

Business Leaders on Immigration: The View from the Midwest

Results of a Chicago Council Survey of 500 Midwest
Business Leaders

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In the postindustrial Midwest, where economic decline and population loss are pressing public policy challenges, understanding the needs of business in attracting and retaining a productive labor force is critical to the region's future. Businesses are engines of economic growth and vitality, and they need talented and willing workers to be competitive. As employers—whether of high-skilled or low-skilled workers—business leaders have an important stake in the immigration debate.

As part of its ongoing work on immigration policy and the Midwestern perspective, The Chicago Council surveyed business leaders in the region to see how their attitudes compare to those of the general public. Previous public opinion polls have shown that of all the regions in the United States, people in the Midwest are generally the least supportive of immigration reform.¹ Yet this survey shows that business leaders throughout the Midwest solidly support immigration reform and think that immigration is good for their companies and the economy. Support for immigration reform is not surprisingly highest among business leaders who have employed immigrants, but it is also strong among those who have not. Business leaders recognize the need for immigrants at all levels, from high-skilled immigrants arriving on H-1B visas to agriculture workers who need access to year-round guest worker visas.

Almost half of the business leaders surveyed in the Midwest employ or have employed immigrants, and they say they do so when they cannot find qualified or willing US citizens to fill the positions. These results support the extensive literature published by economists and experts across the political spectrum that immigrants provide complementary skills in certain industries or geographic areas when needed.²

Respondents also note that their biggest challenges with hiring immigrants, after language and cultural differences, are bureaucratic and include complying with immigration law, navigating the visa system, and investing the time and expense it takes to verify an immigrant's right to work. Only 6 percent say that resistance from the current workforce is their greatest challenge.

These findings are based on a survey of 500 business leaders from the 12-state Midwest region (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin) who broadly represent the mix of industries in the region. Questions focused on four key immigration issues: the impact of immigration on the economy and business, preferred components of an immigration reform bill, the need to expand low- and high-skilled visas, and the firsthand experience of businesses in hiring immigrant labor. This report:

- ▶ focuses on business leaders' general views on immigration and economic competitiveness to explore if and how their views differ from the broader population;
- ▶ examines whether business leaders as a group support immigration reform, including whether they support comprehensive immigration reform or addressing issues separately;
- ▶ considers their views on expanding low- and high-skilled visas, as business leaders are directly affected by employment visa policies and know firsthand the need for immigrant labor;
- ▶ discusses the experiences of Midwest leaders in hiring immigrants to better assess the benefits of and obstacles to hiring immigrant labor.

This survey report is part of more than a decade of work undertaken at The Chicago Council on Global Affairs on the topic of migration policy and immigration reform. The Council's 2013 report "US Economic Competitiveness at Risk: A Midwest Call to Action on Immigration Reform" contained the recommendations of a bipartisan, 53-member task force that argued that common sense immigration reform is essential to the Midwest's economic prosperity. The report included survey findings of the Midwest public from a Chicago Council Survey conducted in August 2012. In 2011 the Council released "Moving Forward: The Immigration Debate and Chicago's Experience." Previously, the Council's "Mexican Immigration in the Midwest: Meaning and Implications" (2009) was one of the first reports to collect and compile data on Mexican immigrants across the Midwest on a county-by-county basis.

As policymakers look to move beyond the current impasse on immigration reform, The Chicago Council's Midwest Business Leader Survey should serve as a resource to help identify business-friendly policies that will increase the Midwest's economic competitiveness and the nation's prosperity.

This work was made possible through the generous support of the John D. and Catherine T. MacArthur Foundation and the Chicago Community Trust. For more information on public opinion, immigration, and other global issues, visit midwestimmigration.org and thechicagocouncil.org.

Key Findings

The Chicago Council examined business leaders' views on immigrant contributions to the economy, immigration reform proposals and policies, and their needs and experiences hiring immigrant workers.

The Impact of Immigration

- ▶ Majorities of Midwest business leaders say that immigration at current levels is good for their own companies (68%), the Midwest (60%), the Midwestern economy (60%), their communities (61%), and their own standard of living (63%).
- ▶ Yet, many believe that immigration is bad for American workers' job security (58%), and business leaders are divided on whether immigration at current levels is good or bad for Midwestern job creation (49% each).

Comprehensive Immigration Reform

- ▶ Midwest business leaders strongly support the comprehensive bill on immigration reform passed by the Senate (65% favor, 34% oppose) that includes increasing border security at a cost of \$46 billion, identifying illegal immigrants, penalizing employers who hire them, and requiring illegal immigrants who qualify to stay to pay taxes and learn English before they can apply for citizenship after 10 years.
- ▶ Midwest business leaders across political lines support a package of reforms that includes a path to legal status *and* increased border security, rather than enacting legislation on one issue before the other. Of the minority preferring enacting legislation separately, opinion is evenly divided between those who prefer that Congress enact border controls or a path to legal status first, leaving the other issue for later consideration.
- ▶ Seventy-five percent of Republicans favor the comprehensive Senate bill, compared to 63 percent of Democrats and 55 percent of Independents. But only half of Republicans (50%) support a path to citizenship when not tied to enforcement or other measures, compared to solid majorities of Democrats (82%) and Independents (63%).
- ▶ Two-thirds (63%) of all Midwest business leaders support a pathway to citizenship for undocumented workers already in the United States, either

immediately (28%) or after paying a penalty and waiting a number of years (35%). An additional 14 percent support providing legal status without a path to citizenship. Added together, more than 75 percent of Midwest business leaders support a path for the undocumented to stay and work legally in the country, compared to just 45 percent of the Midwest public.

Expanding High- and Low-Skilled Employment Visas

- ▶ A solid majority (69%) of Midwest business leaders say it is at least somewhat important for the country and the overall economy to allow more high-skilled foreign workers who might work in the high-tech industries into this country legally. Sixty-one percent say it is at least somewhat important to allow more low-skilled foreign workers who might work in the agricultural, restaurant, or service industries into the United States.
- ▶ Overall, Midwest business leaders support a proposal to increase the number of foreign workers with advanced degrees allowed into the United

States (57%) as well as support increasing the number of temporary guest workers to fill low-skilled jobs (63%).

Hiring Immigrants

- ▶ Previous experience with hiring immigrants is an important factor in business leaders' views on immigration. About half of Midwest business leaders have currently (38%) or have ever (10%) hired immigrants.
- ▶ Eighty-eight percent of those who have hired immigrants say their experience using immigrant labor has been positive.
- ▶ Those who have employed immigrants also express greater support for expanding both high- and low-skill visas than those who have not.
- ▶ Those who hire immigrants say they do so because they are unable to find US citizens with qualifications or willingness to take the jobs and to improve workforce diversity. Business leaders that have not hired immigrants tend to say they do not have problems finding qualified citizens.

Methodology

The Chicago Council's Midwest Business Leader Survey on Immigration was fielded from August 20, 2013, to September 10, 2013. GfK fielded the online survey on behalf of The Chicago Council.

Respondent profile

The Midwest Business Leader Survey sample was broadly representative of the mix of industries in the Midwest. The breakdown of industries includes manufacturing (17%); finance and insurance (13%); professional, scientific, technical, and management (13%); healthcare (12%); accommodation, food services, leisure, and hospitality (6%); trade, transportation, and utilities (7%); nonprofit and government (6%);

educational services (5%); information services (4%); construction (4%); agriculture (3%); real estate (2%); and others (3%).

