

Employers Want a Say in The Immigration Debate



Companies are desperate to hire, but there's little appetite in Congress to make it easier for migrants to work

Businesses across the US have been making the same appeal for years: Let's admit more immigrants to ease a severe labor shortage and fill jobs that Americans don't want to do.

So as migrants poured over the southern border during pandemic-era upheaval, the influx might have seemed like a potential solution to a problem that by the end of this decade could lead to \$1.75 trillion in unrealized economic output. All of a sudden big cities were filled with large numbers of people eager to work and get started on

building their own version of the American dream. That's not how it's played out.

The newcomers who qualify for work permits have often struggled to secure them, because the government bureaucracy has been overwhelmed. Business groups say the process is broken and are ramping up calls for changes to bring in more workers through legal channels.

Those pleas aren't being heeded by politicians in Washington, who are more concerned about how the jump in unauthorized arrivals has

inflamed anti-immigrant sentiment among voters. The poisoned atmosphere ahead of November's elections has already derailed one compromise bill aimed at getting a handle on the chaotic situation at the US-Mexico border and also has stymied any chance of legislation to bolster legal immigration to alleviate the worker shortage. There's no visible path right now to a bipartisan grand bargain on immigration, and that leaves businesses in a jam.

"I can't have a conversation with any business owner that doesn't revolve around the fact that they simply cannot find the skilled workforce they need," says Jay Timmons, chief executive officer of the National Association of Manufacturers.

Close to 9 million positions are open across the economy, equal to about 1.4 vacancies for every unemployed worker. The worst-affected industries are trying to figure out the best way to make themselves heard. A trade group for companies in the construction industry is buying digital ads to push for immigration reform. An association that represents makers of heavy equipment is flying members to Washington from such places as North Dakota to beg lawmakers for help. A small-business group is receiving record funding to lobby on immigration. Representatives of nursing homes are telling lawmakers that without more immigrants to make meals and empty bedpans, their industry is headed for an all-out crisis.

The Critical Labor Coalition, which includes Chipotle Mexican Grill Inc. and Yum Brands Inc., advises its members to avoid the word "immigration" and talk about "workforce solutions" instead.

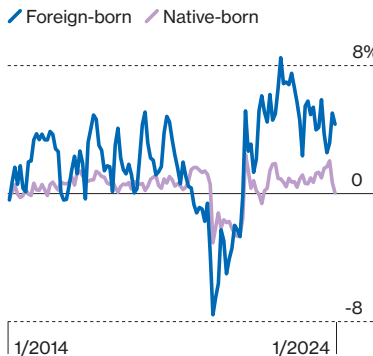
To be clear, industry groups are careful to distinguish between legal and illegal immigration, and most-attuned to the politics—say investing in skills and training for those already in the US labor force should be part of the solution. Besides calling for a revamp of the antiquated quota system for awarding employment-based visas, they want measures to regularize undocumented workers.

While the US approved a record number of work authorizations in the fiscal year ended Sept. 30, 2023, business owners say they need far more. Employers filed some 780,000 H-1B applications last year, but only one-fourth of them were approved—the lowest ratio in at least four years. The US government announced in mid-October that its cap of 33,000 H-2B visas for the first half of the 2024 fiscal year had been reached in less than two weeks. Sectors such as manufacturing and hospitality rely heavily on the temporary visas.

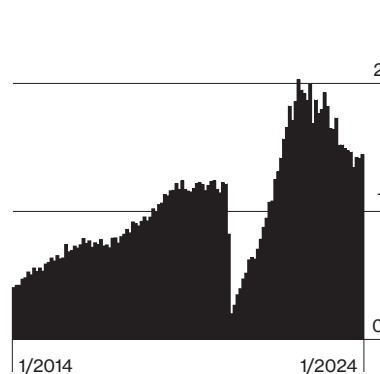
Daniel Fisher, who heads government affairs at Associated Equipment Distributors, says his trade

Filling a Gap

Year-over-year change in size of US civilian labor force



Job openings per unemployed person



DATA: US BUREAU OF LABOR STATISTICS

association is trying to raise awareness of the labor shortages by bringing members to Washington to lobby for more legal immigration. "There's not a member of Congress who hasn't seen help wanted signs outside restaurants and other businesses," Fisher says. "And we're just trying to make it known that 'Hey, we have this need also.'"

It isn't that lawmakers have completely stopped trying to help. Since last year they've introduced more than 360 bills related to immigration, according to the website GovTrack.us. The long list includes a bipartisan proposal to extend the number of temporary work authorizations and multiple bills aimed at shortening visa backlogs, not to mention the hard-fought border security bill that died in the Senate last month.

