Oral testimony: Statement of Hal Salzman: hearing on "Immigration Reforms Needed to Protect Skilled American Workers" submitted to the Senate Committee on the Judiciary, U.S. Senate, March 17, 2015

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(Oral Testimony)
Statement of

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Hearing on:
“Immigration Reforms Needed to Protect Skilled American Workers”

Submitted to the
Senate Committee on the Judiciary
U.S. Senate
March 17, 2015

Oral testimony delivered to the House Committee on the Judiciary, on March 17, 2015; Dirksen Senate Office Building, Room 226.¹

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Mr. Chairman and members of the Committee, thank you for inviting me to speak today. My colleagues and I have examined the impact of guestworkers in the high-skill labor market using multiple methods, data, and indicators—from field work and interviews at technology firms from coast to coast and around the globe, to analysis of large, national datasets.

When considering whether there is a shortage, we want to examine evidence about

- The adequacy of supply of U.S. STEM graduates and workers;
- The size of current and proposed guestworkers flows; and the
- Impact on U.S. workforce and innovation.

Based on these analyses and other studies, including those cited by the other witnesses today, we find the preponderance of evidence is fairly clear that:

- The U.S. supply of top performing graduates is large and far exceeds the hiring needs of the STEM industries, with only 1 of every 2 new STEM graduates finding a STEM job;
- Future demand for computer science graduates can be met by just half to two-thirds of the current annual supply of U.S. computer science graduates;
- Guestworker supply is large and highly concentrated in the IT industry, leading to both stagnant wages and job insecurity;
- And, the primary function of IT guestworker programs is to facilitate the offshoring of IT work, though a growing use of these programs is now to replace American workers on U.S.-based projects.
- The number of guestworkers under current policies is equal to two-thirds of current entry-level and early-career hiring;
- Moreover, current guestworker policies for students and new graduates appear to provide incentives for universities to establish Masters programs that, as their business model, almost exclusively recruit foreign students into lower quality programs that provide easy entry into the U.S. labor market, fueling the oversupply of entry-level STEM workers.
- Proposed legislation such as I-Squared, The SKILLS Act and S. 744, would expand the supply of guestworkers to levels greater than the total number of new technology jobs; these changes in immigration policy would provide enough guestworkers to fill every new job opening

2 "U.S. Workers" and "American workers" refers to natives and immigrants, citizen and permanent resident alike.
in the IT workforce, with a reserve large enough to allow firms to legally substitute young
guestworkers for their incumbent workforce

- “Green Cards for Grads” provisions in I-Squared, S. 744 and other bills provide
incentives for universities to establish Masters programs that function as a “global services”
business, offering a green card for the price of a graduate degree-- primarily or even exclusively
enrolling foreign students and excluding U.S. students.

The I-Squared green card provisions are just a means, by another name, to create a glut of STEM
workers who will flood the labor market, with the predictable consequences of any market glut.
And, along the way, it will erode the nation’s innovation foundation that is built in American
universities as they close their doors to U.S. students, just as the California State University
system did when it declared its graduate programs were closed to state residents and, to increase
revenue, favored admissions to foreign students who now comprise over 90 percent of some
STEM masters programs.

In sum, current immigration policies and the proposed changes that increase the supply of STEM
guestworkers are likely to accelerate the already deteriorating career prospects for STEM
graduates and workers. Considering the evidence, it would be wise for us to be concerned about
the state of technology careers when making government policies that will fundamentally distort
the market. We cannot expect to build a strong STEM workforce and encourage American
innovation by developing policies that undermine the quality of STEM jobs.