



The Daily Dish

H-4 Visas and Immigration Policy

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Eakinomics: H-4 Visas and Immigration Policy

It has been a bit under a week, or roughly 5 Trump years, since the president [vetoed](#) the Congressional Resolution of Disapproval over his emergency declaration regarding border security. This episode has flamed the discord over the right strategy toward border security and illegal immigration. It has also obscured a perhaps even more important debate: what should be the scale and objective for U.S. legal immigration?

There are four main avenues for immigration into the United States: family sponsorship, employer sponsorship, [asylee and refugee admission](#), and the diversity lottery. Of the [1.1 million green cards](#) awarded in 2017, over 66 percent were secured through family sponsorship. The next highest number of visas awarded were to asylum seekers and refugees (13 percent), followed by employer-sponsored immigrants (12 percent) and diversity immigrants (5 percent). Approximately 3 percent of visas are classified as “other,” which includes military interpreters, victims of violence, and other special categories of immigrant.

Approximately half of all green cards are issued to new arrivals, and the other half are issued to individuals already in the United States on temporary visas. Among economic immigrants, the easiest and most widely used path to permanent residency is to first obtain a temporary visa, such as an H-1B. Yet proportionally very few receive permanent residency for economic reasons: In 2017, only 4.2 percent of green cards issued to new entrants were for economic reasons.

Is that a good idea? Or, instead, perhaps the United States should follow the lead of, for example, Canada and Australia and re-tool its immigration system to rely more on economic considerations when granting visas?

A microcosm of this debate surrounds the spouses of those here on H-1B visas — a special class of temporary visa awarded to high-skilled foreign workers that allows individuals to work in the United States for 3 to 6 years. In 2015, the Obama Administration granted employment authorization to select H-4 visa holders, who are the spouses of high-skilled H-1B workers. Now, the Trump Administration is considering a regulation to rescind this authorization.

A new [paper](#) by AAF’s Jacqueline Varas makes an important point about those H-4 visa holders, finding that they are more highly educated and have higher earnings on average than the overall U.S. working population. They also tend to be concentrated in software developer occupations and in the professional, scientific, and technical services industry. She estimates that H-4 workers contribute an estimated \$12.9 billion to the U.S. economy each year and, if every eligible H-4 visa holder were to obtain employment authorization, their economic contributions could increase to roughly \$41 billion per year. With a current unemployment rate of only [2.2 percent](#) for individuals with a bachelor’s degree or higher, it is unlikely that there are enough U.S. workers available to fill the jobs that would be left open. Therefore, it is possible that removing H-4 visa holders from the labor market could reduce current GDP by up to \$13 billion and potential GDP by up to \$41 billion per year.

That’s the debate in a nutshell. Should immigration be scaled back, even at a cost to the broader economy? Or,

should immigration policy be one element of a larger pro-growth policy?