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Review & Outlook

The U.S. Legal Immigration Shortage

Fewer H-2B visas coincided with fewer jobs for Americans.

Businesses are getting whipsawed by the Biden Administration regulatory juggernaut, but here's a rule-making they can cheer: The Department of Homeland Security is exercising its discretionary authority to issue 20,000 more H-2B visas for seasonal workers in the coming months.

The Immigration and Nationality Act caps H-2B visas at 66,000 each fiscal year, split evenly between the first and second halves. But DHS may issue additional visas if it determines, after consulting the Labor Department, that employers can't fill seasonal positions with willing, qualified American workers.

Immigration restrictionists say employers could attract more American workers if they raised wages, but they need to get out of their think tanks and talk to employers. Few Americans are willing to relocate every few months for physically demanding seasonal jobs such as shucking oysters in the Gulf Coast or cleaning rooms at Rocky Mountain ski resorts, no matter how much employers pay. So employers year after year rely on the H-2B program.

Demand for visas exceeded the cap even before the pandemic, but the mismatch has grown as millions of U.S. workers have left the labor force, enabled by generous welfare payments. As of Dec. 1, the Labor Department certified that employers needed 65,717 H-2B workers for the first half of the 2022 fiscal year. Last month the Administration said it had received 136,555 visa applications from employers for April through September—four times the cap.

Visas are typically allocated at random, so tough luck to employers that don't win the lottery. Employers that can't find workers have to scale back operations or even shut down. American workers then become collateral damage, as a new study by the **National Foundation for American Policy** shows.

H-2B visas fell by almost half in fiscal 2020 amid government pandemic restrictions. But with millions of Americans losing jobs during lockdowns, employers that typically hire foreign workers on H-2Bs might have been expected to hire more Americans.

The opposite happened. The economists examined employment trends in labor markets based on their reliance on the H-2B program, controlling for state and industry. They found unemployment rates were significantly higher in labor markets where employers traditionally relied more on the H-2B program. When fewer H-2B visas are issued, U.S. workers also have fewer job opportunities.

Americans also pay for the worker shortfall through supply shortages and higher prices. Wonder why hotels no longer change sheets daily? They can't find enough workers, domestic or foreign. Meantime, hundreds of thousands of able-bodied foreign migrants hungry for jobs are flooding the southern border.

Congress made a half-hearted effort to address the H-2B visa shortage in the December spending bill by permitting DHS to lift the 66,000 annual cap. The DHS decision to issue 20,000 more visas with 6,500 specifically allocated for workers from Northern Triangle countries and Haiti is a good start, but not nearly enough.

Rather than compromise to fix the nation's dual immigrant crises—too many illegal migrants and not enough legal foreign workers—Congress keeps punting to the executive branch. It doesn't want to do tough jobs either.

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