



IMMIGRATION TRENDS REPORT
2022



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FOREWORD

Alex Nowrasteh
Director of Economic
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Cato Institute



One of the most exceptional features of the United States is our historical openness to immigrants. They are attracted here for opportunity, freedom, and safety. But more so than in other countries with a strong immigration tradition, immigrants and their descendants integrate into our society and economy, contribute mightily to our prosperity, and become Americans in every sense of the word. We see this again and again throughout our history from French refugees fleeing the French Revolution in the 18th century to Irish immigrants leaving the potato blight in the mid-19th century, Jews escaping the pogroms of Eastern Europe before World War I, and those fleeing fascism, communism, Islamism, and other totalitarian governments in the 20th and 21st centuries.

Although America has been a beacon of hope, freedom, and opportunity for the immigrants, we shouldn't view immigration as charity or a purely humanitarian action that Americans undertake for the sake of foreigners. We should view immigration as a mutually beneficial and voluntary exchange between Americans and aspiring Americans. Immigrants helped build the free and prosperous country that we enjoy today. Immigrants are twice as likely to start a business as native-born Americans are, according to research from the Kauffman Foundation. Immigrants are more likely to work with labor force participation rates consistently above those of native-born Americans.

Rather than just selecting on skill or family relations, the United States selects immigrants based on motivation to succeed in a new land. Those who are willing to take that uncomfortable risk and succeed, or sometimes even fail, are the ones who are attracted to our shores. Americans want to work with immigrants, sell them goods and services, and hire them in large numbers. Unfortunately, public policy has not kept up with the American demand for immigrants.

Currently, there are about 11 million job openings in the United States and record flows of unauthorized immigrants trying to gain access to our labor markets. Compared to the developing world, wages for the median high school graduate are about 4-times higher in the United States even after adjusting for the higher cost of living here. The U.S. immigration system is just not open enough to fuel the American economy anymore nor is it large enough to divert unauthorized immigrants onto visas that would allow them to live and work with legal certainty – and that's before the legal immigration system was devastated by the COVID-19 pandemic.

The 2022 Immigration Trends Report is an illuminating report that exposes the problems and promises of our immigration system. It is a must-read resource for those seeking to understand the state of immigration in the United States, how private enterprise is adapting to new immigration challenges, and what problems are on the horizon.

INTRODUCTION FROM OUR CEO

Richard Burke
CEO and President
Envoy Global



Every day at Envoy, we experience how vital foreign talent is to the success of employers. In our previous Immigration Trends Reports, we have conveyed how the strength of this sentiment withstood challenges as dramatic as the Trump administration and as unexpected as COVID. This year, we specifically spotlight a persistent – but rapidly encroaching – challenge for employers: the bleak consequences of dwindling access to foreign talent in the U.S.

We surveyed over 300 HR professionals across the country and found that demand for foreign talent is at an all-time high in the wake of a severe labor shortage. Yet, the flow of accessible foreign talent to the U.S. remains obstructed by enduring regulatory barriers imposed by the federal government. In our report, we explore how employers are reacting to the constricting access to foreign talent along with other pressing challenges.

Recently, the rapidly increasing demand for foreign talent was highlighted in this year's H-1B lottery. There was a drastic 56% increase in registrations from employers. With the yearly allotment of H-1B visas capped, nearly 400,000 foreign nationals will be unable to secure a visa to work for the company in need of their talent. On top of this dilemma, our report illustrates the consequences of a declining flow of foreign students coming to the U.S. Historically, employers could rely on hiring from a large pool of educated foreign graduates and then retaining them through H-1B sponsorship. This key facet of talent sourcing for employers is now at risk of withering.

These trends are damaging not just for employers who rely on foreign talent, but for the entire country which benefits immensely from immigration. Facing an unparalleled labor crisis, the restricted ability of U.S. employers to hire and retain foreign talent significantly stifles opportunities for economic growth.¹

Despite the decreasing access to foreign talent, employers have reason to be optimistic. In the past year, we saw the Biden administration take action to relieve some of the pressures placed on the U.S. immigration system. The government has also taken successful initial steps to digitize key facets of the immigration process, such as the H-1B electronic registration system, which in its third year, saved employers and foreign nationals time and money.

Nevertheless, the need for essential reforms to increase the efficiency and capacity of the U.S. immigration system remains. As spotlighted in our report, the lack of reform, combined with increased competition for foreign talent, is already causing the U.S. to lose valuable talent to countries with more favorable immigration policies.

We release this year's report with the hopes that it will allow HR managers, talent acquisition teams, CHROs and CEOs alike to benchmark and strengthen their immigration and mobility strategies. We look forward to hearing your own thoughts and experiences and stand by ready to help your organization succeed.

A handwritten signature in dark purple ink that reads "Richard W. Burke". The signature is written in a cursive, flowing style.

KEY TAKEAWAYS

1 Employer demand for foreign talent remains high, but declining levels of immigration to the U.S., combined with restrictive visa caps and stalled government reforms, may diminish employer access to key sources of foreign talent in the U.S. and lead to more outsourcing of work abroad.

As seen in previous Immigration Trends Reports, employers continue to express a high demand to sponsor foreign talent for U.S. roles in this year's survey. Fifty percent of respondents said they expect their company's foreign national headcount to somewhat increase (37%) or significantly increase (13%) in the next year versus only 15% indicating they expect any decrease. (Figure 1)

The relative importance of sourcing foreign national employees in employers' overall talent acquisition strategy also remains high, with 55% of respondents indicating that sourcing foreign talent is very important (36%) or extremely important (19%) to meeting their goals for candidate recruitment. (Figure 5) To acquire this talent, employers continue to primarily target recent foreign national graduates and foreign national students attending U.S.-based universities and graduate schools. In the next year, employer reliance on recruiting foreign talent from universities will continue, as 40% of respondents expect to become more reliant on universities and exchange programs as sources of talent through F-1 and J-1 visas. (Figure 8)

While employer demand for foreign talent trends upwards, the supply coming to the U.S. is consistently trending downwards. An important stream of foreign talent to the U.S. comes from students on F-1 visas. However, there has been a gradual decrease of foreign students coming to the U.S. to attend universities. According to the U.S. State Department, about 644,000 foreign students were issued F-1 visas in 2015², but only about 358,000 visas were issued in 2021. Given that foreign graduates with F-1 status are eligible for up to one to three years of employment eligibility through OPT and STEM OPT programs, the decrease in foreign students coming to the U.S. means employers will encounter a smaller pool of foreign graduates to hire. This decrease, combined with a significant deceleration of overall immigration to the U.S., presents concerning shifts for employers already stifled by the restrictive cap on H-1B visas and the excessive backlog for employment-based green cards.



2 After nearly two years of variability due to pandemic-related border closures, green card sponsorship is stabilizing and remains a key strategy for employers to retain foreign talent.

Significant changes to the visa bulletin, combined with pandemic-related uncertainty, caused variability in employers sponsoring foreign national employees for green cards in the past two years. However, this year's survey indicates that employers are returning to implementing green card policies focused on retaining foreign national employees.

When given a selection of options and asked in what ways their company changed its green card policy over the past year, 22% of respondents said they are now starting the green card process sooner, and 16% said they are sponsoring more green cards. Fifteen percent of respondents said they started sponsoring green cards for the first time in the past year. As employers focus more on green card sponsorship as a strategy to retain foreign talent, it is becoming a larger part of their immigration program's budget, with 19% of respondents indicating that their company paid more for the green card process over the past year. (Figure 10)

While employers that are expanding their green card sponsorships are doing so in an effort to retain foreign talent, the employers that are scaling down their green card programs are reacting to outside factors aside from their need for foreign talent.

A small portion of respondents to our survey indicated that their company is sponsoring fewer green cards (13%) or no longer sponsoring green cards (4%). (Figure 10) When this group of respondents was asked why their company made these changes, the top three most important factors were "Border or consular closures due to COVID-19," "Overall business performance resulted in cutbacks" and "Government processes have become too difficult, time consuming or costly." (Figure 11)

3 Employers generally support the direction of employment-based immigration under the current administration. However, the lack of significant reform to the immigration system continues to stifle employers' ability to source sufficient candidates from a gradually diminishing supply of foreign talent in the U.S. and is leading them to seek overseas alternatives.

While 70% of respondents approve of the current administration's handling of employment-based immigration (Figure 14), dissatisfaction remains high with U.S. Citizenship and Immigration Services (USCIS) and other immigration-focused government agencies. When asked to evaluate the importance of a selection of possible improvements to the U.S. immigration system, 95% of respondents indicated that "Quicker processing from USCIS" was important, with 80% selecting very or extremely important. The second most important change for employers would be for USCIS to increase transparency during the process, with 94% of respondents characterizing it as important, including 75% selecting very or extremely. Further digitization of the immigration process is also significant for employers, with 94% of respondents saying it was important, including 75% selecting very or extremely important. (Figure 15) Such digitization would potentially address both of the previous concerns, among many others.

In the backdrop of these regulatory barriers, employers face the coming obstacles caused by a lack of government action to implement transformative reforms that would promote greater immigration to the U.S. This stalled environment will continue to cause diminishing levels of available talent in the U.S., according to the National Immigration Forum's "Room to Grow" report.³ Already, employer dissatisfaction with the continued lack of available talent – and difficulty securing authorization for foreign talent that is available – is causing a shift in hiring and retention strategies. Thirty-one percent of respondents in our survey said their company has outsourced work to third parties or explicitly moved work overseas due to the limitations of the current U.S. immigration system. (Figure 16)

KEY TAKEAWAYS

4 Employers are taking a range of approaches to adapt their immigration programs to address the continued mass adoption of remote and hybrid work, while confronting significant challenges around compliance and communication that are exacerbated by a remote work environment.

The impact of remote work on immigration yielded a variety of responses from employers, with 26% of respondents indicating that the adoption of remote work has resulted in their company sponsoring fewer foreign national employees, 31% indicating they are sponsoring more foreign nationals despite the increased recruiting flexibility offered by remote work and 39% indicating that it has caused no impact. (Figure 22) Of the employers that said they sponsored more foreign nationals, 51% said that even by offering the flexibility of remote work and by expanding their search to the domestic talent at a national scale, their company still sponsored more foreign national employees.

Meanwhile, employers in our survey most frequently cited obstacles around compliance and communication as the biggest challenges that remote work exacerbated in their immigration programs. (Figure 25) Forty percent of respondents included “dealing with increased complexity of Labor Condition Application (LCA)/prevailing wage process for distributed employees” in their top three biggest challenges, while 37% included increased issues with “collaboration between attorneys, foreign nationals and HR team.”

5 Despite the lingering effects of the pandemic, employers expect to increase outbound immigration and source more foreign talent to work in alternative hubs abroad like Canada, Mexico and the U.K. to bypass stifling regulatory barriers in the U.S.

In the past year, 82% of respondents said that their company resumed global travel and the associated outbound (non-U.S.) immigration work, exhibiting the declining influence of pandemic-era travel restrictions. (Figure 26) Outbound immigration assignments are also more likely to increase year-over-year, with 52% of respondents anticipating an increase, and 23% anticipating at least a return to pre-pandemic travel levels. (Figure 28) The most important factors driving the return of global travel and outbound immigration work were the need to place high-skilled talent unable to secure U.S. work authorization and to support expansion into new locations. (Figure 27)

Moreover, employers are looking outside of the U.S. to hire and retain foreign talent. Seventy-one percent of respondents indicated they have pursued at least one, if not multiple, strategies to retain employees for whom they have been unable to secure work authorizations in the U.S. by moving them to other countries. These strategies include establishing one or multiple entities outside the U.S., exploring the creation of a Global Employment Company and moving employees to other countries using an Employer of Record or a Professional Employer Organization or other contracting method to continue to indirectly work with them. (Figure 29)

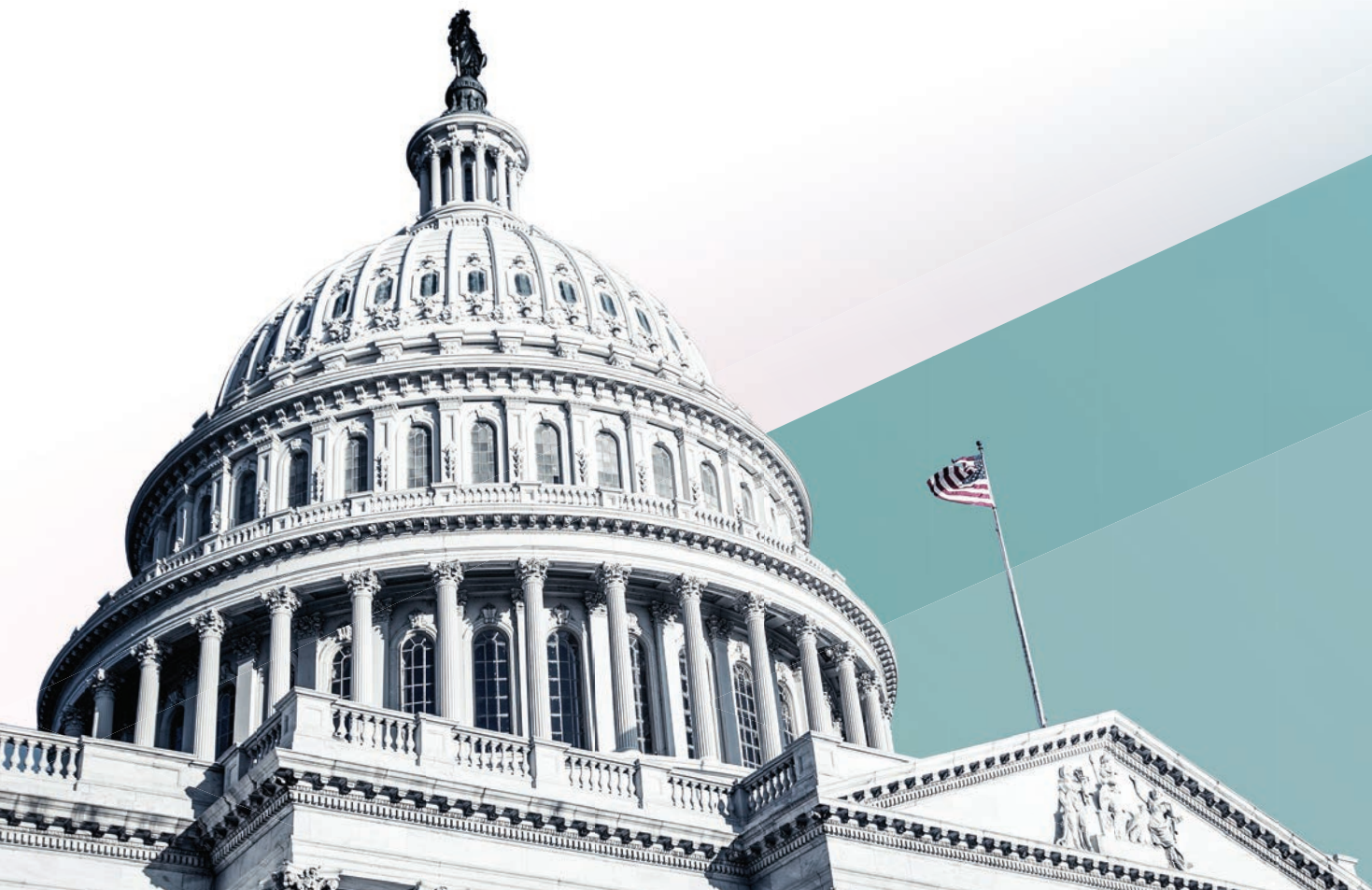
As employers look outward, Canada remains an attractive destination for outbound immigration work, with 61% of employers viewing Canada’s immigration policy as more favorable than that of the U.S. (Figure 30)

6 Enduring pain points like frequent government policy changes continued to place pressure on immigration programs, leading employers to place a high value on cost efficiency and data security through emerging technologies when assessing immigration providers.

When assessing a new immigration provider or evaluating their current partner, employers place a high value on efficiency and reliability to address their internal pain points and counter the limitations of the U.S. immigration system. Perennial factors, like cost and data security, remained primary reasons for employers to choose a new immigration provider or reassess their current partner. Employers also cited a focus on emerging technologies, customer experience provided to the HR teams and the experience level of the immigration attorneys and partners with nearly identical weight. (Figure 36 & Figure 37)

One sees the emphasis on technology and customer experience as potential ways to mitigate the top enduring pain points with the U.S. immigration application process that respondents cited in our survey: Trouble keeping track of frequent policy changes (including 296 executive actions related to immigration in 2021 according to the Migration Policy Institute⁴), inefficiency in the immigration process (i.e., spending too much time and budget) and uncertainty of the outcome of immigration petitions. (Figure 34)

Better technology and customer experience are also helpful in dealing with respondents' top pain points in managing their internal immigration programs: The lack of predictability around the government's frequent policy changes and the burden of costly government fees accounted for two of the top three primary pain points. (Figure 35)



DEMAND FOR FOREIGN TALENT

The results of this year's survey show a trend of employers consistently hiring – and seeking to hire – more foreign talent year-over-year despite regulatory barriers, market pressures and pandemic-era obstacles.

Since 2017, at least 50% of respondents to our survey expected their company's foreign national headcount to increase in the following year, including this year with half of respondents expecting an increase versus only 15% expecting a decrease. (Figure 1) Our survey results also show that in 2021, 82% of employers saw sponsorship levels of foreign national employees that were higher than projected (26%) or met expectations (56%). (Figure 2) Even among the 18% of respondents that said sponsorship levels were lower than expected, 70% cited COVID-19 related restrictions as the reason for the downturn in sponsorship, indicating that this last year was just a temporary shift. (Figure 4)

Moreover, employers place a high value on the recruitment of foreign talent to their overall talent acquisition strategy. In this year's survey, 55% of respondents said sourcing foreign talent is very important (36%) or extremely important (19%) for their organization. (Figure 5) This high value is driven by a need to fill key roles, as 70% of respondents cited hiring foreign national employees as very important (41%) or extremely important (29%) to filling skills gaps in the U.S. (Figure 6)

Employers focus heavily on targeting foreign talent from U.S. universities given that a large share of foreign national graduates possess degrees in high-demand fields. According to a 2021 report from the Migration Policy Institute, 56% of foreign students at U.S. universities study high-skilled fields like engineering (21%), math/computer science (19%) or business and management (16%).⁵ As such, employers are eager to hire this foreign talent. When asked to select their top three common recruiting sources that contribute to sourcing their company's foreign national employees, respondents of our survey most frequently cited "recruiting from U.S.-based universities" and "recruiting from U.S.-based graduate schools." (Figure 7)

Looking forward, employer reliance on recruiting foreign talent from universities will continue, as 40% of respondents expect to become more reliant on universities and exchange programs as sources of talent through F-1 and J-1 visas in the next year. (Figure 8) Of the employers that said they will become more reliant on these programs, 49% cited the specific skills and training they are hiring for are best found in recent graduates. Additionally, 26% of respondents cited the recent expansion of the OPT STEM qualification list – which added fields like cloud computing, mathematical economics, business analytics, financial analytics, data visualization and more – as a reason for becoming more reliant on these programs. (Figure 9)

Unfortunately, the high demand for foreign talent may be stifled by a decrease in key flows of immigration to the U.S. According to an analysis by Tara Watson of the Brookings Institute, the net number of people migrating to the U.S. has declined every year since 2016 and reached the lowest levels in decades in 2021.⁶ Even more troubling for employers, average yearly issuance of F-1 student visas has decreased by nearly 300,000 since 2015⁷, according to the State Department.⁸

This concerning trend can be attributed to a few factors, such as the prior administration's immigration restrictions to increased competition from universities abroad. Additionally, students may face uncertainty with their post-graduate future. Combined, these factors showcase the U.S. immigration system's constraints. Employers will soon encounter a diminished pool of foreign national graduates from U.S. universities to hire for key roles that are already difficult to fill with qualified candidates.

