



Department for Professional Employees, AFL-CIO

June 5, 2013

Dear Senator,

On behalf of the 21 national and international unions in the Department for Professional Employees, AFL-CIO (DPE), I urge you to support amendments to S. 744, the *Border Security, Economic Opportunity, and Immigration Modernization Act* that would provide greater protections for U.S. workers.

While DPE supports creating a path to citizenship for the millions of undocumented immigrants in the U.S., in committee, amendments to the high-skilled guest worker visa provisions of S. 744 were passed that harm U.S. workers. I ask that you support amendments on the Senate floor that increase protections for U.S. workers.

DPE supports amendments that would:

- 1) Increase wages for guest workers, so that employers do not have an incentive to hire cheaper guest workers;
- 2) Require all employers to offer jobs to U.S. workers who are equally or better qualified than the temporary guest worker sought; and
- 3) Hold the H-1B cap to its present level, 65,000 per year, and limit the availability of H-1B visas if the U.S. economy is not at full employment.

Some context should be helpful before explaining why DPE is seeking your support for the above amendments. Myths are pervasive in the debate over high-skilled visas (generally, the H-1B and L-1 visa). Numerous reports have found that there is no shortage of skilled labor in the United States and that we are graduating an ample supply of high-skilled U.S. students.

A May 2013 report by the Georgetown University Center on Education and the Workforce found that in 2010 – 2011, the unemployment rate for recent college graduates with a degree in engineering was 7.4 percent; unemployment for recent college graduates in life and physical sciences was 7.3 percent; and the unemployment rate for recent college graduates in computers and mathematics was 9.1 percent.¹ These occupations make up the core of the science, technology, engineering, and mathematics (STEM) workforce. Despite this high unemployment, employers seek to supplement the U.S. workforce with more entry-level guest workers.

¹ Anthony P. Carnevale & Ban Cheah, "Hard Times 2013: College Majors, Unemployment and Earnings," Georgetown University Center on Education and the Workforce. May 2013.

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The majority, 54 percent in 2010, of H-1B workers in the U.S. are hired to perform entry-level work. This is work requiring a basic understanding of duties and requires workers to perform routine tasks requiring limited judgment; precisely the kind of work performed by recent college graduates who are struggling to find work.

Just *six percent* of H-1B workers are employed at the highest wage level.² The fact that only six percent of H-1B workers are paid at the highest wage rate trumps the myth that H-1B workers are the “best and brightest.” Would the world’s best and brightest talent work for entry-level wages? Not likely. In addition, a February 2013 report by computer science professor Norm Matloff found, using a variety of measures, that foreign students who were educated in the U.S. and then entered the U.S. workforce had talent that was less than or equal to their American peers.³

Not only is there ample supply of recent college graduates to fill entry-level positions, unemployment for all workers in STEM is high. The U.S. economy was last at full employment in 2007. The average unemployment rate for STEM occupations in 2007 was 2.6 percent (200,000 unemployed).⁴ From January 2013 to April 2013, the average unemployment rate in STEM occupations was 3.6 percent (300,000 unemployed).⁵ STEM unemployment hits women and minorities hardest. Blacks, Hispanics, and women in STEM occupations had unemployment rates that were higher than the average. Black’s had the highest unemployment rate in STEM occupations, with 5.2 percent unemployed in April 2013.⁶

Wages have been flat in STEM occupations, which is further evidence that there is not a labor shortage in STEM occupations. From 2003 to 2012, the median weekly earnings in STEM occupations rose **less than half a percent a year** after adjusting for inflation.⁷ If there was a shortage of labor, wages would go up because of the increased demand for labor. Wages in computer and mathematical occupations were flat even though the workforce grew by 22 percent from 2003 to 2012.

Under this backdrop of above average unemployment and stagnant wages, some Senators seek to bring in more guest workers and weaken protections for U.S. STEM workers. DPE asks that you support amendments that **first**, increase wages for guest workers, so that employers do not have an incentive to hire guest workers instead of U.S. workers. Research has shown that employers save 20-25 percent by hiring guest workers. Obviously, this creates an incentive to hire guest workers that must be eliminated. Therefore, the wage minimum for all guest workers

² United States Government Accountability Office, “H-1B Visa Program: Reforms Are Needed to Minimize the Risks and Costs of Current Program.” January 2011.

³ Norm Matloff, “Are Foreign Students the ‘Best and Brightest’? Data and implications for immigration policy.” EPI Briefing Paper. February 28, 2013.

⁴ U.S. Census Bureau, American Community Survey, Public Use Microdata Sample, 2007.

⁵ U.S. Census Bureau, Current Population Survey, Basic Monthly Microdata, January 2013, February 2013, March 2013, April 2013.

⁶ U.S. Census Bureau, Current Population Survey, Basic Monthly Microdata, April 2013.

⁷ U.S. Department of Labor, U.S. Bureau of Labor Statistics, Household Data Annual Averages, Table 39. Median weekly earnings of full-time wage and salary workers by detailed occupation and sex. 2003 and 2012.

should be the mean of the prevailing wage. Currently, S. 744 sets the minimum wage at 33 percent of the prevailing wage (up from the current minimum of 17 percent) for most guest workers. This is not good enough.

Second, in the original version of S. 744, all employers seeking guest workers were required to advertise jobs on an Internet website and offer the job to any U.S. worker who applies and is equally or better qualified than the immigrant or nonimmigrant sought. In committee, this protection for U.S. workers was weakened, but should be reinstated. The original intent of the H-1B guest worker program was to bring highly skilled guest workers to the U.S. to fill positions that could not be filled by U.S. workers. If a qualified U.S. worker applies, then there is no labor shortage. If STEM unemployment remains high and wages flat, then there is no incentive for U.S. students to pursue a degree or career in a STEM occupation.

Finally, the current H-1B cap should be maintained. Each year 65,000 H-1B visas are available, but there are numerous exceptions. As a result, each year, approximately 250,000 H-1B visa petitions are approved. H-1B visas are issued without regard to the health of the U.S. economy (combined, over 400,000 H-1B visas were issued in fiscal years 2008 and 2009). In addition, as discussed above, there is no evidence of a shortage of U.S. workers to fill the jobs performed by temporary guest workers. Therefore, the cap of 65,000 visas (with the exceptions) should be maintained and H-1B visas should only be available if the U.S. economy is at full employment.

I would welcome an opportunity to answer any questions. My telephone number is 202-638-0320; my email, palmeida@aflcio.org.

With thanks for your time and consideration –

Sincerely,



Paul E. Almeida
President