1-1-1971

Labour mobility between Windsor and Detroit.

Wayne C. Baxter
University of Windsor

LABOUR MOBILITY BETWEEN WINDSOR AND DETROIT

BY
WAYNE C. BAXTER

A Thesis
Submitted to the Department of Economics in
Partial Fulfillment of the Requirements for
the Degree of Master of Arts at the
University of Windsor

Windsor, Ontario
1971

ABC6077

Approved

R. Green

B. Magee

E. Martin Basic

351135

ABSTRACT

The continued existence of wage differentials negates the use of the "perfect market" approach to the phenomenon of labour mobility as the latter occurs in the real world. Institutional and other barriers exist which clearly inhibit worker movement, but such barriers do not offer a complete explanation for workers' apparent failure to respond to realisable wage advantages.

Adequate explanation for this apparent lack of response stems from the concept of net advantage. This notion sees each worker applying his or her individually contrived calculus to every job in order to evaluate its worth. Each individual calculation includes non-wage as well as wage factors, with the former being given more or less substantial weight.

An investigation of the Windsor-Detroit commuter - who foregoes a clear monetary advantage by not emmigrating - seems to offer support for the net advantage concept; in as much as the investigation indicates that the monetary equivalent of the non-wage component of the net advantage calculation is indeed very substantial.

ACKNOWLEDGEMENTS

The preparation of this thesis could not have been realized without the patient assistance of a competent thesis committee. Mr. R Green (M.A.) deserves special acknowledgement for not only his time, which was more than considerable, but also for his tolerant guidance. In addition, Mr. B. Myer (M.A.) and Doctor M. Basic made valuable contributions instrumental in the molding of this treatise into its present form.

I am indebted to several institutions which graciously supplied me with extremely useful information and findings. The U.A.W. Headquarters in Windsor (attention Mrs. D. Sheehan) was very helpful while Mr. W. Mitchel of the American Consulate (Windsor) was able to provide information concerning the Windsor-Detroit commuter which was absolutely unattainable elsewhere. Special thanks go to Mr. W. Green of H and R Block (Windsor) who generously gave of his own time to calculate the income tax differentials between Windsor and Detroit.

Further gratitude is extended to those individuals who donated their time and effort by completing the Survey-questionaire. Without their assistance, this thesis could not have materialized.

I also wish to express thanks to my typist, Mrs. R. Jin, who on short notice was able to transform my scribblings into a legible form.

Special thanks must be paid to my fiancée, Joyce Ukrainec, who not only added moral support but directly assisted me in both the theoretical and technical portions of this thesis.

Finally, I should like to acknowledge the contribution of my parents who, although they did not assist me directly, somehow managed to tolerate me and the disruption I caused during the last year.

TABLE OF CONTENTS

LIST OF TABLES AND CHARTS

CHAPTER I

BASIC THEORY AND NET ADVANTAGE

In the absence of direct barriers to mobility, workers tend to change employment in response to net advantage calculi which include both wage and non-wage considerations. The non-wage factors appear to be very important determinants of overall worker mobility, but these factors are established more or less subjectively by individual workers. The study of the Windsor-Detroit commuter affords a means whereby the relative importance of non-wage factors in the mobility process can be measured, and the relationship between individual worker characteristics and the net advantage calculation examined.

Labour mobility can be defined as "the movement of workers amongst locations, occupations and firms".[1] As this definition implies, there are several distinct types of labour mobility. Kerr breaks them into six types.

(1) One occupation to another (occupational mobility)

(2) One employer to another (employer)

(3) One industry to another (industrial)

(4) One area to another geographic

(5) Between employment and unemployment

---

1. S.G. Peitchinis, Canadian Labour Economics - An Introductory Analysis (Toronto, 1970), p. 159. By a "worker", it is meant anyone receiving financial remuneration in the form of wages, salaries, or commissions for services rendered.

(6) Into and out of the labour force.[2]

However, since under such categorization the classification of mobility type in the Windsor-Detroit study becomes ambiguous, this paper will consider mobility as any change of job status.

A further general point with respect to labour mobility is that a worker can change occupational status either voluntarily or involuntarily. That is, a worker may seek to move from employment to employment of his own free will or he may be dismissed and thereby be forced to seek other employment.

The usual analysis of mobility does not distinguish between voluntary and involuntary job changes, mainly because most statistical data does not make the separation. In the study of the Windsor-Detroit commuter, however, the separation can be made and concentration is therefore on the voluntary aspect of mobility.[3]

Traditionally in studying labour mobility, the perfect labour market is utilized as a starting point for discussion. The perfect labour market is said to exhibit the following characteristics:

(1) A homogeneous labour force; thus the workers are identical with regard to knowledge and productivity and therefore are

---

2. Clark Kerr, Balkanization of Labor Markets in Labor Mobility and Economic Opportunity (New York, 1954), p. 104.

3. Omitting movement out of the labour force, it was estimated that in the U.S. (1961) voluntary and involuntary job changes were of equal importance, indicating that a "substantial amount" of mobility was voluntary. See Gertrude Bancroft and Stuart Garfinkle, "Job Mobility in 1961", Monthly Labour Review, Vol. 86 (August, 1963), p. 897.

perfectly substitutable for each other.

(2) A large number of non-organized labourers functioning independently of one another and no one of them can influence the wage by withdrawing his services from the market.

(3) There is unimpeded mobility within the labour market and all are in possession of complete and accurate information regarding the labour market situation.

(4) There is indifference on the part of the workers as to whom they would offer their services. Similarly, employers are indifferent as to whom they hire.

(5) Workers are entirely rational and respond to differences in rates of return (wages) while non-wage factors which cause workers to become attached to employers and places of employment are assumed not to exist.[4]

Labour mobility under such circumstances can be analyzed as follows.

Assume a full employment economy that is comprised of two sectors, A and B (Fig. 1). In the initial position, equilibrium occurs at wage rate W_0 (where $D_1 = S_1$). Now, suppose that there is an increase in the demand in sector A and therefore a subsequent decrease in that of sector B. The result would be an immediate increase in sector A's wage to W_1, a decrease in sector B's to W_2. Workers in B would react immediately to the wage differential (w_2w_1) and move to sector A; resulting

---

4. Allan M. Cartter and F.R. Marshall, Labor Economics; Wages, Employment and Trade Unionism (Homewood, 1967), p. 201. Peitchinis, op. cit., pp. 131-2.

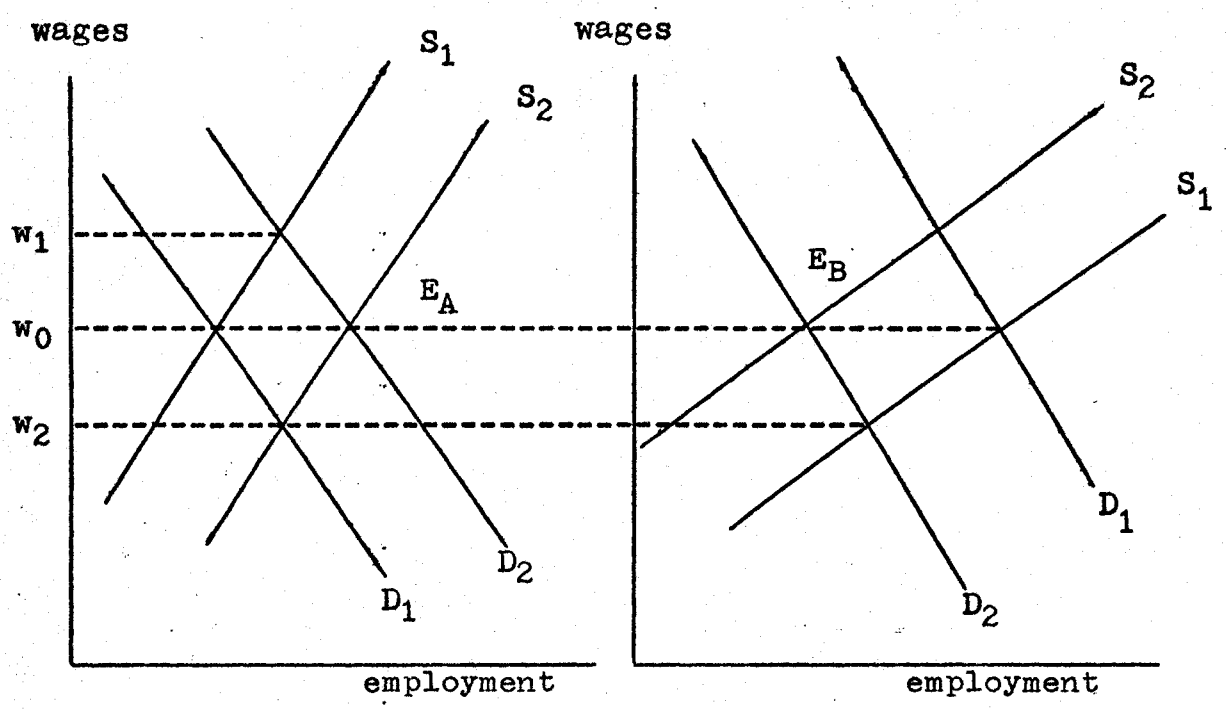


FIGURE 1

in a subsequent shift of labour supply curves in the direction of S_2A and S_2B. Eventually, equilibrium is reached at the points E_A and E_B and common wage rate w_o.

If the perfect labour market did exist, mobility would be instantaneous and consequently wage differentials would only be a transitory phenomenon. However, wage differentials do exist and persist at the national, regional, local, industrial, firm and occupational levels. In fact, wage differentials are the rule rather than the exception.

Even if we accept that some imperfections exist in the labour market mechanism, we might still suppose that there should be a strong relationship between changes in relative wage rates and the movement of workers. However, a study,

covering some ten countries and entitled Wages and Labour Mobility, which was completed in 1965 by the Organization for Economic Cooperation and Development (O.E.C.D.), found that in general:

> There is no evidence of a strong systematic relationship between changes in earnings among individual industries and variations in relative employment. ...moreover, in most instances... it is clear that the explanatory role of relative wages is overshadowed by the influence of other factors.[5]

Other studies have also supported this finding. Nelson, states that "perhaps the single most interesting statistical result of our study is the finding that there is no significant relationship between migration and income... differences."[6]

Ulman comes to similar conclusions, stating that, "certain characteristics of individual and institutional behaviour have tended to present the industrial wage from efficiently allocating labor... among industries."[7]

Although each of these studies is careful to note that no positive conclusions can be drawn from their results, they all feel that wage differentials do not appear to be a

---

5. Wages and Labor Mobility, Organization for Economic Cooperation and Development, Social Affairs Division (Paris, 1965), p. 16.

6. Phillip Nelson, "Migration, Real Income and Information", Journal of Regional Science, Vol. 1, No. 2 (Spring, 1959), p. 58.

7. Lloyd Ulman, "Labor Mobility and the Industrial Wage Structure in the Post War United States", Quarterly Journal of Economics, Vol. 79 (February, 1965), p. 95. In reaching this conclusion, Ulman conducted tests and found, among other things, a "lack of an observed systematic relationship between changes in hourly earnings and in employment of U.S. production labor in the period 1948-60;... and an increasingly strong relationship between wage levels and quit rates over the period."(p. 95).

"significant" determinant of labour mobility. Seemingly then, the theory of the perfect labour market is not compatible with the evidence.

Seemingly then, little if any of the "perfect labour market" theory of labour mobility is compatible with the evidence from the actual market situation. However, the applicability of any theory to the actual market situation depends to a great degree upon the validity of the assumptions used with respect to the said market situation. Clearly, in the case in point, a major modification of the first assumptions is in order.

An essential move in this respect must be away from the assumption of a "barrier free" labour market. Individual workers and employers do not have perfect knowledge of all alternatives and opportunities. Moreover, there are obvious institutional barriers to the movement of workers from employment to employment such as required union membership.

However, such barriers to labour mobility will be discussed later. A first step towards modification of our assumptions would appear to be that of dropping the homogeneous labour force presumption. The labour force is <u>not</u> homogeneous, in that there are obvious individual differences of skill and education, aptitudes, attitudes, etc., resulting in productivity differences. Consequently, employers are <u>not</u> indifferent as to whom they hire. Similarly, jobs differ in quality in the eyes of each worker as a result of differences in the degree of job difficulty, job prestige, hours of work, job location,

working conditions, etc. Hence, employees are not indifferent as to their employer, and non-wage factors do rate substantial consideration by the worker in his choice of job.

Such market "imperfections" tend to give rise to persistent wage differentials, and these wage differentials can therefore be considered as compensating the worker for variance in job quality, or the employer for differences in worker quality, or both. As stated by Rottenburg, "Occupations equal in other respects would tend to be equal in price, but occupations unequal in other respects would be unequal in price".[8] In this case, the differential would be by nature a compensating one.

Friedman suggests that such differentials are inevitable when he writes that:

> Even if there were perfect competition, perfect and costless mobility, and all members of the population had identical abilities, money wage rates in different occupations would by no means be equal. Some occupations are less attractive than others and will therefore have to offer a higher wage than others if they are to attract people to them.[9]

In other words, the wage differential used in our perfect labour market model is not an adequate measure of worker incentive. In its place, we must substitute "net advantage", which consists of both wage and subjectively determined non-wage factors, as the motivating force in worker movement.

---

8. Simon Rottenberg, "On Choice in Labor Markets", Industrial Labor Relations Review, Vol. 9, No. 2 (January, 1956), p. 184.

9. Milton Friedman, Price Theory - A Provisional Text (Chicago, 1962), pp. 211-2.

That is, in the absence of barriers, a worker will move to the job in which his net advantage is maximized. As Reynolds writes:

> Within limits set by their knowledge and other structural features of the market, workers will choose better jobs in preferance to poorer ones. Voluntary movements of labor will show a drift from less desireable to more desireable jobs.[10]

With respect to the statistical evidence of this theory, Bunting, for example, reports that "the results tend to support the hypothesis that flows of workers in movement are typically from areas of low net advantage to areas of high net advantage..."[11]

NET ADVANTAGE AND WAGES:

The obvious question to arise at this point concerns the composition of this net advantage. Although it has been said that everything has a price, net advantage can be broken down into monetary and non-monetary categories. Wages naturally are included under the former heading, but certainly are not all inclusive. Other monetary features include such variables as seasonal or non-seasonal nature of the job, necessary training costs, transport costs and assorted "fringe benefits" which are not reflected in wage rates. In fact, wages are not necessarily an overwhelmingly large part of the monetary side.

---

10. Lloyd G. Reynolds, The Structure of Labor Markets (New York, 1951), p. 209.

11. Robert L. Bunting, "A Test of the Theory of Geographic Mobility", Industrial and Labor Relations Review, Vol. 15 (October, 1961), p. 75.

Non-monetary factors include such things as type of job, job location, job prestige, co-workers, and overall working conditions. However, as will be seen below, even these factors can often be labelled with a price tag.

Concerning the employee's determination of net advantage, Reynolds writes:

> Workers... make some calculation of the relative attractiveness of alternative jobs. This calculation need not be based solely, or even primarily, on wage considerations. The worker may take into account any aspect of a job which he considers relevant.[12]

This implies that the weight given to each characteristic of a job is subjective with respect to each individual.

> Differences in tastes, abilities, or information about the two occupations will lead to differences among individuals in the relative wage rates regarded as making the two occupations equally attractive...[13]

Perhaps even the monetary advantages can be weighted differently, and probably will be.[14]

Despite the fact that these job characteristics are subjectively evaluated, studies have attempted to show which factors stand out as most important to the average worker in

---

12. Reynolds, op. cit., p. 208.

13. Friedman, op. cit., p. 213.

14. Friedman, op. cit., p. 214. It should be pointed out that the worker probably does not break this net advantage down into monetary and non-monetary categories but probably views his position in the aggregate (ie. total net advantage); or else he examines the dilema as being a question of whether financial compensation is high enough to overcome disadvantages in the non-monetary field.

his evaluation. Since wages are usually considered an important factor with respect to individual net advantage estimation, particular note will be given them.

In a study by Greenfield, fifty-two supervisors were asked to rank the importance of 18 job characteristics concerning job satisfaction. The results showed that the two highest rated characteristics were (1) factors dealing with advancement and promotion, and (2) better opportunity for education and self-development with "higher wages" ranking ninth.[15]

Other, similar surveys have also been conducted (see TABLE 1-1) and concerning them, Tiffin and McCormick write that "in general, opportunities for advancement and promotion were high on most lists, and pay was generally around the middle."[16] Thus it would appear that wages themselves do not rank high in the factors composing net advantage. This perhaps offers a good reason as to why mobility hypothesis stressing wage differentials are seldom if ever, supported or by empirical evidence measured statistically.

There are several possible explanations for wages ranking lower than one might suspect. First, it would seem to the

---

15. Joseph Tiffin and Ernest J. McCormick, Industrial Psychology, 5th ed. (Englewood Cliffs, 1965), pp. 359-60. It must be conceded that several psychologists have pointed out that surveys of this type are worthless since no supervisor will put wages higher than the middle of the list even if it is the only thing important to him and even if he does not have to divulge his identity.

16. Tiffin and McCormick, op. cit., p. 360.

TABLE 1-1: The Relative Importance of Various Job Factors as Obtained from Various Studies.

SOURCE: Tiffin and McCormick, op. cit., p. 361.

Table 12.5

RANK ORDER OF JOB FACTORS AS OBTAINED FROM VARIOUS STUDIES

	Relative importance of factors							*Level of actual satisfaction*
Source	*Chant*	*Chant*	*Wyatt et al.*	*Berdie*	*Blum and Russ*		*Jurgensen*	*England and Stein*
Group	*Misc. workers*	*Dept. store workers*	*Women factory workers*	*Male H.S. graduates*	*Male*	*Female*	*Male applicants*	*Male employees*
Number	150	100	325	150	181	105	3345	3207
Opportunity for advancement	1	1	5	2	1	1	2	11
Job security	2	2	1	1	2	2	1	5.5
Opportunity to use ideas	3	3	7	4				
Opportunity to learn a job	4	4	8	7				
Opportunity for public service	5	7		8				
Type of work							3	2
Supervisor	6	5	4	9	4	3	7	3
Company							4	7
Pay	7	6	6	3	3	4	5.5	10
Co-workers	8	8	3	5			5.5	1
Working conditions	9	9	2	11			9	8
Clean work	10	11		10				
Working hours	11	10	9	6	5	5	8	4
Easy work	12	12	10	12				
Benefits							10	
Communications								5.5
Recognition								9

Note: Entries of 5.5 represent ties for fifth and sixth ranks.

S. M. F. Chant, "Measuring the Factors that Make a Job Interesting," Personnel Journal, *11 (1932) 1-4.*

S. Wyatt, J. N. Langdon, and F. G. L. Stock, "Fatigue and Boredom in Repetitive Work," Industrial Health Research Board, Report No. 77 *(London, 1937).*

R. F. Berdie, "Can Factors in Vocational Choice be Weighted?," Occupations, *22 (1943), 43-46.*

M. L. Blum and J. J. Russ, "A Study of Employee Attitude Toward Various Incentives," Personnel, *19 (1942), 438-444.*

C. E. Jurgensen, "What Job Applicants Look for in a Company," Personnel Psychology, *1 (1948), 443-445.*

England and Stein, op. cit.

writer that if one holds the compensation principle to be valid, wages would tend to be neutral. That is, wages would only tend to be important to those workers who feel they are not being adequately compensated for relatively unfavourable job characteristics. But at the same time, wages cannot be dismissed as unimportant in the net advantage calculation. As Shultz writes concerning various study results:

> They have been widely interpreted as meaning that wages are no longer of prime importance to the worker. But is this interpretation correct? Thus, because a worker gets satisfactory wages and therefore turns his immediate attention elsewhere, does not mean that he has lost interest in those wages.[17]

And again, we must remember that for the unemployed worker seeking a job, the wage becomes the major part of his net advantage calculation. As Roney comments:

> A worker who is already employed can better afford to talk about job satisfaction, fairness of treatment and the like. But when he is out of a job, his first concern is financial and his first screening of jobs is on the basis of wages.[18]

Many economists, while acknowledging that the wage is not necessarily the prime factor in the net advantage calculus, use wage rates as the basis of mobility analysis. Two reasons account for this action. (1) The wage rate is readily quantifiable; other job features are not so easily assessable.

