

THE SOUTH FLORIDA BUSINESS JOURNAL

December 16-22, 2005 • \$2.00

southflorida.bizjournals.com

Immigration reform could cause worker shortage

BY BRIAN BANDELL

Efforts in Congress to increase border security and make it tougher for illegal immigrants to work in the United States could wreak havoc on some of South

Florida's largest industries.

Higher costs would likely ripple through to businesses and consumers.

No company wants to admit they do it, but it is common knowledge that tens of thousands of illegal workers are employed locally in construction, hospitality, home care, cleaning and agriculture.

At least 60 percent of Miami workers in those industries are immigrants, according to Florida International University's Center for Labor Research and Studies, but the number of illegal workers is difficult to track. Congressional reports estimate there are between 11 million and 15 million nationwide. Biometrics, interna-

tional databases and more border patrol agents would be used to thwart workers who often use fake identification and Social Security numbers.

While widespread illegal immigration is considered by Congress to be a major

security concern, a big crackdown would have a negative effect on the local economy, said William Stronge, a professor of economics at Florida Atlantic University.

With unemployment levels low, the low-wage, unskilled jobs most immigrants are taking aren't desirable to Americans, he said. The retirement of baby boomers has created both an employment vacuum in some industries and demand for residential construction, private household labor and nursing assistants. Stronge said.

"The economic forces that drive the movement of the immigrants are their need for wages and our need for labor," he said. "This is the worst time to close the door on immigration."



Harris

But securing America comes first and foremost, said U.S. Rep. Katherine Harris, R-Fla., a member of the Committee on Homeland Security. The committee has heard testimony about Middle Eastern militants sneaking in through the Mexican border and working here

under assumed Hispanic identities.

Harris and other House members are working to pass a comprehensive immigration reform bill that would include more border patrol agents, entry inspectors, K-9s and surveillance equipment.

Biometric information would make Social Security cards and other documentation hard to counterfeit and companies would be required to check the identification against an international database. Penalties for companies knowingly employing illegal workers would increase.

"We want to make sure companies know who they're hiring are who they say they are," Harris said.

She hopes to phase the program in for new hires over two years and extend it to all employees in six years.

The concept of more accurate background checks looks good on paper, but depending on the federal government

Employee verification

Here's how the proposed employee verification system would work:

- Within three days of hiring a worker, the employer must submit the worker's name and Social Security/alien identification number to the federal government.
- The government will compare the name and number with Social Security Administration or Department of Homeland Security records.
- The government will notify the employer within three days if the worker is eligible to work.
- If the worker is not confirmed, the worker can contest the decision. If the discrepancy can't be reconciled within 10 days, the worker will be declared ineligible.

Source: House Judiciary Committee

for hiring decisions could create burdensome overhead for business and eat up staff time, said Susan Norton, a labor and employment law attorney in Miami. The process needs to return an answer quickly, so new hires don't sit in limbo.

Upper-level jobs affected, too

In South Florida, immigration issues reach all levels of employment, said Anis Saleh, a Miami immigration attorney. He works with companies hoping to obtain work visas for employees in fields such as accounting, computers and store management.

The complicated and lengthy bureaucratic process of obtaining legal status for foreign workers encourages illegal immigration because it doesn't keep up with demand for workers, Saleh said.

After being in the country illegally for more than a year, they must leave for



10 years before applying for legal status unless they obtain a waiver, which is very difficult.

"I see people walk into my office every day who work for solid companies that want to sponsor them, but they can't because there are no options," Saleh said. "This puts the company in a hard place because they have an employee they truly need and rely on, yet they understand the employee is not in legal status."

President George W. Bush is proposing a program that would give workers temporary legal status to work in the United States in jobs not filled by Americans, but the details haven't been set. A Senate bill co-sponsored by Sens. John McCain, R-Ariz., and Edward Kennedy, D-Mass., includes a temporary worker visa program and an opportunity for illegal immigrants currently in the United States to start a program toward residency if they become documented and pay back taxes.

Employers hope similar measures will allow them to fill jobs amid the tougher enforcement.

