



NORTHROP GRUMMAN



Northrop Grumman Shipbuilding

Presentation to

Metropolitan Planning Council of Chicago

Business Roundtable

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October 23, 2009

WHO ARE WE?

- Northrop Grumman Corporation is a \$33-billion global defense and technology company
- 120,000 employees worldwide
- Located in all 50 states and 25 foreign countries
- Five business sectors
 - Information Systems
 - Electronic Systems
 - Aerospace Systems
 - Shipbuilding
 - Technical Services

WHO ARE WE? *con't*

- Northrop Grumman Shipbuilding has annual revenues of approximately \$5.6 billion; backlog of more than \$20.5 billion
- Employs nearly 40,000
- Largest industrial employer in Virginia and Louisiana
- Largest private employer in Mississippi

THE MISSISSIPPI GULF COAST PROBLEM

- Hurricane Katrina damaged or destroyed approximately 70,000 homes in Mississippi
- 48,000 FEMA temporary housing units were occupied
- Recovery efforts were not keeping pace with demand
- Residents were leaving the area because of housing shortage
- Price of available housing stock sky rocketed
- Insurance was (and continues to be) a major challenge
- Employers were unable to reclaim or recruit permanent workers

THE MISSISSIPPI GULF COAST SOLUTION

- Formation of Gulf Coast Business Council
- Formation of the Gulf Coast Renaissance Corporation
 - REACH Mississippi
- Formation of strategic partnerships with
 - Governor's Office
 - Gulf Coast Business Council
 - National and Local Foundations
 - Community-based Organizations
 - Builders
 - Developers
 - Financial Institutions
 - Metropolitan Planning Council of Chicago
 - "Google and ye shall find"

THE NORTHROP GRUMMAN SHIPBUILDING PROBLEM

- Employee retention
- Lost approximately 1500 employees following Hurricane Katrina
- Cost to replace an employee has bottom-line impact of approximately \$60,000
- Employees were looking to company for housing solutions

THE NORTHROP GRUMMAN SHIPBUILDING SOLUTION

- Implementation of an Employer-Assisted Housing Program
 - Program launched September 2, 2008
 - HOPE (Housing Opportunity Program for Employees)

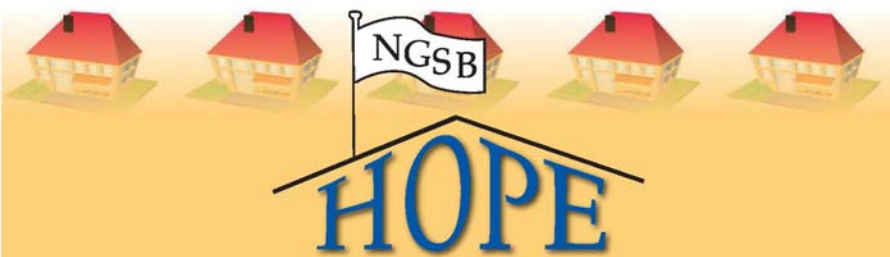
- Establishment of Partnerships with Multiple Entities
 - Metropolitan Planning Council of Chicago
 - Provided model for REACH Mississippi
 - Provided model for tax exemption legislation
 - Provided technical assistance
 - Gulf Coast Business Council
 - Successfully lobbied State Legislature for passage of legislation exempting funds provided for homeowner assistance from state income tax; legislation effective immediately after passage

THE NORTHROP GRUMMAN SHIPBUILDING SOLUTION con't

- Gulf Coast Renaissance Corporation
 - Secured and administered matching funds
 - Provided program guidance and support
 - Intermediary with counseling agencies

- Counseling Agencies
 - Provided pre- and post-home buying counseling
 - Assisted employees with realtors and mortgage lenders

HOPE Program



HOPE offers Mississippi employees first-time homebuyer assistance

For Northrop Grumman Shipbuilding-Gulf Coast Employees who wish to purchase their first home or replace a Katrina destroyed home in Jackson, Harrison or Hancock Counties, there is HOPE. The program will be effective September 2, 2008.

The Housing Opportunity Program for Employees (HOPE) will benefit employees who wish to become first-time homebuyers in the three coastal counties. It will also benefit employees who have not yet rebuilt a home that was completely

destroyed by Hurricane Katrina. Eligibility requirements are listed on the back of this document.

In addition to providing direct financial support,

NGSB has linked up with counseling agencies and the Gulf Coast Renaissance Corporation to provide employees mandatory comprehensive homeownership counseling, professional referral assistance for financial and legal matters, and post-purchase support.

“One of the most significant issues facing our organization is the human capital challenge,” said Edmond Hughes, Vice President, Human Resources & Administration. “By providing employees with financial incentives to own homes in the area, we are encouraging them

to become permanent members of the Gulf Coast community and Northrop Grumman Shipbuilding.”

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— Edmond Hughes, Vice President, Human Resources & Administration

To apply for the HOPE program, visit Human Resources to pick up an application. Applications are also available at your site's main security desk. Call 228-935-HOPE (4673) and we can also mail you an application.

To be eligible for the HOPE program, you:

- Must be an active full-time NGSB-GC employee in good standing.
- Must have completed six months of service with NGSB-GC.
- Must be a first-time home buyer or plan to rebuild a home destroyed by Katrina that has been more than 51% damaged.
- Must be planning to buy or build a home in Jackson, Harrison, or Hancock County.
- Must remain employed with NGSB for at least five years.
- Must complete a mandatory homebuyer counseling program.

In addition, employees must meet these counseling agency requirements:

- Must meet income eligibility requirements.
- Must qualify for non-predatory mortgage financing.

Pick up an application at HR or security main desk or call 228-935-HOPE (4673).



PROGRAM DETAILS

- Company provides \$7500 per employee in the form of a forgivable loan
- Gulf Coast Renaissance Corporation provides 3-to-1 match
- Home must be purchased in one of six designated counties
- Employee must
 - have been employed at least six months to be eligible
 - be in good standing with company
 - be a first-time homeowner
 - sign Promissory Note agreeing to remain employed five years
 - complete mandatory home buyer counseling program
 - meet income eligibility guidelines (80 to 120% of AMI)
 - meet eligibility guidelines of program sponsor
 - qualify for non-predatory mortgage financing
 - maintain purchased home as primary residence

PROGRAM SUCCESSES

- Over 900 applicants
- 36 Employees have closed on new homes
- 28 Employees still in queue to close
- 23 Employees completed counseling program – looking a for home
- Local economy and housing market received a boost
- Employees value company's support

PROLOGUE

- Employer-assisted housing programs work
 - New Orleans program under development
- Employees feel more connected to the company
- Employees are grounded in the community
- Home ownership promotes pride
- EAH Programs help stabilize housing market

FIRST CLOSING

