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## **Ban on New Foreign Workers Left U.S. Jobs Unfilled, Even in Covid Downturn**

**Visa restrictions last year were partly intended to keep more jobs open for Americans as unemployment surged**

By Alicia Caldwell

[The U.S. closed the door to nearly all incoming foreign workers last year.](#) The causes were Covid-19 restrictions that locked global borders and Trump administration policies that drastically reduced work visas, with the exception of farmworkers. The effect was an unexpected experiment in one of the country's most hotly debated issues—the relationship between the labor market and immigration.

The preliminary finding: Even with skyrocketing U.S. unemployment, businesses that relied on foreign workers and were able to remain open during the pandemic struggled to fill jobs, employers said.

Unemployed American workers weren't interested in jobs typically held by foreign hires at the lower and seasonal end of the job market, and the visa ban didn't help those unqualified for specialized jobs at the higher end, according to Alex Nowrasteh, director of immigration studies at the libertarian Cato Institute.

In April, as the pandemic set in, the Trump administration temporarily banned would-be green-card holders from moving to the U.S. for jobs and permanent residency. In June, Mr. Trump expanded the ban to include most temporary work visas, except for agricultural workers, citing health risks and a rising U.S. unemployment rate. [President Biden hasn't announced his plans](#) for the work visa ban, which runs through March.

These visa programs are a slim piece of the overall immigration picture—they don't include the broader migration to the U.S. of people for such reasons as fleeing violence or poverty, or joining family members. The work visa programs are aimed at specific, even niche categories; they include temporary visas for nannies and foreign students who work as lifeguards, and long-term visas for high-skilled tech workers and foreigners starting their own businesses here.

Still, the sudden absence of that pipeline revealed how such workers have become embedded in certain parts of the U.S. economy, and may provide useful lessons. Since June, enterprises that managed to keep going through the pandemic—from web developers to resorts—say they

haven't been able to find the workers they need. Many scaled back production, cut hours or sent jobs overseas.

Mr. Biden, who has pledged to roll back a host of immigration policies of the Trump administration, faces pressure from advocates to restart the processing of work visas. He has signed [multiple executive orders on immigration](#) that, so far, mostly concerned refugees and asylum seekers.

A group of more than 100 trade associations and immigrant-advocacy groups sent a letter last week to Mr. Biden that called for a reversal of the ban. The White House hasn't responded to questions about what will happen next.

Supporters of limits on work visa programs have called for an overhaul, saying they need requirements for employers to more aggressively seek American workers before hiring from abroad.

Raising wages for jobs filled by temporary foreign workers could help draw more Americans to those positions, but that isn't enough, said Daniel Costa, director of immigration law and policy researcher at the Economic Policy Institute, a left-leaning think tank in Washington that advocates for low- and middle-income workers. The visa programs, Mr. Costa said, need to demand more of employers in both pay and recruitment of U.S. workers.

The J1 visa, for instance, a State Department-led exchange program for foreign college students, doesn't require employers to show they couldn't fill the jobs with Americans. Employers facing labor shortages need to scour regions in the U.S. with higher unemployment, Mr. Costa said, and offer prospective workers housing and travel subsidies.

He said he supported a proposal by the Trump administration to distribute the H1B visas, for instance, to companies that pay the highest wages, rather than doling them out in a lottery. The Biden administration has put on hold a Trump-era directive to overhaul how the visas are issued.

Others prefer to end the visa programs altogether. "We have a large share of our potential workers not even in the workforce," said Mark Krikorian, executive director of the Center for Immigration Studies, a Washington think tank that favors lower levels of immigration. If businesses are experiencing a surge in demand, he said, "there's people they could hire."

Employers of H1B workers pay fees that have funded about 100,000 U.S. scholarships since 1999, said Stuart Anderson, executive director of the **National Foundation for American Policy**. Yet more trained Americans are needed to fill high-skill jobs.

"A deficit of domestic tech workers to fill available American tech jobs is worsened by the lack of access to foreign talent," said Peter Leroe-Muñoz, general counsel and senior vice president of tech policy for the Silicon Valley Leadership Group, an industry lobbying group. He said about 59% of the area's workforce is foreign-born, including those holding H1B visas.

Many jobs in such fields as information technology would have been filled by foreign workers holding H1B visas in the past year, Mr. Nowrasteh said, but instead they remained open or were moved overseas.

The labor shortage also hit Duck Donuts.

Keith Exton usually sponsors around 20 foreign students on J1 foreign exchange visas to work the summer season at his chain of doughnut shops in North Carolina's Outer Banks. He typically hires for part-time work another 55 or so foreign hires brought to the U.S. by other local employers. Instead, he was lucky to get eight.

Resorts and other travel destinations rely heavily on foreign employees on J1 visas for seasonal work.

