

Pillowtex – 5 Years Later

Former workers pick up pieces

They moved on with their lives after textile giant closed

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Five years ago this week, the worst mass layoff in the history of North Carolina and the textile industry slammed the region when Kannapolis textile giant Pillowtex abruptly closed.

The move wiped out more than 7,650 jobs nationwide, including more than 4,000 in Cabarrus and Rowan counties. While Pillowtex blamed competition from low-cost imports, an Observer investigation found that management mistakes also played a significant role.

Pillowtex and its predecessor companies were mainstays for more than a century, but the mills are long gone now. In their place, former mill owner David Murdock, the California billionaire who also owns Dole Food, is building a \$1.5 billion biotech complex.

Leaders of the North Carolina Research Campus say a range of jobs will be available to former mill workers, as long as they've gotten the appropriate level of education.

About 1,900 Pillowtex workers have sought job retraining through Rowan-Cabarrus Community College, said Jeanie Moore, vice president for continuing education. That means more than half of those eligible in Cabarrus and Rowan counties took advantage of retraining benefits, she said.

The Observer caught up with several former workers to see how they have been doing since the plant closed. Here's what they had to say.

Between them, Kannapolis residents Max and Linda Bowlin worked in the mills for 76 years.

Linda, 62, spent 30 years working with pillowcases and sheets, where she ran an automatic fitting machine.

"When you're used to getting up every day to go to work, then you don't have to, it's kind of depressing every day, and you wonder where your next dollar will come from," she said. "It was tough for a while."

Max said they were able to get by after he started getting income from Social Security and Linda received disability payments.

Max, 62, ran machines in the weave room and helped in yarn and dye during a 43-year run at the mill. The Kannapolis couple now spend their days watching their two young granddaughters.

They wonder how many former Pillowtex employees will work at the research campus.

"(It) will help a lot of people, but the people who lost their jobs, there's nothing for us," Linda said. "That won't help us old people a bit."

'Can't depend on anybody'

Sherman Butler of Landis worked for Pillowtex for less than four years and wasn't eligible for pension benefits. He was employed in the towel packing department when the announcement came.



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Max and Linda Bowlin have 76 years of employment between them with the onetime textile giant Pillowtex in Kannapolis. Five years after its closing, they are still left with many questions.



For nearly four years, he's been working at Perdue Farms in Concord. He helps run a production line where workers pack cooked chicken and send it to the freezer area.

The high school graduate recently took courses through RCCC to hone his math and reading skills. And Butler, 27, just started taking a class on how to sell real estate.

"You can't depend on anybody," he said of his future. "You have to do it yourself."

The future of Kannapolis appears bright, Butler said.

"It's going to be something to see," he said of the research campus. "Kannapolis is going to be different."

Excited about potential

Mary Roseman worked as a weaver for about 20 years. When the plant closed, the Kannapolis woman took computer classes sponsored by RCCC, hoping that would lead to another job.

She couldn't find work, so she said she decided to simply retire when she started getting her Social Security checks.

Roseman also had to care for her husband, who had been in poor health and died in 2005.

As for the changes coming to the city, Roseman, 65, said she was excited about the potential for Kannapolis, especially for high school students who could have an opportunity to work for a good wage.

Roseman said she enjoys retirement. Just about every morning, she and other friends from the mill meet at a local Hardee's. They used to talk a lot about the company, but now, Roseman reports, they don't do it that often.

"We just talk about normal, everyday stuff," she said.

Retraining at R {+3}

Elvia Tucker can see the research campus across the street from her workplace.

Tucker, 63, of Concord, is a part-time secretary/receptionist at the R {+3} center run by RCCC. At the center on Loop Road in Kannapolis, former Pillowtex employees and other displaced workers get retraining for new careers.

She knows what they're up against: She's a former Pillowtex worker herself. A 29-year veteran, she folded pillowcases and sheets.

After losing her textiles job, Tucker took computer classes. At the R {+3} center, she attended workshops on creating a résumé, dressing for interviews and looking for work after age 50.

Before going to the center, she worked for the Cabarrus Department of Aging.

Tucker said the Core Lab building at the research campus is beautiful, but she doubts the campus will offer many jobs for longtime Pillowtex workers.

"It might be real good for the young people who can get lots of higher education, but I don't really know about the older people," she said.

So how does she compare her job now with nearly three decades at Pillowtex?

"I like what I'm doing now, I really do," she said. "I worked lots harder at Pillowtex, but made more money."

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A history of Pillowtex

1887: Local investors led by James W. Cannon raise \$75,000 to form Cannon Manufacturing Co. in Concord and open a small yarn spinning plant.

1906: Cannon buys a former cotton plantation in what later became Kannapolis, and later hires people to design the mill and lay out the village of Kannapolis.

1908: The plant starts operating.

1921: Cannon dies; son Charles A. Cannon takes over the company.

1928: Charles Cannon consolidates the company's interests under the name The Cannon Mills Co.

1930s: Cannon Mills starts to make sheets and expands its towel line. It remains open during the Great Depression.

1971: Charles Cannon dies.

1982: California businessman David Murdock buys the company from the Cannon family for \$413 million.

1986: Fieldcrest Mills of Eden buys the bed and bath operations of Cannon Mills from Murdock for \$250 million. The company is renamed Fieldcrest Cannon.

1997: Pillowtex of Dallas buys Fieldcrest Cannon for \$700 million, one of the largest deals in textile history.

1999: Ending a decades-long battle, the company agrees to recognize a union, the Union of Needletrades, Industrial and Textile Employees, at its local plants. This is labor's biggest victory in the South.

November 2000: Pillowtex files for Chapter 11 bankruptcy protection, citing debt of more than \$1 billion. It faces worse-than-expected losses, a massive debt load from its Fieldcrest Cannon acquisition and other problems.

May 2002: Pillowtex leaves bankruptcy, saying it now owes about \$205 million.

July 30, 2003: Pillowtex refiles for bankruptcy protection, closes its 16 plants and lays off 7,650 people. About 1,200 stay on temporarily to help wind down operations. While management blamed competition from low-cost imports, an Observer investigation later detailed how management mistakes played a key role in the company's destruction.

October 2003: GGST LLC, a liquidation joint venture, beats 11 other bidders and spends \$128 million at an auction to buy most of Pillowtex's assets.

December 2004: Murdock acquires the sprawling Plant 1 site in Kannapolis at an auction for nearly \$6.4 million.

September 2005: Murdock announces plans to build a biotech complex, the North Carolina Research Campus, at the former mill site. The \$1.5 billion project is a collaboration with several N.C. universities and will focus on health and nutrition.

July 2006: After waiting three years for compensation of employment-related claims, more than 5,000 former unionized Pillowtex workers receive settlement checks that net them an average of \$1,227. Nonunion workers later received a settlement that netted them about \$1,000 on average.

December 2006: The Observer discloses that three dozen Pillowtex executives and other salaried employees were receiving almost \$2.7 million in additional bonuses and incentives to keep working and hitting financial goals.

June 2007: Pillowtex enters its court-approved liquidation phase.

July 2008: The bills for lawyers and other bankruptcy experts in the case have hit \$33.5 million, an Observer investigation finds. Pillowtex hopes to finalize liquidation by year's end.

Adam Bell