

BARRIERS TO A BETTER BREAK: Employer Discrimination and Spatial Mismatch in Metropolitan Detroit

SUSAN C. TURNER*
Wayne State University

ABSTRACT: *This article discusses key findings from a survey-based employer study designed to evaluate the relative merit of race, space, and skill-based explanations for growing wage and employment gaps between blacks and whites. The author found that black employers hired a greater percentage of black workers for their firms than white employers matched on the basis of firm size, location, and product produced, but black-owned firms paid lower wages, even though there seemed to be no major differences in skills required for the jobs studied. However, suburban black-owned firms, as well as white-owned firms with strongly enforced anti-discrimination programs, hired much higher percentages of black workers than white-owned firms that did not have such programs. The author presents the findings of disparate wages paid to workers in black- and white-owned firms in the context of the spatial mismatch literature.*

A great deal has been written recently on employment and earnings disparities between blacks and whites, and various explanations have been put forward for why these economic gaps have been growing. Some explanations focus on changing demands for workplace skills and others on possibly worsening employer attitudes toward black workers (especially young workers), which are reflected in institutional recruiting and hiring procedures that impair their employment chances. In addition, for nearly two decades there has been a growing and increasingly convincing body of evidence supporting the notion that the

** Direct all correspondence to: Susan C. Turner, Department of Geography and Urban Planning, 225 State Hall, Wayne State University, Detroit, MI 48202.*

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increasing spatial inaccessibility of jobs to poorer urban residents (the spatial mismatch) may be a significant factor in the eroding economic progress of African-Americans.

I present findings from a qualitative study I completed among a selected sample of firms in the auto supply industry in the Detroit, Michigan, metropolitan area. I sought to evaluate the relative merit of race, space, and skill-based explanations for growing wage and employment gaps between relatively unskilled blacks and whites by interviewing employers using a case-match format that paired white-owned firms with black-owned firms on the basis of size, location, and product produced. This format was used to separate out racial differences in employer attitudes and practices by contrasting the responses of employers from black- and white-owned firms.

This article highlights some unexpected research findings. Like other researchers, I found that black-owned firms hired a greater proportion of black workers than did white-owned firms. However, I found that workers in these firms earned less and, in many case-matches, substantially less than workers in case-matched white-owned firms for jobs requiring similar skills. White-owned suburban firms (hiring relatively few black workers) paid the highest wages of all.

In addition, I found that both black and white respondents described incidents of suburban harassment of blacks and recounted what appear to be discriminatory hiring practices on the part of white suburban employers: factors that may partially explain why more black urban residents do not seek better paying suburban jobs. However, I also found that black-owned firms in the suburbs, and some white-owned suburban firms, have recruited a high number of minority workers. The white-owned organizations either chose to or were forced to adhere to strict affirmative action guidelines. Although the geographic inaccessibility of jobs is a problem for many urban residents, anti-discriminatory employer attitudes and practices may counter its effect. Therefore, I present my findings of disparate wages paid to workers in black- and white-owned firms in the context of the spatial mismatch hypothesis.

STUDY RATIONALE: THE CHOICE OF METROPOLITAN DETROIT AND THE AUTO PARTS SUPPLY INDUSTRY

There may be few better places to study the effects of spatial factors and employer attitudes on the economic status of blacks than metropolitan Detroit. City/suburban residential segregation in this metropolitan area is stark, and geographic decentralization of residences and businesses continues unabated.

The unparalleled growth and decline of the auto industry laid the groundwork for the conditions of poverty, spatial isolation, and unemployment of black Detroit residents that I wish to address through this research. The auto industry attracted large numbers of black workers to Detroit and prompted the flow of both white residents and jobs from the center city to the suburbs as early as the first decades of this century: Henry Ford chose to base his home and part of his operations in then rural Dearborn in 1914. This early, extensive, and rapid suburbanization was further encouraged by federal post-war housing and highway policies and the availability of land. The auto industry was also one of the most powerful of the groups that lobbied the federal government to build the extensive and intricate highway system that simultaneously ruined Detroit neighborhoods while creating quick access (at

least for white families) to the growing suburbs. Although the auto industry has faced massive losses in the recent past, it still dominates the economic landscape in Detroit.

The policies and actions of the auto industry have contributed to the fact that in 1990 blacks made up 76% of the city's population of 1,028,000. Ninety-two percent of Detroit's three-county metropolitan area's white population lived in the suburban ring, while only 8% lived in the city of Detroit (only 222,000 whites remained in the city). In addition, metropolitan Detroit has the most severe city/suburban segregation of all the major metropolises of one million or more in the US. The metropolitan area's index of dissimilarity is 88, and the indices of segregation are uniform across both educational attainment and family income categories. The Detroit metropolitan area is also the only US locality with a population over 500,000 where segregation increased in the 1980s (Farley, Steeh, & Krysan, 1994).

The impact of segregation is reflected in the following data: The 1990 census reported that the typical white household in the Detroit SMSA had an income of \$46,100, while the typical black household's income was \$26,900. This racial discrepancy is getting larger: In 1980, black households in Detroit had incomes that were 65% those of whites in contrast to 58% in 1990. In Detroit, black poverty increased from 26% to 38% of all households; among whites it climbed from 6% to 8%. Eleven percent of white children were in poverty, while 44% of black children were impoverished (1990 census).

