Nexteer hands $106 million to shareholders while laying off Saginaw workers

Stephen St. Clair
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On November 11, the board of Nexteer Automotive approved the company's first share repurchase program, up to $60 million, to be executed on the Hong Kong Stock Exchange. The buyback follows a July dividend of approximately $46 million, which the company touted as "the highest dividend payout ratio in the Company's history." Taken together, the two payouts move more than $106 million into shareholders' pockets. The announcement came the same week the company acknowledged it has started permanent layoffs at its Saginaw, Michigan complex.

The buyback is the market's verdict on the contract the United Auto Workers (UAW) bureaucracy forced on Nexteer workers in June. The entire case for that sellout rested on the claim that the company could not afford workers' demands, that resistance would bring mass layoffs, plant closure, or an arbitrator imposing a worse deal. One worker put it plainly: "We are told they are losing money and if we didn't accept, they would just pull out."

Now the company tells the market the opposite. In the board's own words, it has a "strong liquidity position" sufficient to hand $60 million to shareholders on top of the record dividend. A buyback shrinks the number of shares in circulation, mechanically lifting the value of those that remain. The immediate winners are the executives, whose pay is pegged to the stock price, and the big shareholders. The buyback is proof that the "we can't afford it" argument parroted by the UAW was a lie.

The layoffs and the payout are two sides of a single transaction. On August 27, Nexteer sold roughly 1.8 million square feet of industrial property—including Plants 1, 5, 6 and 7—to Milwaukee-based Phoenix Investors, retaining Plants 3 and 4 and leasing back portions during what it called a "planned transition." Workers report the company is now concentrating output in Plants 3 and 4, with those holding three years or less seniority first in line for the cuts. The company has refused to say how many workers are being laid off.

Workers being let go are being "offered" a return as part-timers at $27 an hour, capped at 27 to 29 hours a week, with no company health coverage, no paid time off and no sick leave. Workers reported that those who decline this blackmail deal are being warned the company will contest their unemployment benefits.

The form offering this "Part Time Opportunity" cites "our 2026 Collective Bargaining Agreement," a contract no worker has seen. Workers say the old contract's 10 percent ceiling on part-timers has been scrapped, but they cannot verify it because over four months after the UAW pronounced the deal ratified, the text has never been released to the membership.

The contract was forced through over the workers' rejection of three UAW-backed tentative agreements and an 86 percent vote in favor of a strike. The union apparatus declined to call a walkout, extended the old contract without a membership vote. Ultimately, the UAW International and Local 699 officials forced workers to vote on a fourth deal inside the plant, under the company's eye, and union officials reportedly told one worker to "round up all the new hires and tell them to vote yes." On June 26, Local 699 announced the deal had passed, 57 to 43 percent.

The new hires the apparatus prodded into voting yes are now the first out the door, and they are being made to train the people replacing them before they leave. "They want us to train the higher seniority transfers from 7 before they kick us to the curb," said a worker hired in 2026. "It's been nothing but lies."

There is nothing new in any of this. The Nexteer plant had been part of GM's Saginaw Steering Gear

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Division for decades before being spun off as Delphi in 1999 and later sold to China-based Pacific Century Motors. In 2005, Delphi, then the world's biggest parts maker, went bankrupt and demanded wage cuts of up to 60 percent, which the UAW enforced. Two years later, with workers swallowing savage concessions, Delphi's executives asked the bankruptcy court to let them pay themselves $216 million in bonuses.

A former Delphi worker commented on a Reddit post featuring the November 11 WSWS article: "I left Delphi in 2009 via buyout after a similar stunt by UAW 699. We voted their bullshit contract down twice. Then our local union leaders gathered us production workers into small groups to tell us if we didn't vote yes on the upcoming third vote, Delphi would close the plant down."

Nexteer is following a script written by its largest customer. On October 20, General Motors unveiled a $20 billion repurchase on the same day it confirmed the shutdown of its Brownstown battery plant south of Detroit. Within days of the UAW's 2023 contract being ratified, GM unveiled a $10 billion accelerated repurchase. CEO Mary Barra told investors the company would "fully offset the incremental costs" of the deal by trimming expenses elsewhere. The layoffs followed immediately. In December 2023 alone, about 1,300 positions were eliminated at Orion Assembly and Lansing Grand River.

The assault at Nexteer is part of a broader offensive across the parts sector. The cuts follow layoff announcements at Dakkota Systems in Detroit (397 jobs), Detroit Chassis (175), ADAC Automotive (98) and Ford supplier Kern J.G. Enterprise (156).

The UAW bureaucracy is a privileged layer whose pay, posts and way of life rest on the corporations' profitability. That is why it blocked the Nexteer strike, staged the vote under the company's gaze, and drove out Antwiane Sanders, a worker with more than 10 years at the plant, for criticizing UAW International representative Jason Tuck during a contract rollout meeting.

The layoffs and the buyback must be met with an emergency meeting of the workforce, called by the workers themselves. They should outline and vote on demands, including an immediate fight against every layoff and the conversion of part-time jobs into full-time; the immediate release of the full, signed contract, along with every side letter and memorandum of understanding; secure full-time jobs at decent wages, with company-paid healthcare, paid leave and full seniority protection; the reinstatement of Antwiane Sanders with full back pay; and a rank and file-led inquiry into the collusion between Nexteer management and the union apparatus.

The $106 million belongs to the workers who produced it, not to the shareholders the board is now paying off. Nexteer's profits were built from the blood and sweat of its workers, extracted through the complicity of the UAW bureaucracy. The struggle at Nexteer must be wrenched from the grip of the UAW apparatus and joined to workers at GM, Ford, Stellantis and across the parts sector—and to Nexteer workers in China, Mexico and Poland, who face the same corporation and the same assault. Through the International Workers Alliance of Rank-and-File Committees (IWA-RFC), workers must build an international movement against layoffs, concessions and the subordination of their livelihoods to corporate profits.

To join the Nexteer Workers Rank-and-File Committee, email nexteerworkersrfc@gmail.com, text (947) 622-2198, or visit tinyurl.com/nexteerrfc.



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