Cross-Border Employment in the Windsor-Essex & Southeastern Michigan Corridor
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Workforce WindsorEssex is committed to ongoing research to enhance local labour market planning in the Windsor-Essex region.

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INTRODUCTION

The Windsor-Essex and Southeastern Michigan corridor is one of significant impact on the social, cultural, and economic landscape of the region. The unique proximity of the Windsor-Essex region to the U.S. border allows for thousands of Windsor-Essex residents to cross the border daily for work and education. With 6,120 people working outside of Canada, Windsor-Essex has the largest number of residents in Ontario working outside of Canada, followed by Niagara with 1,405 and Sarnia-Lambton with 555 people.¹ This phenomenon makes the commuter flows in Windsor-Essex unique. The ability to work across the border depending on the occupation and industry has effects on both employers and the workforce on the American and Canadian sides of the border.

Through funding provided by the Ministry of Advanced Education and Skills Development, Workforce WindsorEssex as the Local Employment Planning Council performed both qualitative and quantitative research on this topic from April to November 2016. This project aims to gather information on the cross-border segment of our workforce to understand our workforce mobility across the border. One of the outcomes of this project is to increase community awareness of unique cross-border partnerships that are occurring and how they contribute to workforce development. This report will highlight the findings of this research and identify recommendations for future areas of research on related topics.

METHODOLOGY

Using commuter flow statistics from the American Community Survey 2009-2013 and the 2011 Canadian National Household Survey, we can identify the mobile workforces in both Southeastern Michigan and Windsor-Essex. Both sources identify the number of residents from each region that travel outside of the country for work, with the National Household Survey categorizing the data by industry.

The data was supplemented by consultations with various community stakeholders, including employers in both Southeastern Michigan and Windsor-Essex, governmental organizations, non-profit organizations, and employees working across the border. Our consultations targeted stakeholders in the healthcare, information technology, and manufacturing industries. These consultations contributed to the identification of benefits, challenges, and opportunities faced by employers and employees.

Additionally, the data was informed by several articles regarding cross-border employment and cross-border industry in the Windsor-Essex and Southeastern Michigan corridor.
The commuter flows between Windsor-Essex and Southeastern Michigan demonstrate the cross-border mobility of the labour force in each region. According to the Statistics Canada 2011 National Household Survey, 6,120 people in the Windsor-Essex region work outside of Canada.

It can be assumed that the vast majority are working in Southeastern Michigan. The healthcare, manufacturing, and professional, scientific, and technical services industries are the dominant cross-border industries in Southeastern Michigan, as evidenced in Figure 1. Over 1,000 people who are residents of Windsor-Essex work in each of these industries in Southeastern Michigan.²

Based on the fact that Canada and the U.S. have entered into the North American Free Trade Agreement (NAFTA), there are employment opportunities that have been incorporated into the agreement for non-immigrant professionals. The non-immigrant NAFTA Professional (TN) visa allows citizens of Canada and Mexico, as NAFTA professionals, to work in the U.S. in prearranged business activities for U.S. or foreign employers.³ This list of business activities includes professions which fall within the top cross-border employment industries and include occupations such as engineer, computer system analyst, graphic designer, registered nurse, and medical laboratory technologist. These professions can be found within Windsor-Essex’s top-growth sectors including manufacturing and healthcare, presenting an opportunity for Windsor-Essex organizations to recruit skilled individuals from Southeastern Michigan to work in these sectors. Conversely, these sectors are also high-growth in Southeastern Michigan, meaning employers in Southeastern Michigan can recruit in Windsor-Essex. The NAFTA employment process requires an application, contributed to by both the employer and the desired employee followed by a review by U.S. Customs and Border Patrol officers or Canada Border Services Agency officers. Employment for an occupation beyond those listed on the TN jobs list requires additional application, review time, and responsibility from both the employer and employee.


This is a challenge that effects emerging occupations, most often found in information technology and manufacturing, and can hamper workforce mobility on both sides of the border.

