



H-2B Program Does Not Depress Wages Or Take Jobs from U.S. Workers, Report Says

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There is "no evidence" that the H-2B visa program depresses the wages of U.S. workers in similar occupations or takes jobs away from Americans, according to a report released Dec. 1 by the U.S. Chamber of Commerce and ImmigrationWorks USA.

The H-2B program "offers an important safety valve for employers who need workers on a temporary basis when U.S. workers are not available," and many American businesses "could not function without the H-2B program," the chamber and ImmigrationWorks wrote.

Currently, 66,000 H-2B visas are available annually to low-skilled guestworkers, accounting for less than one-tenth of one percent of total U.S. employment, the report said. "While the number of workers in the program is extremely small when compared to the overall U.S. workforce, employers in many sectors count on the H-2B visa program to keep their businesses open and growing, and to create opportunities for U.S. employees," said Randel K. Johnson, senior vice president of labor, immigration, and employee benefits for the chamber.

The report, *The Economic Impact of H-2B Workers*, includes both an economic analysis of the H-2B visa program and the results of a survey of H-2B employers. According to the report, the survey was intended to supplement the hard data with "testimony from employers who use the program."

Employment Growth Tied to Use of Program

According to the report, the number of H-2B workers increases when local labor markets tighten, indicating that H-2B visa use "correlates with higher U.S. employment rates." The report compared state-by-state data on H-2B admissions with state unemployment and employment growth from 2006 to 2009.

According to the report, as the number of H-2B workers admitted increased, unemployment rates fell and employment growth accelerated. "In the average state, when employment growth increased by 1 percentage point, employers brought in 216 additional H-2B workers," the report found.

This supports the anecdotal evidence that employers hire H-2B workers only when few U.S. workers are available to take physically demanding temporary work, the groups wrote. In addition, the chamber and ImmigrationWorks asserted that instead of competing for jobs with U.S. workers, H-2B workers actually "create jobs for Americans." Survey respondents indicated that H-2B workers augment the volume of business done by companies, which allows employers to hire more U.S. workers for skilled, year-round jobs, according to the report.

Report Finds No Negative Wage Effect

According to the report, increases in the number of H-2B workers does not negatively impact U.S. workers' wages.

The report compares wages in sectors that traditionally rely on H-2B visa holders with wages in other industries that hire few or no temporary workers.

According to the report, the number of H-2B workers in a given industry has no negative effect on U.S. workers' employment or earnings. "A 1 percentage point increase in H-2B workers in a given occupation in a given year is associated with wages in that occupation increasing 0.05 percentage points faster than they otherwise would have over the next calendar year," the groups said.

"These are small effects," but "the direction is positive" and the H-2B visa program is "not having an adverse impact on U.S. workers," the report found.

Groups Call for Streamlining 'Onerous' Requirements

According to the groups, the current process for obtaining H-2B visa workers is "onerous for any company, but particularly for the small and medium-sized businesses that anecdotal evidence suggests make the heaviest use of H-2B visas."

Under the current H-2B visa system, companies are required to recruit U.S. workers before obtaining guestworkers, must pay at least the government-mandated prevailing wage for the job, and must demonstrate that their need for the H-2B worker is temporary.

"Congress and the administration should be looking for ways to expand and improve temporary worker programs, not adding layers of bureaucracy and additional regulations that make the programs all but impossible to use," Tamar Jacoby, president of ImmigrationWorks USA, said in a Dec. 1 statement. "This report leaves no doubt about what must be done: cut burdensome regulation, streamline processing and make temporary worker programs more sensitive to changing U.S. labor market needs."

ImmigrationWorks and the chamber suggest increasing the annual H-2B visa cap, which survey respondents said was too low in most years.

In addition, the groups suggest streamlining the process to obtain H-2B workers, because the current system is so complex that it "creates a market for staffing agencies, which bring in large numbers of H-2B workers and subcontract them out to smaller companies."