Testimony of Stuart Anderson

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On

"The Role of Immigrants in America's Innovation Economy"

Before the United States Senate Committee on Commerce, Science and Transportation

May 8, 2013

Thank you, Mr. Chairman.

I appreciate the opportunity to discuss the contributions of immigrant entrepreneurs, engineers and scientists and the immigration bill before Congress. The sponsors of S. 744, the Gang of Eight immigration bill, deserve credit for tackling immigration reform and attempting to fix all parts of the immigration system.

For example, few people realize that although engineers and scientists can immigrate to America, no immigration category exists for entrepreneurs.

S. 744 would change that by providing a way for foreign nationals to obtain a green card if they start a business that creates jobs in the United States. Analyzing the Startup Act 3.0, the Ewing Marion Kauffman Foundation concluded that adding immigrant visas for entrepreneurs "has the potential to add, conservatively, between

500,000 and 1.6 million new jobs over the next 10 years." That estimate was based on the 75,000 immigrant visas for entrepreneurs in the Startup Act 3.0 vs. the 10,000 a year in S. 744, but it shows the potential for such a provision.

Part of the Kauffman Foundation's analysis was derived from research I undertook on the top 50 venture-funded startup companies in America.² I found nearly half of the top 50 venture-funded companies, 48 percent, had at least one immigrant founder, such as Ofer Shapiro, born in Israel, who worked with two other immigrants to establish Vidyo to make high quality video conferencing available over the Internet at a fraction of the cost of traditional conferencing methods. The company today employs over 200 people.

Another was Alex Mehr, who nearly won an entrepreneurship contest at the University of Maryland but on what he describes as the "worst day of his life" an immigration attorney advised him to disband the company because the immigration service would never approve an H-1B visa for him and his friends as founders of their own company. The students went their separate ways. One left the country, but Alex eventually re-connected a decade later with his college roommate Shayan Zadeh. Over a weekend, they began developing Facebook applications for uploading videos and that eventually sparked another idea. So in an "only in America" story, two immigrants born in the Islamic Republic of Iran started an online dating site called Zoosk, which now employs more than 100 people and has 15 million active users a month.

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Companies, NFAP Policy Brief, National Foundation for American Policy, December 2011.

Dane Stangler and Jared Konczal, Give Me Your Entrepreneurs, Your Innovators: Estimating the Employment Impact of a Startup Visa, Ewing Marion Kauffman Foundation, February 2013.
 Stuart Anderson. Immigrant Founders and Key Personnel in America's 50 Top Venture-Funded

What Alex Mehr, Ofer Shapiro and other entrepreneurs will tell you is that startups and long established companies need access to hard-working and talented individuals, both U.S.- and foreign-born. Research on the top 50 venture-funded companies shows more than 75 percent of these cutting-edge companies have a foreign-born individual as a member of their management or product development teams to help the company grow and innovate.

Harming the Ability of Companies to Grow and Innovate

S. 744, in its current form, is likely to harm the ability of both startups and established companies to grow and innovate in the United States. I understand in a large bipartisan bill there will be measures not all the sponsors support. But while S. 744 contains an entrepreneur visa and several positive provisions on employment-based green cards (for permanent residence), it also surprisingly adopts nearly every restrictive measure ever conceived against H-1B and L-1 temporary visa holders and their employers.

The new H-1B restrictions in the bill include in Section 4211 applying attestations on recruitment and nondisplacement to all companies, attestations that may force individual employers to defend potentially hundreds of personnel decisions years after the fact to unsympathetic federal investigators. In addition to forcing companies to make legally binding predictions about future layoffs or dismissals, it would permit a federal government agency to inject its own judgments into which employees a company should have hired. Under the bill, the Department of Labor would be empowered to determine whether an H-1B professional or another worker was the most qualified person for a job.