There are far fewer people in Southeastern Michigan commuting to the Windsor-Essex region for work. Based on data from the U.S. Census 2009-2013 American Community Survey, approximately 615 workers from Southeastern Michigan work in Windsor-Essex. The concentration of these workers by county can be seen in Figure 2, with Oakland County having the highest concentration. There is no information available regarding the industries these workers may be employed in in Windsor-Essex.4

There have been at least three job fairs held in Windsor-Essex by Southeastern Michigan employers since May 2016. Henry Ford Hospital held two job fairs, hiring for full-time, part-time, and contingent registered nurses and licensed practical nurses to work in several departments at the hospital.5,6 In October 2016, about 300 of the 1,500 nurses at Henry Ford were Canadian.7 Amazon also held a job fair, looking to fill 30 positions requiring data structure and algorithm skills. The job fair was held at the University of Windsor and targeted computer science and engineering students.8 Workforce WindsorEssex attended this job fair and spoke with four Canadian Amazon employees who were living in Windsor and working in Detroit. They shared their experiences with cross-border employment and indicated that while Amazon is not specifically recruiting Canadians, it welcomes the skills Canadians can bring to the company and is willing to help Canadians through the visa process in order to hire them. The employees also shared personal benefits of working across the border, including greater opportunities for professional growth, higher wages, and easy access to their workplace, with the City of Windsor tunnel bus stopping in front of their office.

Amazon is not the only business in the professional, scientific, and technical services in Southeastern Michigan hiring for specific skills in Windsor. Through consultations with employers in Southeastern Michigan, Workforce WindsorEssex discovered other employers are hiring people with automotive, engineering, software, calibration, and data skills related to ever-changing technology. Most typically, those in Windsor-Essex fill engineering and software positions at these businesses such as Project Engineer, Analytics Data Engineer, and Controls Systems Engineer as employers face challenges recruiting for the particular skillsets required in these positions.

4U.S. Census Bureau, “Table 1. Residence County to Workplace County Commuting Flows for the United States and Puerto Rico Sorted by Residence Geography,” 5-Year ACS 2009-2013.
WHAT MAKES US UNIQUE

Several factors make the Windsor-Essex and Southeastern Michigan corridor unique. The geographic location of Windsor-Essex to Southeastern Michigan is unique as few other metropolitan areas in Canada and the United States neighbour a border so closely. Being so close geographically allows workers to commute across the border in a reasonable amount of time, making it feasible to be employed on either side of the border. Additionally, Windsor-Essex and Southeastern Michigan share the busiest international border crossing in North America. Windsor-Essex's location and proximity to the U.S. is promoted as a competitive advantage by the Windsor-Essex Economic Development Corporation as it is at the heart of one of the world's richest consumer markets.

Economically, the dominant cross-border industries in Windsor-Essex and Southeastern Michigan are very similar to those regions' respective top industries. Manufacturing and healthcare are the top two industries in Windsor-Essex, with manufacturing having a location quotient of 2.04 and healthcare having a location quotient of 1.12. This reveals that manufacturing and healthcare are particularly important industries in Windsor-Essex as compared to the rest of Canada, as the location quotient shows the concentration of an industry at a local level as compared to the national level. In 2015, 34,100 people in Windsor were employed in the manufacturing industry, while 20,500 people in Windsor were employed in the healthcare industry.

In Southeastern Michigan, the healthcare and manufacturing industries are also top industries and were ranked respectively as the first and third largest industries in terms of employment in 2012. The healthcare industry employed 325,449 people, while the manufacturing industry employed 234,460 people. Professional, scientific, and technical services is also an important industry in Southeastern Michigan, ranking 6th in terms of employment and employing 182,372 people in 2012.

As healthcare and manufacturing are top industries in both Windsor-Essex and Southeastern Michigan, there are unique workforce challenges and opportunities within these industries related to cross-border employment.

