



America's Labor Shortage: How Low Immigration Levels Accentuated the Problem and How Immigration Can Fix It

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Executive Summary

The United States is facing an acute labor shortage. While the root cause of the problem is multifactorial, America's lowest net international migration (NIM) levels in decades have accelerated the workforce deficit. In turn, inflation has surged, companies report lost opportunities, and supply chains across economic sectors are severely affected. A partial solution to the labor shortage is to increase immigration to the country. America is uniquely positioned to demonstrate, once again, that immigrants are the solution, not the problem. The symbiotic relationship between the U.S. economy and immigrants is now more evident than ever. Therefore, the National Immigration Forum suggests to:

1. Remove all the administrative restrictions and procedural hurdles that have prevented immigrant workers from filling key labor needs.
2. Increase the annual cap of H-2B temporary workers.
3. Expand the H-2A program and reduce its bureaucratic requirements.
4. Recapture unused green cards.
5. Retain and attract STEM immigrant workers.
6. Tackle USCIS' application bottleneck.
7. Ensure Dreamers' continued access to employment authorization by passing a permanent legislative solution for them.

Introduction

The United States currently faces a labor shortage — a persisting imbalance between employers' need for workers and the number of available workers in the U.S. workforce. In the last seven months,¹ job vacancies have consistently surpassed 10 million² while the number of hires averaged only 6.6 million³ and employee turnover averaged 6 million.⁴ These numbers are in

¹ U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Summary, February 1, 2022. Available at <https://www.bls.gov/news.release/jolts.nr0.htm> (Accessed on February 8, 2022)

² FRED Economic Research, Job Openings: Total Nonfarm. Available <https://fred.stlouisfed.org/series/JTSJOL> (Accessed on January 24, 2022)

³ FRED Economic Research, Hires: Total Nonfarm. Available at <https://fred.stlouisfed.org/series/JTSHIL> (Accessed on February 8, 2022)

⁴ FRED Economic Research, Total Separations: Total Nonfarm. Available at <https://fred.stlouisfed.org/series/JTSTSL> (Accessed on February 8, 2022)



part explained by a contraction in the labor force – America has 3 million fewer workers now than in early 2020, a 2% reduction.⁵

According to federal data, as of January 2022, only 62.2% of working-age people were in the U.S. labor force.⁶ While this number has risen from its Covid-19-related nadir in 2020,⁷ employers continue to face difficulty filling positions – both in terms of hiring and retaining talent.⁸ Currently, there are only 60 unemployed workers for every 100 job openings,⁹ indicating the continuing existence of a labor shortage.

Low Immigration Levels Accentuated the Labor Shortage

While the root cause of the labor shortage is multifactorial – the Covid-19 pandemic,¹⁰ America's aging population,¹¹ accelerated retirement rates,¹² demands for better wages and labor conditions,¹³ the absence of childcare options,¹⁴ and more – there is a significant and underdiscussed factor. Amid all of these developments, net international migration (NIM) to the U.S. between 2020 and 2021 added only 247,000 to the nation's population, the lowest level in decades.¹⁵ This is due in part to Covid-19, but is also largely attributable to choices made by policymakers in Washington, D.C., who have opted to reduce immigration levels.¹⁶

⁵ The Economist, Staffing shortages in America are a glimpse into its future, January 22, 2022. Available at <https://www.economist.com/united-states/staffing-shortages-in-america-are-a-glimpse-into-its-future/21807256> (Accessed on January 24, 2022)

⁶ U.S. Bureau of Labor Statistics, Table A-1. Employment status of the civilian population by sex and age. Available at <https://www.bls.gov/news.release/empsit.t01.htm> (Accessed on January 24, 2022).

⁷ FRED Economic Research, Employment status of the civilian population by sex and age. Available at <https://fred.stlouisfed.org/release/tables?rid=50&eid=463&od=1976-12-01> (Accessed on January 24, 2022).

⁸ Daniel Zhao, Glassdoor Economic Research, Workplace Trends for 2022, December 8, 2021. Available at <https://www.glassdoor.com/research/2022-workplace-trends/> (Accessed on January 24, 2022)

⁹ U.S. Bureau of Labor Statistics. Number of unemployed persons per job opening, seasonally adjusted. Available at <https://www.bls.gov/charts/job-openings-and-labor-turnover/unemp-per-job-opening.htm> (Accessed on February 8, 2022)

¹⁰ Centers for Disease Control and Prevention, COVID-19 Mortality Overview. Available at <https://www.cdc.gov/nchs/covid19/mortality-overview.htm> (Accessed on January 24, 2022)

¹¹ Ali Noorani & Danilo Zak, Room to Grow: Setting Immigration Levels in a Changing America, National Immigration Forum, February 2021. Available at <https://immigrationforum.org/wp-content/uploads/2021/02/Room-to-Grow.pdf> (Accessed on January 24, 2022)

¹² Lisa Shalett, Will Missing Workers Start to Weigh on U.S. Stocks?, Morgan Stanley, October 20, 2021. Available at <https://www.morganstanley.com/ideas/labor-shortage-pandemic> (Accessed on January 24, 2022)

¹³ Lisa Shalett, Will Missing Workers Start to Weigh on U.S. Stocks?, Morgan Stanley, October 20, 2021. Available at <https://www.morganstanley.com/ideas/labor-shortage-pandemic> (Accessed on January 24, 2022)

¹⁴ U.S. Chamber of Commerce, COVID-19 Impact on Childcare. Available at <https://www.uschamberfoundation.org/reports/covid-19-impact-childcare> (Accessed on February 11, 2022)

¹⁵ Jason Schachter, Pete Borsella, & Anthony Knapp, New Population Estimates Show COVID-19 Pandemic Significantly Disrupted Migration Across Borders, U.S. Census Bureau, December 21, 2021. Available at <https://www.census.gov/library/stories/2021/12/net-international-migration-at-lowest-levels-in-decades.html> (Accessed on January 24, 2022)

¹⁶ Notably, immigration — even at reduced levels — made up a majority of America's slow population growth of 0.01% in 2021 — the lowest rate since the nation's founding. Immigrants represent around 62% of that marginal growth.



