IMMIGRATION PART 1 – UTAH’S NEED FOR WORKERS

The recent defeat of immigration legislation in the United States Senate has increased the already huge amount of discussion surrounding one of America's most urgent dilemmas. The dilemma rests on how to ensure the nation's economy has sufficient numbers of legal guest workers without shifting hidden costs to taxpayers, and at the same time providing for national security by controlling our borders. This week we begin a series of articles co-authored by Howard Stephenson and Hinckley Institute Legislative Intern Jeffrey Adams.

WHY DO WE HAVE AN “IMMIGRATION PROBLEM?”

Illegal immigration impacts every American, but the serious problems that have arisen from the broken system meant to oversee the inflow of individuals to this nation have not been solved. Because of this, the issue has become somewhat like the blind man and the elephant, with various interest groups solely describing the part of the issue they are touching. Individuals and groups with unbending opinions on how to best resolve the problem have come forth, leading to a seemingly unending debate over who is responsible for our immigration situation, and how it can most appropriately be fixed.

Amidst the deliberations over how to resolve the immigration crisis, however, a critical component of America’s immigration condition has been overlooked almost completely. That component is the “why” element. Concerned groups rarely bring up why such mass immigration is occurring in our country, and yet, an understanding of the “whys” could bring a level of understanding to a dispute highlighted by vicious language, inflexible demands and a severe lack of communication between the numerous parties involved. Moreover, a knowledge of the “whys” will help demonstrate, as Utah Department of Workforce Services senior economist Mark Knold stated, “Whatever decision we do make regarding immigration, it will not be a neutral, or a ‘non-consequence’ decision” (Knolds, Personal communication, 2007).

UTAH LABOR NEEDS OUTSTRIP LABOR SUPPLY

Much of the reason uncontrolled and undocumented immigration is happening on such an unprecedented scale in Utah is merely a matter of numbers related to the law of supply and demand. Research performed separately by the Utah Department of Workforce Services (DWS) and Pamela S. Perlich, Ph.D., the senior research economist at the University of Utah’s Bureau of Economic and Business Research, reveals why this is the case.

First, according to Knold and DWS, employment growth in Utah has risen at a rate of 4.5 percent throughout 2007. As indicated by DWS, that number keeps Utah’s economy, “as one of the best, if not the best, performing state economies in the nation” (Utah Department of Workforce Services, 2007). The 4.5 percent job growth rate represents approximately 54,000 new jobs that have been created in Utah in the past year. Those 54,000 jobs represent, as stated by DWS in a recent news release, “about 2.8 percent of all the new jobs added in the United States during the past year – this from a state that comprises less than 1 percent of all United States jobs” (Utah Department of Workforce Services, 2007). Given the evidence, Utah's economy is healthy and growing.

The vital statistic to understand alongside Utah's impressive job growth rate is the unemployment rate in Utah. In April and May 2007 the unemployment rate was a tiny 2.5 percent, representing roughly 33,100 Utahns (Utah Department of Workforce Services, 2007). (Unemployment rates below 3 percent are considered full employment by many economists.) Consequently, when the two statistics are compared, it is revealed that even if all 33,100 jobless Utahns were to find employment in Utah’s job market, Utah's economy would still need about 20,900 workers to fill what’s left of the 54,000 jobs that are being created in Utah in 2007. In other words, we do not have enough of a workforce in Utah to fill all of the jobs that our expanding economy requires. Hence, Knold pointed out, “We are getting workers from elsewhere” (Knold, Personal communication, 2007) Whether from other states or from other countries, in-migration to Utah is the only answer to keep our workforce filled and our economy expanding.
The consequences of the discrepancy in the unemployment rate and the job growth rate in Utah are expressed further by Dr. Perlich and her findings about Utah’s demographics. Her research also illustrates Utah’s growing need for individuals able to labor in our workforce. Perlich has shown that from 2000-2005, Utah lost 33,822 people in net domestic migration within the United States (Perlich, Demographic Trends). That figure means that more people left Utah than came into the state during those five years on a state-to-state basis. However, when international immigration is included in the analysis, Utah actually has a 16,173 person increase in population during the same time period (Perlich, Demographic Trends). Perlich’s studies show that were it not for international in-migration to our state, Utah would have suffered significant net out-migration.

Said Perlich, “Because natural increase (births minus deaths) was positive over this period, the total Utah population would have continued to grow, but at a slower rate. And, there would have been labor shortages.” Such a large reduction in the working age population would undoubtedly have had a negative economic impact on our state, but due to substantial international immigration, Utah did not face such a problem (Perlich, 2007).

Perlich has also established through her research that while there will be a “boom” in the school aged children population in Utah during the next decade, the number of 18-24 year-olds in the state’s populace will be flat (Perlich, Demographic Trends). Perlich confirmed that this leveling off of the 18-24 year-old demographic, in combination with the imminent retirement of the post-World War II Baby Boom generation, will certainly affect Utah. While our job market will continue to grow, our young working age population will not. This situation, unless remedied, will lead to labor shortages. Hence, Perlich has labeled our population circumstance a “labor issue,” because again, unless workers come to Utah from outside our state, there will not be enough people to fill all of our available jobs.

As a result of the current immigration situation and Utah’s expanding job growth rate, our low unemployment rate, our need for international workers, and the flat line of our 18 to 24 year-old demographic, Utah employers are in a precarious situation. Moreover, because the federal government has either failed to, refused to, or simply cannot (depending on one’s point of view) repair a desperately broken immigration system, states throughout the nation, including Utah, are taking upon themselves a responsibility delegated to the federal government by attempting to resolve the immigration problem themselves. Such actions by the states, though perhaps necessary, further shove businesses into undesirable positions due to the differences in the various states’ approach to mending the immigration crisis.

When Utah legislators begin enacting laws relating to immigration issues, it is imperative that they implement laws that are in line with the conclusions found in the Department of Workforce Services’ and Dr. Perlich’s research. Any steps taken by the state and federal governments to improve the immigration dilemma must include provisions for Utah employers to find the workers they desperately need and, conversely, aid honest workers in coming to our state to acquire employment. Whether these workers come from California, Maine, Ukraine, Vietnam, Mexico or Nigeria, it does not matter. What matters is that Utah employers are able to find the workers they need fairly, straightforwardly, humanely, and legally.

