



MIRA

Massachusetts
Immigrant & Refugee
Advocacy Coalition

H-1B Visa HOLDERS BENEFIT OUR ECONOMY

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On September 18th, the Trump Administration caused confusion and panic for American businesses when it announced a new \$100,000 fee for H-1B non-immigrant visas for skilled workers. The language of the proclamation signed on September 19th was muddled, leaving businesses, employees, and lawyers scrambling as they tried to figure out who the new order actually applied to.

Many current H-1B holders who were overseas at the time of the announcement spent thousands on new flights as they tried to come back to the US before the proclamation took effect on September 21st.

Under pressure from companies and attorneys to provide better guidance, **the administration clarified that the new fee only applies to new H-1B applications**, and not to current visa holders, even if they are out of the country.



SOME HISTORY

What is the H-1B Worker Visa:

The H-1B visa program was signed into law by former President George H.W. Bush in 1990 to address labor shortages. The program allows U.S. employers to employ skilled workers from overseas to temporarily work in the United States in "specialty occupations."

These "specialty occupations" range in various industries such as health care, tech and finance and other STEM-related fields and require a bachelor's degree or its equivalent.

Typically, an H-1B visa classification is three years, though it can be extended up to a maximum of six years.

HOW DOES THE H-1B VISA WORK?

Before an employer can file a petition with U.S. Citizenship and Immigration Services (USCIS), the employer must take steps to ensure that hiring the foreign worker will not harm U.S. workers.

- Employers first must attest, on a labor condition application (LCA) certified by the Department of Labor (DOL), that employment of the H-1B worker will not adversely affect the wages and working conditions of similarly employed U.S. workers.
- Employers must also provide existing workers with notice of their intention to hire an H-1B worker.

Since the category was created in 1990, Congress has limited the number of H-1Bs made available each year. The current annual statutory cap is 65,000 visas, with 20,000 additional visas for foreign professionals who graduate with a master's degree or doctorate from a U.S. institution of higher learning.

Source: American Immigration Council

THE IMPACT of H-1B WORKERS on the U.S. ECONOMY

One common misconception is that H-1B visa workers earn low wages or drag down the wages of other workers **but in fact, H-1B workers help our economy grow.**

H-1B visas allow U.S. employers to hire highly skilled foreign workers who can greatly contribute to the economy by boosting innovation, competitiveness and new job opportunities for native-born workers. H-1B visa workers help our economy by;



Grow Our Economy:

H-1B visa workers spend and invest their wages in the U.S. economy, which increases consumer demand and fuels economic growth.



Create NEW Job Opportunities for Native-Born Workers:

Immigrants themselves frequently create new businesses, thereby expanding the U.S. labor market.

Promoting Innovation:



Immigrant workers and native-born workers have different skill sets and as a result, they complement each other in the labor market, rather than compete for the same jobs. People with H-1B visas also contribute their expertise and ideas, which helps build collaborative ecosystems, technical & scientific advancement and boosts innovation.

Meeting Critical Demands:

