



Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy

A Policy Brief by the Committee for Economic Development of The Conference Board



Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy

Many Americans fear that they—and their children—will not be able to find and keep well-paying jobs. The twin forces of increased global competition and technological progress have reduced demand for occupations characterized by routine work. In particular, the United States has lost more than five million manufacturing jobs since the year 2000. Helping these workers find new opportunities has been difficult, as demand for manual skills has declined during this period.

At the same time, the US economy has entered a period of stagnant labor force growth that will extend indefinitely, based on low (and, by all signs, permanently lower) rates of childbirth. This slow workforce growth has already reduced the aggregate unemployment rate. Businesses' needs are changing, opening plentiful new opportunities in health care, skilled trades, and data analysis occupations. Many employers today have difficulty filling these jobs due to mismatches in skills and geography between new jobs and job-seeking Americans.

In this environment, immigration is a doubleedged sword. Many Americans see immigrants as taking American jobs and bidding down wages. Yet immigration holds the potential of filling jobs that currently go vacant—thereby expanding production and creating more jobs for all. How can immigration fulfill its potential to help the economy as a whole, without hurting nativeborn workers?

Currently, our economy's future labor requirements play, at best, a minor role in determining who receives a much-coveted temporary or permanent visa to enter the United States. Family reunification receives the top priority in determining US visa allocation. To the extent that US immigration policy addresses the needs of employers, the system is characterized by programs designed to address shortages cured decades ago, with little regard for how our economic needs have evolved or will evolve. In contrast, other countries, Canada being a prime and nearby example, closely align their immigration policies with the current needs of their economies.

By moving toward a more employment-based approach, the United States could stimulate greater economic growth and better meet the needs of all our citizens.

Now more than ever, immigration policy can be a critical extension of economic policy. Visa allocation can be used to expand the workforce during its period of especially slow growth relative to the retired population. It can help smooth the transition toward a more services-and information-based economy. Businesses that can access the talent they need will expand capacity and thereby create more high-quality jobs for Americans. And if immigration is targeted to workers with skills that are in short supply, immigrant workers will not displace native-born workers or bid down their wages.

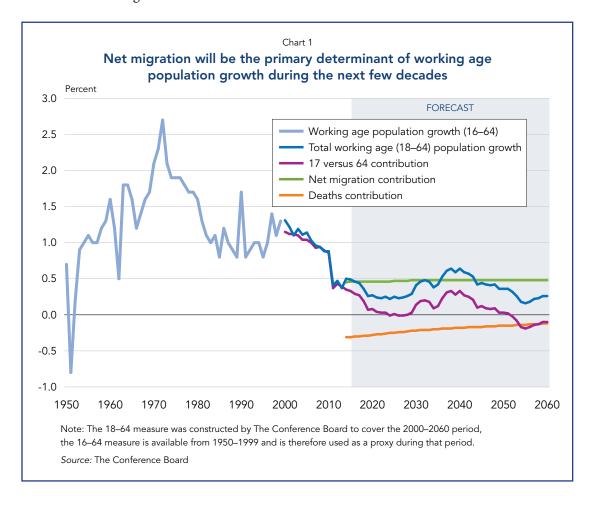
CED recommends policy steps that will:

- 1. Employ both native-born workers and immigrants to flexibly address looming labor shortages;
- Remove the annual per-country caps on permanent, employment-based immigrant visas;
- Move away from educational attainment as the dominant criterion to determine which foreign-born workers receive employment-based visas;
- 4. Streamline the visa administrative process for the most in-demand workers;
- Use temporary employment-based visas to fill needs that are truly temporary, rather than as a backdoor path to permanent immigration;
- 6. Create state and locally administered employment-based visas; and
- Create a standing "Workforce and Immigration Policy Advisory Board" (WIPAB) to analyze immigration issues and report annually to Congress and the president.

Looming Labor Shortages

The American economy faces a shortage of qualified workers during the next decade.¹ One of the few things we know with certainty is the approximate number of native-born workers who will enter the American labor force over the next 15 years. A combination of declining birthrates and the large size of the (retiring) baby-boomer generation dictates with considerable precision that growth in the native-born working-age population has already slowed to less than 0.3 percent. As we approach 2030, growth in the number of workers will only move closer to zero. This slow workforce growth is a fundamental and unyielding constraint on our nation's overall economic growth.