The bill changes the law to require H-1B visa holders to be paid much higher wages than comparable U.S. professionals, in some cases about \$10,000 to \$18,000 more. (Section 4211) It places an eventual ban on petitioning for foreign nationals on companies with a high percentage of their workforce on H-1Bs. (Section 4213) It would limit or even prohibit foreign nationals from working on client sites. (Section 4211 and 4301) And it would remove virtually all current restrictions on the Department of Labor's investigative authority to enforce these and other provisions. (Section 4223)

A premise of S. 744 appears to be that green cards are good but temporary visas are bad, and employers should be able to meet essentially all their employment needs through green cards. This premise is incorrect. First, to obtain their green cards, over 90 percent of employment-based immigrants each year adjusted their status inside the United States from a temporary visa category, primarily H-1B and L-1 status.³ In fact, often the only way previous employment-based immigrants could work in America prior to receiving their green cards was if they first obtained H-1B and L-1 status. In effect, since the new rules in the Senate bill would make it far more difficult to obtain a temporary visa, many individuals who in the past would have become permanent residents will be unlikely to do so in the future.

Moreover, individuals now waiting for green card processing could be forced to leave the country if they require a renewal of H-1B status to keep working and their new employer cannot meet the new conditions established in the Senate bill. The portability provisions in the bill would not help such individuals if a new employer were not able to comply with the bill's new H-1B provisions.

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³ 2012 Yearbook of Immigration Statistics, U.S. Department of Homeland Security.

Second, for most skilled foreign nationals it is not practical to become permanent residents (green card recipients) before being allowed to start work in the United States. According to Lynden Melmed, former chief counsel of U.S. Citizenship and Immigration Services, and now a partner at the law firm of Berry Appleman & Leiden, "As an immigration attorney, in many circumstances I can tell you an H-1B will be the only appropriate visa category to allow a person into the United States to work." He lists situations such as lateral hires of experienced people from overseas, acquisitions, individuals who come to work on time-limited projects, as well as anyone who does not fit into one of the exemptions from the green card quotas in the bill or does not plan to live the rest of their life in the United States.

Green Card Reforms in S. 744 Are Welcomed

The green card reforms in S. 744 are welcomed because they address a significant problem – long wait times discourage highly skilled individuals from making their careers in America. The long waits for employment-based green cards are caused by two primary factors: 1) the 140,000 annual quota is too low and 2) the per country limit, which restricts the number of green cards available to skilled immigrants from one country to 7 percent of the total. Due to the per country limit, skilled foreign nationals from India and China, who make up most of the applicants, wait years longer than nationals of other countries.

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⁴ Remarks of Lynden Melmed on teleconference releasing report on H-1B visas, National Foundation for American Policy, May 1, 2013.

Analyzing data in 2011, I estimated that a highly skilled Indian national sponsored today for an employment-based immigrant visa in the 3rd preference could wait potentially 70 years to receive a green card.⁵

In addition to the problems experienced by Indians, many skilled foreign nationals from China have been waiting 6 or 7 years for an employment-based green card and can expect to wait additional years without a change to the law. Skilled foreign nationals from countries other than India and China have been waiting one to 6 years in the employment-based third preference and some may wait another four years or more. In the EB-2 category (second employment-based preference), skilled foreign nationals from India and China may wait 6 years or more, although nationals of other countries typically receive green cards in the category with little or no wait.

While I have not completed a new analysis of green card wait times since 2011, a recent examination of the State Department Visa Bulletin and other data indicates that the wait times have not improved or have even worsened for individuals from India, while there has been some improvement for skilled immigrants from China in the employment-based third preference.

The reforms in S. 744 will eliminate wait times for many skilled immigrants and reduce the wait times for nearly all, which will encourage additional highly skilled people to stay in the United States. As noted earlier, despite these positive reforms we should keep in mind that almost any immigration attorney can provide examples of why it is

⁵ Stuart Anderson, *Waiting and More Waiting: America's Family and Employment-Based Immigration System*, NFAP Policy Brief, National Foundation for American Policy, October 2011. The 70-year theoretical wait time is derived from estimating the backlog of Indians in the employment-based 3rd preference (EB-3) and dividing that by the number of Indians who receive permanent residence in the category each year.

impractical to move toward a "green card only" immigration system for high skill work in the United States.