Furthermore, it is becoming increasingly more difficult for employers to secure longer-term work authorization for F-1 students and other foreign nationals. This year, employers submitted over 483,000 registrations for the H-1B lottery, which is over 175,000 more registrations than last year. The drastic increase in H-1B registrations means that there are over five times the registrations for the H-1B as there are visas available.⁹ With diminishing levels of foreign students coming to the U.S., more competition for a limited number of H-1B visas and an excessive green card backlog, employer demand for foreign talent is likely to continue to grow but remain unfulfilled.

5 <https://www.migrationpolicy.org/article/international-students-united-states-2020>

6 <https://econofact.org/the-decline-in-u-s-net-migration>

7 https://travel.state.gov/content/dam/visas/Statistics/AnnualReports/FY2021AnnualReport/FY21_TableXVB.pdf

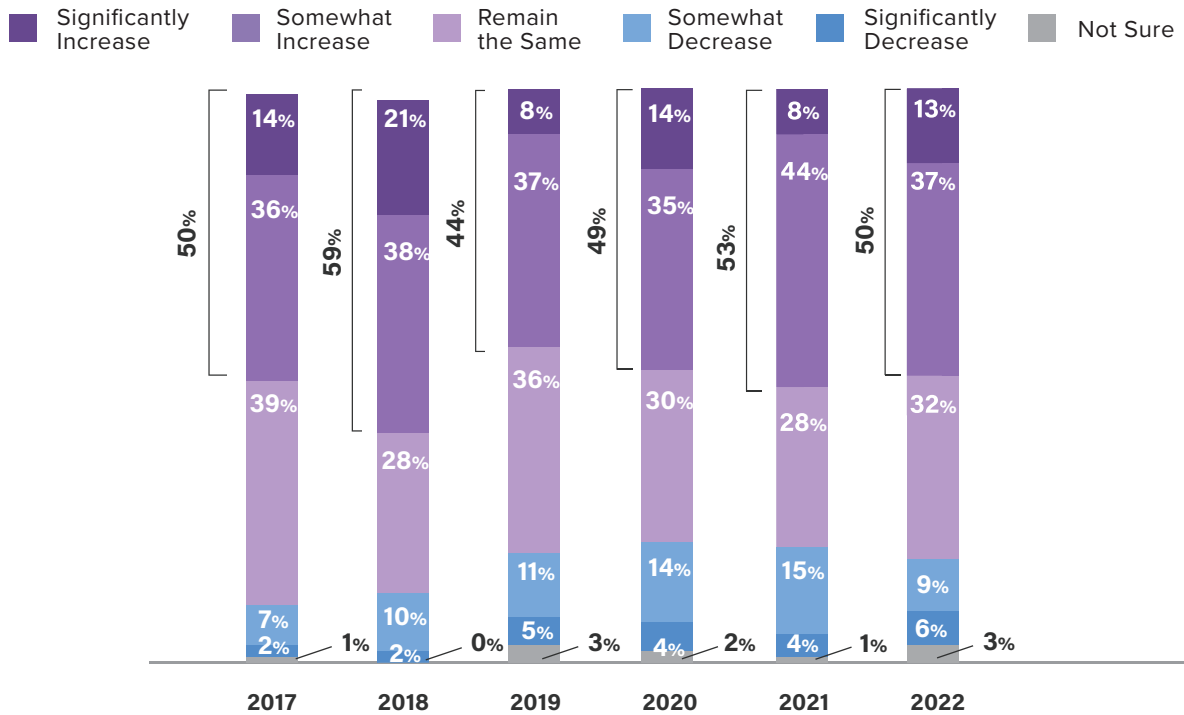
8 <https://travel.state.gov/content/dam/visas/Statistics/AnnualReports/FY2016AnnualReport/FY16AnnualReport-TableXVIB.pdf>

9 <https://www.uscis.gov/working-in-the-united-states/temporary-workers/h-1b-specialty-occupations-and-fashion-models/h-1b-electronic-registration-process>

82% of employers expect their foreign national headcount to increase or stay the same in the next year and **50%** said they expect it to increase

Q: During the next year, do you expect your company's foreign national headcount to:

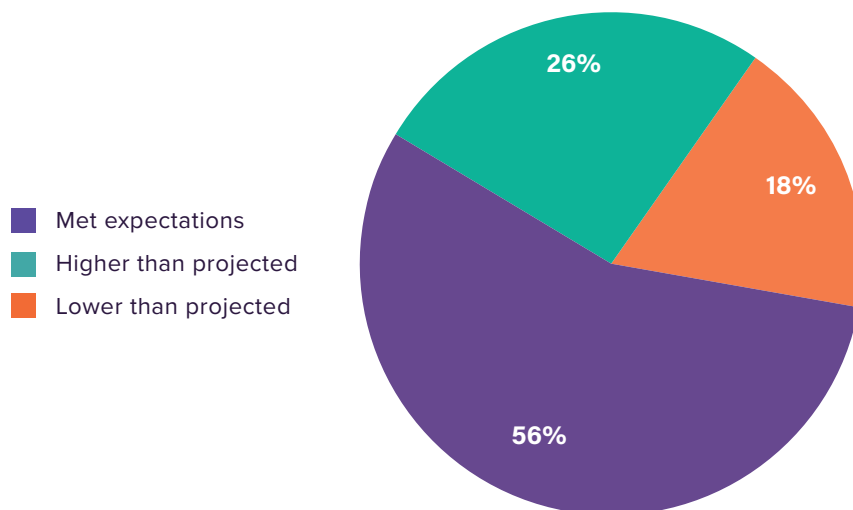
Figure 1



82% of employers saw sponsorship levels of foreign national employees that were higher than projected (**26%**) or met expectations (**56%**)

Q: How did your company's sponsorship levels in 2021 compare to your expectations at the beginning of the year?

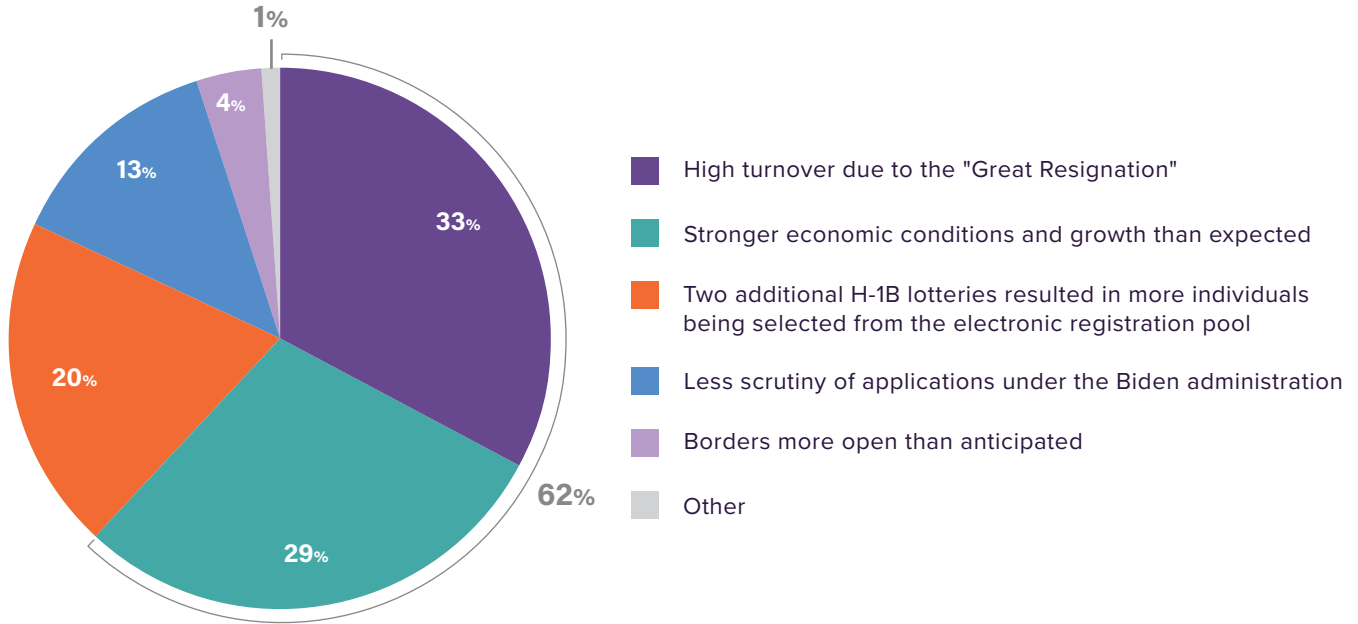
Figure 2



62% of those who said sponsorship levels at their company were higher than expected point to stronger economic conditions (29%) and the unanticipated turnover of the “Great Resignation” (33%)

Figure 3

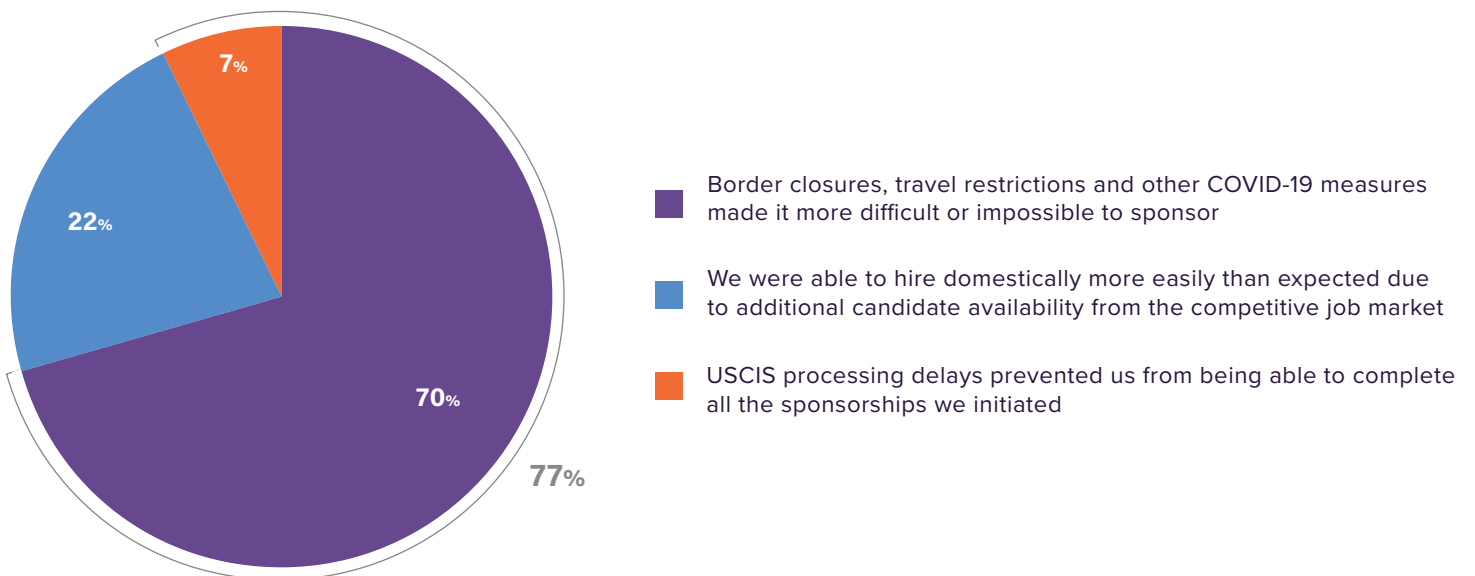
Q: What was the primary reason for the increase in sponsorship at your company?



22% of those who said they sponsored less than they expected did so because they were able to fill the roles domestically v. while the vast majority (77%) blamed the decline on border closures or USCIS processing delays

Figure 4

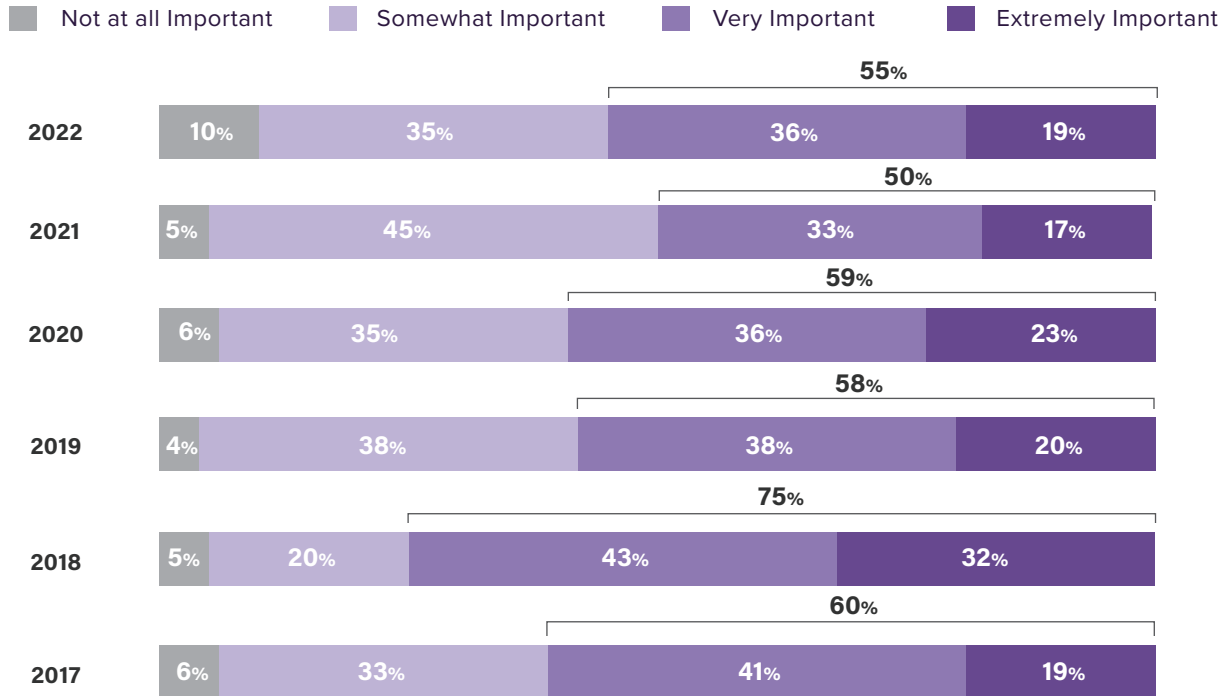
Q: What was the primary reason for the decrease in sponsorship at your company?



90% of survey respondents said sourcing foreign national employees is important to their company's talent acquisition strategy, with **55%** indicating very or extremely important

Q: How important is sourcing foreign national employees to your company's talent acquisition strategy?

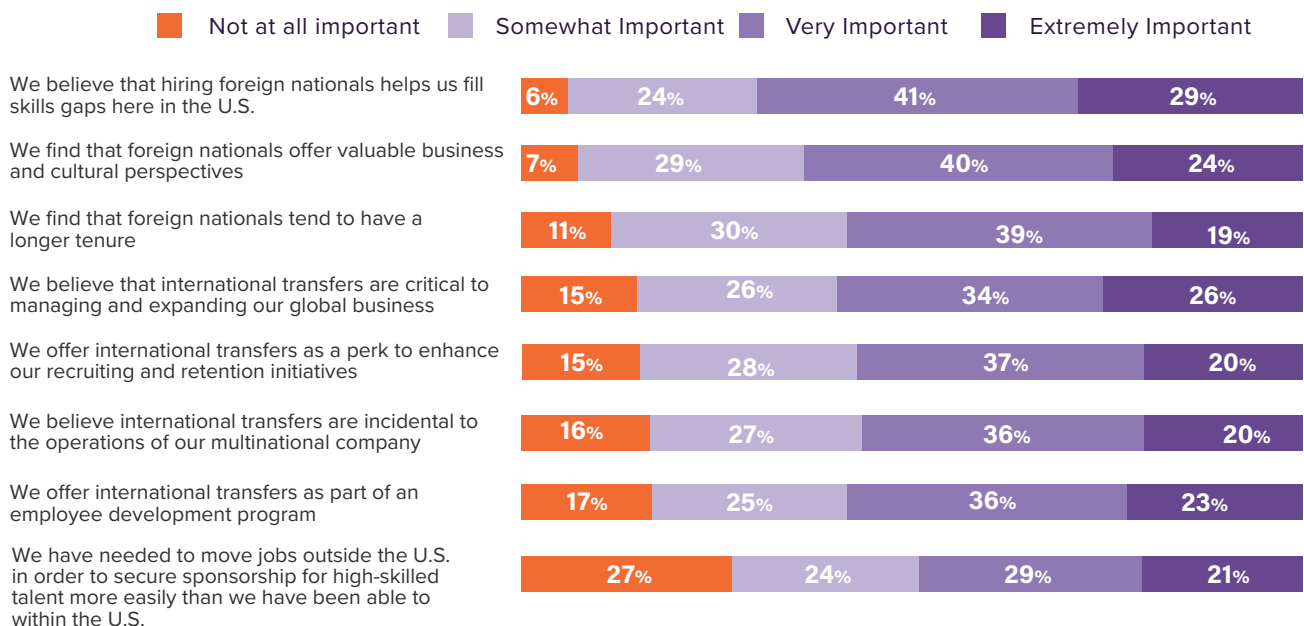
Figure 5



70% of respondents cited hiring foreign national employees as very important (**41%**) or extremely important (**29%**) to filling skills gaps in the U.S.

Q: Using the scale below, please tell us how important each item is in terms of your company's decision to sponsor employees for work-based visas?

