

# National Foundation for American Policy

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## **New Research: Drop in H-1B, H-2B and J-1 Visas Did Not Produce Gains for U.S. Workers**

### **No Evidence the Entry of Fewer Foreign Workers During Covid-19 Pandemic Improved Outcomes for U.S. Workers; Drop in H-2B Visas, If Anything, Made Labor Outcomes Worse**

**Arlington, Va.** – The Covid-19 pandemic resulted in a sharp drop in international migration to the United States, but there is no evidence the entry of fewer foreign workers on temporary visas improved outcomes for U.S. workers, according to a [new study](#) released by the National Foundation for American Policy (NFAP), a nonpartisan research organization. “The research examined labor markets where more temporary foreign workers were employed prior to the pandemic and found the drop in H-2B program admissions did not boost labor market opportunities for U.S. workers but rather, if anything, worsened them. The results also do not indicate gains for similar U.S. workers in labor markets that had relied more on the H-1B and J-1 visa programs,” concluded the study’s author Madeline Zavodny, a Research Fellow at the National Foundation for American Policy and a Professor of Economics at the University of North Florida (UNF) in Jacksonville. Zavodny, who authored the study, is formerly an economist in the research department of the Federal Reserve Bank of Atlanta and Federal Reserve Bank of Dallas.

The report, “The Impact of the Covid-19 Drop in International Migration on the U.S. Labor Market,” can be found at <https://nfap.com/>.

There is no evidence of improved labor market opportunities for U.S. workers in the leisure and hospitality sector during the summer months as a result of the virtual shutdown of the J-1 Summer Work Travel program. There is also no evidence of faster employment growth or lower unemployment rates for college graduate U.S. natives as a result of decreased admissions via the H-1B program. Instead, labor markets that had been more reliant on temporary foreign workers via the H-1B program before the pandemic appeared to have had more unfilled jobs during the pandemic. The large drop in new temporary foreign workers via the H-1B program thus does not appear to have led to better labor market outcomes for the U.S. natives who might compete with those workers for jobs.

The analysis compares employment changes and unemployment with the reliance on H-2B workers in the same state and industry, so it does not include other potential negative impacts of fewer foreign workers during the period. These include foregone complementarities with workers in other labor markets, such as fewer jobs for workers in another state or industry as a result of fewer admissions of temporary foreign workers via the H-2B program in a given state and industry. The same is the case in the analysis for J-1 and H-1B visas.

The research also presents new estimates of the decline in the number of working-age migrants coming from abroad, including:

- The U.S. received some 630,000 fewer working-age international migrants between mid-March 2020 and mid-March 2021 than at its peak during the corresponding period in 2014-2015, a drop of over 75 percent in inflows.
- Even if new arrivals in 2019-2021 had maintained just the average annual pace over 2010-2019, the U.S. would have received almost 600,000 more working-age international migrants than it actually did during that two-year period.
- The decrease in working-age international migrants was similar for migrants who had at least a bachelor's degree and those who had at most a high school diploma, both down 75 percent in 2020-2021 from their peak year-to-year inflow during the previous decade.

The number of visas issued to temporary foreign workers also fell precipitously in visa programs aimed at non-agricultural workers:

- The number of J-1 exchange visitor visas issued plummeted from about 350,000 per fiscal year to about 100,000 in fiscal year 2020 and a similar level in fiscal year 2021. The drop in the Summer Work Travel (SWT) program within that visa category was even more precipitous, falling from over 100,000 annually to under 5,000 in fiscal year 2020.
- The number of H-1B specialty occupations visas issued fell from almost 190,000 in fiscal year 2019 to about 125,000 in fiscal year 2020 and under 62,000 in fiscal year 2021.
- The number of H-2B non-agricultural worker visas issued fell by almost half in fiscal year 2020 before returning to near its pre-pandemic level in fiscal year 2021.

U.S. labor markets have undergone tremendous change since the onset of the Covid-19 pandemic. With unemployment rates near record lows in many areas and wages rising at a brisk clip, particularly for entry-level jobs, some may be tempted to argue that the decrease in international migration led to better labor market opportunities for American workers. The analysis here gives little reason to believe any gains for U.S. workers are linked to lower admission of temporary foreign workers.

The ongoing shortages of workers in many labor markets reflect U.S. employers' need for additional workers from both domestic sources and abroad. The research also examines data on job postings and the results point to jobs, particularly highly skilled jobs, going unfilled when temporary foreign workers were unable to enter the country. The decrease in new temporary foreign workers in the U.S. as a result of the pandemic thus does not appear to have led to better labor market outcomes for U.S. natives but rather to jobs left unfilled.

#### **About the National Foundation for American Policy**

Established in 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) non-profit, non-partisan public policy research organization based in Arlington, Virginia focusing on trade, immigration and related issues. The Advisory Board members include Columbia University economist Jagdish Bhagwati, Ohio University economist Richard Vedder, Cornell Law School professor Stephen W. Yale-Loehr and former INS Commissioner James W. Ziglar. Over the past 24 months, NFAP's research has been written about in the *Wall Street Journal*, the *New York Times*, the *Washington Post*, and other major media outlets. The organization's reports can be found at [www.nfap.com](http://www.nfap.com). Twitter: [@NFAPResearch](https://twitter.com/NFAPResearch)

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