

**ANALYSIS: GAO REPORT FINDS H-1B
PROFESSIONALS ARE PAID COMPARABLE TO
SIMILAR U.S. PROFESSIONALS, IMPORTANT TO
LARGE AND STARTUP COMPANIES**

EXECUTIVE SUMMARY

A recently released GAO report undermines the primary argument levied against H-1B visas, namely the allegation that employers only hire H-1B professionals because they will work more cheaply.¹ The GAO report finds that when adjusted for age, H-1B professionals in key fields earn generally the same or more than their U.S. counterparts. These fields are electrical/electronics engineering, systems analysis and programming, and occupations in college and university education. In addition, the report notes that employers endure significant uncertainty, time, and expense (government fees and legal costs) in hiring skilled foreign nationals, indicating that hiring the best candidate for the job, whether U.S.-born or foreign-born, is the primary consideration for employers. The report also confirms that a wide variety of employers utilize H-1Bs, including large multinationals and startup companies, and that restrictions on H-1B visas influence sending work outside the United States.

BACKGROUND

H-1B visas are temporary visas that allow foreign nationals to work in the United States on short-term projects or as a prelude to a green card. The visas generally are good for up to 6 years (with a renewal after three years). A reason H-1Bs visas are economically important is that without such visas skilled foreign nationals generally could not work or remain in the United States.² The current long waits for employer-sponsored green cards (used to stay permanently) make them unrealistic to use for hiring new employees. Therefore, an H-1B visa often is the only practical means for an employer to hire a skilled foreign-born professional for a short or long period of time.

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.”³ Companies must also comply with a complex series of rules related to, among other things, the placement of employees at off-site facilities. Prior to 1990, going back to the 1950s, H-1s generally could not enter the United States if they intended to stay permanently. Congress changed the law in 1990 to provide “dual intent,” which allowed H-1B visa holders to intend to become permanent residents (green card recipients), while also placing an annual limit of 65,000. Until the law was expanded in 1990, H-1s could only enter the United States to fill jobs that were expected to be temporary or project-oriented.

The key legislative issue involving H-1Bs has been the annual quota of 65,000, which is low relative to the size of the U.S. labor force (the annual flow of H-1Bs is equal to approximately 0.06 percent of the U.S. labor force). It has meant for several months at a time employers generally could not hire skilled foreign nationals to work in the

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United States. As early as 1997, the 65,000 annual limit established by Congress only seven years earlier proved to be insufficient to meet demand. From Fiscal Year (FY) 1997 to FY 2010, employers exhausted the supply of H-1B visas every year, except when the ceiling was temporarily increased for the years FY 2001 to FY 2003. In late 2004, Congress approved an exemption of 20,000 from the annual cap for foreign nationals who receive an advanced degree from a U.S. university. (Congress had earlier approved an exemption from the 65,000 numerical limit for those hired by universities and nonprofit or government research institutes.)

GAO FINDINGS ON WAGES

Critics of H-1B visas focus their arguments on the contention that employers hire H-1B professionals because they will work at wages below similarly qualified U.S. workers. In fact, in many ways, the entire case against H-1Bs is built on this argument. Otherwise, it would be necessary to concede employers hire both skilled foreign nationals and Americans based on merit, which is what the evidence suggests. As a general matter, few companies can survive long in the marketplace simply by paying employees less money than they are worth. Good workers will leave (H-1B visa holders can leave to work for any employer that wishes to file a new petition for them) and inadequate workers are unlikely to garner the loyalty of a business' clients or customers.

In its report, the Government Accountability Office (GAO) compared the median reported salaries of U.S. workers to H-1B professionals in the same fields and age groups, finding H-1B professionals generally earned the same or more as their U.S. counterparts. Such a result, while supported by much other research, contradicts the arguments made by opponents of H-1B visas. To conduct the research, the GAO analyzed Current Population Survey (CPS) data on U.S. workers and information on H-1B salaries from the U.S. Citizenship and Immigration Services (USCIS) CLAIMS database.

In the category Systems Analysis, Programming, and Other Computer-Related Occupations, the median salary for an H-1B professional is higher (\$60,000 vs. \$58,000) than for a U.S. professional in the age group 20-29 and the same (\$70,000) in ages 30-39.⁴ (See Table 1 below.)

Table 1
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.