Disadvantaging Skilled Foreign Nationals Seeking to Work Legally in the Future

An important premise of S. 744 is to ensure that those who came into the country illegally do not receive an advantage over those who have already applied to live and work in America. And it appears the bill accomplishes that through a variety of means, including backlog reduction, recapture of unused green cards from previous years, and exemptions from the employment-based immigration quotas for STEM (science, technology, engineering and math) graduates from U.S. universities and dependents of employer-sponsored immigrants.

However, the bill gives an advantage to anyone who entered the country illegally over many skilled foreign nationals who would want to work in America through legal means in the future. Let's take the example of two software engineers who graduated from a top university in India. The first individual, in 2011, flies to Canada, sneaks into the United States and stays here illegally. Under the bill, he will get legal status and be able to work for any employer in the United States. And that employer will be able to hire him without undue bureaucracy, can pay him the market wage, and can send him to a client or customer worksite without restriction.

In contrast, if in 2014, a software engineer from India doesn't qualify for an exemption from the green card quotas, he will find, like most skilled foreign nationals today, his employer must hire him on an H-1B visa. But before he can start work in the United States, under S. 744, his employer must agree to pay him significantly more than a

comparable U.S. professional. Before that an employer must advertise the position for 30 days and offer the job to anyone the company thinks the Department of Labor may later believe is "equally qualified." The employer must also attest that any dismissal the company has made in the recent past or will make in the future (for at least 3 months) will not be interpreted as being in the "essentially equivalent" job as the new H-1B hire.

If an employer has 15 percent or more of its workforce on H-1B visas, the software engineer could not work on projects at any other employer's site; employers below the 15 percent threshold must pay \$500 for him to work at another site. If his potential employer has 50 percent or more of its workforce on H-1Bs it must pay large fees (up to \$10,000), cannot send him to any other site, and cannot even hire him or anyone else on an H-1B visa after 2016 because they would be banned from doing so.

Under S. 744, if the engineer was transferred into the country on an L-1 visa for any employer, he could not do any work on another company's worksite unless that second employer attested it would not displace a U.S. worker 90 days before or after, a provision companies find to be unworkable for their clients and customers.

In sum, the software engineer who sought to come here legally would have been better off if he had entered the country illegally in 2011, because many skilled foreign nationals who want to work in the United States in the future likely will be out of luck under S. 744.

The scenario is not intended to suggest I oppose legalization. I think legalization of those here in the country out of legal status represents an important legislative compromise if it helps achieve what should be the two most important goals of immigration reform legislation: 1) expanding the number of employment-based green

cards and high skill temporary visas, without undue regulations, to keep jobs and innovation in the United States, and 2) providing sufficient legal temporary visas for low-skilled workers to prevent future illegal immigration, provide available, legal workers, and save the lives of those who otherwise would attempt to enter the country illegally.

Significant Likelihood of Trade Violations in S. 744

Related to the proposed restrictions on H-1B and L-1 visas, it is important to consider the potential of unintended consequences, not only in the bill shifting more hiring outside the United States but also in how the legislation would affect the ability of U.S. companies to compete in foreign markets. Under the General Agreement on Trade in Services (GATS) the United States is committed to provide a specific degree of access to H-1B and L-1 visas. As such, certain restrictions on H-1B and L-1 visas could place the United States in violation of that agreement and subject the U.S. to a challenge before the World Trade Organization (WTO). "Such a challenge, if successful, could lead to retaliation against U.S. exporters and harm America's reputation on trade issues," noted a legal analysis by Jochum Shore & Trossevin PC for the National Foundation for American Policy. "As such the analysis and its conclusions should be considered in deliberations over possible changes to U.S. immigration policy."

The 2010 legal analysis examined a number of provisions in previous legislation that are the same or similar to those in S. 744 and concluded there was a "significant likelihood the provisions would be found inconsistent with U.S. commitments under GATS."

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⁶ Jochum Shore & Trossevin, *Legal Analysis: Proposed Changes to Skilled Worker Visa Laws Likely to Violate Major U.S. Trade Commitments*, National Foundation for American Policy, June 2010.