The survey includes 500 business leaders from 175 small businesses (fewer than 100 employees), 175 medium-sized businesses (101-999 employees), and 150 large businesses (1,000 or more employees).

Most business leaders surveyed identified themselves as members of senior management (58%); other respondents included vice presidents (12%), owners (11%), C-level executives (10%), sole proprietors (5%), and presidents (4%).

A majority of the businesses leaders surveyed (71%) said their companies employed mostly high-skilled workers (29% mostly low-skilled).

Percentages may not sum to 100 due to rounding.

Immigration and Its Effect on Business and the Economy

Midwest business leaders today have more positive views towards immigrants and immigration reform than the general public has had in recent years. Public opinion polls have shown that of all the regions in the United States, the Midwest is generally the least supportive of immigration reform. A July 2013 *Washington Post* poll found that only 43 percent of the Midwest public supported a path to citizenship for undocumented immigrants, compared to 60 percent support in the Northeast, 56 percent in the South, and 63 percent in the West.³ A 2010 Chicago Council Survey found that Midwesterners are more likely than other US residents to feel that immigration at current levels is bad for the US economy, bad for creating jobs, and bad for their standard of living.⁴

Business leaders generally view immigration at current levels as a good thing

Overall majorities of Midwest business leaders, however, view immigration at current levels as good for their own companies (68%), their own standard of living (63%), the Midwest (60%), the Midwestern economy (60%), and their communities (61%) (Figure 1). Nevertheless, despite numerous reports from across the political spectrum finding that immigrants do not drive down wages or take American jobs, many Midwest business leaders believe that immigration is bad for American workers' job security (58%), and they are divided on whether immigration at current levels is good or bad for Midwestern job creation (49% each).

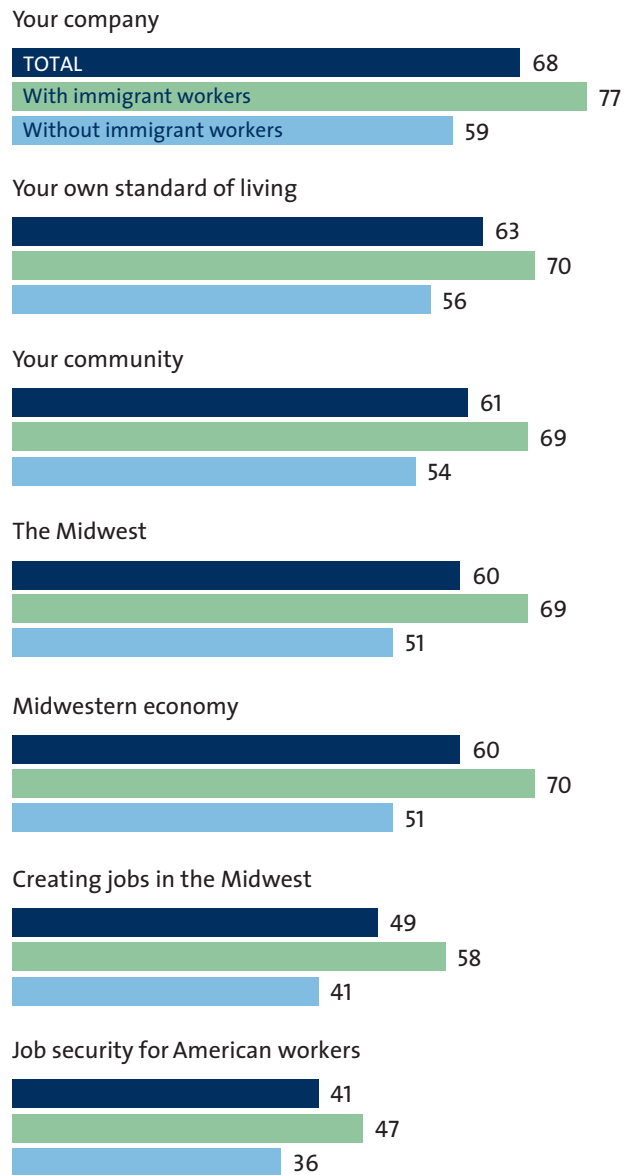
Employers of immigrants are more positive about the effects of immigration

Midwest business leaders that hire or have hired immigrants are more likely to see immigration as a positive force than those that have not. Seven in ten or more among employers with immigrant workers say that immigration at current levels is good for their companies, the Midwest, the Midwestern economy, their communities, and their own standard of living. Importantly, they are more likely than employers without immigrant workers and Midwest business leaders overall to say that immigration is good for creating jobs in the Midwest (58%). However, a slim majority of employers with immigrant workers (53%) say that immigration at

FIGURE 1

Views on Immigration at Current Levels

Overall, do you think immigration at current levels is good or bad for the following? (% of Midwest business leaders who say "good")



Survey conducted August 20 to September 10, 2013

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current levels is bad for American workers' job security, broadly similar to overall views.

Many business leaders expect immigration reform to have both positive and negative effects

When asked about immigration reform’s probable effect on businesses, pluralities of business leaders expect a combination of *both* positive and negative impacts on small (42%), medium (48%), and large (38%) businesses (Figure 2). Of the rest, more say that immigration reform will have a mostly positive or no effect on businesses than say it will have a mostly negative effect. No more than one in ten thinks it will have a mostly negative effect on small (13%), medium (10%), or large (9%) businesses.

Those who anticipate a mostly positive effect of immigration reform on small and medium businesses point to a higher availability of workers, particularly skilled and hardworking job candidates (Table 1). In the words of one business leader: “With sensible laws that make it legal for immigrants to be here and apply to citizenship, business could find the resources they need to fill their labor needs, while worrying less about noncompliance with the law.”

Several also mention the positive impact of reform on eliminating the underground labor economy. As one respondent explains: “Eliminating a ‘shadow’ workforce and economy would increase the tax base, reduce employee turnover, and speed assimilation of recent immigrants.” Several business leaders comment that large businesses generally do not hire, or hire very few, unauthorized immigrants. Regardless of company