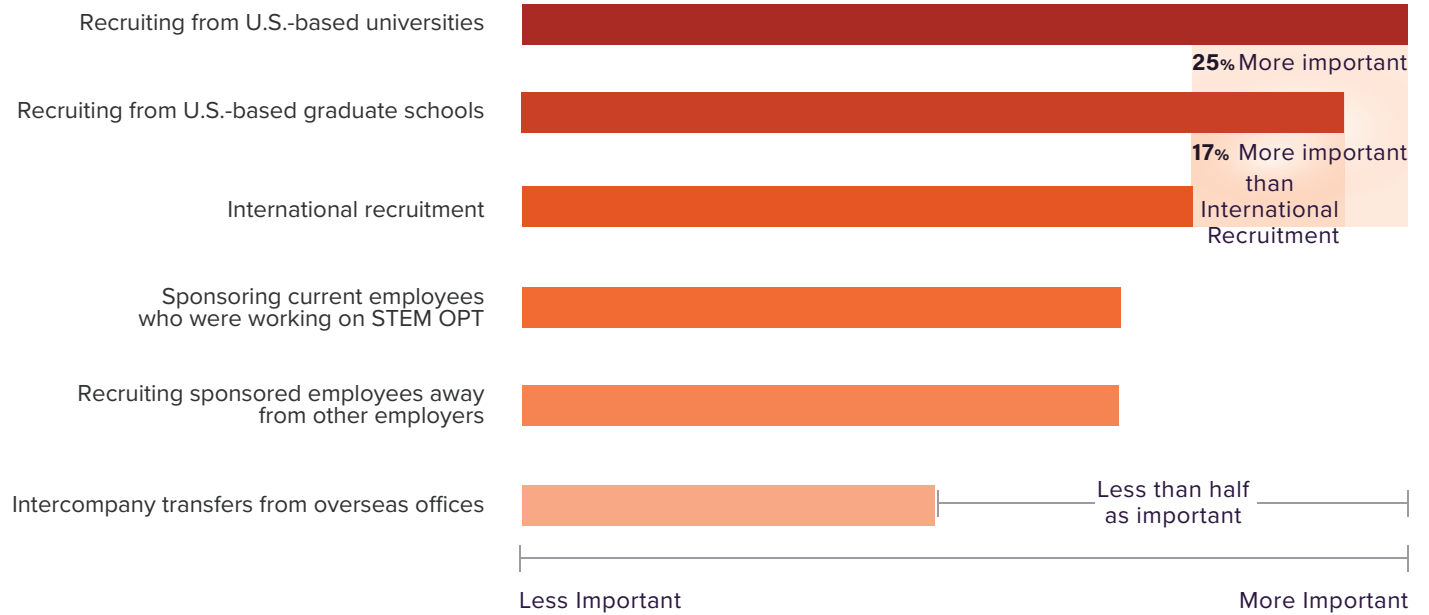
Figure 6



U.S. universities and graduate schools rank as the two most important recruiting sources for employers

Figure 7

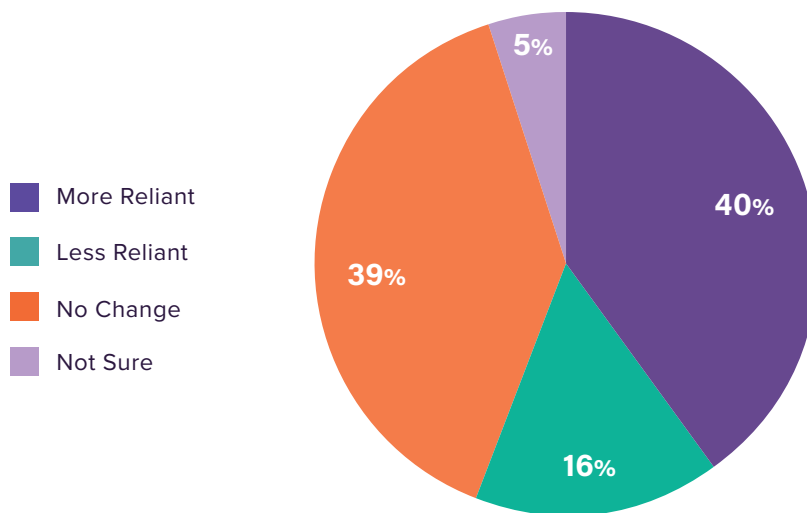
Q: Please select your top three from the following common recruiting sources that contribute to sourcing your company's foreign national employees.



40% of respondents anticipate a greater reliance on university and exchange programs as a talent source in the future

Figure 8

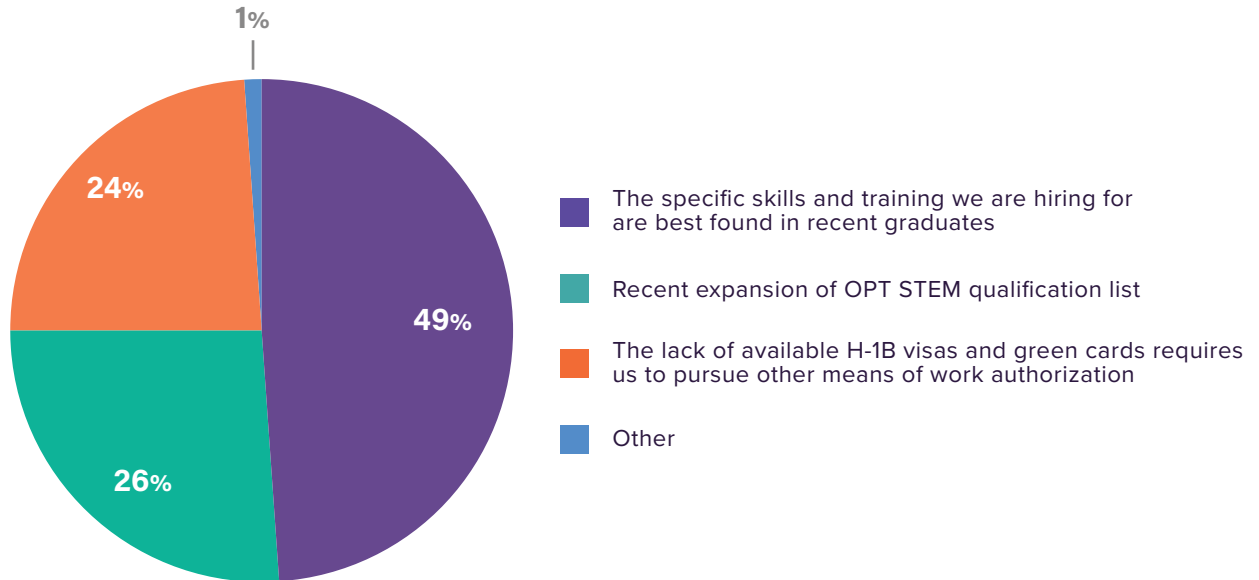
Q: Do you anticipate your organization becoming more or less reliant on universities and exchange programs as sources of talent through F-1, STEM OPT and J-1 visas in the next year?



Of those who anticipated becoming more reliant on universities and exchange programs, **49%** of respondents cited specific skills and training found in recent graduates and **26%** cited the recent expansion of the OPT STEM qualification list as the main reasons

Q: *Why do you anticipate that your organization will become more reliant on these programs?*

Figure 9



GREEN CARD SPONSORSHIP

Variability with the visa bulletin, labor market shifts due to COVID-19, processing delays, lengthy wait times and other factors appear to have contributed to many employers reassessing several aspects of their green card sponsorship policies. That said, green card policies appear to be stabilizing this year, with 29% of respondents to our survey stating “no change” to their policies compared to just 8% that reported “no change” last year. (Figure 10) Moreover, the results of this year’s survey indicate that green card sponsorship remains a key strategy to attract and retain foreign talent despite the volatility of the past two years, but employers have received little, if any, relief in navigating the prolonged and costly green card process.

The current green card backlog, and the limited number available, continues to lengthen the green card application process. According to an analysis from the Cato Institute, the backlog for employment-based green card applicants was over 1.4 million in 2021, with applicants from India and China facing the longest wait times.¹⁰

In recognition of the drawn-out timeline and to make a more compelling offer to highly sought-after talent, many employers start the green card process very early in the tenure of a foreign national’s employment, according to this year’s survey results. The majority (66%) of survey respondents said their company typically starts the green card application process for sponsored employees within one year of the employee joining the company; 25% do so immediately, up from 11% last year, 20% after three months and 21% after six months. (Figure 12)

Additionally, implementing payback clauses remains a popular policy for employers, with 52% responding that they pay for all green card fees with a contractual stipulation requiring employees to reimburse the company if they depart within a certain time period. (Figure 13)

Despite taking measures to mitigate the costs and risks associated with the green card process, this year’s survey shows that many employers are seeking to bolster green card sponsorship to retain foreign talent. When given a list of options and asked in what ways their company has changed its green card policy over the past year, just 13% of employers said they are sponsoring fewer green cards, and only 4% said they had stopped sponsoring green cards all together. Meanwhile, more respondents reported making changes in the past year to promote green card sponsorship, including:

16%
are sponsoring
more green cards

22%
are starting the
green card process
sooner

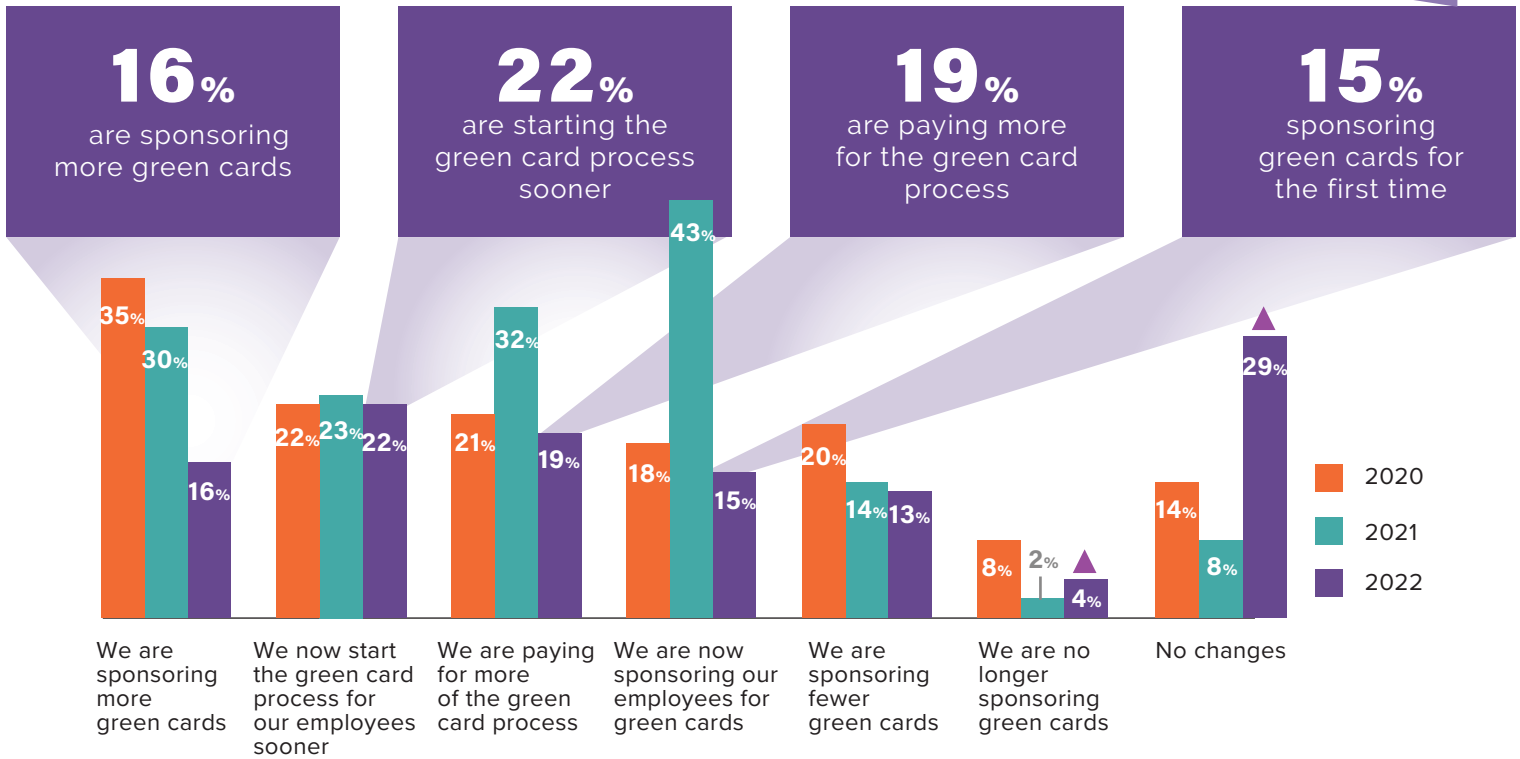
19%
are paying more
for the green card
process

15%
sponsoring
green cards for
the first time

After two years of changes in response to the pandemic, respondents indicated that their green card policies stabilized in the last year, with **29%** indicating they had made no changes versus only **8%** the year prior

Q: In what ways has your company changed its green card policy over the past year?

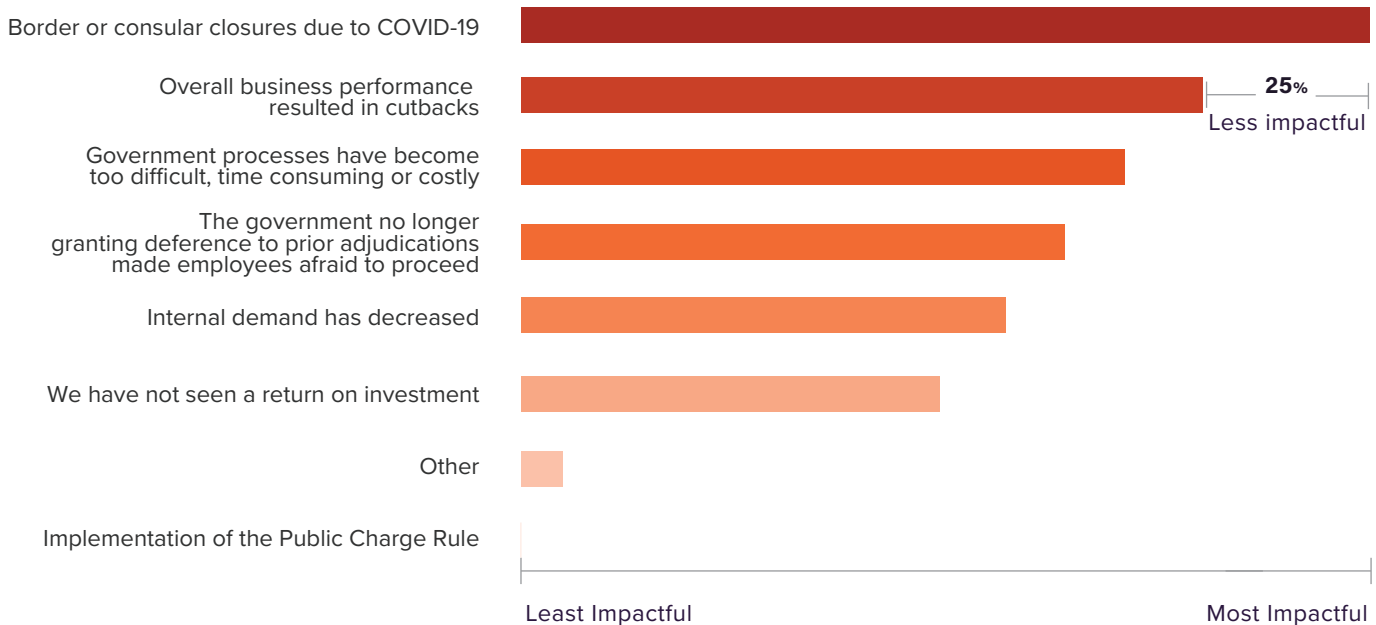
Figure 10



The top three most important factors were **Border or consular closures due to COVID-19**, **Overall business performance resulted in cutbacks** and **Government processes have become too difficult, time consuming or costly**

Q: Why did your organization make these changes? Please rank the following that apply from MOST impactful to LEAST impactful

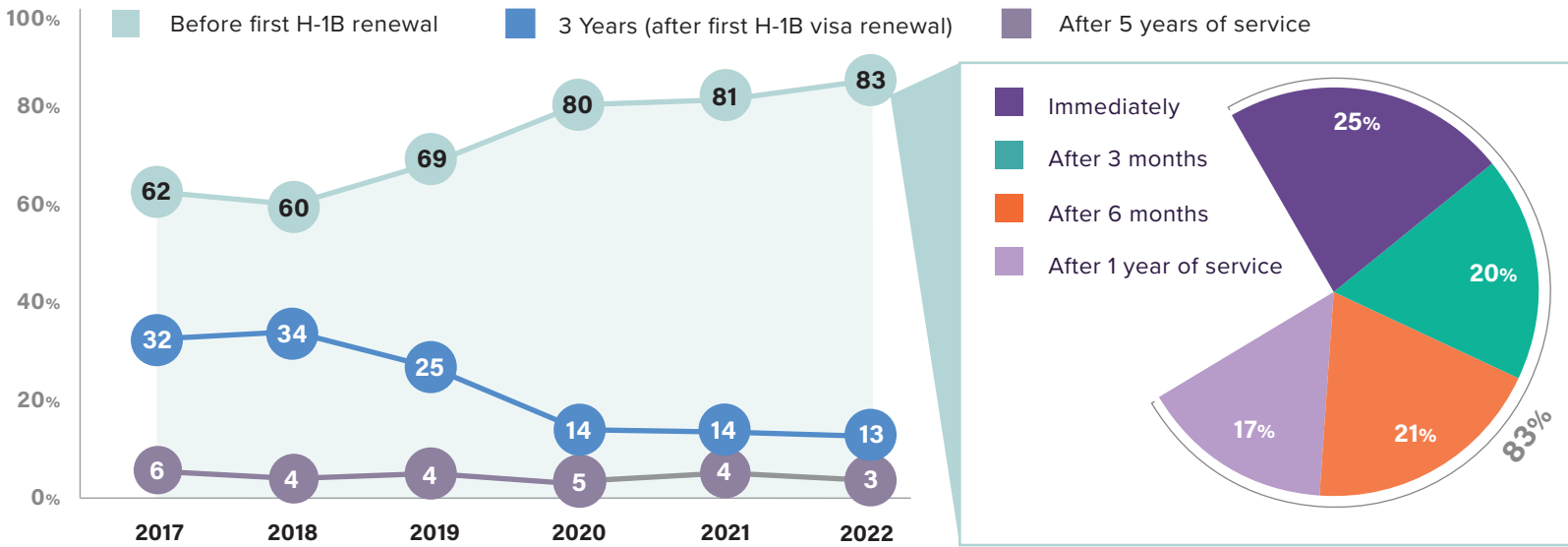
Figure 11



83% of employers who sponsor green cards start the process before the employee's first H-1B renewal, and **66%** do so before their first anniversary

Figure 12

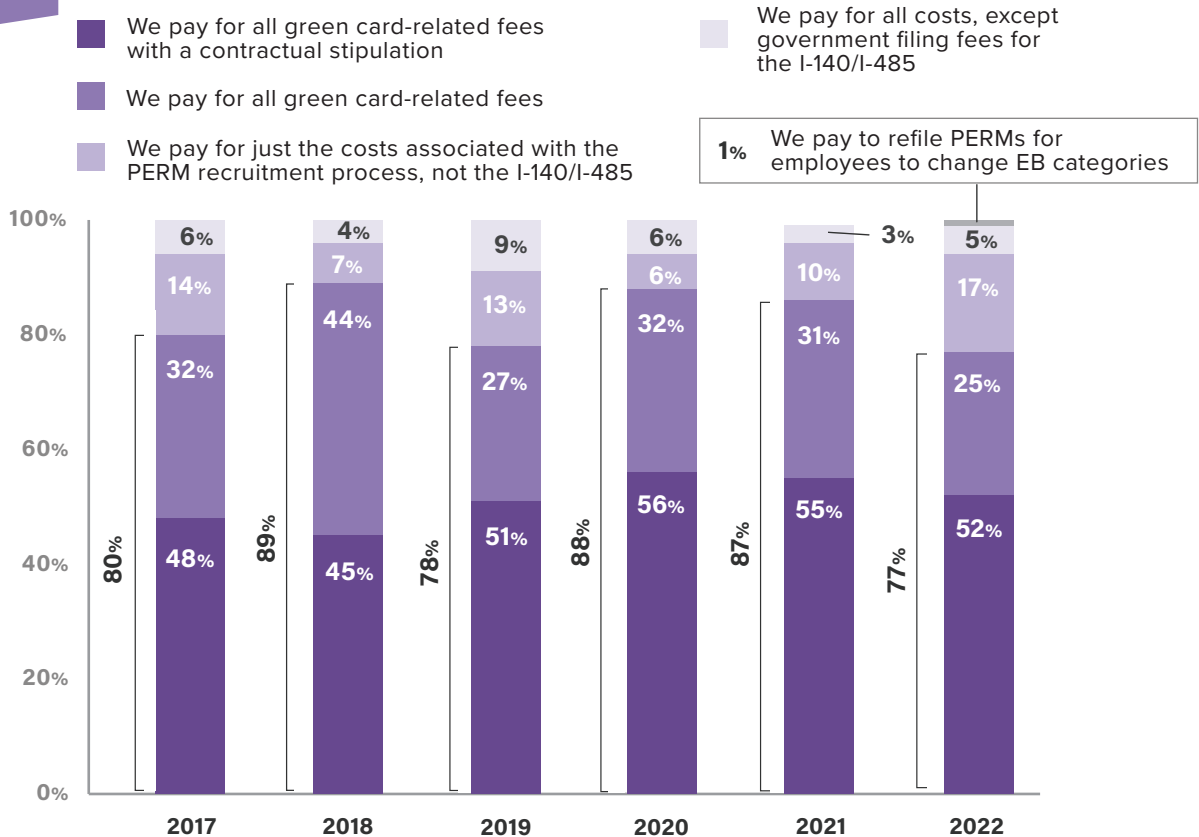
Q: When does your company typically start the green card application process for your sponsored employees?