Among these provisions included in the current Senate bill:

- Changing the H-1B wage rules.
- Changing the 90-day nondisplacement rule for H-1B to 180 days for H-1B dependent employers.
- Prohibiting employers with more than 50 employees from employing another H-1B or L-1 nonimmigrant if the sum of their H-1B and L-1 visa holders is more than 50 percent of their total workforce.
- Outplacement restrictions on L-1 visa holders. (A similar restriction on H-1B visa holders was not examined but raises similar issues.)
- Large increase in H-1B visa fees.

The list above is not intended to be inclusive of all potential or likely GATS violations in the Senate bill. A more thorough analysis than permitted here would be necessary. For example, the recruitment requirements may be inconsistent with U.S. commitments under GATS. But in sum, the bill raises significant issues for its practical impact on employers and the U.S. economy, as well as for U.S. trade obligations that Congress should consider.

Economic Benefits of Admitting Skilled Foreign Nationals to Work in America

The economic record shows far from producing harm, providing H-1B visas to skilled foreign nationals has helped the U.S. economy. Moreover, many of the premises upon which restrictions have been proposed are not supported by data and research.

First, H-1B visa holders contributed "between 10 and 25 percent of the aggregate productivity growth . . . that took place in the United States from 1990 to 2010," according to economists Giovanni Peri, Kevin Shih and Chad Sparber. Peri, Shih and

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⁷ Giovanni Peri, Kevin Shih and Chad Sparber, "STEM workers, H-1B Visas and Productivity in U.S. Cities," January 29, 2013.

Sparber also found, "An increase in foreign STEM workers of 1 percent of total employment increased the wage of native college educated workers (both STEM and non-STEM) over the period 1990-2000 by 4 to 6 percent." Economist Madeline Zavodny found each additional 100 approved H-1B workers were associated with an additional 183 jobs among U.S. natives from 2001 to 2010.

Second, S. 744 would artificially inflate the minimum required wage paid to H-1B visa holders under the belief that H-1B professionals are generally paid below that of comparable U.S. workers. Under the law, when hiring an H-1B professional, companies must pay the higher of the prevailing wage or actual wage paid to "all other individuals with similar experience and qualifications for the specific employment in question." Moreover, the Government Accountability Office found the median salary for H-1B visa holders age 20-39 was \$80,000 compared to \$75,000 for U.S. workers in Electrical/Electronics Engineering, and \$60,000 for H-1B professionals age 20-29 in Systems Analysis/Programming vs. \$58,000 for U.S. workers. Other studies, including by University of Maryland economists Sunil Mithas and Henry C. Lucas, Jr., find H-1B professionals in information technology (IT) earned more than their native counterparts with similar experience and do not harm the prospects of U.S.-born workers.

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⁸ Ibid.

⁹ Madeline Zavodny, *Immigration and American Jobs*, American Enterprise Institute and the Partnership for a New American Economy, December 2011.

¹⁰ Section 212(n)(1) of the Immigration and Nationality Act.

¹¹ H-1B Visa Program: Reforms Are Needed to Minimize the Risks and Costs of Current Program, Government Accountability Office, GAO-11-26, January 2011.

¹² S. Mithas and H.C. Lucas, "Are Foreign IT workers Cheaper? U.S. Visa Policies and Compensation of Information Technology Professionals," *Management Science* (56:5) 2010. See also Magnus Lofstrom and Joseph Hayes, "H-1Bs: How Do They Stack Up to U.S. Workers?" IZA Discussion Paper #6259. December 2011, pp. 14-15. Lofstrom and Hayes concluded, "Overall, the data point towards a picture of comparatively highly skilled workers with earnings at least on par with those of U.S. born workers."

Third, employment in Computer and Math occupations rose by 12.1 percent between 2007 and 2012, the second highest of any U.S. job category during that period, according to the Bureau of Labor Statistics. 13 Some argue the size of the average wage growth in certain technology fields means companies are not having a difficult time filling positions. But wage growth can be hidden when the number of jobs in a sector grows. Statistically, adding more employees in an occupational category tends to limit average wage growth (newer workers tend to earn less than incumbent workers), while a field like construction, which lost 25 percent of its jobs between 2007 and 2012, shows reasonable average wage growth, since newer, lesser paid workers are usually the most likely to lose their jobs. Also, it is not really possible to gauge the demand for professionals with technology skills by counting only "STEM occupations," as suggested in a recent Economic Policy Institute report. According to the National Science Foundation, over 4 million people in America use their science & engineering degree in their jobs even though their occupation in not formally classified as a science & engineering occupation.¹⁴