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10Statistics Canada, “Labour force survey estimates (LFS), employment by census metropolitan area based on 2011 Census boundaries and North American Industry Classification System (NAICS) annual (persons x 1,000),” CANSIM 282-0131.
Furthermore, there is a unique relationship between Windsor-Essex and Michigan’s manufacturing industries that has been present for many decades as General Motors, Ford Motor Company, and Fiat Chrysler Automobiles (FCA) have had their headquarters in Detroit with many of their operations in Windsor-Essex, including FCA’s Canadian headquarters and Research and Development Centre. Presently, an increasing partnership between the Ontario premier and the Michigan governor exists as they have agreed to jointly promote the automotive industry. With Ontario being the largest automotive producer in both Canada and the U.S. until 2012 when Michigan surpassed their production rate, the two regions remain competitive but collaborative. This is a unique industrial relationship of two manufacturing hubs.

The currency exchange rate between the United States and Canada also allows for a unique situation as the currency exchange affects the wages of cross-border workers. When the Canadian dollar is stronger than the American dollar, fewer Canadians want to work in the United States as they do not benefit from earning American dollars. Currently, the American dollar is stronger than the Canadian dollar, which encourages Canadians to work in the United States. The currency exchange rate at the time of this report was approximately 1USD = 1.33CAD.

Lastly, Windsor has had a historically high unemployment rate. In 2009, the unemployment rate peaked at 15.7%. With many Windsor-Essex residents laid-off or unemployed, cross-border employment would have become an attractive option to many who had not considered it before. The unemployment rate for November 2016 was 5.7%. As the unemployment rate is low, it is likely the aforementioned currency rate and other factors are currently driving cross-border employment.

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Opportunities

Windsor-Essex and Southeastern Michigan share not only a border but also share many of the same key industries, contributing to the regional economic landscape. This presents opportunities such as joint programming, cross-border projects, and knowledge sharing that can be leveraged to ensure economic prosperity on both sides of the border.

Creating joint programming or joint training as they are relevant can be a best practice model that is duplicated and shared across delivery agencies and post-secondary institutions. Currently, the University of Windsor offers joint programs in partnerships with universities in Southeastern Michigan, which allows students to gain knowledge on cross-border practices, policies, and industries. For example, the University of Windsor currently offers the Canadian and American Dual J.D. program, which is “the first joint American/Canadian law degree program... [It focuses] on American and Canadian corporate and commercial law with sub-specialties in Intellectual Property, Taxation and International Law.”18 This gives graduates an advantage in obtaining employment in businesses with a large amount of Canadian-American commerce and also benefits businesses who require this unique expertise. There is also programming such as Hacking Health Windsor-Detroit, which “breaks down barriers to healthcare innovation by bringing together IT and healthcare professionals across the US-Canada border”19 to create apps for patient care. This event was sponsored by 36 organizations, 31 of which were located in Windsor-Essex or Southeastern Michigan, demonstrating the enthusiasm for cross-border partnerships in two of the largest industries in the region. Furthermore, the EPICentre at the University of Windsor offered Cross Border Entrepreneur Grants in 2016 aimed at helping local businesses expand into the United States, particularly highlighting the potential of the Greater Detroit Area.20 Grants like these can help establish connections between Windsor-Essex and Southeastern Michigan markets and increase the mobility of the workforce.

Another opportunity to work together across borders is with the development of unique projects which impact organizations, workers, and others, regardless of which country they are based in. One example of a historical project underway in the region is the construction of the Gordie Howe International Bridge. This monumental project will affect local organizations, specialized companies, skilled workers, students, and jobseekers looking to upskill on both sides of the border. Developing partnerships to identify skills, occupations, and baseline requirements to satisfy workforce levels is important to ensure project metrics can be completed on time and with a high degree of expertise. One such partnership that was recently announced is an economic impact and opportunities study that will be undertaken by the Cross-Border Institute at the University of Windsor in partnership with the Michigan State University’s Canadian Studies Center.21 A portion of this study will likely address the economic impact of the bridge in relation to employment on both sides of the border.

