

H-4 VISA HOLDERS: AN UNDERUTILIZED SOURCE OF SKILLED WORKERS

BY MADELINE ZAVODNY

EXECUTIVE SUMMARY

The United States can reap significant economic benefits, ease labor shortages, and attract more workers in the global competition for talent if it expanded current rules on work eligibility for the spouses of H-1B visa holders. This study presents new estimates of the number and characteristics of the spouses of skilled temporary foreign workers in the United States and finds that most H-1B visa holders are married to another skilled professional, but only a fraction of their spouses are eligible to work.

Under a current Department of Homeland Security (DHS) regulation, the spouses of H-1B visa holders who are in the queue for a permanent visa can apply to work while they wait for their green card. While this regulation has benefited many spouses, their families, and the U.S. economy, it is much more restrictive than Canada's rule, which grants work authorization to all spouses of skilled workers. The DHS regulation, published in 2015, allows spouses who hold an H-4 (dependent) visa to apply for an employment authorization document (EAD) if their H-1B spouse has obtained an approved immigrant petition (I-140) or if their H-1B spouse is extending their status beyond the 6-year limit on an H-1B visa and their employer has filed an I-140 petition or permanent labor certification and a year has passed since the filing occurred.

A new, original analysis of data from the 2017 and 2019 National Survey of College Graduates in this report indicates that:

- Only 27 percent of married foreign-born adults who have at least a bachelor's degree and hold a temporary dependent visa are employed. Among those who are employed, almost 40 percent work in a science, technology, engineering, and mathematics (STEM) field.
- Those temporary dependent visa holders, many of whom hold an H-4 visa, are overwhelmingly female (90 percent) and predominately from India and China (67 percent and 6 percent, respectively). The majority have their highest degree in a STEM field (54 percent).
- The desire for H-1B spouses to work is evident in data that show a number of foreign-born spouses of H-1B visa holders secure their own visas separate from an H-4 EAD.

Analysis of data from the 2017-2019 American Community Survey on spouses of likely H-1B visa holders – noncitizens whose characteristics closely match those of H-1B visa holders – confirms that these spouses are highly educated, many of them in STEM fields:

- Almost 90 percent of spouses of likely H-1B visa holders have at least a bachelor's degree, and over half have a graduate degree.
- Almost half of spouses of likely H-1B visa holders who have a bachelor's degree had a STEM-related major.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

- Among spouses of likely H-1B visa holders who are employed, 42 percent are working in a STEM field.

Since mid-2015, some dependent spouses of H-1B visa holders can apply for employment authorization. Over 171,000 H-4 visa holders have been approved for employment authorization since then. The popularity of this program among eligible dependent visa holders suggests that many spouses who hold an H-4 visa would like to work but are not currently allowed to do so. The NSCG and ACS data indicate that the vast majority of these spouses have at least a bachelor's degree, many of them in a STEM field. If allowed to work, these spouses would make considerable contributions to the U.S. labor market as most of them would enter occupations with very low unemployment rates and high job vacancy rates.

A policy change that allows all spouses of H-1B visa holders to work would have significant economic potential. Currently, H-4 spouses may only apply for an EAD after their H-1B spouse is in the queue for a permanent visa. That typically does not occur until the H-1B has worked in the United States for several years; indeed, some spouses may apply only after their H-1B spouse has worked in the United States for at least 6 years. It typically takes 6-8 months for employment authorization to actually be granted after an application is submitted. This long and uncertain wait motivates some H-4 spouses to find a job with an employer who will sponsor them for their own work visa. However, the H-4 spouse who wants to get an H-1B must first find an employer who is willing to bear the high application cost and uncertainty associated with the H-1B process and whose job generally matches the H-4 visa holder's education and skills. Once that hurdle has been cleared, the H-4 visa holder must be selected in the H-1B lottery, which only occurs once a year and has low odds of success (over 80 percent of H-1B registrations were not accepted in FY 2023 due to the annual limit).¹ After all of that, the job might not be the best match for the person's skills.

By contrast, H-4 spouses who have an EAD can work for any employer, which enables them to find a better match for their skills, to their own benefit and the benefit of the overall economy. And, of course, a policy change that allows all H-4 spouses to work would free up some scarce H-1B visas. Having an EAD also allows H-4 spouses to start their own businesses that will ultimately create jobs for others, which is an additional net gain for the overall economy.

