Temporary Help in Southeastern Michigan: A Segmented Labor Market and Contingent Geography
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Flexible staffing arrangements (including agency temporary, casual and independent contract labor) have expanded as a share of total employment since the mid-1980s. Agency temporary employment is one of the fastest growing segments of flexible staffing arrangements. While many have tracked empirical trends and analyzed some aspects of this employment form, few have explored the social dynamics of spatial restructuring. Social geographers have shown that “firms located specific processes and forms of production in areas where they could draw upon ‘appropriate’ labour ... and the social impact of this, especially on local labour markets” (Halford and Savage, 1997: 108-09) reinforces and reifies a spatial dimension of labor. More specifically, Peck and Theodore (2001) relate how increasing employment by temporary-help firms and the rapid growth of the industry restructures the spaces of temporary labor. This paper is informed by the concept of “political economy of spatiality” (Youngs, 2000) to chart what we call the contingent geographies of labor market segmentation. Using metropolitan Detroit, we map the spaces of temporary labor and the places of temporary-employment agencies to explore the relationship between geography and labor market segmentation.

The trend toward flexible staffing has particular relevance to metro Detroit, the 10th largest United States conurbation and the country’s 11th largest regional economy. This is the region where the automobile industry has dominated the local political economy and where pattern agreements between the UAW and the Big Three car companies’ stabilized employment opportunities for a relatively skilled labor force over several generations; these pattern agreements helped set the terms for the postwar social contract in the U.S. labor market. Working conditions in the metro Detroit region remain among the nation’s best for skilled manufacturing workers. Although the automobile industry still accounts for a high share of employment in metro Detroit and the state of Michigan, the recent economic decline has led to decisions to close down plants and restructure the industry, thus reducing the number of these good manufacturing jobs. At the same time, temporary-help agencies account for a growing share of employment in the Detroit metropolitan area, though this growth is regionally uneven both with regard to who is working for temp agencies and what they are doing. Mapping the political economy of spatiality permits a closer examination of the impact and importance of temporary-employment agencies on restructuring local labor market segmentation. The Detroit metropolitan area provides both the traditional model of work in a core “old economy” sector and the increasing introduction of “new economy” working relationships.

We discuss the spatial components of the political economy in terms of employment contingency and the social dynamics of place and space. By presenting quantitative data from a household survey and qualitative data based on site visits to a sample of temporary-help offices, and by employing GIS to array information about the location of temporary-help agencies, we map contingent geographies of temporary agencies in metro Detroit. The concept of contingent geographies, we argue, provides a handle on the way a general process (that is, the increased use of temporary workers) contributes to increased labor market segmentation through the emergence of place-based labor markets. In the next section, we present the profile of flexible staffing arrangements nationally from which to understand developments in the metropolitan Detroit region. The third section identifies these new employment forms in an old economy region. Here we argue that economic restructuring is a place-dependent process. In so doing, we map the social dynamics of agency temporary work in the city limits and beyond. The remainder of this article details the region’s temporary employment patterns and elaborates on its contingent geographies.
Flexible Staffing Arrangements: A National Profile

In this section, we present a profile of flexible staffing arrangements in the United States from which we identify gaps in our knowledge about national, regional and local trends. The expansion of flexible employment, particularly agency temporary employment, outpaced regular employment during the 1990s. In 1999, estimates of non-standard employment range from 10 percent using a restrictive definition by the U.S. Department of Labor (DOL) to 30 percent when adding regular part-time employment to the total. Between 1982 and 1995, agency temporary workers as a share of total employment grew from 0.5 percent of the workforce to 2.0 percent of the workforce, an increase of approximately 300 percent. A more conservative estimate which puts the figure at closer to 1.0 percent of the total still indicates phenomenal growth. Two years later, between 1995-97, agency temporary employment grew at a faster pace than traditional employment, 10 percent as compared to 2.8 percent respectively (DOL, 1999). By 2000, the percentage of the total workforce employed by temporary agencies peaked at 3.0 percent (Uchitelle, 2001: 11). Temporary workers numbered about 1.2 million, a proportion almost unchanged between 1998 and 1999 (DiNatale, 2001: 33).

Houseman (1999) finds that agency temporaries, on-call workers and direct-hire temporaries are disproportionately female and young. The percentage of men in agency temporary employment declined from 47.2 percent in 1995 to 42.2 percent in 1999 while women saw an increase from 52.8 percent to 57.8 percent over the same period (DiNatale, 2001: 33). Similarly, a disproportionate number of agency temporaries are black or Hispanic while a large percentage of on-call workers are high-school dropouts. In contrast, independent contractors and contract company workers are disproportionately male, older, more educated, and, in the case of independent contractors, white (DiNatale 2001: 30). Those in flexible employment relations are more likely to work part-time than workers in regular wage and salary positions. This is particularly true for on-call workers and direct-hire temporaries. According to a survey cited in Futurework (Houseman, 1999), 70 percent of agency temporaries and over half of on-call workers and direct-hire temporaries express dissatisfaction with their work arrangement.

