



**Statement for the Record from**

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**Submitted to the House Subcommittee on Immigration  
and Citizenship for the hearing regarding “How  
Outdated U.S. Immigration Policies Push Top Talent  
to Other Countries”**

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Chairwoman Lofgren, Ranking Member McClintock, and Members of the Subcommittee:

As the Subcommittee meets today to discuss “How Outdated U.S. Immigration Policies Push Top Talent to Other Countries,” FWD.us respectfully submits this statement for the record, adapted from previously published FWD.us analysis and research, illustrating why Congress must act to expand and modernize the immigration system, to keep the U.S. globally competitive, and to secure our demographic and economic future.

Our research shows that the United States will need to increase and expand annual immigration to sustain our workforce and maintain our global competitiveness. Many other countries face the same challenge, and are implementing expansive, innovative new policies to recruit immigrants, particularly those with specialized skills. Unfortunately, the American immigration system has not been updated in nearly three decades, and offers too few opportunities for highly skilled individuals to remain in and contribute to the U.S. America remains the top destination for global talent, but we cannot take that for granted any longer; failing to expand and modernize immigration could squander that incredible advantage.

### **U.S. higher education is a critical entry point for top talent**

Last year, Eric Schmidt, former CEO of Google and current chairman of the National Security Commission on Artificial Intelligence and the Defense Innovation Board, wrote an op-ed in the New York Times<sup>1</sup> explaining how the United States government needs to step up its efforts to win the technology competition with China. This includes building a workforce of technology experts, in part by recruiting global talent to the U.S.:

A majority of computer scientists with graduate degrees working in America were born abroad, as were most current graduate students studying computer science in U.S. universities. They are a source of national strength. A vast majority want to stay and contribute to American innovation. We must make it easier for them to do so.

The United States typically welcomes more than 1 million international students annually<sup>2</sup> to study at U.S. colleges and universities and to work temporarily for U.S. companies. As a country, we invest heavily in training and educating these students; in turn, they contribute significantly to local economies and create jobs for Americans,<sup>3</sup> benefits that increase and accrue when these graduates stay in the U.S. permanently. International graduates are an incredible competitive asset for our future workforce, particularly in critical emerging industries, if they are able and willing to remain in the U.S. However, the immigration system offers few options, if any, for many skilled workers, leaving them with no choice but to return home or consider immigration to another country.

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<sup>1</sup> Eric Schmidt, “I Used to Run Google. Silicon Valley Could Lose to China,” New York Times, February 27, 2021, <https://www.nytimes.com/2020/02/27/opinion/eric-schmidt-ai-china.html>.

<sup>2</sup> International Institute of Education (IIE), “Open Doors: International Students—Enrollment Trends,” <https://opendoorsdata.org/data/international-students/enrollment-trends>.

<sup>3</sup> NAFSA, “International Student Economic Value Tool,” <https://www.nafsa.org/policy-and-advocacy/policy-resources/nafsa-international-student-economic-value-tool-v2>.

Many international students are already highly educated, and are pursuing advanced degrees (master's or higher) in the U.S. In the 2019-2020 school year, about 44% of enrolled international students were in advanced degree programs.<sup>4</sup> In the 2018-2019 school year, international students received more than 17% of all advanced degrees awarded, compared to only 5% of all undergraduate degrees.<sup>5</sup>

International students also make up a significant share of students in critical STEM fields; in the 2018-2019 school year, international graduates earned 15% of STEM degrees awarded at all levels. Experts in emerging STEM fields like artificial intelligence, quantum computing, 5G, and biotechnology agree that international graduates are a critical part of the future workforce they need to keep driving innovation and American leadership in these fields.<sup>6</sup>

American leadership in these industries of the future is important for the economy, but also for national and global security. President Biden's Interim National Security Guidance<sup>7</sup> includes a commitment to investing in science and technology, and retaining talent educated in the U.S.:

We will double down on science and technology investments, including in research and development, foundational computing technologies, and domestic leading-edge manufacturing, to enable the pursuit of numerous national strategic objectives, including in the economic, health, biotech, energy, climate, and national security domains. We will protect our investments with vigilance and foresight, to forge and extend enduring strategic advantages. We will expand our science and technology workforce by investing in STEM education, where America is currently losing ground, and restoring our nation's historic strengths by ensuring our immigration policy incentivizes the world's best and brightest to study, work, and stay in America.