77% of employers cover all green card fees, and **52%** attach a contractual stipulation for employees who leave the company within a certain time period

Figure 13

Q: What green card costs does your company incur?



IMMIGRATION POLICY & REFORM

Roughly one year into its tenure, U.S. employers largely support the current administration's handling of employment-based immigration, with 70% of respondents in our survey stating approval and just 23% stating disapproval. (Figure 14)

This contrasts with the negative perception of the current administration's handling of overall immigration policy (including family-based, refugees, employment-based, illegal immigration, etc.) by the broader American public (38%) approval according to an April 2022 poll conducted by Harvard CAPS/Harris.¹¹ The discrepancy between the views of the broader American public and our survey respondents can likely be explained by our audience belonging to a group that experiences the direct impact of immigration and the benefits that it provides to employers.

That said, employers remain dissatisfied with the federal agencies in charge of employment-based immigration, specifically USCIS. Respondents voiced their desire for significant enhancements to the U.S. immigration system when asked to evaluate the importance of a selection of possible improvements:

95%

of respondents indicated that "Quicker processing from USCIS" is important, with 80% selecting very or extremely important.

94%

of respondents indicated USCIS to increasing transparency during the process is important, including 75% selecting very or extremely important.

94%

of respondents indicated that further digitization of the immigration process is important, including 75% selecting very or extremely important. (Figure 15)

While employers remain eager for USCIS to implement these improvements on a wider scale, some progress has been made to increase the transparency and efficiency of the immigration process through the introduction of the digitized electronic registration system for the H-1B cap. Going into its third year, 77% of respondents said that they prefer the H-1B electronic registration system compared to the prior method of submission of a full petition for the H-1B cap. (Figure 17) Moreover, 40% of respondents said the H-1B electronic registration system made the H-1B cap process simpler, and 25% said it saved their company money since they only submit full petitions for those selected in the lottery. (Figure 18)

Despite the popularity of the H-1B electronic registration system, the government remains slow to make broader changes to the immigration system that continue to impact employers. When asked how the current U.S. immigration system was impacting their company's hiring and retention strategies, 25% of respondents said they had to increase staff and/or budget, and another 25% said they had lost prospective candidates due to visa processing delays.

In response to the lack of immigration reforms, some employers are seeking alternatives outside of the U.S. immigration system to hire and retain foreign talent. Twenty-three percent of respondents indicated they had outsourced more work to third parties and 8% said they explicitly moved the work overseas in the past year. (Figure 16)

The outsourcing of work overseas is a troubling indicator that employers have little confidence in the likelihood of meaningful government reforms and are choosing to move relatively high paying jobs out of the U.S. not as a cost saving move, but simply because they can't find domestic talent or secure work authorization for foreign talent when they do find it. Nevertheless, employers maintain a desire for more stable and permanent improvements to the immigration system.

When asked how they prefer the government implement changes to update the U.S. immigration system, more than half (54%) of respondents said they prefer that the immigration system be modified, as intended – with laws passed by Congress or through the departmental regulatory process. Only 22% of respondents said that they prefer change to be enacted by the president (16%) or the courts (6%), indicating a frustration with the rollercoaster of sudden changes to the immigration system between the current and former administrations. Some respondents voiced sincere frustration with the lack of change, with 11% stating they don't care how the government implements changes to the U.S. immigration system, as long as it gets done. (Figure 19)

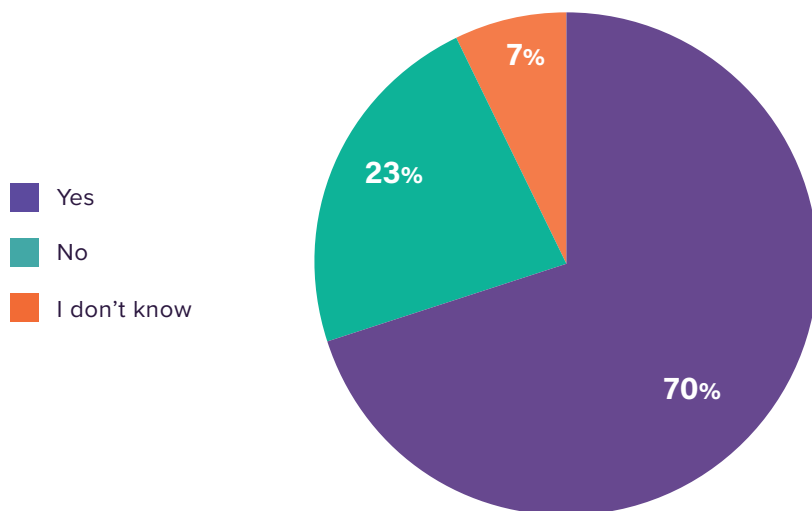
When asked to select the top three immigration provisions they would like to see Congress address, 30% of respondents included removal of per-country green card caps, 35% included increasing the number of H-1B visas and 47% included creating new employment-based visa categories – all of which would be vital solutions for addressing key obstacles for employers like slow processing times and constraining visa caps. (Figure 20)

However, the most frequently cited legislative change that our respondents said they would like to see enacted was the granting of citizenship to individuals who are on Deferred Action for Childhood Arrivals (DACA) status (57%). The emphasis on this change is likely supported by business needs as much as any moral arguments as 76% of respondents that said their organizations had some reliance on U.S. immigration programs such as DACA, Temporary Protected Status (TPS) and asylum. (Figure 21)

70% approve of the current administration's handling of employment-based immigration

Figure 14

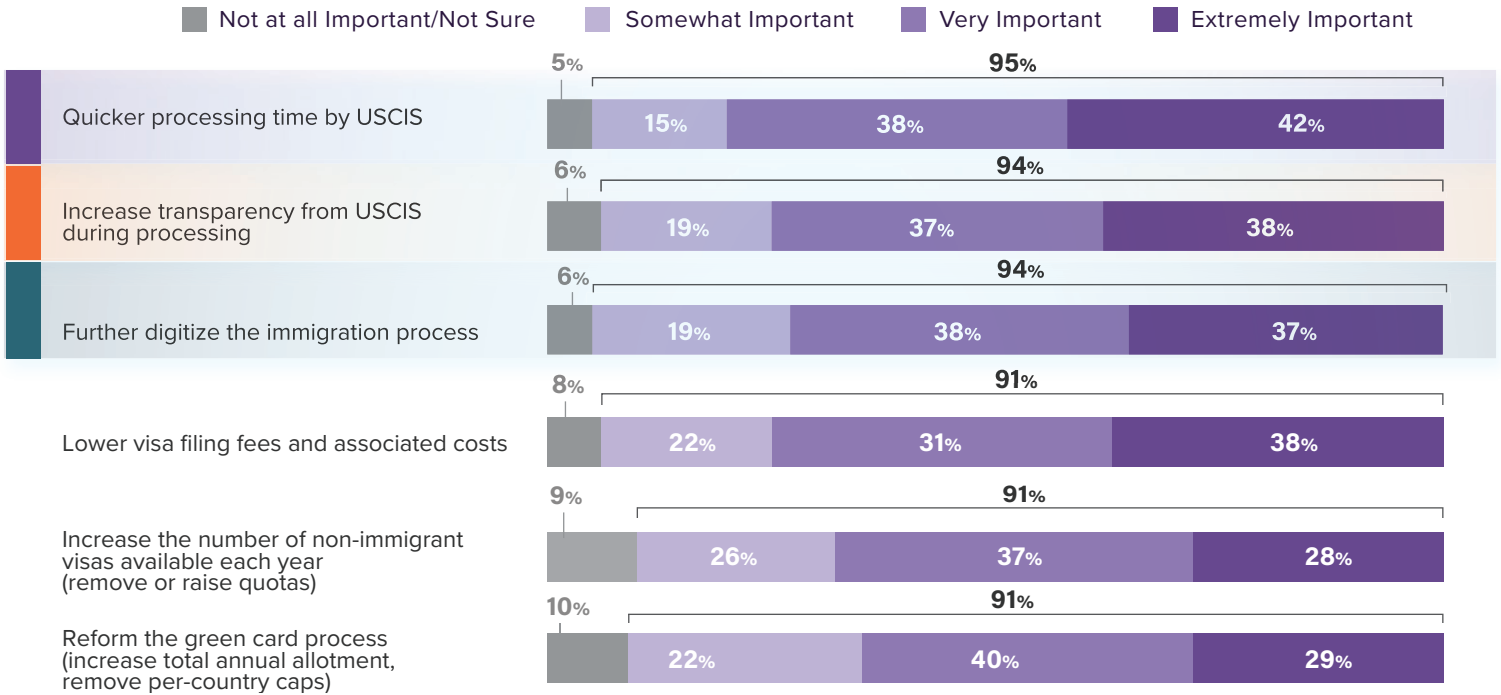
Q: *Do you approve of the current administration's handling of employment-based immigration?*



Employers emphasized **quicker USCIS processing times, increased transparency** and **further digitization** as the most important reforms they would like the U.S. government to implement in the immigration system

Q: Using the scale provided, how important are each of the following items in terms of what you would most like the U.S. government to change within the immigration system?

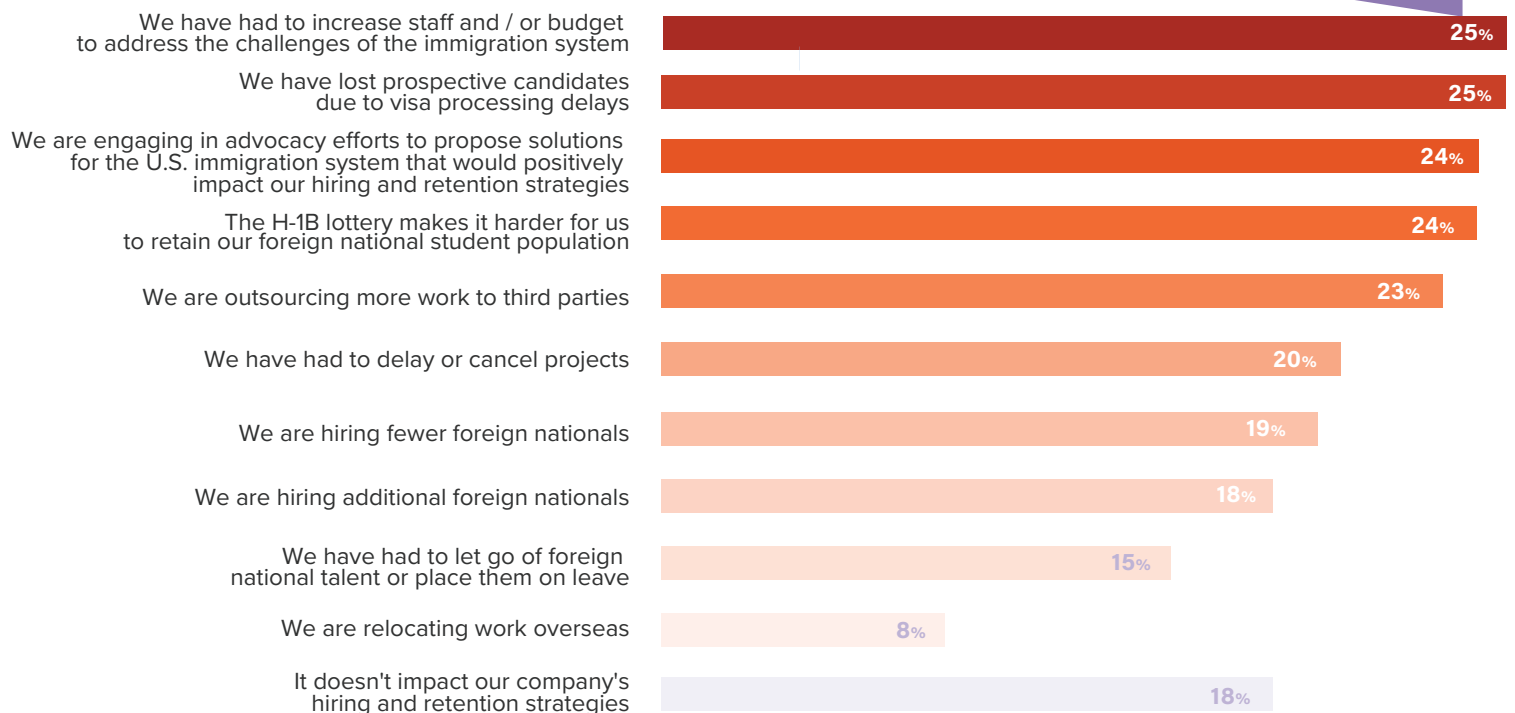
Figure 15



23% of respondents in our survey said their company has outsourced work to third parties and **8%** said they explicitly moved work overseas due to the limitations of the current U.S. immigration system

Q: How does the current U.S. immigration system impact your company's hiring and retention strategies?

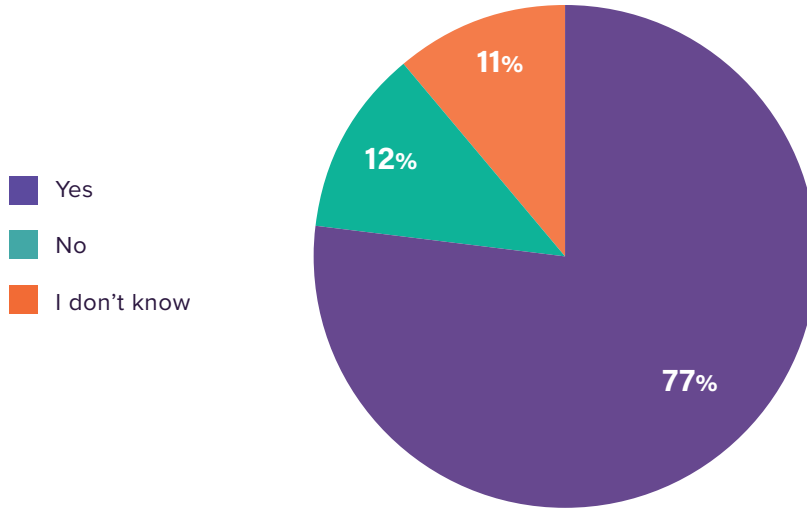
Figure 16



77% of respondents said that they prefer the H-1B electronic registration system compared to the prior method of submission

Figure 17

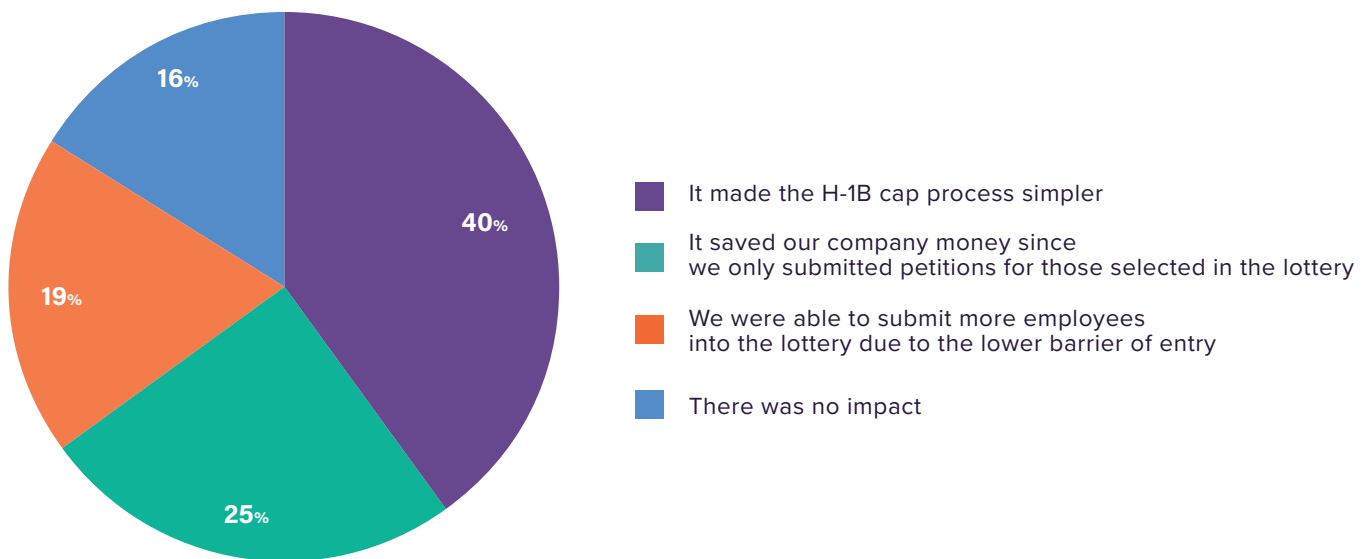
Q: *Do you prefer the H-1B electronic registration system compared to the prior method requiring the submission of a full petition?*



40% of respondents said the H-1B electronic registration system made the H-1B cap process simpler, and **25%** said it saved their company money