There are three ways for the United States to break out of this demographic straitjacket. First, if more Americans delay retirement and work longer, this will help maintain the labor pool. However, older workers can stay in the labor force only so long and mainly in occupations where physical strength and dexterity are not required. Second, boosting labor productivity (i.e., the amount each worker produces) could allow fewer workers to do more. But third, which is the focus of this policy brief, increasing net immigration into the United States can expand the size of the labor force.



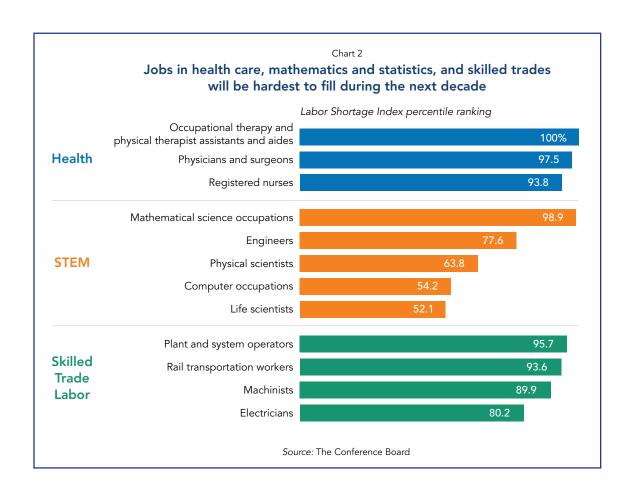
Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy

As it always has, the US economy will constantly evolve, both in consumer needs and the skills that businesses require. In the next decades, the larger numbers of elderly Americans will increase the demand for health care workers to care for them. Advances in technology will spur businesses to automate jobs that machines or artificial intelligence (AI) can handle and increase demand for workers in roles that cannot be easily automated. Many of those latter jobs require more sophisticated technical skills and training than typical jobs of the past.

To project which jobs businesses will have the most difficulty filling in the future, The Conference Board developed its occupational labor shortage index.²

This forward-looking measure assesses future risk of occupational shortage based on three factors:

- 1. The gap between future demand and supply for the occupation;
- 2. The education and skills required to enter the occupation; and
- 3. The relative ease with which employers can find workers abroad, replace workers through automation, or hire workers who can work remotely (within the United States) to get the job done.

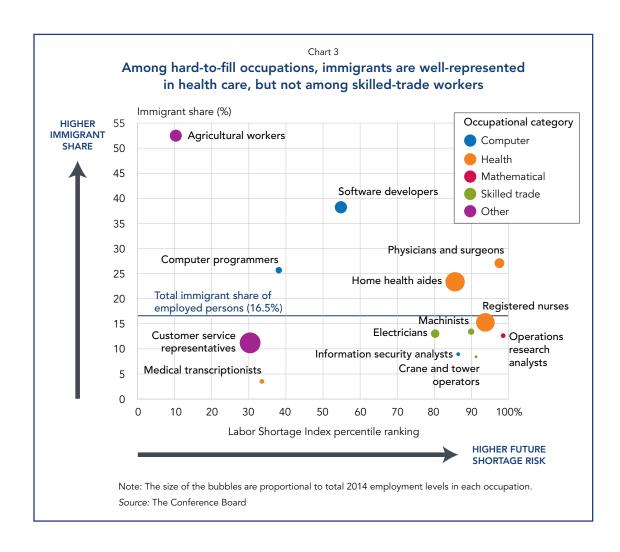


Three types of workers America needs

Based on analysis by The Conference Board, the United States risks the most acute labor shortages in the following fields:

Health care workers: Health care is a laborintensive occupation that must be done in a particular location and "in person." Unless new technology changes the fundamental nature of how these services are delivered, opportunities to replace workers through automation or to gain access to new "off-site" pools of workers through offshoring or teleworking will be limited. Further, workers in many of these occupations, like doctors and nurses, require years of training before they can enter their professions, so workers employed elsewhere could not immediately switch occupations to fill vacancies. The aging of the US population will also increase demand for health care workers.

