PRO: The Case for H-1B Visas

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***Resolved: The United States federal government should increase its quota of H-1B visas.***

H-1B visas are visas given to hi-tech foreigners to work for 3 years in the U.S. (and can be renewed once for 3 more years). H-1B immigrants are typically highly educated and talented, and they contribute to the US economy by keeping industry and technology work in the U.S.

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PRO: H-1B Visas

BACKGROUND

H-1B is for hi-tech workers. Annual quota is 65K

NEWSWEEK 2018. "Republicans Propose H-1B Visa Expansion as Trump Considers Slashing the Program 26 Jan 2018 <http://www.newsweek.com/republicans-propose-h-1b-visa-expansion-trump-considers-slashing-program-792620>

Senators Orrin Hatch of Utah and Jeff Flake of Arizona on Thursday introduced the Immigration Innovation “I-Squared” Act of 2018, which aims to increase the annual quota from 65,000 to 85,000 for the H-1B visa, a non-immigrant document that allows U.S. companies to employ graduate-level foreign workers in fields that require technical and theoretical expertise.

H-1B is for high-skilled foreigners, valid for 3 years, renewable once. Annual quota is 65K

CNN MONEY 2018. 25 Jan 2018 "H-1B reform bill seeks to expand annual quota" <http://money.cnn.com/2018/01/25/technology/hatch-flake-h1b-bill/index.html>

Republican Senators Orrin Hatch and Jeff Flake introduced legislation on Thursday that aims to increase the annual quota of H-1B visas from 65,000 to 85,000. The H-1B is a common work visa granted to high-skilled foreigners to work at companies in the U.S. It's valid for three years, and can be renewed for another three years.

Shortages: Demand for visas often exceeds supply

CNN MONEY 2018. 25 Jan 2018 "H-1B reform bill seeks to expand annual quota" <http://money.cnn.com/2018/01/25/technology/hatch-flake-h1b-bill/index.html>

The H-1B program is one that President Trump has eyed for reform, saying abusers can use it to replace American workers. But the program is particularly near and dear to the tech community with many engineers vying for one of the program's 65,000 visas each year. Demand often exceeds the supply -- in which case, a lottery system is activated.

Shortages: 236K applications for 65K H-1B visa quota

Kenya Downs 2017 (journalist) Public Radio International (PRI) 28 Aug 2017 " How H-1B work visas transformed tech and education in the US and India" <https://www.pri.org/stories/2017-08-28/how-h-1b-work-visas-transformed-tech-and-education-us-and-india>

In 2016, US companies looking to hire highly skilled, foreign workers [filed more than 236,000 petitions](https://www.uscis.gov/news/alerts/uscis-completes-h-1b-cap-random-selection-process-fy-2017) that went into a lottery for the maximum 65,000 H-1B visas available each year. An additional 20,000 visas are offered as an exception for applicants with advanced degrees.

ADVANTAGES

Khanna & Morales Study: Net benefit to US workers of $1,345 per additional migrant

Dr. Guarav Khanna 2017 (PhD economics, Univ of Michigan) August 2017 Technology, Innovation, and the American Dream: New Study Finds H-1B Visas Benefit US and Indian Workforce <https://www.cgdev.org/blog/technology-innovation-and-american-dream-new-study-finds-h-1b-visas-benefit-us-and-indian>

Amidst the ongoing debates in both the United States and India about the H-1B visa program, [*The IT Boom and Other Unintended Consequences of Chasing the American Dream*](https://www.cgdev.org/publication/it-boom-and-other-unintended-consequences-chasing-american-dream), prepared with my colleague Nicolas Morales, demonstrates the positive impacts of the H-1B visa program in both the United States and India. We find that the program provides benefits to US and Indian workers and consumers, and that it is a contributing factor to the expanding hi-tech sectors in both countries. Relevant to the ongoing US debate about immigration policy, we offer this evidence-based report examining the relationship among migration, the IT sector, and the economy. We found that: **US workers are on average, better off by about $431 million** (or $1,345 per additional migrant) in 2010 because of the H-1B program.