In the Detroit metropolitan area, job opportunities continue to expand in areas increasingly farther from the central city. In 1990, only 18% of jobs in the metropolitan area were located in the city of Detroit, whereas 56% of the area's jobs were located there in 1960. The city continues to lose workers, suffering a 22% decline in the number of jobs from 1980 to 1990. Commuting between suburbs is now the most common pattern in the Detroit metropolitan area; 7 out of 10 metropolitan residents who commute neither live nor work in the city of Detroit (Southeast Michigan Council of Governments, 1994).

STUDY METHODOLOGY

Sample Selection and the Case-Matched Format

I chose to interview automobile parts supply firms because of the importance of the industry and the fact that this is also the one specified firm-type in Detroit that had at least 15 black owners. I interviewed 52 respondents in 26 case-matched auto supply firms in the Detroit metropolitan area; 13 of the firms are white-owned and their matches are black-owned.

I first identified black-owned businesses through directories from the Detroit-area Minority Business Development Council, the State of Michigan Office of Civil Rights, a University of Michigan listing of minority business enterprises, and the privately owned Success Guide of Michigan. I initially identified 18 black-owned auto supply companies in the Detroit metropolitan area. A list of over 250 white-owned auto supply companies, obtained from Ford Motor Company, was used to create matches of white-owned firms on the basis of size, location, and product produced.

Out of the 18 identified black-owned firms in this sector, only one refused to participate. Four of the identified firms were either out of business or did not have a large enough

TABLE 1**Firm Profiles**

Firm	Year Founded	Firm Type/ Product	Location	Total # Emp.	Sample Job	# Emp. SamJob	% black
Black-owned Firms							
1. Cannon Chem	1970s	Adhesives/ Paint	N. Central Detroit	115 2 sites	Paint Production	8	97
2. Curve-All	1970s	Metal Stampings	Northwest Detroit	85	Press Operator	54	100
3. Crow Products	1990s	Steel Cutters	Westside Detroit	60	Production Worker	30	50
4. Trail Industries	1970s	Truck Repair	Northwest Detroit	10	Prep Worker	8	100
5. Sears Metals	1970s	Metal Fabricators	Southwest Detroit	50	Entry-production	10	90
6. Satellite Fasteners	1980s	Fastener Production	East Detroit	35	Set-up Trainee	3	33
7. Morgan Stamping	1970s	Metal Stampings	N. Central Detroit	25	Press Operator	14	87
8. Silver Inc.	1980s	Plastic Parts	Northwest Detroit	65	Packer	7	72
9. CalOrange	1970s	Metal Parts Production	Adjacent CBD	275 (2 sites)	Machine Operator	90	100
10. Woodward Gas	1980s	Propane Gass Supply	N. Central Detroit	15	Fuel Plant Operator	4	No. Inf.
11. Elizabeth Plastics	1960s Owner: 1980s	Plastic Parts Production	N. Suburbs	145	Machine Operator	100	65
12. Lionel	1950s Owners: 1980s	Plastic Parts Production	N. Suburbs	205	Machine Operator	32	35
13. Twain Plastics	1980s	Plastic Parts Production	N. Suburbs	70	Machine Operator	45	88
White-Owned Firms by Numbered Match							
1. Lackawanna	1900s Owners: 1980s	Adhesives/ Paint	N. Central Detroit	120 (2 sites)	Paint Production	7	0
2. Maybee	1900s	Steel Fabrication	Detroit CBD	50	Entry Production	4	80
3. TopPoint Products	1950s	Wire/Tubing Fabrication	Westside Detroit	40	Production Worker	23	75
4. Flamebest	1990s	Truck	Northwest Detroit	10	Prep Worker	5	40
5. Gratiot Welding	1950s	Metal Fabrication	Southwest Detroit	15	Production Worker	12	9
6. Planet Products	1910s	Fastener Production	East Detroit	150	Plating Operator	40	50

(Continued)

TABLE 1 (Continued)

Firm	Year Founded	Firm Type/ Product	Location	Total # Emp.	Sample Job	# Emp. SamJob	% black
7. Dartmouth	1940s Owner: 1990s	Metal Stamping	W. Central Detroit	65	Press Operator	45	35
8. Sargeant Gum	1940s	Adhesive Labels	Northwest Detroit	40	Packer	6	50
9. Armstrong Industries	1910s Owner: 1940s	Metal Parts Production	Northeast Detroit	215	Production Workers	175	50
10. USG	No info.	Propane Gas	S. Suburbs	10	Propane Distributors	8	0
11. Mushroom	1955	Plastic and Metal Parts	N. Suburbs	175 2 sites	Machine Operator (plastics)	35	5
12. Janis Snap	1950	Metal Parts Production	N. Suburbs	75	Machine Operator	16	0
13. Mash Inc.	1956	Metal Parts Production	N. Suburbs	75	Machine Operators	40	3

workforce (at least six people). Thus, out of 14 eligible firms, 13 participated, three of which are located in the suburbs.

After black-owned firms had been identified and permission of key personnel obtained, white-owned firms were selected to create the most exact match possible on location, size, and product lines. This effort was hampered by several factors. First, there are very few white-owned auto parts suppliers located in the city of Detroit. Also, white-owned suburban firms were far less likely to agree to participate in the study than either city or suburban black-owned firms or city-based, white-owned firms.

As can be seen in Table 1, because there are so few white-owned firms in the city, some cases do not have an exact location match (by neighborhood). However, with the exception of the Woodward/USG match, the firms are similar in terms of size and product produced; in all but one or two cases they are located in the same section of the city (i.e., north, south, east, or west Detroit.)

