



# **2012 E-Verify Survey**

## *Summary of Results*

April 2013



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## Executive Summary

In October 2012, the National Restaurant Association and ImmigrationWorks USA conducted a survey on E-Verify. Respondents included restaurant owners and operators, non-restaurant foodservice operators and supply chain professionals. The online survey fielded 789 responses.

Here are some key findings.

- **E-Verify usage.** Overall, 23 percent of responding restaurant operators use E-Verify to check the immigration status of new hires.
- **Most would recommend it.** Eighty percent of restaurant operators who use E-Verify would recommend it to a colleague.
- **Reasons for enrolling.** Two-thirds of the responding restaurant operators who use E-Verify enrolled voluntarily. Twenty-seven percent enrolled because it is mandated in states where they do business. And 2 percent use E-Verify because they do business with the federal government.
- **Reasons for not enrolling.** Sixty-two percent of the restaurant operators who are not using E-Verify said they didn't enroll because they are small companies with no HR professionals.
- **Accuracy.** Seventy-nine percent of restaurant operators said the E-Verify system had been 100 percent accurate.
- **Changes to hiring procedures.** Most of the restaurant operators who use E-Verify said the program didn't cause major changes to their hiring or other procedures. Seventy-three percent said they made only minor changes to their hiring procedures.
- **Pool of applicants.** Fifty-five percent of the restaurant operators who use E-Verify said the pool of applicants seeking employment in their businesses hasn't changed since they started using the system. Thirty-four percent said the pool of applicants has changed somewhat. And 11 percent said it has changed significantly.

## **Introduction**

This report presents the findings of the E-Verify Survey, which was fielded in October 2012 among restaurant owners and operators, non-restaurant foodservice operators, and supply chain professionals. The survey was fielded online, and a total of 789 responses were received.

## E-Verify Usage

- Overall, 23 percent of responding restaurant operators said they currently use E-Verify to check the immigration status of their new hires. Sixty-one percent said they don't use E-Verify.
- Forty-nine percent of corporate-owned chain respondents said they currently use E-Verify, well above the usage among their franchisee (24%) and independent (20%) counterparts.
- Respondents with large staffs are much more likely to use E-Verify. Fifty-three percent of respondents with 1,000 or more employees said they use E-Verify, compared with just 15 percent of respondents with fewer than 50 employees.
- Respondents from businesses with higher annual sales volume were also much more likely than lower volume businesses to say they use E-Verify.
- Operators of non-restaurant foodservice operations (18%) and individuals from supply chain companies (9%) are less likely than restaurant operators to say they use E-Verify.

### Do you currently use E-Verify to check the immigration status of your new hires?

	Yes	No	Don't Know
<b>All Restaurants</b>	<b>23%</b>	<b>61%</b>	<b>16%</b>
<b>Industry Segment</b>			
Fullservice	22%	63%	15%
Quickservice	25%	57%	17%
<b>Ownership Category</b>			
Independent	20%	66%	14%
Franchisee	24%	61%	15%
Corporate-Owned Chain	49%	22%	29%
<b>Number of Employees</b>			
Fewer than 50	15%	72%	13%
50 to 99	28%	64%	9%
100 to 499	28%	46%	26%
500 to 999	35%	48%	17%
1,000 or more	53%	24%	24%
<b>Annual Sales Volume</b>			
Less than \$1 million	10%	80%	10%
\$1 million to \$4.9 million	22%	64%	15%
\$5 million to \$9.9 million	25%	53%	22%
\$10 million to \$19.9 million	41%	38%	22%
\$20 million or more	45%	31%	24%
<b>Non-Restaurant Foodservice Operations</b>	<b>18%</b>	<b>49%</b>	<b>33%</b>
<b>Supply Chain Companies</b>	<b>9%</b>	<b>35%</b>	<b>56%</b>

## Number of Years Using E-Verify

- Of the responding restaurant operators who said they currently use E-Verify, they have used it for a median of 2 years.
- For each demographic category of restaurants listed in the chart below, respondents have used E-Verify for a median of 2 or 3 years.
- Operators of non-restaurant foodservice operations have used E-Verify for a median of 3 years, while supply chain companies that use E-Verify have used it for a median of 2 years.

