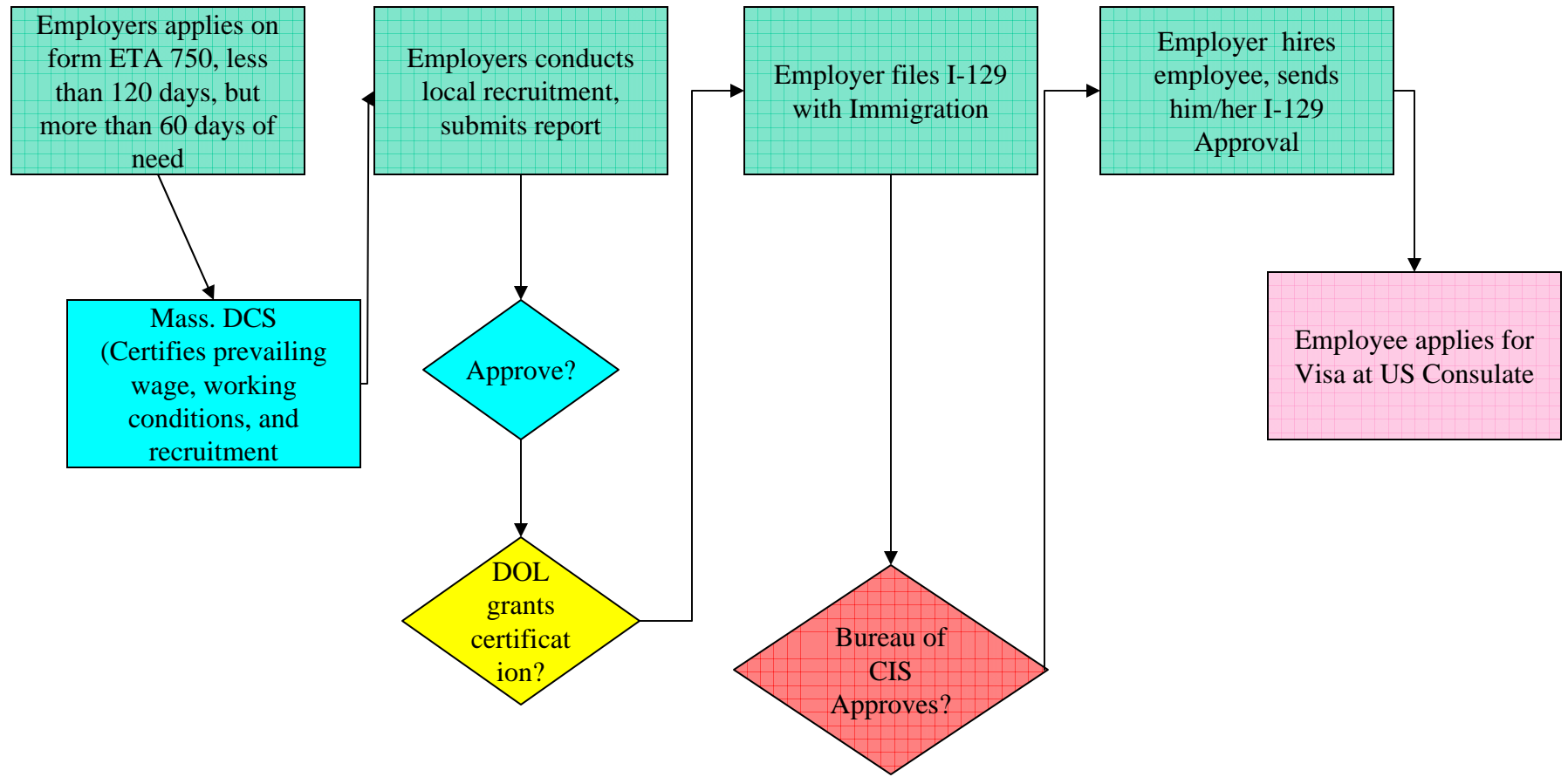




# Seasonal Temporary Labor Needs Cape Cod and the Islands

# H2B Temporary Visas Application Process is long and complicated



# MA competes with other states for H2B-Visa workers

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Number of workers certified as eligible for H-2B visa status by US Department of Labor(largest states):

- Texas 15,372
- Colorado 13,355
- Mississippi 7,325
- Arkansas 7,316
- Florida 6,563
- Virginia 6,220
- **Massachusetts 6,219**
- Maryland 5,991

Number of H-2B visas actually issued in FY2003 was 78,000 (approximately 54%) of 144,333 deemed eligible (through labor certification) by US DOL.