FIGURE 2

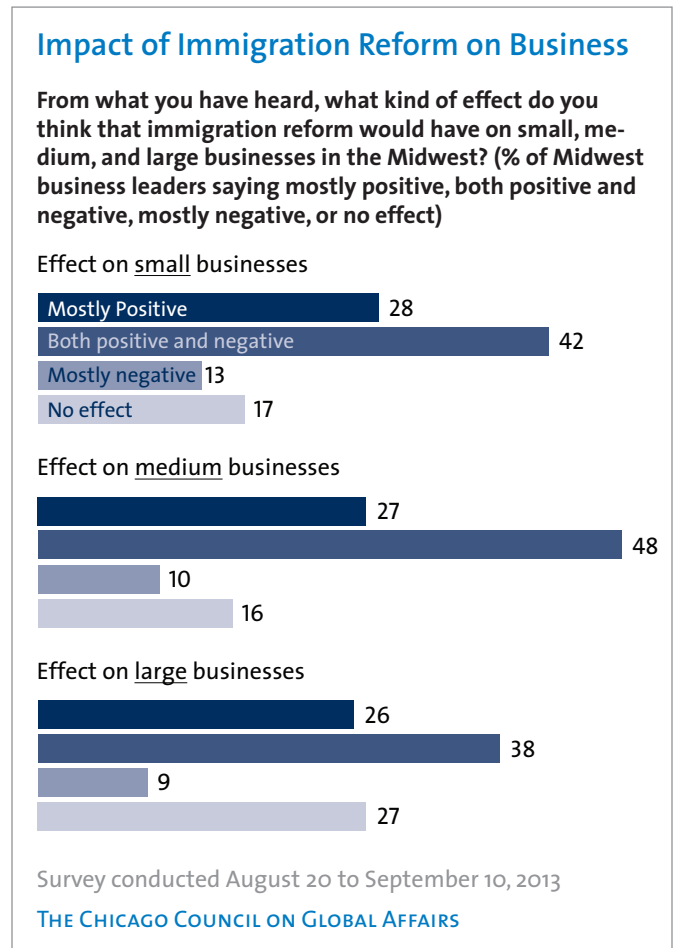


TABLE 1

Reasons Reform Would Be Mostly Positive

Why did you say that immigration reform would be mostly positive for small, medium, and large businesses? (volunteered response) (% of Midwest business leaders)	Small Businesses	Medium Businesses	Large Businesses
Higher availability of workers/more workers	21	23	15
Companies need skilled and hard-working employees	14	20	17
Need a path to citizenship to get rid of underground economy/black market/allows companies to hire legally	14	14	7
Immigrants contribute to economic growth of region (increase tax base, spend money)	13	13	10

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TABLE 2

Reasons Reform Would Be Mostly Negative

Why did you say that immigration reform would be mostly negative for small, medium, and large businesses? (volunteered response) (% of Midwest business leaders)

	Small Businesses	Medium Businesses	Large Businesses
Need to employ Americans/too many on unemployment/bad for American job security	15	22	15
Employers will face increased costs/need to increase wages/bad for business	14	9	2
If we deported immigrants, it would decrease available workers and hurt US economic competitiveness overall	14	9	2

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size, one in ten Midwest business leaders also point to immigration’s effect on economic growth. “This will keep costs down, promote affordability of their products, drive sales, and ultimately create more capital to expand,” remarks one business leader on the effect of reform on large businesses.

Midwest business leaders who think that immigration reform would have a mostly negative effect on Midwestern businesses explain their responses in a variety of ways, depending on what they think reform would do (Table 2). Some argue for the need to employ Americans, noting the high levels of unemployment, and that immigration is bad for American workers’ job security: “It’s a gain for the economy but a loss to us workers.” Others explain that small businesses and farms employ unautho-

rized immigrants more than other businesses and that immigration reform with increased enforcement without also creating a guest-worker visa could harm them by limiting their workforce. Some believe that employers would face increased costs, as they would have to raise wages, which would be bad for business.

Finally, some business leaders think immigration reform that would result in deporting immigrants would be harmful to US economic competitiveness. Many of these concerns overlap. For example, one respondent comments that “if it is made harder for workers to make it into the country to work, small- and mid-size businesses—who typically employ the most ‘day-laborers’—will face a shrinking labor pool and higher costs for the workers that remain.”

Comprehensive Immigration Reform

Even if many Midwest business leaders expect immigration reform to be a mixed bag for business, they agree on the need for reform. A large majority (77%) says it is very or somewhat important for the president and Congress to pass significant new immigration legislation this year (Figure 3).

One of the key debates is whether reforms should be passed all at once or in stages, issue by issue. Comprehensive immigration reform (CIR) generally refers to a sweeping overhaul of US immigration legislation that would include everything in one bill: border security and enforcement measures; a path to citizenship for undocumented immigrants, especially youth; expansion of high-skilled visas; creation of new low-skilled visas; retention of foreign-born graduates of American universities; human rights and labor rights; and services for immigrant integration, among other policies. Proponents of CIR argue that it will garner the most support because everyone can find something they can agree to and it will protect some people against new policies that could have punitive consequences. S.744, the Senate bill passed with bipartisan support on June 27, 2013, is an example of CIR legislation.

The alternative policy approach, one currently advocated by the Republican leadership of the House of Representatives, is a more “piecemeal” approach that would consider some policy issues individually in an incremental process.

This survey asked Midwest business leaders what their priorities for immigration reform are. For the

sake of simplicity, questions about immigration reform focused on the two most contentious issues in the debate: how to deal with the undocumented immigrants living in the United States and increasing border security. Questions surrounding legal immigration are discussed separately on pages 11-13.

Majority supports comprehensive Senate bill that includes enforcement, verification, and a path to citizenship

Two in three Midwest business leaders (65%) support the version of a comprehensive immigration reform bill passed by the Senate that includes “increasing border security at a cost of \$46 billion; identifying illegal immigrants; penalizing employers who hire them; and requiring illegal immigrants who qualify to stay to pay taxes and learn English before they can apply for citizenship after 10 years” (Figure 4). Overall responses are similar when the same proposal is presented as “one version of immigration reform that people have discussed” (69% in favor, 31% opposed) rather than as “a bill passed by the Senate.”

Majorities of Republicans (75%), Democrats (63%), and Independents (55%) support the Senate’s comprehensive bill on immigration reform.⁵ About four in ten Independents (43%) and Republicans (38%) oppose the bill as worded, compared to one in four (24%) Democrats.

FIGURE 3

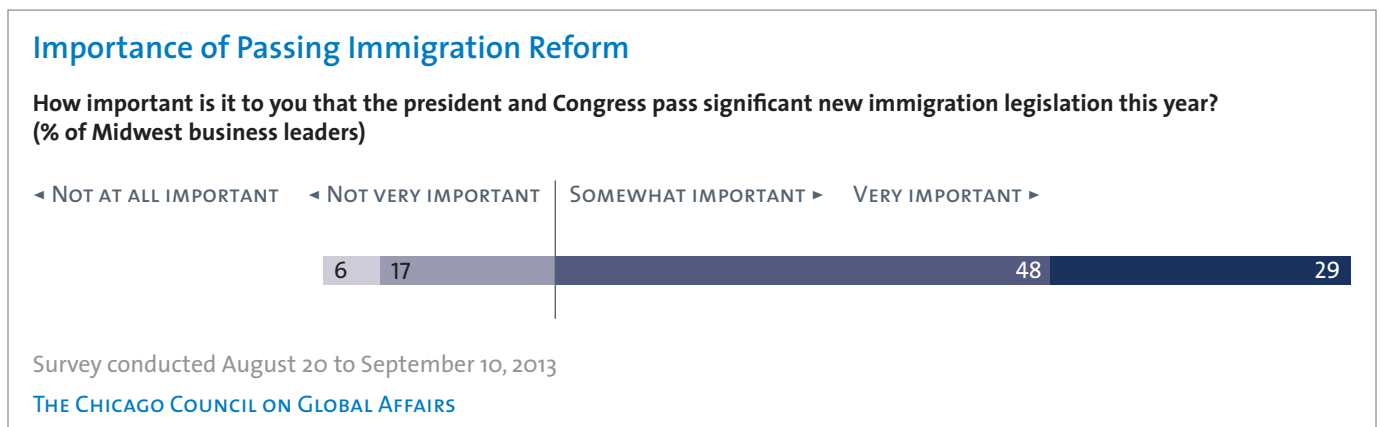
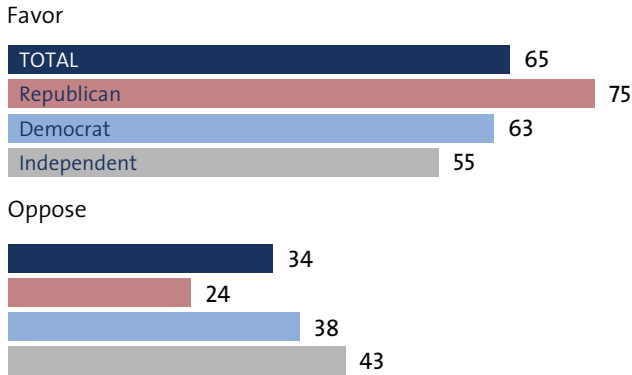