The competition for labor in high tech fields is global, which means employers can fill vacancies or complete projects outside the U.S. that would not appear in domestic "shortage" data. Still, large technology companies today report many job openings.¹⁵

Fourth, India-based companies do not use up most of the yearly H-1B allotment, as some believe. Between FY 2006 and FY 2011, the top 25 India-based companies

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¹³ Bureau of Labor Statistics Occupational and Employment Statistics.

¹⁴ National Science Board, *Science and Engineering Indicators 2012*, National Science Foundation, 2012, p. 3-10.

p. 3-10.

15 Written Testimony of Brad Smith, General Counsel and Executive Vice President, Legal and Corporate Affairs, Microsoft Corporation, Before the Senate Judiciary Committee, on the Border Security, Economic Opportunity, and Immigration Modernization Act, S.744, April 22, 2013. Smith lists 10,000 job openings among five well-known tech companies.

utilized between 6 and 15 percent of the new H-1B visa approved for initial employment, and 19.9 percent in FY 2012. ¹⁶ In FY 2012, the 26,865 new H-1B visas approved for the top 25 India-based companies equaled only 0.017 percent of the U.S. labor force. ¹⁷ Many of these companies perform services under contract for U.S. companies attempting to focus on core business functions.

Fifth, education levels for new H-1B visa holders are high, with 58 percent having earned a master's degree or higher. New H-1B visa holders in the United States accounted for 0.087 percent of the U.S. labor force in 2012.¹⁸

Sixth, rather than harming U.S. students, as some contend, a large proportion of the approximately \$4 billion in government fees paid by employers since 1999 for H-1B visa holders have provided over 63,000 scholarships for U.S. students in science and technology fields, according to the National Science Foundation. Key members of the next generation of outstanding scientists and engineers are the children of H-1B visa holders, who accounted for 60 percent of the finalists at the 2011 Intel Science Talent Search competition for top U.S. high school students.

Seventh, significant government oversight of H-1B visas currently exists. In FY 2010 and FY 2011, U.S. Citizenship and Immigration Services conducted approximately 30,000 on site audits of employers of H-1B visa holders. In FY 2010, only 1 percent of the audit visits resulted in referrals for a fraud investigation. Many companies receive

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¹⁶ National Foundation for American Policy analysis of USCIS H-1B data. Note: Figures would be higher if included some U.S. companies with significant operations in India.

¹⁷ USCIS H-1B data and Department of Labor data on U.S. labor force.

¹⁸ Characteristics of Specialty Occupational Workers (H-1B): Fiscal Year 2011, Department of Homeland Security, March 12, 2012, p. 10; 0.087 percent is derived from USCIS H-1B data on approved initial employment and DOL labor force statistics.

¹⁹ FY 2013 National Science Foundation Budget Request to Congress, EHR – 19-20.

²⁰ Stuart Anderson, *The Impact of the Children of Immigrants on Scientific Achievement in America*, NFAP Policy Brief, National Foundation for American Policy, May 2011.

multiple visits in a year. "A large U.S. professional services provider reports well over 100 site visits in calendar year 2011. In all cases, no fraud was found and no compliance issues were found."²¹

The Way Forward

The premises on which new restrictions have been proposed for H-1B visas are often based on incorrect information and flawed assumptions. Congress should expand the number of green cards and H-1B visas but without burdening employers or visa holders with new rules and limitations that will harm the ability of U.S. companies to compete and grow in this country.

Twenty-five U.S. Senators, including 11 members of the Senate Commerce, Science and Transportation Committee, are sponsors of the I-Squared Act of 2013. That legislation would increase the annual allotment of H-1B visas and make other changes to enhance innovation in America without imposing any of the new restrictions proposed in S. 744. The best approach would be to substitute the provisions of the I-Squared Act in place of the current provisions on temporary visas in S. 744. Such an action would prevent Congress from adopting policies likely to shift much more work, investment and resources outside the United States, rather than achieving the goal we all share – creating more jobs and innovation in America. Thank you.