The sample for analyzing geographical access issues is quite limited due to the small number of black-owned firms located in the suburbs. However, as will be more fully discussed, there are important theoretical conclusions that can be drawn from this study in spite of the sample size.

The Interview Process

During semi-structured interviews that averaged 90 minutes in length, I asked the employers to state what they considered to be a typical entry-level job (the “sample” job) in their organization and then directed my questions to the attributes and skill requirements of this job. I also asked respondents about their recruitment and hiring strategies and whether they perceived differences between the skills and characteristics of applicants and workers of different genders and racial and ethnic groups. In each firm, I attempted to interview owners, heads of personnel (when applicable), as well as someone with direct

supervisory responsibility over entry-level workers. I also toured all but one of the plants. Interviews were taped, transcribed, and coded using a text-based program.

Analysis Using the Case-Match Format

Analysis proceeded in the case study format described by Yin (1989). The analysis is qualitative in nature, and the case-by-case match of black- and white-owned firms along the parameters of technology used, location, size, and product produced creates a quasi-experiment that controls for racial ownership differences as well as firm location, skill changes, and firm size.

My survey questions primarily addressed four categories of explanations for why blacks are faring worse in today's labor market: a mismatch of applicant skills relative to employer skill needs, locational barriers, negative perceptions of African-Americans, and the use of recruiting and screening methods that may affect urban blacks disproportionately and negatively. Analysis consisted of pattern-matching results to those explanations and determining whether and how these explanations differ for black and white employers.

If significant and consistent differences in these categories of explanation occur between each black/white pair across these matched cases, I have what Yin calls "theoretical replication." Theoretical replication does not provide a means to generalize findings to larger populations. However, it is considered a means to provide valid qualitative findings if certain theoretical precepts (in this case, informants' views and/or practices concerning workers, hiring procedures, and locational consideration) vary consistently between matches. One example of theoretical replication in my findings is the consistent wage differences between matches.

STUDY FINDINGS: WAGES AND RACE IN DETROIT

Table 2 presents average wages at case-matched firms, classified by whether they are located in the city of Detroit or the suburbs. Nearly all of the black-owned firms employed a greater percentage of black workers than their white-owned case matches. In addition, I found that the higher the percentage of black workers at a firm, regardless of race of the owner, the lower the average wages paid. Most black-owned firms often paid substantially less than their white-owned counterparts.

There are also locational differences in wages paid. White employers in the suburbs paid the highest wages; black-owned city firms tended to pay the least. White owners in the suburbs paid 22% more than white owners in the city (\$11.23 vs. \$8.78/hr.); white owners in the city paid 25% more than black owners in the suburbs (\$8.78 vs. \$6.61/hr.); and black owners in the city paid the least of all (\$6.28/hr.), 5% less than suburban black firms and 28% less than city white-owned firms.

Regression analysis was completed to determine whether black- and white-owned wage gaps are a function of the race of the owner or the percentage of black workers employed in the lower wage firms. The results indicate that for the pairs of matched black- and white-owned firms, the wage gap between them increases as the gap in percentage of black employment increases. The direction of this relationship is consistent with the hypothesis that larger percentages of black workers are associated with lower average

TABLE 2

Average Wages by Race of Employer and Employer Location

Black Firms	Average Wage	White Firms	Average Wage	Difference	% Difference (black firms)
City Firms					
1. Cannon Ch 97% black	\$8.00	Lackawanna 0% black	\$13.00	\$5.00	38% less
2. Curve-All 100% black	\$4.50	Maybee 80% black	\$12.00 UAW	\$7.50	41% less
3. Crowe 50% black	\$8.50	TopPoint 75% black	\$7.64 UAW	\$0.36	4% more*
4. Trail 100% black	\$5.50	Flamebest 40% black	\$7.00	\$2.50	35% less
5. Sears Metals 90% black	\$5.25	Gratiot 9% black	\$6.50	\$1.25	19% less
6. Satellite 30% black	\$7.50	Planet 50% black	\$8.70	\$1.20	16% less
7. Morgan 87% black	\$6.00	Dartmouth 35% black	\$7.00	\$1.00	17% less
8. Silver 72% black	\$5.50	Sergeant 50% black	\$7.00	\$1.50	21% less
9. Cal Orange 100% black	\$8.00	Armstrong 50% black	\$10.20	\$2.20	27.5% less
10. Woodward	No info				
Average	\$6.28		\$8.78	\$2.50	28% less
Suburban Firms					
		USG 0% black	\$13.00		
11. Elizabeth 65% black	\$6.10	Mushroom 5% black	Won't tell		
12. Lionel 35% black	\$7.40 UAW	Janis 0% black	\$11.50	\$4.10	36% less
13. Twain 88% black	\$6.33	Mash Inc. 3% black	\$10.20 UAW	\$3.87	38% less
Average	\$6.61		\$11.23	\$4.62	41% less
Overall Average	\$6.36		\$9.40	\$3.04	32.3 less

wages. A similar result is obtained from a multiple regression using percent black and a dummy variable to control for firm ownership.

Because of the small sample size, neither of the results are statistically significant, but they suggest that both the percentage of blacks employed and the race of the owner predicted wage level. Bates and Dunham (1992) have stated that supporting the creation of minority-owned businesses is one way to address deteriorating employment opportunities for urban blacks. However, this finding suggests that such an approach may not eliminate earnings gaps between employed blacks and whites.