H-1B workers raise US workers' wages and increase productivity growth

Noah Smith 2018 (former assistant professor of finance at Stony Book Univ.) 12 March 2018 Cuts to Skilled Immigration Degrade a U.S. Strength <https://www.bloomberg.com/view/articles/2018-03-12/cuts-to-h-1b-visas-for-skilled-immigrants-hurt-u-s-economy> (brackets in original)

This is why even if they lower wages at a particular company, H-1B workers raise native-born wages overall. A [2015 study](http://giovanniperi.ucdavis.edu/uploads/5/6/8/2/56826033/stem-workers.pdf) by economists Giovanni Peri, Kevin Shih and Chad Sparber found:  
Increases in [foreign] STEM workers are associated with significant wage gains for college-educated natives. Gains for non-college-educated natives are smaller but still significant. Our results imply that foreign STEM [workers] increased total factor productivity growth in US cities.  
If Trump’s immigration policies break this virtuous cycle, the tech industry could eventually decide to make its home elsewhere -- in immigrant-friendly [Canada](http://www.cbc.ca/news/business/immigration-high-tech-canada-global-skills-strategy-1.4391409), or even in emerging economies of China and India. That would result in many fewer good jobs, and lower wages, for American workers -- skilled and unskilled alike.

Skilled H-1B immigrants spark innovation, new hiring, and higher wages in technology clusters in the US

Noah Smith 2018 (former assistant professor of finance at Stony Book Univ.) 12 March 2018 Cuts to Skilled Immigration Degrade a U.S. Strength <https://www.bloomberg.com/view/articles/2018-03-12/cuts-to-h-1b-visas-for-skilled-immigrants-hurt-u-s-economy>

Moreover, studies that find negative impacts of H-1Bs tend to look only at the specific companies that hire skilled workers. The presence of more smart people in an industry or a city cause new ideas and technologies to flourish. These then diffuse to companies, allowing business to innovate faster, hire more workers and pay higher wages. Skilled foreigners help keep new ideas flowing in [technology clusters](https://www.bloomberg.com/view/articles/2017-05-19/growth-takes-off-when-smart-people-are-neighbors) like Silicon Valley; Austin, Texas; and Raleigh, North Carolina.

Increased H-1B would help the US economy compete globally

BOSTON GLOBE 2013. (*president and chief executive officer of Natixis Global Asset Manaement — The Americas and Asia, chairman of the New England Council* ) The benefits of the H-1B visa 2 Apr 2013 <https://www.bostonglobe.com/opinion/2013/04/02/the-benefits-visa/WPOr4ET4gZnTKGDhopQ0AL/story.html>

Countries from the United Kingdom to Australia already recognize the intensity of this global contest for talent and are in the process of lifting restrictions on foreign-born workers. The ability to scour the globe for experienced, knowledgeable and well-trained workers — and to put them to work quickly on American soil — would at least allow the United States to keep pace. And increasing the number of H-1B visas would help lift the US economy as a whole — helping spur new growth in many regional markets.

Need to stop sending away all the talented graduates of US colleges

BOSTON GLOBE 2013. (*president and chief executive officer of Natixis Global Asset Manaement — The Americas and Asia, chairman of the New England Council* ) The benefits of the H-1B visa 2 Apr 2013 <https://www.bostonglobe.com/opinion/2013/04/02/the-benefits-visa/WPOr4ET4gZnTKGDhopQ0AL/story.html> (ellipses in original)

For a foreign-born graduate with special talent, a degree should be the ticket to employment in the United States, not a return ticket home. “There are brilliant students from all over the world sitting in classrooms at our top universities,” President Obama said in a Jan. 29 speech introducing his plan. “We’re giving them all the skills they need to figure that out. But then we’re going to turn around and tell them to start that business and create those jobs in China or India or Mexico. … That’s not how you grow new industries in America.”

Immigrants could solve health care shortages

Nicole Fisher 2016 (Founder & CEO of HHR Strategies) 23 Mar 2016 MIDWEST DIAGNOSIS: IMMIGRATION REFORM AND THE HEALTHCARE SECTOR <https://www.thechicagocouncil.org/publication/midwest-diagnosis-immigration-reform-and-healthcare-sector?_ga=2.14950388.355575834.1523580021-566398997.1523580021>

Healthcare is a critical part of the local economy, providing jobs for millions of Midwesterners and billions of dollars in wages across the 12-state region. However, the growing healthcare needs of the baby boomers as they age, coupled with acute shortages of healthcare workers, are straining the sector. Immigrants—foreign- born physicians, researchers, nurses, health aides, and hospital workers—are key to the future vitality of healthcare in the United States, and federal immigration reforms are urgently needed to ensure that the sector is able to maximize their contributions.