Since the 1990s, temporary employment has spread across a wider span of occupational types, ranging from more traditional clerical/administrative occupations, labor operatives, food and janitorial services to professional and technical occupations. Still professional and technical occupations account for only 20 percent of employment in the U.S. (Peck and Theodore, 2001). “The Labor Department reported in May [2001] that executives and managers accounted for 9.1% of all temporary workers, compared with 7.6% in 1995, while low-skilled laborers fell to 13% from 15.8%” (Zipkin, 2001: D4). Highly skilled jobs are in demand with a projected growth of 19 to 20 percent for accounting, engineering and medical professions during the recession of 2001 (ibid.).

Houseman and Polivka (1999) estimate that agency temporaries, on-call workers, direct-hire temporaries, contract company workers and regular part-time workers exhibit significantly less job stability than regular full-time workers in the sense that they are more likely to be with a different employer, be unemployed or be involuntarily out of the labor force one month and one year later. Interestingly, independent contractors do not experience less job stability than regular full-time workers. In a panel study of non-standard employment from the mid-to-late 1990s, Houseman (1997: 31) estimates about one-third of agency temporary employees receive job offers for regular employ-
ment by the organization to which they are assigned, whereas more than half rarely or never are promoted into regular positions (also see Erickcek and Houseman, 1997).

Except for independent contractors and contract company workers, workers in flexible staffing arrangements earn lower wages on average than those in regular full-time positions, even after controlling for worker and job characteristics. Agency temporary workers earn $329 on average as compared to $510 for workers in traditional employment (DOL, 1999). A report published by the U.S. Department of Labor (1999) identifies temporary help agency workers as the least likely to receive either pension benefits or health benefits through their employers (an estimate of 4.8% and 7.4%, respectively). Houseman (1997) reports that 16 percent of businesses in their survey say that avoiding fringe benefits costs is a very important reason they use agency temporaries or contract company workers, and another 22 percent say this factor is moderately important.4

Our understanding of flexible staffing arrangements is informed by national trends, but few have explored developments at either the city or the state level (for the case of Chicago, see Peck and Theodore, 1998; 2001). The temporary employment industry is ever in search of large pools of workers with weak attachments to the labor force and in need of any employment. As more recent scholarship demonstrates, temporary employment in tight labor markets also serves the interests of employers and highly skilled workers. These patterns play themselves out in the spatial dimensions of local labor markets. Mass transportation in cities like New York, Chicago and most other major metropolitan regions with extensive areas of poverty may dampen the spatial dimension of where people live and the kind of temporary employment they undertake. In a city like Detroit, where there is no significant mass transit system linking workers inside the city with jobs outside the city, the restricted access to jobs puts the contingent geographies of temporary employment into sharper relief.

Geographies of Economies: Temporary Agencies in Metro Detroit

Many cities in the rust-belt region seek to revitalize urban infrastructures in anticipation of new economy workforce needs. Researchers increasingly discuss urban and social development within the context of globalizing forces, though ironically, spatiality is only recently explored with regard to the impact of this transformation towards “new economy” relationships. Our approach takes “place” and “space” into account in order to map the geography of a specific economy.5 Delimiting the scope of the project in terms of a metropolitan area has many advantages over studies that don’t take place into account. The city is “one strategic type of place” between the global and the national; “it allows us to recover the concrete, localized processes through which globalization exists” (Sassen, 2001: 7). Analysis of a new economy form in an old economy region can provide a model for understanding cities undergoing similar processes of structural change.

The concept of space has regained prominence in critical discourses on globalization. Social geographers, from David Harvey’s (1989) influential definition of globalization as “time-space compression” to the contributors to the edited volume, Geographies of Economies, unpacking localization of the global in terms of place-specific processes (see Dicken et al., 1997), reassert the importance of spaces of particular places. This preoccupation with space has been taken up by more distant disciplines. Gramscian-inspired approaches
in sociology (Jessop, 2000; Burawoy, 2000; Hall, 1991; Gottfried, 2000), political science (Youngs, 2000) and anthropology (Freeman, 2001) reclaim space for analyzing localized practices of globalization.

The literature on globalization has refocused attention on the category of place. In particular, Sassen coined the term “global cities” to document the importance of “central places where the work of globalization gets done” (1996: 16). She documented the rise of global cities relative to the decline of industrial cities. Globalized economic activities are spatially dispersed unevenly in different places. The old hubs of Fordist production are not only characterized by decline but also are transformed in particular ways toward neo-Fordist models of production (Gottfried, 2000).

The political economy of spatiality emphasizes “contingency and social dynamics” of restructuring in the heart of the industrial region. Following Peck and Theodore (2001), we contend that temporary-help agencies do not operate as passive conduits for matching people to positions in the labor market, but rather that they contribute to restructuring urban space and to shaping local labor markets in particular places. Their proximity to labor pools and clients enables temporary-help agencies to provide just-in-time staffing. Temporary agencies locate offices in core and satellite business districts around the city and contribute to the flow of jobs and the stock of knowledge outside the city limits into growing suburban business districts. Through their locational decisions, temporary-help agencies affect uneven spatial diffusion of knowledge chains. We conceptualize the decentralization of economic activity and resultant uneven development within the regional economy as “contingent geographies” and explore the way the temporary service sector both reacts to and promotes this spatial process.