"It's really a shame that politics gets in the way of something that everybody agrees is a problem," says Edwin Egee, vice president for government relations and workforce development at the National Retail Federation.

The effects of immigration on the earnings of American workers are a contentious issue. Some economists argue that an influx threatens to undercut wages and worsen working conditions in some industries. The Congressional Budget Office cautioned in a Feb. 7 report that an increase in migrants means wages will rise more slowly, in part reflecting the higher number of lower-skilled workers. Still, the CBO analysis found that immigration would add about \$7 trillion to the economy over the coming decade by expanding the labor force and adding demand. That in turn would boost federal government tax revenue by \$1 trillion.

The US has never relied more on immigrants for economic growth. The 49.5 million living in the country—legal and undocumented—make up 15% of the population, a record in data going back almost two centuries, an analysis by the conservative ►

◀ think tank Center for Immigration Studies found.

Foreign-born workers made up a record 18.6% of the civilian workforce in 2023. That's not a one-year blip, but rather a product of US demographic trends that will play out for years to come: With baby boomers retiring in large numbers and birth-rates falling, US employers will be ever more reliant on immigrants.

The Associated General Contractors of America is planning its first targeted ads on immigration in this year's congressional campaigns, according to Brian Turmail, vice president for public affairs and strategic initiatives. "We have this policy schizophrenia in the US right now," he says. "We don't want our own children to work in construction, but we don't want to let other people come into the country

to do it either, yet we want to build a lot of things."

The American Business Immigration Coalition, which includes more than 1,400 companies, says donations from small business were up 20% in 2023. The pace is expected to pick up in this election year.

Misty Chally, executive director of the Critical Labor Coalition, says the discussion on immigration has become deeply polarizing. "Even using the word 'immigration' on the Hill is something that you do not want to do, because it is so political right now," she says. "I have been doing this for 25 years now, and I have never seen it this partisan." —*Enda Curran and Augusta Saraiva*

THE BOTTOM LINE US industries with large numbers of vacancies are appealing to politicians in Washington to create more paths for legal immigration, to no avail.

"It's really a shame that politics gets in the way of something that everybody agrees is a problem"

China's Fading Piano Dreams

● Once a status symbol, the instrument is experiencing a steep drop in sales

Rosie had little choice but to drop weekly piano lessons for her 7-year-old daughter this year. The income she made organizing international travel for Chinese tourists evaporated during the pandemic, while her husband's salary and bonus as a bank worker were slashed in half over the past two years as a result of greater regulatory scrutiny of China's financial industry.

"It costs a lot to learn to play the piano. Now the economy is bad," says Rosie, who lives in Beijing and asked to use her English-language name because she wanted to protect her privacy in discussing personal finances. "The best steel should be reserved for the blade. I need to spend my limited budget more cost-effectively."

Once a symbol of wealth and social status, the piano appears to be losing its grip on China, particularly among middle-class households. Domestic piano production last year plunged to 190,000, half the number produced four years earlier, according to the China Musical Instrument Association (CMIA), a government-affiliated trade organization.

The main culprit is the squeeze on incomes and wealth caused by a slowing economy, falling home prices and a prolonged stock market rout. The triple hit has many households cutting back on nonessential big-ticket purchases—a wealth crunch that was on the minds of delegates to the National People's

Congress as they gathered in Beijing in the first week of March for their annual legislative sessions.

A measure of household wealth and income fell in the final three months of 2023, according to a survey conducted by Southwestern University of Finance and Economics and Alipay. The poll also showed the share of households expecting the economic outlook to worsen over the next year, rising to almost 22% in the fourth quarter, up from about 13% in the first quarter. "Just like other durable goods, including cars and home appliances, piano sales are affected by income expectations and the wealth effect," says Xing Zhaopeng, senior China strategist at Australia & New Zealand Banking Co.

Factor in a shrinking population, shifting norms around education and an increasing hesitancy to embrace Western cultural touchstones in Xi Jinping's China, and the decline in piano sales and output may prove tough to reverse.

China's love affair with the piano goes back several decades. During the Cultural Revolution of the 1960s, the instrument was condemned as a symbol of the bourgeoisie. But in the decades that followed, economic reforms and the country's opening turned the piano into an affordable luxury for a quickly expanding middle class.

Its popularity also grew as China began providing incentives for children to learn music, leading

▼ Pianos produced in China
 ■ Data unavailable

