NATIONAL SMALL BUSINESS ASSOCIATION
NSBA™
America's Small Business Advocate

ISSUE BRIEF
IMMIGRATION REFORM
JANUARY 2025

Small-Business owners stand to be significantly impacted by various broad immigration reform proposals, specifically as they relate to availability of workers and compliance with new and/or existing rules and regulations.

Small firms are facing a shortage in skilled workers, making reform necessary. However, some reform proposals put the onus of verifying immigration status on small firms and include unfair and hefty penalties.

- According to NSBA data, more than one-in-three small employers hire some kind of immigrant worker: green-card holders, temporary foreign workers or VISA holders. Only one-half of one percent of small firms say they hire undocumented workers.

- More than half of all Small-Business respondents to the NSBA survey said they rely on highly-skilled workers with a STEM background—with one-third of Small-Business owners responding they are having difficulties hiring STEM workers. Thus, nearly half of Small Businesses support the creation of a new VISA category for students in STEM fields.

- Despite the high levels of concern over illegal immigration, just one-third of Small-Business respondents to the NSBA survey currently use the E-Verify system, making a gradual phase-in even more critical. However, the majority of small firms support some kind of required use of an improved E-Verify or similar employee verification system if it included a safe harbor clause for employers operating in good faith.

- Just 22 percent of small firms support requiring illegal immigrants to return to their country of origin before beginning the process of becoming a legal citizen.

> **Any comprehensive immigration legislation must address the concerns of the Small-Business community in order to foster economic growth and to help Small Businesses prosper and create jobs.**

WORKING SOLUTIONS

Any actionable reform proposals should:

- Ensure that any E-Verify requirements have reasonable penalties, contain swift error correction mechanisms and compensate individuals and Small Businesses for out-of-pocket losses sustained due to database errors;
- Increase the number of available visas for foreign-born students graduating from a U.S. university with an advanced degree in a STEM field;
- Increase the cap for H-1B visas (for skilled workers) and H-2B visas (for temporary workers) or accomplish a similar substantive result with new visa categories or by increased employment- related permanent resident slots;
- Establish a new visa category for highly-skilled immigrant entrepreneurs;
- Eliminate the per-country numerical limit on employment-based visas; and
- Ensure that the administrative burden for employment-related visas is reasonable.

Small Businesses employ the following type of workers:

Worker type	Percentage
Naturalized or U.S.-born citizens	80%
Green-card holders (legal permanent...)	36%
Visa holders	13%
Temporary foreign workers	9%
Undocumented workers	2%