Figure 18

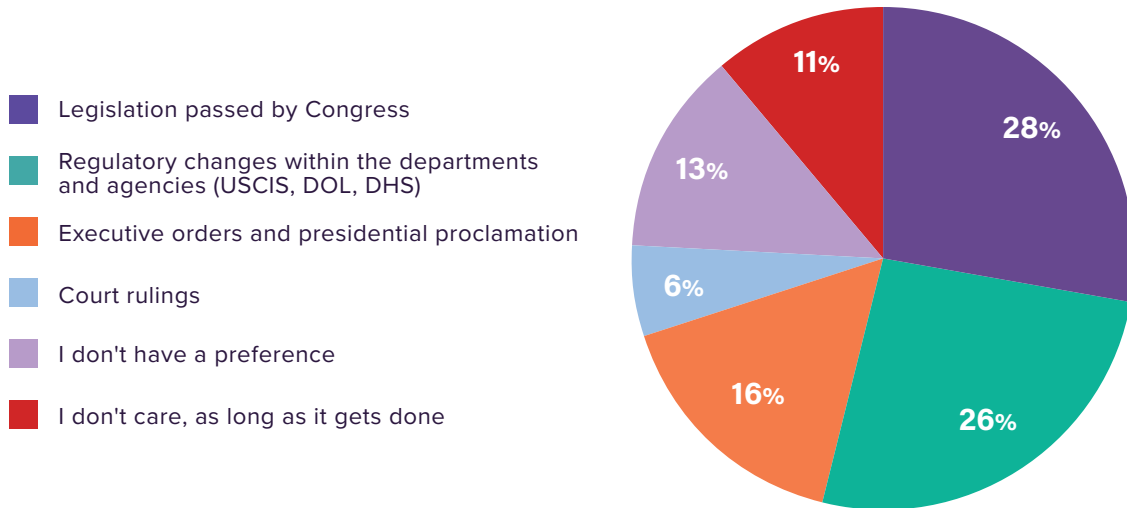
Q: *In Fiscal Year 2022, what was electronic registration's biggest impact on your business?*



54% of respondents said they prefer that the immigration system be modified by Congress or through the departmental regulatory process

Q: *How do you prefer the government implement changes to update the U.S. immigration system?*

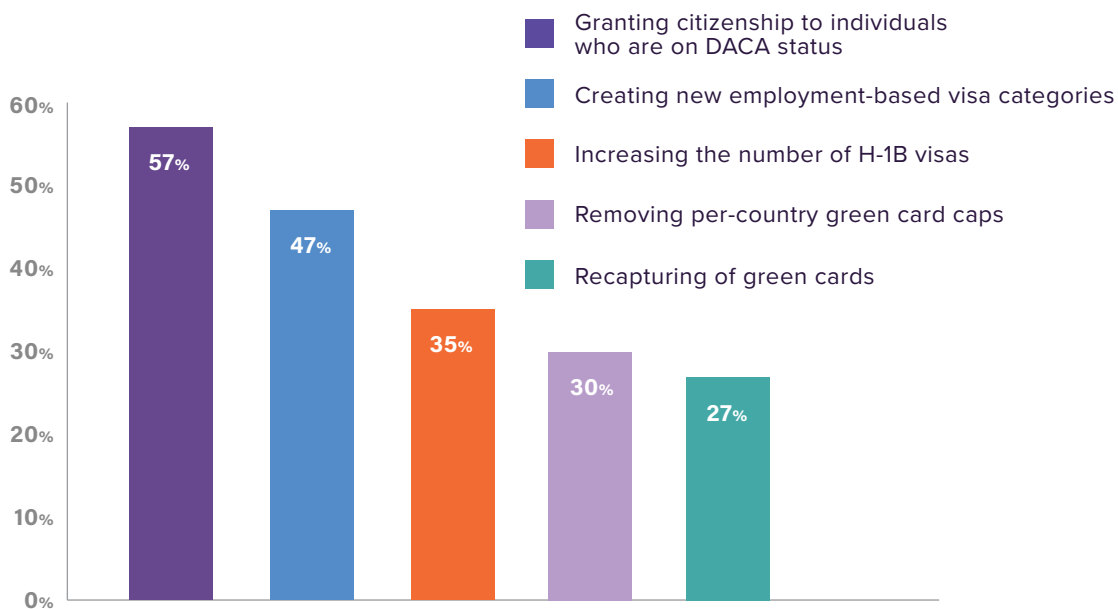
Figure 19



The most frequently cited legislative change respondents would like to see enacted was the granting of citizenship to individuals who are on Deferred Action for Childhood Arrivals (DACA) status (**57%**)

Q: *What immigration provisions would you like to see Congress address? Please select your top three.*

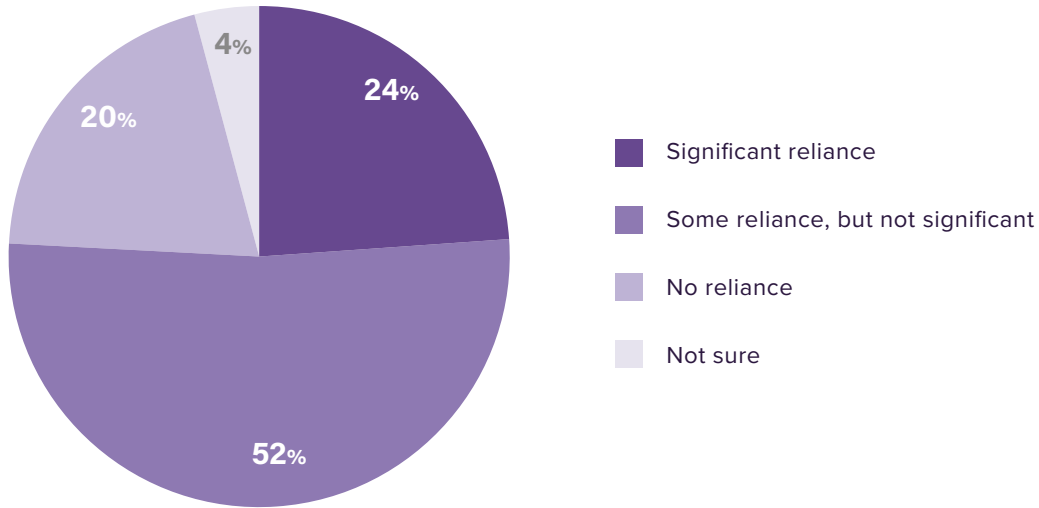
Figure 20



76% of respondents said their organizations had some reliance on U.S. immigration programs such as DACA, Temporary Protected Status (TPS) and asylum

Figure 21

Q: *Outside of direct employment-based sponsorship, how reliant is your organization on other U.S. immigration programs? Examples include the Deferred Action for Childhood Arrivals (DACA) program, family-based green cards, Temporary Protected Status (TPS), asylees and dependents (spouses and children) of other sponsored employees?*



IMMIGRATION IN THE NEW ERA OF REMOTE WORK

Two years into the mass adoption of remote and hybrid work, employers have had very mixed experiences with regard to their immigration programs. Thirty-one percent of our respondents said they are still sponsoring more foreign national employees for employment in the U.S. since adopting remote work, while 26% said they are sponsoring fewer. Other employers felt minimal impact from the shift to remote work, with 39% of respondents indicating no change to their sponsorship levels in the U.S. (Figure 22)

Among the employers that sponsored more foreign nationals since the adoption of remote work, 49% said that their company is still facing supply constraints within their local market because they are hiring with the goal of returning to in-office work when safe. However, the remaining 51% of respondents in this group said that even with the ability to hire outside their local markets, and after adding the perk to allow hybrid and remote work, their company is still unable to find sufficient available talent and are thus still sponsoring more foreign national employees. (Figure 23)

Of the employers that sponsored fewer foreign nationals since the adoption of remote work, 54% said they are doing so because they are hiring more domestic employees, but 29% indicated that their sponsorship in the U.S. had declined primarily because they continue to hire foreign nationals but are now sponsoring them for work outside the U.S. (Figure 24)

When asked to select the three biggest challenges remote work exacerbated in their immigration program, employers listed communication and compliance challenges most frequently. (Figure 25)

40%

of respondents included “dealing with increased complexity of Labor Condition Application (LCA)/prevailing wage process for distributed employees” in their top three.

37%

included issues with “collaboration between attorneys, foreign nationals and HR team.”

33%

included challenges with “document collection.”

32%

included problems with “ability to keep track of employee location accurately.”

30%

included difficulties with “ensuring I-9 compliance.”



Two years into the mass adoption of remote and hybrid work, employers report very different experiences with regard to their immigration programs with **31%** sponsoring more foreign nationals for employment in the U.S. versus **26%** who said they are sponsoring less

Figure 22

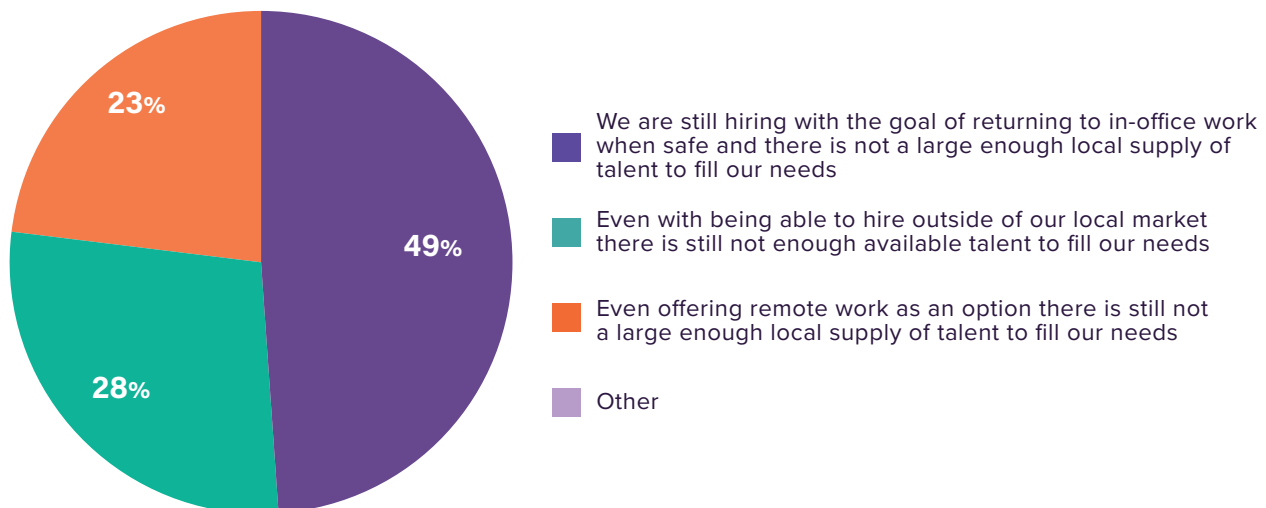
Q: How has the adoption of remote work impacted sponsorship levels at your organization?



Among the employers that sponsored more foreign nationals since the adoption of remote work, **51%** said that even with the ability to hire outside their local markets, their company is still unable to find sufficient available talent and are thus still sponsoring more foreign national employees

Figure 23

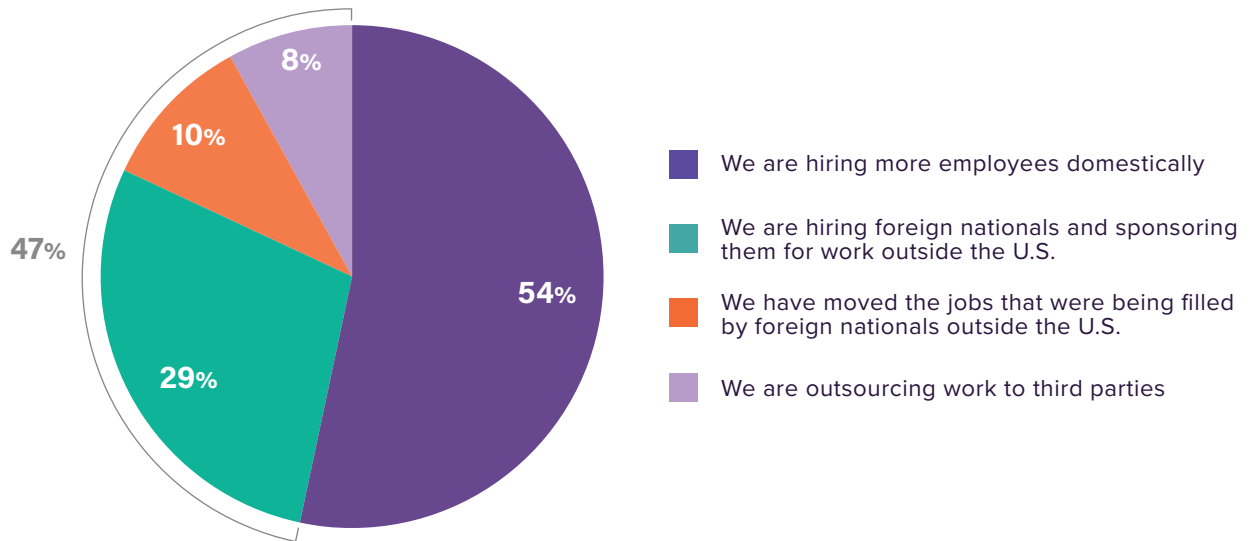
Q: Why has the adoption of remote work caused your company to sponsor more foreign nationals in the U.S.?



Of the employers that said they sponsored fewer foreign nationals since the adoption of remote work, **47%** said they are doing so because they have outsourced the work or moved the jobs to locations outside the U.S.

Q: Why has the adoption of remote work caused your company to sponsor fewer foreign nationals in the U.S.?

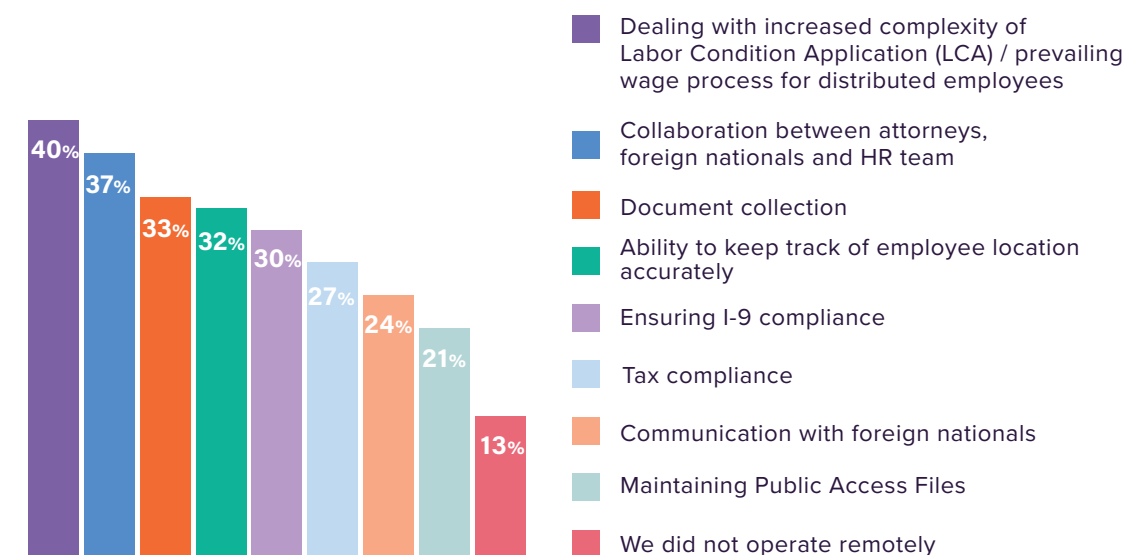
Figure 24



When asked to select the three biggest challenges remote work exacerbated in their immigration program, employers listed communication and compliance challenges most frequently

Q: If your organization was or is currently operating remotely, what were/are the three biggest challenges surrounding your immigration program that were exacerbated by remote work?

Figure 25



GLOBAL IMMIGRATION & MOBILITY

The recovery of global business travel was slower than expected in 2021 due to pandemic related challenges, according to a report from the Global Business Travel Association.¹² Despite these challenges, 82% of our respondents said that their company resumed global travel and the associated outbound (non-U.S.) immigration work in 2021. (Figure 26)

According to employers, the most important factors driving this return to global travel and outbound immigration work was the need to place high-skilled talent unable to secure U.S. work authorization and to support expansion into new locations. (Figure 27) Outbound immigration assignments are also more likely to increase year-over-year, with 52% of respondents anticipating an increase and 23% anticipating at least a return to pre-pandemic travel levels. (Figure 28)

As frustration with the inefficiency and unreliability of the U.S. immigration system increases, these responses show that employers are looking outward to bypass stifling regulatory barriers in the U.S. by relocating foreign talent to more immigration-friendly destinations abroad. Seventy-one percent of respondents indicated they have pursued at least one, if not multiple, strategies to retain employees for whom they have been unable to secure work authorizations in the U.S. by moving them to other countries, including: (Figure 29)

34%

of respondents said their company moved employees to other countries using an EOR (Employer of Record) or a PEO (Professional Employer Organization) or other contracting method in order to continue to indirectly work with them.

31%

said their company explored creating or created a Global Employment Company (GEC) to move internationally mobile employees around the world.

30%

said their company moved employees for whom we were unable to secure visas to other countries where we already have offices.

25%

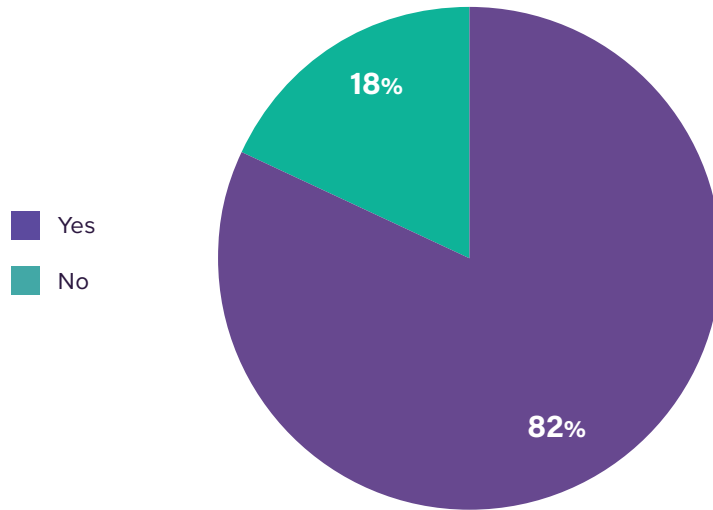
said their company established one or multiple new entities outside of the U.S. to facilitate local hiring or relocating talent outside of the U.S.

As employers assess options for outbound immigration, Canada continues to grow as an attractive destination with 61% of employers viewing Canada's immigration policy as more favorable than that of the U.S. (Figure 30) Employers cited "shorter processing times" and "ease of application process" most frequently when asked what aspects of the Canadian immigration process they find most beneficial for their company when comparing it with the immigration process of the U.S. (Figure 31) As such, over one-third of our respondents said that their company is considering expanding to Canada, and 20% said that their company already had an office located in Canada. (Figure 32) Mexico and the U.K. were also cited by employers as countries, besides Canada, that their company has considered moving employees to, or hiring remote employees in, specifically because of difficulties securing work authorizations for workers in the U.S. (Figure 33)

82% of respondents said that their company resumed global travel and the associated outbound (non-U.S.) immigration work in 2021

Q: Has your company resumed global travel and the associated outbound (non-U.S.) immigration work?

