

# WebMemo



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## Restricting H-1B Visas Is Bad for Business and the Economy

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Reports have indicated that Senators Chuck Grassley (R-IA) and Dick Durbin (D-IL) plan to introduce a bill that would limit the ability of companies to hire H-1B employees.<sup>1</sup> Arguing that H-1B visa recipients are a threat to American workers, their proposal would add new layers of regulation and procedures making it more difficult for companies to hire foreigners.

This argument is misguided. Given the current economic climate, handcuffing employers from hiring talented workers will hurt—not help—the economy, further delaying the ability of businesses to restart the national economic engine. In order to grow the American economy and support the American workforce, Congress should expand and improve the H-1B visa program.

**Unfounded Fears of the H-1B.** Current law restricts the H-1B visa to highly skilled foreigners who have an undergraduate degree or higher. Each year, the federal government allows 65,000 visas to be issued, with an additional 20,000 visas for people who have masters degrees or higher. The visas are granted to individuals who have been offered employment in the United States. It is valid for three years and can be renewed once for an additional three years.

Many believe H-1B workers merely compete with Americans looking for work. They are wrong. The U.S. workforce is not a “zero-sum game.” One hired H-1B worker does not mean an American is out of a job. In fact, the National Foundation for American Policy found that employers hired four new

American workers for each new H-1B employee they hire.

Additionally, hiring H-1B employees does not lower the wages of American workers. Current law requires that when employers apply for H-1B visas, they must attest that they will pay the visa recipient the same wage they would pay an American with similar skill sets. Rather than limiting the ability of employers to hire H-1B workers by adding more rules and restrictions, Congress should ensure the federal government exercises appropriate oversight in enforcing current laws.

**Closing the Doors on H-1B.** Preventing companies from hiring foreign workers harms the U.S. economy’s ability to rapidly adapt to marketplace demands. Companies must be able to hire persons best suited to fill positions based on their skill sets—not their nationality. People have varying skill sets unrelated to their country of residence. Simply requiring companies to hire Americans means that the company may not get the best qualified person or even the individual with the right set of professional skills to do the job. The federal government should not be making personnel decisions for American businesses.

This paper, in its entirety, can be found at:  
[www.heritage.org/Research/HomelandSecurity/wm2440.cfm](http://www.heritage.org/Research/HomelandSecurity/wm2440.cfm)

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**Keeping the Visa Successful.** Adding regulations to the H-1B program would be a serious setback to U.S. visa policy and would only end up hurting the U.S. economy. Instead, Congress should:

- *Return the cap to the 2001 quota of 195,000 visas a year.*
- *Make the program flexible.* If the visa quota is met the year before, the cap should be automatically increased by a preset amount legislated by Congress. In addition, unused visas should be recaptured and used the following year.
- *Create interoperable databases.* Making sure the Department of Labor and the Department of Homeland Security databases are interoperable will help minimize the number of fraudulent cases.

- *Increase oversight.* The federal government should keep employers who have hired H-1B employees accountable to the program rules. Random site visits should be conducted to ensure employers are following the rules.

By improving and expanding the H-1B visa program, Congress can ensure that American businesses have the workforces necessary for further economic growth.

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1. “Grassley-Durbin Poised to Introduce Bill to Protect American Workers, Curb H-1B Abuses,” Federation for American Immigration Reform, April 20, 2009, at [http://www.fairus.org/site/News2/1538738389?page=NewsArticle&id=20361&security=1601&news\\_iv\\_ctrl=101](http://www.fairus.org/site/News2/1538738389?page=NewsArticle&id=20361&security=1601&news_iv_ctrl=101) (May 6, 2009).