Throughout this series of articles on immigration it will be demonstrated that when the immigration situation is viewed with the facts as presented by the Utah Department of Workforce Services and Pamela Perlich’s research, the divisive issues surrounding the immigration debate can be resolved civily, and in a mended in a way that is best for our state, for our workers, for our businesses, and for our country. These articles will show that it is possible for our state and our nation to surmount this challenge and offer a future that is mutually beneficial for our producers and our consumers, is fair to our immigrant workforce, maintains a respect for our country’s laws, ends inequitable cost shifting, and makes our state and nation better places.

**Immigration Part II: Statewide Immigration Summit Could Lead to Win-Win Solutions**

In last immigration article it was noted that the illegal immigration issue has become something akin to the story of the blind men and the elephant. In that tale, six blind men felt and described one part, and only one, part of the enormous animal – one blind man felt the broad side of the elephant, another man the snake-like trunk, a third felt the smooth ear, and the final felt the thick leg of the elephant. Consequently, when they all explained their thoughts of the elephant, each blind man described something entirely different than that of the other blind men. And though each was somewhat correct in his description, each was also partially wrong, and each was certainly incomplete, due to the blind men’s inability to understand the whole of the elephant on account of their blindness and the pachyderm’s sheer size.

The “elephant” in our nation today is the illegal immigration dilemma which the United States Senate just weeks ago failed to produce legislation to correct. Just like the blind men in the story, the immigration situation has numerous people with vested interests in the immigration policies of the United States doing their best to describe the immigration problem from their vantage point. These groups include, but are not limited to, business, Hispanic, religious, governmental, agricultural, legal, law enforcement, and political organizations. Most of them have, among other things, enumerated their concerns with the current immigration system, compiled research on what must be done to solve the immigration problem, voiced support or opposition of certain immigration
related legislation, and ultimately explained what must be done in potential immigration reform to satisfy their needs.

To put it another way, each of these groups – like the blind men – has justifiably described “the elephant” from their perspective. Such actions are appropriate; people and organizations in this country should endeavor to protect their interests when the government seeks to enact policies that could affect them. That is one of the blessings that living in this great nation affords.

What is problematic about the illegal immigration debate, however, is the severe lack of communication between the various groups involved and the blindness of some toward other aspects of the issue. Though each has done a good job at explaining the immigration debate from their viewpoint, there has been an extreme deficiency in interaction and communication between all of the groups involved. What everyone concerned with the illegal immigration issue must understand is that this issue, just like the blind men and the elephant, is too enormous to be explained, correctly understood, and ultimately resolved by viewing it from just one vantage point.

A comprehensive solution is needed for this elephant-sized dilemma to be repaired, and to get to that point there must be communication among the various interest groups concerned with this issue. Until we get to that point, we will be just like the blind men holding onto one incomplete part of the whole immigration predicament. While, like the blind men, we are all entitled to our opinions, when those opinions are based on limited information, we cannot expect diverse interests to come to a consensus on workable solutions to complex problems.

WHAT A UTAH SUMMIT ON IMMIGRATION MIGHT LOOK LIKE

To begin the necessary communication, numerous Utahns have supported taking the lead in constructing a comprehensive immigration solution for our state by calling for an unprecedented, all-inclusive immigration summit. The summit would include all 104 Utah legislators, Utah’s two U.S. Senators, three U.S. Congressmen, and the Governor in the same room at the same time hearing the same information. During such a summit, an arena for comprehensive solutions would be provided by giving representatives of concerned groups and government officials the opportunity to publicly explain their views regarding illegal immigration with others who may hold different views. More importantly, a summit would provide a critical chance for the various groups to together hear facts about the immigration situation from nationally recognized experts. The potential advancements that could be made through an immigration summit in communication, understanding and education on this issue are enormous.

There are two reasons why a comprehensive Utah immigration summit would work. The first is that so many people and organizations would like to see it happen. The federal government continues to avoid its responsibility on this issue by failing to pass immigration legislation, leaving the states to solve the problem themselves. However, before Utah legislators go about creating immigration-related legislation, several of Utah’s leaders have expressed a desire for a summit so that facts and concerns can be presented in a constructive manner prior to the passing of any laws.

The second reason an immigration summit would work is that there have been some recent, smaller, highly successful meetings based on the same issue. For example, on June 13, the United Way conducted an engaging conference called The Synergy Summit about maximizing the strengths of a diverse workforce. Throughout the six-hour assembly, knowledgeable speakers educated an attentive audience about immigration-related issues. The Synergy Summit proved that people are willing to both engage and be educated on this timely issue.

Now it is time for policymakers to receive the same information and for the diverse groups concerned with the immigration debate to be given a chance to articulate their concerns in an all-encompassing immigration summit. The people of this country have the tremendous ability to resolve the gigantic quandary the illegal immigration issue has become if they are given a chance to be educated on the facts surrounding it. Moreover, an immigration summit would exhibit to the federal government how serious we Utahns are in demanding accountability and results in the United States’ immigration policy. Consequently, we should all strive to see that the desired immigration summit becomes a reality. To make it happen, contact your state legislators, the Governor’s office, and members of the Utah congressional delegation. Please also let us know what you think.

IMMIGRATION – PART III: THE GROWING COSTS OF IDENTITY FRAUD

In the previous pair of immigration articles we have demonstrated two critical facts about the illegal immigration dilemma in Utah: First, that due in part to a perpetually strengthening economy in which available jobs far outnumber our available workforce, Utah has a significant need for international guest workers to fill critical jobs. Second, because the federal government has failed to produce an immigration policy that matches the needs of our economy for guest workers, thousands of the vacant jobs in Utah have been filled by individuals who are in this country illegally. This has led to many complex challenges for the people in our state; challenges that we said are not likely to be solved except through comprehensive reform. We suggested that an immigration summit involving Utah’s congressional delegation, legislature, governor, and other affected parties could stimulate the public dialogue necessary to develop real solutions.

