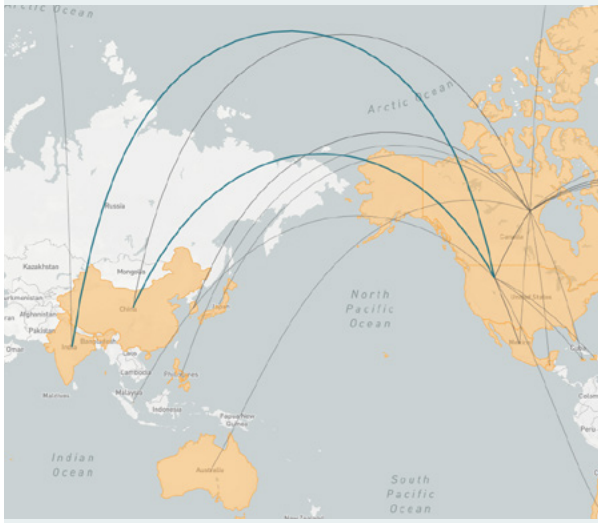
Center for Global Development

MIGRATION PATHWAYS

H-1B Program



Overview

US employers can apply for an H-1B visa for temporary foreign workers in specialty occupations, defined as positions that require specialized knowledge and a bachelor's degree or the equivalent in work experience. Most H-1B visas are granted to people in computer-related occupations. The rules of the program are frequently contested and change regularly.

Why was it started?

The Immigration and Nationality Act of 1952 authorized the admission of temporary workers to the United States during labor shortages and created the general H-1 program, which targeted workers of "distinguished merit and ability." In 1990, the Immigration Act divided the H-1 visa program into two categories: the H-1A visa for registered nurses and the H-1B visa for specialty occupations. Specialty occupations include computer analysts, engineers, chemists, financial analysts, and researchers, among others.

How does it work?

An annual random selection process allocates applications for adjudication, with a cap of 65,000 slots in the regular program and 20,000 "exemptions" for advanced degree holders. In FY2020, 201,011 people applied for these 85,000 spots. The H-1B visa program predominantly benefits people working in computer-related occupations, with two-thirds of beneficiaries in FY2019 working in that sector. Under the program, an employer must obtain approval for a Labor Condition Application (LCA) from the US Department of Labor, which is then filed within an application to the US Citizenship and Immigration Services (USCIS). The LCA ascertains compliance with prevailing wage levels but makes no assessment of labor market need.

Country of Destination
UNITED STATES

Country of Origin
NOT SPECIFIED (BENEFICIARIES COME PRIMARILY FROM INDIA AND CHINA)

Skill
NOT SPECIFIED

Skill Level
HIGH

Timeline
NOVEMBER 29, 1990—ONGOING

Beneficiaries
85,000 PEOPLE A YEAR

Countries all around the world utilize migration pathways to train and bring over workers with needed skills. The CGD Migration Pathways database documents these pathways to promote innovation in this space. To explore the database, visit GSP.cgdev.org.

Some of the H-1B application fees (which range from US$1,720 to US$8,970) pay for US worker education and training, along with border security. The American Competitiveness and Workforce Improvement Act (ACWIA) fees fund job training and scholarships as well as grants in math, science, and engineering administered by the National Science Foundation and the Department of Labor. In 2010, Congress introduced a fee, intended to pay for border security measures, that is required of companies in which 50 percent or more of the company's US workforce holds an H-1B visa. It affects mainly Indian offshore firms, which employ people from India through H-1B visas to serve US customers.

What impact has it had?

As of September 2019, USCIS estimated that there were 619,327 H-1B visa holders in the United States. Many become legal permanent residents after six years as a result of "dual intent," meaning the visa allows for both temporary and permanent immigrant intent.

Some employers rely heavily on the program. The top 30 H-1B employers accounted for more than 25 percent of all petitions approved by USCIS for initial and continuing H-1B employment in FY2019.

The computer science sector was significantly affected by immigration throughout the 1990s. In the absence of immigration, estimates suggest that wages for US computer scientists would have been 2.6 percent–5.1 percent higher and employment in computer science for US workers 6.1 percent–10.8 percent higher by the early 2000s. In 2016, however, *The Economist* reported that the number of unfilled US jobs in computing and IT could top 1 million, noting that "American campuses produced fewer than 56,000 graduates with the sort of qualifications sought by IT firms." Disputes are ongoing about the appropriate wage levels for H-1B beneficiaries, best practices for visa allocation, and market impacts.

Further readings

For more information, see the US Government H-1B Visa Program website.

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