

Memo

To: DHS and DOL

From: Seasonal Employment Alliance

Date: April 8, 2021

Re: Economic Impact of COVID-19 on Seasonal Employers



Seasonal employers, like most American businesses, have suffered economic harm due to the shutdowns implemented in response to COVID-19. The impact to each occupation varies widely. Landscapers are now operating at full capacity. The outdoor amusement industry is recovering slowly as many carnivals and fairs scheduled for this spring and summer have either been cancelled or postponed. Fortunately, most hotels are now experiencing robust demand from Americans who are eager to travel after being locked down for the better part of a year. Unfortunately, most of our member hotels do not have the staff to accommodate the demand and consequently, are having to turn away business.

Of course, these seasonal employers are willing to hire any American workers who apply and are displaced by the economic impact of COVID-19. Seasonal employers are going beyond the requirements set by the government to recruit American workers. We recently surveyed our members to ascertain the methods they are currently using to target, recruit and hire American workers displaced by the COVID-19 pandemic.

Advertising methods used by seasonal employers:

- 72.5% are using on an online job bank
- 58% are using social media
- 57% are using billboards and yard signs
- 50% are using Craigslist
- 44% advertise in local newspapers
- 17% are airing ads on local radio and/or TV

Employers are also offering monetary incentivizes to attract American workers:

- 43% offer a starting wage higher than the H-2B prevailing wage
- 41% offer an end of season bonus
- 21% are offering a length of service bonus (receive bonus after specified number of weeks worked)
- 11% are offering a sign-on bonus

Number of American worker applicants received the month of March:

- 50% have received zero applicants
- 26% have received between one and five applicants
- 10% have received between six and ten applicants
- 4% have received between eleven and fifteen applicants

- 14% have received more than fifteen applicants

Policy makers must understand that higher unemployment will not necessarily solve the labor shortage for seasonal employers. More American worker applicants does not equal more workers. The data paints the picture:

- 1,974 American worker applicants during the month of March
- 577 American workers interviewed
- 156 showed up on their first scheduled day
- 109 remain with their companies as of close of business March 31st

Of the 1,974 American worker applicants, only 5% remain with their companies today. It is impossible to run a business with this rate of turnover. Employers spend inordinate amounts of time interviewing and training the workers, only for most to not make it to their first day.

Until policy makers have been in the shoes of a seasonal employer, it is impossible to understand the desperate situation they are in.

Example: This St. Louis area company's recent experience is emblematic of the issues the respondents to the survey are having:

"Technically I hired 4 Americans last week.

- *Person 1 - worked for 6 hours. No call, no show on day 2.*
- *Person 2 - no call, no show on day 1*
- *Person 3 - did not show up for drug screening.*
- *Person 4 - did not show up for drug screening.*

That is 4 interviews, 4 assessments, 4 second interviews, 4 wage negotiations and 4 job offers. I am currently still 4 people short. The process alone to "hire" those 4 was more than 6 hours in total time for me.

Due to no headway on virtually any front and the current virus issue, I will be forced to sub out more than 75% of my entire portfolio. That decision must be made by Wednesday, March 25th or I will risk not being able to perform services on some customer properties at all, and risk those clients just being lost without any financial return."

We encourage DHS to finalize the supplemental visa rule as soon as possible, because in this current economy, every step must be taken to facilitate economic growth and save American jobs. Time is of the essence. Even if the announcement is made today, workers would likely not arrive until late May/early June. This delay will have a significant economic impact on the seasonal employer community.

Economic impact survey

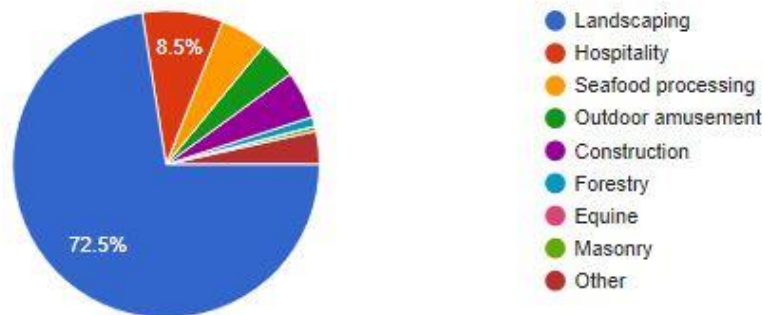
Survey statistics:

- 196 respondents

- 142 respondents have been denied access to the program due to the insufficient number of visas
- Applied for 5,878 H-2B workers
- Employ 6,470 full-time, year-round American workers
- 1.1 American workers for every H-2B worker
- Companies expect an average revenue decline of 38% if they do not receive their H-2B workers
- Average starting wage of \$15.7 per hour
- Breakdown of respondents by occupation
 - 73% landscaping
 - 9% hospitality
 - 6% construction
 - 5% outdoor amusement
 - 5% seafood processors
 - 1% forestry