FIGURE 4

Support for the Comprehensive Immigration Reform Bill Passed by the Senate

The Senate passed a comprehensive bill on immigration reform that would do the following: increase border security at a cost of \$46 billion, identify illegal immigrants, and penalize employers who hire them. Illegal immigrants who are qualified to stay will be required to pay taxes and to learn English before they can apply for citizenship after 10 years. Do you favor or oppose this version of immigration reform? (% of Midwest business leaders)



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Slim majority supports simultaneous passage of border control measures and path to legal status

A slim majority (53%) of Midwest business leaders say that Congress should simultaneously enact stricter border control and a path to legal status now (Figure 5). Only 2 percent say that Congress should do neither. The remainder is evenly divided between those who prefer Congress enact border controls now and leave consideration of a path to legal status for later (23%) and those who prefer Congress enact a path to legal status now and consider border control later (22%).

The level of support for simultaneous passage of stricter border control and a path to legal status for unauthorized immigrants is consistent across political lines, with 55 percent of Republicans, 53 percent of Democrats, and 52 percent of Independents preferring this. However, of the rest, more Republicans than Democrats prefer enacting border control now while putting off consideration of a path to legal status (29% of Republicans vs. 12% of Democrats). More

Democrats than Republicans prefer enacting a path to legal status now and putting off consideration of stricter border control (35% of Democrats vs. 13% of Republicans).

Majority supports path to citizenship

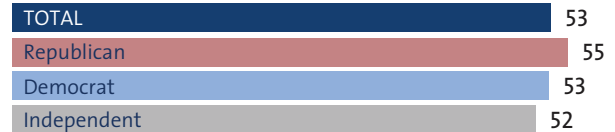
One of the biggest immigration reform controversies is whether to give unauthorized immigrants in the United States a path to citizenship and if so, under what conditions. When presented four choices for how to deal with unauthorized immigrants working in the United States—not tied to any other reform measures—a majority of Midwest business leaders

FIGURE 5

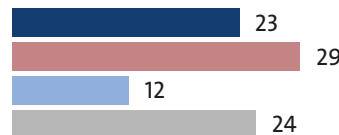
Support for Simultaneous or Piecemeal Passage of Immigration Reforms

When it comes to immigration reform, which of the following would you prefer? (% of Midwest business leaders)

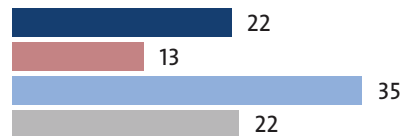
Do both now: To have Congress enact stricter border control and enact a path to legal status



To have Congress enact stricter border control now and put off consideration of a path to legal status for later



To have Congress enact a path to legal status now and put off consideration of stricter border control for later



Not do either: To enact neither stricter border control nor path to legal status



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(63%) favor policies that provide a pathway to citizenship. This includes 28 percent who think unauthorized workers should be allowed to stay in their jobs and apply for citizenship immediately and 35 percent who think they should first pay a penalty and wait a number of years (Figure 6). Another 14 percent say they should be allowed to stay in their jobs with work permits, but not to apply for US citizenship. Added together, over 75 percent of Midwest business leaders support a path for the undocumented to stay and work legally in the country, compared to just 45 percent of the Midwest public found in earlier polls.⁶ Only one in four business leaders (23%) say the undocumented should be required to leave their jobs and the United States.

Midwest business leaders are also more supportive of a pathway to citizenship than the US public more generally. An April 2013 nationwide Chicago Council Survey asked the same question and found that half of the national public polled believed that unauthorized immigrants currently working in the United States should either be allowed to stay in their jobs and apply for US citizenship now (25%) or be allowed to stay and apply for citizenship only if they pay a penalty and wait a number of years (25%).⁷ Another 16 percent thought undocumented workers should be allowed to stay in their jobs with work permits but not permitted to apply for citizenship. A greater proportion of the national public (31%) said that unauthorized immigrants should be required to leave their jobs and the United States.

Republicans much less likely than Democrats to support a path to citizenship when not combined with enforcement measures

While a solid majority of Midwest business leaders overall support some form of path to citizenship for unauthorized immigrants not tied to any other reform measures, there is a large partisan divide on this question. Only half of Republican business leaders (50%) support a path to citizenship for unauthorized immigrants, either immediately (18%) or after paying a penalty and waiting a number of years (33%). The other half does not support a path to citizenship, with one in three Republicans (33%) saying that unauthorized immigrants should be required to leave their jobs and the United States, and 18 percent saying they should be allowed to stay with work permits but not a path to citizenship. This contrasts starkly with the 75

percent of Republican business leaders in the Midwest who say they favor the Senate's immigration reform bill, which includes a path to citizenship after a period of time (10 years) and is tied to stricter border control and other measures.

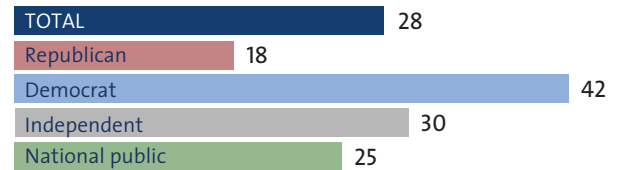
On the other hand, the vast majority of Democratic Midwest business leaders (82%) support a path to citizenship for unauthorized immigrants in general,

FIGURE 6

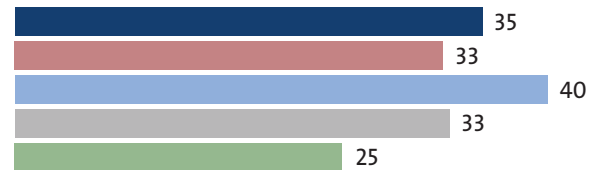
Views on a Path to Citizenship for Illegal Immigrants

Which comes closest to your view about illegal immigrants who are currently working in the US? (% of Midwest business leaders and national public)

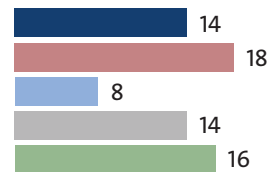
They should be allowed to stay in their jobs and to apply for US citizenship



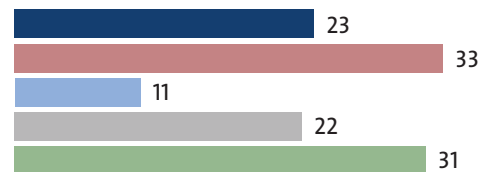
They should be allowed to stay in their jobs and to eventually apply for US citizenship only if they pay a penalty and wait a number of years



They should be allowed to stay in their jobs with work permits, but not to apply for US citizenship



They should be required to leave their jobs and leave the US



Midwest business leader survey conducted August 20 to September 10, 2013. National public survey conducted April 12 to 16, 2013.