Worries that the Outer Banks would get few visitors were unfounded. Americans cautious and unable to travel abroad in the pandemic filled hotels and vacation homes in tourist spots on the Atlantic Coast. The trouble, Mr. Exton said, was he couldn't hire enough staff to keep his shops open past 1 p.m.

"We could have had the best year we've had if we had staff," he said.

Before Mr. Exton could recruit a full summer staff, U.S. officials closed the nation's foreign-worker pipeline. He and other summer employers are now in a waiting game while the travel ban lingers into what would normally be the start of their summer hiring.

As Mr. Exton waits, he is trying again to hire more college kids, including one of his sons, but he worries about summer staffing shortages for a second year in a row.

- The seven most popular categories of student and work-related visas were down 89% to 408,046 in June through December last year from 3.66 million over the same period in 2019, according to State Department data;
- H1B visas for highly skilled workers were down 94% to 7,696 in June through December last year from 130,112 over the same period in 2019, the data showed;
- L1 visas for foreigners transferring within their company to a U.S. location were down 95% to 2,487 in June through December last year from 47,356 over the same period in 2019;
- And J1 visas, which cover au pair jobs and seasonal work by foreign college students, were down 88% to 20,110 in June through December last year from 172,791 over the same period in 2019.

Even if the Biden administration moves to quickly end the work visa ban, the lengthy wait for visa interview appointments in the U.S. and abroad will likely slow hiring for months.

The year-round population of the Outer Banks is about 57,000 people and expands in summer with more than one million tourists. That prompts local employers to recruit outsiders for seasonal jobs.

Mr. Exton said he tried to hire American college students to staff his Duck Donuts chain last spring. He ended up with only about a dozen new hires, mostly relying on his two college-age sons and their friends.

It wasn't nearly enough. Store locations that normally needed 15 workers opened this summer with as few as five. He closed his six stores eight hours earlier than usual despite large summer crowds. Mr. Exton's customers pick their doughnut toppings—from bacon to hot fudge—a feature the chain couldn't always offer with so few employees. He closed one of his stores before Labor Day weekend, the summer season's traditional bookend.

Looking ahead to this summer, Mr. Exton said he hoped to sponsor roughly 10 foreign students, if they can get their visas approved. Rules for the visa program require students be paid a competitive wage for the job, based on the local market.

With the Outer Banks expecting another banner season, Mr. Exton said he worries about lining up housing for his foreign workers, a requirement of the J1 program, as well as finding affordable spots for his American workers. Hiring locally is a challenge because of the region's small year-round population, he said.

A federal judge in October ordered the Trump administration to restart processing H1B, J1, L1 and H2B visas after a legal challenge from the U.S. Chamber of Commerce, the National Association of Retailers and other industry groups. Visa processing has since restarted for some companies, but the decision excludes many small businesses, including Mr. Exton's.

Before the pandemic, Kishore Khandavalli, chief executive of information technology firm SevenTablets, had planned to hire about 10 software engineers from foreign countries at his Dallas-based company. Instead, with H1B visas blocked, he hired 10 engineers to work at an India-based branch of the company. Mr. Khandavalli said he looked for Americans but couldn't find any who were both qualified and available.

The time difference between the U.S. and India makes coordination tougher among his workers, Mr. Khandavalli said. "You get some cost benefits, but it's kind of frustrating to go from 100% efficient to 75% to 80%," he said. "We are learning to live with it."

In Killington, Vt., Micheal Solimano, president and chief executive at Killington Resort and Pico Mountain, closed many retail, food and drink and lodging areas on the two ski resorts he oversees because of the pandemic and a lack of staff. Mr. Solimano said with limited staff, the focus has been on ski operations, including ski lifts, snow-making and grooming operations on both mountains.

Many ski resorts in the U.S. rely on foreign students who use the J1 visa program as well as seasonal workers who arrive on H2B visas.

In a typical season, Mr. Solimano said, Americans fill about 1,300 jobs and foreign workers hold another 200. “Generally, the history says it’s hard to replace these people,” Mr. Solimano said of foreign hires.

Killington, a town with a year-round population of fewer than 1,000, is an hourslong drive from larger cities, making it difficult to recruit local workers for seasonal jobs.

“We work hard on local and regional recruiting—job fairs, digital and print advertising, social media placements, college job fairs, internship programs, even with all that we are not able to fill our positions locally,” Mr. Solimano said.

The visa ban was also felt in some American households. Marcie Schneider, president of Intrax Inc., a cultural exchange company that helps sponsor and place J1 students, said every facet of her business suffered last year. The au pair program, for instance, had already slowed with international travel restrictions and came to a near total halt after the June visa ban.

“We are down probably somewhere about 75%,” Ms. Schneider said of her business overall.

The few au pairs who have been allowed into the U.S. since June were granted a national-interest waiver for families with doctors directly involved in Covid-19 care, she said.

<https://www.wsj.com/articles/ban-on-new-foreign-workers-left-u-s-jobs-unfilled-even-in-covid-downturn-11613409911>