



JUST THE FACTS: H-1BS AND THE 21ST CENTURY WORKPLACE

Policy discussions about H-1Bs are often rife with misconceptions and mischaracterizations that can confuse those looking to strengthen the program. While we agree with policymakers that the H-1B program can be strengthened, we offer this document to ensure reform efforts are rooted in facts.

What is an H-1B visa? Is it only for information technology-related occupations?

An H-1B visa is a temporary employment-based visa available for highly educated foreign nationals with job offers in specialty occupations with American employers. *H-1Bs are not just for IT-related occupations. Other common fields for H-1B use include: architecture; engineering and surveying; education; and medicine and health.*¹

- ✓ 99 percent of H-1B visa holders hold at least a bachelor's degree.
- ✓ 55 percent of H-1B visa holders hold a master's degree or higher.

Do H-1B visa holders make up a large portion of the U.S. workforce?

No. H-1Bs are a small part of the American workforce. Different numbers are sometimes cited when discussing how many H-1Bs are filed and/or approved, and it is easy to be confused at a quick glance. Because of this, some people have a misconception about the number of H-1Bs approved each year. The chart below shows key numbers to consider.

H-1B Number	What is it?
.07 percent	<p>Percentage of total U.S. labor force comprised of H-1B visas approved for new employment in Fiscal Year 2015.</p> <p>New H-1Bs account for only one in every thousand employees in the American workforce each year.² Even if one were to assume all H-1Bs stay in the United States for 6 years – which they do not – they would still make up less than half of one percent of the American workforce.</p>
108,531	<p>Number of H-1B petitions approved for new employment by United States Citizenship and Immigration Services (USCIS) in Fiscal Year 2015.³</p> <p>Because this number comes from USCIS, it is the most reliable figure available for new H-1Bs commencing employment in the U.S. This number includes the 85,000 new visas allocated under the H-1B cap each year, as well as additional petitions filed for new employment by cap-exempt organizations. However, this number slightly overstates “new employment,” because it also includes H-1Bs filed on behalf of existing H-1B visa holders by new employers requesting an H-1B extension of stay.</p>

¹U.S. Citizenship and Immigration Services (USCIS), [https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports and Studies/H-1B/h-1B-characteristics-report-14.pdf](https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/H-1B/h-1B-characteristics-report-14.pdf)

²USCIS, <https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/H-1B/H-1B-FY-2015-Petitions.pdf> (108,531 petitions approved for new employment in FY 2015); Bureau of Labor Statistics; https://data.bls.gov/pdq/SurveyOutputServlet?request_action=wh&graph_name=LN_cpsbref1 (156,809,000 in U.S. civilian labor force in September 2015, the end of FY 2015).

³Id.

H-1B Number	What is it?
172,748	<p>Total H-1B visas issued by the Department of State in Fiscal Year 2015 for new and continuing employment already approved by USCIS.⁴</p> <p>This number is not a reliable estimate of the number of H-1Bs with new employment entering the United States. This number includes visas issued based upon:</p> <ul style="list-style-type: none"> • New employment • Extensions of previously issued H-1B visas • Changes of employer • H-1B amended petitions for reasons such as change in job location or job duties • Replacement of lost visas
275,317	<p>Total H-1B petitions approved by USCIS in Fiscal Year 2015 for new and continuing employment.⁵</p> <p>A majority of these H-1B petitions are not for new employment. The total number includes petitions approved based upon:</p> <ul style="list-style-type: none"> • New employment • Extensions of previously issued H-1B visas • Changes of employer • H-1B amended petitions for reasons such a change in job location or job duties
567,055	<p>Number of Labor Condition Applications (LCAs) filed at the Department of Labor (DOL) in Fiscal Year 2015.⁶</p> <p>As we explain in more detail in a separate Just the Facts piece, this number is not reliable for determining how many H-1Bs were approved in Fiscal Year 2015. LCAs are prepared for:</p> <ul style="list-style-type: none"> • New employment • Petitions not selected in the H-1B lottery • H-1B amended petitions for reasons such as change in job location or job duties • LCAs filed prospectively for some H-1B petitions that are never filed

What protections are in place for American workers?

H-1B employers are required to pay the **higher** of the “actual wage” or “prevailing wage” for every H-1B visa holder. The actual wage is what an employer pays all other employees who are in the same job, at the same location, with similar experience and qualifications as the H-1B visa holder. The prevailing wage is the weighted average of wages paid to similarly situated American workers at all employers in the same geographic area. While all H-1B holders are paid at least the actual or prevailing wage, many are paid substantially more.