According to the Census Bureau, last year's NIM represents a significant drop from the 2015-16 peak, where more than a million immigrants were added to the U.S. population. This most recent data represent a significant drop from the 477,000 added between 2019 and 2020, partly reflecting the impact of Covid-19, but also the restrictionist immigration policies of the previous presidential administration. The statistics highlight that Florida, Texas, New York, California, and Massachusetts — states which typically gain the most migrants from abroad and comprise about half of all international migration — saw decreases in NIM between 2015 and 2021, including a nearly 50% drop between 2020 and 2021.¹⁷ California experienced the most significant decline of these states, dropping from 148,000 in 2015 to 15,000 in 2021. This decline has reduced the number of potential workers, adding pressure to the widespread labor shortages that the United States is currently undergoing.¹⁸

Similarly, according to Giovanni Peri and Reem Zaiour, two economists at the University of California, Davis, there are about 2 million fewer working-age immigrants in the U.S. because of Covid-19-related immigration restrictions. Nearly one million of these "lost immigrants" would have been college-educated and potentially could have entered the workforce in a variety of fields.¹⁹ The study suggests that "this dramatic drop in foreign labor supply growth is likely a contributor to the current job shortages," with the potential to "slow down employment recovery and growth as the economy picks up speed."²⁰ Accordingly, business groups, including the U.S. Chamber of Commerce, have emphasized the constructive role that immigration reforms can play in reversing these trends, increasing the workforce to grow the U.S. economy and improve competitiveness.²¹

Workforce Deficit's Negative Effects

It is undeniable that the ongoing labor shortage negatively impacts American businesses and undermines economic growth.²² Economists have identified at least three consequences of such workforce deficit:

Inflation

¹⁷ Idem.

¹⁸ Lindsay Cates, The States Suffering Most from the Labor Shortage, U.S. Chamber of Commerce, December 7, 2021. Available at <https://www.uschamber.com/workforce/the-states-suffering-most-from-the-labor-shortage> (Accessed on January 24, 2022)

¹⁹ Idem.

²⁰ Idem.

²¹ Suzanne P. Clark, Full Transcript: "The Competition for the Future" State of American Business 2022 Keynote Address, January 11, 2022. Available at <https://www.uschamber.com/improving-government/full-transcript-the-competition-for-the-future-state-of-american-business-2022-keynote-address-by-suzanne-p-clark> (Accessed on January 24, 2022)

²² Michael Wolf, The global labor shortage: How COVID-19 has changed the labor market, Deloitte, August 23, 2021. Available at <https://www2.deloitte.com/xs/en/insights/economy/global-labor-shortage.html> (Accessed on January 24, 2022)



First, economists have identified a correlation between inflation and the workforce deficit.²³ They explain that when businesses struggle to retain and hire workers, they increase wages to become more competitive in the labor market.²⁴ For instance, the average hourly earnings of employees in the U.S. grew from \$29.97 in March 2021 to \$31.31 in December 2021, an increase of more than 4% in only nine months.²⁵ Labor shortages and corresponding wage changes are only one of a number of factors continuing to the increase in inflation, supply chain problems, consumer spending patterns, and other related factors that play a role. However, while rising wages are undoubtedly a positive sign for the average worker, these increases have been accompanied by broader inflation that has consumed most, if not all, of these gains in real terms, with inflation increasing 7% in the last twelve months, higher than the average increase in nominal wages.²⁶ This means that while workers may be earning more on average, the costs they face are also rising, consuming the gains they would otherwise be experiencing.

Reduced output and lost opportunity costs

America's workforce deficit also leads to reduced output and lost opportunity costs.²⁷ When companies cannot operate at full steam because they cannot retain and hire enough workers, their output falls, leading to reduced production, lower profits, and suboptimal performance. While it is difficult to calculate the exact impact of the labor shortage on GDP, recent estimates suggest that labor shortage has reduced sales revenue by 2.1 percent, a reduction of roughly \$740 billion.²⁸ FedEx, for example, reported that its revenues were negatively affected by higher labor costs and network inefficiencies due to the labor shortages, estimating a potential annual reduction of \$450 million year over year due to labor unavailability.²⁹

Impact on supply chains

²³ Rebecca Rainey, Biden and businesses agree on one thing: U.S. needs immigrant workers, Politico, December 4, 2021. Available at <https://www.politico.com/news/2021/12/04/immigration-system-labor-squeeze-523744> (Accessed on January 24, 2022)

²⁴ Gad Levanon, If the labor shortage continues, the US economy won't be able to recover, CNN, November 4, 2021. Available at <https://www.cnn.com/2021/11/04/perspectives/labor-shortage-us-economy/index.html#:~:text=If%20we%20do%20not%20address,who%20stay%20in%20their%20jobs> (Accessed on January 24, 2022)

²⁵ U.S. Bureau of Labor Statistics, Data Retrieval: Employment, Hours, and Earnings (CES). Available at <https://www.bls.gov/webapps/legacy/cesbtab3.htm> (Accessed on January 24, 2022)

²⁶ U.S. Bureau of Labor Statistics, Consumer Price Index: December 2021, January 12, 2022. Available at <https://www.bls.gov/news.release/pdf/cpi.pdf> (Accessed on January 24, 2022)

²⁷ Grace Dean, Small businesses say their revenues are plummeting as they're forced to turn down business because of the labor shortage, Business Insider, October 24, 2021. Available at <https://www.businessinsider.com/labor-shortage-small-businesses-cutting-opening-hours-losing-revenues-employment-2021-10> (Accessed on January 24, 2022)

²⁸ Federal Reserve Bank of Atlanta, Are Labor Shortages Slowing the Recovery? A View from the CFO Survey, July 24, 2021. Available at <https://www.atlantafed.org/blogs/macroblog/2021/07/14/are-labor-shortages-slowing-the-recovery--view-from-cfo-survey> (Accessed on January 24, 2022)

²⁹ FedEx, FedEx Corp. Reports First Quarter Results, September 21, 2021. Available at <https://investors.fedex.com/news-and-events/investor-news/investor-news-details/2021/FedEx-Corp-Reports-First-Quarter-2022-Results/> (Accessed on January 24, 2022)