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In the category Electrical/Electronics Engineering Occupations, in the age group 20-39, the median salary for an engineer in H-1B status was higher than for a U.S. engineer – \$80,000 vs. \$75,000.⁵ (See Table 2.)

Table 2
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.

Table 3 shows the GAO results for the category Occupations in College and University Education. In the age group 20-39, H-1B professionals earned \$47,237 compared to \$35,000 for U.S. professionals in college and universities.

Table 3
Median Reported Salaries of H-1B and U.S. Workers: Occupations in College and University Education

Age Group	H-1B	U.S. Workers
20-39	\$47,237	\$35,000

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.

The results show that when discussing salaries, it is important to compare apples with apples. In other words, one should not assume something is wrong when a difference in years of experience (or skill level or language ability) results in different salaries for individuals. For example, in a comparison between primarily U.S. workers to other U.S. workers age makes a difference, since work experience is an important factor in determining compensation. Note that the median salary for all computer programmers with a bachelor’s degree in 2003 was \$67,000, compared to \$58,000 for programmers between the ages of 25 and 29, according to the 2003 National Survey of College Graduates.⁶ Simply put, it may make sense for an employer to pay a younger worker less than a worker with more years in the labor market because greater experience and proven ability merits greater compensation.

It is interesting to note that in the age group 40-50, any wage advantage disappears for H-1B professionals and becomes a U.S. professional advantage. (See Table 4.) However, one should not assume this means that

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employers begin to underpay H-1B visa holders once they reach age 40. There are relevant observations. First, nearly 90 percent of H-1B visa holders are between the ages of 20 and 39 (see Table 5); only 9 to 10 percent are 40 or older.⁷ That would mean if underpayment of older H-1B visa holders were a problem it would be quite small. Second, it is likely the salaries reflect some combination of superior quality or work experience for U.S. professionals age 40 to 50 vs. individuals on an H-1B visa in that age range. In other words, foreign nationals with more desirable skills or work experience may be more likely to have entered the U.S. labor market years earlier than in the 40 to 50 range captured in these data.

Table 4
Median Salaries of H-1B and U.S. Workers: Electrical/Electronics Engineering Occupations (Age 40-50)

Age Group	H-1B	U.S. Workers
40-50	\$85,000	\$95,000

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 5
Age Distribution of H-1B Visa Holders (FY 2008)

Age	Percentage of H-1B Petitions
20-29	41 percent
30-39	48 percent
40-49	9 percent
50-54	1 percent

Source: *Characteristics of Specialty Occupational Workers (H-1B): Fiscal Year 2008*, Department of Homeland Security, May 1, 2009, p. 8.

Although the GAO provides caveats to its research, other research has confirmed the findings of the GAO that when age is taken into account foreign-born professionals are not underpaid relative to their U.S. counterparts.⁸ Research by Paul E. Harrington, associate director of the Center for Labor Market Studies at Northeastern University, showed foreign-born and native professionals earn virtually identical salaries in math and science fields. Salaries in computer or math sciences were actually higher for the foreign-born among bachelor degree holders (\$58,000 vs. \$56,200) and doctoral degree holders (\$71,300 vs. \$70,500) and the same for recipients of master’s degrees. He found similar salaries for natives and foreign-born at all three levels in life sciences, as well as at the doctoral level in engineering, and a greater edge for natives at the bachelor and master’s level for engineering.⁹

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National Science Foundation data indicate that foreign-born professionals actually earn more than their native counterparts when controlled for age and the year a science or engineering undergraduate, master's, or doctorate degree is earned. The National Science Foundation reported: "Because foreign-born individuals in the labor force who have S&E (science and engineering) degrees are somewhat younger on average than natives, controlling for age and years since degree moves their salary differentials in a positive direction – in this case, making an initial earnings advantage over natives even larger – to 6.7 percent for foreign-born individuals with S&E bachelor's degrees and to 7.8 percent for those with S&E PhDs."¹⁰

FEES ADD TO H-1B EMPLOYER COSTS

The costs of hiring H-1B professionals must be considered in response to arguments it is cheaper to hire foreign nationals, even though the GAO data cited earlier indicates H-1B professionals and their U.S. counterparts, when adjusted for age, receive similar compensation. In addition to the legal requirement to pay an H-1B visa holder the higher of the prevailing or actual wage paid to other comparable U.S. workers, there are a variety of government and legal fees that add to the cost of hiring foreign nationals. Based on interviews with employers, the GAO cited costs of between \$2,320 to \$7,500 per H-1B petition. This seems low and also does not take into account the cost of renewing or petitioning for dependents. The American Council on International Personnel estimated in 2010 that the government and legal fees for petitioning for an H-1B professional and renewing that petition after three years, along with the cost of a dependent, would be \$8,540 to \$15,083.¹¹ (Fees have increased since that time.) Combined H-1B and green card sponsorship costs could exceed \$35,000 for one individual.¹²