The purpose of this article is to describe how identity fraud is growing as a result of illegal immigration and how identity fraud victims are affected by illegal immigration.
**The Identity Fraud Victim**

Among all the other individuals who are affected by the illegal immigration dilemma – the undocumented worker, the legal immigrant, U.S. citizens, people in law enforcement, etc. –, the identity fraud victim may seem like an unusual and an irrelevant choice to write about. But the truth is, it is the identity fraud victim in this country whom society has unsympathetically sold out and the federal government has indifferently forsaken in the name of economic prosperity. Here is why:

When an undocumented worker applies for a job, he must include with the application some form of identification, otherwise there is likely no chance that a reputable company will hire him. An individual in this country illegally, therefore, must attain some form of forged identification to find employment, and that is usually done by stealing another person’s identification. Hence, the term undocumented in this instance may be considered a misnomer, because the immigrant does come to the job site with some form of documentation; it just isn’t his own documentation. It is someone else’s information, most likely a Social Security number, which he is using illegally and (obviously) without the consent or knowledge of the true owner.

According to Richard G. Hamp, Assistant Attorney General of Utah with the Financial Crimes Prosecution Unit, obtaining a fraudulent Social Security number and identity card is incredibly simple for the immigrant. Hamp said that on the street, $20.00 will easily buy someone a fraudulent Social Security card and number. Or, if one is willing, Hamp continued, he can buy a “package deal” for $60.00 to $80.00. The package deal includes a counterfeit Social Security card and number, and a resident alien (green card) identification card with photo identification. By acquiring both of these forged documents, the illegal immigrant is then able to show a potential employer the two forms of identification necessary for I-9 purposes (Hamp, personal communication, 2007).

It is at this point where the identity fraud victim ultimately becomes the casualty at the expense of other people’s gains. This is because after the illegal immigrant has acquired the fraudulent documents, he is able to find employment; when the employer receives the forged documents from the immigrant, they are capable of filling the job that the employers have desperate to fill; and when the employer’s organization has produced the good or service by employing the immigrant, the consumer can purchase and enjoy the product or service. But, the individual who initially had his or her identity stolen by the illegal worker to start this cycle in the first place, ends up in an incredibly unfortunate situation.

**The Destructive Effects of Identity Fraud**

The destructive results of having one’s identity stolen are fairly well known: Identity fraud severely damages a person’s credit, which can hinder his ability to obtain loans, mortgages and - in some drastic cases - employment. Moreover, the whole ordeal of having one’s identity stolen is extremely time consuming: Mr. Hamp estimated that it takes approximately 600 hours of arduous work to clear up one’s credit following an identity theft. In recent months, however, Hamp indicated that there are some enormously disturbing new consequences of identity fraud that are occurring in addition to these already injurious effects with startling frequency (Hamp, personal communication, 2007).

The first disconcerting issue that is arising due to identity fraud is occurring in hospitals from illegal individuals using forged social security numbers to receive medical treatment. This is a problem Hamp (2007) referred to as “cross-pollinization,” because it results in the intermixing of the medical histories of the illegal and true identities. Hamp maintained that a circumstance such as this could potentially be dangerous if one of the individuals was a diabetic and the other was not, or if one had type A blood and the other type B, for example. “Though hospitals generally have safeguards in place to prevent the effects of cross-pollinization,” Hamp continued, “human error is always a possibility.” This was recently demonstrated in an event at a hospital where a Utah woman was charged for the delivery of a baby she never had; the infant was actually birthed by another woman who received the hospital services using fraudulent Social Security information.

The second issue that has problematically developed involves law enforcement. Mr. Hamp (2007) indicated that in the last year in Salt Lake City there have been 400 warrants out for the wrong person. Most of them, said Hamp, are the result of traffic arrests or citations in which an illegal immigrant disclosed the fraudulent documentation of someone else. The implications of these developments are, as stated by Hamp, that an identity thief can now, “hurt your earnings history, your health, or could get you arrested.”

**Growth of Identity Fraud**

In addition to these alarming new developments, is the distressing fact of how frequently identity frauds of this nature are occurring. In 2000, Hamp (2007) estimated that there were approximately 132,000 Social Security numbers compromised in Utah, 90% of which he affirmed were due to illegal immigrants using them to attain employment. He also stated that according to his research alongside the Utah Department of Workforce Services (DWS), in 2005 among children ages twelve and under, there were 3,554 Social Security and DWS numbers compromised, the majority of which he again chalked up to their illegal use by immigrants. Consequently, not only is this problem getting worse, it is hurting the most innocent among us, American children.

Who is to blame for such a horrendous situation? Some point the blame at employers for hiring the illegal immigrant; others hold the illegal immigrant responsible. We believe that the fault of this catastrophic condition falls upon the federal government for tacitly allowing this state of affairs to persist until it reached its current breaking point: the point at which we now find ourselves. Our nation has reached a spot where it is no longer acceptable to deprive employers of legal work-
BORDER SECURITY VS. FOOD SUPPLY SECURITY?

There is, however, another emerging and serious illegal immigration-related national security threat in addition to the border issue that could be solved if the federal government would simply act on it by repairing our nation’s broken immigration laws. It is a situation that is putting America in a tremendously vulnerable position, yet it is rarely discussed. This growing threat is that of our country’s food security, a quandary that according to those in the agriculture business is more ominous and more hazardous than most in our country would guess.

The problem boils down to this: the agriculture sector in our country is more dependent on migrant and seasonal labor than all the other sectors in the U.S. economy. As written in a Utah Farm Bureau Study from February 2006 the, “U.S. agriculture’s demand for labor has stabilized at around three million workers. About two million of those workers are drawn from farm and ranch family members while another one million are hired laborers” (Utah Farm Bureau, 2006). Despite the obvious implications described in this study, the federal government has not enacted laws consistent with this need for immigrant labor; instead it has forced employers in agribusiness, as it has with employers in other segments of the economy, to rely on an immigration system that functions contrarily to employers needs and which ultimately and implicitly relies on illegal immigration. This reliance on an obsolete and irrelevant immigration system has led the U.S. Department of Labor to concede that as much as one-half of our country’s farm and ranch family’s hired labor are not authorized to work in the U.S. (www.usapple.org).