H-1Bs can help solve the coming shortage of doctors

Sara McElmurry 2017 (nonresident fellow at the Chicago Council on Global Affairs) How Do H-1B Visas Support US Economic Competitiveness? <http://digital.thechicagocouncil.org/h1b-visas#home/8>

[Healthcare](https://www.thechicagocouncil.org/publication/midwest-diagnosis-immigration-reform-and-healthcare-sector) faces critical worker shortages with growing demand from aging Baby Boomers. A [quarter](https://www.forbes.com/sites/nicolefisher/2016/07/12/25-of-docs-are-born-outside-of-the-u-s-can-immigration-reform-solve-our-doc-shortage/#3bb88292155f) of current doctors in the United States are foreign born. We will need an additional [90,000 doctors](https://www.thechicagocouncil.org/publication/midwest-diagnosis-immigration-reform-and-healthcare-sector) by 2025. [American medical students](https://www.thechicagocouncil.org/publication/midwest-diagnosis-immigration-reform-and-healthcare-sector?_ga=2.14950388.355575834.1523580021-566398997.1523580021) aren’t graduating fast enough to meet this demand. H-1Bs are one way some hospitals can hire qualified health workers from abroad.

DISADVANTAGE RESPONSES

No Economic Loss

Khanna & Morales Study finds benefits outweigh any losses: US and India both have overall economic gains from H-1B

Dr. Guarav Khanna 2017 (PhD economics, Univ of Michigan) August 2017 Technology, Innovation, and the American Dream: New Study Finds H-1B Visas Benefit US and Indian Workforce <https://www.cgdev.org/blog/technology-innovation-and-american-dream-new-study-finds-h-1b-visas-benefit-us-and-indian>

While there are some negative impacts for a subset of US workers (earnings for US born computer scientists are lower by 1.5 percent), the overall gains outweigh the losses as the combined incomes of the US and India both rise under the H-1B program by about $17.3 billion or 0.36 percent. And total IT output from both nations rose steadily under the H-1B regime by about 0.45 percent in 2010.

H-1B's aren't driving down Americans' wages

Noah Smith 2018 (former assistant professor of finance at Stony Book Univ.) 12 March 2018 Cuts to Skilled Immigration Degrade a U.S. Strength <https://www.bloomberg.com/view/articles/2018-03-12/cuts-to-h-1b-visas-for-skilled-immigrants-hurt-u-s-economy>

As for driving down native-born Americans’ wages, there is evidence that the worry is vastly overblown. It’s true that the H-1B program tethers employees to their employers; for a worker on an H-1B to switch to a different company, [the procedure](http://www.h1base.com/visa/work/H1B%20Visa%20Transfer%20To%20A%20New%20Employer/ref/1169/) can be time-consuming and annoying. There is [some evidence](https://gspp.berkeley.edu/assets/uploads/research/pdf/h1b.pdf) that companies that win the chance to hire more H-1B workers pay lower wages. But there’s also [evidence](https://pubsonline.informs.org/doi/abs/10.1287/mnsc.1100.1149?journalCode=mnsc&) showing that H-1B workers are not paid less than native-born Americans, after accounting for their age and skill level.

Americans Not Displaced

American college students aren't getting technical degrees for the jobs the tech industry has open

Kenya Downs 2017 (journalist) Public Radio International (PRI) 28 Aug 2017 " How H-1B work visas transformed tech and education in the US and India" <https://www.pri.org/stories/2017-08-28/how-h-1b-work-visas-transformed-tech-and-education-us-and-india> (brackets added)

Fewer than 40 percent of students who enter US colleges with a STEM [science, technology, engineering, mathematics] major complete a STEM degree, according to a 2012 report from former President Barack Obama's Council of Advisors on Science and Technology ([PDF](http://files.eric.ed.gov/fulltext/ED541511.pdf)). That 2012 report also suggests that US educational institutions will need to produce one million more college graduates in STEM fields by 2022 to keep up with demands from the tech industry and economy.

No "Brain Drain"

India gets a "Brain GAIN" not "Drain" from US H-1B program

Dr. Guarav Khanna 2017 (PhD economics, Univ of Michigan) August 2017 Technology, Innovation, and the American Dream: New Study Finds H-1B Visas Benefit US and Indian Workforce <https://www.cgdev.org/blog/technology-innovation-and-american-dream-new-study-finds-h-1b-visas-benefit-us-and-indian>

Similarly, in India, critics assert that the H-1B program is causing a “brain drain” from the country, i.e., highly skilled Indian workers are lost to the United States under this visa program. But to the contrary, our study found that the US H-1B visa program leads to a brain gain for India:  
- The prospect of migrating to the US and earning a higher wage induced many students and workers to switch to Computer Science and Engineering fields. Those who could not join the US workforce—due to a cap on the number of H-1B visas—remained in India, enabling the growth of the Indian IT sector.  
- Those who migrated to the US acquired skills, technical know-how, and established networks with US companies. As their visas expired, some returned with this acquired human capital and technology and contributed to the growing tech-workforce in India. Together, the “brain gain” to India under the H-1B program outweighs any “brain drain.”

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