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either immediately (42%) or after a penalty and waiting period (40%). Among Independents, a majority backs a path to citizenship (63%), with three in ten supporting an immediate path (30%) and one in three supporting a path after paying a penalty and waiting (33%). Only two in ten Independents (22%) and one in ten Democrats (11%) support deporting undocumented immigrants. Taken together, majorities across

the political spectrum support some type of legalization, at least in terms of work permits.

As the House of Representatives considers passing a series of individual bills rather than a comprehensive overhaul in one piece of legislation, it is important to note that a path to citizenship for unauthorized immigrants will garner more support when packaged with enforcement bills.

Expansion of High-Skill and Low-Skill Visas

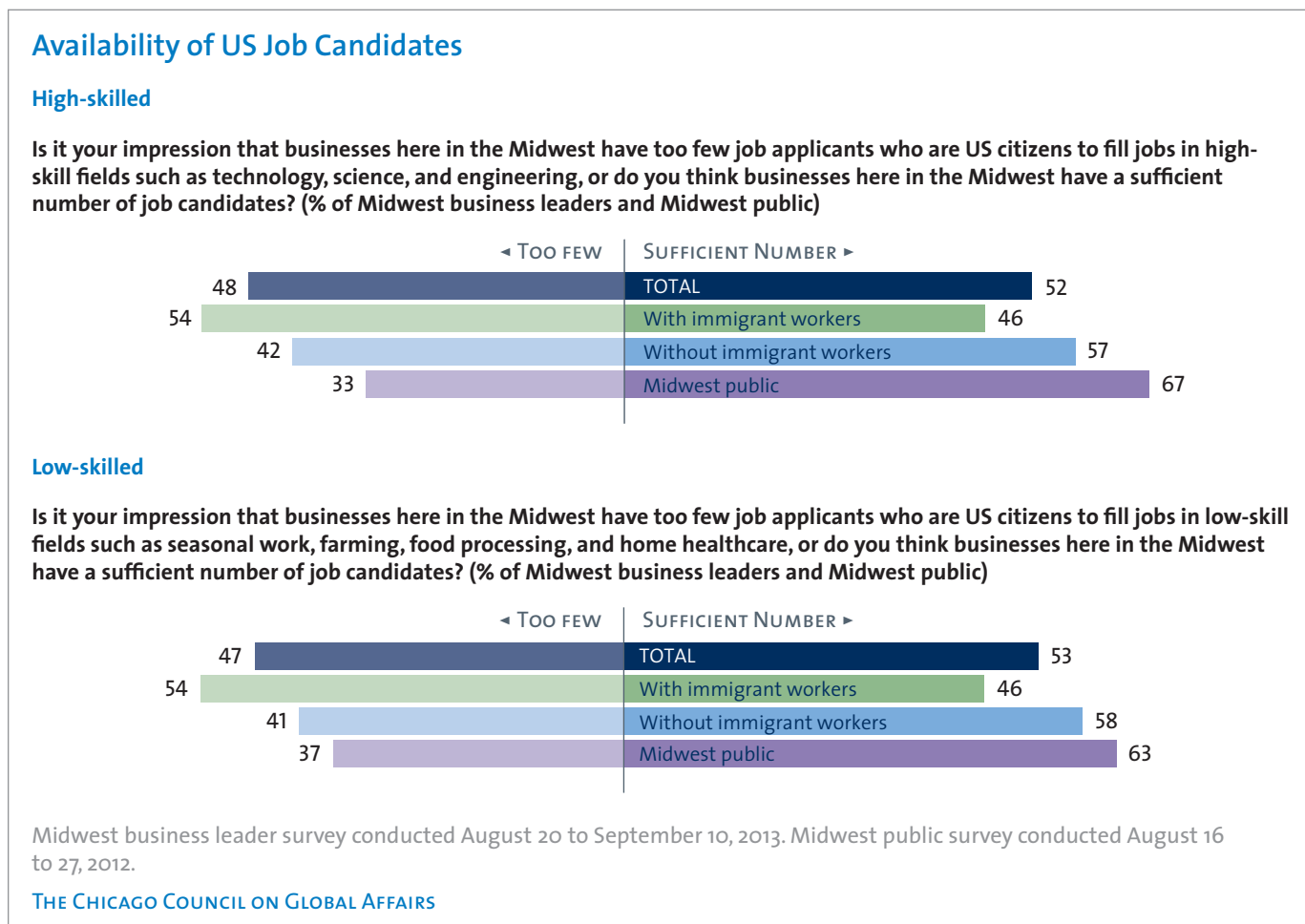
Another key component of the immigration reform debate is whether or not immigrants take jobs away from US citizens or whether there is a shortage of qualified and willing US workers to fill the jobs needed. The views and experiences of business leaders on this question are therefore important for proposing solutions and may differ from views expressed by the public. Business leaders are directly affected by employment visa policies and a cumbersome visa application system. Applications for high-skilled H-1B visas hit the cap of 65,000 in just five days in 2013.⁸ There is no temporary visa for employers seeking long-term low-skilled labor. This section explores perceptions of the need for high- and low-skilled immigrant labor across industries and support for increasing the number of foreign workers allowed into the United States.

Midwest business leaders who employ immigrants say there are too few US job applicants

In 2012 the Midwest public was asked if there were a sufficient number or too few US residents to fill jobs in high-skill fields such as technology, science, and engineering, and in low-skill fields such as seasonal work, farming, food processing, and home healthcare. Solid majorities said there were a sufficient number for both skill levels (67% for high-skill and 63% for low skill). Significantly fewer were under the impression that Midwestern businesses had too few applicants for high-skill (33%) and low-skill (37%) jobs.⁹

Among Midwest business leaders in 2013, however, only slim majorities say there are a sufficient number

FIGURE 7



of US residents to fill high-skill jobs (52%) and low-skill jobs (53%). A substantial 48 percent say there are too few candidates for high-skill jobs, and 47 percent say the same for low-skill jobs (Figure 7).

There is also a significant difference of opinion between business leaders who employ immigrant workers in their businesses and those who do not. A majority of employers with immigrant workers say that Midwest businesses have too few high- and low-skill job applicants for open jobs (54% for each). Those who do not employ immigrants have a different impression, with majorities saying there are a sufficient number of high-skilled (57%) and low-skilled (58%) job applicants. This suggests that the perception of whether or not there are sufficient US job candidates for certain high- and low-skill jobs may be tied largely to a business leader’s own experience rather than knowledge of broader business or economic needs.

Majority believes allowing more foreign workers into the country legally is important

When asked how important it is for the country and the overall economy to allow more high-skill foreign

workers who might work in the high-tech industries into this country legally, a solid majority (69%) says it is at least somewhat important. A slightly smaller majority (61%) says it is at least somewhat important to allow more low-skill foreign workers who might work in the agricultural, restaurant, or service industries into the United States legally (Figure 8).

Both employers that hire immigrants and those that don’t hire them agree on the importance of allowing more high- and low-skilled foreign workers into the country legally. Significantly more employers that hire immigrants, however, think this is “very important” than those that do not (34% vs. 19% for high-skilled workers and 21% vs. 12% for low-skilled workers). In the words of one respondent: “Diversity is key to innovation and growth. Just because someone is a lower-skilled worker doesn’t mean they are not smart. Most have not had access to higher education. As for highly educated/highly skilled, if we don’t figure out how to get the best and the brightest the world has to offer, another country will. We’re being narrow-minded and short-sighted on this whole issue.”

