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Written Testimony of Jeremy Neufeld
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"Keeping our Promises: Labor Inflows, Maintaining Competitiveness, and Supporting an Aging Population"

Chairman Schweikert, Ranking Member Hassan and members of the committee: Good afternoon and thank you for the opportunity to appear before this committee today. I am Jeremy Neufeld, Director of Immigration Policy at IFP, a nonpartisan research organization focused on innovation policy. IFP is dedicated to accelerating scientific, technological, and economic progress. My research focuses on policies that could make the United States more competitive by recruiting and retaining the world's top talent.

The central thesis of my testimony is this: America's ability to attract the world's leading minds has long been our huge advantage. We can no longer take this advantage for granted.

I. The Promise of High-Skilled Immigration

The United States makes up only 4% of the world's population. So if talent is in any way distributed around the globe, only a small fraction of the world's best minds would be born here. But we have never settled for the luck of the draw. Instead, we are an economic, scientific, and technological powerhouse because we recruit top talent from everywhere. We draw the world's best scientists, engineers, and entrepreneurs to the world's best institutions and let them do what they do best.

The results speak for themselves. Immigrants make up about 16% of the U.S. population but:

- Immigrants are responsible for 32% of total innovation since 1976.[1]
- Immigrants win 40% of our Nobel Prizes in science.[2]
- Immigrants founded 55% of America's billion-dollar startups[3] and 60% of America's top AI startups.[4]

Two stories illustrate what is at stake better than any statistic.

Katalin Karikó came to the United States from Hungary in 1985 and spent decades at American universities developing the mRNA technology that became the basis for the COVID-19 vaccines produced under Operation Warp Speed. She arrived before the United States capped H-1B visas in 1990 and before rules adopted in 1998 that would likely have barred her entry. mRNA vaccine technology was developed here because she was here.

For every success story like Karikó's, there are many more stories of lost opportunities. Erdal Arikan is a Turkish scientist who trained at Caltech and MIT. Arikan wanted to stay in the United States but could not secure a green card. He returned home, where his breakthrough on polar codes became the foundation of Chinese 5G dominance.[5] Had he moved to the US with the system in place when Karikó arrived, he would be an American citizen today and the US the leader in 5G.

High-skilled immigration policy from three decades ago helped produce a biomedical revolution. More recent policy inadvertently exported 5G to Shenzhen. Our immigration policies give us the power to determine whether our country is home to the next generation of breakthroughs — or whether our adversaries are.

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[1] Shai Bernstein, Rebecca Diamond, Abhisit Jiranaphawiboon, Timothy McQuade, and Beatriz Pousada, "The Contribution of High-Skilled Immigrants to Innovation in the United States," NBER Working Paper No. 30797 (December 2022), https://doi.org/10.3386/w30797.
[2] Stuart Anderson, "Immigrants and Nobel Prizes: 1901–2025," National Foundation for American Policy, October 2025, https://nfap.com/wp-content/uploads/2025/10/Immigrants-and-Nobel-Prizes.DAY-OF-RELEASE.Oct-2025.pdf.
[3] Stuart Anderson, "Immigrant Entrepreneurs and U.S. Billion-Dollar Companies," National Foundation for American Policy, July 2022, https://nfap.com/wp-content/uploads/2022/07/2022-BILLION-DOLLAR-STARTUPS.NFAP-Policy-Brief.2022.pdf.
[4] Jeremy Neufeld and Lindsay Milliken, "Most of America's Top AI Companies Were Founded by Immigrants," Institute for Progress, April 16, 2025, https://ifp.org/most-of-americas-top-ai-companies-were-founded-by-immigrants/.
[5] Graham Allison and Eric Schmidt, "The U.S. Needs a Million Talents Program to Retain Technology Leadership," Foreign Policy, July 16, 2022, https://foreignpolicy.com/2022/07/16/immigration-us-technology-companies-work-visas-china-talent-competition-universities/.