The time and uncertainty involved in the H-1B process also works as a type of tax on hiring foreign nationals. "Of the 13 smaller H-1B employers we spoke with, 8 indicated that they had incurred significant business costs resulting from petitions denied due to the cap, delays in processing H-1B petitions, and other costs associated with the H-1B program," according to the GAO. "Six of the smaller companies we spoke with had petitions denied due to the cap, and of these, four indicated they did not have the resources or the infrastructure in place to pursue alternatives such as placing a desired employee abroad for a year."¹³

IMPORTANCE OF VISAS TO A VARIETY OF EMPLOYERS

The GAO deserves credit for eliciting new information from employers for its report, rather than relying solely on available data. One strong impression that comes from the GAO's description of these interviews is that employers are hiring skilled foreign nationals because they consider these professionals important to the company. In other words, finding the right person for the job, not just anybody to fill a position, is considered crucial for employers competing in the global marketplace.

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The GAO reported: “Several firms in technology-intensive fields such as IT product development—both large and small—stressed that the product development cycles in their industries are extremely compressed, and in order to be competitive, they frequently need to develop new products in a matter of months, not years. Some of these firms told us that any delay in hiring an essential employee can, therefore, result in significant losses. One founder of a technology company, who valued his 3-year-old firm at about \$100 million dollars, said a 3-month delay in product development could mean lost opportunities worth several million dollars.”¹⁴

Companies may need to endure significant costs to hire a foreign national when an H-1B visa is unavailable. “[A]fter H-1B visas for preferred job candidates fell through, nine companies said they had sometimes placed their job candidates temporarily overseas, and three mentioned that this process required the company to pay an ‘expatriate package,’ with allowances for housing and living expenses. One company executive said hiring an employee on an expatriate package is often three times more costly than hiring the same employee in the U.S.—a point with which others we spoke with concurred,” according to the GAO.¹⁵

While start-ups are important to job growth and innovation in America, U.S. immigration laws make life for start-up companies much more difficult. The GAO reported: “Some founders of start-ups and venture capital firms with whom we spoke reported that the skills required by small firms and emerging companies in high-tech sectors are often extremely specialized, and sometimes these firms cannot readily find a ‘second-choice’ employee in the U.S. labor market. For example, one start-up founder stressed that competition for ‘the best people’ is fierce in ‘a high-growth, venture-backed business’ where building ‘complex software faster and better than companies that are orders of magnitude larger’ is critical to survival . . . Two lawyers we spoke with whose firms work with many emerging technology companies in Silicon Valley described cases in which entrepreneurs attempting to establish very early-stage technology start-ups were unable to obtain H-1B or other work visas for themselves and either relocated the project abroad or had to abandon the start-up.”¹⁶

RESTRICTIONS ON H-1B VISAS HAVE PUSHED MORE WORK OUTSIDE THE U.S.

The GAO report stated that “most” employers did not necessarily set up overseas facilities in response to the limits on H-1B visas.¹⁷ However, it stated over 25 percent of the employers it interviewed with “R&D centers or labs overseas” (4 out of 15) “said the H-1B cap was an important determinant in the creation of these overseas centers.”¹⁸ It is somewhat remarkable that the GAO emphasized the response that “most” did not set up such facilities due to the H-1B cap and almost ignored the finding that among those with research and development conducted outside the U.S. over 25 percent did set up an overseas center in response to the problems created by the H-1B cap being reached year after year. Reaching the H-1B limit has typically left employers in the United States without the ability to hire many skilled foreign nationals for several months at a time.