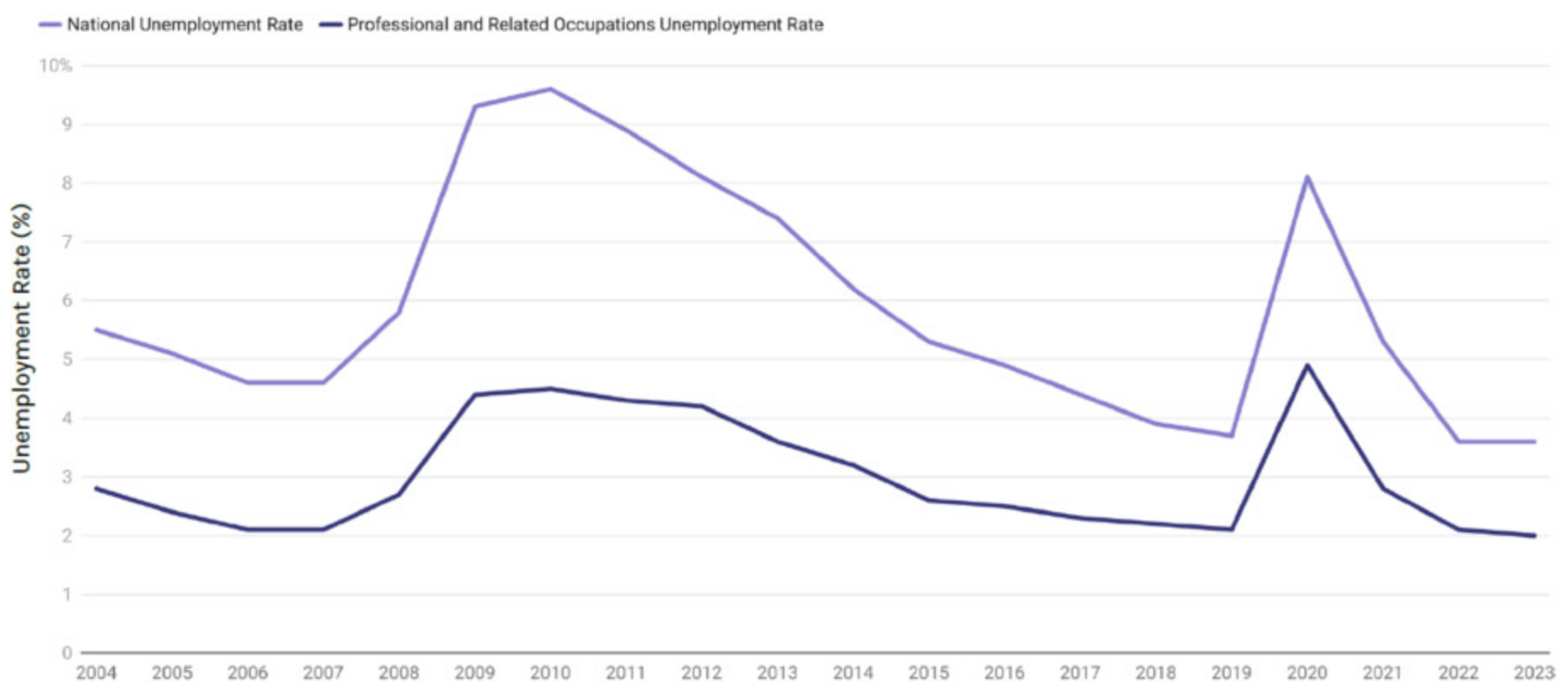


The skills and intellect that H-1B workers bring with them can be critical in responding to national emergencies. As stated by the American Immigration Council, “between FY 2010 and FY 2019, eight U.S. companies that would later participate in the development of a COVID-19 vaccine and received approvals for 3,310 biochemists, biophysicists, chemists, and other scientists through the H-1B program. In addition, many medical doctors on the front lines of the pandemic are present in the United States on H-1B visas.”

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As stated by the American Immigration Council, “The economic contributions of H-1B workers in particular may increase the employment opportunities available to native-born workers in the United States. That is why unemployment rates are relatively low in occupations that employ large numbers of H-1B workers.