II. International Education Is America's Front Door for Top Talent

Our universities are the front door for the world's best talent coming to the United States. As one National Academies committee chair put it in 2024: "The United States has a talent recruitment program. It's called graduate school."[6]

The data make clear why. Of the immigrants who founded high-potential startups backed by venture capital, 75% came to the United States first as international students.[7] Over 70% of immigrant founders of top US-based AI startups first came to the United States on student visas.[8] America's visas for foreign-born skilled workers, mainly H-1Bs and employment-based green cards, function primarily as *retention* tools for people already here. The recruitment happens at the university.

The *typical* pathway of a high-skilled immigrant is through the front door of international education, then onto a temporary work visa, and finally to permanent residence. This front door is not the only pathway for high-skilled immigrants, but it is both the largest and one of the most valuable. High-skilled workers who first entered on student visas are more innovative and entrepreneurial than high-skilled immigrants who first came in another way.[9] They also are more highly compensated when they secure H-1Bs than other H-1B beneficiaries.[10]

The path a high-skilled immigrant typically walks runs through three gates: an international student visa, then a temporary work visa, then permanent residence. Think of it as a funnel, wide at the top, with each step narrowing the passage.

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[6] Mark Barteau, quoted in Nell Gluckman, "Trump Policies Could Send International Talent Elsewhere, Hobbling U.S. Science," The Chronicle of Higher Education, March 25, 2025, https://www.chronicle.com/article/trump-policies-could-send-international-talent-elsewhere-hobbling-u-s-science.

[7] Natee Amornsiripanitch, Paul A. Gompers, George Hu, and Kaushik Vasudevan, "Getting Schooled: Universities and VC-Backed Immigrant Entrepreneurs," Research Policy 52, no. 7 (2023), https://doi.org/10.1016/j.respol.2023.104796.

[8] Tina Huang, Zachary Arnold, and Remco Zwetsloot, "Most of America's 'Most Promising' AI Startups Have Immigrant Founders," Center for Security and Emerging Technology, October 2020, https://doi.org/10.51593/20200065.

[9] Jennifer Hunt, "Which immigrants are most innovative and entrepreneurial? Distinctions by entry visa." Journal of Labor Economics 29(3), 2011: 417-457 and Natee Amornsiripanitch, Paul A. Gompers, George Hu, and Kaushik Vasudevan, "Getting schooled: Universities and VC-backed immigrant entrepreneurs," Research Policy 52, no. 7 (2023): 104782.

[10] Jeremy Neufeld, "The Wage Level Mirage," Institute for Progress, September 25, 2025, https://ifp.org/the-wage-level-mirage/.

Step 1: The F-1 student visa. The F-1 visa is the widest opening in the funnel, with approximately 350,000 to 400,000 new first-time active international students admitted each year.[11]

Step 2: Optional Practical Training (OPT). Upon graduation, F-1 students can apply for OPT, which provides one year of work authorization or three years for STEM graduates. OPT is the critical bridge that keeps international graduates in the U.S. workforce long enough to find an employer willing to sponsor them. 54% of F-1 graduates enter OPT while most of the rest return home without ever entering the U.S. workforce.[12] Among STEM graduates the retention rate is higher: 64% enter the U.S. workforce immediately after graduation through OPT.[13]

Step 3: The H-1B. For graduates who want to stay beyond their OPT period, the H-1B is the primary pathway. Of STEM OPT participants, 52% eventually transition to an H-1B.[14] This is about one in four international graduates.

Step 4: The green card. Permanent residency is the final step and the most constrained. Only about 120,000 employment-based green cards are issued each year.[15] Because spouses and children of the principal beneficiary also count against the cap, fewer than half of those green cards go to the skilled workers themselves.