**Data on Temporary Work**

Analysis of a particular region facilitates research about the role of for-profit intermediaries on local labor markets and the extent to which for-profit intermediaries boost employment opportunities and skill development and/or function as low-wage traps for perpetuation of disadvantages. More specifically with regard to this rust-belt region, we ask whether or not these jobs substitute for formerly well-paying jobs in manufacturing. And to what extent have automobile companies externalized employment in the area? In Detroit, the large minority population, particularly African American but also Hispanic, enables us to also explore the racial patterns that emerge. A recent article by Wright and Dwyer (2001) suggests a strong racial character to job polarization, whereby minorities have been left behind in “The American Jobs Machine.”

Since no existing data sets fully satisfy our needs, we analyzed multiple data sets combining both quantitative and qualitative methods. The analysis is based on three data sources: 1) a statewide survey of randomly selected individuals,6 2) the use of GIS techniques to map locations of agency temporary firms, and 3) observations from site visits to a random sample of agency temporary offices located in metropolitan Detroit.

Survey Data. The Center for Urban Studies (CUS) at Wayne State University conducts an annual survey of 1,200 households randomly selected to represent the entire state of Michigan. An additional sub-sample of households in the city of Detroit permits an examination of conditions facing residents in the city and enables place-based comparisons. For the 2000 survey an additional 800 residents in the five counties surrounding Detroit were interviewed.7 This survey yielded 2,537 completed interviews with a 49.9 percent response rate.
While the instrument was not designed specifically to examine temporary workers, respondents were asked about their employment status and work experiences, as well as whether their employment was full-time or part-time, permanent or temporary, and if employed as a temporary worker, whether they worked for a temporary employment agency. Several questions addressed the nature of the employment contract, elicited reasons for working on a temporary basis, and asked about preferences on working time schedules.

Geo-coding Temporary Agencies. Using the GIS capabilities of CUS, we mapped the location of agency temporary firms according to type of employment opportunities offered. We denoted employment firm type as either high-end or low-end based on qualification requirements of its employees. High-end temporary jobs call for specialized professional and technical skills utilized in, for example, computer-related (programmers, analysts, technical writers, internet consulting, computer services, Web designers), engineering (hardware design, information services), financial services (accountants, bookkeepers) and healthcare services. Low-end temporary jobs are characterized as less skilled manual work or employing more routinized skills such as found among production workers (machine operators, assembly), construction crews and clerical workers (filers, receptionist, key-punching and data entry).

Mapping relates the location of agencies and the constituency served with the socio-economic data of the communities in which they reside. To identify firms, we used the local Yellow Pages as our primary source of data because it lists the actual location of temporary agency offices. The type of temporary employee offered by the firms can be gleaned from advertisements accompanying the listing or by the name of the firm. In those cases where we could not discern the type of employment, we contacted the local agency to inquire about their employment breakdown.

The map matches firms with community per capita income data to indicate the level of economic well-being of the neighborhoods in which the agency hiring offices are located. We used ZIP code level estimates as a proxy for the socio-economic characteristics of the residents of these communities. This permitted us to speculate on the relationship between the level of skill and pay offered by these agencies and the status of the residents who most likely comprise their clientele. We expected that the physical location of these firms would be determined in large part by, and be a reflection of, their proximity to a skill-stratified ready workforce.

Agency Site Visits. The range and varying scale of temporary-help agencies as well as the combination of regular and temporary agencies in many locations made it difficult to simply allocate a firm into one category or another. Furthermore, it is difficult to ascertain simply from a list of offerings at a particular location what sort of jobs are filled and by whom. We conducted a series of visits to agencies throughout the region to speak with agency staff and observe the intake process. In this way, we were able to observe the applicants waiting for interviews to become a temporary worker and avail ourselves of any casual information (postings or other signs, informal conversations among the applicants or comments made by agency staff) clarifying the scope of agency activities.
Characteristics of the Temporary Labor Force

Survey results indicate trends in metropolitan Detroit that roughly approximate national patterns of employment status and income. These data also reveal some unexplored differences between individual labor market experiences in Detroit as compared to the region as a whole. Nearly 20 percent of employed people in Southeastern Michigan hold non-standard contracts of either a fixed or unlimited duration. The figure jumps to more than 30 percent when self-employed is added to the total. Just over 10 percent report that their current position is temporary rather than permanent. A higher percentage of suburbanites report their employment status as temporary (11.5%) as compared to those in Detroit (7.8%). Of those employed on a temporary basis, 13 percent regionally and 18.5 percent in Detroit work through a temporary employment agency. Almost half of the temporary employees in Detroit, as compared to one-quarter of temporary employment statewide, express a preference for a more permanent job. Similarly, a larger share of part-timers attributed their inability to find more permanent full-time work to business conditions, and more Detroiters affirmed both their availability for and desire to work full-time. The distribution of reasons for working part-time also differ significantly across the two populations: more than two-thirds of the respondents statewide give family obligations as their main reason for wanting to work part-time as compared to just 14.6 percent of respondents from Detroit. Somewhat surprisingly, fewer Detroiters cite childcare problems as their main reason for working part-time.10 In the city, there seems to be a larger mismatch between preferences and current employment situation.