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²¹ USCIS Fraud Detection & National Security (FDNS) Directorate Answers AILA Administrative Site Visit & Verification Program (ASVVP) Questions, June 7, 2011, and AILA Verification and Documentation Liaison Committee, USCIS NDNS Meeting, March 28, 2012. According to USCIS, "14,433 H-1B site visits were conducted in FY 2010" and 15,648 were conducted in FY 2011.

Table 1 H-1B Statistics in a Snapshot

| H-1B-Led Productivity Gains | Growth in foreign STEM workers "may explain between 10 and 25 percent of the aggregate productivity growth that took place in the U.S." from 1990-2010." (Peri, Shih, Sparber) |
|---|--|
| H-1B and Increased U.S. Jobs | |
| H-1B and increased U.S. Jobs | Each additional 100 approved H-1B workers associated |
| | with an additional 183 jobs among U.S. natives from |
| | 2001-2010. (Zavodny) |
| H-1B and Increased U.S. Wages | "An increase in foreign STEM workers of 1 percent of |
| TI-1D and increased 0.0. Wages | |
| | total employment increased the wage of native college |
| | educated workers (both STEM and non-STEM) over the |
| | period 1990-2000 by 4 to 6 percent." (Peri, Shih, |
| | Sparber) |
| H-1B Professionals Earn | Median salary Electrical/Electronics Engineering age 20- |
| Comparable or Higher Wages | 39 H-1B: \$80,000 vs. U.S. worker: \$75,000. |
| | |
| Than U.S. Workers in Same Age | Median salary Systems Analysis/Programming age 20- |
| Grouping | 29: H-1B: \$60,000 vs. U.S. worker: \$58,000. (GAO) |
| H-1B and Patents | "A 10 percent growth in H-1B admissions correlates with |
| | an 8 percent growth in Indian invention" relative to firms |
| | outside of the computer sector less reliant on H-1Bs. |
| | |
| | (Kerr and Lincoln) |
| New H-1B Visas in U.S. Labor | New H-1B visa holders are 0.087 percent of U.S. labor |
| Force | force. (DOL) |
| H-1B Employer-Paid H-1B Fees | \$4 billion in H-1B fees paid since 1999 (estimate) |
| . , | (USCIS) |
| H-1B Employer Fees for | 63,800 scholarships for U.S. students since 1999. (NSF) |
| Scholarships | to some definition of the state |
| H-1B and Taxes | Foreign have with D.A. nove #0.005 mars a vest in tower |
| n-16 and laxes | Foreign-born with B.A. pays \$9,335 more a year in taxes |
| | than benefits received; \$20,254 more with M.A. |
| | (Zavodny) |
| | |
| Onsite Audits of H-1B Employers | 14,433 H-1B site visits in FY 2010 and 15,648 in FY |
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| | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) |
| Percent of H-1B Visa Audits | 14,433 H-1B site visits in FY 2010 and 15,648 in FY |
| Percent of H-1B Visa Audits Referred for Fraud Investigations | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) |
| Percent of H-1B Visa Audits Referred for Fraud Investigations (FY 2010) | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) 1 percent (USCIS) |
| Percent of H-1B Visa Audits Referred for Fraud Investigations (FY 2010) Months Employers Wait for a | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) 1 percent (USCIS) 15 to 18 months to start work on new H-1B for FY 2013 |
| Percent of H-1B Visa Audits Referred for Fraud Investigations (FY 2010) | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) 1 percent (USCIS) |
| Percent of H-1B Visa Audits Referred for Fraud Investigations (FY 2010) Months Employers Wait for a | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) 1 percent (USCIS) 15 to 18 months to start work on new H-1B for FY 2013 and FY 2014; FY 2003 last year annual cap not reached. |
| Percent of H-1B Visa Audits Referred for Fraud Investigations (FY 2010) Months Employers Wait for a Foreign Professional When H-1B Unavailable | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) 1 percent (USCIS) 15 to 18 months to start work on new H-1B for FY 2013 and FY 2014; FY 2003 last year annual cap not reached. (USCIS) |
| Percent of H-1B Visa Audits Referred for Fraud Investigations (FY 2010) Months Employers Wait for a Foreign Professional When H-1B Unavailable 2011 Intel Science Talent Search | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) 1 percent (USCIS) 15 to 18 months to start work on new H-1B for FY 2013 and FY 2014; FY 2003 last year annual cap not reached. (USCIS) 60 percent of the 2011 finalists had a parent who entered |
| Percent of H-1B Visa Audits Referred for Fraud Investigations (FY 2010) Months Employers Wait for a Foreign Professional When H-1B Unavailable | 14,433 H-1B site visits in FY 2010 and 15,648 in FY 2011. (USCIS) 1 percent (USCIS) 15 to 18 months to start work on new H-1B for FY 2013 and FY 2014; FY 2003 last year annual cap not reached. (USCIS) |