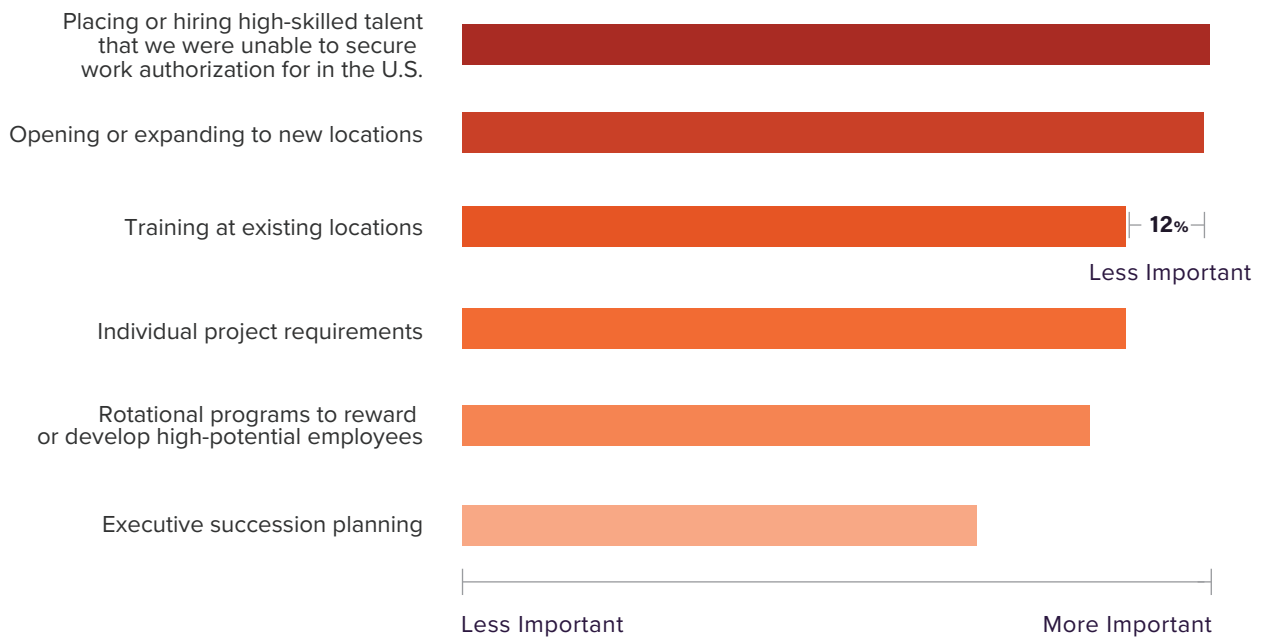
Figure 26



Driving this return to global travel and outbound immigration work was the need to place high-skilled talent unable to secure U.S. work authorization and to support expansion into new locations

Q: If your organization has resumed global travel, what are the top three primary drivers for your outbound (non-U.S.) immigration?

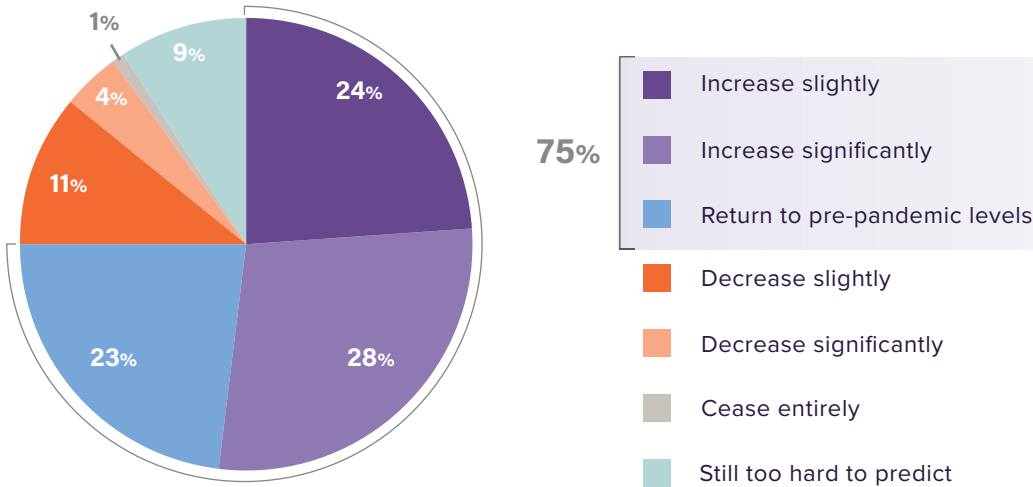
Figure 27



75% of respondents are either anticipating an increase in outbound immigration assignments in 2022 or at least a return to pre-pandemic travel levels

Figure 28

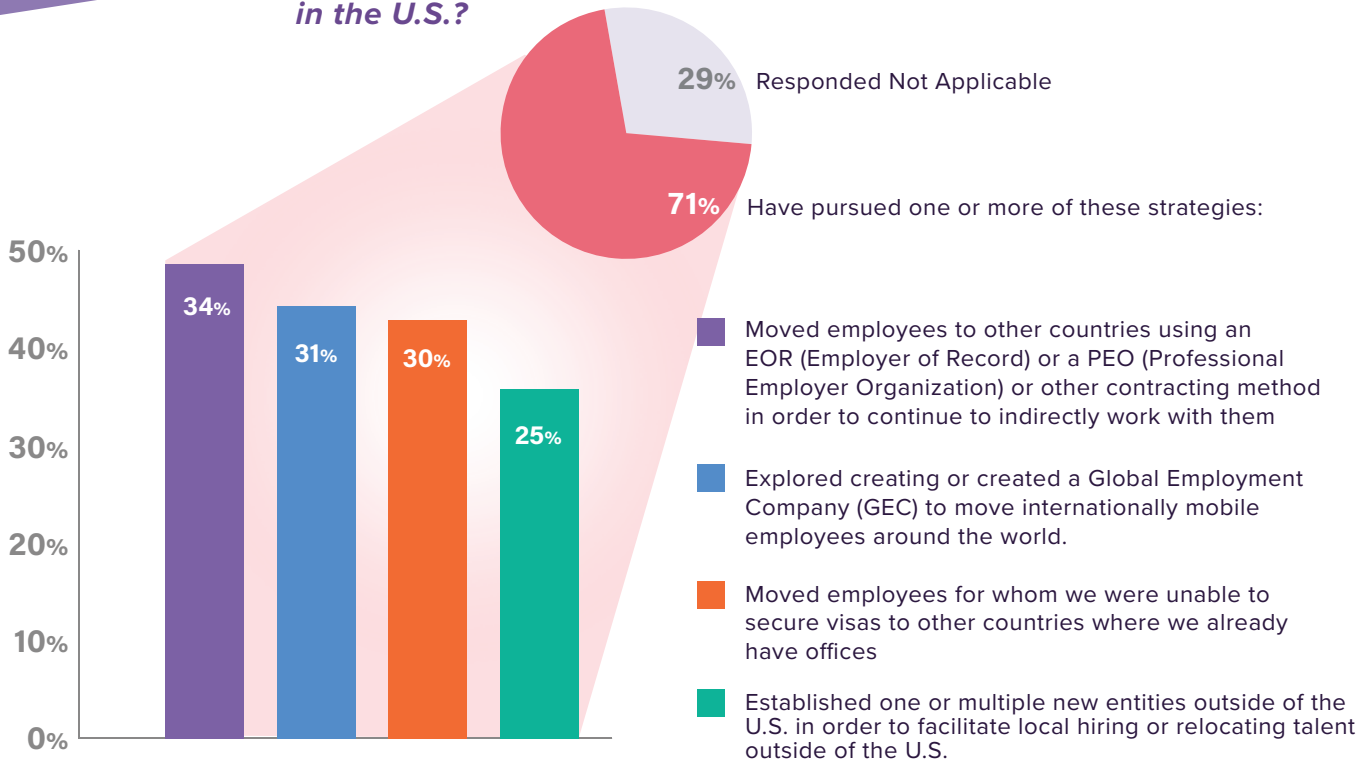
Q: Compared to 2021, how do you anticipate the demand for outbound immigration work at your organization changing in 2022?



71% of respondents indicated they have pursued at least one, if not multiple, strategies to retain employees for whom they have been unable to secure work authorizations in the U.S.

Figure 29

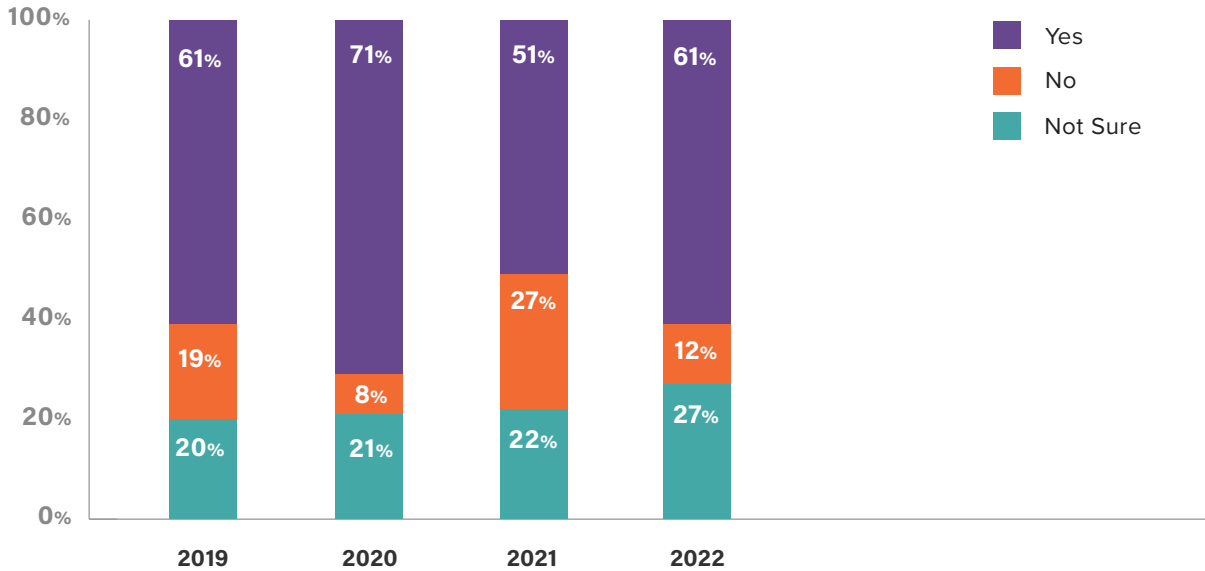
Q: What globally focused strategies has your company implemented in response to the difficulties in securing work authorizations for workers in the U.S.?



61% of employers view Canada’s immigration policy as more favorable to employers than that of the U.S.

Q: Do you consider Canada’s immigration policy to be more favorable to employers than the policy of the U.S.?

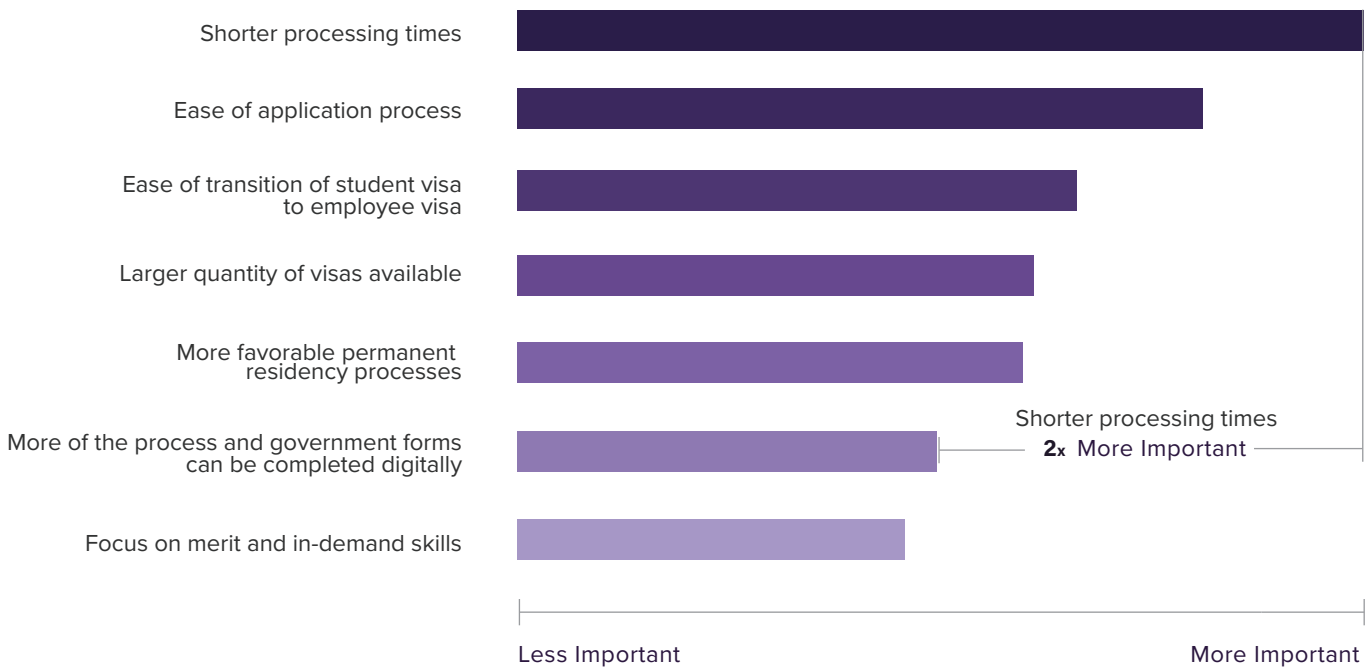
Figure 30



Employers cited “shorter processing times” and “ease of application process” as most important when asked what aspects of the Canadian immigration process they find most beneficial for their company

Q: What three aspects of the Canadian immigration process do you find most beneficial for your company when comparing it with the immigration process of the U.S.?

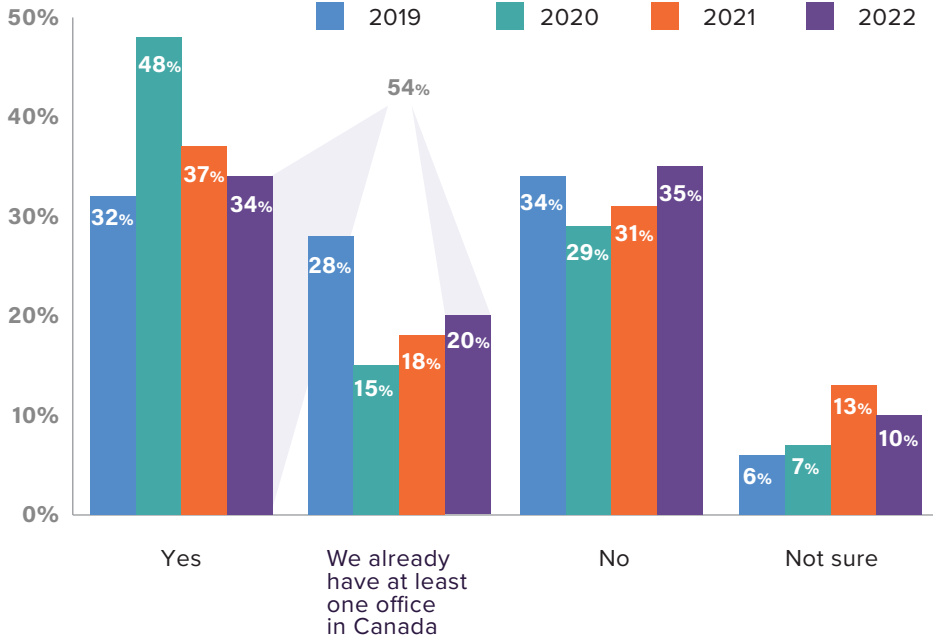
Figure 31



54% of respondents are considering Canada for their company's expansion or already have at least one office there

Figure 32

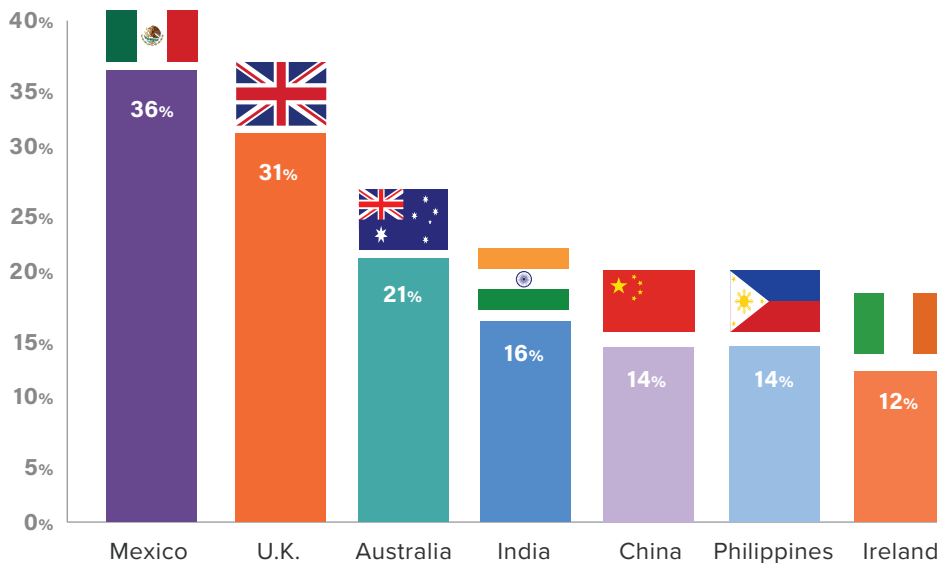
Q: Are you considering Canada for your company's expansion?



Mexico and the U.K. were the top 2 countries cited by employers, besides Canada, that their company has considered moving employees to, or hiring remote employees in explicitly due to difficulties securing work authorizations in the U.S.

Figure 33

Q: What other countries, besides Canada, have you considered moving employees to or hiring remote employees in specifically because of difficulties securing work authorizations for workers in the U.S.?



IMMIGRATION PROGRAMS & PARTNERS

As conveyed in previous chapters, government inefficiencies, inconsistencies and restrictions around immigration pose significant challenges for U.S. employers trying to hire and retain much needed foreign talent. When asked to select the top five biggest pain points when dealing with the U.S. immigration application process overall, the biggest pain points according to respondents included:



Consequently, the obstacles that employers face with the immigration application process directly impact the pain points they encounter when managing their internal immigration programs. According to our respondents, two of the top three pain points around managing their immigration programs are related to the lack of predictability around the government's frequent policy changes, as well as the burden of costly government fees.

Employers also frequently cited "the process of preparing visa applications/petitions" and "legal fees" in their top five biggest pain points for managing their immigration programs, exhibiting the internal cost and efficiency pressures that employers confront as they navigate government hurdles. The challenges posed by these internal pressures are further exacerbated by the third tier of pain points cited by our respondents, which included "managing employee expectations and communication" and "scaling the management of the program as the number of [foreign national] employees in status increases." (Figure 35) Given these obstacles, employers place a high value on partnering with an immigration provider that offers efficiency and reliability to address these pain points and counter the limitations of the U.S. immigration system. In this year's survey, perennial factors like cost and price remained primary reasons for employers to choose a new immigration provider or reassess their current partner. These factors have consistently ranked highly in our surveys from past years given that between government filing fees, relocation reimbursements and other costs associated with the unpredictability of employment-based immigration, hiring and employing foreign talent in the U.S. comes at a high price for employers.