III. High-Skilled Immigration Is an Afterthought in the U.S. System

Despite its being a pillar of U.S. innovation, high-skilled immigration remains an afterthought in the U.S. immigration system. Only about 7% of the roughly one million green cards issued each year go to people on the basis of their skills or job offers.[16] The OECD average for employment-based admissions, by contrast, exceeds 45% of

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[11] Michael A. Clemens, Jeremy Neufeld, and Amy M. Nice, "Brain Freeze: How International Student Exclusion Will Shape the STEM Workforce and Economic Growth in the United States," working paper commissioned for the "Reimagining STEMM Graduate Education and Postdoctoral Career Development" Summit, National Academies of Sciences, Engineering, and Medicine, October 2025, 10, https://nap.nationalacademies.org/resource/29283/BrainFreeze_Working_Paper_Clemens-Neufeld-Nice.pdf.
[12] Ibid.
[13] Ibid.
[14] Ibid.
[15] Ibid.
[16] Jeremy Neufeld, "Aligning High-Skilled Immigration Policy with National Strategy," Aspen Institute Economic Strategy Group, October 22, 2025, https://www.economicstrategygroup.org/wp-content/uploads/2025/10/Neufeld-AESG-1.pdf.

permanent residents.[17] The caps governing this small slice of immigration were set in 1990 and have barely moved since. The immigration system is failing to keep the US competitive for talent in four areas.

The system is failing at selectivity. The immigration system imposes tight numerical limits without effective mechanisms for choosing who gets in. Employment-based green cards are issued on a first-come, first-served basis. H-1Bs are awarded by lottery. In 2025, employers registered more than 358,000 H-1Bs for 85,000 slots.[18] They were allocated not by merit but by chance.

This has meant employers who care about high-quality matches for top candidates cannot rely on the program, while outsourcing companies who simply want as many visas as possible can take advantage of the lack of an effective selection mechanism.

Under a new regulation promulgated last year, this year's lottery will be the first in which the lottery will be weighted to give more weight to more experienced, senior workers, putting international graduates (including OPT participants) at a relative disadvantage while outsourcers (who typically sponsor older, mid-career workers) are put at a relative advantage.[19]

Recruitment is stalling. The share of F-1 students requesting another visa status to stay in the United States after their F-1 peaked at 22% in 2007 and has been falling since.[20] These are long-running trends, now compounded by new policy uncertainty. New international enrollment at U.S. universities declined 17% last year.[21]

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[17] Jeremy Neufeld, "How Immigration Powers American Progress," Institute for Progress, February 8, 2022, https://ifp.org/immigration-powers-american-progress/.
[18] U.S. Citizenship and Immigration Services, "H-1B Electronic Registration Process." https://www.uscis.gov/working-in-the-united-states/temporary-workers/h-1b-specialty-occupations/h-1b-electronic-registration-process.
[19] Jeremy Neufeld, "The 'Wage Level' Mirage: How DHS's H-1B Proposal Could Help Outsourcers and Hurt US-Trained Talent," Institute for Progress, September 24, 2025, https://ifp.org/the-wage-level-mirage/.
[20] Jeremy Neufeld and Divyansh Kaushik, "International Talent Flows to the United States," commissioned paper for the National Academies of Sciences, Engineering, and Medicine, *International Talent Programs in the Changing Global Environment* (Washington, DC: The National Academies Press, 2024), 22, https://nap.nationalacademies.org/resource/27787/Neufeld_and_Kaushik_ITP_Commissioned_Paper.pdf.
[21] Institute of International Education, "Fall 2025 Snapshot on International Student Enrollment," Open Doors, November 17, 2025, https://opendoorsdata.org/annual-release/fall-2025-snapshot/.

Furthermore, the new $100,000 fee on the entry of new H-1B workers has undermined international recruitment of scientists, researchers, and physicians at universities, research hospitals, and US national laboratories (although it has not negatively affected the front door pipeline because it does not apply to those changing status from student visas). From 2017-2022, cap-exempt organizations recruited 14,000 PhDs and 5,000 physicians from abroad (i.e., were not requesting a change of status from within the United States), who would likely have been blocked had the fee been in place.[22]

Retention is faltering. The green card backlog now exceeds one million approved-but-unissued petitions, and it is growing without end in sight. Each additional year of green card wait time reduces the retention rate of a new Ph.D. by more than 5 percentage points.[23]

The immigration system is squandering the potential of the immigrants it does recruit. Visa restrictions also distort the career choices of foreign-born workers already in the country. Because universities are exempt from H-1B caps, researchers increasingly find themselves trapped in academic positions to maintain visa stability, a career allocation driven by immigration constraints rather than talent or preference.[24] Only 7% of foreign-born Ph.D.s work at startups in R&D roles, compared to 16% of their U.S.-born peers.[25] The country is training talent it then locks out of its most dynamic sectors.