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Even for the employers that initially set up facilities outside the United States for primarily additional or other reasons than the H-1B cap, such employers still did so to gain access to foreign talent. However, the GAO report overlooks the core issue. The issue is that once the facilities exist, it is easier – and perhaps desirable – to transfer more work and functions to those overseas locations if U.S. immigration law and regulatory actions make it increasingly difficult to hire skilled individuals inside the United States.¹⁹ According to the GAO, “Several firms that conducted R&D reported that their H-1B workers were essential to this work in the United States.”²⁰

The GAO noted that access to skilled labor is a significant factor in locating research and development in other countries. The GAO reported, “Executives at some companies who already had an offshore location reported expanding the portion of their work conducted overseas, and others reported that they had either opened an offshore location to access labor from overseas or were considering doing so. Some researchers have noted that some IT services firms that conduct offshore outsourcing and employ large numbers of H-1B workers offer engineering and R&D services . . . [W]hile the movement of IT services work offshore in response to the H-1B cap may not result in the direct transfer of formal R&D, it may nonetheless result in movement of innovation offshore.”²¹

ITEMS THAT DESERVED MORE ATTENTION IN THE GAO REPORT

In a long report, it is easy to overlook items that deserve additional attention. Below are a few items that could have been missed by readers of the report:

- While one blog posting stated that the GAO report showed “a disproportionate share of visas intended for U.S. firms . . . have gone to staffing companies based in India,” in fact, the GAO report confirmed that India-based companies are using a small percentage of H-1B visas.²² The GAO cited 10 employers that “participate in staffing arrangements, of which at least 6 have headquarters or operations located in India.” The report noted the 10 employers accounted for about 6 percent of H-1B petitions approved in FY 2009.²³ A March 2010 NFAP report found, “The number of new H-1B visas utilized by Indian technology firms fell by 70 percent between FY 2006 and FY 2009.”²⁴ The GAO report generalizes to a fault with the term “staffing companies,” using it to describe both small companies that may provide a professional to work at another employer’s site and large, multinational companies that deliver a wide (and complex) range of information technology (IT) services to large organizations, including consulting, IT infrastructure design and the maintenance of research and development centers.
- While some argue the U.S. Citizenship and Immigration Services is too lenient in approving H-1B or L-1 petitions, employers and immigration attorneys would say such claims have no relationship to the reality of the immigration process. The GAO reported, “Eighteen of the firms we spoke with maintained that the

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review and adjudication process had become increasingly burdensome in recent years, with many of these firms complaining about the amount of paperwork they needed to provide as part of the adjudication process. Further, eight firms—of all sizes and across a range of industries—complained that the number of requests for additional evidence from Homeland Security increased significantly in recent years.”²⁵ The GAO noted, “[R]equests for evidence from Homeland Security could result in higher legal costs, as well as additional administrative costs resulting from the staff hours required to collect extensive evidence.”²⁶ In a subsection titled “Inconsistencies in the adjudication process,” GAO reported on the frustrations of companies that experience a different adjudication process depending on the service center and unnecessary requests for evidence, adding to the cost and uncertainty of filing for skilled foreign nationals.²⁷

- Although the GAO discussed additional potential enforcement measures, the report glossed over the significant number of onsite audits being conducted by U.S. Citizenship and Immigration Services. Buried on page 50 of the report, in the middle of a paragraph, is the notation, “During fiscal year 2010, USCIS oversaw 14,433 H-1B site inspections, which resulted in 1,176 adverse actions. Such actions can include the revocation or denial of benefits, and may involve referral of a case for criminal investigation.”²⁸ To put over 14,000 site inspections in perspective, in FY 2009, there were only approximately 27,000 employers who hired an individual on an H-1B visa and about two-thirds of those employers hired only one H-1B professional.
- While citing a 2008 USCIS fraud and compliance report, the GAO report did not note that the vast majority of fraud appeared to be concentrated in small employers. The cases of only 7 percent of companies with more than \$10 million in annual revenues (8 cases) were found to involve fraud or technical violations. A chart on page 45 of the GAO report inaccurately states that the USCIS report “found 21 percent fraud in the H-1B program.”²⁹ In fact, the report alleged 13.4 percent fraud and 7.3 percent technical violations among the employers examined.³⁰ In the real world, as opposed to the type of baseline analysis USCIS was conducting, employers would have an opportunity to defend themselves in a structured process, so both the fraud and technical violations figures may not be completely representative.
- While only obliquely referred to in the report, one factor that may limit certain jobs for U.S. professionals is the requirement to travel around the country when one assignment ends and another begins. This is not easy for a worker with a family. GAO reported, “Two IT staffing firms we spoke with – firms that place H-1B workers at the worksites of client companies – said their U.S. business relies heavily on the H-1B program because H-1B visa holders are more willing to relocate around the country, and one noted that

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H-1Bs accept lower wages than U.S. workers.”³¹ The GAO did not indicate whether this means U.S. workers in these situations demand higher wages to endure the hardship of traveling to new locations for assignments or whether that particular company is paying H-1B visa holders below the required wage.