Skilled-trade occupations, ³ such as crane operators, electricians and machinists: Older workers currently make up a disproportionate share of these occupations, and fewer younger workers are coming in to replace them. Further, these jobs require long and highly specialized training programs, so the pipeline must be filled with new workers before shortages can be addressed. Automation is, however, more likely to mitigate the shortage of skilled trade workers in these occupations than in the health care industry.



Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy

STEM occupations: While predicted shortages of workers in science, technology, engineering and mathematics (STEM) receive much attention, the most acute future needs will likely be confined to specific types of STEM occupations. Information technology (IT) jobs, such as coding or web development, have recently attracted large numbers of young entrants, and these jobs can easily be performed by workers operating offshore or from their homes. Employers will thus face less difficulty filling these positions. One exception to this forecast among IT workers is information security analysts, who, due to the sensitivity of their work, are less vulnerable to replacement through alternative work arrangements.

Additionally, **mathematical and statistical occupations**, such as data scientists,⁴ are projected to experience faster demand growth over the near term. Businesses need these professionals to implement big data analytics and other digitally derived solutions to business problems. But these positions require high levels of education resulting in a smaller potential pool of qualified applicants.

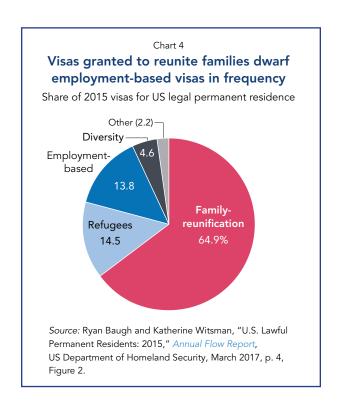
The Current US System of Work Visas

Few today truly understand the workings of US immigration policy and how it hinders, rather than helps, economic growth.

As noted above, family reunification—not the skill needs of the US economy—is the primary factor that determines who receives the limited number of American visas issued each year.

Only 14 percent of those obtaining legal permanent resident status in 2015 were admitted using employment-based visas, and more than half of those were spouses or children of these recipients.⁵

Different rules govern temporary and permanent work visas. Both systems could be improved to speed US economic growth.

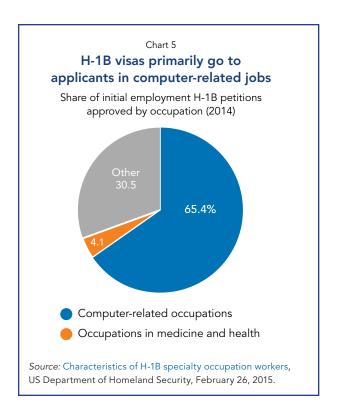


Temporary visas: H-1Bs

Each year, a limited number of temporary H-1B visas is available for private companies to sponsor foreign workers in select occupations satisfying four criteria:⁶

- 1. A bachelor's degree or higher degree or its equivalent is normally the minimum requirement for the particular position;
- 2. The degree requirement is common for this position in the industry, or the job is so complex or unique that it can be performed only by someone with at least a bachelor's degree in a field related to the position;
- 3. The employer normally requires a degree or its equivalent for the position; or
- 4. The nature of the specific duties is so specialized and complex that the knowledge required to perform the duties is usually associated with the attainment of a bachelor's or higher degree.

In practice, these requirements result in computer jobs claiming the lion's share of visas. In 2013 and 2014, more than 60 percent of H-1B visas granted went to workers in computer-related occupations, compared to less than 5 percent going to workers in health occupations⁷ – which The Conference Board analysis strongly suggests are in greater shortage. Because most states do not require a bachelor's degree to obtain a nursing license, even nurses who have bachelor's degrees are not eligible for H-1B visas. In contrast, computer occupations generally have no licensing requirements but more commonly require a bachelor's degree, and as a result such occupations routinely qualify for these visas.