WHY WAGES MAY BE LOWER IN BLACK-OWNED FIRMS AND IN FIRMS THAT EMPLOY A LARGE PERCENTAGE OF BLACK WORKERS

Separate Labor Markets for City Blacks and Suburban Whites

There may be various explanations for the documented differences in wages found in this sample, as suggested by the literature as well as by respondents. However, what appears to be the most convincing explanation, based on the information gleaned from the employers who were interviewed, is that the municipal boundaries of the city of Detroit basically define a relatively low-wage labor market that is perceived by both employers and workers as different from that of the surrounding suburbs and subject to its own laws of supply and demand.

Both black and white employers who paid lower wages stated that there are relatively few low- or semi-skilled jobs available in the city of Detroit and a very large number of both black and white workers seeking jobs. Employers noted (and often showed me) that they received an avalanche of applications for every opening, whether or not it had been advertised. In addition, many city employers stated outright that they could lower wages or keep them low because they have a captive (primarily black) labor force at their disposal.

For example, Armstrong Industries (all firm and respondent names are pseudonyms), a UAW firm located in Northeast Detroit, instituted two pay cuts in six years, from \$14.00 to \$7.73/hr. These cuts were reported to be made at the corporate level by managers who knew that, given the high unemployment rate in Detroit, enough workers could be found, even if workers accepting its lower entry-level wage were somewhat less skilled than previous new hires (Turner, 1995). This nearly 50% drop in starting wages could be instituted because, as the plant manager emphasized, there is a job shortage/labor surplus in the city of Detroit:

But again, there's a lot of people out there that are hurting for a job, so when you put up something saying \$7.73 an hour, it's better than McDonald's so you know, I'll try that...

Armstrong Industries' workforce is now 50% black. It was 40% black before the institution of the latest wage cut taken three years before the interview was held. Workers now perform the same jobs side-by-side at three different salary levels. Not surprisingly, worker morale is reported to be poor among the most recently hired workers.

When I asked the white floor supervisor at Dartmouth Stamping, a white-owned plant in the city, why blacks are doing poorly in the labor market, he named pay cuts in corporations as a cause:

I think I know the answer to that one. Well, it happened at XYZ Corporation on the east side of Detroit...what happened was, they were making like \$9.50 an hour on the regular workforce, running the presses. And the manager says they can't afford it anymore. So they put a second tier in there...the tier was put in, what happens? Who gets stuck with the \$5 an hour? Five dollars an hour is the uneducated black man. There it is.

Other city employers who were interviewed indicated that they could lower wages without upsetting their production because of a glut of available workers in Detroit. TopPoint Products is a low-wage, white-owned firm whose wage practices run counter to the other black/white matches. Its \$5.00/hr. starting wage is 41% lower than its partially black-owned match, Crowe Products, which starts workers at \$8.50/hr. This incident of the white-owned firm in the case-match paying lower wages may be related to the fact that 75% of its workers in the stated sample job (production worker) are African-American, in contrast to only 35% of the sample job workforce at minority-owned Crowe Products. In spite of the relatively low wages paid, TopPoint's plant manager said that job tenure averages "between 6 and 20 years," a result of the few employment alternatives for workers in the city:

In this location, they don't have really any place else that they can get to that will provide the benefits and wage base that they're at now... I've had nobody leave to go to another facility, or for another job.

In the city of Detroit, the decline of job opportunities and wages has been particularly pronounced. In this context, it is apparent that many workers will seek and keep often arduous jobs in spite of the low wages paid. Several employers said that they believed that black workers work for lower wages than white workers. The white floor supervisor at minority co-owned Sears Metals stated:

I find that nine times out of ten that the blacks seem to be more eager to go to work for less money. They're not afraid to work, either... I've had many, many black guys who could work, you couldn't put any other race next to them and keep up with them. Very hard working people... I just think that the majority of them have had a pretty tough life. I mean, I've worked hard, I mean, I don't care about the racial thing, I mean, I've got white guys out here that have been with me for just as long as the black guys that are just as hard workers. But in the past five years, I think the black people that I have hired, it seems like they want to work harder than the whites I've seen.

A question that naturally follows these observations is why more white employers do not hire lower paid black workers. Several whites volunteered that there was a limit to how many black workers they feel comfortable with. For example, the white floor supervisor at Dartmouth, who during his three-year tenure raised the percentage of black workers from less than 5% to 35% (a move that he said raised the ire of the company's white CEO) stated he did not plan to hire more black workers because he had "reached a certain balance":

There really is, right, I could even go 50-50. You know, I wouldn't have a problem at all with that. But if it got more, then I'd start, you know, and that's just, like I said, human nature there. Not that I'd turn somebody down that looked like a killer worker, you know?

BARRIERS TO SUBURBAN EMPLOYMENT: EMPLOYER DISCRIMINATION AND SPATIAL MISMATCH

Given that wages paid for entry-level work in the auto supply industry appear to be higher in the suburbs than in the city, which may reflect a labor surplus in the city of

Detroit, why do black city workers not seek better paying jobs in the suburbs? Are there spatial impediments to African-American workers either finding out about job opportunities in the suburbs or traveling there to search for or attend work? Many authors have addressed the issue of spatial barriers to employment as expressed by the theory of spatial mismatch.

The theory of spatial mismatch posits that many urban African-Americans are impeded from making locational adjustments to a changing labor market through the variable of space. Theorists agree that both jobs and populations have been becoming more decentralized through the years, but black populations, because of housing discrimination, have not been able to move to suburban areas in the same numbers or with the same degree of dispersion as whites. One effect of spatial mismatch is that the increased costs of commuting, along with insufficient labor market information, affect the labor market outcomes of blacks.