America has benefitted enormously from the innovative potential of high-skilled immigrants despite having an immigration system that is overwhelmingly tilted away from explicit selection based on skills and talent. Imagine if we tried to get it right.

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[22] U.S. Citizenship and Immigration Services, I-129 petition microdata for cap-subject H-1B petitions, FY 2017–2022, obtained via Freedom of Information Act request by IFP, available at https://ifp.org/h1b/.
[23] Pooja Khosla, "Wait Time for Permanent Residency and the Retention of Immigrant Doctoral Recipients in the U.S.," Economic Analysis and Policy 57 (March 2018): 33–43, https://doi.org/10.1016/j.eap.2017.11.002.
[24] Catalina Amuedo-Dorantes and Delia Furtado, "Settling for Academia? H-1B Visas and the Career Choices of International Students in the United States," *Journal of Human Resources* 54, no. 2 (2019): 401–429. See also Jiyeon Kim, "The Effects of Green Cards on the Wages and Innovations of New PhDs," working paper, https://english.ckgsb.edu.cn/sites/default/files/greencard2.pdf.
[25] Michael Roach and John Skrentny, "Why Foreign STEM PhDs Are Unlikely to Work for US Technology Startups," *Proceedings of the National Academy of Sciences* 116, no. 34 (August 20, 2019): 16805–16810, https://doi.org/10.1073/pnas.1820079116.

IV. China views US complacency about high-skilled immigration as an opportunity

America's complacency is not going unnoticed. A white paper by a Chinese state-run think tank concluded that U.S. immigration policy has "provided China opportunities to bolster its ranks of high-end talent."[26] China is taking those opportunities seriously.

Beijing has moved aggressively to reverse its brain drain. Its flagship effort, the Thousand Talents Plan, recruited top researchers, mostly returnees from abroad. After U.S. officials identified espionage concerns and arrested affiliated participants, China quietly restructured the program under the name Qiming.

Having succeeded in attracting returnees, China has now set its sights on global talent with no Chinese origins at all. In 2021, President Xi told the Central Committee that China aims to compete with the United States for global talent by 2035, and Chinese leadership has explicitly acknowledged that U.S. immigration reform could threaten that goal.[27] Last week, on March 12th, the National People's Congress adopted its 15th Five Year Plan, whose public outline includes the creation of a high-tech talent immigration system designed to attract world-class researchers.[28]

V. Recommendations

The immigration system can be changed to better recruit top talent poised to contribute to the United States. The United States has done this before, building the atom bomb and winning the space race by recruiting the world's best minds and integrating them into the world's best institutions. Here is what a renewed effort would look like:

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[26] Remco Zwetsloot, *Winning the Tech Talent Competition: Without STEM Immigration Reforms, the United States Will Not Stay ahead of China* (Washington, DC: Center for Strategic and International Studies, October 2021), https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/211028_Zwetsloot_Talent_Competition.pdf.

[27] Xi Jinping, remarks at the Central Talent Work Conference, Beijing, September 28, 2021, reported in "Xi Calls for Accelerating Building of World Center for Talent, Innovation," Xinhua, September 28, 2021, https://english.www.gov.cn/news/topnews/202109/29/content_WS6153c339c6d0df57f98e108d.html.