The H-1B distribution process is also structured in a way that benefits disproportionately those firms that regularly use visas in a predictable way. Each year, 65,000 visas are made available, and the number of applications filed exceeds the number of visas available within a short period of time. A lottery is then required to allocate the visas. Firms with recurring needs for foreign workers in similar sets of occupations are therefore the most likely to make use of H-1B visas. Firms whose needs arise more sporadically must wait until the next visa season to apply and might or might not receive an allocation in the inevitable lottery.

Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy

The result of this process is an allocation of temporary visas that does not serve the economy well because it fails to address business needs that are truly temporary in nature. Two decades ago, the case that emerging IT firms faced a shortage of qualified workers was considerably stronger than it is today. Supply and demand conditions in different occupations evolve and shift over time—the allocation of H-1Bs across occupations does not.

In health care, labor shortages for registered nurses and home health aides are likely to be much greater in the future than for IT workers. Still, these foreign-born health workers lack access to temporary visas. H-1C visas were created in the late 1990s as an attempt to create a special category of temporary visas for health care workers.8 They were designed to serve hospitals in areas with shortages of available nurses. Health care providers wishing to hire under the program had to prove to the US Department of Labor that such shortages existed and that hiring foreignborn nurses would not depress wages for nativeborn nurses. Only 14 hospitals ever succeeded in meeting this burden of proof before the program was abandoned in December 2009. The failure of this program left in place a system where health care workers have little access to temporary visas even though these occupations remain exposed to an acute risk of shortage.

Permanent visas

Permanent visas, like temporary ones, also are not allocated in line with the needs of the labor market. Of the five employment-based permanent visa categories, nurses, home health aides, and skilled-trade workers have access only to the visas administered under the "third preference" category (EB-3) encompassing:

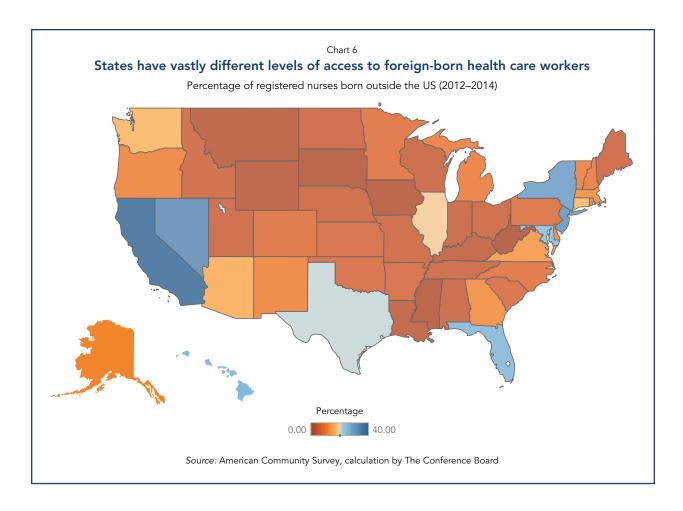
- Skilled workers with a minimum of two years training or work experience;
- Professionals whose jobs require a bachelor's (B.A. or B.S.) degree; or
- Other workers who work in unskilled occupations.

Not surprisingly, competition for these visas is fierce; only around 40,000 EB-3 visas are awarded across *all* countries of origin per year, even though in many cases the admitted workers are highly desired by the labor market. Anyone with a full-time job offer satisfying these requirements can potentially secure one of these coveted slots. These standards are not updated in response to the changing demands of the labor market.

Additionally, each country is limited to 7 percent of the total employment-based admissions spread across all categories. This means that each country faces the same numerical limit regardless of the size of its population and the occupational composition of its work force.

This is particularly problematic for health care workers from the Philippines, who make up 5 percent of all registered nurses in the United States overall and as much as 20 percent of the supply in some states, including California.¹⁰ Immigrants from large sending countries like China, the Philippines, and India face waiting times of several years in receiving permanent residency cards as a result of these caps. (As of May 2017, the longest wait is more than 12 years for applicants from India, while the wait for those

from the Philippines is 4.5 years.¹¹) Further, the spouses and children of these immigrants also count against the per-country numerical caps, so the number of immigrants from each country actually entering to work each year is even less. By placing admission caps on countries without regard to size of home country, level of interest in working, or "fit" of the immigrant worker to our economic needs, the United States loses out on large numbers of foreign workers who could fill critical gaps in the labor supply.



Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy

Policy Recommendations

In the broadest terms, we believe that the United States should follow a two-pronged coordinated strategy of (1) (re)training Americans for occupations experiencing shortages; and (2) shifting the priority of our immigration system toward filling skills gaps that Americans cannot (or choose not) to fill.

The number of work-bound immigrants into the United States is small enough that it can have only a limited impact on overall labor-market conditions and therefore on the work and wage prospects of native-born workers. Combining the 65,000 H-1B visas available each year with the 20,000 additional H-1B visas offered to foreign-born students who have earned US master's or doctorate degrees¹² and the 144,000 employees who received legal permanent resident status using employment-based preference visas, approximately 229,000 workers on permanent or temporary visas joined the US labor force in 2015. This figure represents less than 0.2 percent of total US employment of 148 million workers for that year. However, the current system, which concentrates H-1B visas in the hands of few employers and in particular occupations that are decreasingly in short supply, pushes the impact onto particular and relatively narrow markets that might see downward pressure on wages. If visas instead were directed toward markets that were explicitly tight and where US workers cannot or will not fill the job slots that are now going begging, the economy would grow faster and all native-born Americans would benefit from higher production and greater economic growth.

Accordingly, we offer the following specific recommendations:

1. Employ both native-born workers and immigrants to flexibly address looming labor shortages

US immigration policy should move toward a more economically flexible and responsive immigration system. Whenever possible, economic policymakers should first prioritize educating, training, and retraining Americans for jobs that will increase in demand. The nation needs a far more robust system of worker adjustment and workforce development. Education and training policy should align with immigration policies to ensure that admitted immigrants can fill roles for which it is most difficult to train native-born workers.

In our education system, young, native-born workers can be directed toward occupations facing the most severe shortages. Students should be provided more guidance from their educational institutions as to the coursework and fields of study with the greatest employment prospects and highest return on investment. Training and re-training programs should focus on the technical skills required for the types of jobs that are thriving today—those where increased automation and digital technologies are a complement, rather than a substitute, for human skills. (As one concrete and positive step, women—who currently are underrepresented in many computer-oriented and STEM-reliant occupations—should be encouraged to consider those roles.)

At the same time, more immigrant workers will be needed to supplement native-born workers in the highest-shortage occupations, where native-born supply will continue to fall short of demand. With nursing, for example, the demographics of the native-born population are constraining supply, as the most experienced professionals not only are retiring from the clinical workforce, but also from the educational institutions that train future native-born practitioners. In high-shortage occupations requiring math and other technical skills, experienced native-born workers will often be moved into higher-level managerial roles, opening up positions for newer native-born and immigrant workers alike.

Geography matters, too, in determining where new immigrants can be most helpful in meeting future labor demand. Even in occupations that are not projected to see severe national-level shortages, certain local-area economies will face shortages due to the demographic trends specific to those regions and states.

Encouraging foreign-born workers to live and work in those states makes sense. Existing social networks and communities with shared cultural practice play a key role in determining where immigrants choose to settle.¹³ Large numbers of foreign-born registered nurses flock to states like California, Nevada, New York, and Florida, where they make up more than 20 percent of those employed. But for states like Maine (which must contend with a large increase in its retired population), foreign-born nurses presently make up a small share of the workforce. 14 For healthcare providers in those low-immigrant states, recruiting from abroad can be more challenging without existing communities and social networks in place. This means that immigration policy must be particularly attuned to prospective workers who would be willing and able to fill labor-market gaps in such parts of the United States.

In business sectors in which proximity to customers is less important, firms are able to choose their locations based upon their proximity to talented pools of foreign and domestic workers in a specific occupation. The success of a local economy in welcoming and retaining immigrants serves as a magnet for jobs and economic development, as firms are attracted to locations where the workers they need are already present.

Currently, federal government authorities have no power to consider which positions employers are having most difficulty filling in determining which immigrants should be granted visas. A more responsive visa process that has the capacity to adjust to the changing needs of businesses would allow firms to fill critical talent gaps in a more efficient fashion. A well-managed immigration policy can create a better functioning labor market and a more dynamic economy.