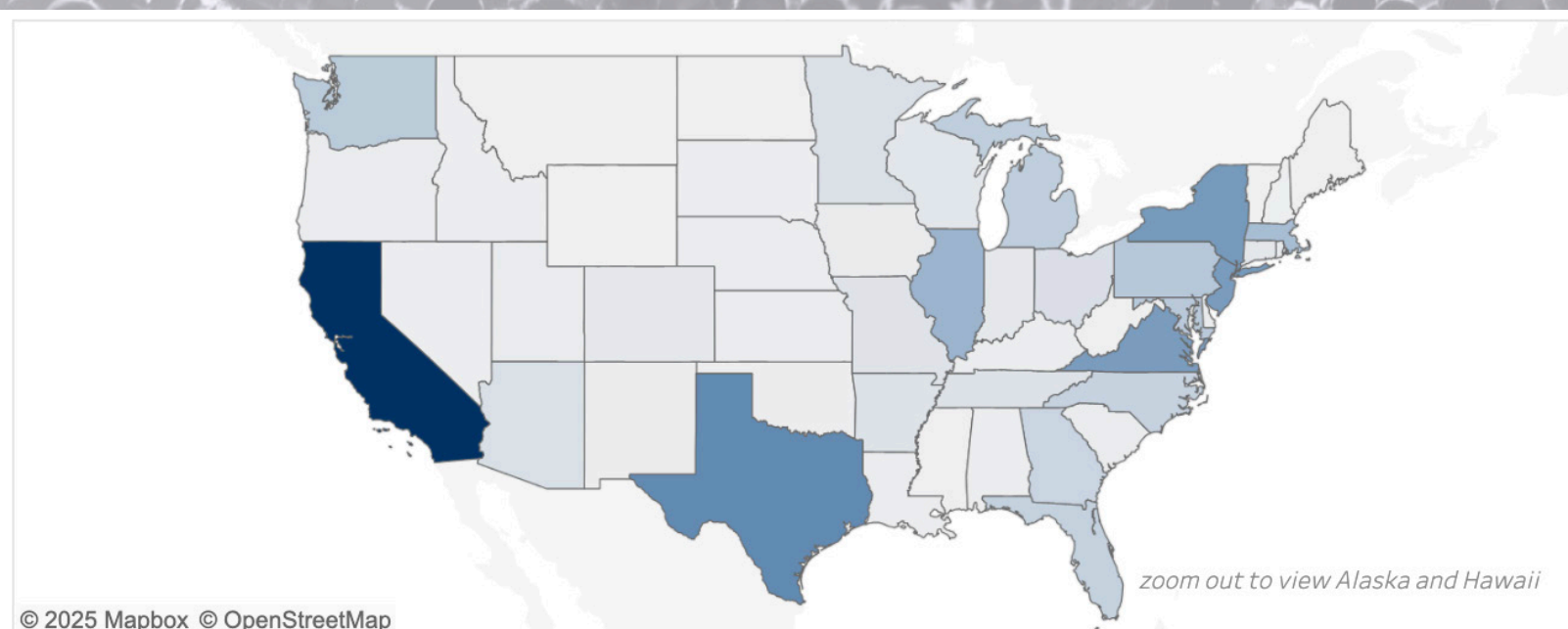
FIGURE 2: UNEMPLOYMENT RATE IN THE UNITED STATES, 2004-2023



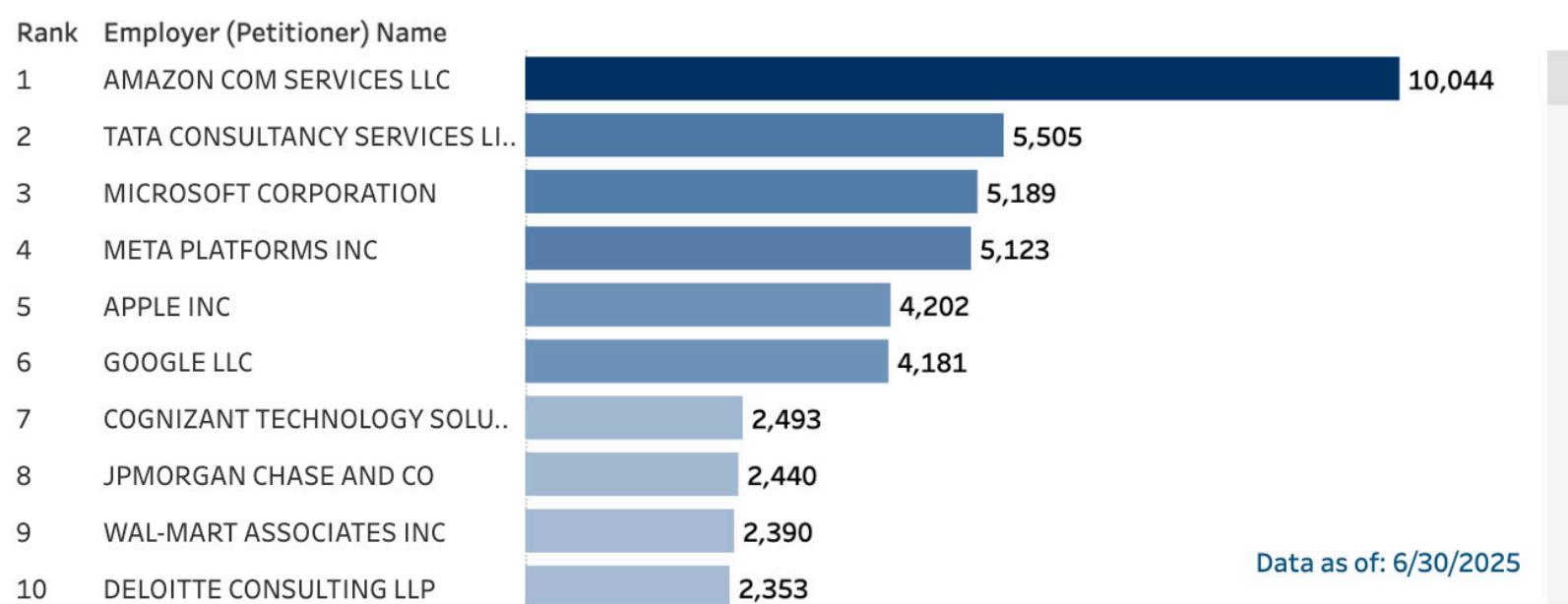
Many occupations for which H-1Bs are routinely requested are found within the broader category of Professional and Related Occupations. Low unemployment rates in these occupations from 2004 through 2023 (even during the COVID-19 pandemic) indicate that demand for labor exceeded the supply (see Figure 2).