Allowing all spouses of H-1B visa holders to work would bring that visa in line with several other categories of skilled temporary worker visas. Spouses of workers who hold an L-1 intracompany transferee visa, an E-1 treaty trader, an E-2 treaty investor, or E-3 specialty occupation worker from Australia visa are allowed to work. Indeed, spouses of those visa holders are "considered employment authorized incident to status" – their visa allows them to work

¹ <https://www.uscis.gov/working-in-the-united-states/temporary-workers/h-1b-specialty-occupations-and-fashion-models/h-1b-electronic-registration-process>.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

and they do not need to apply separately for an EAD. Long delays in processing H-4 EADs have plagued U.S. Citizenship and Immigration Services (USCIS) and the spouses who need the approval to work.

Canada allows spouses of skilled temporary work visa holders to work, making it an attractive destination for dual-professional couples. The United States risks losing talented foreigners, particularly those married to other skilled professionals, to Canada. This already may be happening: “The number of Indians who became permanent residents in Canada increased by over 115% between 2016 and 2020 and 2021.”² In addition, the number of Indian students attending Canadian colleges and universities increased 182% between 2016 and 2019, while declining during the same period in graduate-level programs in science and engineering at U.S. universities.³ Granting employment authorization to all spouses of H-1B visa holders would encourage more skilled migrants to choose the United States. Research shows that the H-1B visa category boosts U.S. economic growth, creates jobs for American workers, and slows offshoring of high-paid jobs.⁴ Extending work eligibility to the spouses of H-1B visa holders would help the United States garner more of the economic benefits that skilled foreign workers create.

U.S. immigration policy largely ignores a readily available source of skilled foreign workers who are already present in the country: the spouses of H-1B visa holders. The spouses of H-1B visa holders tend to be highly educated, many of them in STEM fields. Allowing the spouses of H-1B visa holders to work upon arrival would help recruit and retain skilled workers and increase the already-considerable economic benefits of the H-1B visa category.

² *Analysis of U.S. and Canadian International Student Data*, NFAP Policy Brief, National Foundation for American Policy, March 2022, <https://nfap.com/research/new-nfap-policy-brief-analysis-of-u-s-and-canadian-international-student-data/>.

³ *Ibid.*

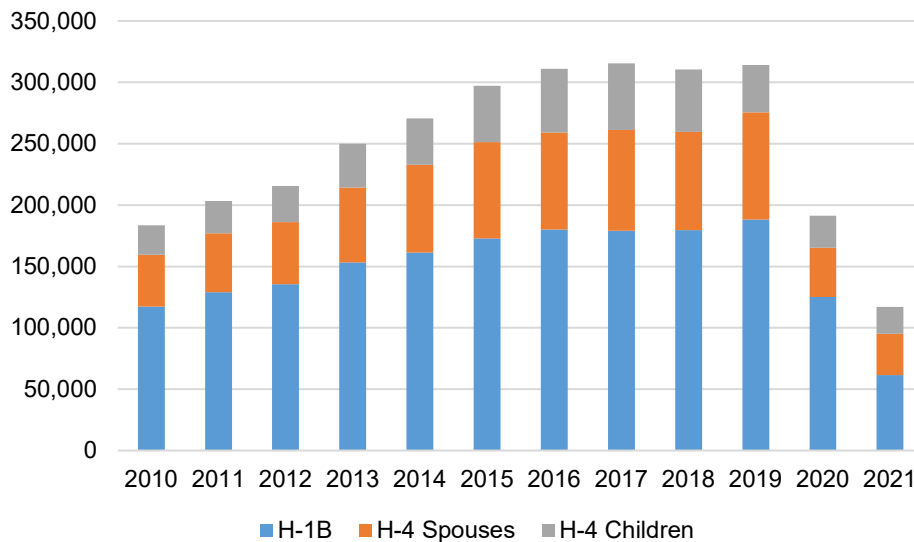
⁴ Madeline Zavodny, *The Impact of H-1B Visa Holders on the U.S. Workforce*, NFAP Policy Brief, National Foundation for American Policy, May 2020, <https://nfap.com/studies/the-impact-of-h-1b-visa-holders-on-the-u-s-workforce/>.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