The success of a local economy in welcoming and retaining immigrants serves as a magnet for jobs and economic development, as firms are attracted to locations where the workers they need are already present.

Advantages of admitting skilled immigrants

Foreign-born workers have the potential to address many of our nation's critical labor shortages. If visas are allocated with an eye to occupations in which workers are in short supply, foreign-born workers can help the United States break out of the demographic straitjacket it faces by increasing both the size and (potentially) the productivity of the US labor force. Immigrants admitted through an employment-based visa system will tend to be highly educated, and their skills will often complement those of native workers. And because language barriers cause new immigrants to gravitate toward jobs (and tasks) that require less facility with English, native-born workers are more likely to hold a comparative advantage in jobs and tasks that require greater communication skills, including management roles.¹⁵ In addition, immigrants coming to the US participate in the economy not just as workers, but also as consumers, boosting demand for local services and goods in the places where they settle.

By using immigration policy as a tool, the United States can better prepare to care for its aging population and stay at the forefront of digital technology, thereby improving living standards for all Americans.

Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy

Lessons from Canada:

How to Better Align Immigration Policy and Labor Market Needs

How could immigration policy more effectively steer immigrant workers to occupations with high shortages? Canada has spent decades trying to answer this question. The country's overall immigration system emphasizes employmentbased considerations, rather than family-based ones, more than the US does. It is therefore not surprising that Canada has taken policy measures designed to accept high-skilled immigrants. The result is that more than half of new Canadian immigrants between 2009 and 2013 were admitted as part of employment- or economic-based programs, compared to fewer than 15 percent for the United States.^a Canada has an aging population and predicted labor shortages in many health care and skilled-trade occupations, just as the United States does. Unlike the United States. however, Canada ranks immigrants using a pointsbased system considering factors including:

- the likelihood of adapting well to life in Canada, including language skills;
- · educational attainment;
- · work experience;
- age; and
- · having a job offer.

Further, unlike in the United States, a job offer is considered to be just one factor, and the lack of one does not disqualify immigrants who would otherwise be successful in the Canadian labor market. As a result, highly qualified immigrants are allowed to enter based on their own merits and skills, then search for and match up with actual employers. This expands options for both employee and employer, which leads to better matching and better economic outcomes.

Canada has also developed an "Express Entry" system that has cut the waiting and processing time to enter Canada for the most-qualified aspiring immigrants to six months or less. Employers that have difficulty finding native-born Canadian workers to fill vacancies can use the program to receive help finding suitable foreignborn candidates.

Percent of all permanent residents admitted under employment-related visas (2015) 53% Canada admits a much higher share of permanent residents under employmentbased programs than does the United States. Note: Both figures includes spouses and children admitted as part of employment-based programs. 14% Source: US Department of Homeland Security and Citizenship and Immigration Canada

Finally, Canada's **Provincial Nominee Program** creates an element of local influence over immigration policy completely absent from the US system. Nominees are chosen by provinces and territories based on the skills, education, and work experience they have to contribute to the economy of that province or territory. Each province and territory has its own process for choosing nominees and can therefore target any class of students and workers that will best serve the needs of the province's economy.

Adopting some of these features of Canada's immigration system could help the United States attract more productivity-enhancing immigrants and boost future growth prospects.

Gail Cohen, Aqila Coulthurst, and Joe Alper, Immigration Policy and the Search for Skilled Workers: Summary of a Workshop, National Academies of Sciences, Engineering, and Medicine, 2015, pp. 29–60.

2. Remove the annual per-country caps on permanent employment-based immigrant visas

Immigrants from China, the Philippines, and India have brought critical skills to our economy for generations. However, there are arbitrary limits on the number of employment-based visas that immigrants from these countries can receive. While the goal of such constraints—admitting a diverse array of immigrants— is laudable, the countries currently facing binding visa constraints represent a huge portion of the world's population and provide a large share of the skilled immigrants who help make the US economy run. Making deserving immigrants from these large countries wait years before coming to the United States, while immigrants from smaller countries face no such constraints, convinces some worthy candidates to seek alternative destinations. At worst, it discourages desirable immigrants from even starting the process while allowing lower-quality prospects from other countries to come in their places.