### **America's attractiveness to global talent may be diminishing**

Unfortunately, the United States does not have a dedicated immigration pathway for international students. These graduates have to try to access other immigration avenues, including overburdened employment-based avenues, if they want to remain in the U.S. to exercise their education and training here.

It is impossible to know how many U.S. educated graduates are forced to leave each year, but some data help provide context. Roughly 200,000 international students are participating in Optional Practical Training (OPT),<sup>8</sup> gaining hands-on training and experience working for a U.S. employer in their field of study. This program has grown quickly and significantly, doubling in size since the 2013-2014 school year, with many students receiving two-year extensions because

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<sup>4</sup> NAFSA, "International Student Economic Value Tool,"

<https://www.nafsa.org/policy-and-advocacy/policy-resources/nafsa-international-student-economic-value-tool-v2>.

<sup>5</sup> National Center for Education Statistics, "Digest of Education Statistics 2020," Tables 322-324,

[https://nces.ed.gov/programs/digest/2020menu\\_tables.asp](https://nces.ed.gov/programs/digest/2020menu_tables.asp).

<sup>6</sup> FWD.us, "America's Industries of the Future Need More Workers," March 3, 2020,

<https://www.fwd.us/news/retaining-international-students>.

<sup>7</sup> The White House, "Interim National Security Strategic Guidance," March 2021,

<https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>.

<sup>8</sup> For additional background on the OPT program, see FWD.us, "What is OPT? 5 Things to Know," May 24, 2021,

<https://www.fwd.us/news/what-is-opt>.

they have STEM degrees.<sup>9</sup> It is reasonable to assume that a significant share of these students would be interested in continuing to work in the U.S. after their time on OPT runs out, if immigration law permitted it.

For most international graduates, particularly those who have used up their OPT, the H-1B visa is the only option. In FY 2020, 48% of all H-1B registrations from U.S. employers were on behalf of individuals with a master's degree or higher from a U.S. college or university.<sup>10</sup> That's more than 145,000 registrations to sponsor highly educated individuals in specialty occupations with a job offer from a U.S. company. However, only 85,000 visas are available each year; even if every single international graduate with an advanced degree were selected in the lottery, that would leave another 50,000 graduates out of luck.

In addition to forcing the U.S. to squander its investment in international students, sending away talented graduates who want to stay, these outdated limitations also make the U.S. less attractive to prospective students and future workers.<sup>11</sup> In fact, the number of new enrollments of international students at U.S. higher education institutions has fallen each year<sup>12</sup> for the past four years, reversing what had been a decade-long trend of growth for every degree type. Overall enrollment has shrunk by 5% since 2019 (excluding students participating in OPT).<sup>13</sup> Experts agree that immigration policy is likely a significant factor in this decline.<sup>14</sup>

### **Backlogs and bureaucratic barriers pushing top talent to leave**

For those individuals fortunate enough to secure a temporary visa to remain in the U.S. and work, more challenges loom on the horizon. Many U.S. employers willing to sponsor highly skilled workers for a green card are unable to do so because of restrictive and outdated policies.

Specifically, country-specific numerical limits control how many green cards can be issued to nationals of a single country each year. These limits, paired with significantly large shares of international students and highly skilled temporary workers coming from India and China in recent years, have led to a sizable backlog of individuals waiting years, even decades, for the

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<sup>9</sup> IIE, "Open Doors: International Students—Enrollment Trends," <https://opendoorsdata.org/data/international-students/enrollment-trends>.

<sup>10</sup> U. S. Citizenship and Immigration Services, "H-1B Electronic Registration Process," June 9, 2021, <https://www.uscis.gov/working-in-the-united-states/temporary-workers/h-1b-specialty-occupations-and-fashion-models/h-1b-electronic-registration-process>.

<sup>11</sup> FWD.us, "International student enrollments have dropped and long term trends are worrying," May 25, 2021, <https://www.fwd.us/news/international-student-enrollment-trends>.