---

17. George P. Schultz, "Recent Research on Labor Mobility", IRRA, Proceedings of Annual Meeting, 4th (December, 1951), p. 117.

18. D.H. Roney, "Administrative Implications of Mobility in the Labor Force", in IRRA, Proceedings of Annual Meeting, 4th (December, 1951), p. 126.

(2) When ceteris paribus assumptions are held, wages as a motivating force of mobility give tolerably good predictive results. That is, in spite of the O.E.C.D. findings, there is a great deal of evidence that movement occurs from areas of low income and opportunities to higher ones. For example, "Irishmen move to Scotland, Mexicans to the U.S., Southerners (U.S.) to the North, rural people to the towns, and Europeans to the New World".[19]

Rottenburg implies that the use of wages in mobility study seems logical. If an employer wishes to attract more workers, he must reduce the net advantage differential between his and other employments. He could do this by offering more security, better housing, better education and training facilities and so on. But:

> He will usually find that the supply of labor is more elastic to a money price than to a non-money price and that it will usually be cheaper, therefore, to increase the wage he pays than to improve the quality of the employment in some other way.[20]

In other words, employers seem to envision money as the most efficient means of allocation: at least, one must suppose, in the short term.

Then, from the worker's standpoint, wage and non-wage considerations tend to go hand in hand as a motivating force. They cannot, as far as the worker is concerned, be completely

---

19. Both from Rottenberg, op. cit., p. 188.

20. Rottenberg, op. cit., p. 188.

separated. In keeping with the compensating differential theory, wages themselves reflect many non-wage considerations for the individual worker. As Rottenberg remarks on this point:

> Consider a worker with a given criteria system. If he rejects an offer to work in Greenland, he will explain his choice by saying "It's too cold up there". If he accepts the offer, he will explain by saying "they're paying good money". When he said, "It's too cold" what he really intended was "It's too cold for the money they are paying"; and when he said "They're paying good money", what he really intended was "They're paying good enough money, even for the cold I will experience in Greenland".[21]

WORKER CHARACTERISTICS AND MOBILITY:

Nevertheless, in order to improve our understanding of the labour mobility process, an attempt must be made at separating the wage and non-wage factors with respect to net advantage calculation. With this in mind, we turn to an investigation of the relationship between certain basic worker characteristics and job mobility.

(1) AGE:

Concerning age and labour mobility, Parnes reports that "so universally has mobility been found to decline with advancing age that this relationship may be regarded as

---

21. Rottenberg, op. cit., p. 191. In a similar vein, Parnes argues that even if we prove that wages are the prime motivating force, we really have not answered the question of what motivates man to make a move. The desire for wages could be motivated itself by such factors as ego recognition, physical comfort, security, etc.

TABLE 1-2: Job Departures per One Hundred Persons.

AGE GROUP	CESSATIONS (%)	
	MEN	WOMEN
14 - 17	15.2	9.8
18 - 19	43.5	38.6
20 - 24	42.4	26.6
25 - 54	16.7	11.3
55 - 64	6.7	5.8 *
65 and Over	6.7	

* Includes the AGE GROUP "65 and Over".

SOURCE: O.E.C.D., op. cit., p. 56.

TABLE 1-3: Mobility Rates and Age.

AGE GROUP	YEARS per JOB
UNDER 25	2.0
25 - 34	4.2
35 - 44	6.2
45 - 54	7.9
55 - 64	10.1
65 and Over	13.0

SOURCE: Reynolds, op. cit., p. 25.

TABLE 1-4: Geographic Mobility in Canada and Age.

AGE GROUP	TOTAL MIGRANTS		INTRA-PROVINCIAL MIGRATION	
	NUMBERS (000's)	PERCENT	NUMBERS (000's)	PERCENT
14 - 19	138	6.5	96	4.4
20 - 24	209	15.3	139	10.2
25 - 34	235	10.0	157	6.7
35 - 44	128	5.2	83	3.4
45 - 65	114	3.3	82	2.4
65 and Over	34	2.4	23	1.6

SOURCE: Peitchinis, op. cit., p. 168.

conclusively established".[22] Illustrations of this relationship can be seen in TABLES 1-2, 1-3 and 1-4, the latter dealing specifically with Canadian geographic mobility.

In extracting various characteristics of mobile and immobile workers, a statistical problem worthy of note arises. Many of these characteristics may be inter-correlated. For example, age in itself may not be the main cause of immobility. As Parnes writes:

> Older workers are more likely than younger ones to be married, to own their own homes and to have dependants. If older workers are found to be less mobile than younger workers, to what extent is it a result of age and to what extent is it a result of one or more of the other factors.[23]

In light of this, it has been suggested that the category known as age is simply an aggregate of other factors. Therefore, even though evidence has been found that when other factors are held constant, age is still negatively correlated with mobility, this "age as a composite" theory should be remembered.[24] For this reason, the age category in this paper will be sub-divided into more descriptive sub-sections including seniority, pensions, habit and responsibility factors.

Before doing this, however, it appears to the writer that there are several reasons for the young exhibiting relatively

---

22. Herbert S. Parnes, Research on Labor Mobility, An Appraisal of Research Findings in the United States (New York, 1954), p. 102.

23. Parnes, op. cit., p. 59.

24. Parnes, op. cit., p. 108-09.

more mobility which can be labeled under the age category alone. First, the fact that many young people hold part time jobs while attending school would tend to increase their rate of job separations and therefore mobility.[25] Owing to their lesser need for job security and the fact that a part time job is of lesser importance relative to school, the part time worker views his net advantage calculation differently than does the full time employee. As a result, job change or termination is more likely to occur amongst such younger workers. Second, as suggested by Reynolds, young workers are in a period of adjustment and therefore "shop around" for a job that they like by actually trying out various employments.[26] In other words, the young are often unclear of definite net advantages partially due to their imperfect knowledge of job opportunities and partially to their lack of knowledge concerning what they want in a job or what particular jobs entail. Ginzberg writes:

> It is our belief ... that the early years of work represent for the lower income group a counterpart of the learning experiences that the upper income group secures from college and post graduate studies.[27]

We might say in fact that the young, particularly the under educated, indulge in frequent job changes as they evaluate

---

25. See Bancroft and Garfinkle, op. cit., p. 900. and Parnes, op. cit., p. 105.

26. Reynolds, op. cit., p. 40.

27. Parnes, op. cit., p. 106.

subjectively criteria of net advantage.

(a) Seniority:

Age and seniority are positively related, mobility decreasing as age and seniority increase. In this regard, O.E.C.D. reports that "age and seniority have cumulative rather than inter acting effects in promoting stability, except for very short service employees.[28] This can be seen in TABLE 1-5.

Net advantage theory can easily be applied to offer reasons for decreased mobility with increased seniority. With advancing seniority, net advantage in the worker's present job tends to increase. This is mainly due to various job rights, the most important of which hinges around the seniority principle.[29] This term "job rights" includes such factors as prerequisites for promotion, bonuses and pensions as well as preference in lay off situations. The importance of seniority in different situations is illustrated in TABLE 1-6, which tends to support the above. The strengthening of one's present net advantage is implied by Parnes when he states:

> Greater "job rights" of long service workers tend to make them think longer and harder about giving up their jobs, particularly when alternative possibilities are limited or when it is feared that they may become so.[30]

---

28. O.E.C.D., op. cit., p. 57.

29. "the main purpose of the seniority principle is to ensure that length of service is the chief determinant of the order in which workers will be laid off when a reduction of the labour force becomes necessary", Peitchinis, op. cit., p.184

30. See Parnes, op. cit., p. 108.

TABLE 1-5: Annual Separation Rate by Age and Seniority, U.S.A.,1955.

SENIORITY / AGE	0-1 YEAR	1-4 YEARS	5-9 YEARS	10-14 YEARS	15 or MORE	AVERAGE
UNDER 25	134	48	24	-	-	95
25 - 34	146	31	13	8	7	60
35 - 44	150	28	9	7	4	47
45 - 54	173	25	10	5	4	39
55 - 64	160	27	10	7	4	31

SOURCE: O.E.C.D., op. cit., p. 58.

TABLE 1-6: The Seniority Factor in Different Situations.

SITUATION WHERE SENIORITY IS A FACTOR	COMPANIES	
	NUMBER	PERCENT
Layoffs	116	89%
Promotion	107	82%
Rehiring After Layoff	96	74%
Transfer	69	53%
Others	7	5%

SOURCE: Tiffin and McCormick, op. cit., p. 226.

Non economic factors also enter the picture, such as the prestige of being an "old timer" and habit (see below) which also tend to appreciate the net advantage of his present job in the employee's eyes.

The worker tends to discount the advantages of alternative jobs, as seniority increases. The seniority principle works in reverse here. The worker would necessarily lose his seniority by quitting and would probably start "at the bottom" in his next job, or in any case, would be left with considerably less security.

It might be added here that seniority tends not only to appreciate the net advantage of present employment, but with increased seniority, knowledge of other opportunities is not sought. A senior worker is likely to enjoy his job or else he probably would have quit it during the past.[31] Because of his situation, he is no longer actively searching for the highest net advantage. However, this point will be discussed further in the next chapter.

(b) Pensions:

Fringe benefits are another factor which tends to reduce mobility of labour. In this regard, Rubner writes that "the

---

31. Concerning this point, Parnes thinks that there is a danger of oversimplification. "Greater length of service is not an explanation of past immobility, but a description or measure of it. A worker who has served 20 years in a single job has, by definition, not made a job shift in that length of time. He has been immobile."(Parnes, op. cit., p. 107). That is, seniority is a result of past immobility and not necessarily a reason for it.

Zing Corporation in Australia unashamedly mobilizes a host of fringes 'not only to attract workers but also to root them to the spot'".[32] Concerning the mobility of labour, the most important of these so called fringe benefits is an attractive pension plan.

The pension becomes more and more important in net advantage calculations the older a person gets and the more he has contributed. A worker who has contributed for fifteen or twenty years to a pension fund and who is offered another job would "consider more than an immediate pay increase" if his pension would be lost in the move.[33] "The longer he has been on the job, and the longer the employer has been making contributions for him, the greater will be the sacrifice."[34]

A study done by O.E.C.D. confirms the above:

> Labour turnover is consistently lower among firms with pension plans... Quits among elderly workers appear to be disproportionately low in pension firms... This suggests that after a certain age, the existence of a pension plan has a definite and additional effect in reducing mobility.[35]

Obviously, pension plans effect net advantage calculations for the individual. But before an adequate discussion of this can be attempted, a certain characteristic of pensions must be discussed, namely vesting. There are basically three types

---

32. Alex Rubner, Fringe Benefits - The Golden Chains (London, 1962), p. 195.

33. Burt K. Scanlan, "Effects of Pension Plans on Labor Mobility and Hiring Older Workers", Personnel Journal, Vol. XLIV (January, 1965), p. 29.

34. Scalan, op. cit., p. 29.

35. O.E.C.D., op. cit., pp. 59-60.

of pensions (1) the fully and vested, (2) the non-vested and (3) the deferred vested pension plans. If a pension is fully vested, there is virtually no financial cost in changing employers since contributions are redeemable. "The non-vested plan, however, imposes a heavy financial burden on the (job changer) who leaves (a firm) before retirement age."[36]

The deferred vested plan can have any of a combination of effects depending on when the employee becomes fully vested. "The shorter the time remaining in relation to the time already served, the greater will be the reluctance to leave his present job."[37]

The worker will theoretically place loss of pension as a debit in the net advantage calculation of an alternative job. If, other things being equal, he feels that at his age he can regain the losses of pension monies in the time remaining before retirement, he will move. Otherwise, he will remain in his present employment.

The cost of movement, as calculated by Lurie, is shown in TABLE 1-7. It can clearly be seen that the financial cost of leaving (with a non-vested pension) increases at a decreasing rate with years of coverage; and that:

> After 15 years of service, for example, the cost of moving to another position becomes large

---

36. Melvin Lurie, "The Effect of Non-vested Pensions on Mobility: A Study of the Higher Education Industry", Industrial and Labor Relations Review, Vol. XVIII (January, 1965), pp. 224-237.

37. Scanlan, op. cit., p. 30.

TABLE 1-7: Financial Cost of Movement Under a Non-Vested Pension System.

Age Individual leaves Non-vested plan	Net additional sum needed by individual to make up for lost pension benefit *	Same as MIDDLE COLUMN except on annual basis to AGE 65 **
35	$ 561	$ 28
40	$ 2,020	$ 116
45	$ 4,997	$ 333
50	$ 9,458	$ 781
55	$16,742	$1,935
60	$26,881	$5,725

** AGE of entry assumed to be 30.

* Contribution rate of 5% and an interest rate of 3%.

SOURCE: Lurie, op. cit., p. 227.

> enough... to cause (the potential job changer) to deliberate carefully before departure and, in some case, to decide against leaving.[38]

Such calculations, of course, would necessarily require tempering concerning the above mentioned vesting considerations.

Although, as seen above, pension losses can be considerable when changing jobs, there is some doubt in certain academic circles as to whether pension costs are actually seriously considered in net advantage calculations. Scanlan concludes that "there is little evidence to support the claim that pension plans are unduly restrictive in terms of reducing labor mobility...[39]

Also, Lurie comes to a similar conclusion; "Neither group (University professors and industrial workers) seems to allow their mobility decisions to be influenced by losses in pension plan equities".[40] Since most mobility takes place at early ages when pension accumulations are small, Scanlan believes the probability that pensions would reduce effectual mobility to be low.[41] However, one might add that the effect of pension plans on overall mobility of labour would depend on the average age of the total work force.

(c) Profit

38. Lurie, op. cit., p. 227.

39. Scanlan, op. cit., p. 34.

40. Lurie, op. cit., p. 234.

41. Scanlan, op. cit., p. 31. The writer believes caution must be exercised in making such a statement in that causes and effects are at least partially being confused.

(c) Habit

Also important with advancing age is the factor of habit. This factor is much more subjective than either seniority or pension plans and is therefore virtually non-quantifiable. Because of this, what appears to be habit may be consistent with calculated behaviour and the two become hopelessly inseparable.[42] Some older people are greatly affected by it, others are not. But, generally, the writer feels that habit becomes a greater consideration in net advantage calculations as age advances.

> To a person who for many years has gone daily to the same place of work, perhaps at the same time and by the same route, the prospect of a change may be painful. There may be comfort in a familiar routine, a familiar environment, and a familiar circle of friends.[43]

Thus, given two workers, one old and one young, all other factors equal, the former will generally discount the net advantages of other occupations because of habit considerations more readily than will the latter.

O.E.C.D. reports a situation where habit can actually increase mobility. "Where persons have changed jobs often in a given year, they are more likely to experience repeated job-changes in later years."[44] This implies that there is a segment of the labour force which is "habitually mobile".

---

42. See Rottenberg, op. cit., p. 198.

43. Parnes, op. cit., p. 106.

44. O.E.C.D., op. cit., p. 54.

It is possible that this group is in the habit of exercising an avid search for highest net advantage, either voluntarily or involuntarily.

(d) Responsibility Factors

Finally, the writer believes that responsibility factors can also be discussed under the characteristic of age. It is assumed that the older a worker gets, up to a point, the more responsibility that is placed on him. Apparently, the most important of these factors concerns family and marital status. Consequently, these factors also influence net advantage calculations in that the individual must consider more than his own welfare when contemplating a move.

Parnes writes:

> ... married men are presumably less likely to make voluntary job changes than unmarried men because of the greater responsibilities of the former and consequently greater value they attach to security ... most of the studies have reported lower mobility for family heads than for other family members.[45]

Parnes also finds married men less geographically mobile than men in non-marital categories.[46] Myers and Shultz come to a similar conclusion, tagging responsibility as the major issue involved.[47]

---

45. Parnes, op. cit., p. 118.

46. See Parnes, op. cit., p. 120.

47. C.A. Myers and G.P. Shultz, The Dynamics of a Labor Market (New York, 1951), pp. 69-70.

Peitchinis states that although family heads are less mobile than non-heads in general, "young family heads (age group 20-24) have a substantially higher mobility rate".[48] This can be seen in TABLE 1-8. The reason for this, Peitchinis feels, concerns future income and job prospects on the part of the young family head.[49] Another possible explanation is that young children can more easily be removed from the school system (if indeed they have started) and environment than can older children, for example, of high school age.

Thus, marital and family responsibility factors must be considered in net advantage calculations. Often, such considerations are subjective to the individual. For example, what is the cost of taking your children out of school, away from their friends, etc.? What are the costs of moving your family to an area lacking the recreational, health, education, etc. facilities to which it is accustomed? It can be argued that dollar and cent values can be placed on such costs by the cost of substituting for such factors. For example, a father may have to take his children to parks that are much further away than previously was the case. Dollar costs could be calculated in such a case by considering time spent and transportation costs. However, generally this would not appear to the writer to be relevant.

---

48. Peitchinis, op. cit., p. 170.

49. Peitchinis, op. cit., p. 171.

TABLE 1-8: Family Status and Rate of Mobility, Male Population, Canada (Oct. 1965).

AGE	TOTAL	HOUSEHOLD HEADS	NON HEADS
14-19	5.9	----	5.7
20-24	15.6	21.7	12.7
25-34	11.1	11.1	11.0
35-44	5.6	5.1	9.6
45-64	3.3	2.9	8.9
65 and OVER	2.4	1.8	----
ALL AGES	6.7	6.0	8.2

SOURCE: Peitchinis, op.cit., p. 170.

(2) SEX

Most studies have found that men are more mobile than women. This conclusion has been drawn as a result of examination of data such as that shown in TABLE 1-9 and CHART 1-1. Typical is the case where men exhibit more job changing in each age group than do women.

In a study by Palmer, the fact that "differences in distribution by age, migrant status and marital status may ... conceal substantial mobility differentials between men and women" was considered. When these factors were held constant, "the differentials (were) further widened so that women (did) appear less mobile than men".[50]

Despite the fact that the above conclusion is widely supported, several studies have shown no significant difference in mobility of the sexes. A study by Bogue,[51] for example, showed no differences in mobility of men and women in a local labour market. This has brought about some speculation as to whether men realy are more mobile than women, and if so, why.

Parnes feels that there are two reasons why men appear more mobile.

(1) Differences in length of time spent in the labour force by men and women of the same age.

