



Foreign Workers Are Losing Their Tech Jobs. Will They Have to Leave the Country Too?

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Mass layoffs have left dozens of major tech firms and startups hemorrhaging workers ahead of the holiday season, capping off a year of shrinkage at those companies. That leaves thousands of former employees rushing to find new work in a currently contracting industry—a daunting task for U.S. citizens and a predicament with potentially life-changing consequences for laid-off workers on H-1B visas.

The H-1B visa program is a temporary work pathway through which U.S. companies can employ highly skilled foreigners in "specialty occupations." Per the Department of Labor, the program is meant to serve employers who otherwise aren't able to "obtain needed business skills and abilities" from the American workforce. Visas are capped at 85,000 per year and are issued for three years, with the possibility of extensions. Once an H-1B worker has lost his job, he can only stay in the U.S. legally for 60 days unless he finds new work or reclassifies to a different visa.

Sam—who requested that *Reason* not use his real name, fearing retaliation—is staring down that deadline. Until Friday, he worked at Carvana, an online used car retailer. "I thought, 'OK, this is my break to enter the tech space,'" he says. "I uprooted my life...and moved to a city where I knew no one." Now, he calls the situation at the company "an unmitigated disaster."

Citing economic pressures, Carvana recently laid off 1,500 employees, amounting to 8 percent of its workforce. They're joined by over 40,000 other tech workers who have lost their jobs in November—"well over double the amount of any other month in 2022, according to Layoffs.fyi," writes Kenrick Cai for *Forbes*. Stripe, Salesforce, Meta, and Amazon have all announced widespread layoffs. Twitter, under new owner Elon Musk, has made waves for its very public staff-whittling, which has affected thousands.

It remains unclear how many H-1B workers are among those laid off, but these visa holders are known to comprise significant shares of many tech companies' workforces. Using U.S. Citizenship and Immigration Services data, the National Foundation for American Policy estimates that

roughly 8 percent of Twitter's 7,500 employees are on H-1B visas, while 4 to 5 percent (roughly 300 to 350) of Stripe's employees are. *Bloomberg* reports that "at least 350 immigrants" at just Meta and Twitter were affected by layoffs, according to information compiled by employees. *Forbes* notes that "thousands of foreign nationals could soon be forced to leave the United States."

With the shrinkage happening at so many major companies, laid-off workers face discouraging odds of securing new jobs in tech. Firms that once hired large shares of H-1B visa holders are now wary of expanding their staffs. "If you want to get into another tech company, who's really hiring at this point?" asks Sam. "Google's hiring very, very selectively. Amazon is in a freeze."

That's sent H-1B holders rushing for a diminished pool of available tech jobs, uniquely squeezed by harsh visa rules. Though H-1B workers ostensibly have 60 days to find a new job, Sam notes that "it's not really 60, because you take about 15 days to transfer your H-1B from your old employer to your new employer." Many H-1B visa holders have "no fallback option" beyond simply going home, he says.

It isn't uncommon for foreign workers to have been on H-1B visas for years or even decades due to extreme wait times to obtain green cards. This means they have legal status as long as they're employed but still lack certainty about their continued presence in the country. Indians face especially long wait times for permanent residency since one country's nationals can only make up 7 percent of the employment-based green cards issued in a given year. "While there are almost half a million Indian nationals in the queue, only about 10,000 green cards a year are available for them," notes *Bloomberg*. "A congressional report estimated that Indians filing in 2020 would have to wait as long as 195 years for a green card."

In addition to the long waits, H-1B holders can face difficulties regarding their legal status in the U.S. if they leave the country, thanks to pandemic-era delays at consulates and embassies. "Even right now, the wait time for getting an appointment at a U.S. embassy in India, it's about 200–250 days," says Sam. "I know people who lost their parents during COVID who couldn't leave the country because back then, the U.S. embassies were all shut." If they got stuck abroad, "there was no guarantee whether they would still be employed" by their American companies.

H-1B restrictions also end up barring foreign workers from more lucrative or creative job opportunities. The 60-day window for finding new employment can force them to take the first job available. Facing the prospect of self-deportation if they don't remain reliably employed, some migrants who may have excelled in a role at a riskier firm—like a startup—may settle for a less fitting position.

The net effect of these delays and difficulties is that many bright workers look to migrate elsewhere rather than negotiate the American system. Sam says his employer before Carvana offered to start his green card process. "I told them not to do it because I didn't see the point in doing so," he explains. "If I'm going to get a green card 25, 30 years down the line, then it doesn't even matter, right?"

There is "a lot of brain drain among H-1B workers who are considering alternative options, Canada being the most notable, but also the U.K., a lot of European countries also have a lot easier routes," Sam continues. Though salaries might not be as high as in the U.S., "a lot of us are OK to take a financial hit just for peace of mind."

Recent tech layoffs may affect only a small share of America's immigrant workforce, but they're a sign that much reform is needed to ensure that high-skilled workers continue to come to the United States. Reforms could also address discriminatory limits on certain immigrants. Immigration analysts like David J. Bier of the Cato Institute note that employment-based green card caps "serve no purpose because nearly all wait-listed, employer-sponsored immigrants are already in the United States working in temporary statuses." The EAGLE Act, bipartisan legislation introduced in the House and Senate, would eliminate the per-country cap on employment-based green cards that has exacerbated wait times for many immigrants.

Should Sam be unable to find a new job in the U.S. soon, he says he'll focus on Canada instead. Would that calculus be different if extreme backlogs and wait times weren't a factor?

"Absolutely," he says. "100 percent, I think I would have stayed here."