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H-1B VISAS AND FINANCIAL INSTITUTIONS

An Associated Press article (“Banks Look Overseas,” February 2, 2009) created controversy by stating financial institutions receiving funds under the Troubled Asset Relief Program (TARP) have in the past hired foreign-born professionals on H-1B visas. Senators Bernard Sanders (I-VT) and Charles Grassley (R-IA) passed a Senate amendment, in effect, to prevent such institutions from hiring H-1B visa holders. A National Foundation for American Policy analysis finds the Associated Press report overstated the current use of H-1B visas by these institutions by combining 6 years of past data and focusing on applications filed with the Department of Labor, which often exaggerate actual visa usage because employers may file applications for multiple geographic areas for one individual to comply with H-1B wage rules. In fact, if one examines actual petitions the U.S. Citizenship and Immigration Services issued in 2007 none among 12 large recipients of TARP funds hired more than a negligible number of new H-1B visa holders. For example, Bank of America employed 210,000 people in 2007 and received petitions for 66 new H-1B visa holders, representing 0.03 percent of its workforce. A March 2008 NFAP Policy Brief found rather than displacing Americans, data showed for every H-1B position requested, U.S. technology companies increased their employment by 5 workers. Examining companies that had layoffs, the analysis found for every H-1B position requested, total employment was 2 workers more than it otherwise would have been. It would appear to be an unwise policy choice to deny companies in difficult circumstances access to talented people only because such individuals were not born in the United States.

**Table 1
 H-1B Petitions Received by Financial Institutions in 2007**

| Financial Institution | H-1B Petitions for New Professionals in 2007 | New H-1B Petitions in 2007 as Percentage of Total Workforce | Total Employment (2007) |
|-----------------------|--|---|-------------------------|
| Citigroup | 185 | 0.05 percent | 387,000 |
| Bank of America | 66* | 0.03 percent | 210,000 |
| AIG | 25 | 0.02 percent | 116,000 |
| JPMorganChase | 236 | 0.14 percent | 180,667 |
| Wells Fargo | 14 | 0.01 percent | 159,800 |
| Goldman Sachs | 227 | 0.74 percent | 30,522 |
| Morgan Stanley | 139 | 0.29 percent | 48,256 |
| PNC Financial | 13 | 0.05 percent | 28,320 |
| US Bancorp | 0 | 0 percent | n/a |
| GMAC | 9 | 0.03 percent | 26,700 |
| SunTrust | 5 | 0.02 percent | 32,323 |
| Capital One | 104 | 0.58 percent | 17,800 |

*Source: USCIS, Hoovers, National Foundation for American Policy. List of recipients of TARP funding from CNBC. USCIS data for 2007 are for initial beneficiaries of H-1B petitions. Total employment data can include overseas offices. *Bank of America has a global equities affiliate that used 51 new H-1B petitions in 2007.*