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## Michigan/Windsor Cross Border Employment

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## Abstract

This paper aims to look at the cross border flow of workers from Canada to Michigan. It focuses on the Detroit area because of its large population, connection to Windsor and the high traffic volume of daily crossing in this area. There are two other border crossings in Michigan, Port Huron and Sault Ste. Marie. These tend to be import/export crossings rather than commuting because of their location and the population of the cities. Michigan is the busiest border crossing state in terms of import/export. Most of its imports are on their way to Michigan and other Midwest states for manufacturing. Being a border state, it has a positive impact on Michigan's economy by bringing in truck drivers to the local businesses, as well as creating businesses for easy manufacturing after the import of raw materials. Looking specifically at direct Jobs created because of the border, we find a whole new positive outlook. It allows employees of companies to commute between their home country and the country of their employer. After doing thorough research it was found that there are 5,000 daily employees who live in the Windsor region, but work in the Detroit area. This is providing qualified employees that Metro Detroit demands, but is unable to supply solely for Michigan residents.

## Findings

Michigan has had an exceptionally rough couple of years. After the financial crisis of 2008, Michigan was hit hard with the economic slowdown. Detroit, Michigan's largest metropolitan area, America's Motor City was hit the hardest. Chrysler and GM both filed for chapter 11 bankruptcies in 2009. When two large industries are laying people off, the local economy is going to be in a downturn as well. The stores and businesses around Detroit began to feel the effects as well because of the lessening disposable income. Michigan became the only state in the continental United States to lose population in the 2010 census. With population remaining about the same for the past 3 years, the economy is picking up a little which leads me to wonder if people were commuting from other states, or even Canada to work in Michigan.

Michigan has a tremendous amount of international border crossings mostly due to the manufacturing and raw material of exports and imports. Michigan has 3 main city ports of entry, Sault Ste. Marie, Port Huron, and the most famous Detroit. The International Bridge connects Sault Ste. Marie, MI to Sault Ste. Marie, Ontario and it is 2.8 miles long which opened in 1962. The International Bridge Administration (IBA) recorded 2,104,458 total crossings in 2013 and divided the crossings into four main categories: automobile traffic, commuter fare traffic, cars pulling trailers and commercial truck traffic. They found that customers using "Prox," the commuter card made up 50.7% of the total crossings. Port Huron also has the St. Clair Rail Tunnel connecting it to Sarnia, Ontario with an underwater tunnel; this is mostly used for importing and exporting. The Blue Water Bridge crosses over the St. Clair River from Port Huron, Michigan to Point Edward, Ontario. It was opened in 1938 and is one of the smoothest most modern border crossings in the world. The final city is Detroit, which has two border crossings, the Ambassador Bridge and the Detroit- Windsor Tunnel. This has the highest rate of border crossings in Michigan and where I am focusing my research.

The Ambassador Bridge connects Detroit to Windsor over a 7,500-foot long suspension bridge. With 25% of all merchandise between Canada and the United States passing through the bridge it is the busiest international border crossing in North America in terms of trade volume. In a 2004 Border Transportation Partnership discovered that over 150,000 jobs in the region rely on the bridge. The Detroit- Windsor Tunnel was completed in 1930 and is 5,150 ft underwater tunnel connecting Detroit with Windsor. It is the second busiest border crossing in North America with about 13,000 vehicles using it everyday. These two together makes Detroit the largest city with international border crossings in North America.

It is clear that all of these border crossings improve the economic well being of Michigan. Canada is the United States as well as Michigan's leading exporter. Without these border crossings millions of jobs would have been affected. International trade for the United States, which is mostly between Canada (about \$1.5 billion daily), is tied to approximately 7% of jobs in the U.S., and 40% of Canadian/U.S. trade takes place at the Detroit Windsor Crossing. It is estimated that the Ambassador Bridge supports 220,000 jobs in Michigan. These statistics allow us to see that Canada and Michigan work closely, and rely on one another. Even though the majority of the border crossing creates an import/export market, it also created direct jobs by employees commuting to Michigan from Canada.

The process for a Canadian to be legal to work in the United States is a standard process, like most Visas. There are six different types of working visas for Canadians: H-1B, H-2B, TN, L-1, O-1, and J-1. The most common is the H-1B, which is a temporary work visa in "specialty occupations." These occupations include jobs that require at least a bachelor's degree or its equivalent. With the North American Free trade agreement the TN visa was created making it easier to get a visa and it lasts for three years. The third most popular visa is J-1 visa, which is for individuals working in fields that promote the mutual understanding between the people of the United States and the people of other countries. This could include physicians, nannies, and students. Most Canadians however, obtain visas and move to the United States to work. Overall there are only about 5000 cross-border workers that commute daily from Windsor to Detroit and the surrounding area. It cannot be determine what sectors these individuals work since there are no more long censuses done by Stats Canada.

There are many benefits for Canadians to work in the United States but still live in Canada. One of the benefits is for the employee's family; the family does not have to deal with obtaining visas. Visas for family members can be much more expensive and takes time to grant a proper long lasting visa. This is also beneficial for the employer; most employers pay for their employees' visas or need sponsorship, so for them to only have to pay for one visa instead of a whole family is a huge benefit. The other benefit is the smaller culture shock. Moving to a new country is going to be quite different because of the culture, food and monetary system. Even though Canada and the United States have very similar cultures, there would still be an adjustment period for the employee that would take time out of their ability to work.

Even though there are only 5,000 cross border employees, currently that number may increase soon. One factor that may increase the number of workers is the new bridge being built between Windsor and Detroit. It was announced mid 2012 and is going to be 2 miles south of the Ambassador bridge crossing the Detroit river. This will change the dynamic of the border crossing immensely. First, the traffic between the Ambassador bridge and the tunnel will be alleviated and allow for faster crossing. This could impact the number of Canadians working in Detroit with the possibility of having a shorter commute. Second, it will spur economic growth. Not only will there be an easier way to commute, but transporting goods across the border will improve efficiency and bring more businesses to Michigan. This could cause a chain reaction requiring more skilled workers in Michigan. With Michigan unable to support the demand for more employees Canadians might begin to commute for higher paying jobs.

### Summary:

There are three main border crossings in Michigan making it the busiest border crossing in North America. They are mostly import and export crossings, but there are also commuter crossings. The most popular one is the Detroit Windsor with roughly 5,000 individuals commuting daily for employment in the United States. It is clear that living near the border has a positive impact on Michigan's economy. There are many benefits for the employee to continue living in Canada including lower costs for visas, and less of a culture shock. There are also benefits for Michigan; cross border workers creates a larger supply of qualified workers available for companies in Michigan which improves the quality of products and services created in Michigan. Michigan's economy is recovering and slowly growing, and with this growth there is a possibility for an increase of demand in workers. The short distance, new bridge, and economic benefits of working in Michigan could cause a huge influx of Canadian workers in Michigan that could restore Michigan's economy.

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