

# Employers break silence to fight hiring sanctions

## Companies banding together to support a guest-worker plan

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The Arizona Republic  
Mar. 7, 2007

Arizona businesses struggling to fill jobs are watching the immigration debate, but you won't find them talking openly about it.

Those business owners and managers tend to shield themselves from public scrutiny.

They turn to their business associations or groups or Chambers of Commerce to voice concern over state legislative efforts to sanction employers for hiring illegal workers. They want immigration reform, but they don't want to be confused by the general public as being pro-illegal workers.



Then there's Sheridan Bailey.

Bailey owns Ironco Enterprises, a Phoenix steel fabrication company that employs 85 people. He thinks it's time employers start talking out loud and in public about immigration and the impact it has on the economy.

"I was worried like that," Bailey said about the concerns other business owners have about going public.

But he said he started to really think about the scope of the issue.

Even though he is somewhat reluctant to even identify his company, he believes business owners should speak out.

"If the solution to the border security problem is to round everybody up and send everybody back, we're going to shoot this economy in the foot," he said. "(This issue) is a whole lot bigger than just me."

## **Foreign-born workforce**

The United States has about 7.2 million "unauthorized workers," or about 5 percent of the U.S. workforce, according to estimates from the Pew Hispanic Center in Washington, D.C. About 2.5 million of those workers arrived from 2000 to 2005.

Pew estimates that 20 percent of these workers, without visas permitting a job, were employed in construction. An additional 17 percent had leisure and hospitality jobs, and 14 percent were in manufacturing.

The Bureau of Labor Statistics estimates 15 percent of the U.S. labor pool, or 22 million people, are foreign-born, according to a report issued in April. Bureau data show that foreign-born workers account for 46 percent of the net gain in the U.S. labor force since 2000.

Statistically, employers know that some of their employees could be unauthorized workers. Most do what is federally required to verify employment. But employers aren't document experts, nor can they require specific papers when filling out the form to verify employment.

The employee chooses which one or two of the 29 possible documents they will show to prove they can work in the United States. It might be a U.S. passport or a driver's license and Social Security card. But it can also be a school identification card with a photo or doctor's record combined with a certified U.S. birth certificate or a resident citizen identification card.

## **Breaking his silence**

In December, Bailey formed Arizona Employers for Immigration Reform, which has more than 50 members.

"By being silent, me and others are allowing the people with some kind of ax to grind emotionally to dominate the issue and information being heard," he said.

The real issue for businesses is the outlook for filling jobs. That is why they would like public discourse to focus on guest-worker programs rather than sanctions against employers.

For every two job openings at Ironco Enterprises, Bailey says, he is lucky if he gets one applicant.

He told members of the Arizona House Government Committee last month that he pays \$20 an hour for steel fitters, which is 30 percent more today than he paid six months ago. To fill orders, he regularly has to pay overtime.

"My company is doing everything possible from recruitment and incentives to training and automation, but it is not enough," he told the committee. "No matter what we do, there are

not enough workers. I've even looked at Mexican *maquiladoras*."

Bailey has had to make some hard business decisions because of the difficulty finding workers.

"I can't expand. I'm not willing to invest in a new fabrication bay," he said in an interview with *The Arizona Republic*. "The business is out there, but I don't know where I'll get the workers."

## **Proposing penalties**

Legislation that would penalize employers who knowingly hire undocumented workers, introduced by Rep. Russell Pearce, R-Mesa, has irritated business groups and entrepreneurs, who say it doesn't address the illegal-immigration issue.

Pearce, in testimony, said that immigration is a top issue for citizens and that they want something done.

"Once they cross that border . . . our citizens are impacted dramatically," he told the House Government Committee.

He doesn't have time for concerns from business leaders who believe his legislation would hinder employers trying to fill jobs.

Several amendments have been made to the original bill. Among the changes is lowering monetary penalties, starting at \$2,500 for the first offense rather than \$5,000.

But many business leaders believe immigration is a federal issue and not one to be solved at the state level.

"The solution in addressing this national problem is not state-by-state immigration law but comprehensive immigration reform at the federal level," said Jessica Pacheco, senior vice president of public affairs for the Arizona Chamber of Commerce and Industry.

## **Blaming the victim**

Efforts to force businesses to use a little-used federal program to check on the validity of Social Security numbers has drawn criticism from the business community.

Bill Konopnicki, a Republican state legislator who runs several McDonald's restaurants in Safford, argues that the legislation introduced doesn't tackle the true problem.

"Well-intended Republicans are saying it's business' fault" by making work available, he

said. "The flip side of that is if there was a labor pool and unduplicatable documents, then business wouldn't be hiring them. Most businesses try to run by the rules because, in the long run, they would have more problems."

Maxine Jones, who runs a Phoenix machine shop that supplies aerospace companies, said she struggles filling jobs, too. And she occasionally is approached by undocumented immigrants.

"It was unbelievable. They were walking the neighborhood to get jobs," she said. "I feel for some of these people. But I can't put myself in jeopardy."

She did once have to let one worker go after his paperwork came back bad. But on the whole, Jones said, aerospace manufacturers police themselves.

Large manufacturers for three years have required her company to certify that she doesn't hire illegal workers.

"It's part of doing business in this industry," she said. "I have no problem with that."