Why the dilemma described above becomes a problem of national security is this: The universal concern cited in interviews performed by the authors of this article with Utah’s agriculture business leaders, and in public announcements made by agri-businesses themselves such as U.S. Apple and the Utah Farm Bureau, is that if the current immigration status quo does not change then American producers will lose competitiveness against other nations’ producers. The dire consequence of an inability of American producers to compete with foreign producers is that American grocers will solely stock foreign produce. When American grocers’ stock solely foreign produce, then American consumers are forced to solely buy foreign produce, ultimately leaving Americans in the detrimental scenario of relying on foreign producers to supply our produce needs.

To put the situation in the sentiments of Robert McMullin of McMullin Orchards in Payson, Utah, “If we want food, then we [the agribusiness employers] need an agriculture program in our nation’s immigration policy. If we don’t get the workers we need at the time we need them, then there will be no food. Therefore, we need access to a labor supply; either that or we start importing our food” (McMullin, personal communication, 2007).

The problems with relying on foreign-grown produce are three-fold. First, as maintained by the Utah Farm Bureau, it would result in “billions of dollars currently kept in the United States being sent overseas” (Utah Farm Bureau, 2006); Second, other countries do not always produce food at the same level of health and safety standards as we do in the United States; And finally, relying on foreign producers to produce food for Americans puts the country in a very precarious situation. Utah Farm Bureau Chief Executive Officer and Secretary-Treasurer, Randy Parker argued, “An oil embargo brought our country to its knees. What other commodity is a step ahead of that? Food.” It is simply an unwise policy for America to rely on other countries for her produce needs, and yet, with no significant changes to the immigration debacle in sight, that is exactly the direction that this country is headed. Shockingly, Parker confirmed that for the last few years, America has imported more food than it exported for the first time in our recent history. It is for these reasons that Leland Hogan, President of the Utah Farm Bureau Federation affirmed, “This should be considered more than an agriculture problem, it is a matter of U.S. security” (Utah Farm Bureau, 2006).

What is occurring to cause American producers to lose competitiveness and, in consequence, cause a national security threat to our food supply? It is our nation’s immigration structure. For a very long time, many U.S. farmers and ranchers relied on immigrant labor to do their seasonal and temporary work without complaint from the federal government. It was just the way things were done. Now, with the illegal immigration issue a far more salient issue to Americans since...
9/11, the federal government has repeatedly promised, but failed to produce, immigration reform. This inaction on the part of the government is beginning to severely hurt our nation’s producers as they desperately need legal workers to perform seasonal labor, but are not able to find them. For instance, one agri-business owner in Utah candidly explained that prior to last year’s crop, his company put out several help wanted ads in local papers and schools that announced temporary job openings for the upcoming harvest. To his dismay, only three members of the local community applied for jobs with his company, dismally short of the multiple dozens of workers he needed for the harvest. Unfortunately, this specific man was not alone in his extreme shortage of willing American workers. Many employers in Utah and throughout America in the agriculture business reported very similar, very distressing circumstances of an inadequate amount of a local workforce.

A SUFFICIENT SUPPLY OF LEGAL GUEST WORKERS IS ESSENTIAL
If there is not enough of a local workforce to labor in America’s fields, and if the federal government does not provide a way for a sufficient number of legal immigrants to come as guest workers to work on our farms and ranches, then America’s agriculture business owners have two options: They can either hire on individuals in this country illegally, or let the work go undone. Both options have been used by American agri-business employers; neither option is a good option for our country.

The employers who hire on immigrants in this country illegally instigate, perhaps unknowingly, other problems such as the massive identity theft crisis explained in last week’s immigration article. But, because these employers have a workforce, albeit an illegal workforce, the necessary labor gets done to provide American consumers their food. This is more than can be said about employers who are forced to leave crops rotting in the field because they couldn’t find enough people to legally work for them, as was the case two years ago with some of Utah’s apple and cherry growers.

It isn’t just the growers who are struggling with this disturbing issue either. Mr. Parker related that many of Utah’s dairy farmers are experiencing similar difficulties in hiring enough legal workers as well. He stated that some dairy farmers are currently reducing the number of cows they own to meet their low employee numbers, rather than increasing cow numbers based on demand for milk. There is absolutely no excuse for the federal government to be the cause of America’s needlessly reducing their production output due to a lack of labor as is the case with these dairy farmers and growers (Parker, personal communication, 2007).

CONGRESS SHOULD ACT NOW
It is time that the federal government repaired our nation’s broken immigration system. There is no reason for American producers to lose competitiveness with producers abroad thereby diminishing our nation’s food security, merely because the federal government refuses to act on this issue. In Randy Parker’s words, “This represents a failure on behalf of the federal government to live up to their responsibility. We have a system that is broken, yet they won’t deal with it. The government has a responsibility to both protect us and meet our labor needs, but they are doing neither” (Parker, personal communication, 2007). It is time that we all demand better from our federal government. It is time that they lived up to their responsibility on the immigration issue.

IMMIGRATION V: INDUSTRY LABOR NEEDS PERSIST WHILE CONGRESS REFUSES TO FULFILL ITS CONSTITUTIONAL MANDATE REGARDING IMMIGRATION
On July 26, 2007, U.S. District Judge James M. Munley struck down a Hazleton, Pennsylvania city ordinance that sought to penalize landlords who rent to, and employers who hire illegal immigrants. The controversial ruling sent shockwaves through the immigration debate because by killing the ordinance, Judge Munley re-asserted the federal government’s primacy over state and local governments in affairs relating to immigration. As reported in the L.A. Times on July 27, Judge Munley stated, “Allowing states or local governments to legislate with regard to the employment of unauthorized aliens would interfere with congressional objectives to control immigration policy” (Savage, 2007).

The question that arises from Judge Munley’s reaffirmation of the supremacy of the federal government over the state and local governments in matters of immigration is this: What happens when the federal government incessantly neglects its responsibility in this area? That is, after all, why this case even exists! It is simply because Congress will not ante up on matters of immigration that state and local officials are left in the uneasy (and perhaps unconstitutional, depending on what steps they take) position of determining immigration policies for their state or locality.