# Cape Tourist Industries need H2b- Visa workers

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- Since 1990s Cape Cod has been in extending their tourist season:
  - Starting earlier in April/May
  - Stretching to October/November
- Hotel & food service businesses employ over 17,000 seasonal employees:
  - Year-round employment ~10,000, Peak employment in July/August over 27,000 (22% of total employment in the region)
  - Total Payroll in 2003: \$326 million
  - Average pay = \$364/week
  - Number of establishments: 1,425
  - H2B Visa applications from Cape Cod increased from 4,400 (FY02) to 5,200 (FY04)

# H2B – Visa Process does not meet MA seasonal workforce needs

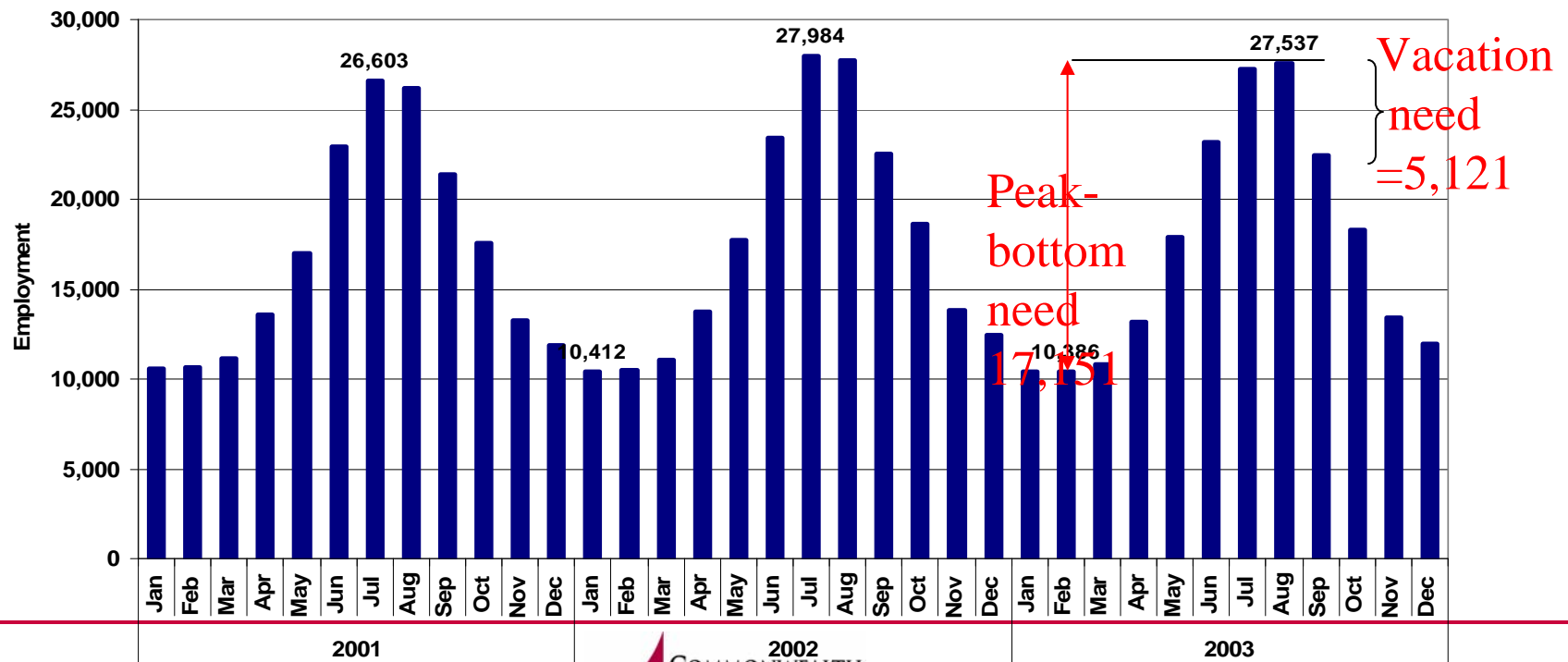
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- Nation-wide limit of 66,000 visas are awarded on a rolling basis.
- H2B – Visa process requires that businesses apply for jobs 120 days prior to need.
- This year, the cap was reached January 3, 2005 and no additional applications were accepted.
- For a worker beginning in May, the earliest a business can apply for a visa would be January.
- This hurts summer tourist season industries.
- Many businesses did not have H2B visas approved or many fewer than their need. (*Suffolk University Study*).
- Many business lost revenue as they could not find alternate employees. (*Suffolk University Study*).