Continued physical isolation from jobs, in the face of continued decentralization of populations and industries, further decreases the probability that blacks can either obtain information about work, inexpensively search for it, or commute to it when found. This, in turn, decreases the likelihood of affording suburban housing. Therefore, blacks experience multiple feedback effects from the initial discriminatory acts in housing markets.

The early literature on spatial mismatch proposes increasing access to jobs for black urban residents through the provision of better transportation to suburban jobs. The problem with this notion is that although the transportation system offers mobility, which delivers access over space, the distance between minority urban populations and suburban jobs was not created through chance: It is one of the tangible manifestations of larger institutional and social factors. It is not an objective notion of "space" that constrains access but larger social forces, such as negative racial attitudes expressed through the practices of firms and other institutions, that work through spatial variables.

However, the spatial mismatch literature has given relatively little research attention to the issues of racial discrimination on the part of employers and local hostility to the presence of black workers in white suburban areas. Employer practices have only been introduced briefly into the spatial mismatch debate through the findings of Moss and Tilly (1991, 1994), as well as those of Holzer, who found that suburban employers had far larger ratios of black applicants to black hires than city employers (Holzer, 1991, 1996; Holzer & Ihlanfeldt, 1995). Recent evidence from interview and audit studies has also indicated that employers may move to avoid black populations and keep their workforces white.

The desire of whites to preserve distance from black populations may be a key factor in locational decisions on the part of white residential populations and firms, a fact that challenges the assumption that merely removing physical barriers to places of employment would improve the labor market outcomes of blacks.

To provide a context for the argument that adequately addressing the problem of spatial mismatch must include stronger measures targeted toward institutions that discriminate against black workers, I use employer interviews to present two relatively unexplored issues in the spatial mismatch literature: harassment of nonresident African-American workers by the suburban police and local residents, and discriminatory hiring practices.

RESPONDENTS' PERCEPTIONS ABOUT THE TREATMENT OF AFRICAN-AMERICANS IN DETROIT'S SUBURBS

Of 22 African-American respondents interviewed for this study, four recounted recent incidences of harassment without being asked a formal question pertinent to this topic. White employers offered additional insight into what black workers experience when traveling in the suburbs; their stories will also be included here.

The black Director of Operations at Curve-All felt that it was difficult for workers to move out of the city because of how African-Americans are treated in Detroit suburbs. He recounted his experience of going to a colleague's home in an upper middle-class suburban neighborhood:

I had a welding supplier that Chrysler called me and said they needed some parts, and I needed some parts from his place. So I found out where he lived, and I went over to his house, and no sooner than I went up and knocked on the door, I mean there was police from everywhere. And it was just basically because someone saw me, and knew that I did not belong in that area.

This respondent described other neighborhoods where African-Americans are hassled as "any of them that you don't belong in."

The floor supervisor at Curve-All told me that when he recently drove to Dearborn, he felt ostracized by white residents and was pulled over by the police twice. One time was immediately after he went to a club with a white co-worker:

I was on, out there in Dearborn, and we was going to, we went out to a club... So I went in there, kind of nervous... But after I got in there I saw, you know, a few black folks in there, so then I kind of cooled out... It was like about four o'clock in the morning when we left that place, and I took her home, I dropped her off, and when I was coming back out, police car pulled me over. And he asked me did I see a truck go down the street? And I told him I wasn't paying attention. So he asked me some more questions, you know, this kind of stuff, and he let me go. And I just knew, just 'cause I was in that neighborhood.

He also related that other workers he knew have been pulled over in the Groesbeck Corridor, the part of the northern suburbs where most auto-related manufacturing facilities are located, "just for going to work on time."

The African-American president of Twain Plastics moved eight miles farther north from the Groesbeck Corridor to his current location because "it would probably have been more difficult to attract the workforce that I want." His entry-level workforce is 98% black; nearly all minority workers are city residents. He further noted that the part of the Groesbeck Corridor where he was previously located "is an extremely racist area... Well, it's much worse than [here]... it's all redneck."

The white floor supervisor at Dartmouth Stamping emphasized that he believed the situation for blacks was worse in the Groesbeck Corridor than it was in his city firm:

They're [black workers] not going to go to a suburb to try to find a job, they'll be lucky to make it there to look. They'll pull them over because it's a black man in Roseville.

"What are you doing here, boy?"...I used to work in Madison Heights [a northern part of the Groesbeck Corridor], I brought people with me to Madison Heights, black people, good people. People will make them a villain over the way they walk. They would put them in jail. I mean, and I knew that was total racialism. And they don't even want to go through there. I know a lot of black people go around Dearborn...So they sure wouldn't go look for a job there, right? If they're afraid to drive through the streets. Same with Madison Heights. Small little community, you know, it's the truth, though...(It's) very real.

This supervisor also mentioned how the suburban police practice of routinely pulling over cars driven by blacks affects their ability to sustain the cost of car ownership because tickets raise the cost of already high city insurance rates. He concluded: "Do you live in Detroit? Oh, that'll be another \$50 a month."

