



How US and Houston's economies could take a hit if work authorization is revoked for 100K Indian women

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After a 2017 edict from President Donald Trump, the Department of Homeland Security issued a notice of proposed rulemaking to remove the employment authorization of certain H-4 visa holders.

DHS **wrote that it believes** "some U.S. workers would benefit from this proposed rule by having a better chance at obtaining jobs that some of the population of the H-4 workers currently hold, as the proposed rule would no longer allow H-4 workers to enter the labor market early."

Democratic Congresswoman Anna Eschoo of California is a vocal critic of the proposed rule.

"If you were to extend the illogic of the administration's policy, they would say that only one person in a family should work in America. We'd collapse, wouldn't we? I'm not suggesting we're going to collapse with the administration's thinking, I just want to point out how it doesn't make sense," she said. Eschoo co-authored the **H-4 Employment Protection Act 2018** — legislation that aims to protect work authorization for H-4 visa holders.

Houston-based H1-B worker, Aditya Swaminarayan described at a micro-level what his family contributes to the economy on a daily basis.

"I mean think about this. First of all, we have a house here that we bought because we work here. Each month, we pay income tax, sales tax, gas... there's a lot of expenses," he said. "So, if you think about it, if the average person spends 80% of their income — or even 70% — and then you also have 401K which is ultimately being invested in the market."

A Fort Bend County Democrat vying for Rep. Pete Olson's seat in Congress agreed with Eschoo.

"I don't think that there's really a legitimate argument that this is hurting us economically," said Sri Preston Kulkarni. He will be on the November ballot, running for the Congressional District 22 seat. "In fact, just the opposite. Making sure that all these members of the family are able to

work and be productive members of our community actually helps grow our economy,” Kulkarni said.

While officials aimed to publish the rule in spring 2020 for a 30-day public comment period, as of May 2020, the rule proposed by DHS has not yet left the Office of Management and Budget and as a result, the process has not yet moved forward. It is possible that the coronavirus pandemic may have thrown a wrench in this plan as USCIS offices remain closed through June and services were moved entirely online.

Part of the process of introducing a new rule is anticipating the estimated cost and benefits of the rule change.

DHS wrote that it “anticipates that there would be **two primary impacts that DHS can estimate and quantify**: the cost-savings accruing to forgone filings by certain H-4 dependent spouses, and labor turnover costs that employers of H-4 workers could incur when their employees’ EADs are terminated.”

In Spring 2019, Libertarian think tank, **Cato Institute** authored a benefit-cost analysis to illustrate how the U.S. economy would be impacted if the U.S. government elected to revoke work authorization for H-4 visa holders.

In a paper, titled “**Hurting Americans in Order to Hurt Foreigners**,” authors Ike Brannon and M. Kevin McGee argued that ending the EAD would actually hurt the U.S. economy and would not open up jobs for American workers as the Trump administration espoused.

“Highly skilled, well-educated workers, both foreign-born and domestic, have high employment levels, are less likely to avail themselves of public services such as food stamps and welfare, and are more likely to be in occupations that are hard to fill,” the authors wrote.

They went on to say skilled foreign workers have a “positive effect on domestic employment,” because they create what economists refer to as “scale effect,” which means they “boost overall economic activity, creating more opportunities and jobs for both skilled and unskilled domestic workers.” The group also noted that foreign-born workers in the United States were 30% more likely to start a new business than a native worker and 25% of all startups in Silicon Valley were founded by immigrants.

The benefit-cost analysis was conducted based on the answers provided to a survey by 4,708 people currently under the H-4 visa status. About 90% of the respondents were women and most were highly-educated. The group said that less than 1% of the sample had less than a college degree and nearly 60% had a Master’s degree or higher.

Impact on US economy

The group wrote that if the annual contribution of H-4 EAD holders to the U.S. economy was approximately \$5.5 billion.

“Our estimates show that rescinding the EAD for H-4 visa holders would reduce federal tax revenue as well as U.S. economic activity without creating any jobs on net for domestic workers,” the authors wrote. The group also wrote that rescinding the EAD might incite more H-1B workers and families to move to other countries where it is easier for both spouses to work.

As a result, the group concluded that “a better estimate is that the rule rescission could reduce the U.S. GDP by around \$7.5 billion per year.”

Impact on job market

The group wrote that revoking employment authorization for “68,000 working H-4 visa holders would result in the employment of only 5,500 to 8,200 U.S. citizens.”

However, some of the survey respondents noted they were self-employed and created jobs for an average of five American workers.

As a result, if the EAD was revoked, “6,800 U.S. citizens would also become unemployed when the H-4 business owners liquidate their businesses.”

“Overall, ending the H-4 program will likely reduce overall employment and wages for American workers,” the authors concluded.

Impact on Houston

In a **late 2019 report**, the **Center for Houston’s Future** said demographers predicted that the number of immigrants in the Houston area will swell by about 4 million in the next 20 years.

“Houston’s economic future is critically dependent on continued immigration,” the report found. “Immigrants already comprise of nearly one-third of the region’s workforce. We calculate that employment growth among native citizens below 2 percent, Houston will need foreign immigration to continue expanding economically.”

The report states that “curtailing immigration would significantly depress economic growth.”

Data analysts found that between 2007 and 2016, employment among foreign-born individuals legally allowed to be in the country grew at an annual rate of 4.9% as opposed to 1.6% for native workers.

“This suggests that, in addition to capital investment, continued legal immigration will be an engine of Houston’s economic growth going forward, with the importance of undocumented laborers declining over time,” the analysts wrote.

Impact of the pandemic

It is important to note that both studies were published before the coronavirus pandemic wreaked havoc on the world’s economies. With millions out of work in the United States, Trump **signed**

an executive order in late April, suspending some immigration for 60 days to safeguard American jobs.

“In the administration of our Nation’s immigration system, we must be mindful of the impact of foreign workers on the United States labor market, particularly in an environment of high domestic unemployment and depressed demand for labor,” Trump wrote in the order in part.

The executive order was just the latest in a series of restrictions the Trump administration imposed on immigrants during the coronavirus pandemic and as **CNN reports**, the restrictions have spanned travel bans, entry bans, in-person service suspension by USCIS and more.

Meanwhile, immigrants have been crucial in the fight against coronavirus in the U.S. with immigrants making up **about 1 in 4 doctors** in this country.