Farm labor bill draws opposition across West

By Dan Wheat
Capital Press

The largest provider of foreign guestworkers for farms in the West plans to terminate a farmworker housing project because, it says, a new farm labor bill threatens to kill labor-intensive agriculture.

The Farm Workforce Modernization Act, H.R. 4916, introduced Oct. 30 by Reps. Zoe Lofgren, D-California, and Dan Newhouse, R-Washington, doesn't do enough to reign in escalating labor and housing costs, says Dan Fazio, executive director of the farm labor association, Wafla, in Olympia.

"I don't see labor-intensive agriculture surviving if this bill passes in present form," Fazio said.

Therefore, he said, it makes no sense to continue with a $3 million state loan to build a 160-bed farmworker housing facility in Chelan, Washington.

Michael Marsh, president and CEO of the National Council of Agricultural Employers in Washington, D.C., also said the bill doesn't reduce labor cost enough, that he's concerned about housing costs but thinks the bill can be amended, if not in the House, in the Senate.

Dan Wheat/Capital Press

A new farm labor bill appears to have widespread support on first blush, but the depth and extent of that support is questionable as organizations say it doesn't do enough to control labor and housing costs.

NCAE still has an appeal pending on its nearly year-old lawsuit challenging the U.S. Department of Labor's methodology and increase of foreign guestworker minimum wages this year.

While about 250 agricultural groups and labor organizations signed a letter of support for the bill, Marsh said he's not sure any of the ag groups are happy with it. He noted the letter indicated support to move the bill forward with hopes of amendments in areas of "significant concerns."

Joel Anderson, executive director of Snake River Farmers Association in Heyburn, Idaho, said it's "very encouraging" to see multiple sides work together on the bill but that labor and housing costs need more work.

"To the extent the bill brings the issue to a point where we can continue to negotiate a workable program, we support moving it forward in the House," he said.

Anderson said the bill protects families of newly-legalized domestic workers from deportation.

Wafla will likely oppose the bill unless it is fixed, Fazio said.

The bill freezes the Adverse Effect Wage Rage (AEWR) minimum wage for H-2A-visa foreign guestworkers at 2019 levels through 2020.

But Fazio pointed out the bill is unlikely to pass before the end of the year so if it passed next year the freeze would only be good for the portion of the year left.

From 2021 through 2029, the bill would limit annual increases in the AEWR to 3.25% and decreases to 1.5%. However, if the resulting wage is less than 110% of the federal or state minimum wage the increase would be 4.25%. Marsh said that would be the case for Washington because of its high state minimum wage.

"Any increases are too much because there is no adverse effect on domestic workers," Marsh said.

NCAE sued DOL over the AEWR increasing 6.3% nationwide in 2019. Marsh said it looks like, based on USDA surveys early in the year, that it will increase 7.5% in 2020. He said that's unsustainable.

Anderson said he knows of several farmers forced out of business by the 2019 increase because they couldn't afford to hire H-2A workers and couldn't find domestic workers.

The bill requires the secretary of labor to determine if there's an adverse effect after 2029 and if there is none to forgo any AEWR increase, Marsh said.

"But we shouldn't have to wait 10 years to get there," he said.

Fazio said continuing AEWR increases up to 4.25% are too high for growers to stay in business. He said Newhouse has done a "fantastic job" but that House Democrats appear unwilling to concede further on wages or housing.

The AEWR "is a joke," Fazio said, because there are no legal domestic workers for it to protect.

"Microsoft doesn't have an AEWR when it brings in H-1B foreign workers," he said.

It's "indefensible," he said, not to allow employers to charge workers for housing.

Employers have spent millions of dollars on housing and workers can afford to pay one hour's wage per day for housing, he said.

"If the goal is to protect U.S. workers, why not allow us to charge foreign workers for housing?" he asked.

H-2A rules require employers to provide housing for H-2A workers and any domestic workers they hire outside a 50- to 60-mile radius. So domestic workers who live within that radius have to unfairly pay commuting costs, he said.

While Wafla helped fill about 16,000 H-2A positions this year, mostly in Washington, Fazio said he would like to see a 100% domestic workforce but that the bill does not do enough to ensure an adequate future supply of domestic or foreign seasonal farmworkers.

