

REVIEW & OUTLOOK

## **American Brain Drain**

*November 30, 2007*

One myth dogging the immigration debate is that employers are fibbing (or grossly exaggerating) when they claim that hiring foreign professionals is unavoidable because U.S.-born Ph.D.s are hard to come by. But a new report on doctorates from U.S. universities shows they're telling the truth, and then some.

Foreign-born students holding temporary visas received 33% of all research doctorates awarded by U.S. universities in 2006, according to an annual survey by the National Opinion Research Center at the University of Chicago. That number has climbed from 25% in 2001. But more to the point of business competitiveness, foreign students comprised 44% of science and engineering doctorates last year.

"China was the country of origin for the largest number of non-U.S. doctorates in 2006," says the report, followed by India, Korea, Taiwan and Canada. "The percentage of doctorates earned by U.S. citizens ranged from lows of 32% in engineering and 47% in physical sciences, to highs of 87% in education and 78% in humanities." Given this reality, is it any wonder that 40% of Ph.D.s working in U.S. science and engineering occupations are foreign-born?

Immigration opponents still claim that the likes of Intel and Oracle merely want to hire Chinese engineers on the cheap. In fact, U.S. law already prohibits companies from paying these foreign nationals less than natives. And all other things being equal, the American job applicant has an advantage because employers are required to pay an additional \$4,000-\$6,000 in taxes and fees on every H-1B visa holder they hire.

A mere 65,000 H-1B visas for foreign professionals are allocated each year. And this year, as in the previous four, the quota was exhausted almost as soon as the applications became available in April. This effectively means that more than half of all foreign nationals who earned advanced degrees in math and science in 2007 have been shut out of the U.S. job market.

Economic protectionists oppose lifting the visa cap to meet demand. But it makes little sense for our universities to be educating these talented foreign students, only to send them packing after graduation. Current policies have MIT and Stanford educating the next generation of innovators -- and then deporting them to create wealth elsewhere.

Closing the door to foreign professionals puts U.S. companies at a competitive disadvantage and pushes jobs out of the country. Worse, it does so at a time when other nations are rolling out the welcome mat. Earlier this year Microsoft, which is the third-largest sponsor of H-1B visas, announced plans to open a new software development center near Vancouver. The decision to locate the facility in Canada was based in part on the fact that it doesn't have access to enough foreign workers state-side.

"We currently do 85% of our development work in the U.S., and we'd like to continue doing that," says Jack Krumholtz, the company's director of government affairs. "But if we can't hire the developers we need, . . . we're going to have to look to other options to get the work done." Meanwhile, the European Union recently introduced its own new temporary work visa that's designed to reduce red tape and waiting periods for foreign professionals.

If the U.S. spurns this human capital, it will find a home somewhere else. And that will be America's loss.