### How many years have you been using the E-Verify program?

	Median Number of Years
<b>All Restaurants</b>	<b>2</b>
<b>Industry Segment</b>	
Fullservice	3
Quickservice	2
<b>Ownership Category</b>	
Independent	2
Franchisee	2
Corporate-Owned Chain	2
<b>Number of Employees</b>	
Fewer than 50	2
50 to 99	3
100 to 499	2
500 to 999	3
1,000 or more	2
<b>Annual Sales Volume</b>	
Less than \$1 million	2
\$1 million to \$4.9 million	2
\$5 million to \$9.9 million	2
\$10 million to \$19.9 million	3
\$20 million or more	2
<b>Non-Restaurant Foodservice Operations*</b>	<b>3</b>
<b>Supply Chain Companies*</b>	<b>2</b>

*\*Based on small sample size*

## Reasons for Enrolling in E-Verify

- Of the responding restaurant operators who said they currently use E-Verify, 66 percent said they enrolled voluntarily. Twenty-seven percent said they enrolled because it is mandated in states where they do business, while 2 percent enrolled because they do business with the federal government.
- Fullservice operators (72%) were more likely than quickservice operators (58%) to say they enrolled in E-Verify voluntarily. Quickservice operators (35%) were more likely than fullservice operators (21%) to say it is mandated in the states where they have operations.
- Franchisees (41%) were much more likely than independent operators (27%) and corporate-owned chain operators (8%) to say they enrolled in E-Verify because it is mandated in states where they do business. Eighty-three percent of chain operators said they enrolled voluntarily.

### Why did you enroll in the E-Verify program?

	Voluntary Enrollment	Mandated in States of Operation	Company Does Business With Federal Government
<b>All Restaurants</b>	<b>66%</b>	<b>27%</b>	<b>2%</b>
<b>Industry Segment</b>			
Fullservice	72%	21%	3%
Quickservice	58%	35%	0%
<b>Ownership Category</b>			
Independent	65%	27%	3%
Franchisee	56%	41%	0%
Corporate-Owned Chain	83%	8%	0%
<b>Number of Employees</b>			
Fewer than 50	58%	33%	0%
50 to 99	64%	27%	9%
100 to 499	83%	17%	0%
500 to 999	75%	25%	0%
1,000 or more	65%	26%	0%
<b>Annual Sales Volume</b>			
Less than \$1 million	60%	27%	0%
\$1 million to \$4.9 million	61%	30%	4%
\$5 million to \$9.9 million	77%	23%	0%
\$10 million to \$19.9 million	92%	8%	0%
\$20 million or more	67%	28%	0%
<b>Non-Restaurant Foodservice Operations*</b>	<b>29%</b>	<b>7%</b>	<b>50%</b>
<b>Supply Chain Companies*</b>	<b>50%</b>	<b>0%</b>	<b>50%</b>

\*Based on small sample size

## Changes to Hiring Procedures

- In general, most restaurant operators that use E-Verify said it didn't cause major changes to their hiring or other procedures when they first started using the program. Seventy-three percent said they only made minor changes to their hiring procedures, and that it was not a major problem.
- In contrast, only 9 percent of operators said it was more disruptive than they anticipated, and that they had to make extensive changes to their procedures. Seventeen percent said they made significant changes to their hiring or procedures, but that was to be expected.
- Across each of the demographic categories, a majority of restaurant operators that use E-Verify said they only made minor changes to their hiring procedures when they first started using the program.

### To what extent did you make changes in hiring or other procedures when you first started using the E-Verify program?

	Extensive changes: More disruptive than anticipated	Significant changes: That is to be expected	Only minor changes: Was not a major problem
<b>All Restaurants</b>	<b>9%</b>	<b>17%</b>	<b>73%</b>
<b>Industry Segment</b>			
Fullservice	9%	15%	76%
Quickservice	9%	21%	70%
<b>Ownership Category</b>			
Independent	9%	19%	72%
Franchisee	15%	9%	76%
Corporate-Owned Chain	0%	25%	75%
<b>Number of Employees</b>			
Fewer than 50	13%	11%	77%
50 to 99	5%	14%	82%
100 to 499	8%	21%	71%
500 to 999	14%	14%	71%
1,000 or more	6%	29%	65%
<b>Annual Sales Volume</b>			
Less than \$1 million	7%	13%	80%
\$1 million to \$4.9 million	13%	11%	75%
\$5 million to \$9.9 million	0%	38%	62%
\$10 million to \$19.9 million	8%	23%	69%
\$20 million or more	9%	20%	71%
<b>Non-Restaurant Foodservice Operations*</b>	<b>0%</b>	<b>29%</b>	<b>71%</b>
<b>Supply Chain Companies*</b>	<b>0%</b>	<b>25%</b>	<b>75%</b>