A PROFILE OF H-1B VISA HOLDERS AND THEIR SPOUSES

Foreign-born workers help fill jobs that are critical to U.S. economic growth, particularly in science, technology, engineering, and mathematics (STEM) fields. Many of those foreign-born workers hold an H-1B nonimmigrant visa, which allows them to work in a specialty occupation that requires at least a bachelor’s degree or the equivalent. Each fiscal year, the United States issues up to 65,000 H-1B temporary worker visas, plus another 20,000 visas to workers who have earned a master’s degree or higher from a U.S. institution of higher education. Employees of institutions of higher education or non-profit and government research organizations are exempt from annual numerical limits. The spouse and unmarried minor children of H-1B visa holders can accompany them, and these accompanying dependents receive an H-4 nonimmigrant visa.

Figure 1
Issuances of H-1B and H-4 Visas, FY2010 – FY2021



Source: U.S. Department of State Nonimmigrant Visa Statistics; H-4 visas apportioned to spouses and children based on corresponding ratio among EB-2 and EB-3 visas from the Department of Homeland Security Yearbook of Immigration Statistics.

Figure 1 shows the number of H-1B and H-4 visas issued each fiscal year over 2010 to 2021. The figure apportions H-4 visas to spouses and children based on the corresponding ratio among dependents who received permanent resident visas through the EB-2 and EB-3 preference classes that fiscal year.⁵ Issuances of H-1B visas rose between 2010 and 2016 and then were fairly flat until the onset of the Covid-19 pandemic.⁶ The pandemic led to a

⁵ David J. Bier, “The Facts About H-4 Visas for Spouses of H-1B Workers,” uses a similar method. See <https://www.cato.org/blog/facts-about-h-4-visas-spouses-h-1b-workers>.

⁶ The increase presumably reflects increased issuances of visas that are exempt from the cap, which has been reached every fiscal year since 2004.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

drop in visa issuances as consulates temporarily ceased or slowed operations. The number of H-4 visas issued rose faster than the number of H-1B visas, plateaued between 2016 and 2019, and then fell with the onset of the pandemic.

H-1B visas are valid for three years and can be renewed once. After that, H-1B visa holders can extend their status and continue to work in the United States if they have applied to adjust to a permanent resident visa under certain employment-based preference categories and are waiting to adjust status due to annual caps on employment-based immigrant visas or slow processing times. The number of H-1B visa holders living and working in the United States and their spouses is therefore considerably higher than the number of visas issued in a given year, but the exact number is unknown. U.S. Citizenship and Immigration Services estimated that the number of H-1B visa holders working in the U.S. was about 600,000 in 2019.⁷ That number is unlikely to have changed much since then because the pandemic slowed visa processing. The number of spouses of H-1B visa holders living in the U.S. who hold an H-4 visa is likely somewhere between 250,000 and 450,000.⁸

Few data are available about the demographic characteristics of workers who hold an H-1B visa. The National Survey of College Graduates (NSCG) is one of the few surveys that asks noncitizens whether they hold a temporary or permanent resident visa and what general category of temporary visa they hold.⁹ The National Science Foundation deploys the NSCG every other year among a sample of U.S. residents who have at least a bachelor's degree.

Column 1 of Table 1 reports descriptive statistics of 2017 and 2019 NSCG participants who are likely to hold an H-1B visa. About three-quarters of them are married. Among likely H-1B visa holders who are married, slightly over one-half report that their spouse is employed.¹⁰ The majority of likely H-1B visa holders work in a STEM occupation

⁷ USCIS estimate of the number of H-1B holders as of September 30, 2019, from

<https://www.uscis.gov/sites/default/files/document/reports/USCIS%20H-1B%20Authorized%20to%20Work%20Report.pdf>.

⁸ The upper bound of the H-4 spouses estimate is the estimated number of H-1B visa holders times the share of temporary work visa holders in the NSCG who are married. The lower bound reflects the fact that some of the spouses of H-1B visa holders themselves hold another type of visa or are U.S. citizens; it is based on the share of spouses of temporary work visa holders who were working in the 2013 and 2015 National Survey of College Graduates and therefore presumably did not have an H-4 dependent visa. Another estimate puts the number of H-4 spouses at around a half million in 2019; see

<https://www.cato.org/blog/facts-about-h-4-visas-spouses-h-1b-workers>.