More notably, the second tier of factors cited by employers as important for an immigration partner centered around technology and experience. When asked for the primary reasons for deciding to re-evaluate a current immigration provider, "awareness of emerging technologies that improve the immigration process" and "customer experience provided by immigration provider to HR team" were cited most by respondents, at nearly equal levels, just behind "cost" and "we always assess our programs and immigration provider on a consistent basis." (Figure 36) Likewise, when asked what primary criteria their company uses to evaluate potential new immigration services providers, "data security", "references and recommendations," and "experience level of the immigration attorneys and partners" were the most important criteria behind only "price." (Figure 37)



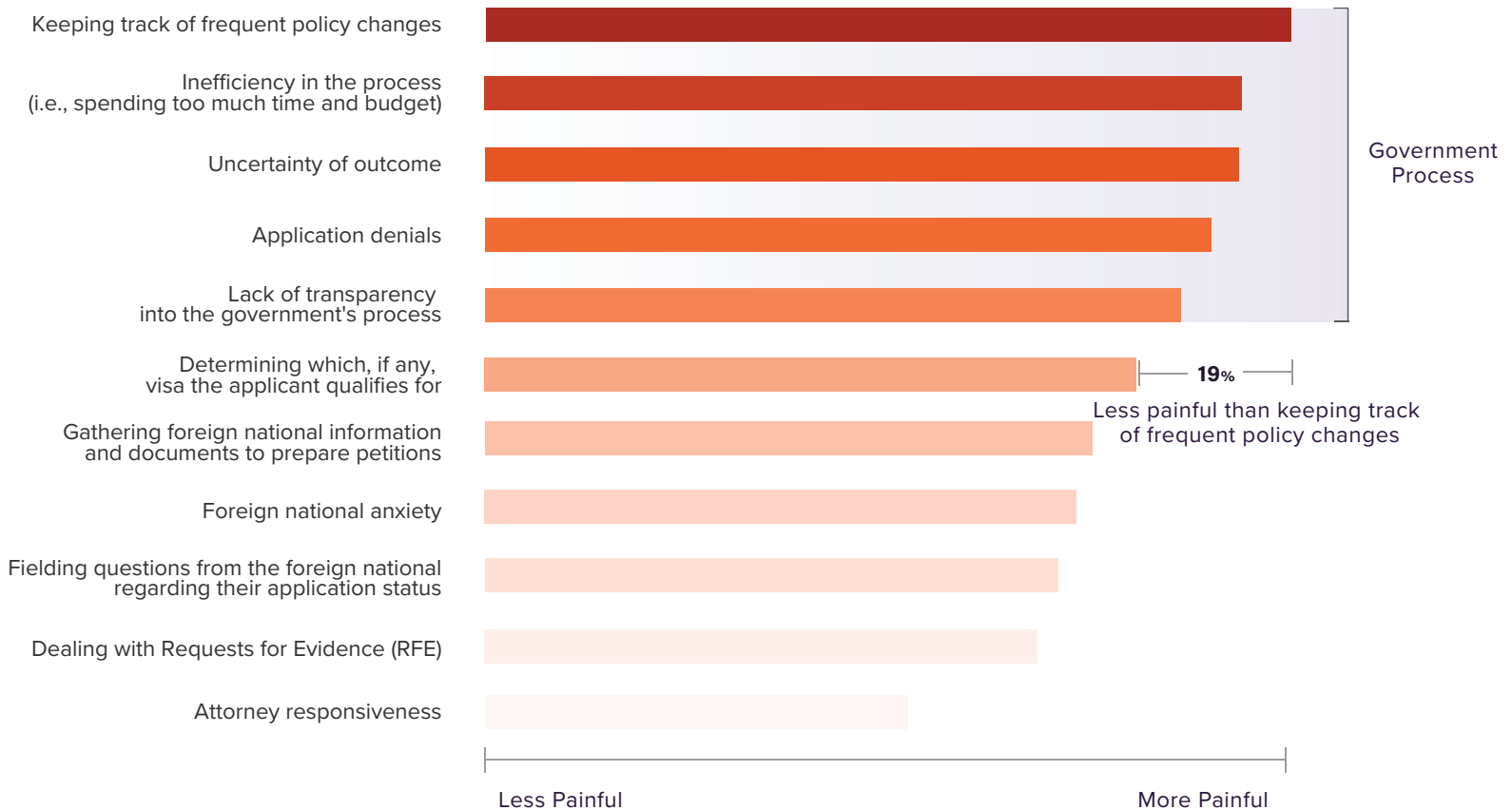
With many companies employing foreign nationals that work remotely and the overall focus on protecting employees' personal information from breaches, data security within immigration technology platforms is crucial for employers and employees alike. When asked specifically where data security factors into an employer's decision to implement an HR technology platform, 81% of respondents said it was a high concern (39%) or moderate concern (42%). Only 13% of respondents said data security was a low concern (8%) or not a concern (5%). (Figure 38)

As employers navigate regulatory and market obstacles and assess their immigration programs and partners, a key factor moving forward will be the continued increase in demand for foreign talent as the supply diminishes for reasons illustrated in previous chapters of this report. Establishing a versatile and durable immigration program and choosing the right immigration partner will be crucial for employers to tackle the challenges to come.

The top 5 biggest pain points our survey respondents cited with the U.S. immigration system were all related to how the government handled their portion of the process versus the steps handled by the company

Figure 34

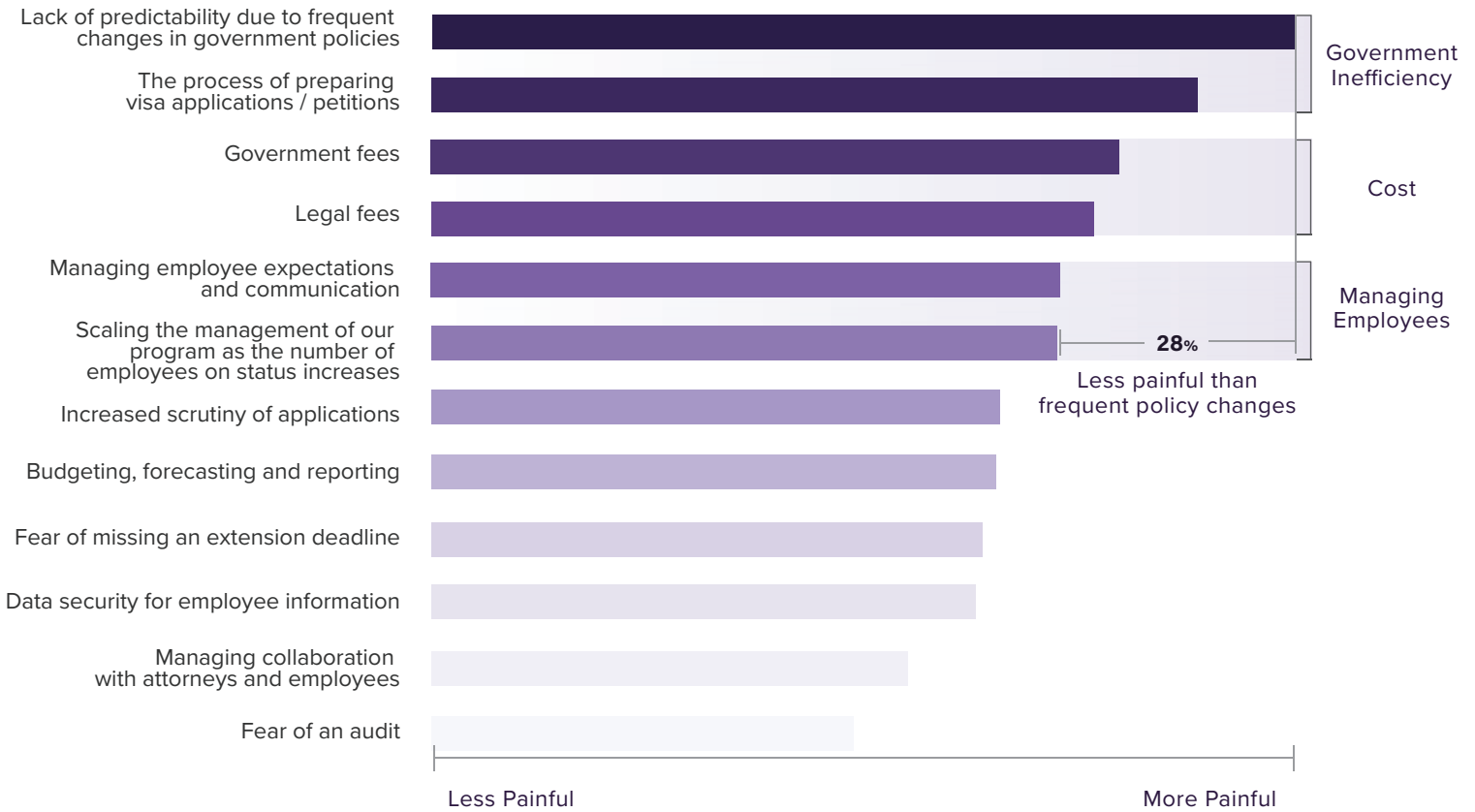
Q: Please select what you feel are your top five biggest pain points when dealing with the U.S. immigration application process overall?



Employers rank the **lack of predictability, government and legal fees** and **the process of preparing visa applications / petitions** as top pain points in managing their U.S. immigration program

Q: Please select what you feel are your top five biggest pain points around managing your company's U.S. immigration program?

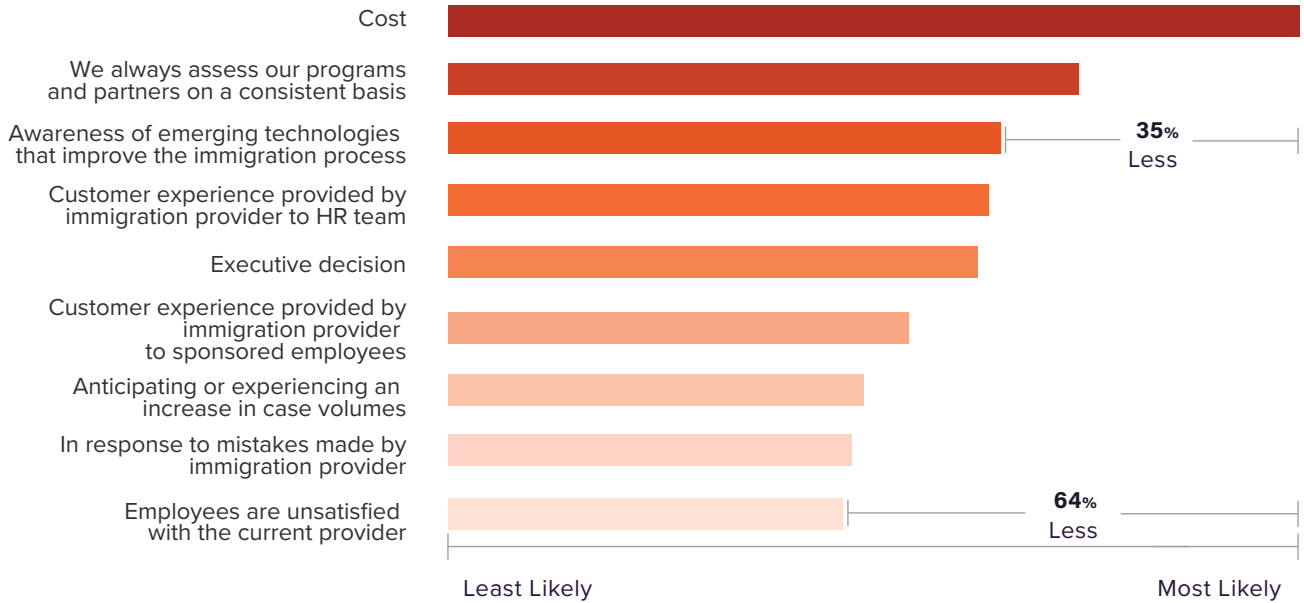
Figure 35



Cost and regular RFPs remain top triggers for re-evaluating providers, but emerging technology and customer experience being received are ranked as about 2/3rds as likely to be among the top three reasons

Figure 36

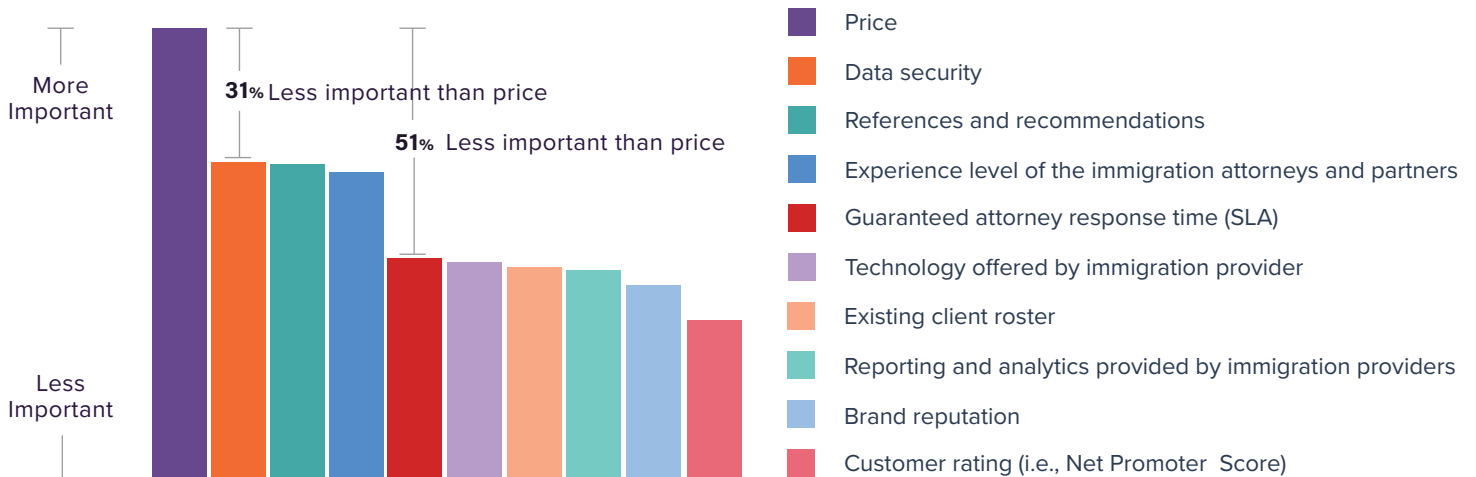
Q: When you decide to re-evaluate your current immigration provider, what are the primary reasons for doing so? Select your top three



Data security, References and recommendations, and Experience level of the immigration attorneys and partners were the most important criteria behind only price

Figure 37

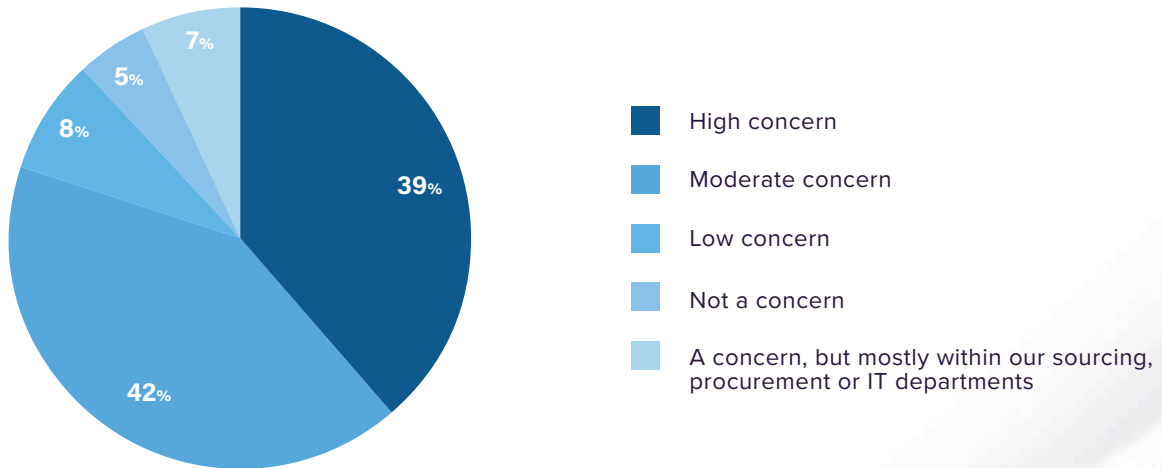
Q: What primary criteria do you use to evaluate potential new immigration services providers? Rank your top three



81% of employers say data security is of high or moderate concern when implementing an HR technology platform

Q: *Where does data security factor into your decisions about implementing an HR technology platform?*

Figure 38



BENCHMARKING

Figure 39

Q: What do you see changing in the industry within the next 5 years?