Temporary workers living in Detroit are at greater disadvantage and at greater risk than their suburban counterparts, which we link to the existing labor market structure. The gender composition of the temporary labor force is skewed toward women. Women account for more than two-thirds of the temporary labor force in Detroit and just over half in the suburbs (this and the following data comparing temporary workers to workers overall are summarized in Table 1). As we elaborate below, the gender composition is reflected in the sex-typed jobs available to temporary employees who reside in Detroit.

The same percentage of new entrants into the labor market performs temporary work regardless of their residence: about 40 percent of the temporary workforce is 18 to 24 years old. A strikingly different age profile appears across the two locations for the cohorts from 25 to 34 and 35 to 54. The age distribution of temporary workers is almost perfectly reversed when location is taken into account. Twice as many Detroit temporary employees are in the older than the younger age cohort. We would expect workers to have located more permanent employment as they entered their prime working years, and the pattern in the suburbs supports that expectation. The large number of temporary workers in Detroit reflects the low number of permanent jobs on offer, as well as the gender bias among low-wage work.

The racial composition of the temporary workforce reflects the overall patterns in Detroit where the temporary workforce is more than 90 percent non-white.11 Interestingly, the temporary workforce in the suburbs takes on more of a minority profile than the overall working population. African-American workers make up one-quarter of the temporary labor force and only 9.5 percent of the overall workforce in the suburbs.
Educational attainment, a proxy for skills, displays an interesting and somewhat unexpected pattern. The temporary workforce is twice as likely to have lower educational attainment than their counterparts in the overall working population. In Detroit, almost one-quarter of the temporary labor force has less than a high school education. Those with some college approximate the same percentages regardless of employment status and location. It is higher levels of education that reveal significant differences. A higher percentage of temporary workers have earned a BA in Detroit than the overall working population in the suburbs. Even more unexpected results appear for Detroiters who have attained a graduate degree. More temporary employees in Detroit have earned a graduate degree than either other workers in Detroit overall or temporary workers in the suburbs. However, this higher educational attainment has not translated into higher personal income for temporary workers in Detroit.
Income tends to rise and fall depending on residence. The mean household income drops to $46,760 overall among residents of Detroit as compared to $65,517 among those in the suburbs (a spread of almost $19,000 dollars). For temporary employees, the income differential grows to over $28,000 for Detroiter relative to suburbanites ($33,108 versus $61,592). A large income penalty occurs for temporary employees in Detroit; temporaries earn $13,656 less than all workers. Temporary employees from the suburbs do not experience the steep decline in their income, with incomes falling only about $4,000 a year. Part of the explanation for this disparity lies in the fact that temporary workers in Detroit are less likely to live in high income households, are less likely to have multiple-earner households and are more likely to have low-wage temporary employment. (One hundred percent of Detroit temporary workers have personal incomes below $30,000 while that figure is only 77 percent of suburban temporary workers.)

It is not surprising that the income levels for temporaries are skewed toward the bottom of the income ladder with 58.6 percent of Detroiter and 46.3 percent of suburbanites earning less than $20,000 per year. Temporary employees living in Detroit are at a disadvantage in terms of earning capacities; their income tops off at $30,000. The overall working population in Detroit does not suffer the same penalty on their personal income. While three-quarters of temporary employees residing in the suburbs earn $30,000 or less, a significant proportion (28.6%) earns $50,000 or more.

The observed income gap is related to the types of employment available in the local labor market. The vast majority of temporary workers in Detroit are employed in sales and services, which mirrors the sectoral distribution of the overall population. However, the occupational distribution for temporary workers varies significantly for two categories. There is a larger percentage of temporary workers employed in clerical or administrative occupations: 23.1 percent of temporaries as compared to 9.5 percent of the overall population. Skilled manufacturing does not provide any employment for temporary workers in Detroit, whereas skilled manufacturing accounts for 19 percent of total temporary employment in the suburbs. The difference is likely due to the high union density in Detroit. The presence of the United Automobile Workers among other strong unions has virtually eliminated contracting out from unionized plants. Houseman et al. (2001) find that unionized automobile supplier plants employ a much smaller percentage of temporary workers on average. An unexpected result in our data was the 8.4 percent of temporaries who were hired to work as managers in Detroit.

Work tenure tends to be low at six months or less for about one-third of all temporary employees. This short work tenure is consistent with recent findings from a large-scale study of temporary workers in Michigan and North Carolina (Houseman et al., 2001). They conclude that the firms used temporary help to extend probationary periods. Even in the tight labor market during the boom economy, a high percentage of temporaries exhibit relatively long work tenure especially for those in the suburbs. Among suburbanites, more than one-quarter of the temporary labor force worked between four to five years and another 7 percent worked for five years of more. Detroiter had lower job tenure, but still 33.9 percent worked up to three years and 10.5 percent worked up to four years. This long work tenure suggests that the use of temporaries is more than a screening mechanism for new hires and more than a stopgap measure between jobs.