Labor shortages have also had a negative impact on supply chains, which have further driven inflation and created bottlenecks in the economy.³⁰ Supply chain is the "usually invisible pathway of manufacturing, transportation, and logistics that gets goods from where they are manufactured, mined or grown to where they are going."³¹ Due to severe shortages of port workers,³² truck drivers,³³ and warehouse workers,³⁴ supply chains have been experiencing acute bottlenecks,³⁵ which, in turn, have given rise to volatile prices and delivery delays.³⁶ This congestion in the supply chain has been so disruptive in the United States that the International Monetary Fund estimates that it will produce a downward 1.2% impact on America's 6% estimated growth of its economy in 2022.³⁷

Key Sectors Under Strain Due to Worker Shortages

³⁰ Chandler Ford, Jessica Scheck, & Rachel Popa, How COVID-19 is Impacting Global Supply Chains & How Companies Can Cope, The National Law Review, October 21, 2021. Available at <https://www.natlawreview.com/article/how-Covid-19-impacting-global-supply-chains-how-companies-can-cope#:~:text=Since%20the%20emergence%20of%20the,material%20shortages%20and%20fluctuating%20demand>. (Accessed on January 24, 2022)

³¹ Peter S. Goodman, How the Supply Chain Broke, and Why It Won't Be Fixed Anytime Soon, The New York Times, October 22, 2021. Available at https://www.nytimes.com/2021/10/22/business/shortages-supply-chain.html?action=click&pgtype=Article&state=default&module=styleIn-supply-chain&variant=show®ion=MAIN_CONTENT_1&block=storyline_top_links_recirc (Accessed on February 9, 2022)

³² Hanna Ziady, The shipping crisis is getting worse. Here's what that means for holiday shopping. August 23, 2021. Available at <https://www.cnn.com/2021/08/23/business/global-supply-chains-christmas-shipping/index.html> (Accessed on February 8, 2022)

³³ Peter S. Goodman, The Real Reason America Doesn't Have Enough Truck Drivers, The New York Times, February 9, 2022. Available at <https://www.nytimes.com/2022/02/09/business/truck-driver-shortage.html> (Accessed on February 9, 2022).

³⁴ Peter S. Goodman, A Normal Supply Chain? It's 'Unlikely' in 2022, The New York Times, February 1, 2022. Available at https://www.nytimes.com/2022/02/01/business/supply-chain-disruption.html?action=click&pgtype=Article&state=default&module=styleIn-supply-chain&variant=show®ion=MAIN_CONTENT_1&block=storyline_top_links_recirc (Accessed on February 9, 2022)

³⁵ Knut Alicke, Ed Barriball, & Vera Trautwein, How COVID-19 is reshaping supply chains, McKinsey, November 23, 2021. Available at <https://www.mckinsey.com/business-functions/operations/our-insights/how-Covid-19-is-reshaping-supply-chains> (Accessed on January 24, 2022)

³⁶ Daniel Rees and Phurichai Rungcharoenkitkul, Bottlenecks: causes and macroeconomic implications, BIS Bulletin, November 11, 2021. Available at <https://www.bis.org/publ/bisbull48.pdf> (Accessed on February 9, 2022)

³⁷ International Monetary Fund, World Economic Outlook Update: Rising Caseloads, a Disrupted Recovery, and Higher Inflation, January 2022. Available at <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022> (Accessed on February 9, 2022)



Worker shortages arising from the factors described above have impacted many critical economic sectors that rely on the immigrant workforce. Essential industries like agriculture,³⁸ food,³⁹ technology,⁴⁰ healthcare,⁴¹ transportation,⁴² and hospitality⁴³ have been significantly affected.

Agricultural and Food Workforce Shortage

America's agricultural and food industry heavily relies on migrant labor. Immigrants make up as much as 73% of farmworkers in the country.⁴⁴ Additionally, approximately 3.8 million immigrants work in the U.S. food sector,⁴⁵ representing more than one in five food workers.⁴⁶ Immigrant farmworkers are pillars of the country's food supply chain and agricultural economic prosperity. They not only allow the United States to maintain a self-sufficient food supply,⁴⁷ but they also help our nation to be the largest exporter of food in the world.⁴⁸

Despite the Covid-19 pandemic, immigrant workers have continued to show up for work in-person day-after-day to carry out their essential work, playing a critical role in feeding the nation.⁴⁹ Their commitment to bringing fresh fruits, vegetables, meat, processed food, and other agricultural

³⁸ Jenny Shaffstall, Five Facts About the Ag Labor Shortage, AgWeb, July 27, 2021.

³⁹ Jesse Newman & Jaewon Kang, U.S. Food Supply Is Under Pressure, From Plants to Store Shelves, The Wall Street Journal, January 23, 2021. Available at <https://www.wsj.com/articles/from-plants-to-store-shelves-u-s-food-supply-is-under-pressure-11642933805> (Accessed on January 24, 2022)

⁴⁰ Linly Lin, The Number of Immigrant Workers With H1-B Visas Drops the Most in a Decade, Bloomberg News, November 30, 2021. Available at <https://www.bloomberg.com/news/articles/2021-11-30/high-skilled-foreign-workers-with-h1-b-visas-drop-most-in-decade> (Accessed on December 11, 2021)

⁴¹ Health Resources and Services Administration, Primary Care Workforce Projections. Available at <https://bhwh.hrsa.gov/data-research/projecting-health-workforce-supply-demand/primary-health> (Accessed on December 11, 2021)

⁴² Madeleine Ngo and Ana Swanson, The Biggest Kink in America's Supply Chain: Not Enough Truckers, New York Times, November 9, 2021. Available at <https://www.nytimes.com/2021/11/09/us/politics/trucker-shortage-supply-chain.html> (Accessed on February 9, 2022).