Furthermore, there is currently an initiative being undertaken locally by Hackforge, a community organization that aims to increase the capacity of the information technology sector in Windsor-Essex,

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which involves leveraging the growing information, communication, and technology industry in Detroit by promoting employment opportunities in Detroit to local tech workers. Local tech workers are often interested in opportunities in Detroit due to benefits like higher wages, the attraction of larger companies, and the ability for some to work from home. The idea behind Hackforge’s initiative is to retain Windsor tech talent to live in Windsor while they work in Detroit or work remotely with American firms on contract, with the hope that they will perhaps start their own business or grow into Windsor-Essex based companies once they have developed the critical industry experience required.

Identifying how to take advantage of the knowledge and expertise of this region and create joint centers of excellence is also an opportunity that could benefit both Windsor-Essex and Southeastern Michigan. For example, as mentioned previously, Windsor-Essex and Detroit have historic cross-border ties in the manufacturing industry and continue to be central to the automotive manufacturing industry in North America. As they continue to be leaders in innovation in manufacturing, they could establish a joint center of excellence in advanced manufacturing to share knowledge and develop high quality training to ensure manufacturing in the region remains competitive. Additionally, VisionIT recently established an Innovation Center in Detroit to increase collaboration, community initiatives, research, and innovation in information technology in Southeastern Michigan. This is another opportunity for joint excellence as Windsor-Essex IT workers could contribute to the ongoing collaboration at the center.

The American Nurses Credentialing Center (ANCC) has developed the Magnet Recognition Program, which seeks to provide a framework to achieve excellence in nursing practice. One of the characteristics that is measured in order to receive this credential is the number of nurses who hold a Bachelor’s degree. Nurses who received training and are educated in Canada receive their Bachelor of Science in Nursing. American nurses can obtain nursing credentials through acquiring either a Bachelor of Science in Nursing or an Associate’s Degree in Nursing. The Canadian educated nurses add value to an organization seeking to achieve this status based on the nature of their post-secondary training.

Organizations in Southeastern Michigan dedicated to providing the pipeline of talent in response to employment gaps have been successful with the implementation of bootcamps, workshops, and dedicated trainings. This has been a community approach to address a projected employment demand within a limited timeframe. Grand Circus Detroit is one organization in Detroit offering bootcamps. It specializes in ten-week front-end and back-end coding bootcamps and boasts a 92% employment rate for graduates in the tech field within 90 days of graduation. This model can be used as a best practice in Windsor-Essex to address employment gaps and strengthen the relationship between employers and the workforce of the future. Additionally, perhaps through partnerships and collaboration, Windsor-Essex residents can take advantage of existing programs in Southeastern Michigan to learn new skills or upskill for positions on either side of the border.

CHALLENGES

Challenges in terms of workforce, skills, and talent do not end where the borders do. Identifying these challenges and working strategically together to mitigate risk, identify opportunities, and develop strong partnerships can be a step toward long-term economic prosperity and developing a skilled workforce to satisfy current demand and to plan for the future.

Staying competitive with U.S. companies can be challenging for local employers when competing for the same labour pool of skilled workers. As previously mentioned, there are more Canadians crossing the border to work in the U.S. than the number of Americans working in Canada. Employers, regardless of which country they are based in, are looking for employees with a combination of skills, experience, and the ability to contribute to bring value to the organization.

One area in which American organizations have an advantage in attracting employees is through wages. With the current trend of competitive U.S. dollar rates, individuals working in the U.S. while living in Canada are at times able to earn significantly more than if they were employed in Canada. There is a need for Canadian companies to remain competitive in terms of wages and employment benefits, especially in the previously identified top cross-border employment industries. For example, in 2015, registered nurses in the Windsor-Essex region earned a median wage of CAD $35.15 per hour\textsuperscript{25}, whereas in 2015, nurses in Southeastern Michigan earned a median wage of US $33.46 per hour.\textsuperscript{26} Taking into consideration the previously mentioned current currency exchange rate, registered nurses in Southeastern Michigan are paid a significantly higher wage at CAD $44.47 per hour.