SUBURBAN EMPLOYERS: TRANSPORTATION ISSUES AND HIRING PRACTICES

Representatives from all of the suburban, white-owned firms cited poor transportation as the reason for having few (or no) African-American workers, even though their black-owned matches, which hired many black workers, were as far or farther from the city of Detroit. For example, Mash Inc. is a few miles north of the city of Detroit in the Groesbeck Corridor. As an explanation for the fact that his workforce is only 3% black, the firm's CEO said:

...I think in part because we are as far north as we are, and because of transportation, basically transportation issues, we tend not to get a great deal of black applicants...there's no public transportation. We had one kid who's no longer with us, but he used to take like two buses and walk like two miles to get to work every day. It was incredible, it was just incredible.

Similarly, the CEO of Mushroom Plastics, which is also located in the Corridor, adjacent to the northern border of Detroit, explained the fact that his workforce is only 5% African-American by stating that although all of his workforce is drawn from a "10-mile radius," blacks have no transportation to his plant (even though Detroit is just over one mile away.) He was not sure if any of his workers lived in the city of Detroit:

I don't know the answer to that...There's no public transportation system for them to get up here. We do monitor our minorities, but I'm not sure, we don't monitor where they live, I don't think. We have people in Detroit, we're on the borderline, I can't tell you that. We are pretty close to Eight Mile Road so my guess is, sure.

The head of personnel for Mushroom also blames transportation for the low number of African-Americans among her firm's workers: "We're not on a bus line so, yeah, you'd have to have a car." This respondent later stated that she formerly had been in personnel for the hotel and restaurant industry in the suburbs of Detroit, where nearly all the housekeeping staff was black. When asked how much of the low percentage of blacks in suburban

auto supply plants was a function of poor transportation options or just habits of the industry, she replied; “I think it’s more habits in the industry, for some reason. Most of the housekeeping staff were all black, at least in the experiences I’ve had, for some reason.”

Finally, the CEO of Janis Snap and Tool (which has a 100% white workforce) stated that it draws only from northeastern suburbs “so everybody’s pretty local.” The plant manager for this firm noted why it does not hire anyone from Detroit:

Maybe because we don’t advertise. We get the occasional guy that is literally on a job hunt so he’s dropping applications every which way but loose. And you don’t generally run into people from Detroit. They’re generally from this local area.

This respondent brought a key explanation for low minority representation in suburban firms into the discussion: hiring and recruitment methods. To get a better sense of the recruitment and hiring obstacles (as well as the relative effects of distance from the central city on the probabilities that African-American Detroit residents can acquire suburban employment), I compared the hiring and recruitment methods of the six case-matched suburban firms.

Mash Inc. and Twain Plastics

Mash Inc. is a manufacturer of small stamped metal and plastic parts. Machine operators (the sample job) generally check the operation of automated stamping machines and check parts for faults. Only 7 out of 76 operators are African-American. Wages are \$7.15 to start but are raised to \$9.00 within a year. The CEO of Mash reported that machine operators can make up to \$25,000/year with overtime. This firm recruits operators solely by putting a sign in the window.

Mash’s match, the minority-owned and operated Twain Plastic Products, is about five miles farther from the city of Detroit than Mash Inc., and it is eight miles from the city line. This firm starts its workers at \$5.71/hr., or 35% less than Mash Inc. Average wages differ by 38% (\$6.33 vs. \$10.20). The sample job at Twain is also a machine operator—beginning workers pull parts off the molding machine, trim them, and check them for faults. Eighty-eight percent of the 45 operators employed at Twain are African-American.

Twain primarily uses Detroit newspapers to hire. According to this CEO, the newspaper in which an employer places an ad determines the skill level as well as the race of the applicant. When he places an ad in the Detroit papers, 90% of the applicants are black:

Because again, we were advertising in the *Detroit News* and there are some clear signals in this area. When you want to hire black general laborers, everybody in the industry knows you put it in the *Detroit News*. That’s the signal to the whole world. If you’re not interested in hiring black employees, you put it in the *Macomb Daily*.

The young African-American supervisor at Twain reported that fully 70% of the machine operators do not have cars but nearly all arrive from Detroit and “get dropped off or they ride with someone.” Workers arrange car pools, and some take the bus. If workers live in Detroit, they must take at least two buses to get to work. The CEO noted that workers can take a Detroit bus to a nearby shopping mall and then take another bus to their plant.

It is interesting to note that Twain Plastics manages to attract a carless, majority-black workforce to very low wage jobs in an area five miles farther from the city than Mash Inc. For every ad he places in the Detroit papers, the CEO receives over 300 applications from mostly black Detroiters. He believes that he is clearly an exceptional suburban employer and that black economic gains are eroding because of:

...clearer levels of discrimination. The society is far more discriminatory today than it has ever been in my lifetime...there's just certain areas where blacks find it very difficult to be employed. [This location] is one of them. I guarantee you, probably half of the black employees in [this] area probably work right here.

Mushroom Plastics and Elizabeth Plastic Products

Mushroom Plastics is a white-owned, family-run business located a mile and a half north of the Detroit city line. The workforce is described as being less than 5% black. The firm's CEO was hesitant to tell me the wages paid to his predominantly female workforce, but he did say that he started workers with the "community wage" of \$8.00–\$9.00/hr. The sample job at Mushroom is a machine operator, which the CEO considers to be "light work." This CEO is the suburban employer mentioned earlier who said he employed so few blacks because he only drew from a "10-mile radius" that he said includes "only the real north end of the city." Since he is located on 9¹/₂ Mile Road (miles are measured from downtown Detroit), a 10-mile radius includes nearly the entire city of Detroit.