⁹ The survey's question about general category of temporary visa classifies together all temporary worker visas, a group that includes H-1B, L-1, and O-1 visas, among others. To better identify H-1B visa holders, this analysis drops respondents who report being born in Canada, Mexico, or Australia since many of those respondents are likely to hold a TN visa in the case of Canadians and Mexicans or an E-3 visa in the case of Australians; those visa categories are uncapped and therefore more readily available than H-1B visas to college graduates from those countries working in the U.S. in specialty occupations. The majority of the remaining temporary worker visa holders are likely to have an H-1B visa given the relative sizes of the various temporary worker visa programs.

¹⁰ Unlike most government surveys, the NSCG does not report the demographic and labor market characteristics of each household member. The only questions the NSCG asks about respondents' spouses are about their employment.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

and have at least a master’s degree. The majority are from India, and China is the second most common country of birth.

Table 1
Characteristics of Likely H-1B Visa Holders

| | 2017 & 2019 NSCG | 2017-2019 ACS |
|----------------------------|------------------|---------------|
| Married | 74% | 68% |
| Spouse employed if married | 54% | 58% |
| Male | 72% | 75% |
| Age | 35 | 35 |
| STEM occupation | 54% | 55% |
| Highest degree: | | |
| Bachelor’s | 35% | 35% |
| Master’s | 53% | 52% |
| Professional degree | 2% | 5% |
| PhD | 10% | 8% |
| Country of birth: | | |
| India | 57% | 58% |
| China | 11% | 11% |

Note: The NSCG sample includes temporary worker visa holders who are not from Canada, Mexico, or Australia. The NSCG analysis uses the final survey weights. The ACS sample is noncitizens who are not from Canada, Mexico, or Australia and are wage or salary employees and is reweighted based on their predicted probability of holding a temporary worker visa.

Since the NSCG asks few questions about respondents’ spouses, this analysis also uses the American Community Survey (ACS). The Census Bureau administers the ACS to 1 percent of the U.S. population each year. Unlike the NSCG, the survey does not ask what type of visa noncitizens hold. This analysis therefore creates a sample that replicates as closely as possible the characteristics of NSCG respondents who are likely to be H-1B visa holders.¹¹ In ACS samples from 2017 to 2019, about 68 percent of respondents who are likely to have an H-1B visa are married. Among those, slightly over half report that their spouse is employed. The other characteristics of likely H-1B holders in the ACS are similar to those in the NSCG: the majority are male, working in a STEM occupation, highly educated, and most are from India or China.

The first column of Table 2 profiles the spouses of likely H-1B visa holders in the ACS. The ACS data indicate that the spouses of likely H-1B visa holders are highly educated as well. Almost 90 percent have at least a bachelor’s degree, and over half of them have a graduate degree. Almost half of those spouses who have at least a bachelor’s degree report that they majored in a STEM field (biology and life sciences, computer and information sciences,

¹¹ The ACS sample used here includes noncitizens who have at least a bachelor’s degree, were not born in Canada, Mexico or Australia, and are a wage or salary employee. Among that sample, the probability of having a temporary work visa is predicted based on the variables listed in Table 1 (except for employment status of spouse) using the estimated coefficients from a probit model of holding a temporary worker visa among noncitizens in the NSCG. The person weights in the ACS sample are then multiplied by those predicted probabilities.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

engineering, mathematics and statistics, or physical sciences) for their bachelor’s degree. The majority of spouses of likely H-1B visa holders included in the ACS are employed. Among those who are employed, about 42 percent are working in a STEM occupation.

Table 2
Characteristics of Spouses of Likely H-1B Visa Holders

| | 2017-2019 ACS | 2017 & 2019 NSCG (Dependent visa) |
|-----------------------------|---------------|-----------------------------------|
| Female | 75% | 90% |
| Age | 36 | 35 |
| Employed | 58% | 27% |
| STEM occupation if employed | 42% | 39% |
| Highest degree: | | |
| Bachelor’s | 38% | 54% |
| Master’s | 41% | 40% |
| Professional degree | 4% | 1% |
| PhD | 6% | 4% |
| Degree is in a STEM field | 47% | 54% |
| Country of birth: | | |
| India | 61% | 67% |
| China | 9% | 6% |

Notes: Share working in a STEM occupation is conditional on working; share with a degree in a STEM field refers to bachelor’s degree for ACS respondents and the highest degree for NSCG respondents.

