



# Fewer foreign workers needed as Montanans fill seasonal jobs

JAYME FRASER For the Missoulian | Saturday, August 7, 2010

MISSOULA — Luz Aldaco and Eduardo Ramirez dug narrow trenches in a Missoula lawn Friday morning, their spades clanging as they hit buried stones in the path of a new irrigation line.

The duo of migrant workers from south-central Mexico are back in Missoula this summer to work at Ibey Sprinkler, Landscape and Nursery after becoming regulars on the company's peak-season crew in recent years.

They are among 574 temporary foreign laborers working for nonagricultural Montana businesses during the 2009-10 fiscal year, a number that decreased by two-thirds after five years of growth.

In fact, fiscal year 2008-09 saw an all-time high of 1,707 nonagricultural foreign laborers on the job in Montana. The shift was revealed in U.S. Department of Labor statistics on H2B visas, released by the Office of Foreign Labor Certification each July.

Economists at the University of Montana and Center for the Rocky Mountain West provided the explanation.

"With unemployment levels and wages rising in our state and region more recently, these employers have been more able to find workers locally," regional economist Larry Swanson said.

The shift from foreign to local labor in seasonal industries is one factor that's kept Montana's unemployment rates lower than the national average, Swanson said, along with the fact that the state started the recession with fewer unemployed workers.

Tim Ibey, who employs Aldaco, 29, and Ramirez, 34, said he's hired as many 20 migrant workers when unemployment rates were below 2 percent.

Swanson said such high employment levels can make it difficult to fill gaps created by seasonal work, undesirable duties and a less-competitive pool of sometimes less-qualified applicants. He also said some industries face additional difficulty finding healthy, capable workers among the quickly aging U.S. work force.

The shift away from foreign labor also could be caused by the recession's hit to tourism and travel, said Patrick Barkey, director of the University of Montana's Bureau of Business and Economic Research.

"This seems entirely consistent with the sharp contraction in the accommodations and food industries in Montana," Barkey said.

Businesses must apply to hire foreign workers; state and federal Department of Labor officials evaluate the regional economy and must see proof that the companies advertised locally before looking out of country.

Nearly 50 Montana businesses applied for foreign laborers this fiscal year, and 35 were certified to hire at least some of the temporary workers requested.

## **Finding good workers**

But the sudden growth in available local workers hasn't completely solved the labor challenges that encourage some businesses to seek foreign employees.

The same reasons that encouraged Ibey to research migrant workers six years ago continue to challenge his business, albeit to a smaller degree. He once hired four times as many employees as he actually needed to guarantee a full 40-person crew each summer.

"We started looking at our labor costs and why it was so high," Ibey said. "The reason it was so high wasn't because we were paying our guys so much. We had to have four or five extra guys on staff to just have enough crews."

Turnover was high, as some employees found better pay in construction, sought less strenuous work or took vacation without notice. Swanson said unemployment rates below 2 percent in some regions of the state meant less competition for more desirable jobs.

Digging dirt and rocks or cutting large lawns during the summer is tough work, but Ibey said he couldn't raise wages significantly. No one would pay \$90 to have their lawn mowed, he said.

"I can't charge people with \$20-an-hour labor," Ibey said. "I wouldn't ever get a bid."

Something had to give.

"Any business will tell you training and putting people on is one of your biggest labor costs," Ibey said.

Still, he's surprised at how difficult it is to maintain a local crew during the recession.

"We were just amazed at how many people didn't want this work," he said. "I guess we kind of got spoiled as a community on higher labor rates with all the building that was going on two and three years ago."

Swanson, too, noted that the previous construction boom raised wages for unskilled workers in that industry. Ibey, however, said he can't reasonably meet the expectations of those displaced workers.

"Guys that weren't really carpenters were making \$18 an hour and now they need a job — but not bad enough to take one at \$8 an hour to start," Ibey said. "It's not that I don't want to hire local. I would love to be able to hire local."

## **Familiar crew**

On Friday, Ibey worked with Ramirez to test a new sprinkling system at a Missoula home.

Ramirez and Aldaco rode a bus from south-central Mexico to work in Missoula the past several summers. Ramirez — who speaks good but halting English — said he works strawberry, onion and cornfields when he returns home to his wife and three kids.

"Besides one guy in the nursery, I think he's our most senior guy," Ibey said.

Ramirez and Aldaco are part of a familiar crew that travels to Missoula for the annual work, respectively earning \$10.50 and \$9.50 an hour.

"These are my sprinkler guys," said Ibey, then pointed to Ramirez. "He's my, what do you call it?"

"Precision irrigation," Ramirez responded.

"My precision irrigation guy," Ibey said. "I can lay out a system, and they'll just go to work."

Ibey said their wages are within the \$9-to-\$12 range he would pay other workers with similar installation experience.

“We give everybody raises as they come up, but generally we don’t have guys that stick with us for five years,” Ibey said. “They’re great guys to work with.”

Ramirez hopes to return next year and any year Ibey needs the help.

And it’s a likely bet for Ramirez, since Swanson said the state will likely see a resurgence in the number of foreign laborers when Montana’s economy lumbers out of the recession.

“Once our economic recovery is fully in place, unemployment rates in our region will fall and we could very easily be back to very low unemployment rates in most areas of Montana within two to three years, of course, depending on how rapid this recovery is,” Swanson said. “Low unemployment rates will encourage businesses to look elsewhere in the region, and outside the U.S., for workers.”