

FACT SHEET

August 26, 2015

**High Skilled Immigration Reform**

The United States immigration policy is the set of federal laws and provisions that regulates the entry and the stay of non-US citizens on national territory. U.S. immigration policy provides two paths for the lawful entry of non-citizens. The first is permanent admission which grants access to the status of “lawful permanent resident” eligible to work in the U.S., and who may later apply for U.S. citizenship. The second is temporary admission which grants entry to the U.S. for a specific purpose and for a limited period. Furthermore, in addition to lawful aliens, undocumented aliens are those who either enter the country illegally or overstay their temporary visa.

Immigration has an important impact on several aspects of the U.S. economy. It has been the source of about half of the U.S. population growth over the last decade. College educated immigrants, highly concentrated in the sciences, engineering, and business, contribute to scientific and technological innovation, entrepreneurship, and job-creation in the U.S. Less educated immigrants, highly concentrated in manual labor and personal services, have filled jobs that have seen a decrease in the supply of native workers, and have helped to maintain the low cost of those services. While both types of immigrants compete for jobs with native workers, potentially reducing demand for some native workers; immigrants also stimulate investment and encourage firm expansion hence stimulating the labor market for other native workers.

There is bipartisan support for high-skilled reform; however, proposals to enhance high-skilled immigration have stalled due to contentious debates over how to address the problem of undocumented aliens. In order for high-skilled reform to occur, it will likely need to be part of a comprehensive immigration package.

Overview**These issues often arise in discussions of immigration policies:**

- How to evaluate the effects of more open immigration policies on the U.S. labor market. The debate involves whether wages would fall for some categories of native workers and rise for others, whether firms will create more jobs or whether employment of natives will decrease.
- What would be the effect of legalizing undocumented immigrants?
- How the schooling choice of natives can be affected by an increase in the number of student visas. How the labor markets in science and technology are affected by highly educated immigrant and study visas.
- Effects of H-1B visa on U.S. innovation and on the wages of U.S. scientists. Would an increase of H-1B visas increase scientific output?
- What is the cost or benefit for a government to attract more immigrants? Who bears the cost and who enjoy the benefits, between the state and federal government?
- The current system of permanent admissions is focused mainly on family reunification with a smaller and rigid quota for employment-sponsored permanent residency. Some scholars favor a point system (similar to Canada and Australia) that rewards education, type of skills, knowledge of the language, and age as a better way to select immigrants.

Relevant Academics[Giovanni Peri](#)University of California, Davis
gperi@ucdavis.edu[William Kerr](#)Harvard Business School
wkerr@hbs.edu[George Borjas](#)Harvard University
gborjas@harvard.edu[Gordon Hanson](#)University of California, San Diego
gohanson@ucsd.edu**Media Contact**

For media inquiries on a range of TAP topics, or for assistance facilitating interviews between reporters and academics, contact TAP@techpolicy.com.

- How immigration policies affect the type of immigrants selected. What is the effect of family-based policies (such as in the U.S.) on the schooling, age, and skills of immigrants selected? How would employment-based policies change the characteristics of immigrants admitted to the U.S.?
- How immigration status (documented or not, permanent resident, citizenship) affect the integration and labor market performance of foreign-born.
- Are the effects of immigrants on labor markets, housing markets, and public services mainly local? Policies are federal but many effects are local. Should states have policies that affect their ability to attract immigrants?

High-skilled Immigration Sources:

These sources are a good place to start in understanding immigration policy issues: In “[Supply Side of Innovation, The: H-1B Visa Reforms and US Ethnic Invention](#),” [William Kerr](#) and William F. Lincoln uses immigration and patent data to examine the effect of skilled immigrants on innovation in the United States. [Giovanni Peri](#), with colleague Gianmarco Ottaviano, found that U.S. cities that attracted immigrants experienced a significant increase in average wages and in housing values in “[The Economic Value of Cultural Diversity: Evidence from U.S. Cities](#).” With “[The Effect of Immigration on Productivity: Evidence from US States](#),” Professor Peri also shows that attracting highly educated immigrants is a strategy to increase employment, investment, and productivity in local economies. [Gordon Hanson](#) proposes that expanding freedom of movement to include the right to migrant internationally would likely raise both global income and global welfare in “[International Migration and Human Rights](#).” In “[How Much Does Immigration Boost Innovation?](#),” Jennifer Hunt and Marjolaine Gauthier-Loiselle show that a 1 percentage point increase in immigrant college graduates' population share increases patents per capita by 9-18 percent.

Please note that all links on this fact sheet are accessible from the online version at www.techpolicy.com/ImmigrationReform.aspx.

The TAP website (www.techpolicy.com/) is facilitated by Microsoft. Microsoft respects academic freedom, and is working to enable the dialogue on the most critical technology policy issues being debated.