STATES & LOCALS SEEK TO MAKE UP FOR CONGRESS’ FAILURE TO ACT
If the federal government would act to make a sensible, responsible, humane, need-filling immigration policy – which the United States is obviously urgently in need of – there would be no reason for litigation of this kind to enter our federal courts. Furthermore, it would slow the growing trend of state legislators taking up immigration issues on their own. According to the National Conference of State Legislators, “As of April 13, 2007, state legislators in all 50 states had introduced at least 1,169 bills and resolutions related to immigrants or immigrants and refugees. This is more than twice the total number of bills (570) in 2006” (http://www.ncsl.org, 2007).

It appears from our federal government’s inaction however, that our U.S. senators and representatives are content to
allow the negative by-products of the current immigration system such as the superfluous court cases, the increasing number of identity thefts described in previous sections, and the unjust cost shifting associated with illegal immigration to continue, rather than fix a dreadfully broken immigration system. It is a solemn travesty to watch one branch of the federal government declare the immigration issue a federal responsibility, and then observe the legislative branch explicitly responsible for immigration abandoning its delegated duty.

It should not be surprising that this power struggle between the negligent federal government and the states, such as Utah, that want to do something about the immigration dilemma has pushed American employers into a very insecure and uncertain position. This is especially true of our Utah employers. As noted several times throughout this series of articles, Utah’s consistently growing economy requires a huge influx of individuals from outside of our state to come and work here due to the substantial disparity between Utah’s elevated job growth rate and our state’s miniscule unemployment rate. Many of the individuals in our state filling the open jobs are immigrants. However, as has been enumerated before, with the derelict immigration system the federal government has allowed to persist, it is extremely difficult for employers to know whether the immigrant they are hiring is truly legally authorized to work in this country or not.

**Immigration and Utah’s Construction Industry**

This need for an immigrant workforce is particularly evident in Utah’s construction industry. The job growth rate in the Utah construction industry from May 2006 to May 2007 was a monstrous 15.3% as indicated from numbers released by the Utah Department of Workforce Services in June 2007. That humongous percentage increase is second only to the job growth rate in the natural resources industry that experienced a 15.7% increase. To give an even greater perspective, the industry with the third highest percentage growth rate was the professional and business sector with 6%. Following that was the construction industry with the third highest percentage growth rate. Utah’s construction industry, therefore, is flourishing.

The construction industry’s huge job growth rate solicits two other critical points: First, as stated by the Salt Lake Chamber of Commerce General Counsel, Robin Riggs, the need for workers in the construction industry in Utah is not likely to slow down at all. He pointed to the enormous renovations in Salt Lake’s downtown and the legislature’s billion dollar road bond as evidence of that. Second, immigrants make up a colossal amount of the workforce in the construction industry. Clark Ivory, the Chief Executive Officer of one of Utah’s largest home builders, Ivory Homes, confirmed that approximately 2/3 of all construction workers on a site are Hispanic (Ivory, personal communication, 2007). Moreover, at the United Way’s recent Synergy Summit, representatives from both Ivory Homes and Granite Construction stressed the need they have for bilingual, Spanish and English speakers at their construction locations. Consequently, any steps taken by the local, state or federal governments regarding the availability of immigrant workers will have gigantic ramifications on the construction industry (Summit, personal communication, 2007).

**Utah’s Capitol Renovation Employs a Majority of Immigrant Workers**

To experience the impact Hispanic immigrants have on our state’s construction industry, all one needs to do is visit our own Utah State Capitol Building. In a situation that borders ironic, right now the Capitol building is undergoing a major renovation. Despite the dust and the noise from the work that accompanies the overhaul, Utah law-makers and officials still occasionally visit their offices on the Capitol Building complex to perform their legislative duties, of which, most certainly, immigration research is (or should be) a part. Thus, if one were to visit the Capitol Building one could potentially see our elected officials and staff hard at work thrashing out America’s immigration dilemma. But before you leave the Capitol and our elected officials, make sure that you check out the cafeteria at lunch time. While there, count the number of tables that are filled with construction workers speaking a language other than English; you will most likely find, if your experience is at all similar to ours, that the majority of the lunchroom is filled by construction workers wearing hard hats, orange construction vests, and steel-toed boots, and that most of these individuals are speaking Spanish with each other. Ultimately what you will find in this paradoxical situation is that while Americans generally make up the people doing the state’s business at the State Capitol complex, immigrants are the large majority reconstructing the Capitol building.

Thus, in this sardonic circumstance, even the most aloof of our state legislators on the immigration issue are personally affected by the immigration dilemma since immigrants are the people performing a large majority of the reconstruction work on the building that they will soon labor in when the Legislature reconvenes next year. More importantly, this situation illustrates how crucial an immigrant workforce has become to our Utah construction businesses. Therefore, Utahns – including our elected officials – need immigration reform. If immigrants are going to be such a large proportion of our fast growing construction industry, there must be a way
made for them to come here humanely, legally, and in a manner that ceases the negative side-effects of the current inoperative immigration system. Thus, all we ask is for the federal government to perform the responsibility that one of its branches has already declared to be its responsibility!

America needs comprehensive immigration reform, and we need it now.

**Immigration VI: Immigrant Workers and the Hospitality Industry**

During a recent luncheon, two Utah legislators and an intern sat comfortably eating sandwiches and soup at a Draper restaurant. The reason for the meeting was to discuss the numerous problems stemming from our nation’s broken immigration system; a topic of significance to all three individuals at the table. The conversation persisted for over an hour as each person passionately described his views about what must occur in order for the United States to produce a fair, humane, and an appropriate immigration and guest worker policy. About three quarters of the way through the exchange an employee of the restaurant politely interrupted the discussion and asked in broken English if he could clear the table of their finished plates. The unexceptional incident could have easily been overlooked, but it wasn’t. This is because when the worker, who clearly was not from the United States, asked to clear the table, it revealed that the state legislators and the intern were not just unaffected bystanders discussing the immigration policy purely in theory; no, their ironic experience of being served by an immigrant while debating the immigration dilemma in our country demonstrated how all-encompassing America’s immigration and guest worker situation had become.