"With no guest worker program in place to secure a labor force, an illegal immigration crackdown would make it hard to find workers," said Kevin Morgan, director of agricultural policy at the Florida Farm Bureau in Tallahassee. "There are no Americans lining up to take these jobs."

The construction industry is also at risk of worsening its labor shortage if it loses access to immigrant workers, said John

their hiring practices, he said.

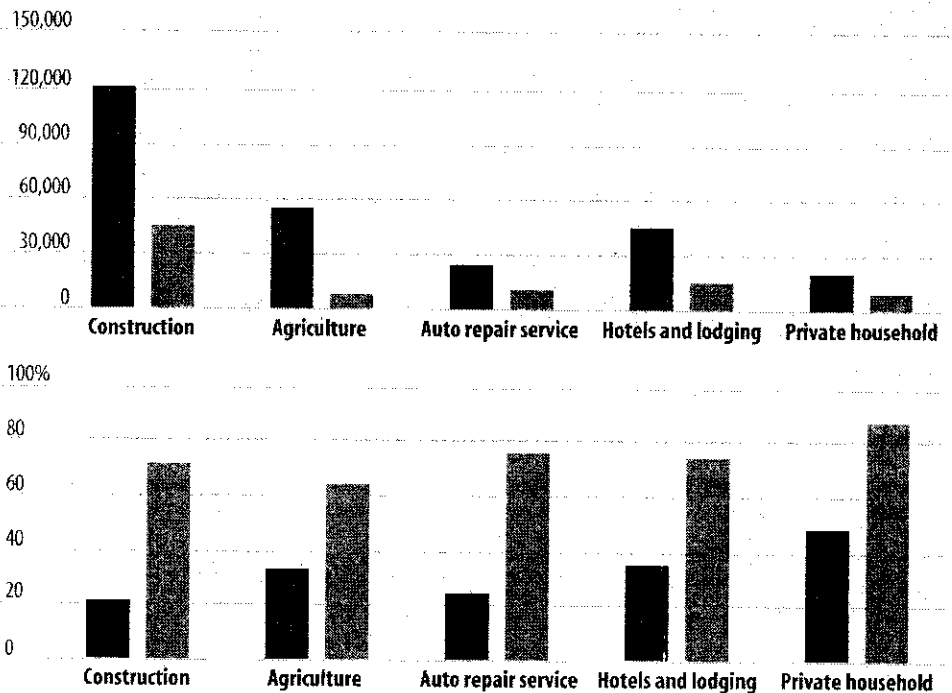
If there was an immigration crackdown without enough legal immigration to compensate, that would lead to an even greater rise in construction costs and delays, Siegle said.

Immigration reform needs to be balanced to have a workable enforcement system and a way to access legal workers, said Brendan Flanagan, director of legislative affairs for the National Restaurant Association in Washington, D.C. If the system is too restrictive with regard to importing workers, it could cause a downturn in the growth of the restaurant and hospitality industry, he said. There aren't enough Americans willing to take jobs for a few dollars above minimum wage, Flanagan said.

IMMIGRANTS IN THE WORKFORCE BY INDUSTRY

By number (top) and percent (bottom), according to 2000 estimates

■ Florida ■ Miami-Dade



Source: Analysis by FIU of 2000 U.S. Census Data obtained from IPUMS-CPS Minnesota Population Center

STACEY SHERVAN

Siegle, executive VP of the 460-member Construction Association of South Florida (CASF). There are already long construction delays in the booming residential market and hurricane repairs.

"We don't have people domestically that want to learn these skills," Siegle said.

CASF members don't knowingly employ illegal immigrants, but some subcontractors aren't very stringent in

Just for show?

In the end, the business lobby will probably ensure the immigration crackdown will be mostly a political exercise, said Alex Stepick, the head of FIU's Immigration and Ethnicity Institute. It could be circumvented by limited funding for labor law enforcement and by limiting class action labor lawsuits by immigrant workers, he said.

Even though they won't publicly admit it, many powerful business lobbies want to maintain the low-wage status of their labor, Stepick said. "My prediction is they claim they're going to crack down and then they don't really."

E-MAIL STAFF WRITER *Brian Bandell*
at bbandell@bizjournals.com.