



## Modernizing the Immigration System for Economic Impact

### Background

Lancaster County's low unemployment rate sustained over the last year may signal the appearance of a strong economy, yet the reality is a significant labor shortage with widespread implications for the health of our local economy. With an excess of job openings and a declining working age labor force, businesses here and across the country are increasingly turning to global talent to meet labor demands. With 7.7 million job openings and only 5.5 million job seekers in the United States, tapping into global talent is a necessity. However, the current immigration system—characterized by restrictive visa caps, limited pathways to legalization, and delayed processing—fails to meet the needs of American businesses.

Immigration plays a crucial role in supporting Pennsylvania's labor market and economy. In Lancaster County, the unemployment rate reached a historic low of 2.4% in September 2024, significantly outperforming both the national average (3.9%) and the state rate (3.0%). The region also shows a loss of 5,900 people in the local workforce in Q3 alone, leaving a tight job market with 2.6 job postings for every unemployed person. These trends highlight the ongoing need for workers to fill the labor gaps and the critical role immigration can play in sustaining economic growth.

Lancaster County, home to a significant immigrant population, demonstrates the positive economic impact immigrants bring to the region. As of 2018, approximately 25,000 immigrants, or 4.8% of the population, contributed to the local economy. These immigrants paid \$182.2 million in taxes and boosted the local economy with \$499.8 million in spending power. Immigrants fill vital roles in our region's key industries, including recreation and accommodation (9.2% of the workforce), manufacturing (8.2%), health care and social assistance (6.0%), general services (4.7%), and financial and real estate (4.6%). Additionally, more than 1,600 immigrant entrepreneurs are actively contributing to the business landscape, driving innovation and job creation.

In a 2022 survey of Lancaster County employers, 65% indicated workforce availability and development was the most important local/regional priority to their business. In 2024, that continued to be true, with employers stating that recruitment and retention were their biggest concerns related to workforce and employees. By authorizing immigrants to work here, they complement native-born workers; they bring diverse skill sets, fill critical jobs that native workers may not occupy, and foster a collaborative and healthy labor market.

The current immigration system, with its antiquated visa quotas and cumbersome systems, is contributing to the U.S. labor crisis. Employment-based visa limits, originally set in 1990, are inadequate in today's globalized economy. The U.S. economy has more than quadrupled in size since then, yet the visa quotas and systems for monitoring have not kept pace with the demand for skilled workers.



## Policy Position

**In alignment with the U.S. Chamber of Commerce, the Lancaster Chamber strongly supports the modernization of the immigration system to protect and strengthen critical sectors of our workforce.** We urge federal and state legislators to take decisive action to reform immigration policies, with a focus on timely and effective employment processing, increasing visa quotas for seasonal, temporary, and high-skilled workers, and updating outdated asylum laws. To address concerns at the southern border, it is essential to enhance resources at ports of entry to create a more efficient process for legal immigration. Additionally, the Lancaster Chamber calls for comprehensive solutions for DACA recipients, acknowledging their contribution to the workforce and advocating for a clear pathway to citizenship or legal status. These efforts, combined and expedited, could effectively limit the need for mass deportations while simultaneously ensuring that the working-age labor needs are met.

Legislative reforms are urgently needed to ease labor shortages, now and anticipated into the future, by allowing businesses to tap into the global talent pool, support the nation's workforce needs, and foster economic growth. The Lancaster Chamber calls for a policy shift that prioritizes legal immigration pathways and economic expansion, rather than a focus on deportation or reduction of immigration visas.



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