3. Move away from educational attainment as the dominant criterion to determine employment-based visas

Though important, education is only one measure for determining the level of contribution an immigrant will make to the labor market. Employers carefully consider the skills and experience a native-born worker brings when filling an opening; in a similar way, aspiring immigrants should be rewarded for possessing such attributes. Often, critical labor shortages do not align with steep educational requirements. A firm in need of a hard-to-find machinist cares little whether a prospective machinist has a doctorate in the field.

4. Streamline the visa administrative process for in-demand workers

The United States should create a process to provide a "fast track" for highly qualified workers to enter the US labor market even before they have job offers in hand. Businesses are often reluctant to hire non-citizens because of the delay, cost, and uncertainty of obtaining visas. A more transparent and navigable visa application process for workers with essential talents and competencies will encourage firms to make investments knowing they will be able to find the personnel needed to ensure a return on those investments.

5. Use temporary employment-based visas to fill truly temporary needs

Cyclical fluctuations in labor market conditions and other temporary disruptions can rapidly imperil firm activity. For example, temporary shortages of nurses often emerge shortly after a recession ends as many who temporarily rejoined the profession to make up for lost income leave to pursue other job opportunities. 16 Hospitals can be left short-staffed and unable to adequately care for patients. Construction projects can be halted for want of needed workers. If, after a good-faith effort to find workers for a given occupation at the prevailing wage, firms are unable to fill an opening due to temporarily tight local or national labor market conditions, they should be given an opportunity to hire from abroad for a fixed and non-renewing period. Temporary visas would therefore function to relieve critical labor supply bottlenecks without reducing wages and job opportunities for native workers.

6. Create state and locally administered employment-based visas

Labor market conditions often vary dramatically among states. Governors and mayors have a more ground-level perspective on the needs of their labor markets, based on their day-to-day work, than does the federal government. This is why block grants to states are a common and popular feature of many federal statutes. The United States should likewise allow state and local governments to issue (or at least designate) a limited number of employment-based visas. Right now, many municipalities do what they can outside of federally managed visa policy to address their labor market needs and boost local economic growth, through their own community-based programs to attract immigrants.

Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy

For example, Global Detroit runs programs designed to integrate new immigrants into both the labor market and the community. With more (direct or advisory) influence over the visa-issuing process, state and local governments could play a more active role in recruiting immigrants capable of boosting the local business environment.

7. Create a standing Workforce and Immigration Policy Advisory Board to analyze and report immigration issues¹⁷

The structure of a Workforce and Immigration Policy Advisory Board (WIPAB) would be similar to the Social Security Advisory Board—that is, an independent and bipartisan advisory group of expert members, such as academics or members of the business community, appointed by the president and Congress. Members would advise the president, Congress, the US Citizenship and Immigration Services (USCIS), and other agencies involved with administering employment-based immigration policy. This is not a proposal for a new and additional bureaucracy. Like the Social Security Advisory Board, the WIPAB should be designed to add outside expertise to work with the existing USCIS staff to provide new thinking to Congress and the executive branch.

The board would have the expertise necessary to analyze America's present and future labor market needs and to recommend prioritizing specific occupations and skill sets. Both executive and legislative branch members would have access to real-time analysis that would allow them to formulate policy to address critical skill shortages. These reports would also facilitate a debate about immigration more closely related to economic policy, a necessary condition for sound policy choices.

Conclusion

These fundamental reforms to immigration policy would dramatically change how the United States categorizes and prioritizes immigrants with different backgrounds and skills. A less-ambitious reform strategy could focus on administrative changes to the immigration system with the aim of speeding up the process of granting immigrants visas. Any such simplification, streamlining, and "modernizing" of the employment-based visa system (that is, improved administration of current-law immigration policies), while falling short of the scope of our recommendations, could still make a difference.¹⁸

However, improving immigration policy on the scale that we envision will require greater collaboration between business and government. Business leaders should speak up based on their own companies' and industries' experience in filling jobs in high-shortage occupations and articulate how immigration policy and process is helping or hurting them.

