

WebMemo



Published by The Heritage Foundation

No. 2268
February 4, 2009

Senate Stimulus Bill Would Provide 300,000 Jobs for Illegal Immigrants

Robert Rector

If enacted, the Senate stimulus bill would fund over \$100 billion in new government construction projects with the goal of providing additional jobs to unemployed Americans. The House-passed stimulus bill contains explicit language to bar employment of illegal immigrants in these construction projects. However, the Senate bill deliberately omits this language.

If the Senate version of the bill becomes law, a great number of the workers employed in government construction programs will, in fact, be illegal immigrants. About one out of seven (or 15 percent) of workers employed in construction in the U.S. is an illegal immigrant.¹ Unless strong mechanisms are put in place to prevent the hiring of illegal immigrants, it is reasonable to expect that a similar proportion of workers hired for construction projects under the stimulus bill would be in the country illegally.

Construction Funding and Employment of Illegal Immigrants. The Senate stimulus bill would provide roughly \$104 billion in funding for a variety of construction projects including highways, schools, and renovation of public housing. This funding will be spread over five to seven years. Normal government estimates indicate that each \$1 billion spent on construction will create around 19,500 construction jobs, each lasting a year.² Thus \$104 billion in funding in construction projects would ostensibly create construction-related jobs for about 2.04 million workers over several years. Without specific mechanisms to ensure that work-

ers are U.S. citizens or legal immigrants authorized to work, it is likely that 15 percent of these workers, or 300,000, would be illegal immigrants.

House Bill Blocks Employment of Illegal Immigrants. The House-passed version of the stimulus bill (H.R. 1, the American Recovery and Reinvestment Act) contains explicit language, introduced by Congressman Jack Kingston (R-GA), requiring that all contractors receiving funds under the bill use the federal E-Verify system to determine whether workers are U.S. citizens or legal immigrants authorized to work.

E-Verify is a real-time, web-based verification system run by the Department of Homeland Security and the Social Security Administration. E-Verify can determine with great accuracy the authenticity of the personal information and credentials offered by employees and new hires.³ In most cases, verification occurs almost instantly.

Some 99.4 percent of lawful workers receive immediate positive verification, while the other 0.6 percent of lawful workers receive positive verification after a brief visit to their local security office, generally lasting only a few minutes. Despite years of use and screenings of millions of employees,

This paper, in its entirety, can be found at:
www.heritage.org/Research/Economy/wm2268.cfm

Produced by the Domestic Policy Studies Department

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

there has never been a single instance in which a lawful worker lost permanent employment as a result of erroneous information provided by the E-Verify system.⁴

E-Verify is a very effective mechanism for determining the legal status of potential workers. E-Verify is inexpensive for employers to use, costing between \$4 and \$20 for each employee screened.⁵ E-Verify is in wide use; currently about one in 10 new hires in the U.S. economy are screened through the E-Verify system.

At present, all federal employees are checked by the E-Verify system, but outside contractors receiving federal funds (such as construction firms) are not required to use the system. Requiring contractors receiving stimulus funds to use E-Verify will

greatly reduce the probability that those funds will be used to employ illegal immigrants.

Senate Bill Does Not Block Use of Federal Funds to Employ Illegal Immigrants. The stimulus bill currently being debated in the Senate deliberately omits the E-Verify provision from the House bill. Later this week, Senator Jeff Sessions (R-AL) will introduce an amendment to include the House E-Verify language in the Senate bill. However, if the current Senate bill were to become law without language requiring contractor use of E-Verify, the inevitable result would be billions in federal funds spent to employ illegal immigrants.

—Robert Rector is Senior Research Fellow in the Domestic Policy Studies Department at The Heritage Foundation.

1. Steven A. Camarota, "Dropping Out: Immigrant Entry and Native Exit From the Labor Market, 2000–2005," Center for Immigration Studies, March 2006, p. 19, at <http://www.cis.org/articles/2006/back206.html> (February 4, 2009).
2. Department of Transportation, Federal Highway Administration, "Employment Impacts of Highway Infrastructure Investment," April 7, 2008. This report no longer appears on the DOT website. Contact the author for the original PDF file. Of course, government spending is not a free lunch. Federal highway dollars must first be taxed or borrowed from the private sector, which will then lose a similar number of jobs. Consequently, these programs merely transfer resources and jobs from one part of the economy to another. See Ronald D. Utt, "More Transportation Spending: False Promises of Prosperity and Job Creation," Heritage Foundation *Background* No. 2121, April 2, 2008, at <http://www.heritage.org/Research/budget/bg2121.cfm>.
3. Robert Rector, "Reducing Illegal Immigration through Employment Verification, Enforcement, and Protection," Heritage Foundation *Background* No. 2192, October 7, 2008, at <http://www.heritage.org/Research/Immigration/bg2192.cfm>.
4. *Ibid.*
5. *Ibid.*