



March 31, 2026

Joseph B. Edlow
Director
U.S. Citizenship and Immigration Services
5900 Capital Gateway Drive
Camp Springs, MD 20746

RE: Notice of Proposed Rulemaking – Employment Authorization Reform for Asylum Applicants; DHS Docket No. USCIS-2025-0370; RIN 1615-AC97

Dear Director Edlow:

As a leading representative of America's 36 million small businesses, Small Business Majority writes to provide comments in response to the U.S. Citizenship and Immigrations Services' (USCIS) notice of proposed rulemaking to modify the employment authorization process for asylum applicants. If finalized, this rule would intensify the small business labor shortage by blocking access to specialized labor talent pools for Main Street.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. From our 11 offices across the country, we engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. Our work is bolstered by extensive research and deep connections with the small business community that enables us to educate stakeholders about key issues impacting America's entrepreneurs, with a special focus on the smallest, most under-resourced businesses.

Immigrants are vital contributors to the small business economy, but harmful immigration policies are intensifying labor shortages on Main Street

Small businesses are pillars of local communities and our national economy, representing over 99% of all U.S. businesses and employing nearly half of the private sector workforce. Immigrant workers and entrepreneurs pursuing the American Dream have long been, and will continue to be, the backbone of the small business economy. Not only do immigrants account for nearly 20% of the U.S. workforce, but they are twice as likely than native-born citizens to start a business and currently own more than 20% of all small businesses in the U.S. What's more, approximately 2.3 million of the 4.5 million people seeking asylum in the U.S. are already working and maintain a labor force participation rate of 72%, which is higher than the U.S. average of 63%.¹ These individuals are actively making contributions to local businesses and the national economy in vital industries like construction, manufacturing and retail sales.

While small businesses drive local economic growth and opportunity, persistent labor shortages on Main Street are stifling their potential. According to the National Federation of Independent Business's February 2026 Jobs Report, 85% of small businesses that are either hiring or trying to hire reported few or no qualified applicants for open positions.² A primary driver of current labor shortages is the

¹ "People seeking asylum are contributing to the workforce." FWD.us. January 31, 2026. <https://www.fwd.us/news/people-seeking-asylum-are-contributing-to-the-workforce/>

² "NFIB February 2026 Jobs Report." National Federation of Independent Businesses. February 2026. <https://www.nfib.com/wp-content/uploads/2026/03/NFIB-February-2026-Jobs-Report.pdf>

expanding immigration backlog, which disproportionately harms small firms by preventing qualified individuals from obtaining the legal authorization necessary to join the workforce. The impact of these backlogs, which are caused, in part, by outdated systems, administrative delays and restrictive policies, have been compounded by escalating immigration enforcement targeting immigrant workers. In fact, preliminary data shows that approximately 1.2 million foreign-born workers have left the U.S. workforce since January 2025, highlighting the harmful repercussions of the administration’s immigration policies and enforcement operations.³

Small Business Majority’s research underscores the importance of a well-functioning legal immigration system to support a small business workforce. In our Voice of Main Street Survey released in late 2025, nearly half (47%) of small business owners say that increased immigration enforcement has had a negative impact on their business.⁴ When it comes to workforce challenges, employee headcount dropped (24%) for far more small firms than it has increased (3%). This decline in the headcount is a nine percentage-point increase from a previous survey, showing a continuous hit to the small business labor pool. Small businesses strongly support (89%) immigration reform that modernizes the legal immigration system with an emphasis on policies to reduce backlogs and makes it easier for qualified workers to come into the U.S. legally. Unfortunately, this rule proposes to do the opposite; creating more backlogs and barriers to talent will only harm U.S. owned small businesses as they struggle to staff their operations. In some cases, businesses have cited access to an immigrant workforce as a critical support structure in allowing them to keep their doors open. This issue will hit rural business owners the hardest, impacting small business’ ability to contribute to economies, where workforce challenges are more apparent.⁵

Proposed restrictions on work authorization for asylum applicants places an undue burden on the small business workforce

It is no surprise that small businesses are more likely to face workforce challenges than their larger counterparts. A readily available pool of talent is increasingly more difficult to find. With the ongoing threats on small businesses due to the rapidly changing immigration policy environment, it came as no surprise that the U.S. economy saw a decline of over 92,000 jobs in February of this year, according to the Bureau of Labor Statistics.⁶ The role of the immigrant community in filling critical U.S. jobs should not be understated.⁷ In 2024, following the U.S. Government’s efforts to address a growing backlog of work visas, we saw labor force projections predicting a healthy increase of 5.2 million workers, mostly because of increased immigration. Immigrants who seek legal workforce authorization have the power to increase consumer spending by roughly 2 percent, or 1.4 percent of GDP by 2033.⁸