Many of the spouses of H-1B visa holders have an H-4 dependent visa. The second column of Table 2 profiles NSCG respondents who report having a temporary visa as a dependent and whose spouse is working full time. This group includes other categories of spouses who have a temporary visa as a dependent, but most are likely to have an H-4 visa given the relative sizes of temporary visa programs for dependents.¹² Spouses who have a dependent visa are more likely to be female than the spouses of likely H-1B visa holders overall. They are less likely to be working, but among those who are employed, almost two in five – 39 percent – are working in a STEM occupation. Most of those work in a computer science or mathematical occupation. The NSCG design requires that participants have at least a bachelor’s degree, so the sample of spouses with a dependent visa is highly educated. The majority of them – 54 percent – have their highest degree in a STEM field. As is the case with H-1B visa holders, the two most common countries of birth are India and China.

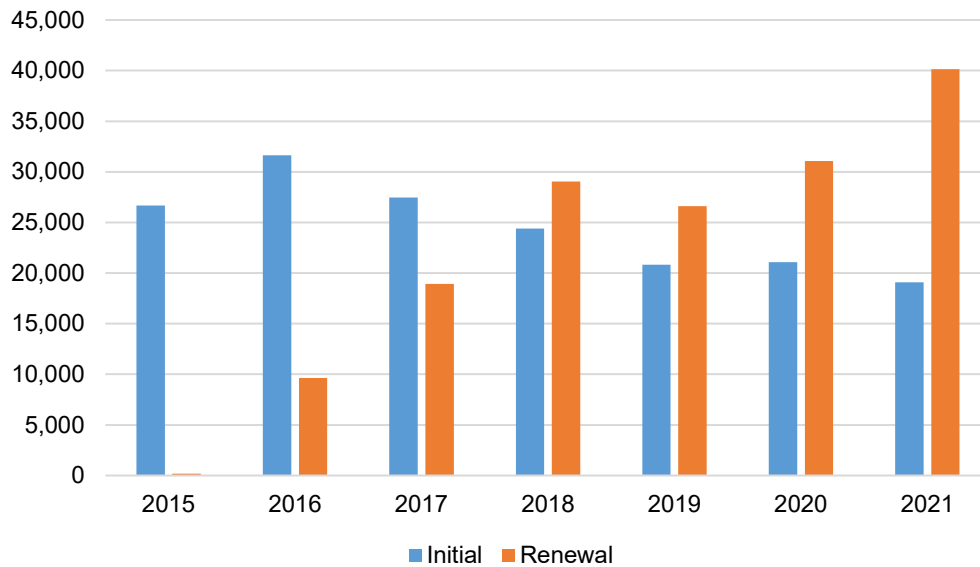
¹² Limiting the sample to respondents whose spouse is employed full time should screen out most foreign born who hold an F-2 visa as the spouse of an F-1 student visa holder.

EXTENDING WORK AUTHORIZATION TO H-4 DEPENDENT SPOUSES

There are only a few ways that spouses of H-1B visa holders who are not U.S. citizens or permanent residents are allowed to work in the United States. They, too, can hold an H-1B or other temporary worker visa. And, since mid-2015, certain spouses who hold an H-4 visa can apply for employment authorization. In 2015, the Department of Homeland Security issued a new rule that allowed spouses who hold an H-4 visa to apply for an employment authorization document (EAD) if their H-1B spouse has obtained an approved immigrant petition (I-140) or if their H-1B spouse is extending their status beyond the 6-year limit on an H-1B visa and their employer has filed an I-140 petition or permanent labor certification and a year has passed since the filing occurred. In essence, spouses of H-1B visa holders who are in the queue for a permanent visa can apply to work while they wait for their green card.

Figure 2

Number of Employment Authorization Documents Issued to H-4 Visa Holders, FY2015 – FY2021



Source: Department of Homeland Security, U.S. Citizenship and Immigration Services, Form I-765, Application for Employment Authorization, Eligibility Category and Filing Type FY 2003-2021. Data are approved applications for category C26, H-4 spouse of an H-1B nonimmigrant.