⁴³ U.S. Bureau of Labor Statistics, Current Employment Statistics Highlights, January 7, 2022. Available at <https://www.bls.gov/web/empsit/ceshighlights.pdf> (Accessed on January 24, 2022)

⁴⁴ "27 percent of crop farmworkers are U.S. born, 4 percent are immigrants who obtained U.S. citizenship, 21 percent are authorized immigrants, and the remaining 48 percent have no work authorization." U.S. Department of Agriculture: Economic Research Service, Farm Labor, August 18, 2021. Available at <https://www.ers.usda.gov/topics/farm-economy/farm-labor/> (Accessed on February 9, 2022)

⁴⁵ The food sector includes farms, restaurants, beverage manufacturing, food manufacturing, processing, and storage facilities. See Cybersecurity & Infrastructure Security Agency (CISA), Food and Agriculture Sector. Available at <https://www.cisa.gov/food-and-agriculture-sector> (Accessed on February 16, 2022)

⁴⁶ Includes food processing, food trade, agriculture, grocery stores, and restaurants.

⁴⁷ Areidy Beltran-Peña et al., Global Food Self-Sufficiency in the 21st Century Under Sustainable Intensification of Agriculture, Environmental Research Letters, 2020. Available at <https://iopscience.iop.org/article/10.1088/1748-9326/ab9388> (Accessed on February 16, 2022).

⁴⁸ World Bank, World Integrated Trade Solutions, Food Exports by Country, 2018. Available at https://wits.worldbank.org/CountryProfile/en/Country/WLD/Year/2018/TradeFlow/Export/Partner/by-country/Product/16-24_FoodProd (Accessed on February 16, 2021).

⁴⁹ National Immigration Forum, Statement for the Record – "Immigrant Farmworkers Are Essential to Feeding America", July 21, 2021. Available at https://immigrationforum.org/article/forum-statement-for-the-record-immigrant-farmworkers-are-essential-to-feeding-america/#_ftn4 (Accessed on February 9, 2022)



products to the tables of American consumers allows the United States to have food self-sufficiency and social stability.

Notably, the impacts of labor shortages are hitting the agricultural and food sectors particularly hard. The lack of farmworkers,⁵⁰ meatpacking workers,⁵¹ food processing workers,⁵² and grocery workers⁵³ have left a wide range of food products in short supply.⁵⁴

The agricultural labor deficit in the U.S. reached record-high levels in 2021.⁵⁵ According to the Ag Economy Barometer from Purdue University, which measures agricultural workforce conditions, 66% of agricultural employers experienced "some" or "a lot of difficulty" hiring adequate labor in 2021, compared to 30% in 2020.⁵⁶ The Farm Bureau has similarly raised concerns about growing labor shortages in the agricultural sector, arguing that our country needs immigrant farmworkers more than ever.⁵⁷ Farmworker shortages have resulted in rising food prices for consumers – contributing to inflation – and as much as \$3 billion in missed GDP growth.⁵⁸ Attracting and retaining immigrant farmworkers would ameliorate these shortages, helping the sector reach its full economic potential while reinforcing U.S. food security.

Science, Technology, Engineering, and Mathematics (STEM) Workforce Shortage

One of America's greatest strengths has been its ability to attract global talent to strengthen its technological and entrepreneurial competitiveness.⁵⁹ Yet in recent years, long predating the

⁵⁰ Agamerica Lending, Infographic: The U.S. Farm Labor Shortage, December 2, 2021. Available at <https://agamerica.com/blog/the-impact-of-the-farm-labor-shortage/> (Accessed on February 9, 2022).

⁵¹ Dan Nosowitz, Facing Labor Shortage, Tyson to Ramp Up Automation in Processing Plants, Modern Farmer, December 16, 2021. Available at <https://modernfarmer.com/2021/12/facing-labor-shortage-tyson-to-ramp-up-automation-in-processing-plants/> (Accessed on February 9, 2022)

⁵² Pan Demetrakakes, Where Did All of the Food & Beverage Workers Go?, Food Processing Magazine, November 2, 2021. Available at <https://www.foodprocessing.com/articles/2021/where-did-all-of-the-food-and-beverage-workers-go/> (Accessed on February 9, 2022)

⁵³ Siddharth Cavale and Christopher Walljasper, U.S. grocery shortages deepen as pandemic dries supplies, Reuters, January 14, 2022. Available at <https://www.reuters.com/business/us-grocery-shortages-deepen-pandemic-dries-supplies-2022-01-14/> (Accessed on February 9, 2022)

⁵⁴ Jesse Newman & Jaewon Kang, U.S. Food Supply Is Under Pressure, From Plants to Store Shelves, The Wall Street Journal, January 23, 2021. Available at <https://www.wsj.com/articles/from-plants-to-store-shelves-u-s-food-supply-is-under-pressure-11642933805> (Accessed on January 24, 2022)

⁵⁵ Jenny Shaffstall, Five Facts About the Ag Labor Shortage, AgWeb, July 27, 2021.

⁵⁶ Purdue University & CME Group, Ag Economy Barometer: June 2021 Results, June 1, 2021. Available at <https://ag.purdue.edu/commercialag/ageconomybarometer/ag-economy-barometer-declines-sharply-producers-remain-bullish-on-farmland-values/> (Accessed on December 11, 2021)

⁵⁷ The American Farm Bureau Federation, Another Year of Farm Labor Shortages, July 10, 2019. Available at <https://www.fb.org/viewpoints/another-year-of-farm-labor-shortages> (Accessed on December 11, 2021)

⁵⁸ Stephen G. Bronars, A Vanishing Breed: How the Decline in U.S. Farm Laborers Over the Last Decade Has Hurt the U.S. Economy and Slowed Production on American Farms, Partnership for a New American Economy, July 2015, at p. 2. Available at http://research.newamericaneconomy.org/wp-content/uploads/2015/08/PNAE_FarmLabor_August-3-3.pdf (Accessed on December 11, 2021)

⁵⁹ The White House, Fact Sheet: Biden-Harris Administration Actions to Attract STEM Talent and Strengthen our Economy and Competitiveness, January 21, 2022. Available at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/21/fact-sheet-biden-harris-administration-actions-to-attract-stem-talent-and-strengthen-our-economy-and-competitiveness/> (Accessed on January 24, 2022)



pandemic, the United States has faced a shortage of STEM workers to fill needs.⁶⁰ Covid-19 has only worsened this shortfall, with recent estimates showing that STEM job openings in the country outnumber qualified workers by 3 million.⁶¹ This gap is projected to widen to 6 million by 2030.⁶²

