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## The Guest Worker Amnesty Harms American Workers

The Bush Administration is urging the Senate to approve legislation calling for a massive new guest worker amnesty program that includes the reclassification of millions of illegal aliens living in the U.S. as “guest workers.”

This push for a vastly increased guest worker program is being promoted by the greedy corporate interests on the argument America faces a long-term labor shortage and, without access to millions of foreign workers, America’s economic growth will be impeded.

On careful analysis, the claims of an existing or impending labor shortage are misleading and self-serving. Implementation of a new massive, unchecked guest worker amnesty program like the one envisioned by President Bush and some Senate leaders would undermine America’s economy and American workers and exacerbate income inequality.

### Important Facts

- **DHS has no fraud detection until 2011. Guest workers would be un-monitored until then. “A draft government report shows the agency that would oversee any future guest-worker program doesn’t have a handle on fraud, doesn’t do enough to deter it, and won’t have a fraud-management system in place until 2011 -- years after its proponents want a program to start.”**

*Washington Times,*  
March 6, 2006

- **The hourly pay for blue-collar manufacturing and non-managerial service work has fallen by 3 percent in real terms since 2003.**

*Lost Wages of Immigration, National Journal,*  
Jan. 7, 2006 pg. 58

- **The median male worker was paid \$15.24 an hour in 1973. In 2004, in inflation-adjusted dollars, male’s today earn \$15.26. A 2 cent increase in 31 years.**

*Lost Wages of Immigration, pg. 58*

- One of the rationales for reforming the guest-worker program is to encourage illegal immigrants to become legal workers. **Low wages will undermine that goal and make border security all the tougher.**

Lost Wages of Immigration, pg. 59

- **More than half of Mexican immigrants—57 percent—work in manufacturing, and 60 percent of those who work in agriculture, make less than \$300 per week. If they are supporting a family of three, they are living below the poverty line.**

Pew Hispanic Center

- **Between 1980 and 2000 legal and illegal immigration reduced the average annual earnings of native-born men by an estimated \$1700 or roughly 4 percent.**

George Borjas, professor of Economics,  
Kennedy School of Government, Harvard University

- **Among the 10 million or so American-born men without a high school education—men competing with illegal aliens for jobs—the estimated impact of reduced wages was 7.4 percent.**

George Borjas

- **An increase in the fraction of workers in an occupation group who are foreign born tend to lower the wages of natives in blue-collar occupations.**

Federal Reserve Banks, Atlanta and Dallas, 2003

- **Of the 900,000 net increase in jobs between March 2003 and 2004, two-thirds went to immigrant workers, even though they account for only 15 percent of all adult workers.**

CIS, *A Jobless Recovery: Immigrant Gains and Native Losses*,  
Oct. 2004

- **Occupations with the largest immigrant influx tended to have the highest unemployment rates among natives.**

CIS, *A Jobless Recovery*

- **The 10 million native-born workers without a high school degree face the most competition from immigrants**, as do the eight million younger natives with only a high school education and 12 million younger college graduates.

George Borjas, May 2004

## Arguments and Talking Points

### I. The rhetoric of “jobs Americans won’t do” and “labor shortages” are myths

#### 1. There is no labor shortage in the U.S.

While the official unemployment rate of about 5 percent is relatively low (not historically low, as supporters of a guest worker program argue), these official numbers do not tell the whole story. Significant numbers of workers have simply given up and dropped out of the labor market entirely. According to a 2004 CIS study, in that year 1.2 million working-age natives left the labor force, and say that they are not even trying to find a job. Many more are working at one or more marginal jobs at incomes that are far below what they used to make. Still more workers are now “self-employed,” or “independent contractors,” which, in many cases, are euphemisms for “occasionally employed” and increasing numbers of people are “working off the books,” which means their work is not captured by official statistics. Virtually all economists caution the official unemployment rate is an inaccurate and often misleading indicator of the true conditions of the labor market.

Even so, 5 percent unemployment means about 7 million Americans out of work. If we assume only 33 percent can work (which is a ridiculously low assumption) that leaves almost 5 million men and women in need of a job. We have no shortage of American’s looking for work.