This wage disparity was also mentioned in consultations with employers and employees, as many said that Canadian firms do not recognize and compensate particular skills in the same way that American companies do. One example came from those employed within the technology sector, where those who participated in the consultations felt that their employer in the U.S. recognized their skillset and paid a wage that reflected the work. Additionally, these wages frequently complement full-time and often permanent positions, making cross-border employment even more attractive. For those looking to begin their careers, numerous entry-level positions are also available in Southeastern Michigan whereas there are fewer entry-level positions in Windsor-Essex.

Furthermore, some processes have increased the ease with which Canadians can work in Southeastern Michigan. With changes to licensure in 2015, those who successfully pass the NCLEX-RN examination in either Canada or the U.S. have the ability to work as a registered nurse in either country. Prior to 2015, Canadian registered nurses needed to complete a U.S. version of the exam in order to work at an American hospital. Recognizing that the competition exists and adjusting wages and the nature of employment to reflect the currency rate and the often greater opportunity that exists in Southeastern Michigan is crucial to the Windsor-Essex region retaining skilled talent.

There are also challenges that affect industry on both sides of the border. As aforementioned, there are many training programs available in Southeastern Michigan and Windsor-Essex to ensure the workforce is prepared for in-demand positions; however, this training is not always standardized across the United States and Canada. This presents a challenge for workers who are eager to participate in a program that is not offered in their country but that is offered across the border. Issues with standardization can be remedied through organizations like the North American Strategy for Competitiveness (NASCO), which is a tri-national organization focused on improving North America’s supply chain, workforce, and energy independence. To target the nations’ workforces, NASCO partnered with the Manufacturing Skill Standards Council (MSSC) to create a certification system which is aimed at creating a standardized training system for all three countries to improve their competitiveness. MSSC has developed the Certified Logistics Technician certification system and has worked with employers to create the Certified Logistics Associate credential. Organizations like NASCO are effective at enabling a mobile workforce, increasing workforce efficiency, workforce capacity, and knowledge-sharing across borders.

Visa applications and the associated processing times are another challenge that employers face when recruiting employees from another country. Through consultations, an employer which hires many Canadian workers commented that the processing time for a TN visa often takes four to six months. During that time, the position remains vacant, awaiting the prospective employee, and often times frustration caused by the lengthy process results in the employee losing interest and finding employment elsewhere, causing the employer to start the recruitment process again.

CONCLUSION

The cross-border mobility of the workforce in Windsor-Essex and Southeastern Michigan is truly unique to the region. As identified through both American and Canadian commuter statistics, the volume of workers crossing the border is exceptional. While the healthcare industry sees the most Canadian workers crossing the border to work, there is also a significant amount of Windsor-Essex residents working in manufacturing and professional, scientific, and technical services in Southeastern Michigan. Many Southeastern Michigan employers from these industries have recruited directly in Windsor-Essex, which demonstrates the value of Canadian talent to these employers.

Windsor-Essex’s proximity to the U.S. border, its historic ties to the manufacturing industry in Detroit, the fluctuating currency exchange rate, and Windsor’s historically high unemployment rate have each presented distinct opportunities and challenges for cross-border mobility. There are opportunities for joint programming, projects, and centers of excellence to benefit the cross-border workforce and industry in both Windsor-Essex and Southeastern Michigan. It is essential that stakeholders on both sides of the border continue to work together to break down obstacles to cross-border employment and implement opportunities to strengthen it, as the benefits of cross-border employment are far-reaching and positively contribute to a growing economy in the Windsor-Essex and Southeastern Michigan corridor.

Conducting this research has led to opportunities for partnerships between Workforce WindsorEssex and other organizations invested in cross-border employment. In the future, Workforce WindsorEssex intends to partner with the Workforce Intelligence Network for Southeastern Michigan to conduct cross-border surveys and compare the workforces in the region. Through cross-border partnerships and research, Workforce WindsorEssex will be able to better understand the unique cross-border mobility of the region and can enhance the region’s ability to leverage the opportunities that arise from cross-border mobility.
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