(2) Differences in occupational composition of men and women.[52]

---

50. Gladys L. Palmer, Labor Mobility in Six Cities (New York, 1954), p. 46.

51. See Parnes, op. cit., p. 110.

52. Parnes, op. cit., p. 109.

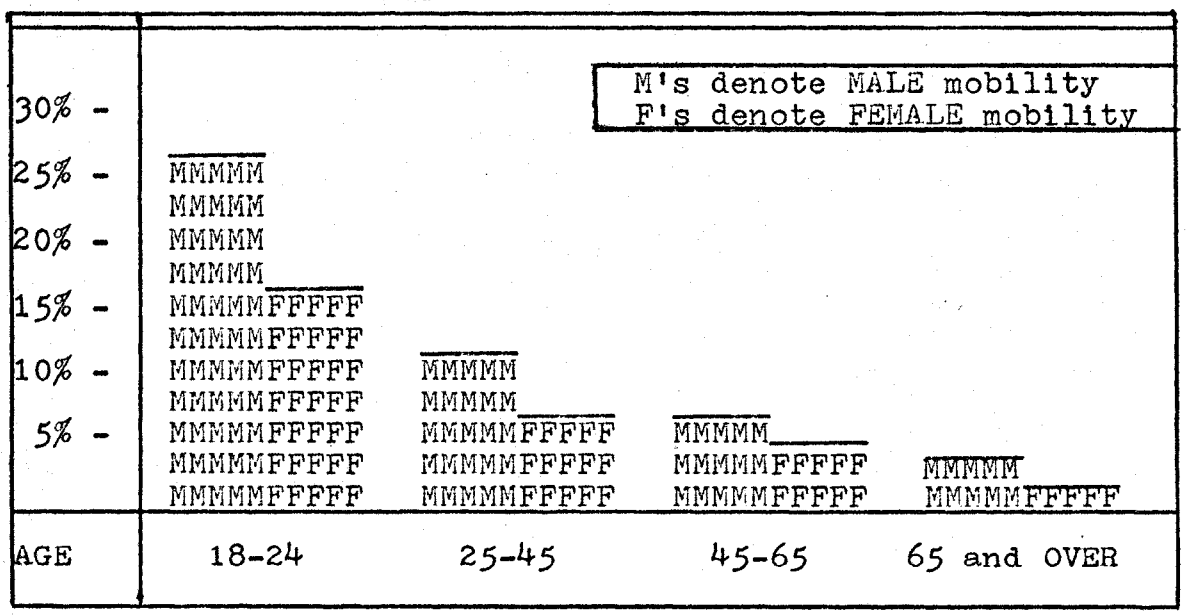
TABLE 1-9: NUMBER OF JOBS HELD PER WORKER

AGE (1951)	MEN	WOMEN
25 and OVER	2.7	2.5
25-34	3.4	3.1
35-44	3.0	2.6
45-54	2.3	2.2
55-64	2.0	1.9
65 and OVER	1.7	1.6

SOURCE: Palmer, Labor Mobility in Six Cities, op.cit., p. 53.

CHART 1-1: JOB MOBILITY BY AGE AND SEX, 1955.

Job changers as a % of all workers



SOURCE: Stein, op.cit., p. 353.

That is, we may be testing mobility as a function of occupation rather than as a function of sex.

Concerning the first of these, Parnes notes that:

> Many of the job shifts made by women appeared to be incidental to their movement out of and back into the labor force, since women had almost twice as many withdrawals from the labor force lasting six months or longer.[53]

Thus, had the average women remained in the labour force for the same period as the average man, their mobility rates may have been equated. This, to Parnes, seems to be the case since "women continuously attached to the labor force during the decade (1940-49) made as many job changes as men..."[54] Palmer also recognizes the factor of time spent in the labour force when she states that labour force exposure tends to reduce or even eliminate mobility differentials between men and women.[55]

The second reason, occupational composition, for quite a time remained unproven. However, in a report published nine years after Parnes' recognition of the problem, it was found that holding the type of job constant, "only about 8.5 percent of all women who worked during 1961 (U.S.) changed jobs compared with 11 percent of men".[56] However, the significance of this is lessened in that (1) in some occupations, women

---

53. Parnes, op. cit., p. 111.

54. Parnes, op. cit., pp. 113-14.

55. Palmer, op. cit., pp. 46-7.

56. Bancroft and Garfinkle, op. cit., p. 902.

exhibited higher mobility and (2) time in the labour force was not held constant.

Mobility differences of the sexes are difficult to explain in net advantage terms. It would appear, however, that net advantage priorities are markedly different for men and women. Perhaps home considerations and the fact that women are less likely to be the primary "bread winner" are factors which make net advantage calculations for the female different than those for the male. Women with family responsibilities may be content with a lower paying job or one with poorer working conditions because such a job allows her to spend more time with her husband, and children and perhaps gives her time to do her housework. Clearly, a women in such a position weighs home considerations as more important than the extra money or better conditions she could obtain by making a job shift. A' primary bread winner, man or woman, would be more likely to view the monetary factors and therefore would be more likely to make a move, should the opportunity arise.

(4) EDUCATION AND SKILL

The terms education and skill are by no means identical. Education refers to formal schooling which, except for higher education, is usually general and wide in scope. Skill, on the contrary, is more specific and specialized. A person may have any combination of education and skill but it has been found that generally, unskilled workers have less education

TABLE 1-10: FREQUENCY OF INTER-INDUSTRY SHIFTS BY OCCUPATIONAL LEVEL

OCCUPATIONAL LEVEL	SAMPLE 1	SAMPLE 2
SKILLED	2.1	1.1
SEMI-SKILLED	2.4	1.4
UNSKILLED	2.7	2.1

SOURCE: Reynolds, op.cit., p. 39.

TABLE 1-11: JOB CHANGERS AS A PERCENT OF THOSE WHO WORKED (U.S.A. 1961)

OCCUPATIONAL GROUP	PERCENT OF PERSONS EXPERIENCING A JOB CHANGE		
	TOTAL	MEN	WOMEN
LABOURERS (excluding farm and mine)	16.1	16.4	10.6
CLERICAL AND KINDRED	9.8	9.1	10.1
ALL OTHER	9.8	10.7	8.0

SOURCE: O.E.C.D., op.cit., p. 62.

---

than skilled workers.[57] Despite this fact, the effects of skill and education on mobility are not the same.

It has generally been shown that the more skilled a person is, the less mobile he becomes. This is illustrated in TABLES 1-10 and 1-11. Peitchinis suggests a reason.

> The more specialized a worker's skill and the fewer the sources of demand for it, the narrower would be the range of alternative employment opportunities, and hence the lower the rate of mobility.[58]

The key to mobility concerning skill then becomes the factor of adaptability of a particular worker's skills to other employments. The more a worker can apply his trade, the more mobile he becomes. Peitchinis concludes that the most mobile workers are:

(1) those who possess widely demanded skills.

(2) those who possess specialized skills that are general enough to be adaptable to other procedures.

(3) those who do not possess a specific skill.[59]

Another possible reason for the high mobility of the unskilled is suggested by Nelson.

> For 1940, high unemployment areas had a greater than average concentration of skilled workers (among those employed). If we ignore agriculture, the higher the skill level for individuals, the lower their unemployment rate.[60]

---

57. Peitchinis, op. cit., p. 172.

58. Peitchinis, op. cit., p. 171.

59. Peitchinis, op. cit., p. 171.

60. Nelson, op. cit., p. 60.

Thus it would appear that perhaps unskilled workers are forced to be more mobile than skilled workers because of their high rate of unemployment. That is, unskilled workers are more mobile owing to their greater number of involuntary job separations and thus their greater number of job shifts. If such is the case, net advantage would be of lesser significance in determining mobility.

Conversely, mobility appears to increase with increased education.

> The 17-year work experience of over a thousand government clerical employees in Columbus in 1948 showed a positive correlation between mobility and the number of years of high school and college training. Workers with less than two years of high school held an average of 2.3 jobs during the 17-year period, as compared with an average of 3.3 jobs for those with three or more years of college.[61]

In another study, workers with less than grade 9 had averaged less than one job (1940-51) while those with some college training averaged almost two shifts.[62] In an examination of international geographical mobility, Samuel found that 14.8% of the Canadian born individuals living in the U.S. had some college education as compared to 3.1 percent of the Canadian population[63] and 8.9 percent of the U.S. population. Although these statistics may tend to overstate the actual case, it

---

61. Parnes, op. cit., p. 123.

62. Parnes, op. cit., p. 123.

63. T.J. Samuel, "The Migration of Canadian-Born Between Canada and the United States of America 1955 to 1968", Research Branch, Program Development Service, Department of Manpower and Immigration, Canada (1969), p. 11.

does appear that increased education is highly related to increased mobility.

Why should this be so? For one thing, the more educated person is more likely to be better informed of "good" job and employment opportunities, or at least he knows how to become better informed. Second, he is usually more adaptable to process changes and therefore more capable of handling new job situations.[64]

In summation then, it would appear that we can relate certain basic characteristics to specific mobility behaviour and thus shed some light (1) on what general factors are inherrent in the net advantage calculation, and (2) on the relative strengths of these factors.

However, before discussing an application of this approach to the Windsor-Detroit Commuter, we must first discuss the question of direct barriers to labour mobility. For we must concede that, even where a net advantage is seen to exist, movement may be inhibited or even prohibited by certain factors which we can identify collectively as barriers.

---

64. Peitchinis, op. cit., p. 172.

CHAPTER II

BARRIERS TO LABOUR MOBILITY

The previous chapter dealt primarily with the net advantage aspect of labour mobility, a concept which explains the combined existance of what can be termed compensating wage differentials. This chapter recognized the existance of certain wage differentials which cannot be explained away as compensating, but are termed real differentials. We accept that such differentials are the result of direct barriers to labour mobility.

Barriers and net advantage factors are often difficult to identify and separate, but the attempt must be made if a thorough understanding of mobility theory is to be reached. Where ambiguity as to separation of the two has occured in this study, net advantage has been stressed. However, this chapter is a recognition of the fact that certain elements are better discussed as barriers.

Age, sex, education and skill, as well as being seen as factors effecting net advantage calculations, in certain cases, can also be considered barriers to mobility. Concerning age, pensions represent a barrier when considered from the employer's side. "Studies have shown that employers almost invariably cite higher pension costs and a reluctance to permit new senior workers to waive pension rights... as reasons for not hiring

older (over 40) workers."[1]

Scanlan refers to a study by McGill:

> In manufacturing, for example 18.2 percent of the firms feel that pension costs limit the feasability of hiring older workers. More important, these firms account for 45 percent of the employees in the manufacturing category. In total, 16.6 percent of the firms, employing roughly one-third of all employees represented in the sample, indicated that pension costs are a deterrent.[2]

In another study, Scanlan points out that "pension costs were ranked fifth among reasons (for not hiring workers age 45 and over) stated by employers in Detroit, Worcester and Miami and second in Philadelphia (1955)". These pension costs were reflected in the fact that "the firms without pension plans hired from one and one half to two times as great a proportion of workers over 45 as those firms with pension".[3]

Also dealing with age, responsibility factors can also represent a mobility deterrent. An example of such a situation is the following. A single man is contemplating a more to Greenland and since it offers a higher net advantage than his present situation, he moves. The same man, if he were married, and under the same circumstances perhaps does not have "a price". In other words, he sees no reward sufficient to compensate him for the disadvantages attendant on a change in

---

1. Scanlan, op. cit., p. 30.
2. Scanlan, op. cit., p. 30.
3. Scanlan, op. cit., p. 30.

employment.[4] Thus age can act as a barrier to mobility in that it stops the pull-push effect of net advantage.

Sex can also act as a barrier, particularly on the hiring side. Discrimination towards women is the most "popular" element in this category in that women are often barred from the traditional male occupations, and thus have a more limited range of employment opportunities generally.

To a person lacking formal qualifications, education and skill requirements may represent a barrier, particularly if the individual lacks the ability or information necessary to attain the required qualifications. This barrier is particularly important when employers (or unions) set up very strict minimum educational, etc. standards for employees.

Although age, sex and education are sometimes deterrents to mobility, knowledge, unemployment and labour unions are usually considered the most inhibiting.

(1) KNOWLEDGE

A worker's knowledge of alternative employment opportunities and of specific job characteristics (eg. wages, conditions, benefits, etc.) is a very important determinant of a person's effective mobility. As Parnes writes:

> The assumption that workers make job choices in terms of differences in the 'net advantages' of available alternatives is realistic only to the extent that workers are aware of both the existence and the

---

4. If he does have a price, however, this could equally well be considered a "net advantage" factor.

nature of such alternatives.[5]

There are two important questions concerning worker knowledge and mobility. The first of these is: "from where does a worker gain his knowledge of jobs?" The results of three independent studies are shown in TABLE 2-1. Although these results vary, it is clear that aquaintances and relatives (especially those in an office, plant, etc.), random applications at the office or plant, and returning to previous employer rank, in the order given, as the most important avenues of job information. It is interesting to note that a relatively small percentage of workers use "state and private" employment services as a source of job information though such agencies are specifically designed to increase labour mobility.

Why should the above be so? Shultz notes that employers tend to hire people that they know or that their foremen know will fit the job. If these are not adequate or ample, applications at the gate are often taken, for "employers often feel that the best prospects are likely to be just those workers energetic enough to make an active search for work".[6] The best jobs are apt to be filled in these two ways. Thus

---

5. Parnes, op. cit., p. 165. Rottenberg, (op. cit., p. 194.) seems to disagree with this. He feels that some workers will "overestimate the relative value of a new job and will move more rapidly and frequently than they would if they had full knowledge". Others will underestimate and do just the opposite. He thus feels that if these over and under-estimations are randomly distributed, the differences will tend to cancel each other out.

6. Shultz, op. cit., p. 113.

TABLE 2-1: Comparison of How Workers Found New Jobs

METHOD OF FINDING NEW JOB	STUDY 1 1948-1949		STUDY 2 1947		STUDY 3 1937-42
	Sample 1 %	Sample 2 %	Sample 1 %	Sample 2 %	%
Acquaintances or relatives working in plant	23	24	24	24	39
Random application at plant	21	14	20	42	33
Acquaintances or relatives not in plant	18	12	4	3	0
Employer solicitation	16	33	0	0	0
Advertisement	11	0	13	5	2
Returning to plant where he had previously worked	9	6	13	8	22
State and private employment offices	2	4	13	13	0
Union	0	4	5	1	0
Other	0	3	8	4	4
	100	100	100	100	100

SOURCE: Labor Mobility and Economic Opportunity, op. cit., p. 73.

leading many workers to "reason that the Employment Service has only the worst jobs and that they are better off using relatively informal methods of job hunting".[7] This sets into motion a vicious circle built around a preponderance of "hard to fill" jobs and "hard to place" workers.[8]

TABLE 2-2 uses the same type of data as was used in TABLE 2-1 but breaks the findings down into "first job" and "present job" categories. As can be seen, younger workers (ie. "first job" category people) relied much more heavily on relatives and friends than did older workers.

The second question concerning mobility and knowledge is "how much knowledge does the worker have of job opportunities". The general conscensus is that such knowledge is extremely limited. Reynolds and Shister write, concerning their survey, that "the results were so meagre that they were not considered worth tabulating".[9] In another study, Reynolds concluded that workers are, in general, poorly informed of job opportunities and/or characteristics.

Exceptions to the above findings must be noted of course. One such exception is skilled workers in craft unions who exhibit a greater knowledge of job opportunities.[10] Shultz[11]

---

7. Shultz, op. cit., p. 113.

8. Shultz, op. cit., p. 113.

9. Lloyd G. Reynolds and Joseph Shister, Job Horizons, A Study of Job Satisfaction and Labor Mobility (New York, 1949 p. 46

10. Reynolds, op. cit., p. 124.

11. Shultz, op. cit., pp. 114-15.

TABLE 2-2: Percentage Distribution of Jobs By Methods Used by Workers in Finding Jobs; Two (2) Selected Studies.*

METHOD OF FINDING JOB	MANUAL WORKERS		MANUF. WORKERS	
	Present Job	First Job	Present Job	First Job
Friends or relatives	28	55	27	53
Application at gate	20	29	42	29
Returning to ex-employer	13	9	8	7
Public employment office	13	-	13	-
Private employment agency	-	-	-	-
Advertisement	13	-	5	-
Union	5	-	1	-
Other	8	7	4	11
TOTAL	100	100	100	100

* Both studies were carried out in the New Haven area.

SOURCE: Parnes, op. cit., pp. 164-65.

mentions another exception. Workers in small communities generally exhibit more knowledge of job opportunities and their characteristics than their large city counterparts.

A study done by Myers notes that:

> A minority of workers had specific information about the jobs that they specifically took... but more frequently, the displaced workers knew only that a certain plant was hiring or knew someone who worked there without having any more specific information about the jobs open.[12]

Studies have also been carried out specifically to test workers' knowledge of wages and wage differentials. Here again workers' knowledge has also been found wanting and/or inaccurate. An interesting example is given in a study by Reynolds. Workers were asked how their wages compared with those of other firms in the area. Ninety-five percent of the workers of firms in the top half of the wage distribution felt that their wages ranked favourably but so did eighty percent of the workers in the lower half of the wage distribution.[13]

Why is there so little knowledge on the part of the worker as to job opportunities and wage differentials? Concerning job characteristics, Reynolds points out that whether jobs are "good" or "bad" is a subjective evaluation on the part of each worker, and therefore the only way to find out is to try the job.[14] This, of course, results in a high turn over rate for

---

12. Charles A. Myers, "Labor Mobility in Two Communities", in Labor Mobility and Economic Opportunity, ed. Paul Webbink (New York, 1954), p. 73.

13. Reynolds, op. cit., pp. 213-14.

14. Reynolds, op. cit., p. 48.

new employees.[15] The lack of wage differential knowledge is also explained by Reynolds. For one thing, there is a lack of curiosity on the part of many workers (especially older workers) who are satisfied with their own wages and jobs in general. They usually have no intention of shifting jobs and therefore do not "keep on top of" the conditions in the market. Secondly, to date, workers in general have not had access to highly detailed wage rate information covering the entire labour market. The presently-available wage rate information is, of course, far too aggregative to allow specific job-to-job comparisons to be made by the average worker.[16]

What does having knowledge of job opportunities mean financially to the individual worker? TABLE 2-3 seems to indicate that those with knowledge of jobs gained higher weekly earnings than those who did not.[17] Such being the case, it would appear that a lack of knowledge is a barrier to the perception of net advantages.

(2) UNEMPLOYMENT:

Before discussing unemployment and mobility, I feel it necessary to remind the reader of our earlier reference to

---

15. Reynolds reports that "One company said that three quarters of its new employment quit during the probationary period, and others gave proportions ranging between one quarter and three quarters". Reynolds, op. cit., p. 48.

16. Reynolds, op. cit., pp. 45-8.

17. This of course assumes that those with new jobs "lined up" possessed more job knowledge than those who did not.

TABLE 2-3: CIRCUMSTANCES OF JOB CHANGES

CIRCUMSTANCES OF JOB CHANGE	GROSS WEEKLY EARNINGS ON NEW JOB		
	HIGHER %	SAME %	LOWER %
QUIT WITH NEW JOB LINED UP	60	6	34
QUIT WITHOUT NEW JOB LINED UP	25	9	66
LAID OFF OR DISCHARGED	17	7	76
TOTAL	26	8	66

SOURCE: Lloyd G. Reynolds and Joseph Shister, Job Horizons, A Study of Job Satisfaction and Labor Mobility, Harper and Brothers, New York, 1949, p. 37.

voluntary and involuntary job changes. Usually job shifts are not categorized statistically as voluntary or involuntary, but where such is possible, manpower economists tend to concentrate on the former classification. This paper will be no exception since its aim is also to study worker motivations concerning mobility rather than mere job seeking. Voluntary job changes are usually motivated by a desire on the part of the worker to improve his job status, most often because of "poor" conditions in the present job.[18] On the other hand, involuntary job changes are usually assumed to involve little if any calculation. The aim is merely to "get a job".