We next compare temporary workers to permanent workers in Detroit and the surrounding region. Hours worked (overall and at one’s main place of employment) reveal interesting patterns. First, as can be expected perma-
nent workers spend most of their working time at their main job regardless of location. Within Detroit, temporary workers usually appear to have one main job, whereas in the suburbs temporary workers are more likely to construct full-time equivalent employment with multiple jobs. This helps explain the income differential. Furthermore, in the suburbs the number of part-time workers among temporary employees increases by almost a factor of two, but over 70 percent of temporary workers work at full-time jobs. Among Detroiter, however, the temporary workers find full-time work at rates half those of permanent workers at just over half the rate of their suburban counterparts. These workers are no less likely to look for full-time work (52.7% in Detroit versus 45% in the suburbs) nor any less likely to want to work full-time if provided the opportunity. Clearly, the work on offer in Detroit appears to be more marginal.

As Table 2 indicates, temporary workers are overqualified for the jobs available in Detroit: 78.2 percent of temporary workers feel their educational credentials prepare them for a better job. Only 30 percent compared to over 50 percent of temporary workers use a computer at work in Detroit. Likewise, temporary workers in Detroit are half as likely as their suburban counterpart to coordinate the work process. Consistent with our other findings, a high percentage of the suburban temporaries worked in high-qualified positions. In the suburbs, professionals account for 30 percent of all temporary workers. This level is more than the overall working population and much greater than the 6.2 percent found in Detroit.

Place makes a difference for the risk and chance profile of the labor force. The suburbs offer higher end jobs with higher earnings potential than the city. Detroiter suffers an income penalty regardless of their educational achievement. The relatively high work tenure for suburbanites suggests that more of them choose temporary employment as a flexible option. Unlike their counterparts in Detroit, employment status is not associated with low income. High qualifications can translate into high personal income for those who live and work in the suburbs. Individuals who possess higher qualification may be better able to translate their skills into a “portfolio” career (Cohen and Mallon, 2002).

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<td><strong>Do you coordinate work process?</strong></td>
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The distribution of high-end and low-end temporary jobs perpetuates disadvantages and risks across the region. Spatial distribution of jobs is related to the changing geographies of economies, whereby the high-end of the knowledge chain ever increases in the affluent suburbs, and the low-end continues to stagnate in central cities. The type of employment offered by agencies is contingent on location of the agency, which in turn reflects the skill-base of the local workers and the array of activities (new economy versus old) in the area.

**New Employment Forms in an Old Economy: Work in the City Limits**

The Midwest region is noteworthy as home to the temporary-help industry: the first temporary-help firm opened its doors in Chicago during the 1920s, and two of the largest firms took root in Milwaukee (Manpower) and Detroit (Kelly) during the 1940s (Peck and Theodore, 1998: 657; see also Gottfried, 1991). Our focus on a city in a regional context allows us to assess the impact of for-profit intermediaries on spatial dynamics.

Metropolitan Detroit has experienced important changes in its industry and employment makeup. A significant change has been a shift from manufacturing employment to service sector employment. The service sector now accounts for over 30 percent of the area’s employment. In 1999, manufacturing establishments employed 20 percent of the area workers, as compared to 27 percent just 15 years ago. Healthcare services employ the largest number of employees and business services ranks second as one of the fastest growing sectors in the region. Two multinational temporary-help firms, Adecco and Manpower Inc., have become among the region’s major employers, and another firm, Kelly, is a large employer in the region.

Today, 294 offices of temporary-help agencies compete for temporary employees and clients in the Detroit metropolitan area. Another 100 offices combine temporary help with employment placement services. Only 14 percent (57) of the total number of temporary-help offices is located in Detroit. Both the number of firms and the number of branch offices has grown, especially in the suburbs where we found more than 80 percent of the temporary agencies’ offices.

Low, fixed costs and small economies of scale enable relatively easy entry into and exit out of the industry. For this reason, the size of companies ranges from one individual owning and operating a single office to multinational companies with millions of employees worldwide. Some local companies consist of a telephone number from which they take calls from prospective employees and dispatch workers to clients. In other cases, small companies staff storefront offices with a few employees. One of the smaller companies located in a large office building in downtown Detroit was staffed by two young women: an African-American receptionist on the front-line supervised by a white woman. In that same building, but in another suite, a branch office of a multinational temporary-help firm also employed a few staff. We discovered that many small local companies, especially in Detroit, closed within the year of listing their telephone number in the Yellow Pages. When called, we received a recording indicating that the phone was disconnected without any forwarding number.

Temporary-help offices dot the city (see Figure 1). A major hub of offices radiates from downtown Detroit. Other Detroit offices huddle around very poor neighborhoods. Just outside Detroit’s city limits in Wayne County, offices are dispersed over more affluent cities. Most other offices conglomerate in the
affluent northern suburbs of southeastern Oakland County. The largest number of offices is located in the northern suburban ring around Detroit. Within the suburbs, two cities host the largest number of offices: Troy and Southfield. Troy, an affluent suburb with median income greater than $75,000 and a majority white population, is home to many branch offices of temporary-help firms. The relocation of Kelly corporate headquarters to Troy indicates the in-roads made by temporary-help firms in restructuring of local labor markets. Similarly, Ohlsten dispatches workers from three offices in Troy. Troy-based offices cluster in the high-tech corridor servicing the automobile industry, which has established supplier-firms at the higher value-added end of the production chain in this area. A mixed-race and mixed-income suburb of Southfield boasts a high density of temporary-help offices. Southfield, home to many administrative offices and legal firms, is conveniently sandwiched between Detroit to its southeast and Troy to its northeast.

