



LABOR SHORTAGE/IMMIGRATION REFORM

NAHB supports effective reforms to the immigration system that can help revitalize the economy and housing sector. Immigration reform also remains a top priority for the association as the housing industry gains momentum and the demand for workers increases. An efficient immigration system will provide the certainty needed to grow our economy and increase competitiveness.

As lawmakers continue to discuss immigration reform, these proposed changes will have a direct impact on your businesses, even if you do not use immigrant labor. It is therefore vitally important that Congress understand the need for a fair and workable employer verification system and a set of visa programs that appropriately reflects the needs of the construction industry.

Employment Verification

Lawmakers are considering a nationwide expansion of the electronic employment verification system (E-Verify) to ensure that employers only hire individuals authorized to work in the United States. NAHB believes that the system must be fair, efficient, and not impose significant burdens on employers. A fair and workable system will:

- Require U.S. employers to verify the work authorization of their direct employees. NAHB strongly opposes efforts to require home builders to verify the work authorization of their subcontractors' workers.
- Include a robust safe harbor so that employers who use the system in good faith will not be held liable for errors in the E-Verify system.
- Include a strong pre-emption clause, preventing state and local governments from creating their own versions of verification requirements for employers. This is essential for any business that operates in multiple states.

Labor Shortages

The home building industry, with the contribution of a substantial immigrant workforce, plays a critical role in sustaining the national economy and meeting the nation's housing needs. Today, foreign-born workers account for 22% of the construction labor force nationally.

The inflow of foreign-born labor into construction is cyclical and coincides with overall housing activity. Their share was rising rapidly during the housing boom years when labor shortages were widespread and serious. However, even during the severe housing downturn and a period of high unemployment, the construction labor force continued to recruit new immigrants to replace, for example, native and foreign-born workers leaving the industry.

The improvement in housing markets over the last year has been a welcome change for the economy. However, this turnaround presents new labor challenges for the construction industry. The number of open, unfilled construction sector jobs increased 51% from 95,000 in December of 2012 to 143,000 in December of 2013, according to the BLS Job Openings and Labor Turnover Survey (JOLTS). The rise in the count of open positions thus matches reports of local labor shortages.

The January and March 2013 NAHB/Wells Fargo Housing Market Index (HMI) surveys indicate that labor shortages are quickly rising on home builders' list of most significant problems. 46 percent of the builders surveyed experienced delays in completing projects on time. 15 percent of respondents had to turn down some projects, and nine percent lost or cancelled sales as a result of recent labor shortages. Trades with a high concentration of immigrant workers also tend to have more vacancies and labor shortages.

NAHB believes strongly that the nation should implement a new market-based visa system that would allow more immigrants to legally enter the construction workforce each year. Despite our efforts to recruit and train American workers, our industry faces a very real impediment to full recovery if work is delayed or even cancelled due to worker shortages. A new, workable visa program would complement our skills training efforts within the nation's borders and fill the labor gaps needed to meet the nation's housing needs.

Take Action

- House of Representatives - Support a comprehensive approach to immigration reform that includes a fair and workable employer verification system [H.R. 1772, the *Legal Workforce Act*] and efforts by Reps. Ted Poe and Raul Labrador to create an equitable market-based visa program that works for the housing industry. (Please share stories regarding local labor shortages.)
- House of Representatives - Oppose any attempt to require home builders to verify the work authorization status of their subcontractors or subcontractors' workers. As with current law, employers who knowingly use subcontract labor to violate immigration laws will continue to be held accountable.
- Senate - Support comprehensive immigration reform that includes a fair and workable employer verification system and efforts to address the discriminatory treatment of the construction industry in S.744's W Visa Program, which unfairly targeted the construction industry with an arbitrary cap of 15,000 annual visas.

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