It should also be pointed out that an unemployment rate per se cannot give a true picture of individual sectors of the economy, as it is an aggregate figure.

It has generally been found that unemployment is a barrier to voluntary mobility. That is, people with jobs tend to keep them during periods of unemployment. Bancroft and Garfinkle, in a comparison of the years 1955 and 1961, respectively exhibiting low and high unemployment, report the following: Although

> The proportion of persons who changed jobs was about the same in 1955, when the employment situation was very good, and in 1961, a year of high unemployment, ...fewer job changes were made in 1961 for voluntary reasons or to improve a job situation.[19]

---

18. See Parnes, op. cit., pp. 188-89.

19. Bancroft and Garfinkle, op. cit., p. 898.

TABLE 2-4: JOB SHIFTS PER 100 PERSONS WHO WORKED

AGE and SEX		LEFT JOB TO IMPROVE STATUS	
		1961	1955
TOTAL	14 years & over	5.3	6.7
MALE	14 years & over	6.1	7.8
	14 - 17	3.0	5.7
	18 - 24	14.0	18.6
	25 - 44	7.9	9.1
	45 - 64	2.1	4.1
	65 years & over	0.9	0.7
FEMALE	14 years & over	4.1	4.8
	14 - 17	1.4	5.7
	18 - 24	9.4	10.5
	25 - 44	4.2	4.3
	45 - 64	2.3	2.6
	65 years & over	0.1	---

SOURCE: Bancroft and Garfinkle, op.cit., p. 898.

This fact can be appreciated from TABLE 2-4 from the same report.

Several years prior to this specific study, Parnes noted that Reynolds' study, done in a period of low unemployment exhibited a greater number of voluntary job changes than did a study by Myers and Maclaurin during a period of high unemployment. He mentions other studies, all of which appear to indicate the same result, and without reservations he concludes that the higher the unemployment rate, the lower the mobility.[20] Myers effectively, comes to the same conclusion -- "...wage differentials between jobs become more important in explaining labour mobility when there are rapidly expanding job opportunities".[21]

Why should unemployment in an economy retard mobility? First, the worker who decides to change employment is faced with less opportunities during a period of high unemployment and thus is not as likely to find a desireable job. A net advantage differential may motivate him into making a voluntary job shift, but if alternative jobs are scarce, there is less likelihood of such a shift occuring. Secondly, not only does it reduce the number of available jobs, but during periods of high unemployment, employment security becomes more effectively important. In a study by Reynolds, workers were hypothetically

---

20. Parnes, op. cit., p. 154. It should be noted that Parnes was concerned here more with occupational and industrial mobility than geographical.

21. Myers, op. cit., pp. 74-5.

offered (1) steady employment, or (2) higher wages (varying in size from small to very large). The results were as follows:

50% wanted steady employment under any circumstances.

23% wanted steady employment unless wage increase was very large.

27% preferred wage increase only but 1/3 of these did not believe steady employment was feasiable and another 1/3 were shortly leaving the labour force.[22]

From these results, Reynolds concludes that "...if a prospective job is uncertain as to steadiness and duration, this defect cannot be offset by a moderate differential in wage rates".[23]

Rottenburg also notes that some workers in lay off periods move to lower paying jobs than their present ones. In such a situation, they choose secure employment at a lower wage.[24] Thus it appears that employment security is a highly significant factor in the unemployment-mobility relationship.

Certainly, the preceding discussion could be construed as indicating that unemployment should have been covered in the section dealing with net advantage. But, not withstanding the veracity of this type of conclusion, the writer sees the above as indicating that the presence of unemployment tends to "shut off" the net advantage calculation for the employed worker. ie. the latter tends to take the "bird-in-the-hand"

---

22. Reynolds, op. cit., p. 87.

23. Reynolds, op. cit., p. 87.

24. Rottenberg, op. cit., p. 196.

approach and stops giving serious thought to work alternatives, even though the latter might exist and might offer definite net advantages.

The question of mobility of the unemployed worker during periods of high unemployment also arises. Holt and David clearly see long run unemployment as a barrier to mobility in this instance. They envision the unemployed worker eventually adopting a defeatist attitude in that he assumes he will never find a job, at least until something "breaks". Also, as time passes for the unemployed worker, his funds for moving could run out thus reducing or eliminating his probability of a move.[25]

Offsetting the above findings, it has been discovered by some researchers that "the unemployed are among the most mobile geographically".[26] Several reasons can be offered for this fact. First, most unemployment is due to involuntary rather than voluntary job quits. Those unemployed tend to have much simpler net advantage calculi than those working, since most jobs would be considered desireable to unemployment. Secondly, when we find that younger workers are the most mobile, we can appreciate that with little experience, less job opportunity knowledge, low seniority, etc., they are also the most likely to be unemployed. This is shown in a study by Bancroft and

---

25. Charles C. Holt and Martin H. David, The Concept of Job Vacancies in a Dynamic Theory of the Labor Market, in The Measurement and Interpretation of Job Vacancies.

26. O.E.C.D., op. cit., p. 142.

Garfinkle.

> Some 35 percent of the young people 18 to 24 years of age who both worked and looked for work in 1961 had some unemployment in connection with job changing. This compares with 29 percent of the unemployed workers 25 to 44 years and 20 percent for workers 45 to 64 years.[27]

A third, and perhaps the strongest reason, for unemployed worker geographic mobility is suggested by Vandercamp.[28] During periods of unemployment, those effected tend to return to their home regions because of the familiarity there.

In summation then, we can say that although unemployment does not necessarily affect the total number of job changes, it does reduce voluntary job shifts and, therefore represents a barrier to the type of mobility generally being discussed in this thesis.

(3) LABOUR UNIONS:

The final barrier to labour mobility to be discussed concerns labour unions. Due to the limited scope of this thesis, a highly detailed discussion of this topic is not possible. Rather, this section will attempt to give the reader a general picture of the union as a barrier to labour mobility.

First we must acknowledge the effects of "union" and "closed" shop provisions. The union shop requires a new employee to join the union after a certain specified probationary

---

27. Bancroft and Garfinkle, op. cit., p. 899.

28. See J. Vandercamp, "International Mobility in Canada: A Study of the Time Pattern of Migration", The Canadian Journal of Economics, Vol. 1, No. 3 (August, 1968).

period. In a closed shop, all must be union members or must join the union at the time of employment. The closed shop especially would have the effect of "locking out" of employment all those who did not belong to the union or could not obtain membership. This becomes very significant during downturns in the business cycle when union cards become scarce[29] and this in turn tends to decrease the effectiveness of the "pull" aspect of mobility by reducing effective destination incentive.

A second reason offered for the immobilizing effect of unions concerns social and psychological factors that produce what is termed a "lock-in" effect. Parnes, in referring to statements made by Shister reports that:

> The various administrative offices in a local union "enable many a worker to attain a gratifying status which he would lose if he were to leave the plant". Moreover, because of the turnover in these local offices, the expectations of holding office also constitute a deterrent to voluntary movement.[30]

Even more important than this political aspect is the sense of belonging which is often instilled in union members. Unions represent a fraternal or security bond to many members which must be served if a job change is made. The worker must "overcome a certain inertia, to be willing to forego the comforts inherent in a familiar physical and social environment".[31]

---

29. Kerr, op. cit., p. 97.

30. Parnes, op. cit., p. 127.

31. Parnes, op. cit., p. 128.

So far, we have discussed unions as a deterrent to mobility Although it is generally agreed that unions do decrease voluntary mobility, we must concede that, in some ways they tend to encourage movement. First, they provide knowledge of job opportunities and wages through both formal (union magazines and publications) and informal (word of mouth) means.[32] It would seem to the writer, however, that in view of TABLE 2-1, the importance of such a factor is minimal. A second manner by which unions may encourage mobility is through its policy of wage fixing for specified periods of time. Workers may be more inclined to move if they know that for a specified period (1) their present wage will not increase and (2) their destination wage will not decrease.

Before any general conclusions can be drawn, we must acknowledge Kerr's point concerning the difference between the effects of "craft" unions as opposed to "industrial" unions on labour mobility.[33] In the typical industrial union, there is an industrial or firm identification characterized by vertical mobility (ie. usually "up the ladder" within the firm). Security is gained through the employer, and is reflected by the amount of seniority that an employee has. Inter-industry, and quite often inter-firm and geographical mobility is impeded. However, intra-firm mobility is usually unaffected. This is

---

32. Parnes, op. cit., p. 126.

33. All ideas presented concerning unions in this chapter from this point forward are extracted from Kerr, op. cit., pp. 97-100.

the typical "union" as far as many economists are concerned, characterized by its immobilizing effects.

However, the craft union represents a different situation. Unlike the industrial union, identification is with a particular occupation (eg. bricklayer, carpenter, etc.). Consequently, mobility is encouraged horrizontally, notably inter-industry, firm, plant and even geographical (especially with national craft unions). Security is engendered from the skill the worker possess, not the employer. Vertical mobility, however, is not encouraged.

Although the craft union hinders mobility less than the industrial union, Kerr feels that overall mobility is impeded by both. This is mainly attributable to the "lock out" effect which restricts entry by non-union members.

This chapter has outlined the major barriers to mobility, namely lack of adequate knowledge, unemployment, and labour unions. It was illustrated that even with a clear net advantage, barriers could restrict movement. As with net advantage factors, barriers often act in conjunction and therefore are by no means mutually exclusive. In addition, although the barriers mentioned were some of the most common, they were certainly not all inclusive, the types of barriers and their relative importance being contingent on each situation. Such, of course, is also the case concerning net advantage components. The following chapter recognizes this by examining one specific circumstance with respect to net advantages, barriers and the resultant effect of these on effectual mobility.

CHAPTER III

THE WINDSOR-DETROIT COMMUTER: A CASE STUDY OF LABOUR MOBILITY

The preceding chapters have dealt with labour mobility in general, illustrating the characteristics of mobile labour as well as motivations for movement. The remainder of this paper will deal specifically with mobility from Windsor, Ontario, to Detroit, Michigan. But, rather than probing actual migration, or in this case emigration, concentration will fall on a particular, and in the writer's opinion, more interesting aspect -- commuting.

THE GENERAL PERSPECTIVE:

Located on the Detroit River, which forms the international border between Canada and the United States, Windsor has a population of some 200,000. Detroit, Michigan, situated on the north side of the river, is by far the larger city of the two, with a population of approximately 4,250,000 (1969).

Commuting between the two cities has long been facilitated by the presence of the Windsor-Detroit Tunnel (1929) and the Ambassador Bridge (1930), both of which give Windsor residents immediate access to Detroit's main business and manufacturing sectors.

Detroit exhibits similar employment characteristics to Windsor. This is particularly so with respect to automobile manufacturing which is clearly the key industry in both cities.

TABLE 3-1: Employment as a Percentage of the Labour Force

SECTOR	DETROIT	WINDSOR
MANUFACTURING	39.3%	33.3%
Durable	33.2%	26.5%
Non Durable	6.1%	6.7%
Automobiles and Equipment	15.3%	18.4%

SOURCES: The Detroit Area Economic Fact Book, Published by the Detroit Area Economic Forum, May 1970.

Windsor data compiled from Employment and Average Weekly Wages and Salaries, D.B.S. No. 72-002, Oct. 1970.

Overall inter-city employment similarities are illustrated in TABLE 3-1, the situation strongly suggesting the presence of a single labour market embracing both urban areas.

The maintenance of an integrated labour market is further facilitated, of course, by the common language situation and by cross-border cultural similarities. The latter point, although controversial, would seem to be attributed in large part to the impact on Windsor residents of Detroit's six television stations, two newspapers and numerous radio stations. As an additional point, the above mentioned not only help "indoctrinate" Windsorites with respect to Detroit's cultural norms, but also serve to acquaint them constantly with the obviously higher material living standards available a mere mile or so away. At the same time, job information abounds indicating a possible means to reach this "higher life style". In fact, virtually no resident of Windsor is unaware of the possible advantages to be obtained via access to the Detroit job market.

LEGAL ASPECTS:

> The Immigration and Naturalization Service defines an "alien commuter" as an immigrant domiciled in contiguous territory who commutes to his place of employment in the United States on a daily basis, returning to his home in contiguous territory each night.[1]

---

1. From page 1 of a 4 page untitled, unpublished article given to the writer by the American Consulate in Windsor, (written in the fall of 1966). Hereafter, this will be referred to as the Commuter Article.

Canada to U.S. commuters have been the subject of legislation since 1924, when they were considered temporary visitors but were required to obtain an immigrant visa. In 1927, however, they were reclassified as immigrants, the decision being upheld in the Supreme Court in 1929. Despite this legislation and the fact that the commuter agreement has existed for over forty years ...

> The commuter situation manifestly does not fit into any precise category found in the immigration statutes. The status is an artificial one predicated upon international relations maintained and cherished between friendly neighbours.[2]

Acquisition and Retention of Commuter Status:

> Briefly, an immigrant acquires a commuter status in the following manner: The first step is for the commuter to apply for an immigrant visa and he must meet all of the requirements of the Immigration and Nationality Act applicable to those aliens coming for permanent residence. He must obtain a labor certification to show that there is a shortage of workers in the United States in his particular occupation and that his entry will not adversely affect wages and working conditions of United States residents. Upon admission his entry as an immigrant is recorded and in due course he receives his alien registration receipt card, commonly known as a "green card". This card certifies his admission to the United States as an immigrant and under current regulations it can be presented as an entry document following temporary absences from the United States for less than one year. However, he is not absolutely assured of a right to re-enter since, if at any time he applies for admission to the United States there is ground of inadmissibility, he can be excluded. While infrequent, a number of such cases do develop each year.[3]

---

2. Commuter Article, op. cit., p. 2.

3. Commuter Article, op. cit., p. 2.

Retention of commuter status is only maintained through steady U.S. employment. If unemployment persists for a period of six months or more, commuter status is lost: except when the unemployment is the result of "uncontrollable circumstances such as serious illness, pregnancy, or disabling injury".[4]

Number of Commuters:

Owing to the ambiguous commuter classification, the U.S. Immigration and Naturalization Service has no numerical data on commuters. Sample counts have been taken, however. In January of 1966, Michigan had 6074 Canadian commuters (most of whom were to Detroit) and by the Fall of 1966, the number had decreased to 5408.[5] Although these figures would indicate some degree of fluctuation, the number is generally placed at approximately 6000 by immigration officials at the Ambassador Bridge and Windsor-Detroit Tunnel.

THE SURVEY:

In order to attain a proper picture of the Windsor-Detroit commuter, a survey-questionnaire was prepared by the writer (see APPENDIX, page 106), in the absence of any substantial data on commuters and commuting from any source. Such an approach was deemed to be the most appropiate. The commuter was asked questions concerning his personal characteristics, reasons for commuting, etc.

---

4. Commuter Article, op. cit., p. 2.

5. Commuter Article, op. cit., p. 2.

In order to dispel any commuter apprehension regarding confidential information, two measures were taken. (1) No names were requested and (2) a stamped, self-addressed envelope was provided with each questionnaire for its return to the writer.

The actual distribution of the questionnaires presented a problem. One method considered was to hand the surveys out to commuters at the Tunnel and the Bridge. However, this approach was felt to be awkward, both with respect to identifying commuters and convincing them to accept the questionnaire during the rush hour periods. A second method, was therefore devised. It entailed dealing with the commuter on a rather more personal basis as opposed to the impersonal one mentioned above. Friends, acquaintances and colleagues of the writer helped distribute the surveys to there friends, acquaintances, relatives etc. who commuted or who knew commuters. In all, approximately 100 of the 150 surveys distributed this way were returned. However, only 86 were useable owing to some spoilage[6] and also to the fact that a number of the respondents were U.S. citizens living in Windsor and working in Detroit. The results of the survey were recorded in chart form and are to be found in CHARTS S-1 to S-10.

---

6. The writer considered "spoiled" any questionnaire that was answered very incompletely. The writer also included prank letters in this category.

THE RESULTS IN ANALYSIS:

NET ADVANTAGES:

The fact that approximately six percent of Windsor's labour force commutes to Detroit daily implies that those involved see commuting as offering a substantial net advantage over employment in Windsor. The immediate monetary advantage clearly appears to be considerable. Canada - U.S. wage differentials have been substantial for years, as shown in TABLE 3-2, have remained relatively stable since 1955. If the Canada - U.S. differential is an incentive to move to the U.S., the Windsor-Detroit differential is even more so (see TABLE 3-3). The inter-city differential hovers around the 70 to 73 cent per hour mark opposed to the 47 to 50 cent mark for the two nations as a whole. Based on a forty hour work week, such a city differential means a difference of between $1400 and $1600 annually. TABLE 3-4 further illustrates the wage differential situation by revealing that in certain occupations the absolute pay differential is much larger than the above average.

The paramount fact to be gleaned from TABLES 3-2 to 3-4 is that there has been a substantial and persistant wage differential favouring Detroit employment. That this differential is the principal net advantage component for most commuters seems to be apparent from the rest of the Survey results. CHART S-1, for instance, shows the percentage increases in

TABLE 3-2: REAL WAGES (PER HOUR) IN MANUFACTURING IN CANADA AND U.S. -- 1955-1967

IN U.S. DOLLARS

YEAR	CANADA	U.S.	DIFFERENCE
1955	1.66	2.12	0.46
1956	1.72	2.20	0.48
1957	1.76	2.26	0.50
1958	1.76	2.24	0.48
1959	1.82	2.30	0.48
1960	1.86	2.34	0.48
1961	1.88	2.37	0.49
1962	1.91	2.42	0.51
1963	1.95	2.46	0.51
1964	1.98	2.50	0.52
1965	2.03	2.53	0.50
1966	2.08	2.57	0.49
1967	2.14	2.60	0.46

SOURCE: Samuel, op. cit., p. 31.