#### 2. There is no shortage of labor in the U.S., but rather a shortage of employers willing to pay competitive wages

Millions of jobs President Bush frequently claims are “jobs that Americans won’t do,” are, more accurately, jobs Americans used to do, and will do for decent wages. Without massive numbers of illegal aliens in the labor market, or unlimited access to foreign guest workers, employers would be forced to improve wages and benefits, which would make these jobs attractive again for American workers.

There are currently about 7 million unemployed Americans and another about 24 million persons over 16-years of age not in the workforce (after subtracting out U.S. college students and those over age 65). Other millions currently in the workforce are working part time or are underemployed. This is an enormous pool of potential additional U.S. workers.

Illegal aliens take whatever job they can find. They will work for less than US workers, so, over time as more illegal aliens are hired wages go down to the point US workers seek other work or drop out of the job market. If employers are weaned off their artificial dependence on illegal alien workers those wages will rise enough to attract US workers.

#### 3. The “baby boom” scare

U.S. Chamber of Commerce President Thomas Donohue is asserting the need for a new guest worker program is based on the impending retirement of 77 million baby boomers. That sounds like a major shrinkage in the U.S. workforce. But, in fact, over the next decade there will be only 50 million people reaching retirement age – not all of whom are in the workforce, and they will be over-balanced by about 40 million

births and more than 10 million immigrants. That non-gap in our population will be true for future decades as well. In fact, our population is growing by about 3 million persons per year because of natural increase and immigration.

#### **4. A high-technology economy does not need muscle power like an industrial or pre-industrial economy.**

Our economy certainly does not need thousands of poorly educated and poorly skilled guest workers. Unfortunately, the current availability of illegal low-wage workers – those who President Bush wants to turn into legal workers – has led many businesses to try to maintain a third-world economy alongside a modern one in America. So we have sweatshops operating next to global investment firms.

Today's immigration is different in the dichotomy between the needs of the U.S. economy and the skills of the illegal workers. We benefited from large-scale unskilled immigration in the past when our economy was less modern, but even the last massive wave of immigration a century ago, which was smaller than the one we are now experiencing, was so large the U.S. public demanded it be halted because of its harmful effects on the job market and the burden on social services.

Today's illegal alien workers may be generating profits for their employers, and some may even be paying taxes, but in general they are a fiscal burden, especially on U.S. taxpayers at the state and local level, and they fuel the increasing income inequality in our society. The 'definitive' study by the National Academy of Sciences in the mid 1990s (*The New Americans*) documented the fiscal burden of immigration.

#### **5. There is no job an American will not do**

In areas where there are no concentrations of illegal alien workers, construction and service sector jobs are done by Americans. Even in areas with concentrations of illegal workers, there are Americans and immigrants working alongside them. But the Americans and immigrants are earning much less than they would if the illegal workers had not depressed the wages in those areas.

## **II. The benefit for a guest worker program goes to big business; the cost is borne by society at large**

### **1. America is a nation, not an economy**

The justification for a massive guest worker program is predicated on the "needs" of the economy. No one denies the importance of a vibrant, growing economy to any nation. However, the economy exists to serve the interest of the nation and its citizens, not the other way around. Economic growth that does not enhance the lives of the vast majority of the citizenry undermines the very foundation of society.

Would you trust businesses to be the arbiters of what is in the interest of American society? Businesses have proven since our founding they have the health of their stock or corporation at the heart of their decision making processes not the health of our nation. Most Americans agree, with respect for the old truism about GM, that what is good for Bank of America is not always good for America.

**2. The existing illegal alien population is not an immutable fact of life**

We did not get into this illegal alien crisis overnight, and no one should realistically expect that it will be solved immediately. Over time, the estimated population of 11 million or more illegal aliens can be reduced by attrition. Enacting and enforcing laws that make it difficult for illegal aliens to gain employment and access nonessential public services and benefits, and increasing the participation of local law enforcers will effectively stem the invasion of illegal aliens. It will also convince many of the current illegal aliens to leave of their own volition. Even under current circumstances, many illegal aliens leave for a variety of reasons. The problem has been that newly arriving illegal aliens outpace those who are leaving. By enforcing our laws we can reverse this trend. More will leave and fewer will come.