This longstanding imbalance is due to America's outdated and low H-1B caps, its failure to retain international students, the lack of a specific entrepreneur visa, and international travel restrictions that went into effect during the previous presidential administration.⁶³

Despite such obstacles, immigrants have made up a growing number of the high-tech workforce, with foreign-born workers currently accounting for over a quarter of STEM workers in the United States. Over 25 years, starting in 1990, when the current H-1B cap was first put into place, the proportion of foreign-born STEM workers doubled, increasing from 12% in 1990 to 24% in 2015.⁶⁴

In addition to the growing reliance on STEM workers, immigrants have played a crucial role in technology start-ups. First- and second-generation immigrants have established 46% of the high-tech companies on the Fortune 500 list.⁶⁵ Yet, even with these significant contributions, a commitment to further opening opportunities in this sector to the immigrant workforce would increase U.S. competitiveness and relieve longstanding worker shortages that have only been exacerbated in recent years.

Attracting more foreign-born STEM workers is a critical step to remedy the labor imbalance in the sector. One solution to the problem would be to exempt from annual green card limits international students with master's degrees and PhDs in STEM fields from U.S. universities. This

⁶⁰ Linly Lin, The Number of Immigrant Workers With H1-B Visas Drops the Most in a Decade, Bloomberg News, November 30, 2021. Available at <https://www.bloomberg.com/news/articles/2021-11-30/high-skilled-foreign-workers-with-h1-b-visas-drop-most-in-decade> (Accessed on December 11, 2021)

⁶¹ Pedro Nicolaci Da Costa, Tech Talent Scramble, International Monetary Fund, March, 2019. Available at <https://www.imf.org/external/pubs/ft/fandd/2019/03/global-competition-for-technology-workers-costa.htm> (Accessed on December 21, 2021)

⁶² Pedro Nicolaci Da Costa, Tech Talent Scramble, International Monetary Fund, March, 2019. Available at <https://www.imf.org/external/pubs/ft/fandd/2019/03/global-competition-for-technology-workers-costa.htm> (Accessed on February 9, 2022)

⁶³ Morteza Khaledi, Science in the US is built on immigrants. Will they keep coming?, Chemical and Engineering News, March 4, 2019. Available at <https://cen.acs.org/careers/diversity/Science-US-built-immigrants-keep/97/i9> (Accessed on January 24, 2022)

⁶⁴ Council on National Security and Immigration (CNSI), High-Skilled Immigration: America's Key for Competitiveness and National Security, September 23, 2021. Available at <https://cnsiusa.org/2021/09/resources-09232021-01/> (Accessed on December 11, 2021)

⁶⁵ National Immigration Forum, High Tech: Immigrants are Indispensable to U.S. Workforce, March 28, 2019. Available at <https://immigrationforum.org/article/high-tech-immigrants-are-indispensable-to-u-s-workforce/> (Accessed on December 11, 2021)



proposal is one of the many provisions included in the America COMPETES Act of 2022⁶⁶ – which aims to outcompete China in innovation, research, and development.⁶⁷

Healthcare Workforce Shortage

America's healthcare industry is heavily dependent on foreign-born workers.⁶⁸ Immigrants make up as much as 25% of personal care aides, 38% of home health aides, and 28% of all highly-skilled healthcare professionals—such as physicians and surgeons.⁶⁹

For the last few years, the United States has faced a shortage of doctors, nurses, dentists, and other medical professionals.⁷⁰ In 2018, the Health Resources and Services Administration estimated that the nation requires about 14,900 more primary care practitioners and 6,894 mental health practitioners to satisfy the population's needs.⁷¹ Worryingly, according to the Association of American Medical Colleges, physician demand will grow faster than supply if all things remain equal, leading to a projected total shortage of between 54,100 and 139,000 physicians by 2033.⁷² Moreover, a large portion of the physician workforce — which is estimated to be 35,000 short⁷³ — is nearing retirement age. More than two of five currently active physicians will be 65 or older within the next decade.⁷⁴ Additionally, recent estimates show that the healthcare sector has lost nearly half a million workers since the outbreak of the Covid-19

⁶⁶ H.R.4521 - America Creating Opportunities for Manufacturing, Pre-Eminence in Technology and Economic Strength (America COMPETES) Act of 2022. Available at <https://www.congress.gov/bill/117th-congress/house-bill/4521?q=%7B%22search%22%3A%5B%22h.r.4521%22%2C%22h.r.4521%22%5D%7D&s=2&r=1> (Accessed on February 25, 2022)

⁶⁷ White House, Statement by President Biden on the America COMPETES Act of 2022, January 25, 2022. Available at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/25/statement-by-president-biden-on-the-america-competes-act-of-2022/> (Accessed on February 25, 2022)

⁶⁸ Dan Kosten, Home Health Care Workers: Immigrants Can Help Care for an Aging U.S. Population, National Immigration Forum, May 28, 2021. Available at <https://immigrationforum.org/article/home-health-care-workers-immigrants-can-help-care-for-an-aging-u-s-population/> (Accessed on February 9, 2022)

⁶⁹ National Immigration Forum, Statement for the Record – “The Essential Role of Immigrant Workers in America”, May 12, 2021. Available at <https://immigrationforum.org/article/forum-statement-for-the-record-the-essential-role-of-immigrant-workers-in-america/> (Accessed on December 11, 2021)

⁷⁰ U.S. Senate Committee on Health, Education, Labor and Pensions, Subcommittee Hearing: A Dire Shortage and Getting Worse: Solving the Crisis in the Health Care Workforce, May 20, 2021. Available at <https://www.help.senate.gov/hearings/a-dire-shortage-and-getting-worse-solving-the-crisis-in-the-health-care-workforce> (Accessed on December 11, 2021)

⁷¹ Health Resources and Services Administration, Primary Care Workforce Projections. Available at <https://bhwh.hrsa.gov/data-research/projecting-health-workforce-supply-demand/primary-health> (Accessed on December 11, 2021)