TABLE 3-3: AVERAGE WAGE RATES, WINDSOR AND DETROIT: 1964-1967

YEAR	WINDSOR	DETROIT	DIFFERENCE
1964	2.52	3.27	0.75
1965	2.69	3.39	0.70
1966	2.81	3.54	0.73
1967	2.95	3.64	0.69

SOURCE: THE CANADA YEAR BOOK

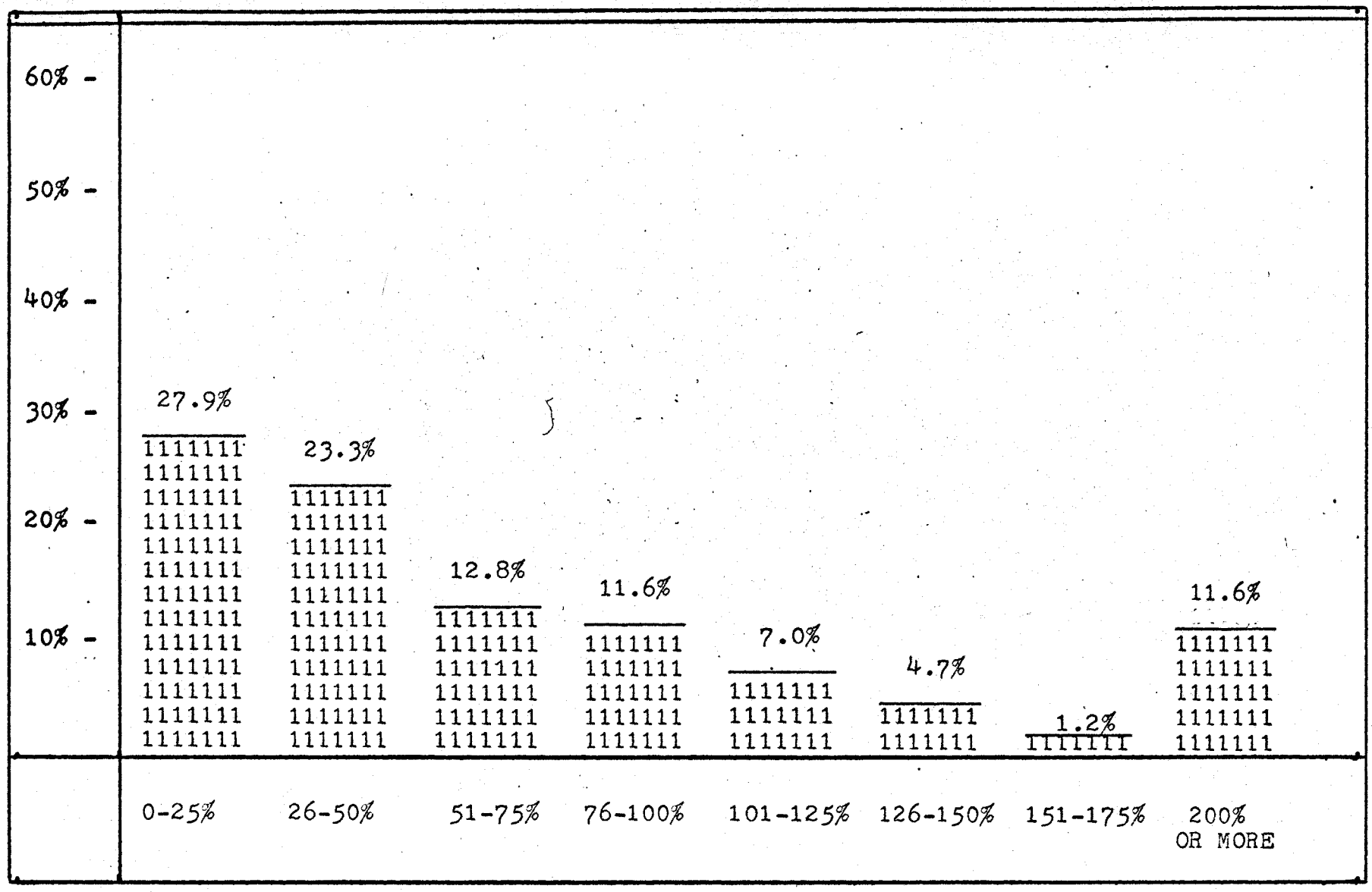
The Detroit Area Economic Fact Book, The Detroit Area Economic Forum, 1970.

TABLE 3-4: WAGE RATES FOR SPECIFIED OCCUPATIONS IN WINDSOR AND DETROIT, 1966

OCCUPATION	WINDSOR	DETROIT	DIFFERENCE
CARPENTER	3.60	4.63	1.03
LATHER	3.70	4.61	0.91
PLASTERER	3.88	4.92	1.04
PLUMBER	3.95	5.00	1.05
LABOURER	2.97	3.95	0.98
AVERAGE HRLY WAGES	2.82	3.54	0.73
AVERAGE WKLY EARNINGS	118.78	155.76	36.98

SOURCE: Allan A. Porter and Others, Wages in Canada and the United States, Canada Dept. of Labour, (Ottawa, 1969), p. 140 and p. 142.

CHART S-1: Percentage Increase in Earnings in Shifting from Windsor to Detroit.



wages obtained in the move to Detroit.[7] Note that over seventy-two percent of the commuters surveyed had wage increases exceeding twenty-five percent. Further (see CHART S-2), when asked what the main reason was for taking up Detroit employment, 52.3% cited that they would be financially better off, while another 22.1% cited better advancement opportunity. Thus, almost three-quarters indicated that a move was made for financial considerations, either present or future. Suffice it to say that apparently the vast majority of commuters work in Detroit as a direct result of the earnings differential.

While immediate wage advantages explain why many Windsorites take up employment in Detroit, they obviously fail to explain why commuting is so popular. Why not emigrate to Detroit? Windsor commuters, who are by law in possession of an immigrant visa, have the right to reside in Detroit since they have "complied with all the requirements of a permanent resident".[8] Evidently, non-monetary factors must enter the commuters' net advantage calculations.

Even without the benefit of the survey results, it is possible to make some supposition as to what some of these non-monetary factors might be. Perhaps one factor currently

---

7. Note that these percentage increases are slightly exaggerated in that those who obtained their first full time job in Detroit would have very high percentage increases. This is especially evident in the 200% or more increase in Chart S-1.

8. Letter from Walter A. Sahli (District Director, U.A.W.) to Mr. R.L. Laufle (Librarian, U.A.W. Research Department), November 1969.

CHART S-2: Commuters' Main Reason for Taking Up Employment in Detroit.

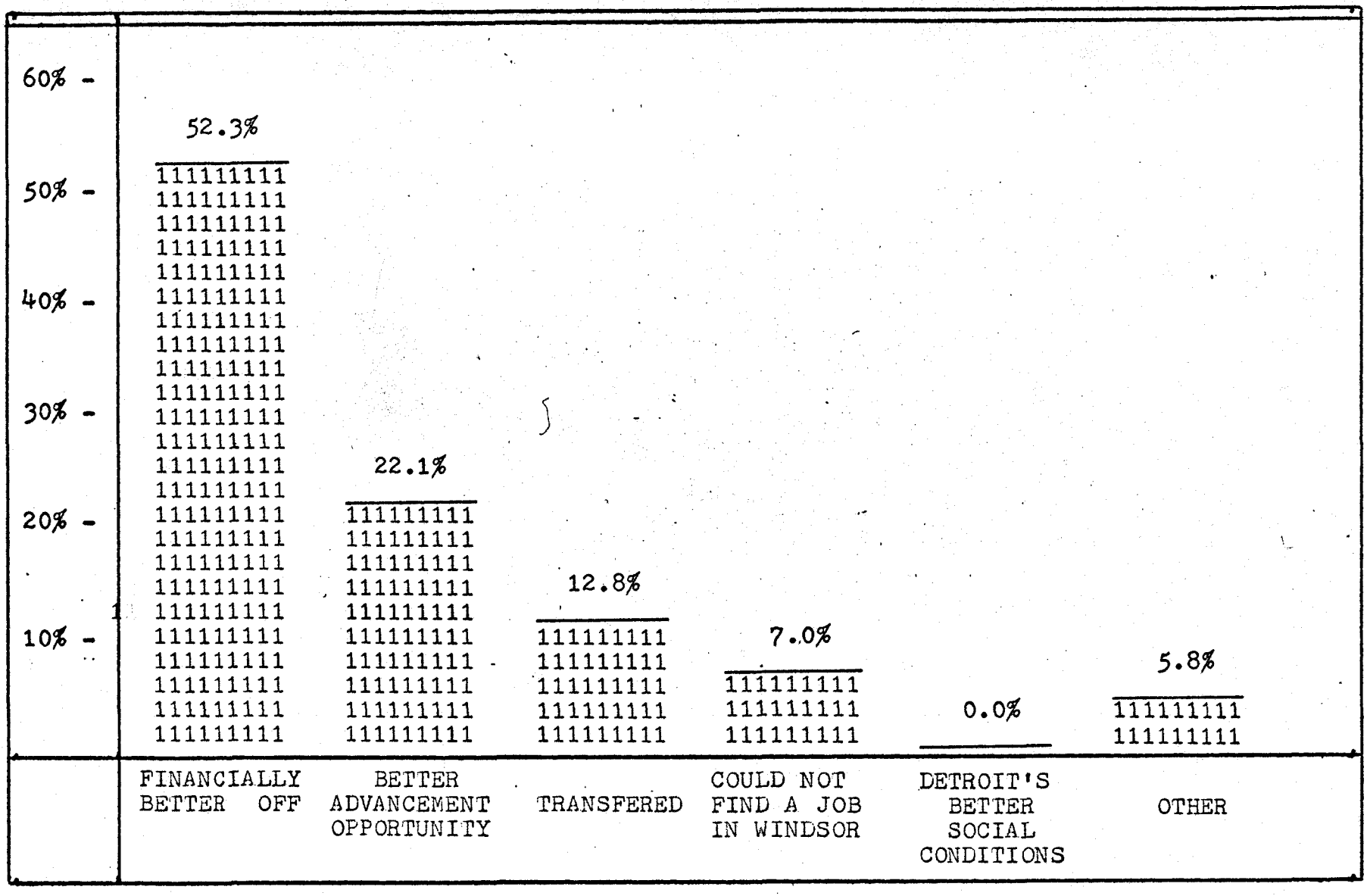
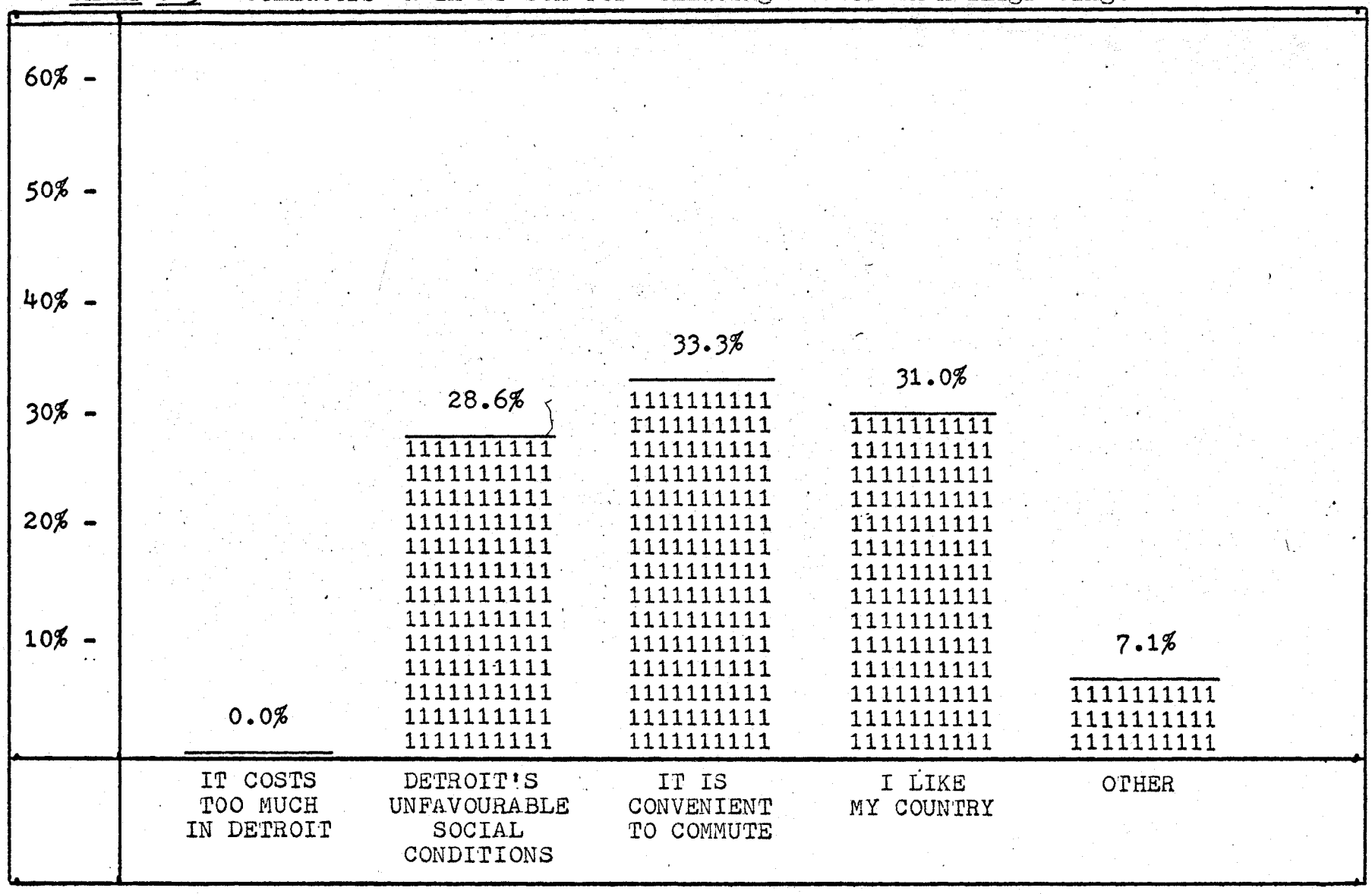


CHART S-3: Commuters' Main Reason for Commuting Rather Than Emigrating.



worthy of note is the generally unstable social conditions which appear to be prevalent in many large U.S. cities today. As reported by Samuel, The National Commission on Violence in the U.S. concludes that:

> The racial situation in the U.S. and the general increase in violence highlighted by the assassination of several prominent political personalities in a comparatively short span of time have contributed to a reduction in the strength of the pull factor to the U.S.A.[9]

There is certainly a strong possibility that such conditions act as a deterrent to would-be emigrants to Detroit; especially when one considers that Detroit is listed among the two or three "worst" cities in the U.S. with respect to racial tension and criminal violence.

Also we might expect that the Vietnam War and its implications have acted as a deterrent to direct emigration. As one Canadian doctor reports:

> The only thing that is keeping them (Canadian doctors) here now is the Vietnam War and the race riots in the U.S. What young man is going down there if he is eligible for the draft, or what older man is going down if his children are?[10]

The survey results give partial support for the above suppositions. The findings (see CHART S-3) indicate that commuters either thought that living costs were not higher in Detroit or that if higher living costs did prevail they would not be a major deterrent to emigration. Detroit's unfavourable

---

9. Samuel, op. cit., p. 35.

10. Samuel, op. cit., p. 35.

social conditions were stated as the main reason for continuing to reside in Windsor by 28.6% of those surveyed. Thus it would seem safe to conclude that, in general, adverse social conditions in a destination region or country can act as a major deterrent to labour mobility. The Vietnam War and the military draft were not mentioned at all in the survey replies. However, thirty-one percent of those surveyed gave as their main reason for commuting that they liked their country and wanted to stay in Canada.

It should be noted that one-third of the sample stated that it was more convenient to live in Windsor and commute rather than live in Detroit, which is quite logical given downtown Detroit's easy accessability from Windsor via the Tunnel and Bridge. Clearly, however, factors such as social conditions and nationalism still rank very high as reasons for commuting as opposed to living in Detroit.

It must be emphasized at this point that the commuters' decision to heed these non-monetary factors and forego emigration entails considerable cost. As is quite well known to Windsorites, Detroit prices are substantially lower than Windsor's. A study done in part by the writer in the Fall of 1970 (see TABLE 3-5) illustrates the lower grocery costs in the Detroit area. The relative price of a "food basket" of seventeen items was compared in nine stores in both the Windsor and Detroit areas. The "basket" was found to be approximately

TABLE 3-5: Windsor-Detroit Price Comparison (Sept. 1970)

All items of equal quantity and, where possible, the same brand.

ITEM	PRICE		PRICE INDEX Windsor= 100	
	Wind.	Det.	Wind.	Det.
Cerial	.37	.40	100	108
Coffee	2.02	1.67	100	83
Facial Tissue	.36	.21	100	58
Tomato Soup	.14	.12	100	86
Detergent	1.01	.72	100	71
Bath Soap	.29	.22	100	76
Cream Substit.	.84	.58	100	69
Foil	.77	.52	100	68
Flour	.63	.51	100	81
Canned Veget.	.23	.24	100	104
Crackers	.58	.46	100	79
T.V. Dinner	.72	.66	100	92
Tea Bags	1.58	1.21	100	77
Tooth Paste	.66	.45	100	68
Cat Food	.19	.15	100	79
Catsup	.29	.19	100	66
Jelly Powder	.11	.11	100	100
AVERAGE			100	80

SOURCE: (1) Windsor prices from The Windsor Shopping News, Sept. 9, 1970, p. 1.
(2) Detroit prices attained through personal, cross-sectional visits to nine (9) Detroit to Riverview, Mich. grocery stores (Sept. 1970).

TABLE 3-6: Windsor-Detroit Income Tax Comparison (1970)

DOLLAR INCOME	INCOME TAX PAID *		
	Detroit	Windsor	Percentage Differential
8000	830.	1101.	32%
9000	1032.	1388.	34%
10,000	1180.	1649.	39%
12,000	1573.	2219.	41%
15,000	2345.	3218.	37%
18,000	3025.	4402.	45%
20,000	3492.	5290.	51%
25,000	4907.	7446.	51%

* The tax was calculated for a married man, whose wife was not working, who had two children ages 16 and 12, and who was paying for his own home.

SOURCE: Compliments of H & R Block Ltd. (Windsor, Head Branch) and Mr. William Green.

NOTE: For a break down of the figures included in TABLE 3-6, see the Appendix, p.

twenty percent cheaper in the Detroit area stores.[11] By casual observation, consumer durables are at least twenty percent cheaper in Detroit than in Windsor, while housing of comparable quality is of approximate equal cost in both cities.

In addition to lower prices, Detroit residents pay substantially less income tax than do Windsor residents. TABLE 3-6 compares income tax payments for men in equal circumstances in Detroit and Windsor. Windsorites pay from thirty-two percent ($8000) to fifty-one percent ($20,000 and $25,000) more income tax, depending on their financial circumstances.[12] In general, the higher the income bracket, the higher the percentage income tax paid by Windsorites relative to Detroiters. It would appear that such a tax differential, especially in the higher income brackets, should be a strong incentive to take up Detroit residence.

The significance of lower prices and income taxes in Detroit is that commuters could increase their real disposable income by moving to Detroit. Since they persistantly do not move, it would indicate that such monetary gains are of less importance to the commuter than the other, non-monetary, factors. Clearly, they see it is to their net advantage to

---

11. Differential would be in actuality approximately 16% owing to the fact that food is not exempt from the Michigan 4% sales tax.

12. It should be noted that if U.S. Social Security payments and Canada Pension payments are included, the absolute differential at present would be reduced by about $290.

commute rather than to move.[13] Again with respect to the general case of labour mobility, the influence of non-monetary factors is clearly demonstrated and, to some extent, evaluated.

CHARACTERISTICS OF THE WINDSOR-DETROIT COMMUTER:

Chapter One dealt in part with the characteristics of mobile workers in general. This section will examine certain characteristics of the Windsor-Detroit commuter as they were revealed by the Survey[14] in the hope that further light will be thrown on the factors affecting labour mobility.

(1) AGE:

According to the Survey, almost forty percent of all commuters began commuting between the ages of twenty-five and thirty-four (see CHART S-4). Mobility appears to rise and reach a peak in this age bracket and then fall of substantially in the higher brackets. This finding differs from the general findings of other studies of labour mobility in that the conclusions reached via these other studies indicate a steady decline in mobility with advancing age. There are several possible explanations for the present finding.

