



hispanicfederation

**Hispanic Federation
Statement for the Record
House Committee on the Judiciary
Subcommittee on Immigration and Border Security
Hearing on: “How E-Verify Works and How it Benefits American Employers and
Workers”
February 27, 2013**

The Hispanic Federation respectfully submits this statement for the record of today’s hearing before the Subcommittee on Immigration and Border Security of the House Committee on the Judiciary on “How E-Verify Works and How it Benefits American Employers and Workers.”

The Hispanic Federation (HF) is a social service and advocacy membership organization that represents and works with nearly 100 Latino non-profit community-based agencies to promote the social, political and economic well being of Hispanic Americans. Since its inception in 1990, the Federation has empowered and advanced the aspirations and needs of the Hispanic community by improving education achievement, increasing financial stability, strengthening Latino nonprofits, promoting healthy communities, and giving voice to our community.

Overview

The Latino community now represents 17 percent of the population—or 51.9 million residents in the United States and 15 percent of the country’s labor force.¹ The Hispanic Federation has serious concerns over proposals that mandate the use of E-Verify and the deleterious impact these proposals have on Latino workers and small business owners.

An enforcement-only approach will not fix our broken immigration system. Eight million undocumented workers are not going to leave the country because of mandatory E-Verify.² Instead the mandatory use of E-Verify will impose new costs on employers,

¹ Seth Motel and Eileen Pattern, *Statistical Portrait of Hispanics in the United States, 2011* (Pew Hispanic Center, Feb. 15, 2013), <http://www.pewhispanic.org/2013/02/15/statistical-portrait-of-hispanics-in-the-united-states-2011/>

² Passel, Jeffrey S., and D’Vera Cohn, *Unauthorized Immigrant Population: National and State Trends, 2010*. (Pew Hispanic Center, Feb. 1, 2011) <http://www.pewhispanic.org/2011/02/01/unauthorized-immigrant-population-brnational-and-state-trends-2010/>

drive jobs into the underground economy, increase unemployment, and deprive the government of federal, state and local tax revenues.³

Instead of layering E-Verify on top of a broken immigration system, we need to fix the system. A workable solution is broad reform of our immigration system that includes a path to legal status, which includes citizenship, for undocumented immigrants. This would result in a large economic benefit—a cumulative \$1.5 trillion in added U.S. gross domestic product over 10 years and ensure that all workers and jobs are protected.⁴

Concerns with mandatory E-Verify

The Hispanic Federation has serious concerns on the impact of a mandatory employment verification program on Latino workers and small business owners including, but not limited to:

Requiring the use of E-Verify will disproportionately affect naturalized citizens, foreign-born and Latino workers.

Although E-Verify error rates have improved, the system is still not foolproof. If E-Verify were to be made mandatory more than three-quarters of a million legal workers—including U.S. citizens—would stand to lose their jobs because of the system's error rate.⁵ Of particular concern is the system's disproportionate impact on Latino workers. E-Verify error rates are 30 times higher for naturalized U.S. citizens and 50 times higher for legal nonimmigrants than for native-born U.S. citizens. Mandatory use of E-Verify will create a new set of employment challenges for the more than 18.7 million foreign-born Latinos in the country.⁶ At a time when Latinos are already facing higher unemployment rates than the general population, a mandate to implement an error ridden system is simply unacceptable.⁷

Requiring employers to use E-Verify will place burdens on all businesses, especially Latino small businesses.

Latino businesses are the single fastest growing segment of small businesses in the country, expanding at nearly twice the rate of the national average between 2002 and

³ *Expanding E-Verify will Undermine Job Growth and Cripple Small Business*, (NILC, Jan.2011), www.nilc.org/document.html?id=327

⁴ Dr. Raúl Hinojosa-Ojeda, *Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform* (Center for American Progress, Jan. 7, 2010), <http://www.americanprogress.org/issues/immigration/report/2010/01/07/7187/raising-the-floor-for-american-workers/>

⁵ Tyler Moran, Testimony before the House Committee on Ways and Means, Subcommittee on Social Security, Hearing on the Social Security Administration's Role in Verifying Employment Eligibility, April 14, 2011, available at <http://www.nilc.org/testimony-eevs.html>

⁶ Seth Motel and Eileen Pattern, *Statistical Portrait of Hispanics in the United States, 2011* (Pew Hispanic Center, Feb. 15, 2013), <http://www.pewhispanic.org/2013/02/15/statistical-portrait-of-hispanics-in-the-united-states-2011/>

⁷ In February 2013, the Latino unemployment rate was 9.7 percent, *Employment Situation Summary* (Department of Labor Statistics, Feb. 1, 2013), <http://www.bls.gov/news.release/empsit.nr0.htm>

2007.⁸ Approximately 2.3 million businesses are owned by Latinos. These businesses generate \$271 billion in sales each year.⁹ Mandating the use of E-Verify will hurt Latino small business owners by adding another government regulation. According to a Bloomberg Government study, small businesses will spend \$2.6 billion every year to implement E-Verify. With an unemployment rate of 9.7 percent for Latinos and the economic recovery of small businesses still precarious, it does not make sense to burden job creators with an additional \$2.6 billion per year.

Given these realities, the Hispanic Federation remains opposed to the mandatory expansion of E-Verify in immigration reform. However, should Congress insist on enacting a mandatory employment verification system, at the very minimum it should:

- Phase the system incrementally with vigorous performance evaluations and ensure data accuracy;
- Protect workers from unreasonable burdens and misuse of the system; and
- Contain strong anti-discrimination protections, due process and privacy safeguards.

Conclusion

Unless the current unauthorized workforce is provided a path to legalization, requiring the use of E-Verify is destined to fail. The time to modernize our immigration laws is long overdue, and the Hispanic Federation stands ready to work with this Committee and Congress to achieve this important goal for our country, the American people, and all those seeking to contribute their talents and energy to our great nation.

⁸ *The Latino Labor Force in the Recovery*, (Department of Labor Statistics), <http://www.dol.gov/sec/media/reports/hispaniclaborforce/>

⁹ *The Impact of E-Verify on Latinos* (NLCR, Sep. 2011), <http://www.nclr.org/images/uploads/pages/NCLRimpactofeverifyonLatinosfactsheet.pdf>