⁷² David J. Skorton, Statement for the Congressional Hearing: A Dire Shortage and Getting Worse: Solving the Crisis in the Health Care Workforce, May 20, 2021. Available at <https://www.help.senate.gov/imo/media/doc/Skorton.pdf> (Accessed on December 11, 2021)

⁷³ Danilo Zak, Bill Analysis: The Healthcare Workforce Resilience Act, National Immigration Forum, May 6, 2020. Available at <https://immigrationforum.org/article/bill-analysis-the-healthcare-workforce-resilience-act/> (Accessed on February 9, 2022)

⁷⁴ Association of American Medical Colleges, AAMC Report Reinforces Mounting Physician Shortage, June 11, 2021. Available at <https://www.aamc.org/news-insights/press-releases/aamc-report-reinforces-mounting-physician-shortage> (Accessed on December 11, 2021)



pandemic.⁷⁵ Worryingly, among the remaining healthcare workers, recent polls show that 31% of them have considered leaving their employer.⁷⁶ Also, 66% of acute and critical-care nurses have thought about quitting nursing entirely.⁷⁷

Labor Shortage in Supply Chain Industries: Transportation, Ports, and Warehouses

As in many other industries, foreign-born truck drivers represent a significant portion of the trucking workforce. According to the latest available statistics of the U.S. Census Bureau on the demographics of truck drivers, immigrants constitute around 16 percent of truck drivers.⁷⁸ According to recent estimates, in 2021 the United States suffered a record deficit of 80,000 drivers.⁷⁹ Given that 70 percent of all the freight within the United States is transported via trucks, amounting to approximately \$10 trillion of American goods per year,⁸⁰ the truck driver shortage — combined with a severe deficit of warehouse⁸¹ and port⁸² workers — is heavily impacting supply chains nationwide.⁸³

Immigration-Based Solutions to Tackle the Workforce Deficit

As stated above, America's labor shortage is a multifactorial problem. Yet, the role of reduced migration in recent years cannot be overlooked. By removing impediments to immigrant workers — many of which were put into place by the previous administration and only worsened during the pandemic — and increasing the number of immigrant workers through needed market-based reforms, the U.S. can make a significant dent in these shortfalls. Increasing immigration levels to

⁷⁵ U.S. Bureau of Labor Statistics, The Employment Situation – January 2022, February 4, 2022. Available at <https://www.bls.gov/news.release/pdf/empsit.pdf> (Accessed on February 9, 2022)

⁷⁶ Ed Yong, Why Health-Care Workers are Quitting in Drove, The Atlantic, November 16, 2021. Available at <https://www.theatlantic.com/health/archive/2021/11/the-mass-exodus-of-americas-health-care-workers/620713/>. (Accessed on February 9, 2022)

⁷⁷ American Association of Critical-Care Nurses, Hear Us Out Campaign Reports Nurses' COVID-19 Reality, September 21, 2021. Available at <https://www.aacn.org/newsroom/hear-us-out-campaign-reports-nurses-Covid-19-reality> (Accessed on February 9, 2022)

⁷⁸ Zahra Sohail Khan, Who's Behind the Wheel?: Immigrants Filling the Labor Shortage in the U.S. Trucking Industry, George Mason University Institute for Immigration Research, December 2014. Available at https://www.immigrationresearch.org/system/files/Immigrants_in_the_Trucking_Industry_IIR_GMU.pdf (Accessed on February 9, 2022)

⁷⁹ Peter S. Goodman, The Real Reason America Doesn't Have Enough Truck Drivers, The New York Times, February 9, 2022. Available at <https://www.nytimes.com/2022/02/09/business/truck-driver-shortage.html> (Accessed on February 9, 2022).

⁸⁰ Zahra Sohail Khan, Who's Behind the Wheel?: Immigrants Filling the Labor Shortage in the U.S. Trucking Industry, George Mason University Institute for Immigration Research, December 2014. Available at https://www.immigrationresearch.org/system/files/Immigrants_in_the_Trucking_Industry_IIR_GMU.pdf (Accessed on February 9, 2022)

⁸¹ Ware2Go, Warehouse & Labor Shortage 2021: Tips for Success for SMB's, October 7, 2021. Available at <https://ware2go.co/warehouse-labor-shortage-2021/> (Accessed on February 9, 2022)

⁸² Adam Minter, The Next Shipping Crisis: A Maritime Labor Shortage, The Washington Post, November 6, 2021. Available at https://www.washingtonpost.com/business/energy/the-next-shipping-crisis-a-maritime-labor-shortage/2021/11/06/43f459ee-3f02-11ec-bd6f-da376f47304e_story.html (Accessed on February 9, 2022)

⁸³ Peter S. Goodman, The Real Reason America Doesn't Have Enough Truck Drivers, The New York Times, February 9, 2022. Available at <https://www.nytimes.com/2022/02/09/business/truck-driver-shortage.html> (Accessed on February 9, 2022).



the United States will release some pressure from key sectors plagued by worker shortages, addressing supply chain bottlenecks and promoting growth. Below are some of the strategies we suggest to solve the problem.

1. Remove Restrictions that Have Prevented Immigrant Workers from Filling Key Needs

The previous presidential administration set into place several barriers that have prevented – and currently still are preventing – needed workers from coming to the U.S. to fill essential workforce needs. In a time of low unemployment, ongoing worker shortages, and rising inflation, lifting these barriers is a critical first step. Recent Census data confirms the dramatic drop-off in population growth driven by immigration – only some of which was a response to Covid-19.

The Biden administration must reverse unduly restrictive immigration policies and procedural hurdles from the previous administration. For example, we encourage the Biden administration to rescind the Trump-era rules that hinder asylum seekers from obtaining Employment Authorization Documents (EAD) until their asylum claims are adjudicated.⁸⁴ While both rules were vacated on February 7, 2022, by the District Court for the District of Columbia,⁸⁵ the rules are still on the books. Hence, we encourage the Biden administration not to appeal the decision and to formally rescind both rules.