FIGURE 8

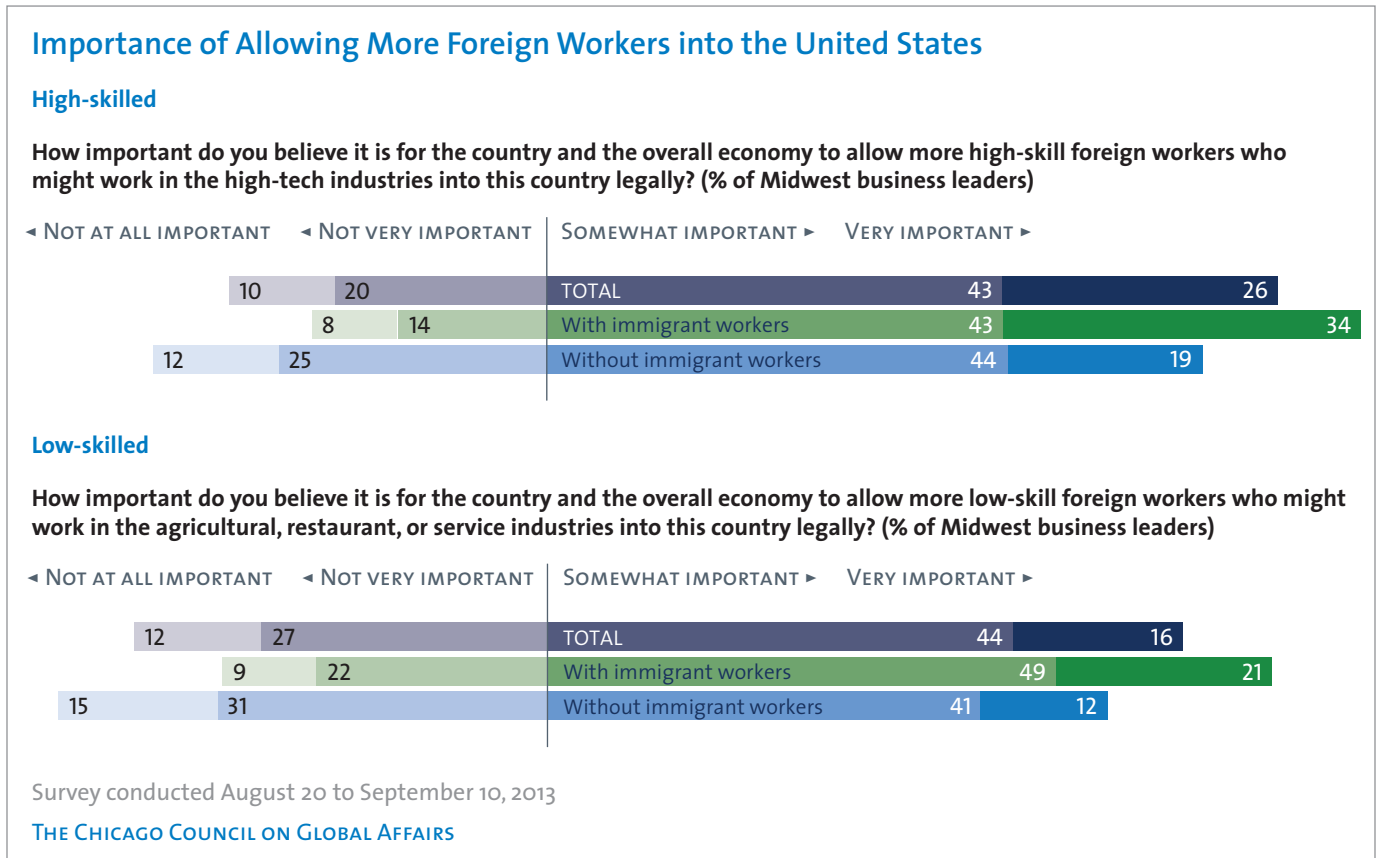
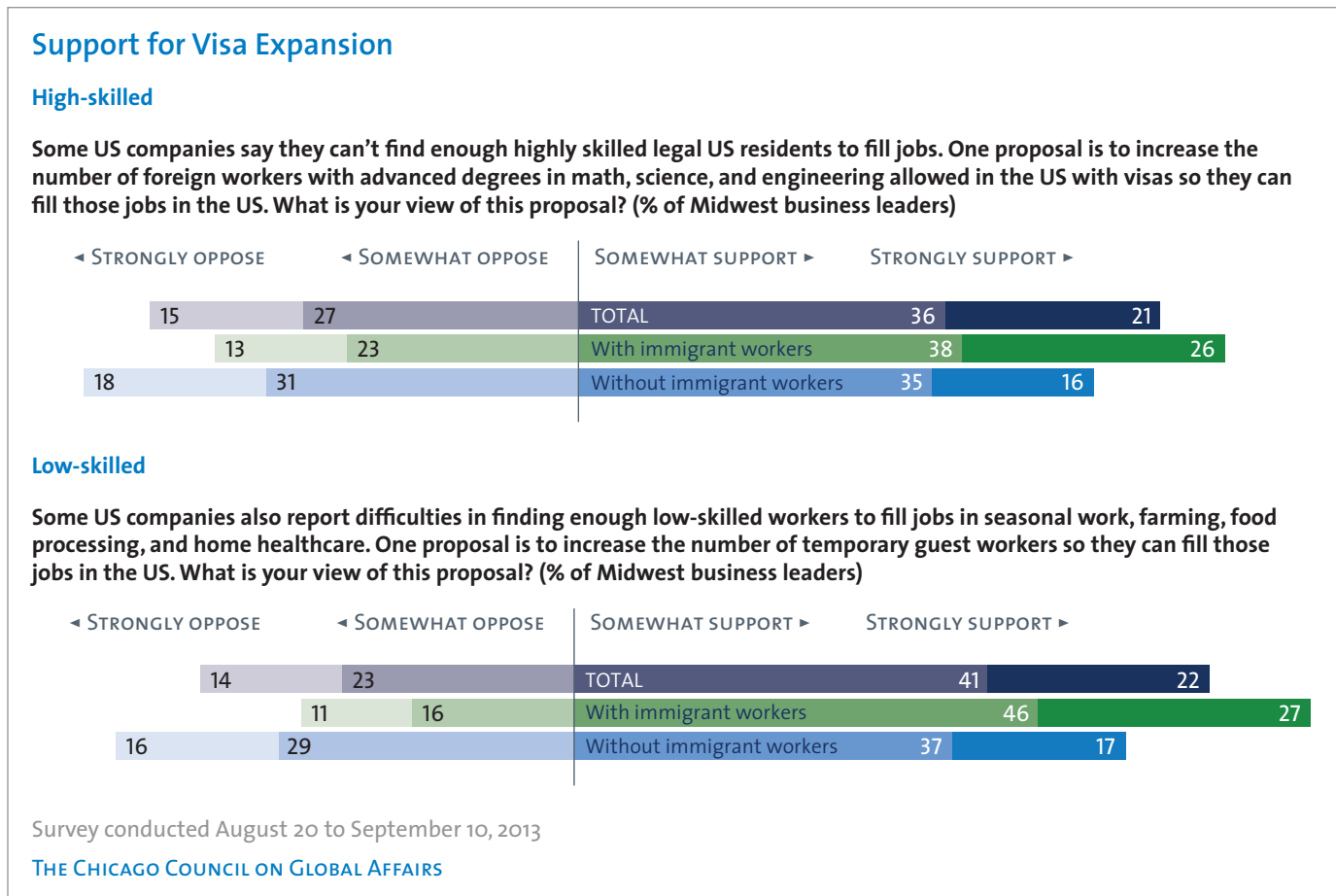


FIGURE 9



Majority supports a proposal to increase visas for high- and low-skilled workers

Fifty-seven percent of Midwest business leaders say they support (36% somewhat and 21% strongly) a proposal to “increase the number of foreign workers with advanced degrees in math, science, and engineering allowed in the US with visas so they can fill those jobs in the US” when told that some US companies say they can’t find enough highly skilled legal US residents to fill jobs.

