

BUSINESS HORIZON **SERIES**

IMMIGRATION & AMERICAN COMPETITIVENESS: The Challenge Ahead

EVENT SUMMARY



SEPTEMBER 28, 2011
WASHINGTON, D.C.



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In cooperation with the Partnership for a New American Economy and the U.S. Chamber's Labor, Immigration & Employee Benefits Division, the National Chamber Foundation hosted its second Business Horizon Series program on September 28, 2011. Titled "Immigration & American Competitiveness: The Challenge Ahead," the program focused on how high-skilled immigration is important to our nation's economic recovery.



New York City Mayor Michael Bloomberg discussed the benefits of high-skilled immigration.

Tom Donohue, president and CEO of the U.S. Chamber of Commerce, opened the program with remarks on the immigration and employment challenges America faces. He said that what is needed is "a serious conversation about jobs and about what it takes to bring and keep jobs in this country and to develop jobs for our citizens and for our children. We need 20-plus million jobs in the next 10 years. But a terrible thing—when we get them, and we have those jobs, we can't fill them."



Tom Donohue, President and CEO of the U.S. Chamber of Commerce, spoke on the need for high-skilled immigration reform.

Indeed, there is a shortage of American professionals with the science, technology, engineering, and mathematics (STEM) skills that U.S. companies need to remain competitive. Further, our immigration system does not facilitate the integration of

be defined by adversity but, instead, advocacy. Further, according to Donohue, the immigration debate has to move beyond the misinformation that often overshadows the contributions that immigrants make to our nation's economy.



Alejandro Mayorkas, director, U.S. Citizenship and Immigration Services, Department of Homeland Security, reflected on the contribution of immigrants to America's prosperity.



Randy Johnson, senior vice president, Labor, Immigration & Employee Benefits, U.S. Chamber of Commerce, introduces New York City Mayor Michael Bloomberg for the keynote speech.

foreign-born professionals into the U.S. economy.

Alejandro Mayorkas, director of the U.S. Citizenship and Immigration Services (USCIS), followed Donohue and said that the American business community is an engine of prosperity that attracts the world's best and brightest to invest talent, skills, and ideas in our nation's economy.

Yet he acknowledged at the outset that the "need to reform our immigration system, to fully realize the contributions that immigrants can make to the growth and prosperity of the nation's economy ... and to understand the obstacles of our current laws when we seek to attract and retain talent in the world with ever-increasing competition from abroad."

Mayorkas called immigration a critical investment in America's long-term future. However, the divisive rhetoric about immigration is not only counterproductive in achieving reform, it also hinders collaboration and partnerships. The debate on immigration should not

IMMIGRATION REFORM

New York City Mayor Michael Bloomberg delivered the keynote address, emphasizing that the United States cannot spend or cut its way out of economic worry but must find a way to help businesses grow, spur innovation, and create jobs throughout the country. This, he said, means an open and honest conversation about immigration reform based on revenue and economic sense rather than on ideology.

"America is no longer the inevitable crossroads for enterprise and innovation," Bloomberg said. "The United States must compete like never before for talent. This is a competition we can win if we work at it, and we must if we are to remain a beacon for hope around the world."

Bloomberg offered several ideas for immigration reform. He suggested that U.S. visa distribution should be aligned with economic needs. Currently, only 15% of visas issued are for economic reasons; the rest are given for family reunification or refuge from harm. Mayorkas said that

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the statutory maximum of employment-based visas is 140,000, a number reached every year. Bloomberg said that not having more visas available for economic reasons is “terrible public policy” that is holding America back from realizing its full economic potential.

New York City Mayor Michael Bloomberg advocates for foreign students earning advanced degrees in technical fields to be granted a path towards permanent residency.

Bloomberg also stressed that those foreign students earning advanced degrees in technical fields should be eligible to work in the United States permanently. Currently, this is not the case.