Rescinding these rules would strengthen the economy by creating the necessary conditions to tackle labor shortages across the country while allowing asylum seekers to earn a livelihood to support themselves and their families while their cases are decided. Also, if asylum seekers had simpler access to EADs, that change would trigger their full spending power and enable them to pay their fair share of taxes.

2. Increase Annual Cap of H-2B Temporary Workers

With recent labor statistics showing persistent shortfalls in the labor force, Congress should focus on increasing the annual cap of temporary H-2B visa workers,⁸⁶ currently set at 66,000, with the White House permitted to release as many as 40,000 additional H-2B visas throughout the year.⁸⁷ H-2B visa holders can legally work temporarily in the United States in construction, forestry, landscaping, and the food industry. While having the White House release H-2B visas is helpful, the need for these workers outstrips the number of available visas, even after the approval of additional ones. Increasing the annual numerical cap would provide businesses with the necessary human resources to sustain their operations.

⁸⁴ Department of Homeland Security, Asylum Application, Interview, and Employment Authorization for Applicants, June 26, 2020, Federal Register. Available at <https://www.federalregister.gov/documents/2020/06/26/2020-13544/asylum-application-interview-and-employment-authorization-for-applicants> (Accessed on February 11, 2022)

⁸⁵ See *Asylumworks et al. v. Mayorkas* (2022), United States District Court for the District Court of Columbia.

⁸⁶ The H-2A visa is for temporary agricultural work while the H-2B visa is for temporary or seasonal non-agricultural work. See, e.g., U.S. Embassy in El Salvador, H-2 Visa Program. Available at <https://sv.usembassy.gov/visas/h2hub/> (Accessed on January 24, 2022)

⁸⁷ Nicole Narea, Immigrants could fix the US labor shortage, Vox, October 26, 2021. Available at <https://www.vox.com/business-and-finance/2021/10/26/22733082/labor-shortage-inflation-immigration-foreign-workers> (Accessed on January 24, 2022)



3. Expand the H-2A Program and Reduce Its Bureaucratic Requirements

While the H-2A visa program has no numerical cap, it is restricted to seasonal agricultural jobs lasting less than a year. This requirement forbids dairy workers, meat packers, and most animal farmworkers from applying to the program. In addition, many employers find this requirement unwieldy and unworkable. The House-passed Farm Workforce Modernization Act would modernize the H-2A program in the following manner: (1) creating a pathway to legalization for current unauthorized agricultural workers, (2) reforming the existing H-2A visa program, and (3), requiring all agriculture employers to implement a reformed "E-Verify" program.⁸⁸

Congress should expand the program by making H-2A visas available to year-round industries and streamlining its rules and regulations.⁸⁹ This would allow to tackle the farmworker labor shortages in the United States.

4. Recapture Unused Green Cards

Every year, the U.S. sets aside a specific number of available green cards for individuals from all around the world.⁹⁰ However, over the years, various administrative complications have left hundreds of thousands of green cards unissued. In addition, existing numerical limitations and per-country caps on green cards have only accentuated a backlog of over 5 million. To tackle the backlog – and consequently address the workforce deficit – Congress should fix the green card backlog by recapturing the unused green cards accumulated over the past decades.⁹¹

5. Retain and Attract STEM Immigrant Workers

One of America's greatest strengths has been its ability to attract global talent to strengthen its technological and entrepreneurial competitiveness. Recently, the Biden administration's issued guidance aimed at retaining international students earning Bachelors, Masters, and Doctorates in STEM fields in the U.S. The new policy will allow more international STEM graduates to remain in the United States for up to three years after earning their degrees from American universities.⁹² The new policies also aim to make O-1A nonimmigrant status more accessible for immigrants of

⁸⁸ Danilo Zak, Bill Summary: Farm Workforce Modernization Act, National Immigration Forum, September 19, 2019. Available at <https://immigrationforum.org/article/bill-summary-farm-workforce-modernization-act/> (Accessed on February 15, 2022).

⁸⁹ David J. Bier, H-2A Visas for Agriculture: The Complex Process for Farmers to Hire Agricultural Guest Workers, March 10, 2020, CATO Institute, Immigration Research and Policy Brief No. 17. Available at <https://www.cato.org/publications/immigration-research-policy-brief/h-2a-visas-agriculture-complex-process-farmers-hire#conclusion> (Accessed on February 11, 2022)

⁹⁰ Every year, the U.S. sets aside 226,000 family-preference green cards for immediate relatives of U.S. citizens; 140,000 employment-based green cards for skilled, unskilled, and professional workers, as well as investors; and 50,000 diversity green cards for individuals from countries with low rates of immigration to the United States.

⁹¹ Arturo Castellanos Canales, Fact Sheet: Unused Green Card Recapture, National Immigration Forum, October 1, 2021. Available at <https://immigrationforum.org/article/fact-sheet-unused-green-card-recapture/> (Accessed on January 24, 2022)

⁹² The White House, Fact Sheet: Biden-Harris Administration Actions to Attract STEM Talent and Strengthen our Economy and Competitiveness, January 21, 2022. Available at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/21/fact-sheet-biden-harris-administration-actions-to-attract-stem-talent-and-strengthen-our-economy-and-competitiveness/> (Accessed on January 24, 2022)



extraordinary ability in STEM fields. Additionally, the new policy clarifies the use of national interest waivers for persons with advanced STEM degrees and entrepreneurs.⁹³

In addition, there are bills under consideration in Congress that would establish a new class of nonimmigrant visas (W) for international entrepreneurs and essential employees affiliated with start-up entities. The bill would also exempt from annual green card limits individuals with PhDs in STEM fields.⁹⁴

These administrative and legislative measures would help tackle the labor shortages in high-tech industries, improving America's technological, military, and economic competitiveness.

6. Tackle USCIS's Application Bottleneck

U.S. Citizenship and Immigration Services (USCIS) — the federal agency that processes green cards, visas, and employment authorization documents for immigrants —is struggling with a massive backlog and processing delays. USCIS has more than 8 million pending applications, with the number of pending employment authorization applications surging from 676,000 in March 2020 to 1.4 million as of October 2021. This colossal backlog is having a negative effect on America's labor shortage, with applicants facing lengthy waits to obtain visas and work authorization. The. Also, processing times for citizenship applications have surged during the pandemic, increasing from an average of nine months in 2019 to more than a year now. Furthermore, there are 281,259 pending Temporary Protected Status applications, 412,796 pending applications for asylum, and 770,386 pending green card applications.

