

## News Release

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### Report: As US Economy Grapples with Nearly 11 Million Unfilled Jobs, Immigration Reform is Critical

**New York, NY, March 21, 2023...**Today, the Committee for Economic Development, the public policy center of The Conference Board (CED), issued a new **Solutions Brief**, [\*Immigration Reform: An Essential Key to Growth\*](#).

As detailed in the report, widespread workforce shortages are playing a significant role in both elevating and perpetuating inflation. Across the country there are almost 11 million jobs waiting to be filled—a near-historic high. Even if all currently unemployed workers could fill those job openings, the nation would still have a shortfall of more than five million workers—a scenario that underscores why comprehensive immigration reform is imperative.

Left unaddressed, the current labor shortage problem risks jeopardizing long-term economic growth and prosperity. Making the challenge all the more difficult are troubling demographic trends: As the US population ages and birth rates decline, labor shortages will only intensify without immigration being part of the solution.

"Increasing the nation's quantity of labor will require a two-pillar approach. To preempt a shrinking workforce, expanding US labor force participation through steps including reskilling, diversifying talent pools, and supporting older workers and caretakers is a first-order priority," said Dr. Lori Esposito Murray, President of CED. "But, it is not the panacea. Also essential is comprehensive immigration reform that expands legal pathways and encourages immigrants' immediate contribution to the workforce. Further delays in reform will continue to put severe pressures on the US workforce, which will hinder overall innovation, productivity, and growth."

The Solutions Brief—which can be accessed [here](#) and is the latest in CED's *Sustaining Capitalism* series—examines both the short- and long-term economic impacts of the nation's current workforce shortages. It also provides a series of recommendations, consisting of a two-pillar approach, for both policy and business leaders.

### **Key Recommendations from the Solutions Brief**

Rebuilding the US labor force will require policy and business leaders to collaborate on a two-pillar approach: increasing American workers' participation rate and comprehensive immigration reform. CED recommendations include:

#### **1) Increase and support American workers' participation rate**

- **Increase public-private provision of training and incentivize upskilling.** Together, private and public sector leaders should collaborate with employer-driven consortiums of colleges, broad-access institutions, and other trainers. They should work to link skillset development with job opportunities in apprenticeship and credentialing programs.
- **Support older workers who wish to remain working.** Eliminate disincentives to employment by removing the Medicare benefits cliff, piloting repeal of the Social Security retirement earnings test, and implementing flexible work arrangements.

- **Expand and increase the Earned Income Tax Credit (EITC).** Incentivize more people with low-income job prospects to enter the labor force by permanently expanding eligibility to adults without children.
- **Expand workplace flexibility for workers with dependent care responsibilities.** In response to today's diverse workforce, business leaders should strive to provide workplace flexibility for employees to care for children or other dependents without impacting their careers. Public policy leaders should prioritize pre-K education opportunities for at-risk children.
- **Lower barriers to participation and mobility.** Reduce geographical limitations and occupational barriers, diversify talent pools, and move towards competency-based hiring and promotion models.

## 2) Enact comprehensive immigration reform to support the US labor force

- **Secure the border to reduce illegal immigration.** Responsible reform must begin by addressing the border with an influx of resources for asylum officers, judges, and facilities, while making investments in systems to boost processing capacity.
- **Broaden enforcement of US immigration laws through a mandatory E-Verify system.** The E-Verify system would better ensure that jobs are filled by screened applicants. This serves the dual purpose of deterring unauthorized migration by nearly eliminating job opportunities they are able to fill, and by shrinking the potential pool of offenders who law enforcement authorities must identify.
- **For undocumented immigrants already residing in the US, develop a bipartisan plan for lawful pathways to permanent residence, predicated on extensive screening.** Such a pathway would allow them to fully integrate into the workforce, the mainstream economy, and their communities.
- **Allow immigration to boost the labor force by opening additional pathways at all skill levels to work authorization and permanent residence as needed across the economy.**
  - Boost entry of employer-sponsored workers at all skill levels by eliminating or raising caps on green cards and visas and adjust caps based on the prior year's demand.
  - Offer work authorization to temporary workers' spouses and children.
  - Relax provisions that require productive workers to leave the country during periods of non-employment.
  - Streamline retention of H-1B high-skill workers and F-1 international students. Specifically, allow changes in employers and allow such immigrants to self-nominate for permanent residence after successfully meeting required visa terms.
  - Maintain green card pathways for family-sponsored admissions and refugee admissions to continue America's commitment to family unification and human rights.
- **Improve processes and upgrade capacity for immigration application and approval.** Resources to upgrade capacity and processing speed are necessary to make immigration more effective for immigrants and businesses, helping to compete with other countries to recruit workers.
  - Commit to a goal on processing application decision time and allocate resources sufficient to meet it.
  - Shift to quarterly or monthly allocation for H-1B visas to spread processing and better align with more convenient work start dates.
  - Improve capacity at US consulates by deploying sufficient officers to the busiest consulates and by expanding interview waivers.
- **Pilot programs to address labor gaps.**
  - Pilot additional visas on a points-based system, calibrated to target defined shortage occupations or education backgrounds.
  - Allocate designated number of "place-based" visas contingent on workers residing in a specific location, allowing state and local governments to coordinate to address regional labor market needs.
- **Establish a Workforce & Immigration Policy Advisory Board**

- Establish a public-private Workforce and Immigration Policy Advisory Board to make recommendations on workforce shortages and target skills.

The new **Solutions Brief**, *Immigration Reform: An Essential Key to Growth*, can be accessed [here](#).

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#### **About CED**

The Committee for Economic Development (CED) is the public policy center of The Conference Board. The nonprofit, nonpartisan, business-led organization delivers well-researched analysis and reasoned solutions in the nation's interest. CED Trustees are chief executive officers and key executives of leading US companies who bring their unique experience to address today's pressing policy issues. Collectively they represent 30+ industries, over a trillion dollars in revenue, and over 4 million employees. [www.ced.org](http://www.ced.org)

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