“When they graduate, our immigration system has no permanent path designed for them. ... After a brief grace period to stay and work, our laws allow most of them only cumbersome, temporary visas and a long uncertain path to a green card, limited by a tangle of restrictive rules and quotas. Turning these students out of the country, to put it bluntly, is about the dumbest thing that we could possibly do.”

Immigrant entrepreneurs are critical to U.S. competitiveness and economic recovery. Those seeking to start a business in the United States should be embraced, rather than turned away. And as others in the program went on to explain, high-skilled immigrants do not shrink American job opportunities, they expand them.

A LIMITED POOL OF HIGH-SKILLED TALENT

Following the keynote address, Randy Johnson, senior vice president of the U.S. Chamber’s Labor, Immigration & Employee Benefits Division, moderated a panel of experts who discussed the importance of high-skilled immigration. The panelists included the following:

- Alfredo Quiñones-Hinojosa, M.D., Associate Professor of Neurological Surgery and Oncology Neuroscience and Cellular and Molecular Medicine, Director, Brain Tumor Surgery Program, Johns Hopkins Bayview Medical Center, and Director, Pituitary Surgery Program, Johns Hopkins
- Elizabeth C. Dickson, Manager of Global Immigration Services, Ingersoll Rand Company
- Pia Orrenius, Ph.D., Research Officer and Senior Economist, Federal Reserve Bank of Dallas



Left to right: Panelists Stephen Fleming, Robin Paulino, and Elizabeth C. Dickson speak to the Chamber audience.

- Robin Paulino, Senior Counsel, Global Migration, Microsoft
- Stephen Fleming, Vice Provost & Executive Director, Enterprise Innovation Institute, Georgia Institute of Technology

The discussion opened with comments from Elizabeth Dickson of the Ingersoll Rand Company and chair of the Chamber’s Immigration Subcommittee. Ingersoll Rand employs more than 3,000 engineers around the world and recruits students graduating with STEM degrees from top U.S. universities and colleges for highly specialized engineering positions. In Dickson’s experience, the pool of skilled talent has shrunk.

“We are not just competing with other U.S. companies,” she said. “We are competing on a global platform with other countries looking to attract the same talent that we’re trying to keep here.”

A stumbling block in the debate over comprehensive immigration reform, said Robin Paulino of Microsoft, is that people ask us how can we talk about a shortfall in talent when the unemployment rate hovers near double digits. In the United States, we face not only an unemployment problem but a skills problem as well.

“Finding the right talent isn’t as simple as substituting one person for another,” said Paulino. “For our business, it comes down to having the right technical skill set for our core technology jobs. ... But there is a serious shortage of U.S.

students with expertise in the fields we need.”

Dr. Alfredo Quiñones-Hinojosa from the Johns Hopkins Medical Center, himself an emigrant to the United States, said that while people come from around the world to take advantage of the U.S. education system, “we are failing to educate our natives.” “We have millions of people in our education system who are not being properly prepared to face the challenges of higher education,” he said.

For America’s businesses to remain competitive and innovative, they need access to the best professionals with STEM expertise. With fewer U.S. students attaining STEM degrees, however, the American business community has little choice but to look outside the U.S. population to fill technical positions.

Quiñones-Hinojosa offered an example. In his laboratory, immigrants (or children of immigrants) make up a significant number of his team of doctors, nurses, and scientists working on a cure for brain cancer. On his staff, 50% of the anesthesiologists are immigrants and the other 50% are first- or second-generation Americans. His neural monitoring team is entirely composed of immigrants, half his nurses are immigrants, and of his 23 residents training in the No. 1 neurosurgery program in the country, 60% were born in another country.

Increasingly, foreign professionals hold the STEM education and training that American students do not. The result is a private sector that is reliant on foreign talent to fill its ranks.

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Left to right: Panelists Pia Orrenius, Alfredo Quiñones-Hinojosa, Stephen Fleming speak out on high-skilled immigration.

