

Kodak Retirees Worry Amid Bankruptcy Talk

by JULIE PHILIPP



Enlarge

David Duprey/AP

About half of Kodak's 38,000 retirees still live in Rochester, N.Y., where the company is headquartered.

and John Lawson of Tompkins Financial Advisors says more and more of them are showing up at his office with their financial records — and their memories — in hand. He says this is not just a money matter for most; there are a lot of emotions involved.

"I know of people who go down to where some of the buildings were imploded and stand on the grassy knolls in park and recall their Kodak days," he says.

Lawson says that for the most part, retirees will probably get whatever pension earnings they're entitled to today, even if Kodak declares Chapter 11 tomorrow. For some, he says, that might not be much — but that's because of lackluster investments or poor decision-making in the past. In the 1990s, Kodak offered early retirement incentive programs with big lump-sum payouts — and some people took that money and invested in their lifetime dreams.

"[They] bought a bowling alley or a restaurant, something like that — because they were in their late 40s or early 50s," Lawson says.

January 13, 2012 from WXXI

text size **A A A**

Amid recent reports that Kodak could be headed into bankruptcy, financial advisers in Rochester, N.Y., where the company is based, are seeing more and more Kodak retirees who are anxious about their personal financial futures.

Once upon a time, Kodak provided secure, good-paying jobs to tens of thousands of local residents. For about the past 25 years, the company has been shedding local employees — from a high of more than 60,000 in 1982 to about 6,000 today.

About half of Kodak's 38,000 retirees still live here,

More From NPR On Kodak



business

A Digital Death? Why Kodak Stopped Clicking



the picture show

The Death Of The Tangible Is Nigh! (Or Is It?) Share Your Photos Taken On Film



business

Kodak Shifts Focus, Zooms In On Commercial Printing

The nation's economy soured, and so did many of those endeavors. Those people have already had to adjust.

That's not to say there won't still be pain for some retirees. Kent Gardner, chief economist for the Center for Governmental Research, points to the group of about 6,000 local retirees who are a little too young for Medicare if Kodak drops retiree health care coverage. They might have to pay for private insurance for a few years, and that could affect the entire community.

"Kodak retirees are going to spend less on other things. It also may — and I think this is a more serious concern — it may persuade them that they really need to think about a different place to live," Gardner says.

But, Lawson points out, most people who never



business

**Kodak Moments:
Snapshots Of A Camera
Company**

worked for Kodak — and never had retiree health care coverage or many of the other shiny perks once offered by Kodak — and they still manage to make a go of it in Rochester.

"In many ways, Kodak people are much better off than if they had never been Kodak people. But your

level of expectations is built up," he says.

And Rochester Mayor Tom Richards says the same thing about this city: It's better off having been a Kodak town. Nearly all of its major educational, cultural and philanthropic institutions were either started by or benefited from Kodak founder George Eastman, his company or his employees.

"Those institutions are still here and are the strength of this town. They're the reason we've gotten through this as well as we have and will continue to get through it," Richards says.

He says local Kodak suppliers have had time to adapt, and it's been years since car dealers and appliance sales reps got excited about big spending sprees on Kodak employee "bonus day."

If Kodak goes bankrupt, Richards says, it will be a symbolic moment but not much more.

"If Kodak goes bankrupt here in the next couple of weeks or whenever they do, I'm going to get up the next morning, and I'm pretty much going to have to do what I did the day before," he says.

And bankruptcy and a restructuring could be what Kodak needs to reinvent itself, he says.