**3. Arguments for a guest worker proposal ignore the fiscal and social costs**

Guest workers have human needs. Neither the president nor congressional advocates of a vast new guest worker program have put forth a plan to educate the millions of foreign children who would enter American schools, provide for the health care needs of these mostly low-wage workers, or provide subsidized housing or other social needs. As documented by the National Academy of Sciences, these fiscal costs are in excess of the taxes collected from the illegal alien population, especially at the state and local level.

**Based on the research of Donald L. Huddle, a Rice University Economist, FAIR estimates today's fiscal burden from illegal immigrants is at least \$70 billion a year, and the costs likely would increase if these illegal workers were granted legal status.** The study does not include billions of dollars lost to the U.S. economy every year as a result of remittances sent out of the economy or the \$35 billion a year in income tax collections Bear Stearns estimates the United States loses because of the number of jobs that are now off the books.

**4. The American public opposes any increase in immigration and the Bush guest worker plan in particular**

A recent Zogby poll asked, "Do you support or oppose the Bush administration's proposal to give millions of illegal aliens' guest worker status and the opportunity to become citizens?" A sizable majority (56%) opposed it.

**5. Many jobs that employers want to fill with guest workers were never intended to be jobs on which workers supported themselves, much less their entire families**

A 2005 report published by Northeastern University found last summer was the worst season in more than half a century for high school and college students seeking summer or part-time jobs. The reason cited was that many jobs that had historically gone to youth looking to earn spending money are now filled by immigrants who are attempting to support themselves and their families. Flipping burgers and bussing tables are not and never have been jobs that pay a living wage, because no one ever thought they would be occupied by people seeking to raise a family or put money aside for retirement.

**6. There should be no jobs in America that depend on employment of low-wage foreign workers**

Any assertion that our economy depends on low-wage workers is an effort to justify dependence on a form of indentured servitude much as plantation owners attempted to justify slavery a century and a half ago. The perpetuation of today's employment of low-wage foreign workers – let alone an increase in reliance on those workers – increases the growing income inequality and looming social injustice and tensions in our society.

**7. America is experiencing a hollowing out of the middle class that is economically and socially damaging**

American workers are being whipsawed by the massive importation of low-wage foreign labor on one hand and the massive outsourcing of manufacturing and high tech jobs to lower wage workers overseas on the other hand. A guest worker program along the lines of the one envisioned by President Bush would be a further blow to an already diminishing middle class in America. The continuing shrinkage of the middle class undermines the possibility of upward mobility, dangerously damages the fabric of American society and would inevitably undermine the very economy that a massive guest worker program is supposed to benefit.

**III. A guest worker program will not stop illegal immigration**

**1. We already have three guest worker programs: H-1A, H-1B, H-2B**

The president has yet to explain why we need a new one. The agricultural industry has the highest percentage of illegal foreign workers. Its guest worker program, the H-1A, is under-utilized because agricultural employers and contract employment businesses want cheap labor in the short run—this season and are willing to break the law to get it. Neither these employers, nor the Chamber of Commerce which lobbies so intently for cheap foreign labor, act for the long term economic health of the nation when it comes to the choice between hiring American workers and cheaper foreign workers – regardless of the greatly increased aggregate social costs attributable to foreign workers.

**2. Even with a guest worker program, employers could opt for even cheaper illegal alien labor**

Proponents (including President Bush) of a massive guest worker program, promise such a program will be accompanied by vigorous enforcement against employers who hire illegal aliens. Unfortunately, such promises have been made and broken too many times for anyone to give them any real credence. After decades of unfulfilled promises to enforce our nation's immigration laws, clear evidence of actual enforcement must be a prerequisite to consideration of any change in our current guest worker programs.

**2. Providing new “legal avenues” for people to take American jobs is not a rational plan for securing our borders**

Any illegality can be “cured” simply by declaring the activity legal. However, there is a reason why we limit immigration and our existing guest worker programs. Immigrants and guest workers have an impact on the American workforce and society. While in

theory illegal immigration could be eliminated by declaring America's borders open to all comers, the harmful effects of mass immigration would be compounded, not eliminated, and that is true as well for the proposed new guest worker program.