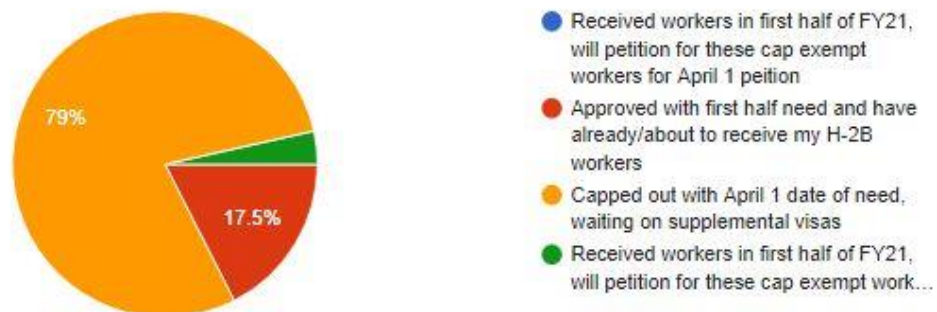
Which industry best describes your business?

200 responses



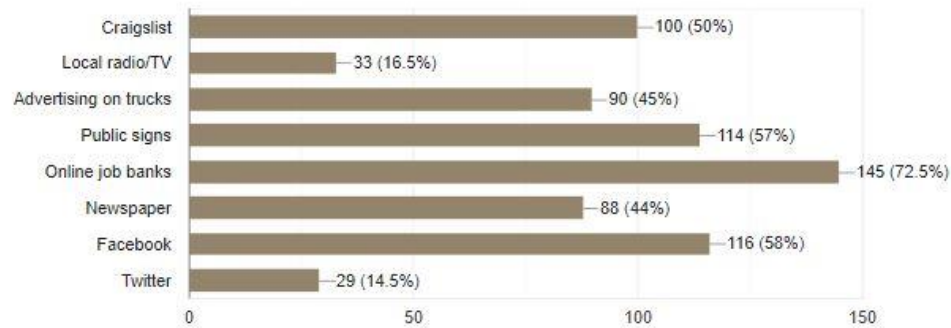
What best describes your situation?

200 responses



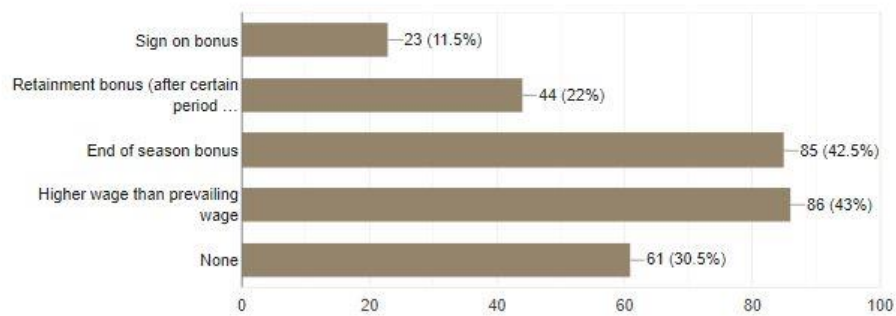
What methods are you using to recruit American workers (check all that apply)?

200 responses



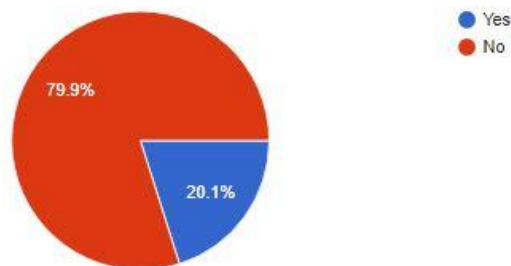
What monetary incentives do you offer (if any)?

200 responses



Absent cap relief, do you anticipate laying off any of your full-time, year-round American workers?

199 responses



Landscaping

- 145 respondents
- Average respondent employs 25 full-time, year-round American workers per company

- Average employer applied for 25 H-2B workers
- Average starting wage of \$15.93
- Absent cap relief, respondents expect a 32% decline in revenue compared to 2019

Outdoor Amusement

- 8 respondents
- Average respondent employs 13 full-time, year-round American workers per company
- Average employer applied for 42 H-2B workers
- Average starting wage of \$13.82
- Absent cap relief, respondents expect a 42% decline in revenue compared to 2019

Hospitality

- 17 respondents
- Average respondent employs 121 full-time, year-round American workers per company
- Average employer applied for 39 H-2B workers
- Average starting wage of \$15.37
- Absent cap relief, respondents expect a 29% decline in revenue compared to 2019

Seafood processors

- 10 respondents
- Average respondent employs 11 full-time, year-round American workers per company
- Average employer applied for 19 H-2B workers
- Average starting wage of \$11.79 (most workers paid based on production, make considerably more per hour)
- Absent cap relief, respondents expect a 29% decline in revenue compared to 2019

Forestry

- 2 respondents
- Average respondent employs 27 full-time, year-round American workers per company
- Average employer applied for 16 H-2B workers
- Average starting wage of \$18
- Absent cap relief, respondents expect a 41% decline in revenue compared to 2019

Construction

- 11 respondents
- Average respondent employs 18 full-time, year-round American workers per company
- Average employer applied for 358 H-2B workers
- Average starting wage of \$16.63
- Absent cap relief, respondents expect a 45% decline in revenue compared to 2019