

H-1b: Foreign citizens make up nearly three-quarters of Silicon Valley tech workforce, report says

With the debate over immigration to the U.S. as fiery as ever, a new analysis suggests that Silicon Valley would be lost without foreign-born technology workers.

About 71 percent of tech employees in the Valley are foreign born, compared to around 50 percent in the San Francisco-Oakland-Hayward region, according to a new report based on 2016 census data.

Immigrant techies tend to go to “the center of the action,” Seattle venture capitalist S. “Soma” Somasegar told the Seattle Times.

And Silicon Valley remains the “center of the tech universe,” according to the newspaper.

Beyond personal preferences, and the sheer number of companies in areas such as Silicon Valley and fast-growing Seattle, the financial resources of major technology firms also play a role in bringing in immigrants, the Seattle Times reported Wednesday.

and UC San Francisco have been accused of abusing the visa program by using it as a tool to outsource Americans’ jobs to workers from far-away lands.

Although 2016 data released by the federal government last year showed that outsourcing companies — mostly from India — raked in the bulk of H-1B visas, Google took more than 2,500 and Apple took nearly 2,000 to hire foreign workers, about 60 percent of them holding master’s degrees.

Large companies, the Seattle Times pointed out, are better equipped to bring in workers under the H-1B.

“The H1-B process is not just complicated — it’s also quite expensive to sponsor an H1-B visa worker, a cost larger companies may be more willing to absorb,” the paper reported.

Legal blog UpCounsel puts the cost of the H-1B process at \$10,000 to \$11,000 per employee.

The Seattle Times did not include in its report a breakdown for Silicon Valley of how many foreign-born tech workers are U.S. citizens, versus visa holders. But the paper’s research indicated that 63 percent of Seattle’s foreign-born tech workers were not American citizens.

Backlash against the H-1B visa has been one part of the furor over U.S. immigration policies that has grown since President Donald Trump began campaigning for the presidency on an anti-immigrant platform. Fissures have widened in public opinion over Trump’s so-called “Muslim ban” on immigrants from Muslim-majority countries, over the admission of refugees, and over the unresolved fate of DACA, the program that has let millions of foreign citizens — brought to the U.S. illegally as children — remain in the country.

Many foreign tech workers are employed under the controversial H-1B visa — intended for specialty occupations — which has become a flashpoint in the U.S. cage fight over immigration, with opponents claiming it lets foreigners steal American jobs. Several companies



UNEMPLOYMENT	Region	Percentage Point Change				
		December 2016	November 2017	December 2017	Percentage Point Change	
					1 month	12 months
	San José–Sunnyvale MSA	3.4%	2.7%	2.7%	0.0	- 0.7
	San Francisco MD	2.8%	2.2%	2.2%	0.0	- 0.6
	California	5.0%	4.0%	4.2%	+ 0.2	- 1.0
	United States	4.5%	3.9%	3.9%	0.0	- 0.6

INDUSTRY EMPLOYMENT	Sector — December 2017	Employment			Percentage Change (Combined Region)	
		San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
					1 month	12 months
	Total Nonfarm	1,116,200	1,137,600	2,253,800	+ 0.4%	+ 2.0%
	Construction	50,100	43,400	93,500	+ 0.3%	+ 5.5%
	Manufacturing	169,000	38,100	207,100	+ 0.3%	+ 2.8%
	Retail Trade	91,400	84,600	176,000	+ 0.7%	- 1.0%
	Information	80,000	74,400	154,400	+ 0.2%	+ 3.5%
	Professional & Business Services	230,400	273,700	504,100	- 0.4%	- 0.1%
	Educational Services	47,200	29,900	77,100	- 0.3%	+ 3.1%
	Health Care & Social Assistance	126,800	110,900	237,700	+ 1.1%	+ 5.3%
	Leisure & Hospitality	109,200	146,900	256,100	+ 1.4%	+ 6.2%
	Government	99,200	131,500	230,700	0.0%	+ 1.3%

NOTE: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties
San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

LABOR FORCE & ANNUAL CHANGE	Labor Force by NOVA Jurisdiction — Santa Clara County (partial) + San Mateo County (complete)									
	Labor Force			Unemployment			Unemployment Rate			
	December 2016	December 2017	Change	December 2016	December 2017	Change	December 2016	December 2017	Change	
	• San Mateo County	451,500	457,000	+ 1.2%	12,000	9,600	- 20.0%	2.7%	2.1%	- 0.6
	• Santa Clara County	1,030,800	1,045,100	+ 1.4%	34,300	27,300	- 20.4%	3.3%	2.6%	- 0.7
	Cupertino	29,500	29,900	+ 1.4%	800	600	- 25.0%	2.7%	2.1%	- 0.6
	Los Altos	14,600	14,800	+ 1.4%	300	300	0.0%	2.2%	1.7%	- 0.5
	Milpitas	41,000	41,600	+ 1.5%	1,300	1,000	- 23.1%	3.1%	2.5%	- 0.6
	Mountain View	50,400	51,200	+ 1.6%	1,300	1,000	- 23.1%	2.5%	2.0%	- 0.5
	Palo Alto	35,300	35,900	+ 1.7%	800	600	- 25.0%	2.3%	1.8%	- 0.5
	Santa Clara	69,100	70,100	+ 1.4%	2,100	1,600	- 23.8%	3.0%	2.4%	- 0.6
	Sunnyvale	86,300	87,500	+ 1.4%	2,600	2,100	- 19.2%	3.0%	2.3%	- 0.7
	NOVA Region	777,700	788,000	+ 1.3%	21,200	16,800	- 20.8%	2.7%	2.1%	- 0.6

NOTE: NOVA Region consists of seven cities in Northern Santa Clara County and the entirety of San Mateo County

Source: California Employment Development Department, LMID

REGIONAL LAYOFF ACTIVITY	December 2017 Events			WARN SUMMARY	
	Company	Location	# Affected	Events YTD [†] :	35
	Architectural Lighting Works	Redwood City	49	Individuals Affected YTD:	2,453
Diodes, Inc.	Milpitas	13	Individuals Previous YTD [‡] :	2,737	
Graphic Packaging International	Santa Clara	127			
Hemming Morse	San Mateo	30			
ItsOn	Redwood City	68			
Juniper Networks	Sunnyvale	123			
Marvell Semiconductor	Santa Clara	5			
Nokia	Sunnyvale	72			
Symantec	Mountain View	23			
Yes Video	Santa Clara	99			
	Total		609		

WARN SUMMARY

Events YTD[†]: 35
Individuals Affected YTD: 2,453
Individuals Previous YTD[‡]: 2,737

* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)

† **YTD: Year to Date** (Program year: July 1–Present)

‡ **Previous YTD:** (Same date range as YTD, one year prior)

NOTE: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database