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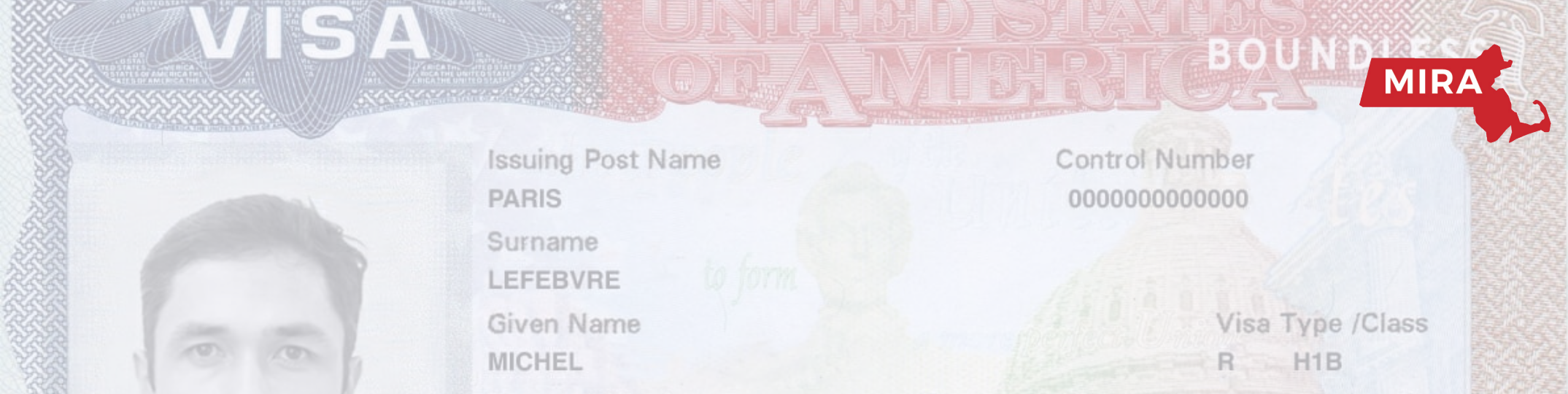
Major tech companies such as **Amazon, Microsoft, Meta & Google** have relied on approvals from the program to hire employees from abroad.



Beneficiaries Approved - by Top 100 Employers (see crosstab view for full list)



The H-1B Employer Data Hub includes data from fiscal year 2009 through fiscal year 2025 (quarter 3) on employers who have submitted petitions to employ H-1B nonimmigrant workers.



THE FUTURE of H-1B VISAS

With more than half a million highly skilled foreign workers, the Trump administration's new proposal has heightened anxiety for employees and companies that rely on the H-1B visa.

Despite the clarification from the administration, questions still exist as the administration officials have been giving conflicting information on the fee. Commerce Secretary Howard Lutnick told reporters that the new fee would be charged annually, but other administration sources have said that the fee would only be a one time charge and would not apply to renewals, although that could change.

Meanwhile, per the proclamation itself, the fee is set to expire after 1 year, although many expect it to be renewed next year. As with many moves by the Trump administration, many are also questioning whether the president has the legal authority to implement such a substantial price increase as Congress has only authorized the administration to set fees to recover the cost of application adjudication.

The proposal faces a 30-day public comment period before it is considered by the administration for a final rule, a process that could take months. If adopted, these fees can have major consequences on the U.S. economy by cutting off a major supply of talent and innovation and disproportionately be granted to people who are deemed "higher skilled" by this current administration.