See Figure 1

However, there are temporary-help firm branch offices throughout the entire metropolitan area. The largest firms have 10 or more offices, most of which are located in the suburbs of Detroit. Kelly, the locally based, multinational firm, ranks first with 17 branch-offices plus the corporate office, and all but one of which are located in the suburbs. Manpower, in second place in terms of number of offices, although first in terms of revenues, has expanded to 12 offices with only two in Detroit and the others as far away as Ann Arbor in Washtenaw County. The Swiss-based, multinational-firm, Adecco, operates 10 local offices with only one located in Detroit.

Within Detroit’s city limits temporary-help agencies can be found in old and newly revitalized commercial, administrative and industrial districts. The more established companies rent office space in well-known high-rises in downtown, radiating out from the main business district and hugging the Detroit riverfront. Pockets along the riverfront have seen revitalization of commercial businesses. One of the largest multinational companies is housed in a large suite in an historic high-rise just north of the cultural corridor, in which venerable institutions such as the Detroit Institute of Arts, the newly expanded Detroit Science Center and the recently opened Museum of African American History are located. In poorer neighborhoods, temporary agencies often operate out of storefronts amidst derelict buildings and dying commercial strips. One small company occupied a one-floor building surrounded by abandoned buildings. Many of the Detroit-based, local firms reside in low-income minority neighborhoods.

Just outside of Detroit but in the same county, temporary-help agencies are more diffusely spread over several cities. Many of these offices cling near major arteries of the inter-state. The interstate network of highways enables prospective employees to reach temporary-help offices and allows temporary-help agencies to maintain their client-base and to seek potential clients. Temporary-help offices more sparsely populate cities that are further removed from the old industrial and new high technology economies.
Contingent Geographies of Temporary Work

Agency temporary-help companies dispatch employees as variable capital to an increasing number of clients who make temporary employees a part of their overall staffing arrangements. As the employing company, the temporary-help company pays wages and benefits to the employee relieving the client from that variable cost (Gottfried, 1992). Recent work by Houseman et al (2001) points out that temporary-help agencies can actually serve a dual labor market with different wage dynamics and employment patterns. They demonstrate that for more highly skilled laborers in a tight labor market the agency provides higher wages for some while helping the company keep its overall wage bill from rising. For most, however, the temporary-help agencies serve as screening mechanisms or provide extended periods of non-benefit employment for entry-level workers.

In its more traditional guise the temporary-help company must set a price for labor low enough to make temporary employment attractive to clients but high enough to recruit a prospective pool of employees and to maximize profits. This balancing act requires agency temporary-help companies to continuously re-create a qualified but relatively cheap labor pool (Gottfried, 2002). At the upper end of the labor market temporary firms hire workers who command higher wages and more benefits. As a consequence, temporary-help firms seek locations for their offices to capture different skill profiles of local labor forces along the knowledge chain.

Temporary-help firms or branch offices offer specific types of labor, and so their location very often reflects the past skill and occupational composition of the local labor force. This serves to reinforce existing employment patterns and, at the same time, shape future economic activity. In other words, temporary-help firms’ locational decisions are contingent on geographies of old and new economies. These locational decisions in turn shape the contingent labor markets of new economy work relationships. Old economy areas no longer able to sustain manufacturing jobs become repositories of laborers who are recruited for jobs in light manufacturing and construction. Higher qualified professional and technical jobs as well as administrative/clerical jobs are concentrated in suburban offices. The spatial distribution of skill types is polarized by place within and across the city limits.

Detroit agencies support industrial-end temporary employment and routine service jobs (e.g., food service and dish washers), typically providing employers with African American and Hispanic workers who reside in poorer inner city neighborhoods. One agency located in the heart of Mexican Village, which caters to Hispanic workers in the area, serves as an example of how many temporary-help firms within the city operate. This family-owned, regional company specializes in light industrial operatives, truck driving specialists and payroll management. At the time of our observations in early August 2001, there were 26 people in the waiting room. Except for three women, the rest were men; about two-thirds were Hispanic, and the remainder were black. A message on the chalkboard announced jobs for workers with experience handling hazardous materials. In another agency with an office in a poor neighbor, four casually dressed men, two Hispanic and two African American, sat in the waiting area.

In contrast, offices specializing in engineering, design and other automobile-related professions locate near the affluent northern suburbs where high-end technical operations have mushroomed since the U.S. automobile industry recovered from its 1980s economic slump. In Troy, for example, temporary-help agencies offer workers with a variety of professional and technical skills...
ranging from engineering, financial staffing, accountants, designers, information technology operators and computer managers in addition to administrative and clerical support staff. Southfield, down the knowledge chain, provides skilled administrative support, including insurance and claim personnel, legal secretaries, word-processors and data-entry clerks.