If it is not already obvious, two of the three people in the experience recounted above were the authors of this article. Though our experience may have been paradoxical, it is hardly unique. This is because the restaurant industry in Utah epitomizes the extent to which our nation and our state have become reliant on an immigrant workforce. Moreover, the Utah restaurant industry typifies the concern we have alluded to throughout this series of articles regarding Utah’s need of legal immigrant laborers due to our state’s low unemployment numbers and our high job growth rate.

**Guest Workers are Critical to Utah’s Hospitality Industry**

The statistics relating to the growth in both the United States’ and Utah’s restaurant industries are phenomenal. For instance, according to the National Restaurant Association (NRA), the restaurant industry has grown from an industry producing $42.8 billion dollars a year nationwide in 1970, to one that boasts a projected $336.9 billion in sales in 2007 (Sine, 2007). That amount represents more than $1.5 billion in sales a day! Remarkably, the NRA reported that, “Including the impact restaurants have on sales in related industries, the industry’s overall impact on the U.S. economy is $1.3 trillion a year” (Sine, 2007). Moreover, according to Melva Sine, President of the Utah Restaurant Association, Americans now spend approximately 52% of their household food budget eating out. That number has doubled since ten years ago when the figure was between 24% and 26%. Obviously, Americans enjoy dining out (Sine, 2007).

Utah’s restaurant industry numbers are also fascinating, because according to Mrs. Sine, while the average American eats out seven times a week, Utahns dine out only four times a week. Nonetheless, the Utah restaurant industry job growth rate, consistent with the rest of the state’s job growth rate, outpaces the restaurant industry’s rate nationwide: the growth rate is 1.9% in the U.S. versus 2.8% here in Utah. Thus, while we in Utah on average do not go out to eat as often as the rest of America, we dine out often enough to keep the restaurant industry growing quickly in our state (Sine, 2007).

The increasing growth has a huge impact on restaurant employers. The U.S. restaurant industry currently employs over 12 million people nationwide, a number that is expected to increase to 14.8 million in ten years. Currently in Utah there is an estimated 98,000 restaurant and food service employees working in any of the over 4,000 eating and drinking establishments in our state (Sine, 2007). Based on research from the NRA, the people employed in the restaurant and foodservice industry make up 8% of the total employment in Utah. Significantly, the 98,000 figure is estimated to increase an enormous 23.1% by 2017, when an estimated 121,600 people are predicted to work in the industry.

It is apparent from all of these figures that numerous employees are needed, and will continue to be needed, by restaurant employers to keep food production and supply on par with the high demand. Notably, the restaurant industry is extremely labor intensive with about 40% of the work labeled unskilled labor. Furthermore, there is roughly a 70% turnover in the industry, so restaurants are frequently seeking new employees (Sine, 2007).

As a result of the huge demand for employees, the high turnover rate and the unskilled nature of some of the work, the restaurant industry has become a well-suited trade for many immigrant guest workers to find employment. For example, Mrs. Sine stated that the percentage of Hispanic workers in the restaurant industry has grown from 11% or 12% three of four years ago to 23% today. However, as is the case with agri-business, the construction industry and the various other sectors in the economy that we have described in this series, literally countless numbers of the immigrants currently employed in the restaurant industry are not legally authorized to work in the United States. And while much of the condemnation for the restaurant industry’s reliance on illegal immigrants is aimed at the restaurant industry itself, much of the evidence shows that the true blame for this dilemma lies with the federal government because of their continued failure to fix our nation’s broken guest worker policy.
**Restaurants cannot verify legal status of workers without federal cooperation**

For instance, in a stunning observation, Mrs. Sine noted that the fraudulent documents brought in by “undocumented workers” are so well forged that it is terribly difficult to decipher what is real and what is not. Furthermore, illegal immigrants employed in the restaurant industry are fully aware that they have between six and nine months to work at a particular restaurant before officials report back to the restaurant employer about their false documentation. Thus, by the time the federal bureaucrats with the Social Security Administration inform a certain restaurant that they must release an employee because their documentation failed, that unauthorized employee had already left that establishment months ago and is most likely working elsewhere. Mrs. Sine persisted in her critique of the current immigration system by asking “that Social Security Number [the stolen number that the administration took over six months to report] is bound to pop up somewhere else again soon, why not follow up right then? Why is it our fault that the government takes so long to let us [the restaurant employers] know that our employee’s documentation is fraudulent” (Sine, 2007)?

A second place that the federal government has failed is by forcing restaurant employees in to a no-win situation when it comes to hiring practices. Restaurant employers want to follow the law in their hiring practices for one major reason: most eating establishments do not have the money to pay the fines that accompany knowingly hiring unauthorized workers to work in this country. The dilemma that arises, however, is that no restaurant employers have the time or the right to test every questionable applicant that submits an application. As explained several times in this series, the threat of discrimination charges are a very real concern for Utah employers, including those in the restaurant industry. Moreover, restaurant owners just do not have the time—among their various other responsibilities—to wait weeks for a confirmation of an applicant’s documentation when there is a need for that employee at that very moment. As avowed by Mrs. Sine, “We hang up the ‘now hiring signs’ and hire the individual willing to take the job. That is our responsibility. But it is the federal government’s responsibility to enable us to verify a person’s legal status. We cannot accomplish this alone. We are not miracle workers” (Sine, 2007).

The American restaurant industry has become a critical part of our nation’s economy due to its sheer size and the large numbers of people in employes. As such, the industry needs legal immigrant employees, and yet, as has repeatedly been the case with other industries, the federal government balks at its responsibility to equip this important industry with an acceptable guest worker policy that is so desperately essential. We again call for support in demanding that the federal government fulfill its responsibility in repairing the current guest worker program so that American employers – such as those in the restaurant industry – can find the workers they need in sufficient numbers, and in a way that is humane and legal.

**Imigration VII: President vs. Congress – an employment train wreck**

In the past six columns we have reported the frustration we and many others in Utah deeply feel about the United States Government’s deplorable inaction and repulsive lack of responsibility on the issue of illegal immigration. We have demonstrated that due to Utah’s high job growth rate, our low unemployment rate and a myriad of other factors, our state economy of necessity requires an immigration policy that allows for a sufficient number of legal temporary guest workers to fill essential jobs. We have also pleaded that Congress promptly provide a policy that enables these needed immigrants to come to our state in a manner that is humane, legal, which includes enforceable guidelines, and which eliminates the current unjust cost shifting to taxpayers; aspects that are all pervasively problematic with the current immigration system. Yet, despite this blatant need for an overhaul of the immigration structure, the U.S. Congress continues to refuse to take any action on this disconcerting issue.