# Cape employment needs peak Mid-Late summer

**Highly Seasonal business: peak employment exceeded minimum employment by 17,151 in 2003**

Hotel and Food Services Employment (NAICS 72 )  
Cape Cod Workforce Investment Area

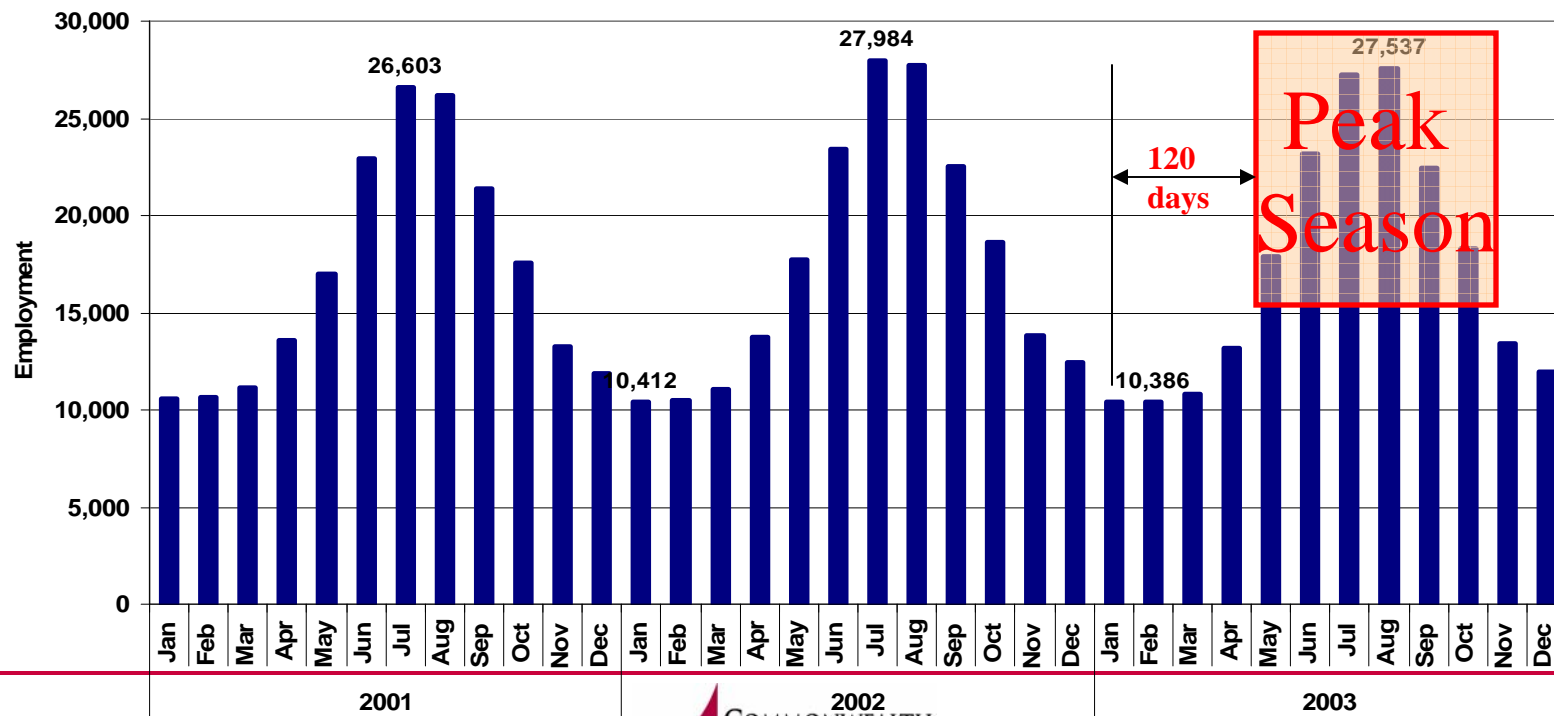


Source: CommCorp analysis of ES 202 data from Mass DUA-DCS website

# Businesses cannot apply for visas for peak season

- To get H2B employees for peak season in May, employers can not apply before January. In 2005 DHS stopped accepting H2B applications January 3.

Hotel and Food Services Employment (NAICS 72 )  
Cape Cod Workforce Investment Area

