything from the heart to a fetus without bombarding it with ultrasound waves.

Contact JEFF BENNETT at 313-222-8769 or jbennett@freepress.com.

JOBS | Auto suppliers study production

From Page 1E

How do we lower the cost of doing business in Michigan or the U.S.?"

The study found the share of global manufacturing done in North America and Western Europe will drop 18 to 22 percent in the next six years, a combination of other markets growing and some local manufacturing ending.

"This does not mean that manufacturing is going to finish here, certainly not," said Andreas Mai, who managed the study for Roland Berger's Troy office.

The auto industry contributes 3.4 to 3.8 percent to America's gross national product, "and that is unlikely to change going forward."

Michigan-based suppliers are under particular pressure because Detroit automakers are losing market share to European and Asian automakers. The pressures

to reduce parts prices forces them to be more efficient, which often means doing business with fewer employees.

Michigan and Ohio lost 46,000 hourly manufacturing jobs between 1997 and 2001. If suppliers are to survive and keep any jobs in Michigan, they must consider several points, the study says:

- The industry is global, so suppliers must organize themselves to compete against anyone in the world that makes the same thing.
- Major growth will be in new markets, and suppliers need to be there.

- Labor is not the only cost of manufacturing, so new factories should not be built somewhere based solely on low wages. Transportation can be expensive, and moving into a new culture can be an expensive hassle.

As a rule of thumb, "it's not worth the risk of extending your

supply chain if you're within 10 percent" of the benchmark cost, Mai said. At the same time, "it's a fact that most new manufacturing will take place in other regions. Suppliers cannot overlook that."

The fact that cars are developed in Michigan research and development centers ought to help suppliers who can come up with innovations and new technologies.

Antonio Benecchi, a Roland Berger partner who worked on the study, said U.S. suppliers could learn from those in Germany who export parts made with proprietary technology.

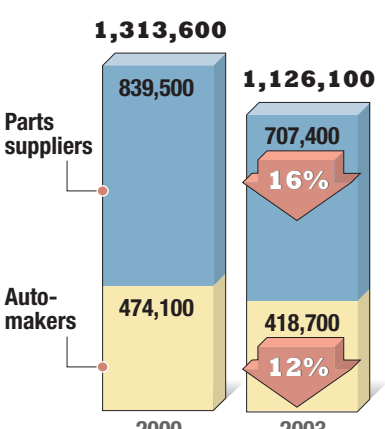
"Every time I read in the news the concerns about jobs going away, I wonder why there isn't more attention on the opposite problem," he said.

"Why shouldn't we think of ways to turn us into an export nation? Because we have the big-

EMPLOYMENT DECLINE

Of the nearly 190,000 jobs lost, a 14-percent drop, in the U.S. automotive industry, 70 percent were in the automotive parts sector.

► U.S. automotive industry employment



Source: Roland Berger, Bureau of Labor Statistics, Current Employment Survey

Detroit Free Press

gest global customers, we have more chance than others to grow."