Apparently acting out of the same frustration that we experience over Congress’ failure to take steps to improve immigration policies, President George W. Bush and his administration announced new plans last week to crack down on illegal immigration. The new reforms, according to the White House, “represent steps the Administration can take within the boundaries of existing law to secure our borders more effectively, improve interior and worksite enforcement, streamline existing guest worker programs, improve the current immigration system, and help new immigrants assimilate into American culture” (The White House, 2007). U.S. Commerce Secretary Carlos Gutierrez even stated almost verbatim what we have been arguing for weeks during the press conference in which the new initiatives were announced. He affirmed, “We do not have the workers our economy needs to keep growing each year. The demographics simply are not on our side. Ultimately, Congress will have to pass comprehensive immigration reform” (United States Department of Commerce, 2007).

**Congress and the President need marriage counseling**

Despite this admission from the Bush Administration about America’s demographics, the initiatives that the Administration introduced disappointingly do not align with what our country truly needs in immigration reform. In what could prove to be disastrous for the U.S. economy, the Administration shied away from instituting policies that permit employers a legal means of obtaining guest workers, and instead initiated guidelines that are so focused on enforcement that even members of the Administration were forced to admit that the new actions will more than likely hurt our nation’s economy. For instance, as reported by The Los Angeles Times, Homeland Security Secretary Michael Chertoff predicted, “There will be some unhappy consequences for the economy out of doing this” (Gaouette, 2007).
He also conceded in other reports that, “There’s going to be an economic consequence to tough law enforcement” (United States Department of Commerce, 2007).

Since the announcement of the new policies, Secretary Chertoff and his department have shown that they are not apologetic about the severe steps they are about to take. Mr. Chertoff has gone so far as to assert that (somewhere, we suppose through clairvoyance) businesses should have seen the steps the Administration is taking coming (Gaouette, 2007)! Moreover, Homeland Security Department Spokesman Russ Knocke was quoted in Business Weekly as sanctimoniously declaring, “Now there is an opportunity to do the right thing or the wrong thing. And if employers do the wrong thing, they’re really going to regret it” (Knocke, 2007).

What rogue employers could regret if they fail to comply with the new policies outlined by the Bush Administration are penalties which include fines up to $11,000 per unauthorized worker and up to six months of jail time. Unfortunately, as demonstrated in our previous columns, Congress and the Bush Administration have refused to provide a way for employers to “do the right thing.”

**PUNISHING CHILDREN FOR THEIR PARENTS’ BAD MARRIAGE**

Sadly, in a distressing catch-22 circumstance, employers in many U.S. industries will not only regret not conforming to the new rules, they will also likely regret adhering to the new restrictions as well. This is because, effective immediately, the Administrations’ new policies include mandating employers to release employees whose names are inconsistent with their given Social Security Number within 90 days of receiving a “no-match” letter from the Social Security Administration. This would be workable for the American economy except that the Administration has not included in their policies a way for employers to replenish the laborers they are required to let go with legal workers. These new restrictions are meant to, in the words of Mr. Chertoff, “choke off the jobs ‘magnet’ that draws illegal immigrants” (Gaouette, 2007).

Why would the Executive Branch of our Federal Government knowingly take such drastic steps when they recognize that such actions will severely hurt the U.S. economy? One speculation is that the Administration is trying to create a national environment that will become so uncomfortable for U.S. employers that the U.S. Congress will be forced to take action in the immigration arena. But, one must ask, is this really the manner in which we want our Federal Government to operate? Do we really want the executive branch to force the legislative branch into action by imposing regulations so harsh on American industries that the economy is imperiled? Is that really how government is supposed to function? Is there no way in our American system to come to a reasonable compromise whereby employers are provided the legal guest workers they need while at the same time enforcing realistic immigration laws? It is a sad state of affairs for Americans if such is not the case.

**THE POT CALLS THE KETTLE BLACK**

On a side note, it will be interesting to see if the federal government holds itself to the regulations it is imposing on others. The authors of this article have found out through our research that in at least one of the federal buildings here in Salt Lake City, the janitorial staff is subcontracted to an independent janitorial provider whose staff, according to an employee of the janitorial service, is made up 100% of immigrants, 99% of whom are Hispanic. Consequently, in another immigration irony, federal workers have their buildings cleaned and maintained by an immigrant workforce, many of whom could be the very people the Bush administration is trying to deport. In their crackdown, we wonder if they will start first with federal building janitorial service providers. Incidentally, we’ve also learned that the state capitol complex janitorial services are also provided by immigrants.

**CONSEQUENCES OF CRACKDOWNS WHEN COMPLIANCE IS NOT ALLOWED**

A far more significant point than whether the Federal government will be hypocritical about its immigration policies is this: While the Bush Administration couches who the new regulations will harm with vast and impersonal terms such as “the economy,” it should be noted that these new policies will undoubtedly hurt individual American citizens and the businesses they operate. What will happen, for instance, to the Utah farmer who already worries, frets and considers giving up his livelihood due to his struggles to find sufficient laborers come harvest time, when he cannot employ anyone to gather his crops because his source of labor has been completely “choked off” by the new regulations? How will the independent Utah restaurant owner keep her restaurant operating when – due to extremely low unemployment rates – she cannot find enough willing workers to staff her restaurant? Or, how will Utah’s general contractors and employers in Utah’s burgeoning construction industry produce the buildings demanded of them without a substantial percentage of their builders and laborers who have been lost due to the new restrictions?

The sad, short answer to all of these questions is that none of these employers will be able to continue their operations without a labor force that is legally restocked once their original workers are gone! According to the demographics, just as the Administration pointed out, we simply need substantial immigrant labor in our country! Consequently, if our immigrant laborers are taken away, it will not just hurt “the economy” as the Administration would have Americans believe; no, on a far more personal level, it will devastate American employers in our critical U.S. industries. It is for these reasons that we plead with our federal government to find a way to legally replenish our critical immigrant workforce as they crack down on illegal immigration so that our American employers can continue in their valuable professions.

