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The Careers of Skilled Migrant Workers in the United States

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The United States' H-1B temporary work program for high-skilled migrants is a controversial part of comprehensive immigration reform. The H-1B visa allows foreign nationals – most of whom hail from India – to work in specialty occupations for up to six years, and it offers a pathway to permanent residence. The visa is issued to the employer, not to the worker, and the worker's chances for a green card depend upon the will of their employer. Much of the disagreement about the visa program centers on the effect of temporary migrants on the domestic workforce. Are foreign workers driving wages down? Are they taking jobs from U.S. citizens and permanent residents (green card holders)?

In recent years, organizations like Disney, Southern California Edison, Toys 'R' Us and UC San Francisco made headlines by using the H-1B visa program to replace U.S. workers with foreign ones, or to move U.S. jobs overseas. In some cases, domestic workers were laid off and were forced to train their replacements, who were H-1B workers. Generally, migrant workers are thought to be desirable because they can be hired at lower salaries than domestic workers, and because H-1B law encourages migrant workers to stay in their U.S. jobs, so they don't risk their chance for a green card.

A growing percentage of H-1B workers are hired by global consulting firms. These middlemen companies work for clients on a project basis, often doing routine information technology (IT) work that has been outsourced to them. IT consulting firms that rely heavily on H-1B workers have been criticized for paying lower salaries – and for sponsoring far fewer H-1B workers for green cards – than standard direct-hire employers. The H-1B migrants working on site at Disney, Southern California Edison, Toys 'R' Us and UC San Francisco were all employed by IT consulting firms.



The H-1B visa program was enacted to help the United States recruit and retain the world's best talent in support of a prosperous nation. To achieve this goal, and to live up to the U.S. credo of opportunity for all, it is important to understand how the H-1B visa program affects migrants themselves. This research project investigates how entering the United States with an H-1B visa, or having a consulting firm job early in one's career, impacts skilled migrants' professional outcomes.

HOW DO H-1B WORKERS FARE IN CALIFORNIA & THE UNITED STATES?

To answer this question, I conducted a survey of skilled migrant workers. I asked respondents about their work and migration histories, including what kind of visa they had when they entered the United States, and whether they had experience working for a consulting firm. I also gathered information on how their salaries and benefits changed over time. In this way I captured a snapshot of migrants' professional positions at two periods: when they first arrived to the United States, and today. I also circulated the survey to skilled workers who are U.S.-born; to naturalized citizens, and to green card holders, so that I could compare across groups.

One striking finding is how common consulting firm employment is among temporary migrant workers. Current H-1B visa holders are much more likely than any other group to start their careers in consulting firm jobs, and to be working for consulting firms today. More than 50% of H-1B visa holders had their first U.S. job with a consulting firm. This is much higher than the rates of early consulting firm experience reported among naturalized citizens/green card holders (24.6%), or by U.S.-born workers (7.1%). In survey respondents' current jobs, H-1B workers also are more heavily concentrated at consulting firms (38.8%) than naturalized citizens/green card holders (8.4%), or U.S.-born workers (7.4%).

In California, consulting firm employment among H-1B workers is less common (23%) than elsewhere in the country (39%). On average, consulting firm jobs in California pay 18% less than direct-hire jobs,

and they pay 16% less than direct-hire jobs outside California, however, absolute income figures for California are higher than in other states, regardless of job type. So, while there are fewer H-1B consulting firm jobs in California, those consulting firm jobs in the Golden State have better terms. The jobs offer higher salaries and the consultants get raises more quickly than elsewhere.

I found that being currently employed by a consulting firm decreases one's chances at securing permanent legal status, and increases the chances that the individual works in a job that is irregular or unpredictable. However, having one's first job with a consulting firm does not have a lasting effect on careers over time. That is, there is no "consulting stigma" that negatively affects careers after individuals move out of consulting jobs (to direct-hire employment). And the evidence does not suggest that entering the United States with an H-1B visa gives migrants any advantage or disadvantage when it comes to wages, job security or the chance for permanent residence.

In looking at how early consulting firm experience affects longer-term career outcomes I also considered whether people who start their careers at a consulting firm are more likely to remain in consulting jobs over time. Do they get stuck in consulting? My analysis reveals that consulting firm jobs are difficult to move out of, especially for India-born H-1B workers. This might happen because Indian nationals wait longer times for green cards than skilled migrants from other countries. The demand for green cards from skilled Indian migrants has resulted in a backlog for workers from India. So, while other foreign nationals get their green cards within a couple of years and can switch jobs freely, India-born migrants experience a longer time in which their employment options are limited.

WAITING FOR A GREEN CARD AND "MEANTIME" EMPLOYMENT EXPERIENCE

I found that H-1B migrant professionals are overrepresented in consulting firm employment, that consulting firm jobs offer inferior terms of

employment compared to standard direct-hire jobs, and that consulting firm work can be difficult to move away from while workers have temporary legal status.

These findings are important because the federal government is currently considering how to amend the United States' skilled migrant worker program. There is a high demand for skilled migrant workers in the United States, and skilled migrant workers desire the benefits of full membership in the United States. They want to move about the labor market freely, take jobs that use all their skills, and be upwardly mobile.

However, if the H-1B program incentivizes consulting firms to hire H-1B workers in greater numbers than direct-hire employers, and these migrant workers get stuck in consulting firm jobs until their green cards come through, they may spend years doing work beneath their capabilities in the "meantime. When this happens, everyone loses – the U.S. economy, domestic workers and skilled temporary migrants.

Read more in Luthra, Renee Reichl. 2009. "Temporary Immigrants in a High-Skilled Labour Market: A Study of H-1Bs." *Journal of Ethnic and Migration Studies* 35(2):227-50 and Preston, Julia. 2016. "Lawsuits Claim Disney Colluded to Replace U.S. Workers with Immigrants" *The New York Times*.