\*Based on small sample size

## **Changes to Hiring Procedures (cont.)**

Survey respondents were given the opportunity to include additional comments on changes to hiring procedures when they first started using the E-Verify program. Verbatim responses are below.

### ***Extensive changes. It was more disruptive than anticipated.***

- Frustration at the time it took to verify new staff.
- Started using human resources software.

### ***Significant changes. But that is to be expected.***

- Went to electronic I-9.
- It was more difficult to hire kitchen help.

### ***Only minor changes. It was not a major problem.***

- We grandfathered the existing staff, chose a date, and implemented E-Verify for all new hires going forward.
- Had to develop and utilize a system for faster notification of new hires.
- Not a big deal.
- We have an HR department who streamlined the process.
- Simply added a few extra steps in the hiring process.

## Accuracy of E-Verify System

- The vast majority of restaurant operators that use E-Verify said the system is accurate. Seventy-nine percent of restaurant operators said the E-Verify system has been 100 percent accurate, as far as they know.
- Seventeen percent of restaurant operators said there have been some errors in the E-Verify system, while 4 percent said it has been frequently inaccurate.
- Across each of the demographic categories, a solid majority of restaurant operators said the E-Verify system has been 100 percent accurate, to the best of their knowledge.

### Do you find the E-Verify system is generally accurate?

	As far as I know, it has been 100 percent	There have been some errors	It has been frequently inaccurate
<b>All Restaurants</b>	<b>79%</b>	<b>17%</b>	<b>4%</b>
<b>Industry Segment</b>			
Fullservice	77%	16%	7%
Quickservice	81%	19%	0%
<b>Ownership Category</b>			
Independent	80%	14%	5%
Franchisee	78%	22%	0%
Corporate-Owned Chain	75%	21%	4%
<b>Number of Employees</b>			
Fewer than 50	79%	15%	6%
50 to 99	90%	5%	5%
100 to 499	71%	29%	0%
500 to 999	88%	13%	0%
1,000 or more	74%	23%	3%
<b>Annual Sales Volume</b>			
Less than \$1 million	73%	20%	7%
\$1 million to \$4.9 million	83%	12%	6%
\$5 million to \$9.9 million	69%	31%	0%
\$10 million to \$19.9 million	77%	23%	0%
\$20 million or more	78%	19%	3%
<b>Non-Restaurant Foodservice Operations*</b>	<b>86%</b>	<b>7%</b>	<b>7%</b>
<b>Supply Chain Companies*</b>	<b>25%</b>	<b>75%</b>	<b>0%</b>

*\*Based on small sample size*

## Changes in Pool of Applicants

- Fifty-five percent of restaurant operators that use E-Verify said the pool of applicants seeking employment in their business hasn't changed at all since they started using the system. Thirty-four percent said the pool of applicants has changed somewhat, while 11 percent said it has changed significantly.
- Restaurant operators with larger staffs were much more likely to say their pool of applicants has changed since they started using E-Verify. Roughly 1 out of 4 operators with 500 or more employees said their applicant pool has changed significantly, compared with about 1 out of 20 operators with fewer than 100 employees.
- Operators of larger restaurant businesses were much more likely than smaller operators to say their labor pool has changed as a result of using E-Verify. Twenty-two percent of operators with sales of \$20 million or more said their applicant pool has changed significantly, while no operators with sales under \$1 million reported similarly.