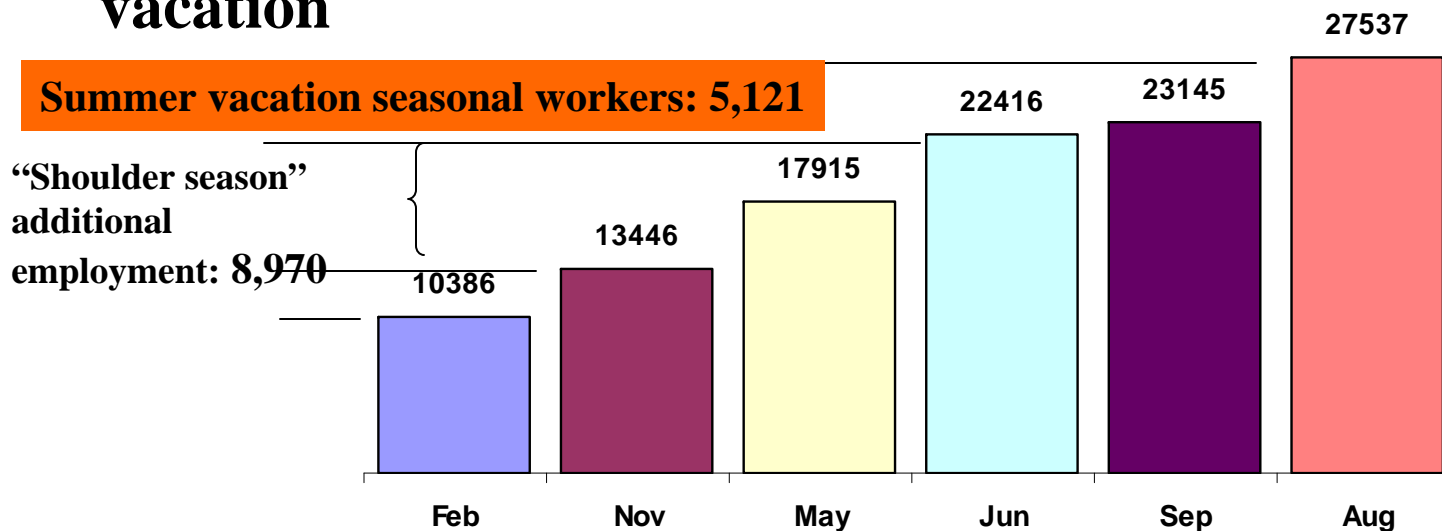


Source: CommCorp analysis of ES 202 data from Mass DUA-DCS website

# More than 5,000 workers are needed

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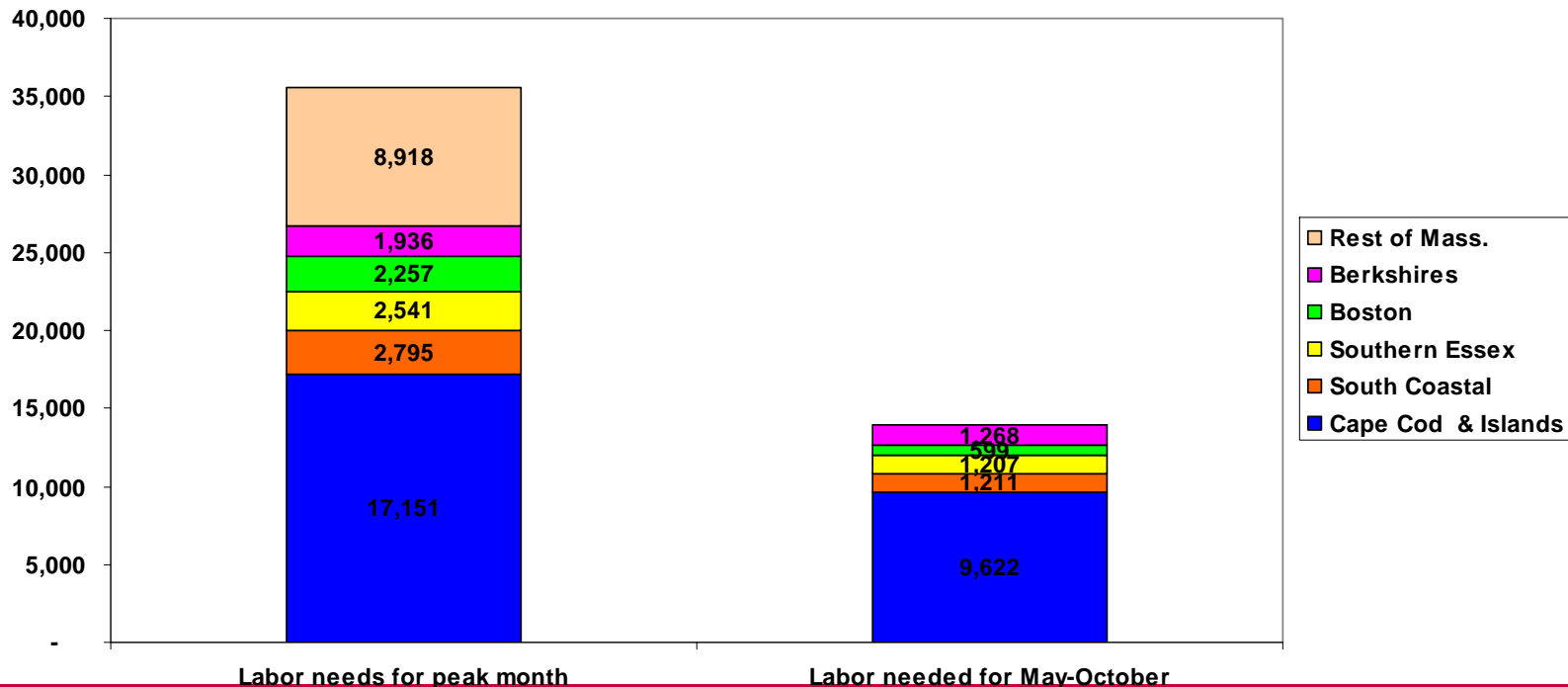
- **For the extended season (May – October) 9000 seasonal workers employed**
- **Over 5000 seasonal workers employed during summer vacation**



# Cape-Islands businesses have largest need for workers

- **Cape Cod & Is. firms hired 17,151 (48%) of peak incremental employment in MA (35,500). For May-October, incremental employment was 13,900 (69%) of all MA Hiring.**

