

H-1B Visas Issued by Year

To hire skilled foreign nationals, U.S. employers generally must use H-1B temporary visas, which last for up to 6 years and usually require the equivalent of an undergraduate degree or higher. Those with a graduate degree or higher make up about half of all new H-1B visa holders annually, according to the Department of Homeland Security. Since it can take four years or more for a U.S. employer to sponsor a skilled foreigner for permanent residence (green card) due to U.S. government processing times and numerical limitations, the availability of H-1B visas is important, otherwise skilled foreign nationals, particularly graduates of U.S. universities, could not work or remain in the United States. Prior to 1990, Congress placed no numerical limitation on the number of skilled foreign nationals employers could hire in H-1 temporary status. In the Immigration Act of 1990, Congress (arbitrarily) chose an annual cap of 65,000 and introduced several requirements in establishing a new H-1B category. Congress has changed this limit at least three times in the past 8 years, though the number has reverted back to the original 65,000. The cap has been reached most years since 1996. In FY 2006, the immigration service stopped taking new H-1B applications in August 2005. Even the recently added 20,000 exemption from the H-1B cap for those who graduated with an advanced degree from a U.S. university was exhausted by January 2006. As the table below indicates, the market has determined the use of H-1B visas. When Congress raised the limit to 195,000 a year in FY 2002 and 2003, in both years fewer than 80,000 visas were issued against the cap, leaving 230,000 H-1B visas unused in those two years. In other words, the evidence indicates firms did not hire more H-1Bs simply because the cap was higher in those years.

H-1B VISAS ISSUED AGAINST THE CAP BY YEAR

<u>Year</u>	<u>CAP*</u>	<u>#Issued</u>	<u>#Unused</u>
1992	65,000	48,600	16,400
1993	65,000	61,600	3,400
1994	65,000	60,300	4,700
1995	65,000	54,200	10,800
1996	65,000	55,100	9,900
1997	65,000	65,000	0
1998	65,000	65,000	0
1999	115,000	115,000	0
2000	115,000	115,000	0
2001	195,000	163,600	31,400
2002	195,000	79,100	115,900
2003	195,000	78,000	117,000
2004	65,000	65,000	0
2005	65,000	65,000	0
2006	65,000	65,000	0

Source: Department of Homeland Security. *Does not include exemptions from the cap for 20,000 international graduate students a year from a U.S. university and individuals hired by U.S. colleges and non-profit research institutes.