Employers should be forward-thinking in considering the benefits of more and better-targeted immigration for their own companies and should make policymakers more aware of how current immigration policy may be constraining their human resource decisions. In this way, the private and public sectors can work better together to reshape federal immigration policies to maximize the economic benefits of an enlarged US workforce, one in which immigrant workers more significantly help to offset the pressures from an aging population and to accelerate economic growth without disadvantaging the native-born workforce.

Endnotes

- Gad Levanon and Abdul Erumban, Help Wanted: What Looming Labor Shortages Will Mean for Your Business, The Conference Board, Research Report 1601, April 2016.
- 2 Ibid.
- 3 Skilled-trade occupations are those that do not require a bachelor's degree, are not health care occupations, and require the completion of extensive training programs.
- 4 Covered under the BLS-named occupation "operation research analyst."
- 5 Ryan Baugh and Katherine Witsman, "U.S. Lawful Permanent Residents: 2015," *Annual Flow Report*, US Department of Homeland Security, March 2017, p. 4, Figure 2.
- 6 Understanding H-1B Requirements, US Citizenship and Immigration Services website, May 8, 2017.
- 7 Characteristics of H-1B Specialty Occupation Workers, US Citizenship and Immigration Services, US Department of Homeland Security, February 26, 2015, p. 12.
- 8 Nursing Relief for Disadvantaged Areas Act of 1999 created the H-1C visa. It allowed nurses to work for up to three years in designated shortage areas.
- According to the US Citizenship and Immigration Services (USCIS), employment, employment-based category one, EB-1, otherwise known as "first preference," is for persons who "have an extraordinary ability, are an outstanding professor or researcher, or are a multinational executive or manager;" EB-2, or "second preference," is for those who "are a member of the professions holding an advanced degree or its equivalent, or a foreign national who has exceptional ability;" EB-3, or "third preference," is for those who "are a skilled worker, professional, or other [unskilled] worker;" EB-4, or "fourth preference," is for "special immigrants," including religious workers, broadcasters, employees of the US government abroad and a few other narrow categories; and EB-5, or "fifth preference," is for entrepreneurs who are prepared to make a financial investment to create at least 10 full-time US jobs.

- Brian Schaitkin and Diane Lim, "Miracle Cure? Why We Should Open the Door to More Foreign-Trained Nurses," Human Capital Exchange blog, The Conference Board, August 26, 2016.
- 11 Visa Bulletin for May 2017, U.S. Department of State.
- 12 Characteristics of H-1B Specialty Occupation Workers, Fiscal Year 2015 Annual Report to Congress, US Citizenship and Immigration Service, March 17, 2016.
- 13 Brian Schaitkin, *Importing a Solution: Can immigration Help Mitigate Looming Labor Shortages*, The Conference Board, Executive Action 445, September 2016, p.10.
- 14 According to projections from Demographics Research Group, Weldon Cooper Center for Public Service, at The University of Virginia, Maine's population of residents younger than 25 will fall by 15 percent, while the population of those older than 65 will rise by 78 percent.
- 15 Giovanni Peri and Chad Sparber, *Highly-Educated Immigrants and Native Occupational Choice*, September 2010.
- 16 Anthony P. Carnavale, Nicole Smith, and Artem Gulish, Nursing: Supply and Demand through 2020, Georgetown University Center on Education and the Workforce, 2015, p. 12.
- 17 CED's 2001 policy statement, *Reforming Immigration: Helping Meet America's Need for a Skilled Workforce*, made a similar recommendation to create a standing advisory board.
- 18 For example, see the proposed rule changes described in "Modernizing & Streamlining Our Legal Immigration System for the 21st Century," white paper by the Obama Administration White House, July 2015; and "Retention of EB-1, EB-2, and EB-3 Immigrant Workers and Program Improvements Affecting High-Skilled Nonimmigrant Workers; Proposed Rules," *Federal Register* vol. 80, no. 251, Part III (Department of Homeland Security), December 31, 2015.

Bringing Foreign-Born Workers into High-Shortage Occupations to Grow Our Economy *Policy Brief*

June 2017



Committee For Economic Development of The Conference Board 1530 Wilson Blvd Suite 400 Arlington, VA 22209 202.296.5860 www.ced.org