### Has the pool of applicants seeking employment in your business changed since you started using the E-Verify system?

	Pool of applicants has changed significantly	Pool of applicants has changed somewhat	Pool of applicants hasn't changed at all
<b>All Restaurants</b>	<b>11%</b>	<b>34%</b>	<b>55%</b>
<b>Industry Segment</b>			
Fullservice	8%	35%	57%
Quickservice	16%	33%	52%
<b>Ownership Category</b>			
Independent	8%	32%	61%
Franchisee	18%	27%	55%
Corporate-Owned Chain	13%	50%	38%
<b>Number of Employees</b>			
Fewer than 50	4%	23%	72%
50 to 99	5%	41%	55%
100 to 499	13%	33%	54%
500 to 999	25%	50%	25%
1,000 or more	23%	42%	35%
<b>Annual Sales Volume</b>			
Less than \$1 million	0%	27%	73%
\$1 million to \$4.9 million	8%	25%	68%
\$5 million to \$9.9 million	8%	62%	31%
\$10 million to \$19.9 million	15%	31%	54%
\$20 million or more	22%	42%	36%
<b>Non-Restaurant Foodservice Operations*</b>	<b>14%</b>	<b>36%</b>	<b>50%</b>
<b>Supply Chain Companies*</b>	<b>0%</b>	<b>50%</b>	<b>50%</b>

\*Based on small sample size

### **Changes in Pool of Applicants (cont.)**

Survey respondents were given the opportunity to include additional comments on the changes to their pool of applicants. Verbatim responses are below.

#### ***Pool of applicants has changed significantly.***

- Fewer applicants.

#### ***Pool of applicants has changed somewhat.***

- Smaller pool of candidates.
- Fewer minority applicants.
- We tell applicants that numbers will be checked.
- Less kitchen help.

### **Difficult Features or Burdensome Requirements of E-Verify**

Survey respondents were asked if there some features of the E-Verify program that they find particularly difficult to use, or if there are some requirements that they find particularly burdensome. Verbatim responses are below.

- Requirement is done in three days. Can be difficult with central office and weekends and seasonal hiring.
- If an applicant comes up non-qualified for work, you must continue to employ them for several weeks to give them time to clear up the problem. That's a burdensome cost of training for which there is no return.
- You cannot E-Verify current employees (hired prior to instituting use of the program).
- I don't like to have to retrain periodically and reset my password every three months.
- We use a third party vendor rather than directly using the government's E-Verify program. It is much more user friendly and this way our I-9 forms are entered electronically so we don't have to worry about errors.
- None whatsoever. It's reliable and no one who is rejected ever claims it to be a mistake.
- Sometimes the system is down and you do not get an immediate response.
- Public response is more challenging than expected.
- Getting set up takes time - if person does not fully read documents and instructions - will not be approved to use.
- It can be a challenge with international student staff but not insurmountable.

## Would you recommend E-Verify to a colleague?

- Eighty percent of restaurant operators that currently use E-Verify said they would recommend it to a colleague.
- A solid majority of restaurant operators across each of the demographic categories said they would recommend E-Verify to a colleague.

### Would you recommend E-Verify to a colleague?

	Yes	No
<b>All Restaurants</b>	<b>80%</b>	<b>20%</b>
<b>Industry Segment</b>		
Fullservice	78%	22%
Quickservice	83%	17%
<b>Ownership Category</b>		
Independent	82%	18%
Franchisee	74%	26%
Corporate-Owned Chain	83%	17%
<b>Number of Employees</b>		
Fewer than 50	80%	20%
50 to 99	90%	10%
100 to 499	78%	22%
500 to 999	71%	29%
1,000 or more	77%	23%
<b>Annual Sales Volume</b>		
Less than \$1 million	79%	21%
\$1 million to \$4.9 million	82%	18%
\$5 million to \$9.9 million	77%	23%
\$10 million to \$19.9 million	92%	8%
\$20 million or more	74%	26%
<b>Non-Restaurant Foodservice Operations*</b>	<b>100%</b>	<b>0%</b>
<b>Supply Chain Companies*</b>	<b>100%</b>	<b>0%</b>

*\*Based on small sample size*

### **Would you recommend E-Verify to a colleague? (cont.)**

Survey respondents were given the opportunity to include additional comments on whether or not they would recommend E-Verify to a colleague. Verbatim responses are below.