The affluent city of Ann Arbor to the west, home to the Big Ten campus of the University of Michigan and many new biotechnology firms, has both local and multinational, temporary-help firms. On one major commercial strip are two office buildings in which three temporary-help firms are located. Another temporary-help firm that had closed still listed its office space in the building housing the two other firms. One of these firms provides temporary employees to the university, and the other two offer accountancy staff and clerical/administrative workers. One of the largest multinational corporations operates from a two-story building in an industrial district of Ann Arbor. In this office, several applicants were engaged in various aspects of the screening process. Except for one white male, all the other applicants were minorities. All of the men were casually dressed and seeking employment in the light industrial sector.

Many temporary agencies are not visible from street level; offices are either in high-rise buildings of central Detroit or in low-rise malls around the suburbs. Their relative invisibility differentiates temporary-help agencies from the hulking monumental factories of the automobile industry. In Detroit, for example, automobile plants were magnets drawing workers to surrounding residential areas. Plants, such as the Dodge Main plant in the section known as Poletown, took on the identity of the ethnic community at work in the assembly plant before its closure during the first wave of downsizing in the early 1980s. Temporary-help agencies are more visible in poor neighborhoods than in affluent neighborhoods. Agencies that occupy storefronts or small buildings in poor neighborhoods resemble hiring halls active on the docks and in other trades. They substitute for street corner labor brokers who round-up casual workers as-needed by the day (see Peck and Theodore, 2001). By being visible, temporary agencies attempt to attract workers with few other job prospects and with redundant skills. In many affluent suburbs, the temporary-help office is discretely hidden behind closed doors of office buildings. The temporary agency is not the place of work for temporary employees. Rather, temporary employees disappear into the multiple work sites across the city. As a result, temporary-help agencies disassociate work from place even as they come to define local geographies.

Conclusion

The economic landscape is in a process of changing from the skilled manufacturing jobs of the former Fordist production to the office work and services characterizing the new economy. While the automobile industry continues to define the regional economy, the type and location of employment has shifted from Detroit to the suburbs. This is best seen in the transformation of the industry itself. Production is increasingly shifting from the automobile manufacturing firms to the Tier I and Tier II suppliers as just-in-time increasingly means not only the delivery of parts but of wholly assembled components. Traditional R&D activities once the domain of the primary manufacturing firms are increasingly relegated to these suppliers, and the result is that the suppliers are under increasing pressure to control labor costs yet employ the kinds of high-end skilled workers (engineers, software designers, etc.) formerly on the payroll of the automobile firms.
At the end of 2001 the eponymous Ford Motor Company, in a year of near record-breaking sales, has announced major cuts in the benefits and, in some instances, the pay of its white-collar workforce. This had been preceded throughout the summer of 2001 by layoffs and redundancies at many manufacturing plants. Furthermore, all the automakers have unilaterally cut the salaries of their contract workers and non-permanent staff between on average approximately 7 percent in recent announcements in the local papers. The industry is undergoing fundamental changes in the way it employs, retains and pays its workers.

As we have seen, in these markets more highly paid temporaries are provided by suburban temporary-help agencies. Even as the older manufacturing plants retrench, there remains a demand for a transient workforce to fill low-end jobs. In this case the temporary agencies act as hiring halls providing these workers out of poorer, central city neighborhoods. In this way temporary employment contributes to the restructuring of economic space with effects on local labor markets.

We found uneven distribution of high-end and low-end for-profit intermediaries between the suburbs and the inner city, respectively. Since the 1990s, technical skilled and professional jobs servicing the automobile companies expanded in the middle-class and affluent suburbs, and a shrinking number of high-paid assembly jobs remained in the city and older working-class suburbs. Many of the assembly plants that closed or downsized have not recovered the workforce at the peak of production. Locally and regionally based, high-end niche firms specializing in value-added professional and technical employment operate from offices in the suburbs while large-firms offering both high- and low-end, or low-end only locate branch offices or single offices in the city limits. There is a wider spread of occupational offerings from offices located in the suburbs than those in Detroit. Peck and Theodore (1998) find a similar geographic logic for the location of low-end intermediaries in poor Chicago neighborhoods. As they suggest, locational decisions may contribute to polarization of local labor market structures as the agencies locate near their preferred labor supply (Peck and Theodore, 2001). Moreover, high-qualified jobs that concentrate in the suburbs are off-limits to Detroiters who lack access to mass transportation.

Temporary-help firms are contributing to the spatial restructuring of the Fordist industrial complex that defined the region’s economy. These firms shape contingent geographies by supplying “appropriate” labor to employers at specific sites of the production process. Our mapping of the spaces of temporary labor and the places of temporary-employment agencies indicate that the risks and disadvantages of flexible staffing spread unevenly across the geography of the region. It appears that individualization of employment relationships are becoming associated with greater skill differences, translating into greater inequalities. The economic downturn may further entrench such disparities.
References


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Endnotes:
In recent history, there were three main companies. Recently with the merger of Daimler Benz and the Chrysler Corporation, and the ascendance of Toyota and VW, there is increasing reference to the “Big Five” in global automotive production.