The CEO at Mushroom stated it hires exclusively through word-of-mouth. This might have once been true, but the director of personnel later reported the firm hires exclusively through temporary agencies. She uses five different agencies, all located in the northern suburbs. All of the agencies send only white workers. The personnel director stated that the few black workers have been working there since before Mushroom started using temps.

Mushroom's case-match, Elizabeth Products, is about two miles east of Mushroom Plastics (and about the same distance from the city of Detroit). Elizabeth also manufactures plastic parts, using methods similar to Mushroom's. The entry-level workforce here is about 65% black, and most workers are women. The sample jobs for both firms are machine operators. However, the entry-level wage at Elizabeth is \$5.45, which is 36% less than the \$8.50/hr. paid at Mushroom.

Elizabeth also uses temporary agencies, and it hires walk-ins who are referred by word-of-mouth. The white floor supervisor, who began at Elizabeth when this firm was white-owned and operated, noted that most of the temp workers sent over are black. Neither the head of personnel nor the supervisor cited problems with transportation; the supervisor said the majority of black workers take the bus to work.

Although both the CEO and the personnel director at Mushroom said the fact that the company is not on a bus line is the rationale for the relative lack of black workers (it is in fact on several bus lines), African-American workers are able to take buses to both Elizabeth Products and Twain Plastics, which are even farther away from the city than Mushroom Products.

Janis Snap and Tool and Lionel Plastics

Lionel Plastics is a partially black-owned firm located on Ten Mile Road in the Groesbeck Corridor. It primarily uses city and suburban newspapers to recruit workers. The white head of personnel for Lionel noted that 50% of the applicants are African-American. Currently 35% of the entry-level workforce is black. The black floor supervisor said that nearly all of his employees get to work by car; the head of personnel said that some Detroiters rely on public transportation.

Janis Snap and Tool is a white-owned, family-operated business two miles north of Lionel. This firm has 75 employees, and about five are in unskilled entry-level positions. Workers are hired at \$10.00/hr. (33% more than the starting wage at Lionel of \$6.70/hr.). Only a few operator positions are described as “women’s work” (hand-feed jobs that require dexterity); at the time of the interview, all operators were men. This firm is 100% white at all levels. Janis hires exclusively by word-of-mouth and walk-ins. The CEO reported that it recruits through newspaper advertisements and word-of-mouth and occasionally uses temporary agencies. The plant manager, contradicting his boss in a separate interview, reported that the company recruits solely through word-of-mouth and walk-ins.

We do not actively recruit even as far as want ads. You can easily be accused of prejudice for not... by not just actively taking strictly walk-ins you can be accused of that. We found that out about six months ago. We weren’t accused of anything, but one of our attorneys...sent us a letter and current law situation and how it was being interpreted, but if you were strictly hiring by word-of-mouth that was considered prejudiced hiring practices.

CASE-MATCH CONCLUSIONS: HIRING DISCRIMINATION

The white suburban employers profiled here do not use Detroit newspapers or agencies and organizations that handle black as well as white applicants; instead, they use informal recruitment mechanisms (such as word-of-mouth or a sign in the window) that tend to result in the replication of the characteristics of their current (white) workforces.

How prevalent are these practices? It is very difficult to get a sense of this without referring to an audit methodology to test hiring discrimination. However, Fair Employment Council auditors found an 18.9% rate of discrimination in the District of Columbia and a 37.2% rate in its two surrounding suburban areas (Bendick, Jackson, & Reinoso, 1993).

In addition, the cases of the suburban black-owned companies that have managed to employ relatively large numbers of blacks at firms that are located at least as far from the residences of urban African-Americans as white-owned firms provide a contrast to white-owned firms that use hiring and recruitment practices that discourage the applications of black workers.

THE IMPACT OF ANTI-DISCRIMINATION MEASURES AT THE FIRM LEVEL: MCSUI CASE STUDIES

Like the black employers profiled above, there appears to be evidence among the employers I interviewed as part of the Detroit Multi-City Survey of Urban Inequality

(MCSUI) that those who are legally required to hire minority workers manage to employ comparatively large percentages of African-American workers in firms that are located some distance from central city black populations.

Noted here are three large firms: two are corporations with national and international markets and the third is a public utility. In one organization, a Big Three auto manufacturer, anti-discrimination measures were imposed and enforced through governmental contract requirements as well as UAW efforts; the utility based its affirmative action program on local and federal mandates for public sector employers; and the third firm, a large national retailer, implemented strong anti-discrimination measures through court order after it lost a federal lawsuit in 1984 brought by workers alleging racial and gender discrimination.

The Big Three firm has been at its present location on the Groesbeck Corridor for many years and is currently adding workers. Over 800 workers are employed as unskilled assemblers: the "sample job." Of these, 18% are women and 56% are African-American. The head of personnel said the plant had so many African-American workers because "we are as close to Detroit as you can get," a comment that is particularly interesting in light of the statements of white employers from this area interviewed as part of this study. He explained why the percentage of black workers is much higher than other firms interviewed in the area:

We are more susceptible...(to anti-discrimination suits)...and more sensitive... we look at the demographics and the ability of the workforce around the location, what lives in the city, what's close by. We have a responsibility to the citizens of the city to hire the people that live here.

When asked why there are not more black workers in the Groesbeck Corridor, he replied:

(It's) something about hiring policies...I know [this community] has been up for several lawsuits for not hiring blacks versus whites...in some cases it's true, and in some...(it's not). As far as discrimination goes, I think the majority of it is the same, and I think it's always going to be there. It's a black and white thing and that's it.

