



Tech Layoffs May Give U.S. IT Workers Opportunities

Joe Guzzardi

November 18, 2022

Elon Musk, Twitter's new chief executive officer, and the firings he immediately called for that included H-1B visa holders, as well as the tech industry's mass, across-the-board layoffs, raise a three-decade-old question: should the H-1B visa be eliminated, and should U.S. tech workers be put first in line for the white-collar, well-paid jobs?

Musk, who completed his \$44 billion Twitter takeover last month, declared that he would end lifetime bans from his platform and tweeted that diverse viewpoints would be welcome. He has a golden opportunity not only to end censorship and restore free speech as he's promised, but to also hire U.S. tech workers when workforce needs again grow.

Going forward, Musk would have a chance to replace the Twitter employees that he's fired with U.S. tech workers. The firings – about half the Twitter staff, or around 3,700 employees – are allegedly a cost-cutting measure. He summarily dismissed big earners like CEO Parag Agrawal, \$30 million annually; Chief Financial Officer Ned Segal, \$18.9 million; Chief Legal Officer Vijaya Gadde, \$17 million; and General Counsel Sean Edgett, whose salary is unknown, but likely in the same range as his peers. A class action lawsuit was filed against Twitter in San Francisco federal court claiming that the employees were not given the mandatory 60-day notice prior to the layoffs.

Many of the fired Twitter workers may be in the double-whammy vortex. As H-1B employees, unless they find another job within 60 days or successfully change their immigration status, they must leave the U.S. or, no longer legally present, risk deportation. H-1B holders who are legally required to leave must depart and not overstay their visas which the federal government clearly identifies as temporary. The U.S. Immigration and Immigration Services estimates that about 8 percent of Twitter's 7,500 employees, between 625 and 670, have H-1B visas.

Tech and social media are either laying off workers by the thousands or imposing hiring freezes. With Intel's 20 percent slash, Snapchat's 20 percent cut and hiring freezes at Amazon and Apple, H-1B holders are on edge. Meta, formerly known as Facebook, cut 11,000 jobs, 13 percent of its staff, after Mark Zuckerberg admitted that his so-called metaverse project was a \$15 billion bomb. Meta/Facebook is in a tough spot vis-à-vis its H-1B layoffs. Per the Department of Labor classification, this means 15 percent or more of Meta's full-time employees are H-1B

nonimmigrant workers.

For more than 30 years, Silicon Valley and other employers have falsely claimed that without nonimmigrant H-1B visa employees, their businesses would suffer. Yet now, with widespread tech layoffs that include H-1B holders, admitting 85,000 international workers in 2023, the visa's annual cap, would further hurt U.S. tech workers who are either displaced and forced to train their replacements or denied interviews. Because H-1B employees are cheaper to hire than U.S. tech graduates, the corporate elite prefer them over more skilled, more well-educated Americans.

The Wall Street Journal hosted a panel discussion that featured two advocates who favor expanding the H-1B program and one critic who urges major reforms. The advocates, David Bier, the Cato Institute's immigration studies associate director, and Theresa Cardinal Brown, the Bipartisan Policy Center's managing director of immigration and cross-border policy, argued that the H-1B visa cap should be increased and that their labor market presence makes America a more prosperous place.

The critic, Dr. Ron Hira, Howard University, political science associate professor and Economic Policy Institute research associate, countered that the rigged H-1B system is a transfer-of-wealth scam that makes the employers wealthy winners, and the workers, low-wage losers. Dr. Hira added that employers aren't required to prove that a U.S. worker shortage exists before hiring an H-1B, that H-1B workers' wages are set too low, and that the compliance system doesn't hold employers accountable. "Guest-worker programs are supposed to fill domestic labor shortages. The H-1B program does not fill shortages," Dr. Hira said.

The Journal debate represents the challenge that H-1B critics face. No matter how many H-1B visa holders lose their jobs, or how economically depressed the tech sector is, the demand for more visas will remain. Pro-immigration media supporters like the Journal, immigration advocacy groups, lawyers, corporate America and the powerful Chamber of Commerce will incessantly lobby Congress for more, more, more H-1B visas.

Ray Marshall, President Jimmy Carter's Labor Secretary and University of Texas Professor Emeritus, gave a no-frills summary of the H-1B that its advocates should heed: "One of the best con jobs ever done on the American public and political systems...H-1B pays below market rate. If you've got H-1B workers, you don't have to do training or pay good wages." Musk has an opportunity to set an example for Meta and others to follow: hire U.S. tech workers.