If implemented the proposed rule will wreak havoc on the U.S. workforce, hitting small businesses that depend on this labor the hardest. The rule underscores that current processing times for workforce authorization for asylum seekers in recent years have averaged between 22-35 months. The Department of Homeland Security estimates that the pause on initial applications could last from 14 to 173 years or longer. Small businesses simply do not have years to wait for policymakers to make meaningful reforms to the workforce visa process, they need access to workers now. Therefore, our organization stands in firm opposition to any attempt to deliberately increase processing times, halt legal immigration pathways, and

³ “U.S. Workforce Challenges: How Immigration Enforcement Is Impacting the American Economy.” National Immigration Forum. January 30, 2026. <https://forumtogether.org/article/u-s-workforce-challenges-how-immigration-enforcement-is-impacting-the-american-economy/>

⁴ “Voice of Main Street: Small businesses support healthcare premium relief, immigration reform.” Small Business Majority. November 13, 2025. <https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-support-healthcare-premium-relief-immigration-reform>

⁵ “Rural Communities Get Boost from Growing Immigrant Population.” American Immigration Council. September 12, 2018. <https://www.americanimmigrationcouncil.org/blog/rural-communities-immigration/>

⁶ “Employment Situation Summary.” U.S. Bureau of Labor Statistics. March 6, 2026. <https://www.bls.gov/news.release/empsit.nro.htm>

⁷ “Immigrants are not hurting U.S.-born workers.” Economic Policy Institute. February 20, 2024. <https://www.epi.org/blog/immigrants-are-not-hurting-u-s-born-workers-six-facts-to-set-the-record-straight/>

⁸ “The Budget and Economic Outlook: 2024 to 2034.” Congressional Budget Office. February 2024. <https://www.cbo.gov/system/files/2024-02/59710-Outlook-2024.pdf>

block a readily available community of workers from seeking and contributing to economic activity throughout our nation.

While some policymakers want to make it easier for small businesses to thrive, this NPRM will make it more difficult for businesses to remain meaningful contributors of their local economy and labor force participation. The last thing small business owners need is to navigate bureaucratic delays or the onerous requirements to renew work authorization for those who already have them, creating more red tape for small businesses already navigating compliance to a host of differing state and local regulations.⁹

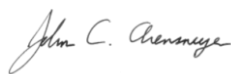
Lastly, the rule will have major downstream impacts on the creation of small businesses across the nation. The American Immigration Council found that 13% of refugees are entrepreneurs, many whom of were entrepreneurs in their countries of origin.¹⁰ Therefore, advocates estimate that the number of refugees opening businesses in the U.S. would be far higher with reforms that prioritize an expeditious legal work authorization, as opposed one that drags on for years on end.

The rate of new business creation saw record growth in previous years, and policymakers must do whatever they can to sustain that growth. Unfortunately, the rules proposed to create more backlogs and increased wait times for workforce authorization will only hamper the growth of small businesses across the U.S. and will throttle access to the American Dream and entrepreneurial values. It is incredibly important now more than ever to foster an immigration system that supports legal pathways to work and business ownership and throttling individuals from seeking work is not the right way to support our rapidly declining economy. In the finalization of this rule, we urge regulators to instead consider proposals that would

1. Increase access to talent pools for U.S. businesses by expediting and improving temporary and permanent work visas to support a strong economy that powers the small business workforce
2. Allow small businesses to provide direct feedback to critical enforcement agencies on their workforce needs to foster access to critical workers
3. Raise outdated immigration caps and increase the availability of high-skilled visas, expanding access to talented workers for small businesses in high-skill, manufacturing, and agricultural fields
4. Encourage immigrant communities to make meaningful economic contributions to the U.S. economy, both through workforce participation and through increased tax revenue to support critical entrepreneurship programs throughout the country

We thank you for the opportunity to provide feedback on this critical issue impacting workforce availability for Main Street businesses. Should you have any questions or would like to discuss our feedback further, please contact our Senior Director of Federal Government Affairs, Alexis D'Amato Falvey at adamato@smallbusinessmajority.org or (202) 967-0995.

Sincerely,



John Arensmeyer
Founder & CEO
Small Business Majority

⁹ "Ending Work Authorization for Asylum Seekers Will Cost Billions." FWD.us. March 4, 2026. <https://www.fwd.us/news/asylum-work-permit-rule/>

¹⁰ "Starting Anew: The Economic Impact of Refugees in America." American Immigration Council. June 2023. https://www.americanimmigrationcouncil.org/wp-content/uploads/2025/01/05.23_refugee_report_v3_0.pdf