#### ***Yes, would recommend E-Verify to a colleague.***

- Easy, and eliminates guessing.
- As long as they used the vendor we partnered with.
- Ok to use.
- No other choice; it's a necessity.
- I like the system with a few exceptions as it gives me piece of mind, especially here in Arizona where we have an Employer Sanction Law.
- It's the right thing to do because identity theft is a problem and we should take a stand against it.
- I believe it should be mandatory in all 50 states.
- Protects us in following the law.
- Will be an industry-wide requirement soon.
- Safety.
- The system will eliminate liability of the business in regards to undocumented workers.
- It's a must to move toward fixing immigration issues.

#### ***No, would not recommend E-Verify to a colleague.***

- Hassel factor.
- If you don't have to add to admin work, then don't. Wouldn't give government any more reasons to audit your biz.

## Reasons for Not Enrolling in E-Verify

- Of the restaurant operators who are not currently using E-Verify, 62 percent said they choose not to enroll because they are a small company with no HR professional. Fifty percent of operators said they see no need to enroll in E-Verify.
- Restaurant operators from larger businesses were more likely to say they are concerned about a disruptive transition. Fifty percent of operators with 1,000 or more employees and 38 percent of operators with annual sales of \$20 million or more said they are hesitate to enroll because they are concerned about a disruptive transition.

### If you are not using E-Verify, why do you hesitate to enroll? *(check all that apply)*

	I see no need to enroll	I am a small company with no HR professional	I am concerned about a disruptive transition	I am concerned about likely changed in the applicant pool
<b>All Restaurants</b>	<b>50%</b>	<b>62%</b>	<b>9%</b>	<b>9%</b>
<b>Industry Segment</b>				
Fullservice	51%	61%	9%	11%
Quickservice	49%	64%	10%	7%
<b>Ownership Category</b>				
Independent	52%	62%	8%	8%
Franchisee	45%	66%	11%	15%
Corporate-Owned Chain	44%	22%	33%	0%
<b>Number of Employees</b>				
Fewer than 50	49%	68%	4%	6%
50 to 99	48%	63%	15%	15%
100 to 499	62%	47%	15%	18%
500 to 999	56%	33%	11%	11%
1,000 or more	43%	21%	50%	14%
<b>Annual Sales Volume</b>				
Less than \$1 million	51%	69%	4%	5%
\$1 million to \$4.9 million	48%	65%	7%	10%
\$5 million to \$9.9 million	50%	54%	21%	13%
\$10 million to \$19.9 million	64%	45%	0%	27%
\$20 million or more	52%	19%	38%	14%
<b>Non-Restaurant Foodservice Operations*</b>	<b>53%</b>	<b>50%</b>	<b>0%</b>	<b>6%</b>
<b>Supply Chain Companies*</b>	<b>43%</b>	<b>50%</b>	<b>0%</b>	<b>7%</b>

*\*Based on small sample size*

## **Reasons for Not Enrolling in E-Verify (cont.)**

Survey respondents were given the opportunity to include additional comments on why they are hesitant to enroll in E-Verify. Verbatim responses are below.

### ***I see no need.***

- I have a payroll company who does our new hire checks.
- We feel we meet government requirements by making copies of valid driver's licenses and social security cards that become part of each new employee's personnel file.
- We collect proper identification required by the I-9 form upon hire.
- Not mandatory. Paper seems to do fine. Do not want to spend all time in front of a computer.

### ***I am a small company with no HR professional.***

- Family run restaurant.
- We have just begun to look into this and will likely begin using it soon.
- We are a very small restaurant and are able to handle the number of employees by using their driver's license and SS card.
- Very slow turnover. Therefore not much hiring.
- Very small family business, very few employees.
- The site disclaimer basically states that I cannot deny a person employment if the E-Verify comes back questioning the information and I cannot dismiss an employee either, so what is the advantage in duplicating the verification? I-9 and/or E-Verify; I feel I should have to do one, but not both.
- Owners are doing all they can just to keep the business open, no extra time for government paperwork.

### ***I am concerned about a disruptive transition.***

- There are enormous requirements for employment already. Our orientations take over two hours now.

### ***I am concerned about likely changes in the applicant pool.***

- I see it as a deterrent to employment.
- E-Verify rules are onerous.
- Small business should not be doing more of the government work. We already are responsible for too many things and with Obama Care on the way our ever shrinking margins will be under tremendous pressure.