Source: National Foundation for American Policy. Sources listed in testimony.

Table 2
Job Growth in Major Occupation Groups: 2007-2102

MAJOR OCCUPATION GROUP PERCENTAGE CHANGE IN **EMPLOYMENT, 2007 TO 2012 Personal Care and Service Occupations** 14.1 percent Computer and Mathematical Occupations 12.1 percent **Healthcare Practitioners and Technical Occupations** 11.2 percent **Healthcare Support Occupations** 8.0 percent **Business and Financial Operations Occupations** 6.7 percent **Management Occupations** 6.4 percent **Community and Social Service Occupations** 5.0 percent **Protective Service Occupations** 3.9 percent **Legal Occupations** 2.4 percent **Food Preparation and Serving Related Occupations** 2.4 percent **Education, Training, and Library Occupations** 0.7 percent Arts, Design, Entertainment, Sports, and Media Occupations -0.6 percent **ALL OCCUPATIONS** -3.0 percent Sales and Related Occupations -3.5 percent **Building, Grounds Cleaning and Maintenance Occupations** -3.6 percent Farming, Fishing, and Forestry Occupations -4.5 percent **Architecture and Engineering Occupations** -5.2 percent Installation, Maintenance, and Repair Occupations -5.9 percent Office and Administrative Support Occupations -8.2 percent **Transportation and Material Moving Occupations** -8.9 percent Life, Physical, and Social Science Occupations -12.1 percent **Production Occupations** -15.3 percent **Construction and Extraction Occupations** -25.8 percent

Source: Bureau of Labor Statistics Occupational and Employment Statistics

Table 3
Median Reported Salaries of H-1B and U.S. Workers: Systems Analysis, Programming, and Other Computer-Related Occupations

| Age Group | H-1B | U.S. Workers |
|-----------|----------|--------------|
| 20-29 | \$60,000 | \$58,000 |
| 30-39 | \$70,000 | \$70,000 |

Source: *H-1B Visa Program: Reforms Are Needed to Minimize the Risks and Costs of Current Program*, Government Accountability Office, GAO-11-26, January 2011, Table 1. Salaries are 2008.

Table 4
Median Reported Salaries of H-1B and U.S. Workers: Electrical/Electronics Engineering
Occupations

| Age Group | H-1B | U.S. Workers |
|-----------|----------|--------------|
| 20-39 | \$80,000 | \$75,000 |

Source: *H-1B Visa Program: Reforms Are Needed to Minimize the Risks and Costs of Current Program*, Government Accountability Office, GAO-11-26, January 2011, Table 1. Salaries are 2008.

Stuart Anderson is Executive Director of the National Foundation for American Policy, a non-partisan public policy research organization focusing on trade, immigration and related issues based in Arlington, Virginia (www.nfap.com). From August 2001 to January 2003, Stuart served as Executive Associate Commissioner for Policy and Planning and Counselor to the Commissioner at the Immigration and Naturalization Service. Before that Stuart spent four and a half years on Capitol Hill on the Senate Immigration Subcommittee, first for Senator Spencer Abraham and then as Staff Director of the subcommittee for Senator Sam Brownback. Stuart has published articles in the Wall Street Journal, New York Times, and other publications. He is the author of the book Immigration (Greenwood, 2010).