

Miami Herald

Deportations, lack of visas will hurt our economy. Find ways to protect your business.

May 21, 2017

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No matter where you stand on political issues, it is important to recognize that the current administration's actions and proposed deportation of millions of undocumented immigrants and reduction of available visas will have serious, unintended negative consequences for our economy and possibly your business. Middle-market business owners should understand the potential impacts on their businesses and take necessary steps to prepare.

While much of the concern has been centered on the impacts on such industries as construction and hospitality, a broad spectrum of other industries will be harmed. The technology, fashion, farming, horse racing, meatpacking, and trucking industries, to name a few, are substantially driven

by the labor, knowledge and spending power of visa holders and undocumented immigrants. We are hearing of labor shortages with April's unemployment at a 4.4 percent rate.

Deportation

Undocumented immigrants currently represent a material number of our workforce and our underground economy, and removing them from our country will hurt all sectors, including the middle market. Recent data from the National Bureau of Economic Research show undocumented immigrants currently represent 5 percent of the U.S. workforce and contribute about 3 percent of the annual gross domestic product — amounting to approximately \$5 trillion every 10 years.

Deportation of all 11 million unauthorized immigrants currently living in the U.S., although highly unlikely, is projected to cause the GDP to drop over \$400 billion, or approximately 2.6 percent, every year, according to research from the nonpartisan Center for American Progress.

Deportation will mean rent, mortgages and other debts will go unpaid. Fear of deportation will cause people to spend less, hurting our GDP and local businesses.

Deporting people — many of whom were educated in our schools and also pay various taxes — will strengthen our competitors in other countries by giving away what business experts consider a company's greatest asset: its people with expertise.

Limited access to visas

While abuses of the visas program may occur from time to time, it is definitely not the norm. For the most part, this program has become integral to many U.S. businesses and our economy.

Proposed changes to the visas program — including requiring some people to leave the country and reducing the number of available visas — will worsen the existing shortage of labor and make it even harder for employers to fill vacancies and/or retain their skilled employees who have helped build their businesses.

So, what steps should you take now?

- Keep abreast of the news, write to your government leaders and voice any comments or concerns.
- If you expect to lose employees, you should begin evaluating training programs, apprentice programs and/or automation.
- Consider hiring part-timers and offering alternative work schedules to enable you to hire mothers and other qualified employees who might need flexible hours and other unique arrangements.
- You might have to find a way to streamline your business operations and have fewer people working for you. Consider automation.
- Examine your employees' visas to find all categories that would permit them to stay.
- Depending on your industry, you might need to consider opening an office offshore.
- As an option of last resort, you might need to shrink your business. Eliminate the least profitable business lines, and use this as an opportunity to grow your stronger product lines.

It is important to bear in mind that approximately 40 percent of Fortune 500 companies were founded by immigrants or their sons and daughters, an increasingly common trend. A recent study from the nonpartisan National Foundation for American Policy shows immigrants started 51 percent of all billion-dollar startups and make up 70 percent of key management roles in these companies.

Unfortunately, since we still do not fully understand exactly what changes will be implemented, it is not yet possible to develop a clear path forward. Keeping a close pulse on these issues and collaborating with experts can help you protect your business interests.

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