

Forbes

Business Strategy Can Protect Against Trump's Stepped Up Immigration Enforcement

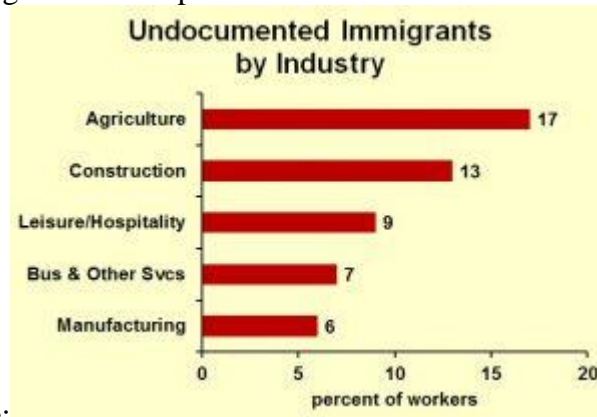
Bill Conerly

February 24, 2017

Businesses that might employ undocumented immigrants—or whose supply chain uses companies that might employ them—should consider the Trump administration’s immigration enforcement policy in their business plans.

The phrase “undocumented immigrant” is a misnomer, because everyone who has a job has documents. In the case of illegal immigrants, however, the documents are fake, like the IDs that teenagers use to get into bars.

Businesses in the industries that most use undocumented immigrants should put workforce surprises on their business planning agenda. The top industries that use undocumented workers,



according to the [Pew Foundation](#), are:

1. Agriculture
2. Construction
3. Restaurants/Hotels
4. Business and other services
5. Manufacturing

Immigration audits have triggered disruptions to a number of businesses, including cases in which a third of the workforce was found to be using fake documents. Imagine trying to open your doors tomorrow if one-third of your workers don't show up.

For a major risk, the first thought is how to prevent the risk, and the second approach is development of a contingency plan. Preventing workplace disruption is probably best accomplished by using E-Verify, the government's program that enables employers to verify the legal status of their workers. Employees sail through in most cases—but not always.

Many businesses report frustration with E-Verify. Legitimate job applicants are sometimes flagged with “tentative nonconfirmation.” They typically have to visit a Social Security or Homeland Security office to work out issues such as a change of name, or use of a nickname, or error in birthdate or social security number. The median time for fixing a problem is about eight work days, according to Cato Institute study. During this period, the employer is not allowed to fire the worker, but the employer may be hesitant to do much training.

E-Verify also does not guarantee that the worker won't be found ineligible for work. Sometimes workers use documents that run through the system just fine, but still turn out to be false, such as a dead person's Social Security card.

Despite its problems, E-Verify does reduce an employer's risk of a sudden workforce disruption. If heightened enforcement becomes common in an industry, E-Verify could be a competitive advantage for those companies that use it.

The second approach is contingency planning. Businesses that use a significant number of immigrant workers should consider what they would do if some are suddenly unavailable (which could be because of government enforcement action or just from nervousness on the part of the workers). The best action steps for a contingency plan will vary from company to company, but might include building ties with sources of workers such as staffing companies; finding backup sources to purchase the products that the immigrants make; automating or outsourcing some production activities; and cross-training other workers to be able to handle the jobs most often done by immigrant workers.

Companies with a supply chain that might use undocumented immigrants should assess which vendors are most at risk of immigration enforcement and look for alternative vendors ahead of time. Diversifying sources could be a valuable strategy.

Contingency planning has proved to be valuable in a number of ways, most often because it speeds up response to adverse conditions. The trigger for action does not need to be pulled early, but some steps will be cheap and easy and thus can be started before the risk arises. The worst possible course is to simply ignore the risk until you are facing a shop without workers.