Can the federal government manage millions of legal guest workers? Unfortunately, even if Congress were to pro-
vide for ten million or more legal guest worker visas, it is painfully obvious that the federal government is incapable of managing that magnitude of visitors without a new, cumbersome, expensive bureaucracy.

**Immigration Reform VIII - Restoring Rule of Law & Adopting Private Sector Solutions**

Throughout this series we have described the utter failure of the federal government to provide a means for American employers to have sufficient numbers of legal guest workers to sustain the U.S. economy. We demonstrated that currently, this supply of workers is being provided through network of illegal immigration which has had the tacit support of Congress and the White House.

In this week’s column we will outline a proposal for ending illegal immigration by utilizing the free enterprise system in the enforcement of more than 10 million new legal guest worker visas.

**Illegal Immigration: Why They’re Leaving Home**

The primary reasons we have more than 11 million illegal immigrants in this country are twofold: First, Latin American economies don’t provide the kind of pay workers can get for even entry-level jobs in the United States primarily because of their countries’ failures to enforce rule of law. Capital – which would increase pay and productivity of workers – does not flow to these countries because there are countries in the world in which capital is safer. Corruption among regulators, law enforcement and the judiciary is rampant and represents an unwritten set of rules which supersede formal law.

Second, and most important, the United States government has conflicting immigration laws and economic policies. Congress and the Executive Branch have put the economic policies calling for cheap immigrant labor ahead of the enforcement of immigration laws. They have ensured that the Immigration and Customs Enforcement (ICE) look the other way while our porous borders allow the virtual free flow of illegals into the United States.

The presence of 11 million illegal immigrants is not by accident. They have not forced themselves upon our country without our permission. The United States government has allowed and in some ways encouraged their entry into our country:

Window dressing border patrol efforts

A nation which cannot control its borders cannot prevent terrorism

While the U.S. economy receives the benefits of cheap labor through lower agricultural and construction prices and less expensive restaurant meals and hotel stays, the trafficking of illegal workers poses serious threats to national security. If we cannot control workers crossing the border, how can we ensure that some who cross the border are not terrorists?

Congress simply must enforce worker visa requirements to ensure that any immigrant workers who are in this country are here legally. To do anything less is to violate our own rule of law standards and place our national security at risk.

**Congress Should Use the Free Market to Enforce Worker Visas**

It is unreasonable to expect the ICE to monitor and control 11 million legal migrant workers and ensure they are complying with the terms of their visas without the assistance of the free enterprise system. The ICE budget simply could not be large enough to do the job without an undue burden on the U.S. Taxpayer. The costs of this monitoring and enforcement should be borne by the immigrant workers and their employers rather than being shifted to the American taxpayer.

This monitoring can be accomplished by requiring each worker to post a bond prior to receiving a visa. The bond would require a cash deposit. Instead of the current practice of paying $3,000 in cash to a “coyote” who assists workers in getting across the border illegally, this money would be used as a down payment on the bond which would also require withholding a percentage of wages in a trust account held by a third party trust. This trust account would belong to the worker if he complied with the terms of his visa and would be given to him when he returned to his country and presented himself to the American Consulate. It would effectively become a “golden handcuff” which would be a tremendous incentive for good behavior and compliance with U.S. laws. However, if he violated the terms of his visa or engaged in criminal activity while in the United States, his trust account would be forfeited and if it was not sufficient to pay the total face value of the bond, the remainder would be taken from the pooled trust of other workers, ensuring that all visa holders are interested in their co-workers compliance with the law and the terms of their visas.

By employing U.S. bonding companies, there would also be private sector bounty hunters to monitor the workers, look out for their interests, and when violations of the visas occur, hunt them down. ICE employees have no real economic interest in finding illegals. Bonding companies and their bounty hunters are directly affected in their own pocketbooks when they fail to supervise and monitor those workers for whom they have issued bonds.

**Congress Should Set a Date Certain When Employers Will Be Prosecuted for Hiring Illegal Workers**

Sufficient time should be allowed for employers to ensure that their workers have bonded visas with a time certain set – say, July 1, 2007 – after which employers will be prosecuted for hiring illegal workers. This enforcement with employers will help to dry up the incentive for illegal entry into this country. Instead of illegal workers coming across the border in the dark of night, legal workers would come across the border on buses.
with worker visas in their hands for jobs already determined.

Strict enforcement requires that employers have birth certificate and social security authentication available to ensure that foreign workers are not producing false documents.

This solution engages the natural incentive of a cash award (an employee receiving the money in his trust account) when the worker complies with the terms of the visa.

**IT'S TIME CONGRESS BEGINS ENFORCING THE LAWS OF OUR COUNTRY INSTEAD OF LOOKING THE OTHER WAY**

We don't pretend to assume these ideas are an easy sell: The guest workers and their employers will no longer be able to cost-shift many of their expenses to the general public and the relative difference between the cost of a citizen worker and a guest worker will be narrowed. But free market solutions for handling legal guest workers are the only ones that will work on a sustained basis without massive increases in government expenses and employees.

It should also be noted that timing is of the essence for employers on this issue. The White House, alongside the Department of Homeland Security and the Social Security Administration, will begin its crackdown on illegal immigration beginning Tuesday, September 4th by writing to an estimated 140,000 U.S. employers regarding the unauthorized use of Social Security Numbers by illegal immigrants. These letters, which are written with the intent of coercing employers to release any illegal immigrants that they may employ, are the first steps the Bush Administration has promised to take in an attempt to quash the U.S. reliance on illegal labor. Employers in numerous industries throughout the U.S. have condemned the steps however, for fear of the disastrous effect it could have on the economy. Consequently, employers—and the consumers who buy their products—have a vested interest in ensuring that provisions such as those outlined above are made available to guarantee an accessible legal immigrant workforce when one is needed by U.S. employers.

We repeat our call for an Immigration Summit to include top state officials, legislators, and Utah's entire congressional delegation. Only when we get all of the players around the same table hearing the same set of facts can we expect any movement in Congress.

Utah's congressional delegation can and should be leaders in Washington on this issue. Let's all invite them to step up.

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