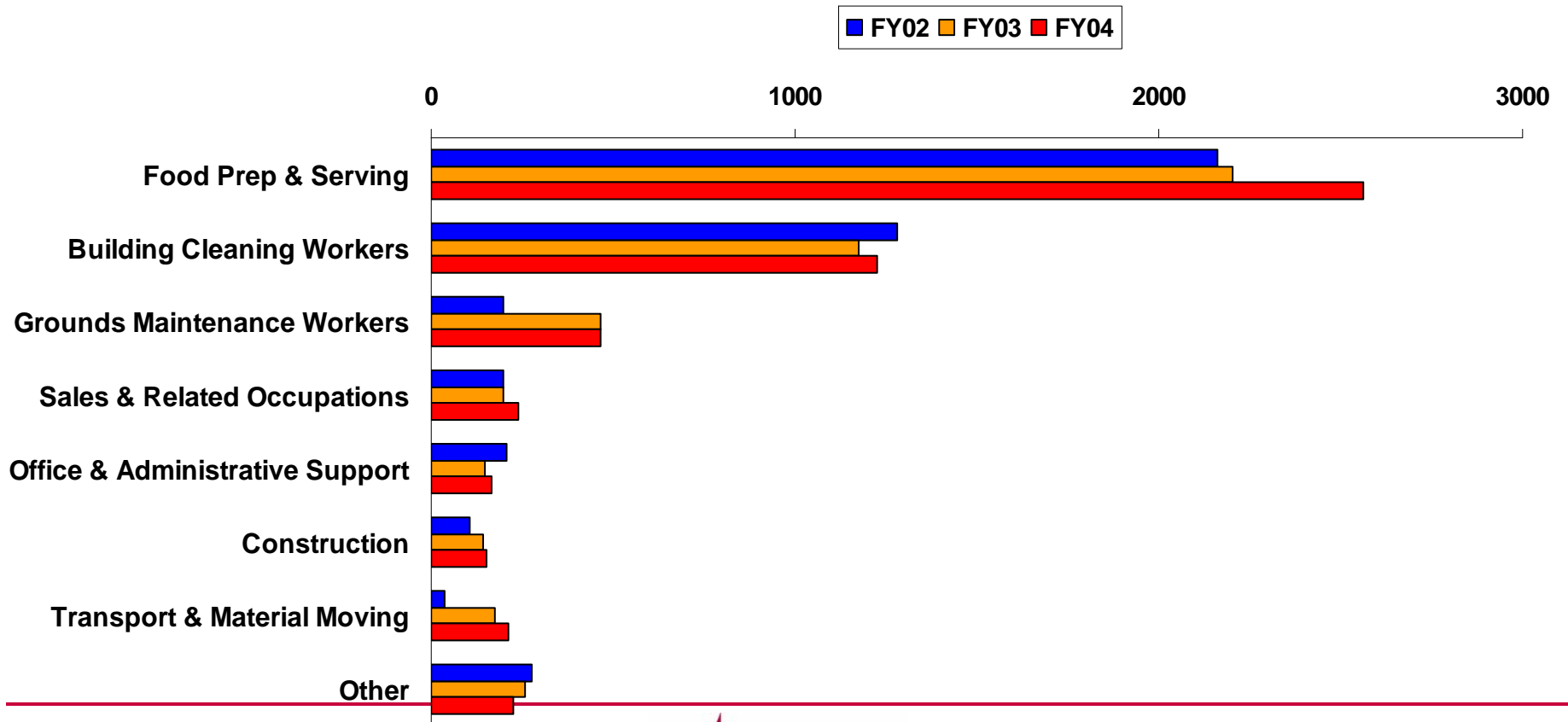
Additional labor needed over and above full-year employment,  
for peak months and for May-October period