**3. An amnesty/guest worker program will not remove the threat from potential terrorists now in our country**

Guest worker amnesty proponents argue if we "legalize" the illegal alien population after "inspecting" them we can identify terrorists and others who enter with the intent of doing us harm. That argument is disingenuous. The Kennedy-McCain proposal for background checks on illegal aliens applying for legal status excludes access to the amnesty applicants' files by the law enforcement community.

**4. A guest worker program will not end the threat of terrorists sneaking into our country**

It is widely acknowledged that with millions of people sneaking across our borders every year, terrorists will be able to wash in with the tide. Until effective immigration law enforcement is in place and widely seen as effective, illegal entry will be undiminished. In the meantime, the prospect of benefiting from a benign attitude towards immigration illegality would likely increase illegal entry.

**5. We can enforce our immigration laws without a temporary guest worker program**

We correctly decided in 1986 immigration law enforcement requires the active involvement of the nation's employers. We have yet to make that requirement effective, because we failed to make employers accountable. The Sensenbrenner enforcement approach attempts to correct that. Job site enforcement – by denying jobs to illegal aliens – will eliminate the majority of the U.S. economy's continuing attraction for illegal aliens, and the remaining small percentage will require increased monitoring of the employers and enforcement against off-the-books employment of illegal aliens. These actions will not harm employers as long as they are done even-handedly so that some employers are not put at a competitive disadvantage by non-complying competitors.

**IV. A guest worker program is an amnesty**

**1. Any program that confers legal status on aliens currently illegally in the country is an amnesty**

President Bush says he opposes an amnesty, but that is what he is proposing by offering legal status to aliens now working illegally in our country. He does not even oppose their permanent stay in our country. He says he opposes a path to automatic citizenship for those illegal aliens, but he does not rule out their "earning" permanent residence or even citizenship.

Any law that offers legal status to illegal entrants and those here illegally after overstaying their visas is a form of amnesty. That is true whether it is a general amnesty as adopted in 1986, rolling amnesties such as Temporary Protected Status, or a guest worker amnesty program that hands out work permits to illegal aliens. These measures exacerbate the already untenable illegal alien situation because

they send the message abroad that we do not care if people break our immigration law. That encourages others to break our law.

## **2. The White House guest worker proposal is an amnesty on a six-year time delay**

President Bush professes to oppose an amnesty. However, as a practical matter, what he is proposing is an amnesty that will occur after he has left office. There is no reason to expect people who have already been living illegally in the U.S. will depart six years from now if we grant them guest worker status. The most likely scenario is that the six-year period will simply give time for the amnesty proponents to increase their argument that these former illegal aliens have put down roots and it would be unfair to require them to leave. Even if that argument were not to result in an all-out amnesty, the other option would be for these aliens to revert to illegal status. It is ludicrous to assert that millions of former illegal residents would depart voluntarily because their legal status had lapsed.

Until our policymakers demonstrate they have the political will to enforce our immigration law, why should the American people believe their assertion that they would enforce a temporary stay for guest workers? We can safely predict that when guest worker visas begin to expire the open borders coalition will present the same arguments they now use to justify the continued presence of illegal immigrants: These people have “put down roots in the community,” and “our economy depends on these workers.”

## **3. A massive guest worker program will not win the Hispanic vote**

Political pundits argue that Hispanic voters will reward political parties that favor open immigration and punish those that set and enforce limits. The pundits, as is often the case, are wrong. Public opinion polls document that Hispanic voters want what other Americans want: reduced immigration, good jobs, good schools, affordable health care, affordable housing, etc.

A massive new guest worker program would be a threat to Hispanic workers and jeopardize their aspirations. According to a Pew Hispanic Center poll released in August 2005, “Most Hispanics think that the number of legal immigrants coming to the United States from Latin America should stay the same (43%) or be reduced (13%). A little less than a third (31%) believe the number should be increased.” While the poll did not probe attitudes towards a new flow of foreign guest workers, it is likely that a solid majority would be opposed.