Why Detroit Can’t Compete

Any company that has to support three retirees for every active worker would have a hard time making ends meet, as General Motors knows all too well. But that widely publicized legacy burden isn’t the only reason domestic automakers are in trouble. On average, Toyota, Honda and Nissan generate $2,400 more profit per vehicle than GM, Ford Motor and Chrysler Group. That’s $11.5 billion in gravy that the Japanese companies can invest in new products and factory expansion. Manufacturing consultants at Harbour-Felax Group studied all six companies to see where the profit gaps occurred. Here is a breakdown per vehicle. —Joannis Muller