

Demographics: High Skill Immigration¹

NUMBERS: New H-1B professionals accounted for only 0.07 percent of the U.S. labor force in 2006.

- Contrary to assertions that H-1B visa holders are not highly skilled, official data show 57 percent of recent new H-1B professionals earned a master's degree or higher, according to the Department of Homeland Security.
- When recruiting on college campuses, companies find that foreign nationals account for 50 to 80 percent of advanced degree candidates in science and engineering disciplines at leading American universities.
- In 2005, U.S. universities awarded 55 percent of Masters degrees and 67 percent of PhDs in electrical engineering to foreign nationals, according to the American Association of Engineering Societies.

IMPACT: Studies show that high skill immigrants exact a positive net effect on native workers.

- For 12 months at a time during each of the past four fiscal years, no new H-1Bs could enter the U.S. labor market because the annual quota had been reached before the year started. Thus, those facing unfortunate economic difficulties cannot blame H-1B visa holders (since it is unlikely employers would hold jobs open for a year if a qualified U.S. professional was available).
- In an apparent effort to discredit the use of visas to hire foreign nationals in general, in 2007 critics started arguing that most H-1B visas are used by companies headquartered in India and that this deprives U.S. companies of the visas. However, the 10 "outsourcing" companies cited most by critics used less than 14 percent of new H-1B petitions approved in 2006 for initial employment, according to U.S. Citizenship and Immigration Services.
- Employers snapped up all H-1B visas the first day applications were submitted in FY 2008, meaning the 15,000 petitions used by these 10 companies has no major impact on the overall availability of H-1Bs. If critics were truly concerned about

¹ *Driving Jobs & Innovation Offshore: The Impact of High Skill Immigration Restrictions on America*, by the National Foundation for American Policy, Dec. 2007 (<http://www.nfap.com/pdf/071206study.pdf>); *H-1B Visas, Enforcement, Outsourcing & US Workers: An H-1B Primer*, by the National Foundation for American Policy, May. 2007 (<http://www.nfap.com/pdf/0507h1Bstudy.pdf>); *H-1B Professionals & Wages: Setting the Record Straight*, by the National Foundation for American Policy, March 2006 (http://www.competeamerica.org/resource/bibliography/nfap_policy_brief_h1b.pdf).

American companies gaining greater access to H-1B visas they would support a higher annual limit or expanded exemptions from the H-1B cap.

- Moreover, the new H-1B professionals hired in 2006 by these global companies totaled fewer than 15,000, representing 0.01 percent of the U.S. labor force and less than 4 percent of the approximately 440,000 people employed by these 10 companies worldwide. Such a small number and proportion of employees are not leading to a loss of large numbers of American jobs, particularly within the context of a U.S. economy producing employment for over 145 million people.
- A recent study by Madeline Zavodny,² a research economist at the Federal Reserve Bank of Atlanta, concluded, “None of the results suggest that an influx of H-1Bs . . . lower contemporaneous average earnings.”
- According to Zavodny’s study, in fact, many of the results indicate a positive, statistically significant relationship.” This would mean H-1B employment is actually associated with better job conditions for natives because H-1B professionals are complementary to native professionals.

NECESSITY: Without more access to high skill foreign workers, our businesses suffer, and the U.S. stands to lose rapidly not only the competitive economic edge generations of Americans have worked so hard to achieve, but also its preeminence in a variety of scientific and technical fields—areas vital to our prosperity and national security.

- The unemployment rate for those in math and computer occupations is at 2.8 percent, compared to 4.7 percent nationally. This is virtually full employment, with those seeking work primarily between jobs, located in the wrong geographic region, or possessing the wrong skill set. This low unemployment rate is indicative, along with the demand for H-1B visas, of the demand for technology professionals in non-IT businesses that need to utilize information technology (IT), as well as in more traditional technology firms.

² “*The H-1B Program and Its Effects on Information Technology Workers,*” by Madeline Zavodny, Federal Reserve Bank of Atlanta, *Economic Review*, Third Quarter 2003.