[28] State Council of the People's Republic of China, *Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China (2026–2030)* (中华人民共和国国民经济和社会发展第十五个五年规划纲要), adopted by the National People's Congress, March 12, 2026, published March 13, 2026, https://www.news.cn/politics/20260313/085af5de5a4b4268aa7d87d90817df2f/c.html

Turn the H-1B into a true merit-based visa. The H-1B is currently America's flagship work visa for college graduates, but it is simultaneously the pathway for employers to sponsor high-skilled workers bringing valuable and rare skills and a pathway for outsourcers and other employers to bring workers with middling talents and middling pay. This is because visas are not awarded to the workers who are likely to contribute most to America. Until this year, the H-1B was awarded at random. Now, it is a weighted lottery that puts more weight on seniority and experience within an occupation, but that gives equal weight to all occupations. This means that a mid-career acupuncturist making $68,000 is preferred to an early-career pediatric surgeon making $260,000.[29] Simulations using USCIS data show that awarding H-1Bs by compensation rather than lottery would increase the program's economic value by 88% over ten years, adding more than $1 trillion in additional total output, without issuing a single additional visa.[30]

Launch a proactive Office of Talent Assessment to manage a US talent program. The United States needs a systematic approach to identifying and recruiting the world's top foreign scientific and technical talent in fields critical to national defense. The first step is building a comprehensive picture of the global talent landscape and pinpointing the researchers best positioned to strengthen U.S. technological leadership. Congress should authorize an Office of Talent Assessment to lead this work. The office would bring together talent identification efforts across the government, coordinate with the intelligence community to identify and vet targets, and develop and test new methods for evaluating talent. A small set aside of 80 green cards per year would allow the top vetted targets to be recruited. Green cards should also be made available for their families to increase the likelihood of a successful recruitment.[31]

Create a conditional green card program for vetted nationals from allied countries working in critical fields. As recommended by the bipartisan House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party, foreign nationals from Five Eyes, Quad, and select NATO partner countries with backgrounds in critical and emerging technology should be able to work on projects funded by the Department of Defense and other national security agencies through a

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[29] Jeremy Neufeld, comment on "Weighted Selection Process for Registrants and Petitioners Seeking to File Cap-Subject H-1B Petitions," DHS Docket No. USCIS-2025-0040, October 24, 2025, https://ifp.org/wp-content/uploads/IFP-H1B-Selection-Comment.pdf.
[30] Jeremy Neufeld, "Talent Recruitment Roulette: Replacing the H-1B Lottery," Institute for Progress, January 17, 2025, https://ifp.org/h1b/.
[31] Jeremy Neufeld, "Launching Project Paperclip 2.0 to Recruit Top Scientists," *The Techno-Industrial Policy Playbook*, rebuilding.tech, https://www.rebuilding.tech/posts/launching-project-paperclip-2-0-to-recruit-top-scientists.

dedicated visa program. All applicants would be subject to rigorous vetting, including screening by the intelligence community. Additionally, Five Eyes nationals who have been properly vetted and are working on AUKUS or other joint defense projects should be exempt from U.S. technology-sharing restrictions, including those imposed by the International Traffic in Arms Regulations (ITAR).[32]

Authorize new green card numbers for exceptional talent, awarded on the basis of merit. Congress should authorize a new, limited pool of green cards awarded purely on merit, allocated to the highest-compensated qualifying applicants. Compensation is the right anchor for a merit-based system because it is observable, objective, and hard to game, unlike credential-based criteria that invite degree mills and over-credentialing. A high salary threshold also serves as a natural filter for genuine exceptional talent, capturing those whose skills command a market premium precisely because they are scarce and valuable. The goal is not a large new immigration program but a targeted one: a modest number of additional green cards each year reserved for the people whose contributions to American innovation and competitiveness are clearest and most immediate.

Conclusion

The United States has always been the world's talent magnet. But it will take proactive steps to make sure we maximize the benefits of this advantage.

America should be the unambiguous first choice for the world's best scientists, engineers, and founders. With better policies, the next generation of top talent would not have to fight an immigration system that seems designed to block them at every step. Instead, we should identify the world's top talent, bring them here, and integrate them into the best scientific institutions and most dynamic economy on earth. A proactive approach to immigration policy can ensure that the breakthroughs that define the next century happen here, and not elsewhere — because we decided they would.

[32] U.S. House Select Committee on Strategic Competition between the United States and the Chinese Communist Party, *Reset, Prevent, Build: A Strategy to Win America's Economic Competition with the Chinese Communist Party*, 118th Cong. (December 2023), recommendation 1 under "Talent and Immigration," https://selectcommitteeontheccp.house.gov.