The Impact of Increasingly Restrictionist Immigration Policies on the Hospitality/Retail Sector
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This article will explore the impact of the Trump Administration’s anti-immigrant fervor on the retail/hospitality sector, which has often relied heavily on an immigrant workforce to fill lower skilled and unskilled positions. One year into the administration, we will look at whether employers have seen an impact — positive or negative — in terms of availability of a qualified labor pool and the ability to adequately staff those positions.

A. INTRODUCTION

11 million people in the United States are “undocumented” -- living here without a legal status. Many millions more are living here with a legal status, but one in which this Administration has said it will be terminating soon. That includes DACA and Temporary Protected Status (TPS) and many others. Most of these people are working in lower skilled or unskilled positions. This panel intends to explore the real world impact on the retail/hospitality industry from this strategy.

B. Trump Administration Policies that Impact Hospitality/Retail Sector

- Who are the Immigrant Workers in Hospitality/Retail Sector?
  - The hospitality industry relies on agriculture for food which most statistics show is more than 25% staffed by undocumented workers. The retail industry relies on cheap overseas labor in the garment industry. Studies show it would take 40% price increase on products sold in the US to rely on US workers paid US minimum wage. Both industries rely on immigrant workers for other unskilled jobs in the US.

- “Heavy Focus on Removal and Enforcement"
The Obama Administration very heavy focus on enforcement (many factors higher than President George W. Bush’s administration), but it was on removal of those who had criminal records and were a danger to society – NOT on people brought here as children or parents with no criminal record.

This administration has had a 43% increase in removal over the already high levels occurring during the Obama administration. Focus has gone well beyond just those with criminal records.

Making arrests at churches, schools and courthouses creates high hysteria in those communities. Fear drives these workers further “underground”.

### Elimination of Previously Work Authorized Categories

The Administration has eliminated many different categories that allowed individuals to obtain work authorization for any job, including those in the hospitality and retail sector.

- **Dreamers/DACA**

- **Temporary Protected Status for:**
  - Haiti – terminating effective July 22, 2019
  - Nicaragua – terminating effective January 5, 2019
  - Honduras – extended through July 5, 2018 (with no decision yet on extensions after that)
  - El Salvador – currently set to expire 3/9/18
  - Syria – set to expire 3/31/18
  - Nepal – set to expire 6/24/18
  - Yemen – set to expire 9/3/18
  - Somalia – set to expire 9/17/18
• Sudan – set to expire 11/2/18
• South Sudan – set to expire 5/2/19

- He has threatened to terminate several other programs that provided unskilled or lower skilled workers employment opportunities:
  - H-4 EAD
  - NAFTA
  - STEM OPT

C. How has immigration enforcement traditionally impacted the availability of and wages of US workers?

This has often been studied, but usually in the context of how these policies have impacted incoming immigration. For example, has it slowed the flow of people who want to come in to the United States? But also need to look at the impact on jobs and wages when immigrants are expelled.

- **Incoming Immigration:**

  - Mariel Boat Lift (1980): 100,000 Cubans entered the US all at one time.
    - David Card, economist, says that this had absolutely NO impact on the availability of jobs and the wage levels for skilled and unskilled US workers.
    - His evidence remains supported, when tested, today.

- **Expulsion of Immigrants already in the US**
Letting existing work authorizations expire:

- During World War II, Mexicans were brought in legally as agricultural workers to replace all of the US workers that were fighting overseas.

- In 1964, in an anti-immigrant backlash similar to what we are seeing today, all of these Mexican workers were expelled with the belief that US workers would just replace the Mexican workers in those jobs at higher wages.

- But instead, what occurred was:
  
  - Agriculture changed to crops that were not as labor intensive; or

  - Farmers took the time to modernize equipment, relying less on Manual Labor.

Using deportation/removal to eliminate foreign workers, making those jobs available to US workers, hopefully at higher wages.

- In 2017, a study was published by researchers from University of California, Davis who looked at states that pursued very heavy enforcement/removal policies (like Sheriff Joe Arpaio in Arizona) compared with states that had lower immigrant populations and did not focus on enforcement (E.g. Delaware) to see if the enforcement provided the desired result.
- Employment opportunities and wages in high enforcement states did not increase any more than they did in states with low enforcement.

- In fact, wages were actually worse in high enforcement states, in part because of the high disruption that enforcement brings to the workplace.

  - The Administration has cited only one economist to support its position that enforcement increases opportunities for US workers and wages. He believes that the low cost of immigrant labor is offset by the cost of government services immigrants used. All other economists believe that the two wash, making the impact close to negligible.

D. WHAT OPTIONS DO RETAIL AND HOSPITALITY EMPLOYERS HAVE TO RESPOND?

  - Collective Bargaining
  - Lobby at the state and federal level.
  - Outsource overseas.
  - Modernize with more reliance on computers than labor pool.
  - Pay higher wages to US workers

E. WHAT WILL PANELISTS PREDICT WILL HAPPEN IN EACH SECTOR?