The average H-1B visa holder earns \$84,000 per year across all fields.⁷ H-1B employers must make certifications to the Department of Labor that, among other things, they will not undercut the wages of other employees and that working conditions of similarly situated employees will not be adversely affected. Additionally, since 2005 employers have paid more than \$1.3 billion in filing fees, money that USCIS specifically sets aside to fund fraud prevention efforts.⁸

⁴Department of State, <https://travel.state.gov/content/dam/visas/Statistics/Non-Immigrant-Statistics/NIVDetailTables/FY15%20NIV%20Detail%20Table.pdf>

⁵Id.

⁶Department of Labor, Office of Foreign Labor Certification, https://www.foreignlaborcert.doleta.gov/pdf/H-1B_Selected_Statistics_FY2015_Q4.pdf. This is explained in more detail in our prior Just the Facts piece, <https://www.cfgi.org/us-immigration/our-advocacy/policy-recommendations/Documents/JustTheFactsH1BsLCAs081016.pdf>.

⁷Id.

⁸National Foundation for American Policy, <http://nfap.com/wp-content/uploads/2016/08/Setting-the-Record-Straight-on-High-Skilled-Immigration.NFAP-Policy-Brief.August-20162.pdf>

Do H-1Bs affect wages for American workers?

Many studies show that H-1Bs have a positive impact on American wages. According to the National Bureau of Economic Research, for every percentage point increase in the rate of H-1B STEM employment, wages for native college graduates in that field grew by 7 to 8 percent annually, and wages for native non-graduates grew by 3 to 4 percent each year.⁹ Between 2011 and 2016, the average entry-level salary for all graduates of American universities rose 11 percent for engineering, 13 percent for health sciences, 21 percent for computer sciences and 50 percent for mathematics.¹⁰

Do H-1Bs affect the unemployment rate?

Studies make it clear that H-1Bs create jobs for Americans. According to the Partnership for a New American Economy, H-1Bs issued between 2010 and 2013 will have created 700,000 jobs by 2020.¹¹ Unemployment in professional and related occupations is generally lower than the overall civilian unemployment rate. The civilian unemployment rate dropped from 8.5 percent to 4.7 percent between December 2011 and December 2016, while the professional and related occupations unemployment rate dropped from 4 percent to just 2.1 percent in the same timeframe.¹²

Is anything else being done to support American workers?

Yes. Since 1998, employers have paid \$1,500 with most H-1B petitions.¹³ These fees are dedicated to addressing skill shortages in the U.S. workforce. Since implementation of these fees, employers have paid more than \$3.9 billion in fees that have been used by DOL's Employment and Training Administration for technical skills training and by the National Science Foundation for STEM training scholarships and competitive grants.¹⁴ Many H-1B employers further invest in the American STEM pipeline in a variety of other ways, including teaching plans, e-learning, internships and fellowships related to the STEM fields.¹⁵

The H-1B program has not been significantly changed in almost twenty years. It should be modernized to allow employers to access the talent they need to innovate and compete in a world where people use smartphones and social media, education levels have risen around the world and the global demand for high-skilled labor has increased.

CFGJ and SHRM call on policymakers to ensure access to global talent remains at the core of the H-1B program, and that the rules for H-1Bs are fair and allow employers to innovate and compete. For more information on high-skilled, employment-based immigration, visit www.cfgi.org and www.shrm.org.

⁹National Bureau of Economic Research, <http://www.nber.org/papers/w20093>

¹⁰National Association of Colleges and Employers, <http://uncw.edu/career/documents/nacesalarysurveysummary92012.pdf> and <http://www.naceweb.org/uploadedfiles/files/2016/publications/executive-summary/2016-nace-salary-survey-fall-executive-summary.pdf>

¹¹Partnership for a New American Economy, http://www.renewoureconomy.org/wp-content/uploads/2015/04/H1B_12.7.pdf. State specific reports on job creation from highly-skilled immigrants are available at <http://www.renewoureconomy.org/reports/>.

¹²Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNU04032217> and <https://fred.stlouisfed.org/series/UNRATE>

¹³These fees are paid pursuant to the American Competitiveness and Workforce Improvement Act (ACWIA) of 1998 and must be paid for initial H-1B petitions, changes of employer, and the first extension with any given employer. The fee is \$1,500 for employers with more than 25 employees and \$750 for employers with 25 or fewer employees.

¹⁴National Foundation for American Policy, <http://nfap.com/wp-content/uploads/2016/08/Setting-the-Record-Straight-on-High-Skilled-Immigration.NFAP-Policy-Brief.August-20162.pdf>

¹⁵Council for Global Immigration (CFGJ), <https://www.cfgi.org/Documents/14-0709-CFGI-2015-Primer.pdf>