To tackle the USCIS backlog, it is essential to appropriate more funds for the agency. While USCIS is primarily fee-funded, additional funding from Congress is necessary to allow the agency to staff up to address these backlogs.

Additionally, USCIS should extend the validity period of employment authorization cards (EAD) for immigrant workers. Extending the validity period of EADs would help ease processing backlogs by reducing the frequency and number of times these applicants must renew their EADs, reducing workloads for USCIS, and helping prevent gaps in employment authorization and documentation.⁹⁵ While USCIS, under the Biden administration, has already extended the validity period of EADs for various immigrant categories,⁹⁶ we encourage USCIS to extend the validity period of EADs of all immigrant workers.

⁹³ Idem

⁹⁴ H.R.4521 - America COMPETES Act of 2022. Available at <https://www.congress.gov/bill/117th-congress/house-bill/4521?q=%7B%22search%22%3A%5B%22h.r.4521%22%2C%22h.r.4521%22%5D%7D&s=2&r=1> (Accessed on February 11, 2022)

⁹⁵ USCIS, USCIS Updates Guidelines on Maximum Validity Periods for New Employment Authorization Documents for Certain Applicants, February 7, 2022. Available at <https://www.uscis.gov/newsroom/alerts/uscis-updates-guidelines-on-maximum-validity-periods-for-new-employment-authorization-documents-for> (Accessed on February 11, 2022)

⁹⁶ On February 7, U.S. Citizenship and Immigration Services (USCIS) updated its policy manual to extend from one to two years the validity period of employment authorization documents (EAD) for refugees, asylum seekers, and Violence Against Women Act (VAWA) self-petitioners. Additionally, under the updated policy manual, individuals paroled into the United States for urgent humanitarian reasons and non-DACA individuals who have been granted



7. *Ensure Dreamers' access to employment authorization by passing a permanent legislative solution for them*

Recent estimates show that as many as 3.6 million Dreamers reside in the United States,⁹⁷ including approximately 636,000 that are currently protected under Deferred Action for Childhood Arrivals (DACA).⁹⁸ These young people who have grown up and lived in the U.S. for most of their lives have become critical members of our economy, congregations, schools, and communities.

Yet, the legality of DACA is the subject of ongoing litigation, with a federal court ruling in place holding the program to be "illegal."⁹⁹ While the impact of that ruling is currently stayed – permitting existing DACA recipients to continue to retain work authorization and protection from deportation – the stay could be lifted, and the protections ended at any time. Moreover, if DACA recipients were to lose protection and fall out of the workforce, their absence would further reduce the legal workforce.

DACA recipients fill critical positions in the workforce and are essential contributors to the American economy. Through DACA, they can work legally, pay their fair share of taxes, and build businesses that hire American workers. They are employed in a wide range of occupations, including thousands who are self-employed.¹⁰⁰ Dreamers have also been indispensable to our recovery from the COVID-19 pandemic, with nearly 30,000 DACA recipients across the U.S. working in the health care sector¹⁰¹

Congress can solidify the legal status of DACA recipients and other Dreamers by passing a permanent legislative solution to ensure they retain work authorization and protection against deportation. A legislative solution would remove the pending litigation's threat to them, ensuring

deferred action would be eligible for work authorization that would be valid until the end of the parole or deferred action period. See USCIS, USCIS Updates Guidelines on Maximum Validity Periods for New Employment Authorization Documents for Certain Applicants, February 7, 2022. Available at <https://www.uscis.gov/newsroom/alerts/uscis-updates-guidelines-on-maximum-validity-periods-for-new-employment-authorization-documents-for> (Accessed on February 16, 2022)

⁹⁷ See National Immigration Forum, *Dreamer Advocacy Resources*, July 17, 2021, <https://immigrationforum.org/article/dreamer-advocacy-resources/>

⁹⁸ See USCIS, *Count of Active DACA Recipients By Month of Current DACA Expiration* (Dec. 31, 2020), https://www.uscis.gov/sites/default/files/document/data/Active_DACA_Recipients%E2%80%93December31%2C2020.pdf

⁹⁹ Laurence Benenson, *Explainer: Judge Hanen's DACA Ruling*, National Immigration Forum, July 17, 2021. Available at <https://immigrationforum.org/article/explainer-judge-hanens-daca-ruling/> (Accessed on February 27, 2022)

¹⁰⁰ See Jie Zong, et al., *A Profile of Current DACA Recipients by Education, Industry, and Occupation*, Migration Policy Institute (Nov. 2017), <https://www.migrationpolicy.org/sites/default/files/publications/DACA-Recipients-Work-Education-Nov2017-FS-FINAL.pdf>

¹⁰¹ See Nicole Prchal Svajlenka, *A Demographic Profile of DACA Recipients on the Frontlines of the Coronavirus Response*, Center for American Progress (April 6, 2020), <https://www.americanprogress.org/issues/immigration/news/2020/04/06/482708/demographic-profile-daca-recipients-frontlines-coronavirus-response>



that Dreamers can continue to remain in the United States – and the legal workforce – allowing them to continue to work and contribute to strengthening our economy and communities.

Conclusion

America has a unique opportunity to demonstrate, once again, that immigrants are the solution, not the problem. The symbiotic relationship between the U.S. economy and immigrants is now more evident than ever. In recent years, low immigration levels to the United States accentuated the country's labor shortage problem. However, these problems are solvable. With modest policy changes, the United States can open its doors to essential immigrant workers who can contribute to its economic dynamism. Immigrants want to use all the available legal pathways to come to the U.S., so policymakers should ensure such pathways are readily available. In that regard, America must keep and maintain that comparative advantage that other nations do not have.

To tackle the labor shortage, and hence ameliorate inflation and supply chain bottlenecks, the United States must remove the impediments to immigration barriers and increase the number of immigrant workers through needed market-based reforms to the immigration system.