Figure 2 shows the number of EADs issued to H-4 spouses of H-1B visa holders by fiscal year. The figure distinguishes between initial issuances and renewals; the EAD and H-4 visa need to be renewed when the H-1B visa is renewed. The FY2021 numbers suggest that at least 60,000 H-4 spouses currently have an EAD. Between FY2015 and FY2021, slightly over 171,000 initial applications for employment authorization for H-4 visa holders were approved in total. The number of H-4 spouses of H-1B visa holders authorized to work in the United States is therefore between 60,000 and 171,000.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

Most H-4 spouses who have applied for work authorization are female and from India. During FY2015-FY2018, the only period for which USCIS has published data on their gender distribution, fully 93 percent of approved initial EAD applications for H-4 visa holders were to females.¹³ During FY2015-FY2019, 92 percent of approved initial EAD applications for H-4 visa holders were to people born in India.¹⁴ About 6 percent were to people born in China.

The 2015 rule change offers some insight into how many people might begin working if work authorization were extended to all spouses who hold an H-4 visa, not just those already in the queue for a green card. The State Department publishes the number of people waiting in the green card queue by visa preference category. Combining those numbers together with the number of approved initial applications for EADs suggests that between two-thirds and nine-tenths of eligible spouses have applied for an EAD.¹⁵ This high share suggests that many spouses who hold an H-4 visa would like to work but are not currently able to do so. The NSCG and ACS data indicate that the vast majority of these spouses have at least a bachelor's degree, many of them in a STEM field. These spouses therefore would make considerable contributions to the U.S. labor market, and most of them would enter occupations with very low unemployment rates and high job vacancy rates.¹⁶

A policy change that allows all spouses of H-1B visa holders to work would have significant economic potential. Currently, H-4 spouses may only apply for an EAD after their H-1B spouse is in the queue for a permanent visa. That typically does not occur until the H-1B has worked in the United States for several years; indeed, some spouses – those relying on the 6-year limit rule – may only apply after their H-1B spouse has worked in the United States for at least 6 years. It typically takes 6-8 months for that permission to actually be granted after the application has been submitted. This long and uncertain wait motivates some H-4 spouses to find a job with an employer who will sponsor them for their own work visa. However, the H-4 spouse who wants to get an H-1B visa must first find an employer who is willing to bear the high application cost and uncertainty associated with H-1B process and whose job generally matches the H-4's education and skills. Once that hurdle has been cleared, the H-4 must be selected in the H-1B lottery, which only occurs once a year and has low odds of success (over 80 percent of H-1B

¹³ See <https://www.uscis.gov/sites/default/files/document/data/H-4-EADs-by-Gender-Country-BAHA.pdf>.

¹⁴ See https://www.uscis.gov/sites/default/files/document/foia/Form_I-765_Application_for_Employment_Authorization_Granted_applications_for_H-4_holders.xlsx.

¹⁵ The number of eligible spouses is based on the number of people waiting for an EB-2 or EB-3 skilled or professional visa in 2015 plus the number of people joining those waitlists over 2016 to 2020 (approximated as the change in the waitlist less the number of people adjusting status in those categories). The analysis assumes that half of the people waiting are principal applicants and that between three-quarters and all of the principal applicants are married. The difficulty of estimating the number of H-4-visa-holding spouses who would apply for an EAD is illustrated by the gap between the actual number of applicants and the federal government's estimates when the final rule was implemented (see <https://www.federalregister.gov/documents/2015/02/25/2015-04042/employment-authorization-for-certain-h-4-dependent-spouses>).

¹⁶ See, for example, <https://nfap.com/studies/updated-employment-data-for-computer-occupations-as-of-september-2021/>.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

registrations were not accepted in FY 2023 due to the annual limit).¹⁷ After all of that, the job might not be the best match for the person's skills.

By contrast, H-4 spouses who have an EAD can work for any employer, which enables them to find a better match for their skills, to their own benefit and the benefit of the overall economy. And, of course, a policy change that allows all H-4 spouses to work would free up some scarce H-1B visas. Having an EAD also allows H-4 spouses to start their own businesses that will ultimately create jobs for others, which is an additional net gain for the overall economy.