That's because there is no wage and housing cost relief for employers in the H-2A program and because the bill's requirement for newly-legalized domestic workers to continue working 100 days in agriculture a year for four to eight years won't be enough, he said.

"As soon as they are legalized, they will want to leave ag," Fazio said. "It could spur more undocumented immigration because they will want to come to get blue cards.

"It's a poor public policy choice that is more of a political statement than a real workable solution. It will be a mad rush to automate before we go out of business and the little guy who can't afford robots will go first. Government programs tend to benefit large employers which leads to further consolidation of the industry and everyone knows it."

Millennial Money: Vanquish these 5 financial fears

By Sean Pyles
NerdWallet

Fear can consume you. The anxiety of the unknown can drive you to pull the blanket over your head, whether you're worried about a rustling sound outside your bedroom window or that you won't have enough retirement savings.

Financial fears — not wanting to check your credit, confront your debt or even discuss your student loans — can feel especially shameful. But facing those fears can empower you to take action.

1. STUDENT LOAN STRESS

Student loans topped the list of most-feared financial topics among U.S. adults, according to a 2019 survey of 1,006 consumers by TD Ameritrade. Student loan debt, at 36%, outranked even living paycheck to paycheck (26 and credit card debt (20%).

HOW TO CONQUER IT: Understand your loans in detail — that's key to knowing whether you're on the best repayment plan. Know each loan's term, balance, interest rate and whether it's a federal or private loan.

For unaffordable federal loans, look into income-driven repayment plans . For private loans, you may be able to refinance for a lower monthly payment (but it may cost more overall).

2. RECESSION ANXIETY

Indicators like slowing global economic growth hint that a recession might be coming, raising fears of job loss and asset depletion.

HOW TO CONQUER IT: Shore up your savings and diversify your skills. Build up at least $500 in savings to cover an emergency, advises Boston-based financial coach Kimberly Zimmerman Rand. After that, work toward having a few months' worth of expenses saved in case of job loss. Make saving easier with direct deposits from your paycheck or automatic transfers from checking to savings.

"On the professional side, since we're not in a recession right now, see how you can improve your job skills, your network, your resume, so if the unfortunate does happen, you've already laid the foundation to transition to a new position," Zimmerman Rand says.

3. CREDIT CARD DEBT CONCERNS

Paying off credit card debt can feel like a never-ending task, but there are ways to get it done.

"I've had clients who come to us for debt counseling that have the fear that they're the worst situation we've ever seen financially, and that's never the case," says Maura Attardi , director of financial wellness at Money Management International, a nonprofit credit counseling agency.

This fear can be a self-fulfilling prophecy: You're afraid to check your overall debt because of how high it might be, but while you're not looking, you keep accruing interest.

HOW TO CONQUER IT: List each account, interest rate and balance. Then choose a payoff strategy. One popular option is the debt snowball, where you pay off your smallest debts first then roll those payments toward your bigger debts.

4. CREDIT CRISIS

Ever been afraid to undergo a credit check or apply for credit because you thought your credit profile wasn't up to snuff? You're not alone: 46% of 1,503 U.S. adults surveyed by the financial service company Finicity found themselves in just that situation.

HOW TO CONQUER IT: Check your own credit score at your favorite personal finance website or bank website, and access your credit reports for free via AnnualCreditReport.com. Looking at your score and reports will help you understand your options for improving your credit.

"Go through your credit report with a fine-tooth comb and contest any untrue information," Zimmerman Rand says.

"For bringing up your score, start on positive financial behaviors, like making on-time payments," she says. If you use credit cards, keeping the percentage of your credit limit you use below 30% on all cards will help too.

5. BROKE RETIREMENT BLUES

"Among my clients, there's a kind of feeling of hopelessness when it comes to the idea of retiring," Zimmerman Rand says. But starting early is most important, not waiting until you can put away a lot.

HOW TO CONQUER IT: If you have a workplace retirement plan that offers an employer match, contribute enough to get it. An individual retirement account is a good alternative if you don't have a workplace plan. Set yourself up for success by automating contributions and bumping up how much you're saving every time you get a raise.

Avoid withdrawing money from your retirement account to get the maximum benefit from compound interest, where you earn interest on your interest.

"The magic of compound interest is truly magic — and it works," Zimmerman Rand says. "After you've been saving for years, your investment begins to double a lot faster. For millennials, now is the time to start investing."