

National Foundation for American Policy

February 26, 2024

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New Research: H-1B Denial Rates in FY 2023 Remain Low Compared to Trump Years

California and Texas Leading States for New H-1B Visa Holders

Arlington, Va. – H-1B denial rates in FY 2023 remained low compared to the Trump years but ticked up from FY 2022, according to a new National Foundation for American Policy (NFAP) [analysis](#). Only a few of the 25 companies with the most approved H-1B petitions for initial employment (petitions for new employees) experienced higher denial rates in FY 2023. Increased denials for approximately 200 medium-sized filers (10 to 100 H-1B applications) accounted for approximately two-thirds of the increased denial rate between FY 2022 and FY 2023, according to the analysis. The H-1B denial rate for initial employment was 3.5% in FY 2023, higher than the 2.2% rate in FY 2022 but much lower than the 24% rate in FY 2018 under Donald Trump. H-1B petitions for “initial” employment are primarily for new employment; for companies, they are typically a case that would count against the H-1B annual limit. H-1B temporary status remains often the only practical way for an international student or other high-skilled foreign national to work long term in the United States.

The study, “H-1B Petitions and Denial Rates in FY 2023,” can be found at <https://nfap.com/>.

The 85,000 annual limit on new H-1B petitions for high-skilled foreign nationals is low, equaling 0.05% of the U.S. labor force, and remains the leading immigration problem for most tech companies. The low yearly and per-country limits for employment-based green cards also vex companies and foreign-born professionals. Employers have exceeded the U.S. limit on H-1B petitions every fiscal year for the past two decades. Without H-1B status, a foreign national would likely need to leave the United States and work in China, India, Canada or elsewhere. Due to a series of restrictive policy changes during the Trump administration later found unlawful, the denial rate for H-1B petitions for initial employment rose to 24% in FY 2018, 21% in FY 2019 and 13% in FY 2020, before a legal [settlement](#) in 2020 reduced denial rates below pre-Trump levels (4% in FY 2021 and 2.2% in FY 2022).

The findings in the analysis include:

- The denial rate for H-1B petitions for initial employment (new H-1B petitions that count against the annual cap) rose to 3.5% in FY 2023 from 2.2% in FY 2022. An NFAP analysis found almost two-thirds of the higher denial rate can be attributed to companies with more than 10 H-1B applications and a greater than 10% denial rate. Few of the top 25 companies with the most approved new H-1B (initial) petitions in FY 2023 had higher denial rates.
- Examining FY 2022 and FY 2023, NFAP analysis found, in general, that the more H-1B applications an employer submits, the lower its denial rate. Employers with 101 or more H-1B applications for initial employment in FY 2023 had a denial rate of only 1.2%, compared to 4.1% for employers with two applications and a 4.7% denial rate for employers that filed one H-1B application. Employers that file more H-1B applications likely possess better

internal processes and legal representation, resulting in fewer errors when selecting applicants and completing applications.

- Amazon had the most approved H-1B petitions for initial employment in FY 2023, with 4,052, lower than 6,396 in FY 2022. Cognizant had the second most H-1B petitions in FY 2023 approved for initial employment with 2,597, followed by Infosys (2,171), Google (1,267), TCS (1,174), Capgemini (1,110), Wipro (992), Microsoft (987), IBM (979), LTIMindtree (914) and Meta Platforms (735). USCIS records cases in the fiscal year they are approved, not by cap year, which means a company's initial employment data for FY 2023 might include cases filed in different cap years.
- Employers in California (19,336), Texas (17,824), New Jersey (10,710), New York (9,237) and Virginia (7,679) had the most approvals for H-1B petitions for initial employment in FY 2023.
- Approximately half of approved new H-1B petitions in FY 2023 (51.7%) were in professional, scientific and technical services. Second, with 14.3%, was educational services, which includes universities. Stanford had 307 approved H-1B petitions for initial employment in FY 2023, the most among U.S. universities. Third was manufacturing (7.4%). Health care and social assistance (6.9%) was fourth. Information (6%) was fifth. (USCIS reported approximately 119,000 approved petitions for initial employment in FY 2023.)
- At U.S. universities, [international students](#) account for 71% of the full-time graduate students in computer and information sciences and 73% of the full-time graduate students in electrical and computer engineering.
- The U.S. unemployment rate in computer and mathematical occupations is low at 2.3% in January 2024. In January 2020, before the pandemic, the unemployment rate in computer and mathematical occupations was 3%. In September 2009, the rate was 6.2%.
- The average annual salary for an H-1B visa holder in computer-related occupations in 2022 was \$129,000, and the median salary was \$123,000, according to USCIS statistics. Fees will rise under a new USCIS [final rule](#). In addition to paying the required wages, legal and government fees to file an initial H-1B petition and an extension could cost employers up to \$33,365, and as high as \$50,000 if including the additional cost of sponsoring an employee for permanent residence, according to an NFAP analysis.
- Research shows restrictions on H-1B visas drive jobs and innovation outside of the United States. “[A]ny policies that are motivated by concerns about the loss of native jobs should consider that policies aimed at reducing immigration have the unintended consequence of encouraging firms to offshore jobs abroad,” concluded a [study](#) by Britta Glennon, an assistant professor at the Wharton School of Business at the University of Pennsylvania. “When U.S. firms are denied H-1Bs, they go abroad, setting up new foreign affiliates and hiring talent there instead of in the U.S.,” said Glennon. “For the most global multinational companies, this is at almost a 1:1 rate. The results demonstrate an important unintended consequence of immigration restrictions: the movement of jobs and talent abroad, with major implications for U.S. competitiveness.”
- Economist Madeline Zavodny found the median earnings of U.S. IT professionals were 40% higher than the median earnings of other professionals, according to data on U.S.-born workers from the Current Population Survey for the period 2002 to 2020. Median earnings of U.S.-born college graduates with a computer-related major are 35% higher than other STEM majors and 83% higher than non-STEM majors. Median earnings of

recent U.S.-born master's degree recipients with a computer-related major are approximately 10% to 40% percent higher than other STEM majors.

- Data and economics show it is a mistake to assume there is a fixed number of jobs and that foreign-born scientists and engineers prevent U.S. engineers and computer specialists from gaining jobs. The number of U.S.-born college graduates employed in computer occupations increased by over 1.1 million, or 62%, between 2003 and 2021, according to an NFAP analysis of government data. The number of U.S.-born college graduates employed in all STEM-related occupations (including computer occupations) increased by over 5.5 million, or 69%, between 2003 and 2021. Millions of Americans with STEM degrees also use their education in jobs not considered STEM occupations due to limitations in government data.

Current U.S. policies toward high-skilled foreign nationals in America remain restrictive compared to other countries with which the United States competes for talent. Reforms that liberalized current laws and regulations would likely allow U.S. companies to improve their position in the global economy and create more jobs and innovation in America. The NFAP analysis is based on data from the USCIS [H-1B Employer Data Hub](#) and updates earlier reports.

About the National Foundation for American Policy

Established in 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) nonprofit, nonpartisan 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. Twitter: [@NFAPResearch](#)

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