Source: CommCorp analysis of ES 202 data from Mass DUA-DCS website

# Most jobs are in Hotel & Food Services Occupations

Cape Cod & Islands H2B Visa Applications: Job Openings Certified by Mass. DCS



Source: CommCorp analysis of Massachusetts DCS data

# High vacancies in many industries and occupations

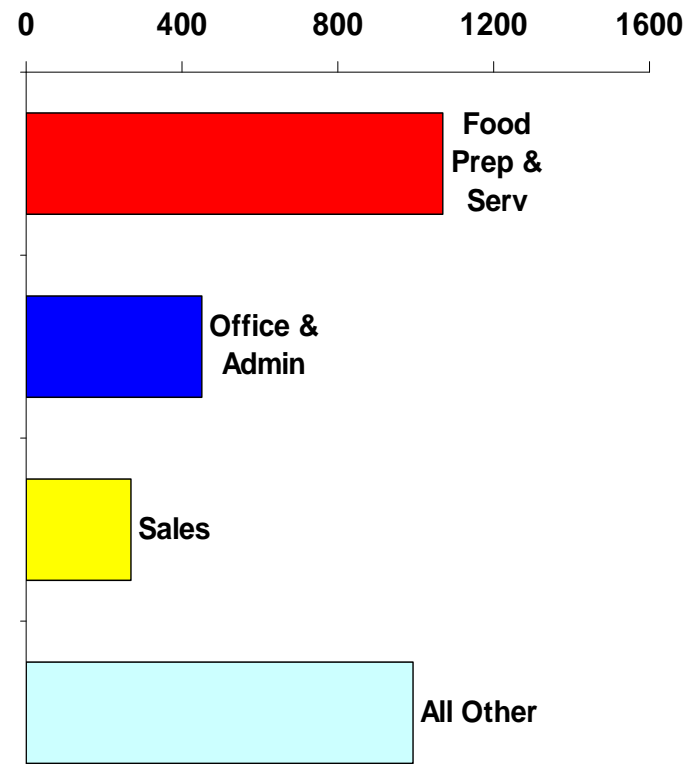
38% of vacancies in Leisure & Hospitality business

30% vacancies in Food Prep & Serving jobs

Vacancies by Industry



Vacancies by Occupational Group



Note: Survey responses were obtained from the Division of Unemployment Assistance (DUA) Job Vacancy Survey conducted between April and June, 2004

# Additional Information needed

<u>Question</u>	<u>Is answer available?</u>	<u>Recommendations</u>
1. What is the demand for H2B workers	Yes – based on H2B applications FY '02-'04	Find when applications filed w/ Ma DCS, US DHS
2. Number of H2B visas approved?	No. Possible sources are businesses or DHS. <sup>1</sup>	Get data from DHS Estimate from SU <sup>2</sup> survey.
3. How many employees hired against H2B visas?	No. Employers have the answer	Survey employers
4. How many H2B employees hired in previous years?	No. Employers or the individual can answer.	Survey employers
5. What is the impact on businesses?—on employment, revenues	Partly. Limited answers from Suffolk U. survey	Estimate from SU survey

Note: 1 DHS= Department of Homeland Security  
2 SU= Suffolk University

# Additional Information needed

<u>Questions</u>	<u>Is answer available?</u>	<u>Recommendations</u>
1. Are there viable alternate solutions?	Some answers from SU survey, but not all	Surveys, employer interviews, focus groups
2. Sharing H2B workers with seasonal employers elsewhere	Some. Recruiters and brokers as a source.	Identify other states with high winter H2B employment
3. Other sources of local (Cape Cod) labor?	SU survey includes Senior Citizens. Others?	employers/ recruiter interviews
4. Sources of labor from other parts of Mass./New England	Anecdotal data. Availability, transportation & accommodation issues	Interviews/ focus groups of employers, recruiters, career centers
5. Sources of labor from other parts of US	Some anecdotal data. US Virgin Is., others?	Explore – same issues as in 4.

# Exploring Alternate Solutions

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- How best to determine feasibility of alternate solutions?
  - In the past 3 years about 17,000 seasonal employees hired by hotels/restaurants. About 5000 from H2Bs. Where do the rest come from?
- Need answers to the following questions:
  - Availability and willingness of labor?
    - Interview/Survey labor and/or market experts
  - Effort and cost for employers to recruit and train
    - Interview/survey employers
  - Effort and cost for labor –transportation, accommodation
    - Interview/survey employees who currently fit the profile, others –experts on transportation and temporary housing