- While the GAO report attempts to make a small comparison between the use of H-1B visas vs. L-1 visas, it is not clear it is possible to make a fair comparison. In the case of H-1B visas, the number of new visas used each year has been artificially limited by the annual cap, while no such annual limit exists for L-1 visas.³² (L-1 visas are used for intracompany transferees.) It is not surprising L-1 visas have increased given the extent of globalization over the past decade.
- Although critics contend H-1B visa holders are not highly skilled, the GAO report confirms that 59 percent of H-1B professionals in FY 2009 earned a master’s degree or higher.³³
- While much of the debate over H-1B visas in recent years has revolved around whether to introduce new restrictions, the GAO report explains that current restrictions already have a negative impact. Under a subheading labeled “Visas for emerging technology companies,” the GAO report notes: “Entrepreneurs and venture capital firms we interviewed said that program rules can inhibit many emerging technology companies and other small firms from using the H-1B program to bring in the talent they need, constraining the ability of these companies to grow and innovate in the United States.”³⁴
- Readers might be puzzled by the GAO report’s reference to “statutory changes” that it asserts have “diluted worker protections.” One of the statutory changes it cites many argue actually increases the bargaining power of foreign nationals by allowing temporary visa holders to be sponsored for permanent residence (a green card). Surprisingly, another statutory revision the GAO referred to relates to the change from H-1 to H-1B back in 1990. “Legislative changes have broadened the skill requirements for H-1B workers. The original H-visa program, established under the Immigration and Nationality Act in 1952, authorized visas for aliens . . . who were of distinguished merit and ability, and were coming to the United States to perform temporary service of an exceptional nature requiring such merit and ability. However, in 1990 . . . the original language was replaced with language authorizing H-1B visas for aliens coming temporarily to the United States to perform services in a “specialty occupation.” . . . This increased the pool of eligible workers to include a wider range of skill levels.”³⁵ The global economy has changed considerably since 1952, when Joseph Stalin still ruled the Soviet Union. There is no reason Congress should today hold as sacrosanct provisions established in the law for economic times that no longer exist.

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- The GAO report discusses reducing some of the burdens the current adjudication system carries for employers. The report recommends, “establishing a system whereby businesses with a strong track-record of compliance with H-1B regulations may use a streamlined application process.”³⁶

POINTS OVERLOOKED IN THE GAO REPORT

The GAO report overlooks some relevant facts in its analysis of H-1B visas:

- The GAO report did not note that absent an H-1B visa, there is generally no realistic way for a skilled foreign national or international student to be hired to work long-term in the United States. Other visa categories carry significant limitations and restrictions for both the potential employee and the employer.
- The report does not discuss that when employers recruit on U.S. college campuses they are likely to find a majority of graduate students in technology-related fields are foreign nationals. In electrical engineering, 68 percent of the fulltime graduate students (master’s and Ph.D.s) on U.S. college campuses were foreign nationals in 2006. In engineering overall, the percentage of foreign nationals was 54 percent.³⁷ In computer science, foreign nationals made up 58 percent of the fulltime graduate students, while 61 percent of the students in statistics and 60 percent in economics were also foreign nationals.³⁸
- While the GAO report notes that many H-1B visa holders are hired under the designation Level 1, such a designation indicates the amount of work experience, not current or potential ability to perform well for an employer. Level 1 generally refers to the amount of experience an individual possesses, so most international students with a graduate degree would be classified as Level 1, notes Greg Siskind, an attorney at Siskind Susser.³⁹ Eliminating such a designation would either make it impossible for students with advanced degrees to work in the United States after graduation or force U.S. employers to pay them potentially significantly more than an American with similar experience.
- The GAO report implies it is a problem that the U.S. Congress changed the law to allow H-1B professionals to stay past 6 years if they are waiting to receive a green card (permanent residence). The report does not make clear that without this change in the law it is likely hundreds of thousands of skilled individuals would have been forced to leave the country, since the wait times for employer-sponsored green cards are 6 to 12 years or more.

