



Don't sabotage H-1Bs—fix them

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Late last year the House Judiciary Committee approved Rep. Darrell Issa's (R-Calif.) Protect and Grow American Jobs Act, legislation that would raise the minimum wage for skilled migrants seeking a job in the United States under the H-1B visa. It's rare to see Republicans calling for a minimum wage hike, but in this case they have an ulterior motive. Rep. Bob Goodlatte (R-Va.) said that Issa's bill would, "put American workers and our nation's interests first," by making it more difficult to hire H-1B workers.

Yet legislation to reform the H-1B visa program in this way is likely to backfire and doesn't take into consideration the real changes that are needed to fix challenges with the H-1B visa program. It also doesn't consider the important economic role that H-1B visa holders have in the domestic economy.

Similar types of legislation call for a raise in the minimum wage for H-1B visa workers, upwards of \$100,000 for some employers. The H-1B is available only to 85,000 skilled foreign-workers each year, virtually all of whom have a bachelor's degree or higher.

But last October, the unemployment rate for adult workers with a bachelor's degree or higher was just 2 percent. More astounding, about 74 percent of people over age 25 with that level of education are working or looking for a job. Wages are also rising for educated workers more quickly than for others.

There are about 55 million adult American workers with at least a college education. The H-1B visa only adds to that job pool by little more than one-tenth of one percent per year.

Yet reforms keep coming, providing guarantees that the numerically limited H-1B visa goes to the most productive workers each year. Since there are only 85,000 H-1B visas granted annually and hundreds of thousands of applicants, the government uses a lottery to allocate visas. Companies that enter the most applications get the most workers. For H-1B jobs in 2017,

about 30 percent of all applications are for H-1B workers who would make \$60,000 to \$65,000—as close to the minimum as possible.

This is a legitimate problem for the economy.

The H-1B visa is intended for the best and the brightest to come in and work in firms that need their talent to expand. The lottery system, however, only rewards firms that file the most applications.

To truly reform the visa program, legislation should do away with the lottery entirely by mandating that visas be issued to the 85,000 H-1B applicants who would be paid the most.

There is a big difference between selecting the highest paid workers and setting a wage floor. Under recent legislative proposals, firms would still be able to game the lottery by entering lots of applications for workers making exactly \$100,000.

Workers that make above that would still be disadvantaged by the limited availability of the lottery system. Selecting the highest paid workers would raise average wages for H-1Bs faster, and prevent employers from gaming the system.

Congress shouldn't be in the business of setting minimum salaries for anybody, especially skilled workers, but a few legal changes could help raise the wages for H-1B workers so that the average rises above \$100,000 a year.

The first change would be to allow H-1B workers to easily switch jobs after they arrive *without* prior government permission. This would remove any concerns that employers are importing workers to undercut Americans, because the underpaid workers would just quit and work for a firm willing to pay more.

The second reform would be to fix the employment-based green card system. Employers of H-1B workers can file for green cards on their behalf, but our immigration laws make some H-1B workers wait decades for a green card *merely because of the country they are from*. Countries with a higher population get the same number of green cards as those with tiny populations. The employment based green card line is currently so long for Indians that it could take centuries for all current applicants to receive them.

Proposed changes, however, would add more regulatory complexity and ignore better ways of achieving the same goal. Selecting the highest paid H-1Bs instead of just setting a higher minimum wage, especially combined with more mobility and green cards for them, is the simplest and best way to protect American jobs and select the most skilled immigrants.

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