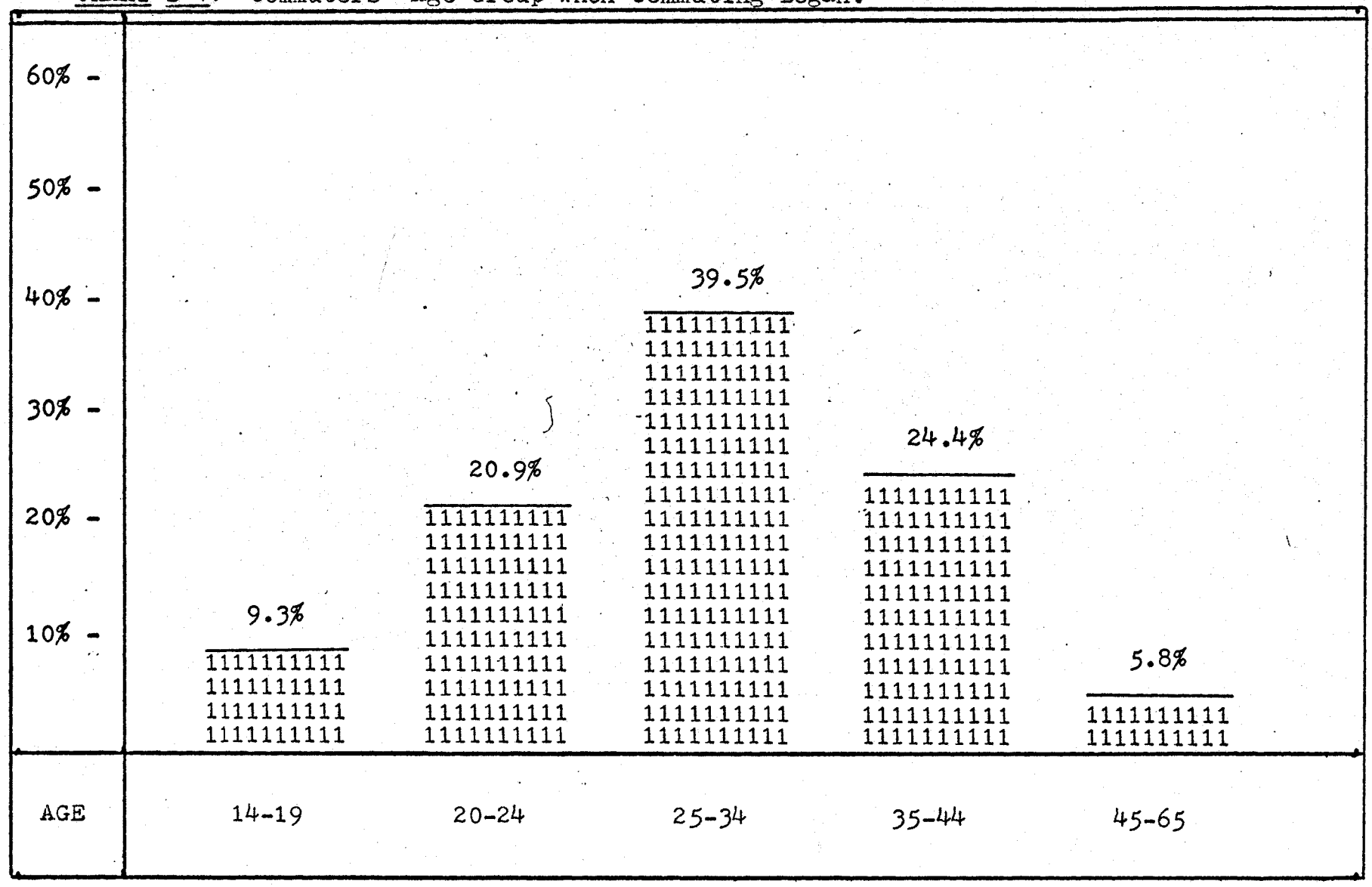
(1) It takes time for individuals living in Windsor to become fully aware of suitable work opportunities in Detroit.

---

13. As the questionnaire survey was restricted to a sample of commuters, there is unfortunately no way of knowing the motivations of those who were formerly commuters but decided to take up residence in Detroit.

14. Unless otherwise stated, all information in this section is from this source.

CHART S-4: Commuters' Age Group When Commuting Began.



And further time actually to seek positions and obtain visas. This perhaps tends to advance the starting age for commuting.

(ii) The military draft would tend to keep the younger men from seeking employment in Detroit until their age would tend to exempt them from conscription.

(iii) For a Canadian, admission to employment in the U.S. requires that he possess a special talent or skill which is in relative short supply in the recipient area. Not only is this a prerequisite for obtaining a visa, but also is usually necessary to compete successfully with a highly educated U.S. labour force. Acquisition of such skills necessarily requires time; again resulting in an advanced starting age for commuting. This lag widens further where job experience is required by Detroit employers.

(2) SEX:

As can be seen in CHART S-5, males comprise approximately fifty-eight percent of the commuter population. However, we cannot conclude from this that males are the more mobile. While women make up only forty-two percent of Windsor-Detroit commuters, they comprise only 20.7 percent of Windsor's total labour force.[15] It would certainly appear from this that women are more "commuter mobile" than are men. Again this contradicts previous findings, which showed men as the more mobile sector of the labour force.

---

15. D.B.S. - Employment and Average Weekly Wages and Salaries 72-002, (October, 1970).

CHART S-5: Sexual Composition of the Windsor-Detroit Commuter.

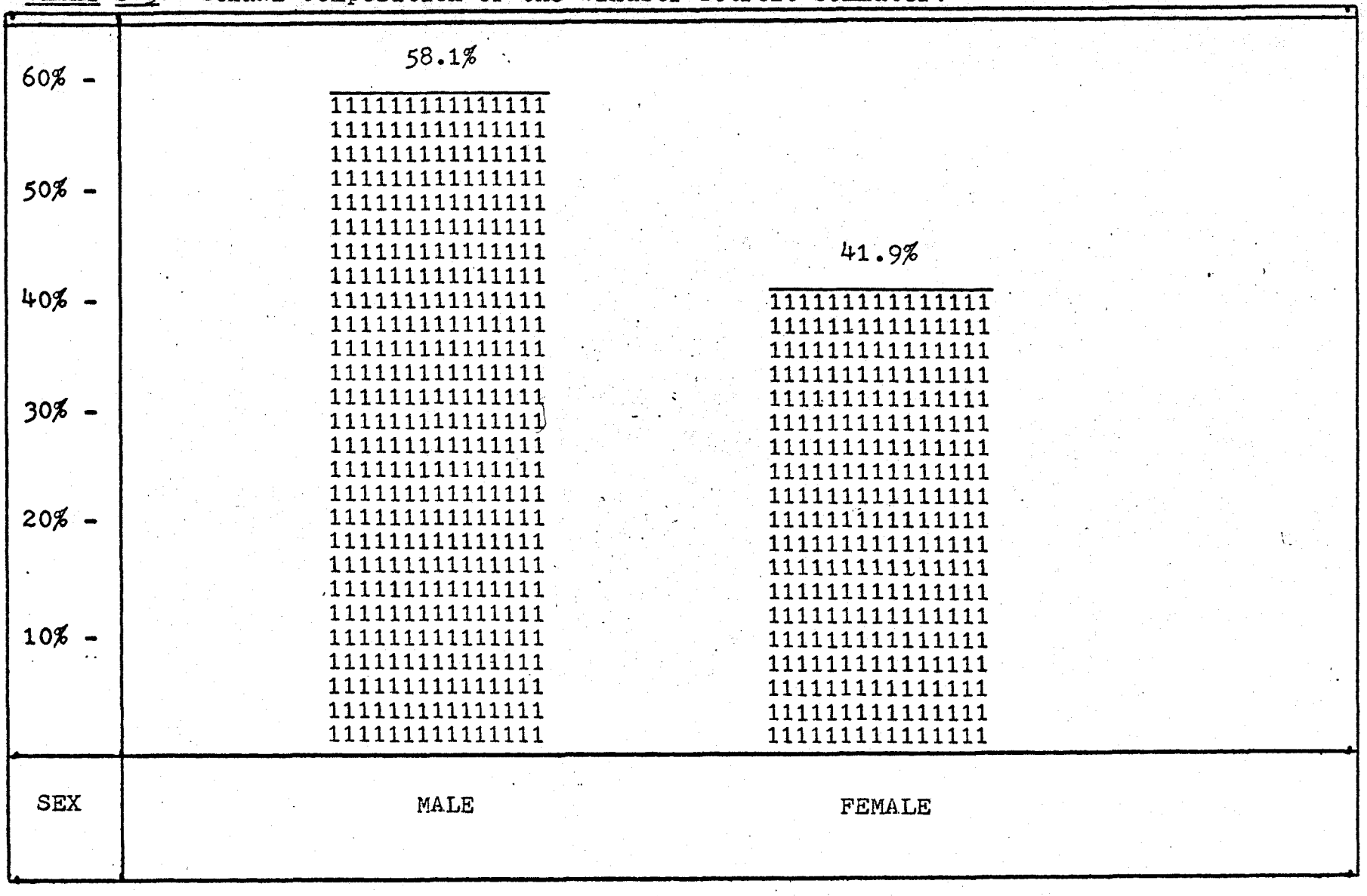


CHART S-6: Marital Status when Commuting Began.

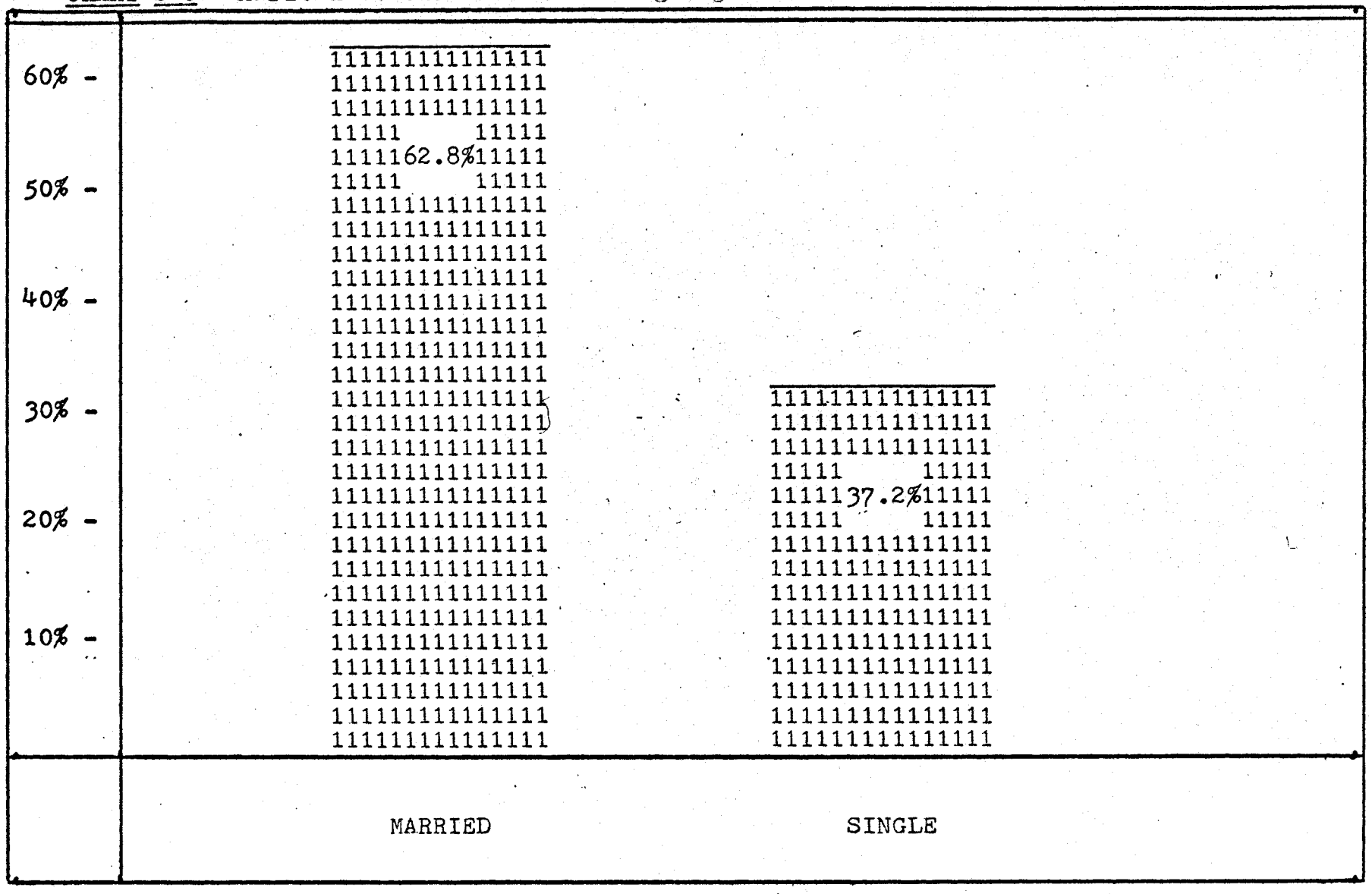
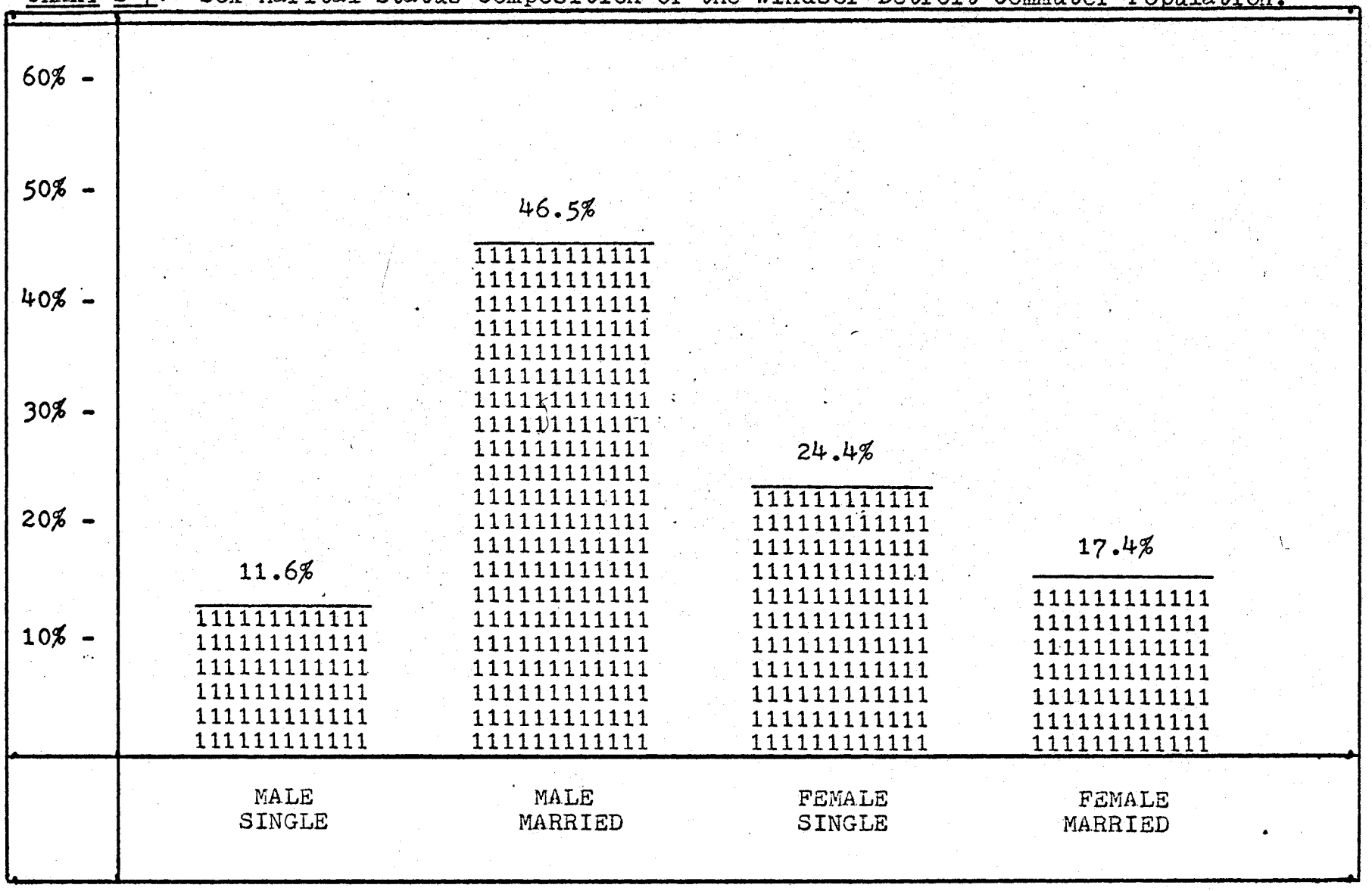


CHART S-7: Sex-Marital Status Composition of the Windsor-Detroit Commuter Population.



Several reasons for this new finding come to mind.

(i) Much of the demand for women workers in Detroit is for nurses, secretaries and retail clerks. The earnings differentials for such women generally tends to be relatively larger and thus relatively more powerful as a lure, than the average male differential.

(ii) Possibly a greater percentage of women, relative to men, are inclined to commute rather than to move because of family and social ties. A married woman is usually considered as the secondary bread winner in the family. If a woman is employed in Detroit and her husband in Windsor, a change of residence to Detroit is not likely to be practical. Probably single women tend to reside at home and commute rather than move to Detroit where they are away from the "warmth" of home and face to face with the rocketing Detroit crime rate.

(iii) Probably the largest single factor contributing to the relatively small percentage male participation rate in commuting is the U.S. military draft. If it does nothing else, the draft surely tends to postpone U.S. employment for many Windsor males, perhaps for a long enough period for the "lock-in" effect, referred to in Chapter Two, to set in.

(3) MARITAL STATUS:

The general findings of the Survey in this area of commuter characteristics can be seen in CHARTS S-6 and S-7, which reveal that almost sixty-four percent of the commuters surveyed were married when commuting began. As no Windsor information was

available, Canada's marital status percentages were used as a proxy for a comparison of Windsor's marital situation with that of the commuters'. The results can be seen in TABLE 3-7. While eighteen percent of the commuters were married women, only six percent of Canada's labour force was. This relatively large percentage of married female commuters possibly results from the fact that many single women would be induced to emigrate to Detroit than their married counterparts who are perhaps tied to residence in Windsor owing to their spouses' jobs in this city.

(4) EDUCATION:

CHART S-8, illustrating the educational characteristics of the Windsor-Detroit commuter, clearly indicates that, in general, such individuals posses higher-than-average education. This becomes even more evident when one compares the commuter with the Canadian and U.S. labour forces.[16] Almost forty-two percent of the commuters surveyed had at least some university or college compared with 6.1 percent for Canada's labour force and 15.4 percent for that of the U.S. (1961). Several reasons for the relatively high educational credentials of the commuter seem to be readily apparent.

(i) U.S. regulations require that only relatively scarce, highly skilled manpower be granted visas. Such manpower

---

16. Unfortunately educational characteristics of Windsor's labour force are unavailable. All educational statistics for Canada and the U.S. are taken from Samuel, op. cit., p. 11.

