

Study: Skilled immigrants boost US innovation

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A study published in the latest issue of the *Journal of Labor Economics* finds that highly skilled temporary immigrants boost technological innovation in the U.S. without displacing U.S.-born workers in the process.

The study, by William Kerr of the Harvard Business School and William Lincoln of the University of Michigan, looked at fluctuations over the last 15 years in the number of immigrants admitted to the U.S. under the H-1B visa program, which governs immigration of highly skilled temporary workers. The researchers found that when more H-1B visas are granted, the number of U.S. [patent applications](#) filed by people with Chinese and Indian names increased substantially in cities and firms dependent upon the program. Much of that increase can be attributed to H-1B [immigrants](#).

Meanwhile, the number of applications filed by people with Anglo-Saxon names—a proxy for U.S.-born workers—did not vary with [fluctuations](#) in H-1B admissions.

"We conclude that total invention increased with higher [H-1B] admissions primarily through the direct contributions of immigrant inventors," the authors write. "We are also able to rule out displacement [of native workers]."

The study used data gathered from 1995 to 2008. Patent applications do not record inventors' nationalities, so the researchers used an [algorithm](#)

to determine probable nationalities based on the inventors' names. They then compared those data with the number of H-1B visas granted in a given year. The number of visas fluctuated widely over the study period, due to changes in a government-mandated cap on the program. At its lowest, visas were capped at 65,000 per year, and peaked at 195,000.

"This study quantifies the impact of changes in H-1B admission levels on the pace and character of U.S. invention . . .," the authors write. "We hope that this assessment aids policy makers in their current decisions about appropriate admission rates in the future."

More information: William R. Kerr and William F. Lincoln, "The Supply Side of Innovation: H-1B Visa Reforms and U.S. Ethnic Invention." *Journal of Labor Economics* 28:3 (July 2010).

Provided by University of Chicago

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