# Are They the Best and the Brightest? Analysis of Employer-Sponsored Tech Immigrants

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- Industry wants more H-1B work visas, and fast-track green cards for STEM foreign students.

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- But are most of those sponsored by the tech industry of that caliber?
- How do rates of top foreign talent vary from employer to employer?
- What are rates of top foreign talent among the main nationalities, i.e. Chinese and Indian?

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    - Many Indian-immigrant firms are in the outsourcing business.

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- Congressionally-commissioned employer surveys, (NRC 2001) and (GAO 2003), found many employers admitting to paying H-1B workers less than comparable Americans.
- GAO even noted role of loopholes:

  *... [employers] hired H-1B workers in part because these workers would often accept lower salaries...however, these employers said they never paid H-1B workers less than the required wage.*

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# Solutions to Wage Issues

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- Where possible restriction attention to green card holders (LPRs) and nat. citizens.
- Artificially "raise" H-1B salaries by factor 1.2.

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- In 2009 employer apps for worker green cards, 59.0% were for Indians and 7.5% for Chinese.
- Among those who (ever) came to U.S. as foreign students in CS/EE and were working in CS/EE as of 2003, 23.2% were Chinese and 27.2% were Indian.

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| year | China | India |
|------|-------|-------|
| 2005 | 0.134 | 0.444 |
| 2006 | 0.103 | 0.501 |
| 2007 | 0.097 | 0.515 |
| 2008 | 0.080 | 0.569 |
| 2009 | 0.075 | 0.590 |

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# First Wage Analysis: NSCG Data

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| factor | beta, marg. err. |
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| const. | -3272 $\pm$ 18383 |
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- Accounts for region via prevailing wage.
- Lacks data on education, age.

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  - Grads (general) of most selective schools have starting salaries 45% more than least selective.
- So, only (median) WR values higher than, say 1.25, indicate a firm is hiring mainly the "best and brightest" foreign workers.

Median WR values (SE=sw. engineers: EE=elec. engineers):

| group | med. WR |
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# PERM Results by Firm

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- No firm has WR high enough to qualify as hiring "best and brightest."

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- no evidence that the foreign students are outperforming the domestic ones

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- Chinese award rate much lower than average

Of 58 awards, 2 from China, 8 from India.

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## Why Did the Chinese Workers Fare Poorly?

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- Governments of China, Japan, S. Korea and Taiwan have all tried to remedy this.

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- The tech industry is famously meritocratic for engineering (not managerial) workers. If you produce, you are rewarded. English is not a major issue.
- Logistic regression analysis on the PUMS census data shows that among immigrant Chinese, English skill has no impact on the probability of earning a high-level salary ($> \$150K$).

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- Salaries (adjusted for inflation) have been flat, counterindicating a shortage.
- Employers still very picky in hiring, again counterindicating a shortage.

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- Stagnant CS/EE salaries at all levels discourage young people from entering the field.
- Post doc program, fueled by H-1B, makes lab science careers extremely unattractive to young people.
- "Innovation" is the buzzword *de jour*, and it is U.S.' only comparative advantage. Yet the system is wasting that advantage.

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- Should prioritize granting of H-1B requests by wage level.
- Should adopt Durbin-Grassley definition of prevaling wage.

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## Discussion: Policy Implications, Green Cards

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- Thus a blanket green card program for STEM foreign students would be unwarranted.
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- Should transfer much of the EB-3 quota to EB-2.