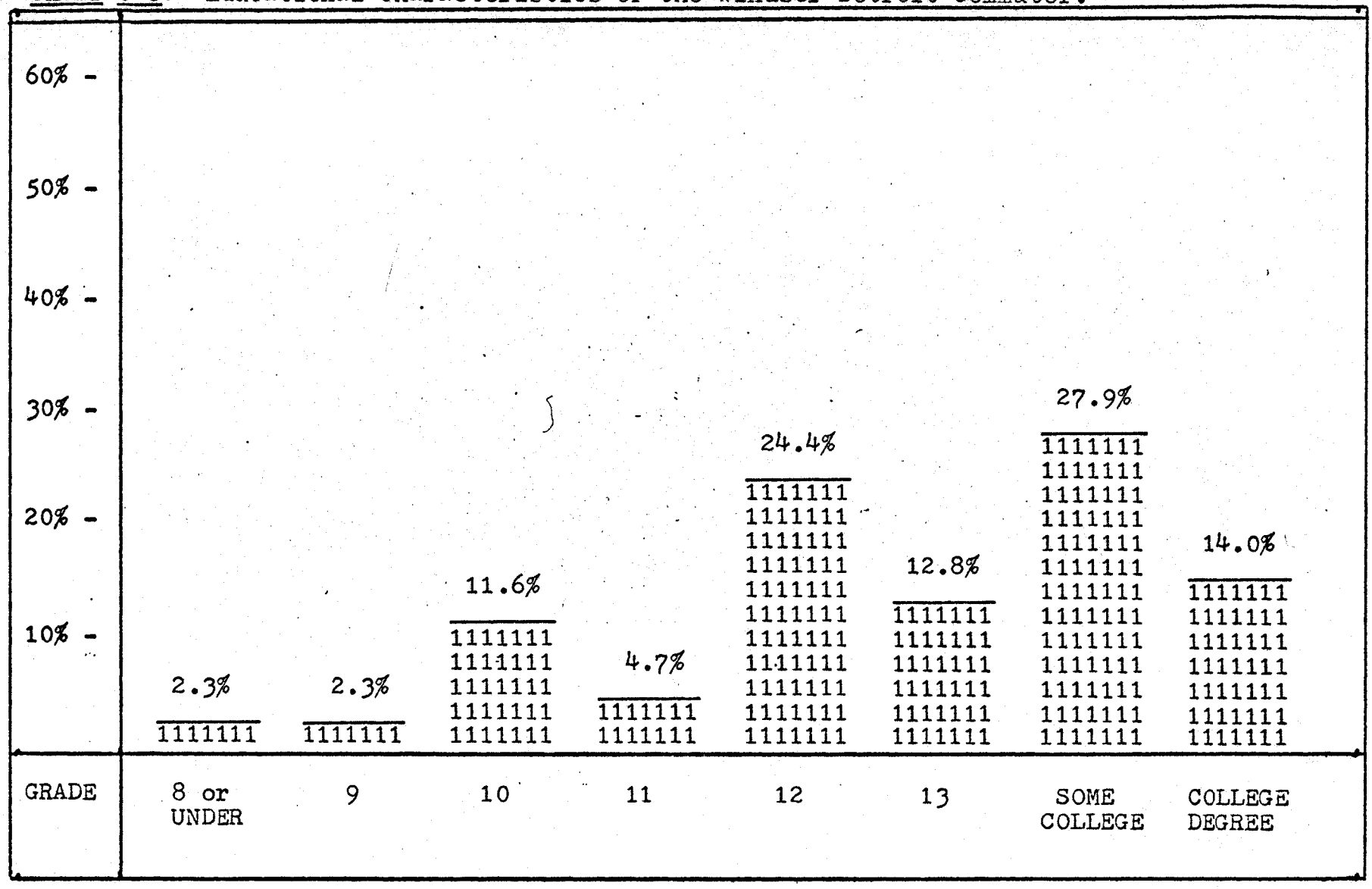
TABLE 3-7 : Canada -- Commuter Marital Status Comparison

MARITAL STATUS and SEX	% of CANADIAN LABOUR FORCE	% of COMMUTERS
MARRIED	68.3%	63.9%
MALE	52.7	46.5
FEMALE	15.6	17.4
SINGLE	31.7%	36.1%
MALE	17.7	11.7
FEMALE	14.0	24.4

SOURCE: (1) Canadian labour force information from D.B.S. -- Employment and Average Weekly Wages and Salaries (72-002), Oct. 1970.

(2) Commuter information from the Survey.

CHART S-8: Educational Characteristics of the Windsor-Detroit Commuter.



necessarily tends to include a relatively high proportion of persons in possession of post secondary education.

(ii) The commuter must be equipped to compete for employment in a labour market containing a higher percentage of college graduates than is the case in Canada.

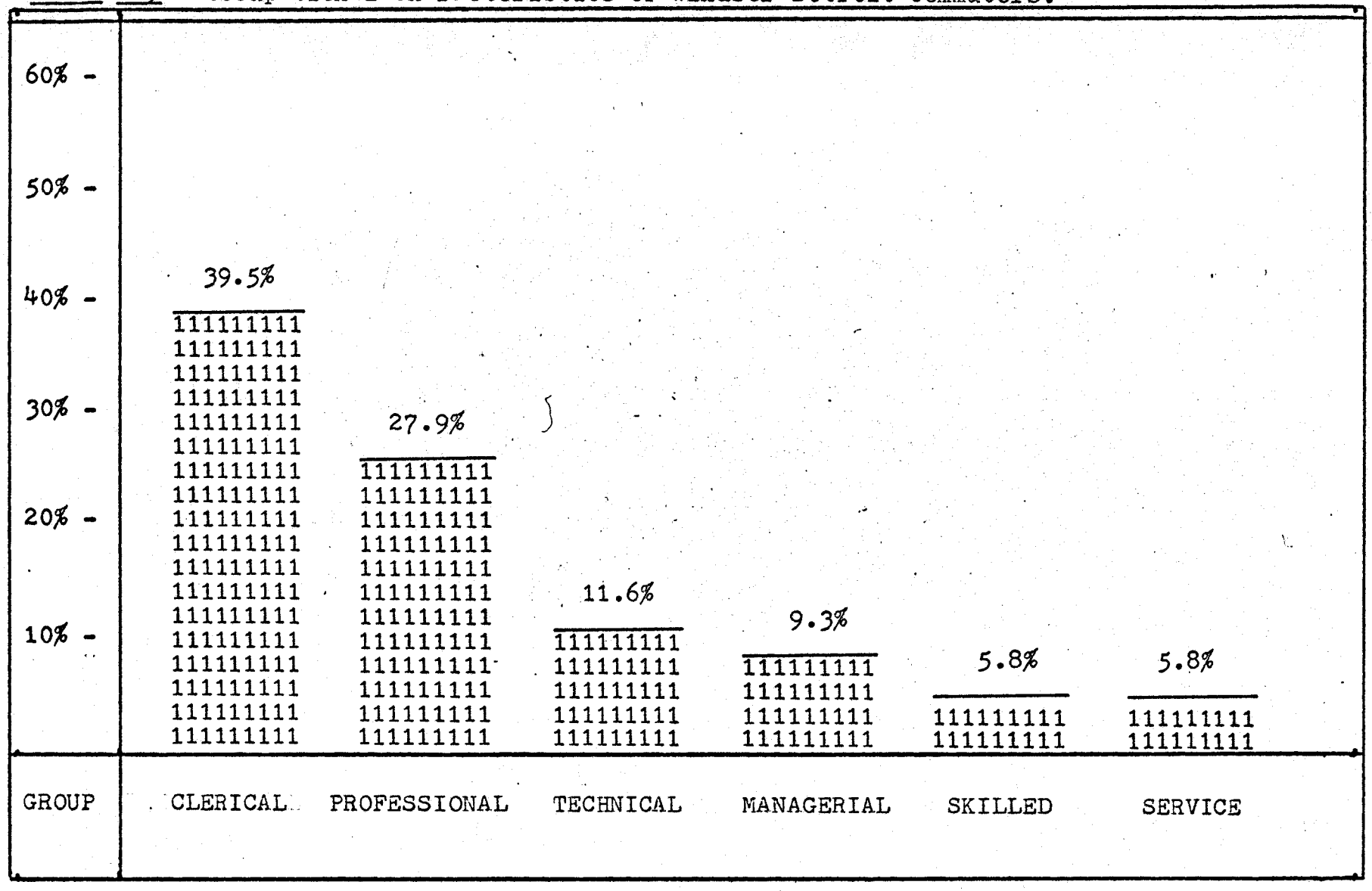
(iii) The more educated are more likely to be better informed of job opportunities and of their corresponding earnings differentials in the U.S. than are their less educated countrymen.

(iv) The more educated workers possibly tend to commute rather than emigrate because of their fuller appreciation of the cultural and social "costs" of a move to Detroit.

(5) OCCUPATION:

The occupation distribution of the commuter sample is shown in CHART S-9. The distribution is consistent with the high educational characteristics of the group. Over two-thirds of the commuters were employed in the professional and clerical fields. This again is probably a direct result of the visa restrictions. Perhaps surprisingly, technical and skilled workers only accounted for 17.4 percent, despite a high preponderance of such occupations in the Windsor-Detroit area. It is not surprising, however, to find that only 5.8 percent of the commuters are in services occupations. There is little likelihood that a serious "scarce skills" situation has ever existed in Detroit's services sector.

CHART S-9: Occupational Characteristics of Windsor-Detroit Commuters.



BARRIERS:

(1) THE VISA BARRIER:

As stated previously, all Canadian-born Windsor workers must obtain an immigrant visa in order to commute to Detroit. If an individual's visa application is to qualify for serious consideration, he must fall into one of two categories. Either he must be a third preference alien (i.e. a member of the professions or one who has exceptional ability in the arts or sciences), or he must be a sixth preference alien (i.e. one who will "perform skilled or unskilled labor not of a temporary or seasonal nature for which a shortage of employable and willing persons exists in the United States").[17]

In addition, sixth preference aliens must show proof of a job offer and apply for their visa through their prospective employer.[18] Such requisites represent a barrier to the free movement of labour from Windsor to Detroit. Obviously, the barrier does not exist for the well qualified or for those whose skills are in relatively short supply in Detroit. But to those without such credentials, the visa restrictions act as an absolute barrier.

In addition to the above visa requirements, which have long been in effect, recently, what might be termed a "time

---

17. From a U.S. Application for Alien Employment Certification - form ES-575A.

18. This stipulation is waved if the alien's occupation is on the Department of Labour Certification List or its list of occupations requiring no job offer.

element barrier" has appeared. In 1965, it was stated that, commencing in 1968, visa numbers were henceforth to be made available on a first-come, first-serve basis "without regard to national origin and without any preference system being applicable to such immigration".[19] As a result, starting in 1968, a ceiling of 120,000 was placed on immigrants from Western Hemisphere countries. Previously there was virtually no restriction.[20]

> When it became apparent that the 120,000 ceiling set forth in the 1965 Act was actually going to go into effect, it was natural for many people to try to get visas before the limitation could affect them. The result was a deluge of applications of unmanageable proportions shortly before the deadline,. and a huge backlog had to be carried forward.[21]

Added to this is also the situation of a persistent excess demand for such visas each year, further increasing the size of the backlog. According to W. Mitchell, formerly the U.S. Vice Consul in Windsor, this backlog is presently (June, 1970) of a magnitude substantial enough to result in a two to three year waiting period between applying for and receiving a visa. By way of contrast, he stated that, prior to 1965, the waiting period had ranged from two weeks to six months, the usual delay being about one month.[22]

---

19. 1969 Report of the Visa Office, Bureau of Security and Consular Affairs, U.S. Department of State, p. 5.

20. 1969 Report of the Visa Office, op. cit., p. 7.

21. 1969 Report of the Visa Office, op. cit., p. 9.

22. The writer personally interviewed Mr. Mitchell in June, 1970.

The time lag element becomes even more important as a barrier when one places it in a dynamic labour market environment. For one thing, a person may be very hesitant in applying for a visa if he realizes he has a three year wait. However, even if he does apply and his occupation or skill is at the time in short supply in Detroit, the application may be turned down eventually because his qualifications are no longer scarce when he finally reaches the head of the waiting list. Thus the attainment of the visa necessary for Detroit employment presently represents an increasingly effective barrier to commuting as to emigration proper.

(2) UNEMPLOYMENT:

It was stated previously that one problem encountered when studying mobility motivation resulted from the aggregation of voluntary and involuntary job changes by data compilers. Each of these categories of job changes was estimated to be of approximately equal frequency in other studies. However, it appears clear from the present study that involuntary mobility is of limited importance with respect to Windsor-Detroit job shifts. This conclusion can be drawn from CHART S-2, which shows that only seven percent of the commuters surveyed indicated that unemployment conditions in Windsor relative to Detroit were primarily responsible for their movement. This is probably a direct result of the similarity of the two cities' industrial composition and therefore of the types of labour demanded and of the actions to overall economic

fluctuations. If a person is unemployed, or possibly unemployable, in Windsor, chances are that his prospects in Detroit at any given time would be much the same. Although this is by no means indicative of all situations, it would seem that Windsor-Detroit movement of workers must involve, for the most part, voluntary job separation.

A second problem mentioned earlier concerned the question whether unemployment is a barrier to labour mobility or whether it merely enters into net advantage calculations. Although it can usually be discussed as either or both, unemployment, as it affects the Windsor-Detroit movement of labour would seem to fall more into the barrier category. Given the visa requirements, the presence of any substantial unemployment in Detroit must give rise to a more restrictive attitude on the part of U.S. authorities with respect to granting visas to Windsorites wishing to work in the U.S. Further support for the preceding argument appears to stem from an examination of the actual Windsor-Detroit employment situation.

Certainly TABLE 3-8 shows that, between 1960 and 1968, unemployment was higher in Windsor than in Detroit indicating a certain pressure for a movement of labour from Windsor to Detroit. The writer holds, however, that there is no evidence that this situation had any impact on the flow of commuters, especially if one considers that the decision to commute usually involved a voluntary job separation.

TABLE 3-8: Percentage Unemployment Rates in Windsor and Detroit.

YEAR	UNEMPLOYMENT RATES (%)		
	WINDSOR	DETROIT	DIFFERENTIAL
1960	11.2	6.8	+ 4.4
1961	11.6	10.9	+ 0.7
1962	9.8	7.0	+ 2.8
1963	7.6	5.2	+ 2.4
1964	5.8	4.3	+ 1.5
1965	5.2	3.5	+ 1.7
1966	5.3	3.3	+ 2.0
1967	8.3	4.2	+ 4.1
1968	7.2	4.0	+ 3.2

SOURCE: (1) Windsor RATES from H.R. Hird, Structural Unemployment -- The Case of Windsor, Ontario, Unpublished Major Paper, University of Windsor, Windsor, Ontario, 1970, p. 41.

(2) Detroit RATES from issues of The Detroit Area Economic Fact Book, op. cit.

(3) UNIONS:

Due mainly to the influence of the auto industry, Windsor and Detroit are highly unionized cities. As a result, possible obstacles or even absolute barriers are placed in the path of a Windsor worker contemplating a move to Detroit.[23] Many Windsor workers may see it to their net advantage to make a move to Detroit but for the fear of seniority and pension loss.[24] This could result in a substantial "lock-in" effect.

The fear of seniority loss is justified in that there appears to be no union policy regarding the seniority of workers from Canada. As a result, even in switching to the same firm or industry in Detroit as one was employed at in Windsor, seniority would be lost in the move. This is true even in the case of an international (U.A.W.) union. However, in this last situation, a man's service is often retained, meaning that there perhaps is no loss of accrued pension benefits.

In addition to the "lock-in" effect, Windsorites planning Detroit employment are probably confronted with a "lock-out" effect. Although the possession of a "union card" may be of assistance to a Windsorite in attaining Detroit employment in the same international unionized industry, the likelihood of

---

23. The writer realizes that non-unionized as well as unionized enterprises are responsible for such obstacles. However, it is felt that unionization was directly responsible for the creation of many mobility hindering policies and is therefore identified with such policies.

24. As mentioned previously, such losses could be considered as factors included in, rather than restricting, net advantage.

this is doubtful. The U.A.W. does not enjoy a universal closed shop situation in Detroit and, therefore, when more workers are required, many employers can turn directly to the labour market. According to Richard Laufle (U.A.W. Librarian, Research Department, Detroit), there are only approximately one-hundred and twenty Windsor residents working at the Chrysler Corporation in Detroit.[25] If this is a true indication, extrapolation would suggest that at the most ten percent of Windsor's commuters are employed in the auto industry. This compares with about seventeen percent of Windsor's labour force and about fifteen percent of Detroit's. This could possibly be reflecting the combined influence of the "lock-in" and "lock-out" effects on movement in this highly unionized industry.[26]

In general, it seems evident that the "lock-in" and "lock-out" effects do influence Windsor-Detroit commuter mobility; so that, the degree of this influence remains for the most part conjecture.

It was impossible for instance to question persons contemplating a move to Detroit in order to estimate the actual

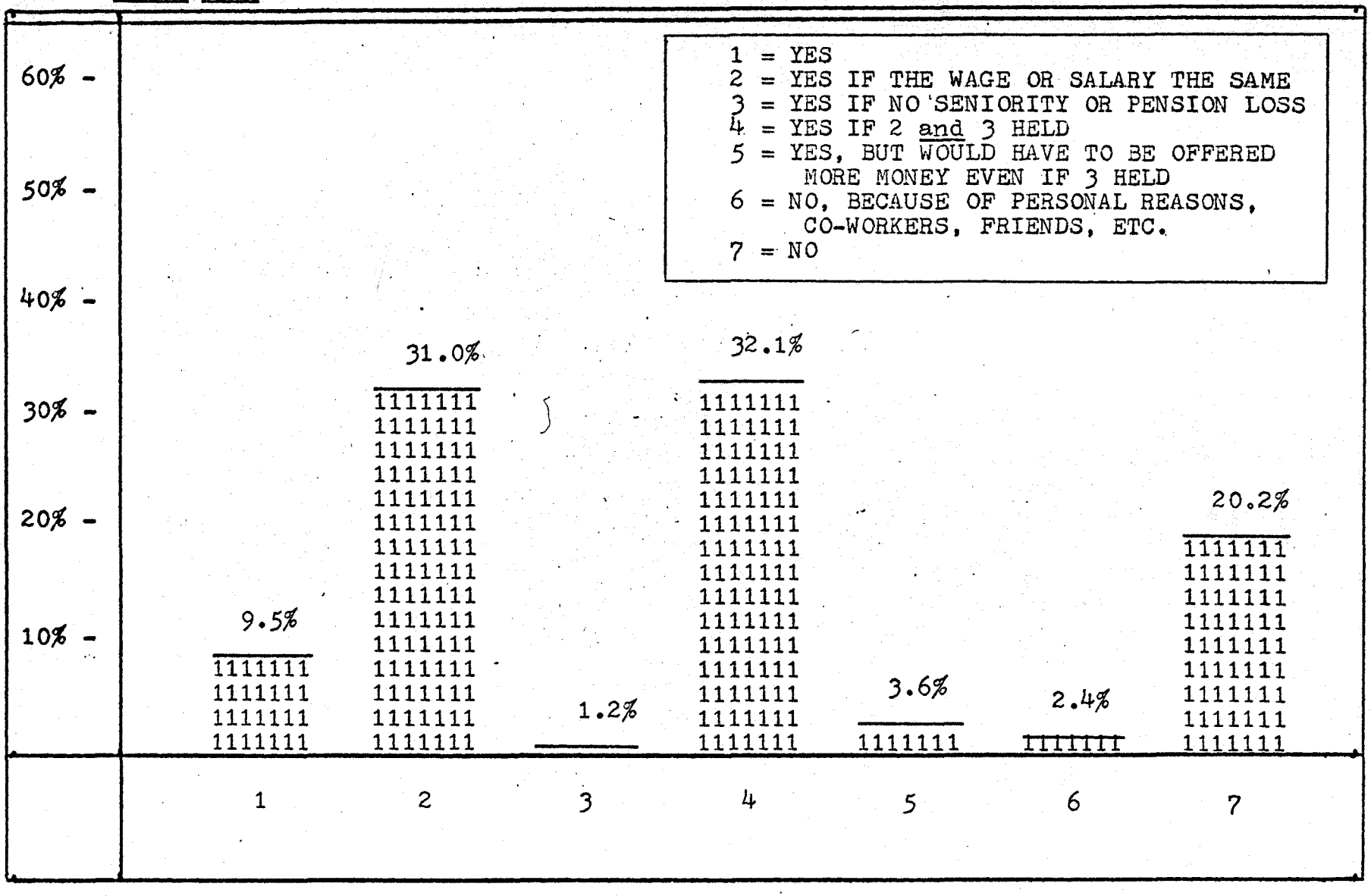
---

25. This information was attained in a personal interview with Dilis Sheehan (U.A.W., Windsor) in June, 1970.

26. In addition, two other reasons seem likely for the relatively low percentage of auto industry commuters. (1) The recent U.S.-Canadian wage parity in the auto industry has decreased the Windsor-Detroit wage differential in this industry, and with it the financial incentive for Windsorites to take up auto employment in Detroit. (2) Most of the jobs in the auto industry are not in a highly skilled and short supply classification, thus complicating the attainment of a visa for those inclined to commute.