HOW TO ATTRACT AND RETAIN THE WORLD'S BEST AND BRIGHTEST

An important long-term goal is to increase the number of American students graduating with STEM degrees. Yet the immediate need for professionals with these skills necessitates an immediate solution. For the panelists, this means fixing an immigration system that makes it extremely difficult for high-skilled professionals, including those educated in the United States, to gain residency and eventually citizenship.

“It’s a mistake not to allow an innovation economy to hire the best talent,” said Paulino. “We need to help keep our position as the global innovation leaders, and to do that, we need an immigration system that doesn’t work as a detriment to our innovation.”

Stephen Fleming works with students at the Georgia Institute of Technology. He said that the brilliant minds studying in the United States on student visas (18% of Georgia Tech’s total enrollment) want to continue working and living in this country after they graduate. “As a country, we have put up a lot of barriers,” said Fleming. “We’re making it very difficult for these bright kids to build careers in this country. ... We’re educating these kids, they want to start companies here, and we’re telling them to go home.”

The already small pool of STEM experts is reduced by an immigration system that makes it difficult for foreign professionals to join the American workforce. This has far-reaching impacts. Pia Orrenius from the Dallas Fed said that there is consensus among economists about

the benefits of high-skilled immigration. It is not just about filling the important high-skilled positions at U.S. companies.

“High-skilled immigrants can contribute to productivity growth,” Orrenius said, “And if you can contribute to productivity growth, then you can actually put the national economy on a higher growth path, which is not a one-time change in output but a continuous increase in input that is sustained over time.”

IMMIGRATION DRIVES JOB CREATION

The current immigration system costs U.S. companies access to the skilled professionals they need. In addition, it affects the American economy’s long-term trajectory. Paulino said that for every job created at Microsoft, 5.81 jobs were created elsewhere in Washington state’s economy (where Microsoft has its main campus and headquarters).

Fleming also spoke about the impact of high-skilled immigration on job creation. Over the last 25 years, he said, virtually all job growth in the United States has come from young companies (less than five years old). While immigrants are twice as likely as native-born Americans to start companies, as Bloomberg noted, the green card program does not recognize self-employment, meaning foreign professionals are greatly restricted in their ability to receive U.S. residence and start new companies.

“Jobs come from young companies. Immigrants start young companies, but our immigration policy does not encourage graduates to participate in job creation. Either get a job with a big company or go home. Those are your only two choices.”

Thus, America’s immigration policy actually hinders job growth—though there is a common misperception that foreign workers take jobs from U.S. citizens.

“Entrepreneurs don’t take jobs; they make jobs,” said Fleming. “We need to give those entrepreneurs a chance.”

The hard reality is that there are not enough U.S. students with the requisite skills to fill high-skilled positions. The limited number of U.S. employment-based visas granted annually sets America apart from the rest of the world and not in a positive way.

“The United States only sets aside 7% of its green cards for employment-based immigrants,” said Orrenius. “This compared to other OECD countries is a statistical outlier. We’ve filled the gap with temporary visas, but at the end of the day, you still end up with a dysfunctional green card program.”

Currently, the wait for a green card for some foreign workers is 10 years or more. While India, China, and other countries are growing their economies and fostering high-skilled immigration, the United States continues with policies and procedures that are outdated and ultimately undermine the nation’s economic competitiveness. For America to retain its competitive edge, it is an economic imperative for the nation to strategically address these conditions and improve its immigration policies.



The Chamber’s Randy Johnson moderates a panel on high-skilled immigration

“The benefits of high-skilled immigration are so well documented that it really is surprising to see U.S. immigration policy fall short of taking advantage of something that looks like a free lunch,” said Orrenius. “Economists say that there’s no such thing as a free lunch, but I think high-skilled immigration comes close.”

FOR MORE INFORMATION ON THESE ISSUES GO TO:

Partnership for a New American Economy
www.renewoureconomy.org

U.S. Chamber of Commerce
www.uschamber.com/issues/immigration



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