In a similar question about low-skilled workers, 63 percent of Midwest business leaders say they support a proposal to increase the number of temporary guest workers so they can fill jobs in seasonal work, farming,

food processing, and home healthcare in the US (41% somewhat and 22% strongly).

Significantly larger majorities of businesses that employ immigrants support increasing high-skill (64%) and low-skill (73%) visas, compared to only about half of those who do not employ immigrants (51% high skill, 54% low skill) (Figure 9). By comparison, less than half of the Midwest public surveyed in 2012 supported increasing the number of foreign worker visas for those with advanced degrees (44%) or filling jobs in seasonal work, farming, food processing, and home healthcare with temporary guest workers (47%).¹⁰

Knowledge of Illegal Immigration

Opinions about immigration are often based on perceptions rather than facts. To help provide a deeper understanding of the responses in this study, The Chicago Council asked Midwest business leaders and the public what they know about current immigration flows and the status of immigrants in the country.

This study finds that the views of business leaders in the Midwest on immigration flows are generally consistent with the views of the general public, except when looking at the recent flows of undocumented immigration to the United States. More Midwest business leaders know that unauthorized immigration has decreased than the Midwest public, although a plurality of both believe it has increased.

Midwest business leaders and the public believe undocumented immigration has been increasing despite data showing otherwise

Like the Midwest public overall, Midwest business leaders tend to be misinformed about current unauthorized immigration trends, if somewhat less so than the public. A plurality of business leaders believe that unauthorized immigration to the United States over the past year has increased (45% business, 59% public), while another 31 percent (24% public) believe it has stayed the same. About one in four Midwest business leaders know unauthorized immigration has decreased or stopped altogether (24% business, 16% public) (Figure 10). The Pew Research Center has been tracking the number of unauthorized immigrants in the United States for decades and found that since the peak in 2007 of 12.2 million unauthorized immigrants in the United States, the number has sharply declined since the recession.¹¹

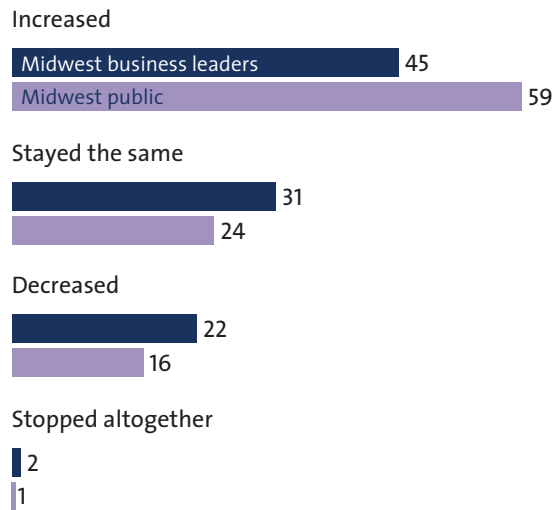
Most wrongly think most recent immigrants in the United States are here illegally

Midwest business leaders and the public are also unaware that most immigrants living in the United States are here legally, with only one in three business leaders (32%) and one in four of the Midwest public (24%) believing this to be the case (Figure 10). When asked about immigrants in the Midwest, a narrow majority of business leaders (51%) but only four in ten among the Midwest public say most recent immigrants are here legally. However, majorities of both (67% business leaders, 54% Midwest public) say immigrants in their own communities are here legally. In fact, as of 2013 more than 40 million foreign-born immigrants reside in the United States, or 13 percent of the total population. About 11.7 million (or about three in ten) are unauthorized.¹² The 12-state Midwest region has over 66 million residents. Nearly 4.4 million are foreign-born,¹³ and an estimated 1.3 million are unauthorized, also about three in ten.¹⁴

FIGURE 10

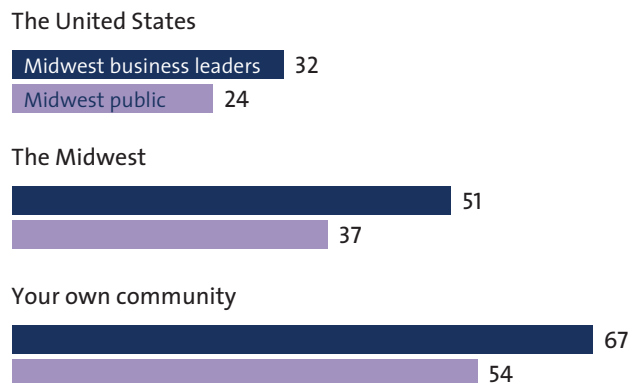
Illegal Immigrant Flows

Is it your impression that over the last year, the flow of illegal immigrants to the US has increased, stayed the same, decreased, or stopped altogether? (% of Midwest business leaders and Midwest public)



Immigrant Status

Do you think that most recent immigrants in the following areas are here legally or illegally? (% legally)



Midwest business leader survey conducted August 20 to September 10, 2013. Midwest public survey conducted August 16 to 27, 2012.

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These misperceptions could influence opinions on immigration policy and immigration reform. Previous surveys on immigration have found that those with knowledge of immigration trends are more likely to support immigration and many reform proposals.¹⁵

Midwest Business and the Hiring of Immigrants

To better understand the context in which business leaders are answering the survey questions and are affected by the lack of immigration reform, The Chicago Council inquired about their hiring practices, their reasons for hiring immigrants, and the challenges they face with the hiring process.

Half of Midwest businesses leaders have hired immigrants

Half of those interviewed say their businesses either currently hire (38%) or have in the past hired (10%) legal immigrants. Businesses that employ over 1,000 workers are most likely to have employed immigrants (Table 3).

About one-third (34%) of Midwest business leaders have ever used the high-skill worker visa program for their business hiring needs; 7 percent have used it for low-skill workers. Similarly, more have applied to sponsor a worker for the H-1B guest-worker visa in the past three years (23%) than the H-2B temporary non-agricultural worker visa (4%) or the H-2A temporary agricultural worker visa (2%).