END NOTES

¹ *H-1B Visa Program: Reforms Are Needed to Minimize the Risks and Costs of Current Program*, Government Accountability Office, GAO-11-26, January 2011. Hereafter referred to as the “GAO report.” The report can be found at: <http://www.gao.gov/products/GAO-11-26>.

² While other visa categories exist, they carry significant restrictions that limit their applicability to most skilled foreign nationals, such as an L-1 visa, which requires working abroad for a company for at least a year and then qualifying as a manager, executive or an employee with “specialized knowledge” under USCIS regulations to reenter the United States.

³ Section 212(n)(1) of the Immigration and Nationality Act.

⁴ All reported salaries in this section can be found at GAO, p. 42, Table 1.

⁵ Note that the GAO stated in some categories it needed to combine age groups to have sufficient sample sizes.

⁶ 2003 National Survey of College Graduates, National Science Foundation.

⁷ *Characteristics of Specialty Occupational Workers (H-1B): Fiscal Year 2008*, Department of Homeland Security, May 1, 2009, p. 8.

⁸ GAO, pp. 41-42. “For all groups, differences in other factors, such as skill level, might explain some of the remaining salary differences; however, a lack of data on these factors precludes our analysis of them. In addition, differences in factors such as geographic location, size of firm, and industry, as well as level of education, which may also affect salary differences, are not controlled for here due to data limitations.”

⁹ Paul E. Harrington, “Understanding & Responding to Imbalances in Engineering & IT Labor Markets,” Presentation to Business Roundtable, September 15, 2004. Salary data are for 1999.

¹⁰ *Indicators in Science and Engineering: 2002*, National Science Foundation. Some of this difference in the NSF data results from the foreign-born being more likely to enter the job market in private sector companies, than in public or private universities, which pay less. Controlling for type of employer and occupation shows a negligible difference between foreign-born and native at the bachelor’s, master’s and PhD levels. Although many in the National Science Foundation data set may no longer be on an H-1B visa, others are, and the ones that are not would in the majority of cases have worked in that status for some period of time.

¹¹ *Regaining America’s Competitive Advantage: Making Our Immigration System Work*, U.S. Chamber of Commerce and American Council on International Personnel, 2010, pp. 36-38.

¹² Ibid. Data provided by American Council on International Personnel.

¹³ GAO, p. 22.

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¹⁴ Ibid., pp. 21-22.

¹⁵ Ibid., p. 22.

¹⁶ Ibid., p. 23.

¹⁷ Ibid., p. 23.

¹⁸ Ibid., pp. 23-24.

¹⁹ Ibid., p. 20. The GAO reported, "While many companies said that access to skilled labor is a significant factor in locating their R&D labs, few said that the H-1B cap was an important factor in their decisions about locating activities (either R&D or other skilled work) abroad, with the exception of IT services firms."

²⁰ Ibid., p. 23.

²¹ Ibid., pp. 25-26.

²² Gautham Nagesh, "GAO: Disproportionate share of H-1B Visas going to India-based staffing firms," *Hillicon Valley*, January 14, 2011.

²³ GAO, p. 20.

²⁴ *H-1B Visas By the Numbers: 2010 and Beyond*, National Foundation for American Policy, March 2010, p. 1. Available at: <http://www.nfap.com/pdf/1003h1b.pdf>. It appears the GAO was discussing renewals as well as new petitions in FY 2009 in its data.

²⁵ GAO, p. 26.

²⁶ Ibid., p. 21.

²⁷ Ibid., p. 27.

²⁸ Ibid., p. 50.

²⁹ Ibid., p. 45.

³⁰ *H-1B Benefit Fraud & Compliance Assessment*, U.S. Citizenship and Immigration Services, September 2008, p. 7. The report was drafted by the Office of Fraud Detection and National Security (FDNS).

³¹ GAO, pp. 24-25.

³² Ibid., p. 17.

³³ Ibid., p. 35.

³⁴ Ibid., p. 28.

³⁵ Ibid, pp. 57.

³⁶ Ibid., p. 63. ACIP has developed a similar proposal at <http://www.acip.com/node/376>.

³⁷ National Science Foundation/Division of Science Resources Statistics, *Survey of Graduate Students and Postdoctorates in Science and Engineering*. Tables 18 and 21 of Graduate Students and Postdoctorates in Science and Engineering: Fall 2006.

³⁸ Ibid.

³⁹ Interview with Greg Siskind.

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