Allowing all spouses of H-1B visa holders to work would bring that visa in line with several other categories of skilled temporary worker visas. Spouses of workers who hold an L-1 intracompany transferee visa, an E-1 treaty trader, an E-2 treaty investor, or E-3 specialty occupation worker from Australia visa are allowed to work. Indeed, spouses of those visa holders are "considered employment authorized incident to status" – their visa allows them to work and they do not need to apply separately for an EAD. Those accompanying spouses are employment eligible immediately upon arrival in the United States, and their spouse is not required to have applied for permanent residence. Spouses of H-1B visa holders are therefore treated considerably differently from several other categories of spouses of skilled temporary workers.

A COMPARISON TO CANADA

Canada has two main programs for temporary foreign workers. The Temporary Foreign Worker Program (TFWP) enables employers to bring in foreign workers if they can prove they are unable to hire Canadian workers. TFWP work permit holders are typically employed in less-skilled occupations, such as agricultural workers or live-in caregivers, although the program's Global Talent Stream allows employers to bring in highly skilled foreign workers in certain occupations, including computer-related occupations and mathematicians.¹⁸ The International Mobility Program (IMP) allows employers to hire temporary foreign workers through several streams, including: the post-graduation work program, which allows graduates of Canadian colleges and universities to work for any Canadian employer for up to three years, like the U.S. optional practical training (OPT) program does; the intra-company transfer program, which allows employers to transfer certain foreign workers to a Canadian branch, like the U.S. L-1 visa program does; and the bridging open work permit, which allows certain temporary residents who are

¹⁷ <https://www.uscis.gov/working-in-the-united-states/temporary-workers/h-1b-specialty-occupations-and-fashion-models/h-1b-electronic-registration-process>.

¹⁸ See <https://www.canada.ca/en/employment-social-development/services/foreign-workers/global-talent/requirements.html#h15>.

H-4 Visa Holders: An Underutilized Source of Skilled Workers

transitioning to permanent residence in Canada to work for any employer. Like the U.S. H-1B category, India is the most common origin country of IMP work permit holders, followed by China.¹⁹

Neither the TFWP nor the IMP imposes a cap on the number of temporary worker visas. At the end of 2019, there were about 73,000 TFWP and 440,000 IMP work permit holders living in Canada; the numbers were similar at the end of 2020 despite the pandemic. The scale of those programs, particularly the IMP, is notable given that Canada's population is less than one-eighth the size of the U.S. population. The scale of Canada's Economic Class permanent resident visa programs is also much larger as a proportion of the country's population. Canada plans to admit over 240,000 people via Economic Class streams in 2022.²⁰ In the United States, the total number of employment-based permanent resident visas is usually capped at 140,000, although more are available in FY2022 because of unused visas during the pandemic. Unlike the United States, Canada does not impose a country cap on permanent resident visas. This makes Canada particularly attractive to skilled migrants from India and China who would face a lengthy wait for a U.S. green card. Canada even processes temporary worker visas more quickly: under the Global Skills Strategy that Canada launched in 2017, applications for high-skilled work permits are processed within two weeks.

Canada allows spouses (or common-law partners) of skilled temporary work permit holders to receive an open work permit. Accompanying spouses of most skilled temporary foreign workers therefore may work for any employer and in any occupation. Unlike the case for H-1B visa holders in the United States, the skilled foreign worker who holds the temporary work permit does not need to have applied for permanent residence in Canada for their spouse to be able to work. Spouses' applications for open work permits are processed within two weeks.

Policies like these have made Canada an attractive destination for dual-professional couples and current and future STEM workers. As of the end of 2021, almost 50,000 spouses of skilled temporary foreign workers living in Canada had an open work permit. That number seems likely to continue to grow: In a 2020 survey of almost 209,000 people in 109 countries, Canada was the top work destination.²¹ "The number of Indians who became permanent residents in Canada increased by over 115% between 2016 and 2020 and 2021."²² In addition, the number of Indian students attending Canadian colleges and universities increased 182% between 2016 and 2019, while declining during the same period in graduate-level programs in science and engineering at U.S. universities.²³ The combination of welcoming policies in Canada and restrictive policies in the United States appear to be enticing some U.S.

¹⁹ For data on TFWP and IMP work permit holders, see <https://open.canada.ca/data/en/dataset/360024f2-17e9-4558-bfc1-3616485d65b9>.

²⁰ See <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2022-2024.html>.

²¹ See <https://www.bcg.com/publications/2021/virtual-mobility-in-the-global-workforce>.