<sup>12</sup> IIE, "Open Doors: International Students—Enrollment Trends," <https://opendoorsdata.org/data/international-students/enrollment-trends>.

<sup>13</sup> The COVID-19 pandemic has drastically accelerated these declines. Early reports suggest that new international student enrollments for the 2020-2021 school year declined by as much as 43%. See Melissa Korn, "New International Student Enrollment Plunges 43% This Fall," Wall Street Journal, November 16, 2020, <https://www.wsj.com/articles/new-international-student-enrollment-plunges-43-this-fall-11605548907>.

<sup>14</sup> Jillian Berman, "Why are international students turning their back on American colleges?" Marketwatch, February 7, 2019, <https://www.marketwatch.com/story/the-number-of-international-students-coming-to-the-us-for-grad-school-declined-for-the-second-year-in-a-row-2019-02-07>.

chance to apply for a green card.<sup>15</sup> These backlogs keep immigrants from India and China stuck in temporary status for years; they are often prevented from changing jobs or employers, while their spouses face barriers to work and their children risk aging out of their immigration status.

Surveys of immigrants in the backlog suggest that these delays are pushing skilled immigrants to consider abandoning the U.S. and seek employment elsewhere.<sup>16</sup> Meanwhile, countries like Canada<sup>17</sup> and Australia<sup>18</sup> are rolling out new, expanded programs with expedited pathways to permanent residency for skilled workers and international graduates.

## **The United States needs to increase immigration to remain competitive globally**

According to FWD.us research,<sup>19</sup> the United States needs to increase the number of immigrants each year to grow our competitive advantage and expand our future workforce. Without boosting legal immigration now, the U.S. will sacrifice its position as the world's largest economy by 2032 and leave the reserves of vital programs like Social Security depleted by 2034.

Without increased immigration, the coming decades will see an increasingly older U.S. population, with the ratio of seniors to working-age adults increasing. If the U.S.' working-age-to-senior ratio is not maintained, economic growth will slow compared with other nations, draining our social safety nets and sacrificing our current position as the world's economic leader. In fact, if current U.S. population trends continue, the U.S. economy will fall behind China's by 2030, and be only three-quarters of China's economy by 2050.

These demographic challenges are not unique to the U.S.; across the world, countries are grappling with dim demographic projections. However, many of these countries are acting aggressively to change course, and some countries facing similar demographic challenges, like Canada,<sup>20</sup> are looking specifically to increased immigration as a solution.

For America, this fate is not set in stone, and reasonable increases in immigration<sup>21</sup> could help the U.S. maintain its global leadership. Doubling the number of immigrants admitted each year would put the U.S. on par with other countries competing for top talent. In this "very high"

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<sup>15</sup> Bier, David J. "Employment-Based Green Card Backlog Hits 1.2 Million in 2020," November 20, 2021, <https://www.cato.org/blog/employment-based-green-card-backlog-hits-12-million-2020>.

<sup>16</sup> P.B. Vijayakumar, and C.J.L. Cunningham, "An indentured servant: The impact of green card waiting time on the life of highly skilled Indian immigrants in the United States of America," Industrial and Organizational Psychology Translational Research and Working Papers, January 2019, <https://scholar.utc.edu/iopsy/2>.

<sup>17</sup> Government of Canada, "New pathway to permanent residency for over 90,000 essential temporary workers and international graduates," April 14, 2021, <https://www.canada.ca/en/immigration-refugees-citizenship/news/2021/04/new-pathway-to-permanent-residency-for-over-90000-essential-temporary-workers-and-international-graduates.html>.

<sup>18</sup> Australian Government, "Visas for Innovation," January 20, 2021, <https://immi.homeaffairs.gov.au/visas/working-in-australia/visas-for-innovation/overview>.

<sup>19</sup> FWD.us, "Increasing Future Immigration Grows the U.S.' Competitive Advantage," April 7, 2021, <https://www.fwd.us/news/future-immigration>.

<sup>20</sup> Hagan, Shelley, "Canada Suffers Slowest Population Growth Since World War I," Bloomberg, March 18, 2021, <https://www.bloomberg.com/news/articles/2021-03-18/canada-suffers-slowest-growth-in-population-since-world-war-i>.