Recent estimates from the Michigan Economic Development Corporation are that over 250,000 persons work in automobile manufacturing directly, and this number increases significantly when we add the employment in supplier firms and other auto-related activities (see Fasenfest and Jacobs, 2002).

As the survey data reveal many more workers are employed as temps than work through temporary agencies.

A report by Peter Capelli finds that a cross-section of employers used temps and contract workers to meet 12 percent of their staffing needs, and their use reached 20 percent on peak days (Uchitelle 2001: 11).

For us “place” denotes the long-held view that cities represent particular modes of economic activities, and their differing forms reflect particular economic and social forces. “Space,” on the other hand, reflects the allocation of people and their activities within any given place.

The survey data are somewhat limited since it was a general household survey, and the number of temporary workers remains low overall. We consider the patterns revealed by the data as indicative rather than conclusive. Additional data collection over-sampling for temporary workers would yield more robust findings.

This was funded by five of the Workforce Development Boards (WDB) in Detroit and key counties surrounding the city. The five boards providing support were the city of Detroit, SEMCA (Wayne County not including Detroit and Monroe County), Washtenaw County, Livingston County and Macomb/St. Clair counties. To permit a regional analysis CUS also polled households in Oakland County.

Of the 2,537 complete responses in the 2000 statewide survey, there were 1,784 total responses for the Detroit metropolitan area and 736 city of Detroit respondents. The estimates have a +/- 1.95 percent margin of error for the state, 2.32 for the region and 3.61 for the city at the 95 percent confidence interval. (The corresponding figures for a 90 percent confidence interval are 1.63, 1.94 and 3.02 respectively.)

We originally organized the ZIP codes by both race and median income but found that, for the most part, the racial composition of the majority of a ZIP code’s residents were over-determined by the median income. That is, the communities with the lower median income were usually predominantly non-white, and those with the higher median incomes were predominantly white.

It should be noted that dependent care (including both old and young family members) is a reason cited for not working at all. Detroit has unemployment rates from 4 to 10 times (depending on whether you are young or old, male or female) that of the surrounding region.

Even though the city is over 85 percent African American, we still see some racial patterns. African Americans work as temps at a rate consistent with their share of the city’s overall African-American population. Latino workers are twice as likely to work as temps than their share of the general population.
Informal discussions have led us to suspect that within the city, in older industries, temporary workers are hired to fill line manager positions that are deemed too difficult and too demanding relative to their pay. Permanent and unionized workers are apparently reluctant to accept these high-turnover positions. Clearly this warrants additional investigation and research.

Since the early 1990s, Manpower Inc. surpassed GM as the largest employer in the U.S. private sector. Manpower Inc. employs over a half million workers in the U.S., operates more than 2,700 offices in 48 countries, assigns more than 2 million workers (compared to 600,000 GM employees), and contracts with 250,000 client companies, worldwide. Aggregate sales reached $8.9 billion in 1997, representing a 22 percent increase over the previous year (Manpower brochure cited in Gottfried, 2001).

This is based on a review of all the most current regional Yellow Pages provided by the various telephone companies in the area, comparing to remove duplicate entries and listings that represent local dialing options but not a new firm. This figure is always questionable since the low barriers to entry mean that small agencies start and close with some frequency, major firms regularly relocate branch offices, and many new agencies may not have appeared in a listing published prior to their start date.

The pattern of disbursement into Oakland County follows the interstate highway system expansion, which is also the best predictor of where new firms and consequently new jobs have located over the past two decades. It is these firms that now demand more temporary help, especially among more skilled positions. This holds as well for the expansion of jobs and temp agencies out of Detroit westward to Dearborn in Wayne County and on to Washtenaw County along the interstate routes. Finally, population growth has mirrored the earlier industrial migration along the interstate routes (I-94 west and I-75 south). More recently expansion and investments has been along the interstate city by-pass (I-696) and highway extensions (I-75 north) locating the new office economy jobs and linking the older inner suburbs with the newer communities further a field.

While not the focus of this paper, Southfield is one of the older suburbs first serving as the gateway out of the city of its ethnic (and mostly Jewish) middle class and now has the largest concentration of African Americans outside of Detroit proper. This community, however, can be more correctly characterized as an economic rather than racial destination providing access to better housing and schools for Detroit residents seeking a better life. It is like many bedroom communities surrounding older cities transforming into job centers in the last two decades while central cities experienced disinvestment and decline.

According to the 2000 Census the city of Detroit is now 86 percent non-white, comprised mostly of residents who are African American.

Most recently it was announced that Compuware Corp, a software and computer services giant with headquarters in suburban Detroit, "has shipped out 400 automotive engineers that it picked up in its September 1999 purchase of Livernois Staffing Services, a subsidiary of Dearborn-based Livernois Engineering Co. Compuware reached an agreement to move the engineers to employment at Troy-based Kelly Services Inc." According to a Compuware spokesperson, referring to the CAD, CAM and modeling engineers who mostly work for automakers "they don’t fit in
with our core business, but they do with Kelly’s.” According to the spokesperson, the engineers will remain on their current automaker assignments (Great Lakes IT Report, November 30, 2001).