²² *Analysis of U.S. and Canadian International Student Data*, NFAP Policy Brief, National Foundation for American Policy, March 2022, <https://nfap.com/research/new-nfap-policy-brief-analysis-of-u-s-and-canadian-international-student-data/>.

²³ *Ibid.*

H-4 Visa Holders: An Underutilized Source of Skilled Workers

temporary visa holders to move north, and the incentives are larger for dual-professional couples. Between 2017 and 2020, more than 25,000 noncitizen U.S. residents sought and received invitations to apply for permanent residence in Canada.²⁴

CONCLUSION

Skilled foreign workers admitted via the H-1B visa category create sizable economic benefits for the United States. The category boosts job growth for U.S.-born workers, increases productivity, spurs innovation and patenting activity, and slows the offshoring of high-paying jobs.²⁵ The United States faces increasingly stiff competition from other countries that seek to attract and keep skilled foreign workers, most notably Canada. At the same time, tight labor markets make it critical that the United States attract and keep foreign workers. Yet U.S. immigration policy largely ignores a readily available source of skilled foreign workers who are already present in the country: the spouses of H-1B visa holders.

Analysis of National Survey of College Graduates and American Community Survey data reveal that the spouses of H-1B visa holders tend to be highly educated, many of them in STEM fields. The popularity of a 2015 policy change that allowed eligible spouses of H-1B visa holders to receive employment authorization suggests that many spouses would like to work but are not currently allowed to do so. Allowing the spouses of H-1B visa holders to work upon arrival would help recruit and retain skilled workers and increase the already-considerable economic benefits of the H-1B visa category.

²⁴ For 2017-2019 numbers, see <https://cset.georgetown.edu/publication/canadas-immigration-system-increasingly-draws-talent-from-the-united-states/>. Calculation for 2020 applies the same methodology to data from <https://www.cicnews.com/2021/12/irc-releases-express-entry-2020-annual-report-1220051.html#gs.4ghob0>.

²⁵ See, for example, Madeline Zavodny, "The Impact of H-1B Visa Holders on the U.S. Workforce," NFAP Policy Brief (2020), <https://nfap.com/studies/the-impact-of-h-1b-visa-holders-on-the-u-s-workforce/>; Giovanni Peri, Kevin Shih, and Chad Sparber, "STEM Workers, H-1B Visas, and Productivity in U.S. Cities," *Journal of Labor Economics* (2015), <https://doi.org/10.1086/679061>; Anirban Ghosh, Anna Maria Mayda, and Francesc Ortega, "The Impact of Skilled Foreign Workers on Firms: An Investigation of Publicly Traded U.S. Firms," Institute of Labor Economics (IZA) discussion paper no. 8684 (2014), <https://www.iza.org/publications/dp/8684/the-impact-of-skilled-foreign-workers-on-firms-an-investigation-of-publicly-traded-us-firms>; Jennifer Hunt, "Which Immigrants Are Most Innovative and Entrepreneurial? Distinctions by Entry Visa," *Journal of Labor Economics* (2011), <https://doi.org/10.1086/659409>; William Kerr and William Lincoln, "The Supply Side of Innovation: H-1B Visa Reforms and U.S. Ethnic Invention," *Journal of Labor Economics* (2010), <https://doi.org/10.1086/659409>; Britta Glennon, "How Do Restrictions on High-Skilled Immigration Affect Offshoring? Evidence from the H-1B Program," National Bureau of Economic Research (NBER) working paper no. 27538 (2020), <https://www.nber.org/papers/w27538>.

ABOUT THE AUTHOR

Madeline Zavodny, a Research Fellow at the National Foundation for American Policy, is a Professor of Economics at the University of North Florida (UNF) in Jacksonville. Before joining UNF she was a professor of economics at Agnes Scott College and Occidental College. She received a Ph.D. in economics from the Massachusetts Institute of Technology. She worked as an economist in the research department of the Federal Reserve Bank of Atlanta and Federal Reserve Bank of Dallas. Her research interests include immigration, economics of the family and economic demography.

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. Advisory Board members include Columbia University economist Jagdish Bhagwati, Cornell Law School professor Stephen W. Yale-Loehr, Ohio University economist Richard Vedder and former INS Commissioner James 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.
Twitter: [@NFAPResearch](https://twitter.com/NFAPResearch)