"lock-in" effect of pensions and seniority right. However, some indication of the attitudes of those presently commuting with respect to pensions, etc. serves to indicate how powerful a "lock-in" effect might result from fear of loss of such rights. CHART S-10 shows that, wages being equal, approximately thirty-two percent of the sample would move back to Windsor to work only if they would not lose their seniority and pension (column 4). More money did not appear to be a replacement for these benefits (column 5). It is interesting to note, however, that assurance of no seniority and pension loss in itself was not sufficient compensation (column 3) to move. Apparently, a combination of security and equal financial remuneration is necessary.

CHART S-10: Would the Commuter Return to Windsor to Work?



CHAPTER IV

SUMMARY AND CONCLUSIONS

General Mobility:

Mobility usually refers to a movement between jobs (occupational mobility) or between regions (geographical mobility). Many studies have been done in an attempt to determine why movement takes place. The central theme of this thesis puts forth the idea of net advantage as being the prime motivating force. A person will move to the job or region which will maximize his net advantage. This net advantage consists of both monetary and non-monetary factors, and due to the fact that the value placed on such factors is subjectively determined, net advantage differs from individual to individual. Many economists, although they recognize the existance and perhaps importance of net advantage in determining movement, often try to measure the mobility incentive in strictly monetary terms. Wage differentials are the most common means. Not surprisingly, these studies have had mixed results, leaving some contention that wage differentials are not important. What must be kept in mind is that such wage differentials are only a part of the total net advantage that a worker perceives. When, and only when, the other, non-monetary factors are held constant, do these differentials become all important.

Characteristics of Mobile Workers:

A mobile worker can be defined as one who has a high propensity to make job shifts. Studies have shown that mobile workers exhibit certain characteristics distinct from those of less mobile or immobile individuals. In general, it has been found that the typical mobile worker is young, male, single, relatively highly educated and unskilled.

Barriers to Mobility:

Even if a definite net advantage exists, a person may not be able to take advantage of it because of some type of barrier which impedes his movement. One of the most obvious barriers is the lack of knowledge of job opportunities and therefore of the various net advantages inherent in these jobs. Unemployment conditions could also be considered a barrier. It may be to a person's net advantage to move into a certain occupation, industry or region; but if there is a shortage of job openings, movement may be blocked. Union policies could also arrest movement in that a potential employee may be "locked out" of employment in a certain industry or possibly he may be "locked in" his present job. The prime factors involved in this "lock-in" effect revolve around the fear of seniority and pension loss by the worker.

Windsor to Detroit Commuting: A Case Study

The cities of Windsor, Ontario and Detroit, Michigan offer a unique situation for studying labour mobility. First, the types of employment found in each are similar, the emphasis

being on manufacturing. The auto industry is common to both employing fifteen percent of Detroit's labour force and seventeen percent of Windsor's. Thus, structural employment barriers are at a minimum. And second, there has been a persistant, substantial wage differential between the two cities for decades. Today, the average Detroiter earns from $1500 to $1600 more annually than does the typical Windsorite. Such a differential is the prime factor involved in mobility motivation in this case. Most Windsorites could surely gain a higher level of satisfaction by gravitating to their higher net advantage in Detroit. However, Detroit is notorious for its poor social conditions, specifically its rising crime rate and racial tension. Combined with the fear of the U.S. military draft and the Vietnam War, these factors would normally deter most from seeking Detroit employment. But most of these non-monetary disadvantages can be avoided by working in Detroit but living in Windsor -- that is, by commuting to Detroit daily instead of living there. This "half-way" measure is agreeable with approximately six thousand Windsorites commuting daily. As revealed in the Survey, there are three major reasons for commuting as opposed to moving to Detroit. (1) It is more convenient for many to commute, owing to Windsor's close proximity to downtown Detroit. (2) Many Windsorites like their country and simply prefer to live in Canada. (3) The unstable social conditions discourage many from taking up Detroit residence.

However, the decision to commute rather than to move is not without its financial costs. Food prices are approximately twenty percent lower in Detroit and consumer durables would appear to be relatively even cheaper. In addition, Windsorites pay from thirty-two percent ($8,000 income bracket) to fifty-one percent ($20,000 and $25,000 income bracket) more income tax than do Detroiters in like circumstances. If the commuters moved to Detroit, which they could legally do, these cash savings would be realized. The fact that they do not move indicates that the non-monetary factors involved in moving are deemed more valuable than these potential monetary savings: emphasising, it would seem, the necessity to use a net advantage approach to labour mobility.

Characteristics of Windsor-Detroit Commuters:

Commuter mobility appears to increase with age up to the 25-34 age bracket and thereafter declines. This of course differs from studies on occupational and geographical mobility which show mobility continually declining with advancing age. Women would appear to be more commuter mobile than men. The commuter class is a relatively highly educated group, in that forty-two percent have at least some post-secondary education. Consistant with this, there is a relatively high percentage of the commuter population in Professional, Technical, Managerial, and Skilled occupations.

Barriers:

The major barrier to mobility facing the Windsor-Detroit

commuter is the visa. In order to get a job and work in Detroit, a Windsorite must obtain an immigrant visa. To qualify for a visa, he usually must have a job lined up and it must be shown that said job cannot be filled by a U.S. worker. Obviously, most commuters therefore would have to have better than average skills and/or education, plus the good fortune of being in an occupational category in relatively short supply in Detroit. Besides creating this barrier, the visa has also given rise to another problem of late. In 1968, a ceiling of 120,000 was placed on the number of visas to be issued in the Western Hemisphere by the U.S. In addition, the visas were to be issued on a first-come, first-serve basis. A rush to beat the crowd resulted in an initial backlog and the fact that demand has continually exceeded supply has worsened the situation.

A second barrier is unemployment. Although Windsor has had a higher overall rate of unemployment than Detroit in the last fifteen years, the writer believes that this differential, in itself, is meaningless as far as commuter incentive is concerned. However, specific occupational unemployment rates are very significant and become more so when reinforced by the visa restriction of non-displacement of a U.S. worker.

A third barrier concerns the fact that the Motor Cities are highly unionized. With union policy in force, many employees may feel themselves "locked-in" their present jobs in Windsor because of fear of seniority or pension loss. Owing to the average later age (25-34) that commuting begins,

such a fear could be quite substantial. In addition, the existance of internationally unionized industry has not seemed to assist Windsorites in making intra-industry shifts and the size and effective importance of the "lock-out" effect is unknown.

Due to the close proximity of the two cities and Detroit's communication network, lack of knowledge, usually a prominent barrier, is not effective in the writer's view. Both employment and union barriers are eclipsed in importance by the main institutional barrier -- the immigrant visa.

CONCLUSIONS:

The movement of workers from employment to employment is the result of individual net advantage calculations. Previous studies have shown that wage differentials alone do not offer adequate explanation for labour mobility and that non-wage factors are included in the net advantage calculus of individual workers. In other words, in the absence of direct barriers to movement, workers will tend to move occupationally, industrially, regionally, etc., whenever such moves offer calculable net advantages to the individuals concerned.

This theory was tested in the Windsor-Detroit area via an investigation of the inter-city commuter. It was found that, despite substantial monetary gains to be had by emigrating, non-wage factors appear to be of sufficient magnitude to offset the attraction of such potential monetary gains for the Windsor-Detroit commuters. This fact allowed us to assign monetary

values to the non-wage component of the commuter's net advantage calculation. These values, as can be seen in the appendix (TABLE A-1) range from approximately $1400 ($8,000 income bracket) to $5,500 ($25,000 income bracket). Although worker characteristics - ie. age, sex, education level, etc. - appear to influence individual "weighting" of non-wage factors, the case of the Windsor-Detroit, commuter seems to offer clear evidence that non-wage factors play a very substantial role in the overall labour mobility process.

APPENDIX

TABLE A-1: Estimate of Monetary Value of Non-wage Factors for the Windsor-Detroit Commuter.

INCOME	INCOME TAX SAVINGS	PRICE SAVINGS	TOTAL SAVINGS *
8000	271	1173	1444
9000	356	1294	1650
10,000	469	1420	1889
12,000	646	1663	2309
15,000	873	2003	2876
18,000	1377	2312	3689
20,000	1798	2501	4299
25,000	2539	2984	5523

* This value is an estimate of the minimum value of the non-wage factor to the average commuter.

NOTE: (1) Income Tax Savings are taken from TABLE 3-5 .

(2) A Price Savings of 20% was assumed overall (from TABLE 3-6) which tends to be conservative.

(3) An Average Propensity to Consume of .85 was assumed.

TABLE A-2: Windsor-Detroit Income Tax Comparison -- A Break Down

NOTE: See TABLE 3-6 for further details and Source.

	INCOME TAX PAID.					
	DETROIT			WINDSOR		TOTAL
INCOME	CITY	STATE	FEDERAL	PROV'L	FEDERAL	
8000	112.00	83.00	635.00	226.00	875.00	830.00 1101.00
9000	132.00	109.00	791.00	288.00	1100.00	1032.00 1388.00
10,000	152.00	120.00	908.00	357.00	1292.00	1180.00 1649.00
12,000	192.00	172.00	1209.00	512.00	1707.00	1573.00 2219.00
15,000	252.00	250.00	1843.00	784.00	2434.00	2345.00 3218.00
18,000	312.00	328.00	2385.00	1106.00	3296.00	3025.00 4402.00
20,000	352.00	380.00	2760.00	1347.00	3943.00	3492.00 5290.00
25,000	452.00	495.00	3960.00	1933.00	5513.00	4907.00 7446.00

Dear "COMMUTER":

I am writing my Masters Thesis for the Economics Department of the University of Windsor. My topic concerns the movement of labour between Windsor and Detroit. As part of this study, I would like to find out certain characteristics of the "typical" commuter (if such a person exists) and why he chose to work in the U.S. In order to accomplish this, it is necessary to use a survey type of questionaire. As I hope to question approximately 100 of the 6,000 or so commuters to Detroit, your individual report is of no personal interest to me. Rather, it will help me to paint a picture of the Windsor to Detroit commuter and what motivates him. Nowhere do I ask your name, nor do I care to know it. There are no right or wrong answers, so don't feel that you are being tested.

I would ask that you read each question carefully before answering. The few seconds it takes you to fill out this questionaire will be greatly appreciated. Thank you!

Wayne Baxter

---

1. AGE when visa was obtained. ☐ 14 - 19 ☐ 20 - 24 ☐ 25 - 34 ☐ 35 - 44 ☐ 45 - 65 ☐ 65 or OVER

2. YEAR that visa was obtained. 19____

3. SEX: ☐ MALE ☐ FEMALE

4. MARITAL STATUS when visa was obtained. ☐ MARRIED ☐ SINGLE

5. HOW DIFFICULT was it, in your opinion, to obtain your visa?

☐ EASY ☐ FAIRLY EASY ☐ DIFFICULT ☐ VERY DIFFICULT

6. When you obtained your visa, how much FORMAL EDUCATION did you have? (Please CIRCLE or CHECK highest grade completed)

1 2 3 4 5 6 7 8 -- PRIMARY SCHOOL

9 10 11 12 13 -- SECONDARY SCHOOL

☐ SOME UNIVERSITY OR COLLEGE

☐ UNIVERSITY OR COLLEGE DEGREE

7. What was your OCCUPATION when you were first employed in the Detroit area

---

(PLEASE PRINT)

8. Since working in the U.S., have you changed employer?

☐ YES ☐ NO

If YES, about how many times? ☐ ONCE ☐ 2 or 3 times

☐ MORE than 3 times

9. Since working in the U.S., have you changed your occupation?

☐ YES ☐ NO

10. What was the MAIN REASON why you decided to work in the Detroit area as opposed to the Windsor area? (Please check ONLY ONE)

☐ I felt that I would be financially better off working in the Detroit area.

☐ Detroit offered better advancement opportunities for my particular qualifications.

☐ I was transferred.

☐ I couldn't find a job in Windsor.

☐ I liked Detroit better than Windsor for social reasons (that is, because of the better atmosphere, friends, and so on).

☐ Some other reason (PLEASE SPECIFY BRIEFLY,if you will).

11. Since you are working in the Detroit area, why don't you take up residence there? (Please check ONLY ONE)

☐ I think it would cost too much to live there.

☐ I don't like the social conditions that prevail there.

☐ It is more convenient to live in the Windsor area and commute.

☐ I like my country and want to stay in Canada.

☐ Some other reason. (PLEASE SPECIFY BRIEFLY, if you will)

12. If you could get a similar job in Windsor NOW, would you take it? (Please check ONLY ONE)

- ☐ YES
- ☐ YES, if the wage (salary) was the same.
- ☐ YES, if I didn't lose my seniority and pension.
- ☐ YES, if I didn't lose my seniority and pension AND if the wage (salary) was the same
- ☐ YES, but I would have to be offered more money, even if I kept my seniority and pension rights.
- ☐ NO, because of personal reasons, co-workers, friends, etc.
- ☐ NO

13. What was your annual income (approx.) just prior to obtaining your visa?

☐ UNDER $3,000	☐ $3,000 - $4,000	☐ $4,000 - $5,000
☐ $5,000 - $6,000	☐ $6,000 - $7,000	☐ $7,000 - $8,000
☐ $8,000 - $9,000	☐ $9,000 - $10,000	☐ OVER $10,000

14. In changing employment to Detroit, did your annual income (CHECK ONE

☐ INCREASE ☐ DECREASE in comparison to your last

annual income while working in Windsor?

15. If your annual income did INCREASE when you changed employment to Detroit, by approximately HOW MUCH did it increase?

☐ $0 - $500	☐ $500 - $1,000	☐ $1,000 - $1,500
☐ $1,500 - $2,000	☐ $2,000 - $2,500	☐ $2,500 - $3,000
☐ $3,000 - $3,500	☐ $3,500 - $4,000	☐ $4,000 - $5,000
☐ OVER $5,000		

BIBLIOGRAPHY

Bancroft, Gertrude and Stuart Garfinkle, Job Mobility in 1961, Monthly Labor Review, Vol. 86, Aug. 1963.

Bunting, Robert L., A Test of the Theory of Geographic Mobility, Industrial and Labor Relations Review, Vol. 15, Oct., 1961.

Bunting, Robert L., Labor Mobility: Sex, Race, and Age, The Review of Economics and Statistics, Vol. 42, May, 1960.

Cartter, Allan M. and F.R. Marshall, Labor Economics; Wages, Employment and Trade Unionism, Richard D. Irwin Inc., Homewood, Ill., 1967.

The Detroit Area Economic Fact Book, Published by the Detroit Area Economic Forum, May, 1970.

Friedman, Milton, Price Theory - A Provisional Text, Alding Publishing Co., Chicago, 1962.

Hird, H.R., Structural Unemployment -- The Case of Windsor, Ontario, Unpublished Major Paper, University of Windsor, Windsor, Ontario, 1970.

Labor Mobility and Economic Opportunity, ed. Paul Webbink, Techonology Press of Massachusetts Institute of Technology and Wiley, New, York, 1954.

Lurie, Melvin, The Effect of Non-vested Pensions on Mobility: A Study of the Higher Education Industry, Industrial and Labor Relations Review, Vol. 18, Jan., 1965.

Myers, Charles A., Labor Mobility in Two Communities, in Labor Mobility and Economic Opportunity, ed. Paul Webbink, John Wiley and Sons Inc., New York, 1954.

Myers, C.A. and G.P. Shultz, The Dynamics of a Labor Market, Prentice-Hall, New York, 1951.

Nelson, Phillip, Migration, Real Income and Information, Journal of Regional Science, Vol. 1, No. 2, Spring, 1959.

Palmer, Gladys L., Labor Mobility in Six Cities, Social Research Council, New York, 1954.

Parnes, Herbert S., Research on Labor Mobility: An Appraisal of Research Findings in the United States, Social Science Research Council, New York, 1954.

Peitchinis, S.G., Canadian Labour Economics - An Introductory Analysis, McGraw Hill Co. of Canada Ltd., Toronto, 1970.

1969 Report of the Visa Office, Bureau of Security and Consular Affairs, U.S. Dept. of State.

Reynolds, Lloyd G., The Structure of Labor Markets, Harper and Brothers, New York, 1951.

Reynolds, Lloyd G. and Joseph Shister, Job Horizons, A Study of Job Satisfaction and Labor Mobility, Harper and Brothers, New York, 1949.

Rottenberg, Simon, On Choice in Labor Markets, Industrial Labor Relations Review, Vol. 9, No. 2, Jan., 1956.

Rubner, Alex, Fringe Benefits - The Golden Chains, Cox and Wyman Ltd., London, 1962.

Samuel, T.J., The Migration of Canadian-born Between Canada and The United States of America 1955 to 1968, Research Branch, Program Development Service, Dept. of Manpower and Immigration, Canada, 1969.

Scanlan, Burt K., Effects of Pension Plans on Labor Mobility and Hiring Older Workers, Personnel Journal, Vol. 44, Jan., 65.

Shultz, George P., Recent Research on Labor Mobility, IRRA Proceedings of Annual Meeting (4th) Dec., 1951.

Stein, Robert L., Unemployment and Job Mobility, Monthly Labor Review, Vol. 83, April, 1960.

Tiffin, Joseph and Ernest J. McCormick, Industrial Psychology (fifth ed.), Prentice-Hall Inc., Englewood Cliffs, N.J., 1965.

Ulman, Lloyd, Labor Mobility and the Industrial Wage Structure in the Post War United States, Quarterly Journal of Economics, Vol. 79, Feb., 1965.

Vandercamp, J., International Mobility in Canada: A Study of the Time Pattern of Migration, The Canadian Journal of Economics, Vol. 1, No. 3, Aug., 1968.

Wages and Labour Mobility, Organization for Economic Cooperation and Development, Social Affairs Division, Paris, 1965.

The Windsor Shopping News, Windsor, Ont., September 9, 1970.

Government Documents.

D.B.S. - Employment and Average Weekly Wages and Salaries (Oct., 70), number 72-002.

United States Consulate, Untitled, Unpublished Article, Concerning Commuting Between Canada and the U.S., Autumn, 1966.

VITA AUCTORIS

PERSONAL:

Born December 11, 1946 in Windsor, Ontario.

EDUCATION:

1952 - 1961 attended elementary schools (Central and Glenwood) in Windsor.

1961 - 1966 attended high school at Vincent Massey C.I. in Windsor.

1966 - 1970 attended the University of Windsor, receiving a Bachelor of Arts Degree (Hons.) in Economics.