

# Georgia Immigration Reform Restaurant Impact Study

## About the Survey

Created by the Georgia Restaurant Association, the purpose of this survey is to help gauge current and potential labor shortages in various sectors of the restaurant industry. Feedback is critical in establishing the impact of immigration legislation on Georgia's second largest private sector employer.

## Participant Demographics

The largest segment represented was Casual Dining (74%), followed by Fast Casual (9%) and Fine Dining (7%). Restaurants with less than 5 units represent 89% of respondents, with 4% counting over 20 units. Four percent employed less than 10, 61% employed more than 10 but less than 100, 31% employed more than 100 but less than 500 and 4% employed more than 500. The metro-Atlanta area is home to 78% of respondents and 10% had additional location outside the state of Georgia. For system-wide annual sales, the largest segment of respondents were those with sales from \$2-5 million(38%).

## Labor & Economic Impact

When asked about current labor availability, 49% are experiencing a labor shortage. In addition, 88% are concerned that they will experience a labor shortage in the future. Over half (55%) are concerned that fewer workers will apply for future openings and 27% indicated that they have noticed a decline in job applicants. The vast majority of respondents recruit employees through word of mouth (56%) and online services (36%). Only 2% recruit through the Georgia Department of Labor and none use H2B visas. The most frequently hired position was Service Staff (48%), followed by Line Cooks (30%) and Dishwashers (22%). While most stated that it was "Too Soon to Tell" the impact of Immigration Reform, estimates of monthly sales loss due to labor or customer shortage ranged from \$2,000-\$80,000 per month.

## Additional Feedback

Almost a third of respondents opted to provide additional feedback, and 91% of that feedback was in opposition to Georgia's Immigration Reform. These comments reflect frustration and the challenges facing restaurateurs. "Much of my staff now refuse to drive to work, which makes it difficult for me to find employees to close my restaurant, since we close after Marta stops running. So while I do not have a labor shortage, I have trouble making a schedule for everyone." "I have trouble hiring non immigrant workers to fill certain positions within my restaurant. Within the last year I have hired numerous non immigrant workers to fill dishwasher and busser roles in my restaurant. None of these employees have lasted more than a couple of months." "I believe the food industry will be drastically affected by the shortage of hourly staff with respect to the current proposed immigration law. I foresee in the future a 20 to 25% increase in hourly wages from strictly a supply and demand perspective. This cost can not be absorbed by operators which will result in the need to pass the cost along to the consumer. This legislation ends up hurting the very folks it is trying to protect."

## Conclusion

HB87 went into law on July 1st, 2011, an injunction was granted against some provisions and others will be phased in between now and July 1st, 2013. While it may be too early to tell the true labor and economic impact of this legislation on Georgia's restaurants, these survey results indicate that there is cause for concern, especially in this weak economy. Businesses should continue to monitor and report the impact of this legislation until a comprehensive national immigration solution is enacted.