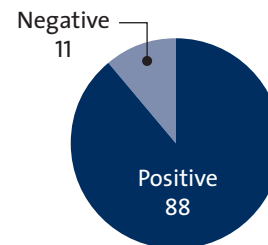
Larger companies are more likely to employ immigrants

Consistent with the findings of a 2013 survey conducted by Small Business Majority, the Chicago Council

FIGURE 11

Experience Using Immigrant Labor

Regardless of skill level, was your experience using immigrant labor positive or negative? (% of Midwest business leaders who have employed immigrants)



Survey conducted August 20 to September 10, 2013

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study finds that fewer small businesses employ immigrants than medium- or large-size businesses.¹⁶ Only a quarter (23%) of small business leaders say their businesses hire or have hired legal immigrants. In contrast, 71 percent of leaders of large businesses say their companies hire or have hired legal immigrants. Leaders of medium-sized businesses were split almost evenly, with a slight majority (52%) saying they employ legal immigrants.

TABLE 3

Use of Immigrant Labor by Midwest Businesses

Does your business currently or has your business in the past employed legal immigrants? (% of Midwest business leaders)

	Midwest Businesses Overall	Small Businesses (<100 employees)	Medium Businesses (101-999 employees)	Large Businesses (1,000+ employees)
Yes	48	23	52	71
currently	38	10	42	64
in the past	10	13	10	7
No	52	76	48	28

Survey conducted August 20 to September 10, 2013

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Those who hire or have hired legal immigrants tend to employ year-round workers (71%) more than seasonal (8%) or both (20%), and they tend to hire mostly high-skilled (64%) rather than low-skilled (35%) immigrant workers. Nine in ten (89%) of those who have used legal immigrant labor, regardless of skill level, rate their experience as positive (Figure 11).

When those who have hired legal immigrants are presented with a series of responses and asked to choose which is the most important reason their company uses immigrant labor, top responses include not

being able to find US citizens with the qualifications needed (25%), improving workforce diversity (20%), and not being able to find enough US citizens to fill these jobs (18%). Together, reasons related to not finding enough available or willing US workers total 43 percent (Table 4). A plurality of those who have not hired immigrants say it is because they have not had an issue finding qualified citizens (47%), while one in four say they do not have the need or opportunity to hire anyone (25%).

TABLE 4

Reasons for Using or Not Using Immigrant Labor	
Which one of the following best describes the most important reason you <u>use</u> immigrant labor?	% of those who use immigrant labor
Cannot find US citizens with qualifications needed	25
Improve workforce diversity	20
Cannot find enough US citizens to fill these jobs (willing workers)	18
Targeting customer market where the cultural/language skills are needed	14
Labor costs	13
Best candidate for the position/most qualified/qualified	5
Immigrants were friends or family members	3
Which one of the following represents the biggest reason why you <u>do not use</u> immigrant labor?	% of those who do not use immigrant labor
Don't have a problem finding qualified citizens	47
I do not have the need or opportunity to hire anyone right now	25
There are few immigrants where I live	11
Worried about the legal consequences of accidentally hiring someone who does not have the legal permission to work	9
Other	3
Don't want to go through the process required to verify they are legally allowed to work in the US because of the time required	2
Not qualified	2
Survey conducted August 20 to September 10, 2013	
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Employers of immigrants still face challenges

Although the overwhelming majority of immigrant employers say their experience with immigrant employees was positive (88%), they still face some challenges. A plurality of Midwest business leaders name language and cultural differences (36%) as their biggest challenge in hiring immigrants. Other challenges result from a complicated and bureaucratic system. This includes two in ten (23%) who say their biggest challenge is dealing with immigration law compliance, 18 percent who say they have difficulties navigating the visa system, and 14 percent who consider the time and expense it takes to verify an immigrant's right to work such as reviewing green cards and I-9 cards as a challenge. Only 6 percent say that resistance from the current workforce is their greatest challenge (Figure 12).

Large majority supports a law requiring status checks, but only a minority has used E-verify

Nine in ten (88%) Midwest business leaders say they support a law that would require all businesses to check whether the documents provided by their employees match information in government databases to confirm they are authorized to work in the United States, with stiff fines and penalties for employers who knowingly hire unauthorized workers. But only four in ten (44%) say they are very (12%) or somewhat familiar (32%) with the E-Verify system or other federal systems designed to help employers check the legal status of their employees. Somewhat fewer say their companies have used E-Verify or a similar system (38%). Those who have used it are more likely to describe the experience as easy and convenient (30%) than difficult and time consuming (10%), though many also say it is somewhere in between (28%).

FIGURE 12



Conclusion

Businesses are the engines of local economic vitality and growth, and in today's globalized world they can choose to locate wherever they deem most profitable. The Midwest—where economic challenges, population loss, and fiscal crises are pressing—cannot afford to lose these important economic actors. Recognizing their priorities for expanding employment visas and their preferences for comprehensive immigration reform will help attract and retain the businesses needed to ensure the region's future economic competitiveness.

Midwest business leaders across the political spectrum support comprehensive immigration reform that includes both a path to legal status and increased border security. The minority of business leaders who support addressing legislation separately are equally divided on which issue to pursue first—border security or path to legal status. Furthermore, a majority supports some way for undocumented workers to stay and work legally in the United States—not tied to enforcement or other measures—either through a legal status or a pathway to citizenship. The survey suggests that as Congress continues its debate on immigration reform, an approach that combines *both* a path to citizenship and increased border security will garner the most support.

Although majorities agree that immigration at current levels contributes positively to the economy, their companies, and their communities, many believe that it has a negative impact on job security for American workers. This highlights a need for more thorough economic analysis that addresses the short-, medium-,

and long-term impacts of immigration on employment trends and wages.

Only half of the respondents say their businesses either currently employ or have previously employed immigrants. Companies that have hired immigrants are generally more supportive of all immigration reform proposals and believe that there is an insufficient pool of qualified and willing native-born workers. However, even among those who have not employed immigrants, a majority still supports expanding visas and believe it is important for the country and the economy to allow more foreign workers into the United States legally.

Finally, a significant majority of Midwest business leaders say they would support a law that would require all businesses to check whether the documents provided by their employees match information in government databases to confirm they are authorized to work in the United States, with stiff fines and penalties for employers who knowingly hire unauthorized workers. E-Verify is a system currently available for this purpose, yet only 38 percent of business leaders have used it. This shows that broader use of E-Verify might only come about if there is a federal law mandating it, though additional protections for business leaders using it may be required to get maximum domestic support.

As policymakers look to move beyond the current impasse on immigration reform, this survey should serve as a resource to help identify business-friendly policies that will increase the Midwest's economic competitiveness.

Endnotes

1. Washington Post-ABC News poll, "Obama, GOP, immigration and health care," July 24, 2013.
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4. "Constrained Internationalism: Adapting to New Realities, Results of a 2010 National Survey of American Public Opinion," The Chicago Council on Global Affairs, Global Views 2010.
5. When asked the same question without describing it as the Senate bill, support among self-described Independents increased 19 percentage points to 74 percent. No similar effect was observed among Democrat or Republican respondents.
6. "Midwest Immigration Survey: Knowledge of Recent Immigration Trends is Key to Support for Reforms," The Chicago Council on Global Affairs, December 6, 2012.
7. "In Mexico, President Obama Expresses Optimism for Immigration Reform, But Many Americans Express Bias against Mexican Immigrants," The Chicago Council on Global Affairs, May 6, 2013.
8. "Employer Demand Soars for Skilled-Worker Visas," *The Wall Street Journal*, April 5, 2013.
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11. As of September 2013, new findings were released stating that the flow had stabilized and may even be on the rise again.
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