The utility is located in a mostly white, solidly middle-class city about five miles northwest of Detroit. The personnel director stated that most of the minority workforce commutes five or more miles from Detroit and that over 1,000 Detroit applicants showed up on a recent recruitment day. The sample entry-level job is a customer service representative. Of the 96 clerks in this department, 24% are African-American. The personnel director noted why this was:

All of our hiring is based on mirrored goals and utilization reports that are developed between the company and EEOC. We have certain targets that we are expected and want to meet; we want to mirror the community that we live in and the Detroit area is a very diverse community, and we feel we should be just as diverse as a company.

Two Hammers and Crockett (a pseudonym) department stores were randomly selected from the MCSUI base of 500 firms for face-to-face interviews. One of the stores is located

in a predominantly white, blue-collar/middle-class suburb outside the city of Pontiac. The second store is in a white middle- to upper middle-class suburb about eight miles west of the city of Detroit. In 1984, women and minority workers launched a federal lawsuit against this corporation in which they alleged both racial and gender discrimination. They won a large settlement, and the court ordered the implementation of strong anti-discrimination measures. I learned of this lawsuit after completing these interviews.

At the northern suburban location, 50% of sales workers (the sample job) are white, 42% are black, and the remainder (5%) are Hispanic or Asian-American. Openings are advertised in the county-wide press, as well as in tri-county employment guides. The personnel director also recruits students and retirees.

The western suburban branch is the largest in the county and employs 450 workers. Forty percent of the sales force is black. The personnel director reported that more minorities are applying, whereas formerly the company had to recruit minority candidates from Detroit high schools. She attributed this to bus transportation, which was nonexistent 10–15 years ago. She also noted that most black workers come by bus from Detroit. She thinks that word-of-mouth is responsible for the number of black workers the retailer has and observed that few other stores in the area employ many black workers:

One guy that works here lives in downtown Detroit near the Renaissance Center...and takes two buses or something to get here every day. And word might get out. You do get people that come in and fill out applications that know someone who works here, has a relative that works here...word might get out that Hammer does hire here.

THEORY AND PRACTICE: RACE, WAGES, AND SPACE

Both the literature on the subject and the findings from this study emphasize that the labor force problems of urban blacks are complex and self-reinforcing. Employers interviewed as part of this study and the MCSUI study confirm earlier research that demonstrates that spatial issues are very important in both work search behavior and employment probabilities. It is extremely difficult for urban residents without cars to search adequately for work for higher paying jobs along the Groesbeck Corridor; searches are made even more difficult by employers whose sole means of recruitment are signs in their windows or word among their workers. Spatial barriers can at least be partially overcome by more equitable and inclusive hiring procedures. Thus, issues of hiring practices and space interact.

In addition, the out-migration of jobs from the city to outlying suburbs, and now from border suburbs to exurban areas, can be seen as a factor contributing to the wage discrepancies found in this study; increased competition from black urban residents from a shrinking number of geographically accessible jobs may be driving wages down among employers willing to hire larger percentages of black workers. Thus, space and job search factors interact.

Spatial barriers to higher paying jobs impede access to better means of transportation (a car is virtually unaffordable to a minimum-wage worker) and lessen the probability that workers will have the funds to move from the city to areas with better school districts. I found that the majority of employers I interviewed acknowledged that there are geographic

differences in educational resources and provision and that these differences are reflected in differences in skills between workers educated in the city and those in the suburbs. Thus, space and skill issues are intertwined.

Even though racial, spatial, and skill-based factors all contribute to the wage and employment disparities between white and black youth, some explanatory factors appear to exert more influence than others. For example, higher paying, white-owned suburban firms had far lower percentages of black workers than either black-owned firms or white-owned firms that had elected or were compelled to use strong affirmative action hiring policies. These findings, when viewed along with those from hiring audit studies, and the finding of Moss and Tilly (1991) that firms often move to follow targeted white workforces, undermine the simple notion of "spatial mismatch." Negative racial attitudes aided the creation of the spatial mismatch. Thus, spatial mismatch, while partly due to purely economic factors related to finding cheaper land for new production processes, also results from persistent racial animosities and discrimination that find their expression through spatial variables.

Purely space-based policies (such as improving transportation options for city workers) to ameliorate the problem of economic disparities between largely white suburban and largely black urban populations can be helpful (Holzer & Ihlanfeldt, 1995b). However, they cannot in themselves adequately address the larger institutional practices that continue to sustain separate societies of blacks and whites in the Detroit metropolitan area and in other metropolitan areas throughout the country.

A key limitation of space-based policy in the Detroit area was expressed succinctly by a Southeast Michigan planning official I interviewed. When his organization attempted to institute a van service providing transportation for low-wage city workers to the suburbs, there was one problem—they could not get enough employers to participate. When asked why, most indicated that they did not want to hire black workers, stating, "Why do you think we moved out here in the first place?"

Therefore, the policy recommendations needed to address the effects of spatial mismatch point to the continued need for strong anti-discrimination measures in both the workplace and the housing market. It is clear from the case studies presented here that anti-discrimination and affirmative action programs implemented at the firm level have proven to be successful in certain organizations in the Detroit metropolitan area.

It is also important that policies address skill-based and spatially defined labor force issues of African-American urban residents, including better schooling, on-the-job training and mentoring in both "hard" and "soft" skills, improved physical access to jobs, and wage subsidies. All are needed to offset the racial inequities that are clearly manifested through the variable of space.

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