<sup>21</sup> FWD.us, "Expanding Future Immigration: 7 Proposals for Congress," April 7, 2021, <https://www.fwd.us/news/future-immigration-proposals/>

immigration scenario, the annual number of immigrants would represent about 0.7% of the total U.S. population in 2020, similar to but still less than peer countries like Canada (0.9%) and Australia (0.8%). More critically, increasing immigration would grow the working-age population, combating the effects of an aging population and ensuring it is sufficiently supported.

Highly skilled immigrants fill critical labor gaps in science, technology, engineering, and mathematics (STEM) fields, where demand for knowledgeable workers is consistently high. And when U.S. businesses can hire the skilled talent they need, they can produce more, innovate, and expand, creating a “multiplier effect” that extends benefits to American workers and the broader economy.<sup>22</sup> This leads to higher wages, increased productivity,<sup>23</sup> and lower unemployment<sup>24</sup> for U.S.-born workers, as well as more jobs—in fact, every 100 international graduates working in STEM fields is associated with the creation of an additional 262 jobs.<sup>25</sup>

The global competition for talent is only going to heat up. The United States will need to work hard to attract—and retain—the number of immigrants we need. We should start with hundreds of thousands who are here already.

## Conclusion

To maintain this competitive advantage, Congress must pass legislation to expand and modernize future immigration. This should include **a direct pathway to green cards for certain international graduates**, particularly those with needed STEM skills.<sup>26</sup> Congress must also act urgently to restore a functioning process for immigrants in the backlogs. This includes **passing Chairwoman Lofgren’s Equal Access to Green cards for Legal Employment (EAGLE) Act (H.R. 3648) to eliminate per-country numerical limits** on green cards, along with increasing the number of green cards available annually.

If Congress fails to act, these aggressive recruitment efforts from competing countries will attract critical talent away from the U.S., undermining our current and future workforces. At this critical juncture, when emerging fields are shaping not only the future of the economy but also our national security, we cannot leave American global leadership to chance.

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<sup>22</sup> Business Roundtable, “Contributing to American Growth: The Economic Case for Immigration Reform.” June 2014, [https://s3.amazonaws.com/brt.org/archive/0\\_immigration\\_report/2014.06.06%20BRT%20Immigration%20Report\\_Contributing%20to%20American%20Growth.pdf](https://s3.amazonaws.com/brt.org/archive/0_immigration_report/2014.06.06%20BRT%20Immigration%20Report_Contributing%20to%20American%20Growth.pdf).

<sup>23</sup> Giovanni Peri, Kevin Shih, and Chad Sparber, “STEM Workers, H-1B Visas, and Productivity in US Cities,” *Journal of Labor Economics*, 2015, [https://econpapers.repec.org/article/ucplabec/doi\\_3a10.1086\\_2f679061.htm](https://econpapers.repec.org/article/ucplabec/doi_3a10.1086_2f679061.htm).

<sup>24</sup> Madeline Zadovny, “The Impact of H-1B Visa Holders on the U.S. Workforce,” *National Foundation for American Policy*, May 2020, <https://nfap.com/wp-content/uploads/2020/05/The-Impact-of-H-1B-Visa-Holders-on-the-U.S.-Workforce.NFAP-Policy-Brief.May-2020.pdf>.

<sup>25</sup> American Enterprise Institute, “Immigration and American Jobs,” December 2011, [https://www.aei.org/wp-content/uploads/2011/12/-immigration-and-american-jobs\\_144002688962.pdf?x91208](https://www.aei.org/wp-content/uploads/2011/12/-immigration-and-american-jobs_144002688962.pdf?x91208).

<sup>26</sup> The Stopping Trained in America Ph.D.s From Leaving the Economy (STAPLE) Act of 2017 (H.R. 2717) was a bipartisan bill that would have exempted foreign-born PhD graduates of U.S. colleges and universities from numerical limits on H-1B visas and employment-based green cards. Similar language is included in the U.S. Citizenship Act (H.R. 1177), endorsed by President Biden and introduced in this Congress by Representative Linda Sanchez (D-CA).