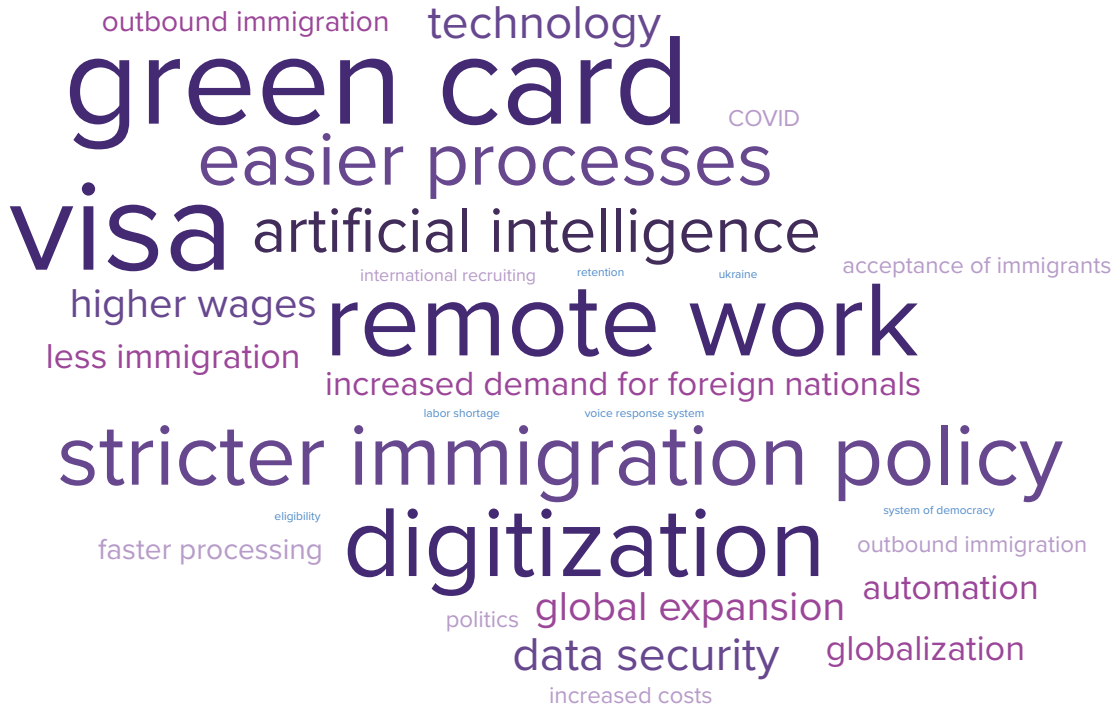


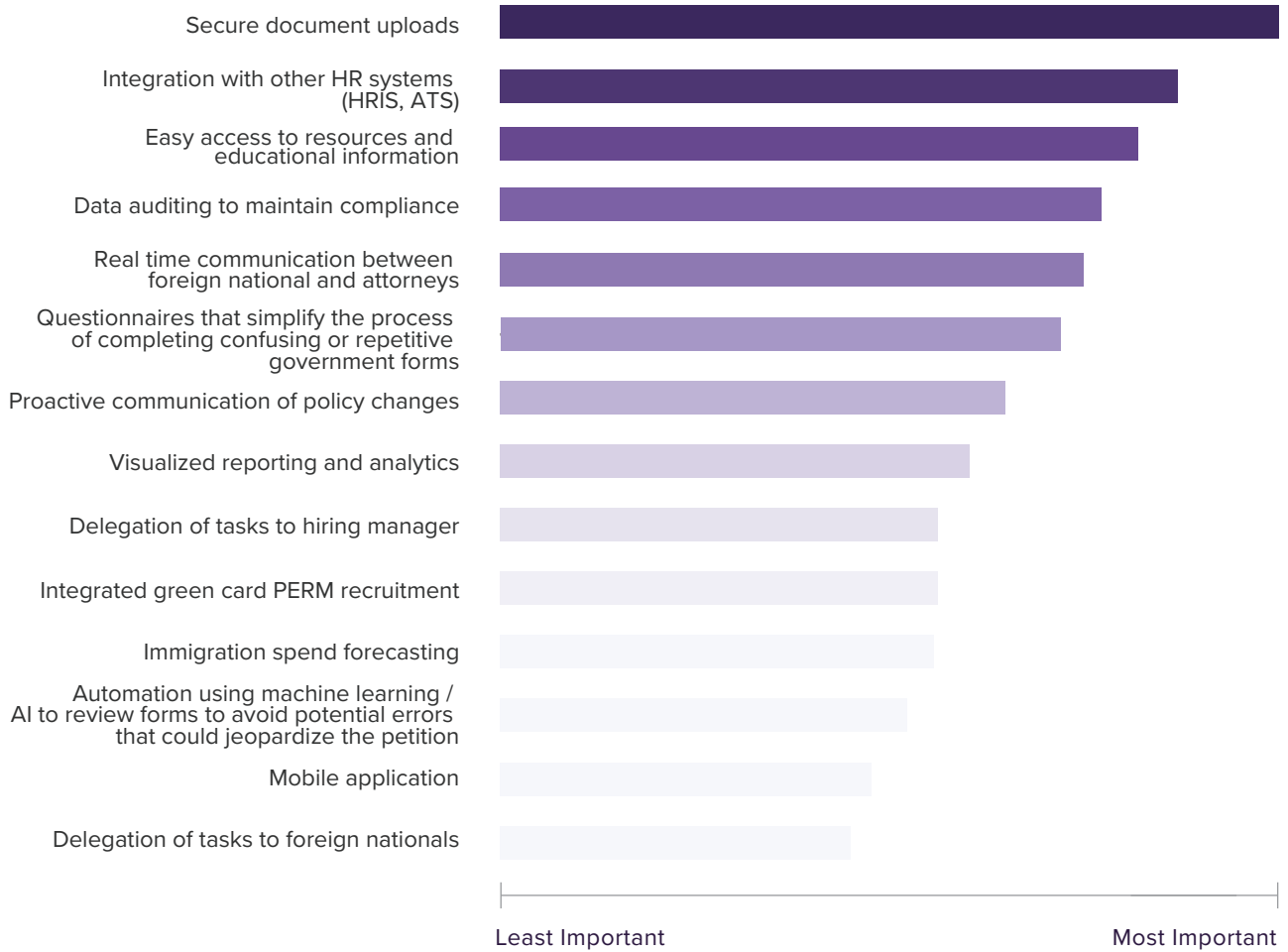
Figure 40

Q: What do you think will have the greatest impact in your role as an immigration services provider?



Q: Please select up to five of the following features you believe to be MOST important when selecting an immigration technology platform?

Figure 41



Q: What main sources do you use at your organization to handle outbound (non-U.S.) immigration?

Figure 42

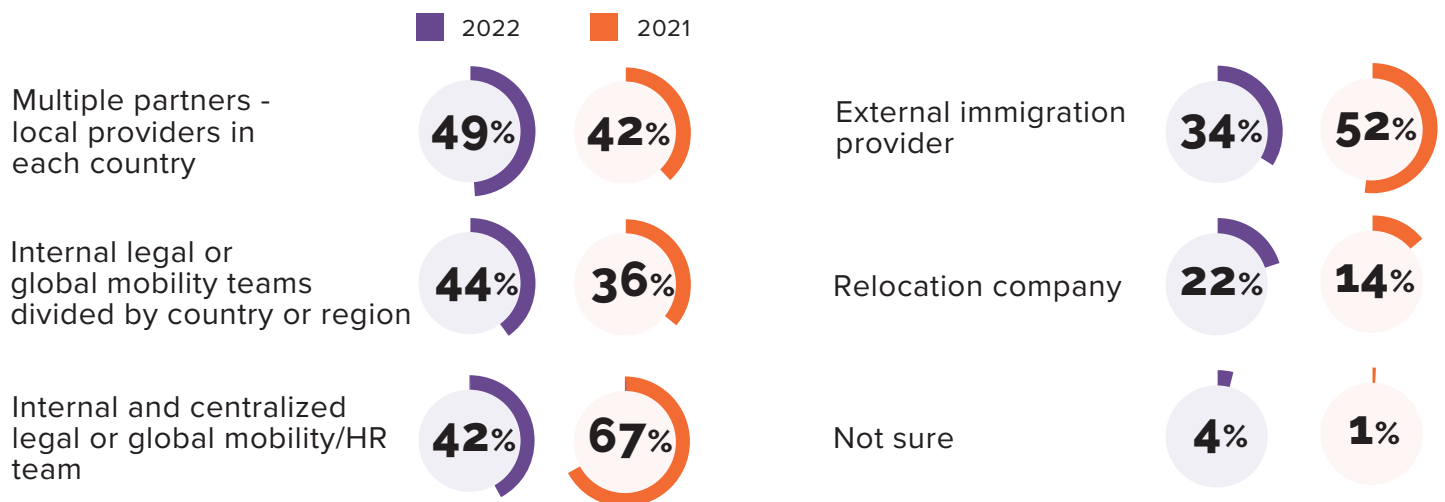


Figure 43

Q: What immigration-related perk packages do you offer?

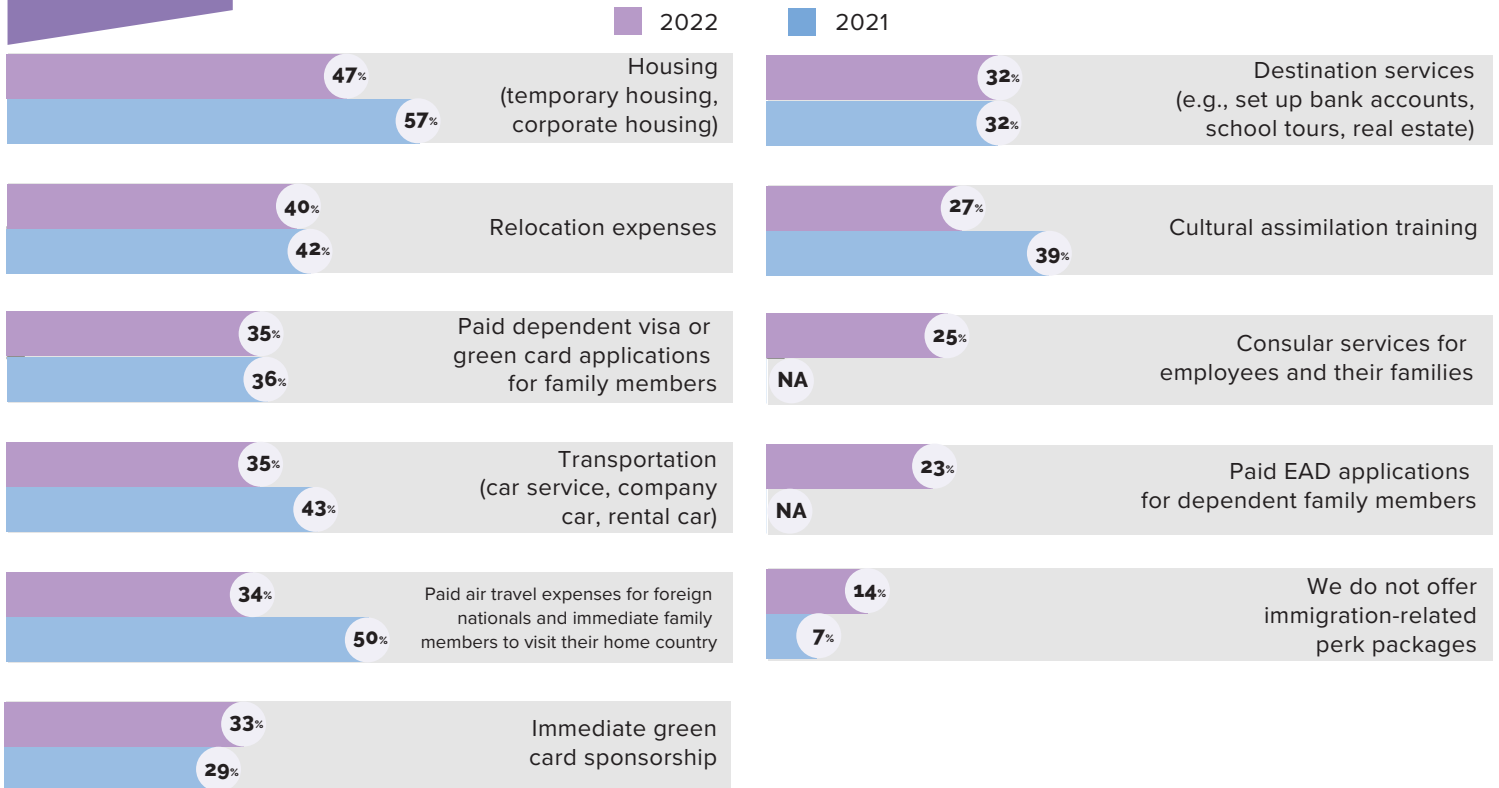


Figure 44

Q: What is your system of record for immigration data?

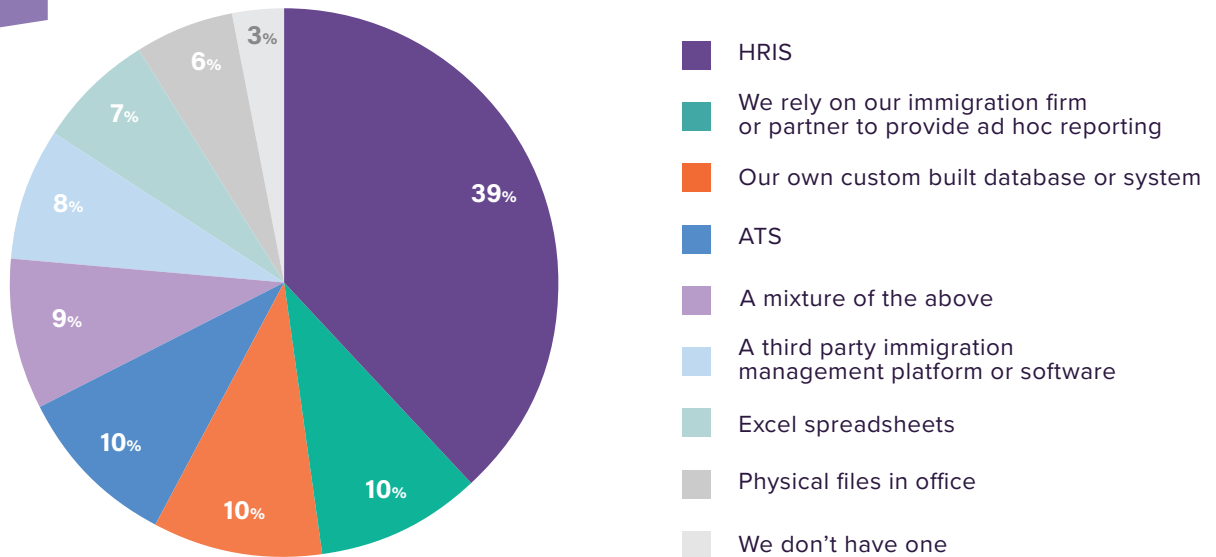


Figure 45

Q: How many different people at your company are responsible for immigration?

Sponsored employees in organization

Employees responsible for immigration at organization

	Less than 5	5-24	25-99	100-499	500+
1-5	79%	59%	43%	24%	20%
6-10	7%	30%	25%	27%	24%
11-20	5%	6%	14%	31%	22%
20+	5%	3%	13%	15%	30%
Not Sure	5%	2%	5%	4%	4%

CONCLUSION

As the impact of the COVID-19 pandemic starts to diminish, access to foreign talent remains critical for employers. More than ever before, factors like outdated visa caps and lack of reform from the government are straining employers, particularly in the backdrop of an ongoing labor shortage. Nevertheless, organizations are invested in streamlining the increasingly complex process of securing work authorization for foreign talent as competition amongst employers stiffens.

Looking ahead, some actions by the current administration offer optimism for employers as steps are being taken to digitize the U.S. immigration process and provide relief to extensive green card backlogs. That said, there is still a strong appetite for broad government reforms that increase the efficiency and capacity of the U.S. immigration system. Without such reform, the flow of foreign talent to the U.S. will continue to be stifled and the U.S. will lose valuable talent as employers look abroad to countries with more favorable immigration policies. In the long run – and especially in the peak of a labor shortage – losing skilled talent to other more welcoming nations hurts the country as a whole, not only by failing to use immigration to address the labor shortage, but by leaving employers with little options except to move high paying jobs outside the country along with losing the considerable consumer spending and tax revenue those jobs produce.¹³

13

<https://www.stilt.com/blog/2020/06/the-true-economic-impact-of-h1b-visa-holders/>

SURVEY METHODOLOGY

The national survey was conducted online by Lucid from March 8 to March 15, 2022, with 305 HR professionals participating across a variety of industries and company sizes. Each respondent is a U.S. resident, 21+ in age and holds a full-time HR or Global Mobility position. Their companies have experience in either the non-immigrant visa, green card or outbound global immigration application process. Questions covered internal and external global immigration processes and challenges. Questions relating to green cards were limited to the 245 respondents who indicated that they had direct experience handling them at their organization. Similarly, the international (outbound) immigration questions were limited to the 141 respondents who confirmed experience in that area.

FIRMOGRAPHICS

PEOPLE
SURVEYED

HR PROFESSIONALS
305

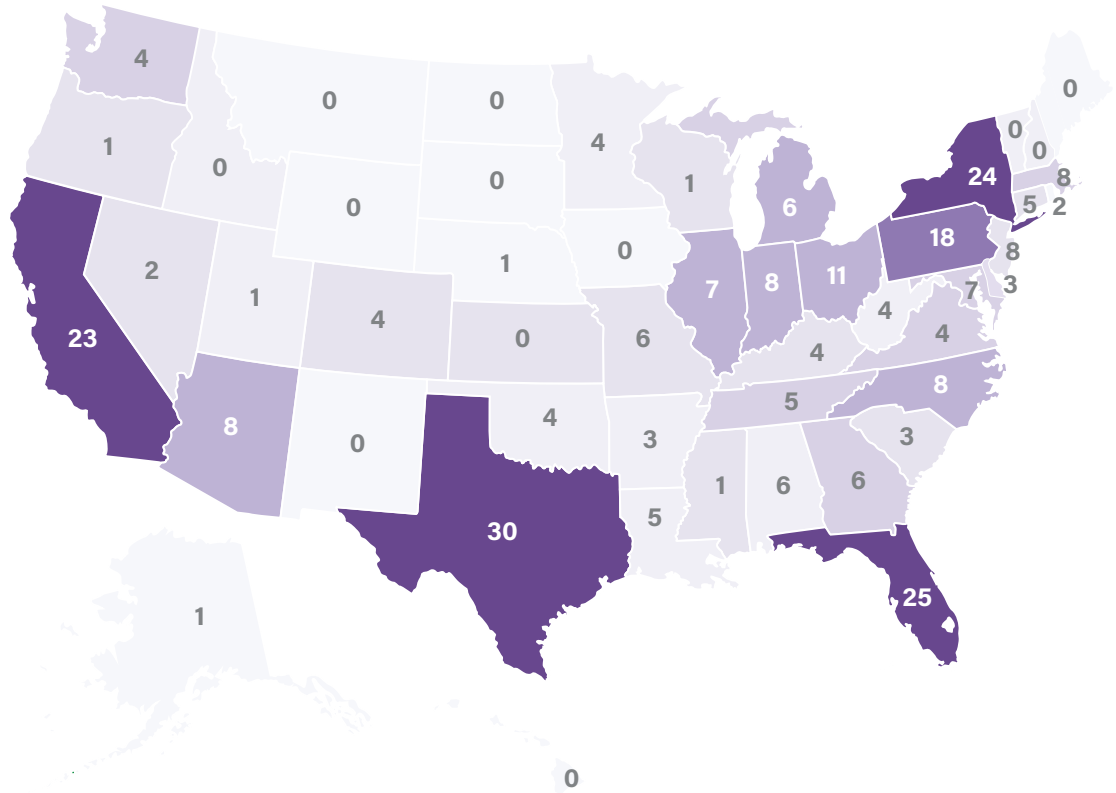
COMPANIES
SURVEYED

54%
PRIVATE

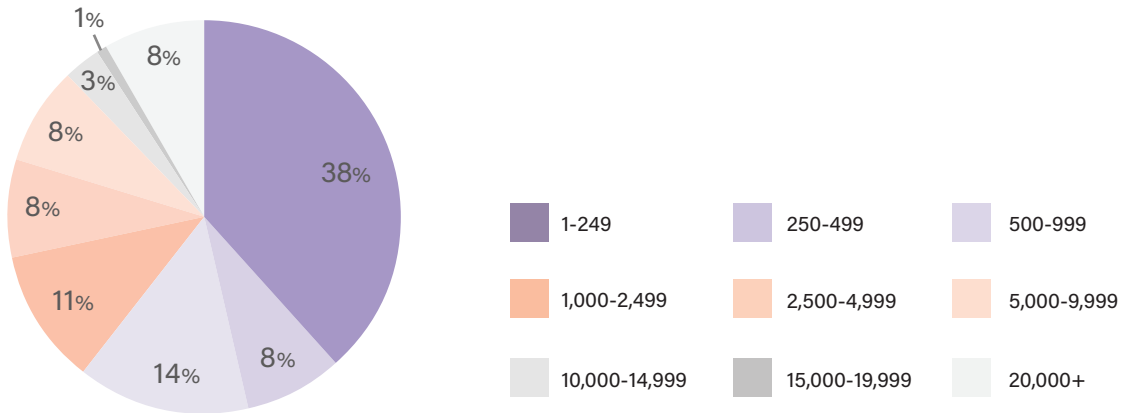
39%
PUBLIC

7%
GOVERNMENTAL
AGENCY

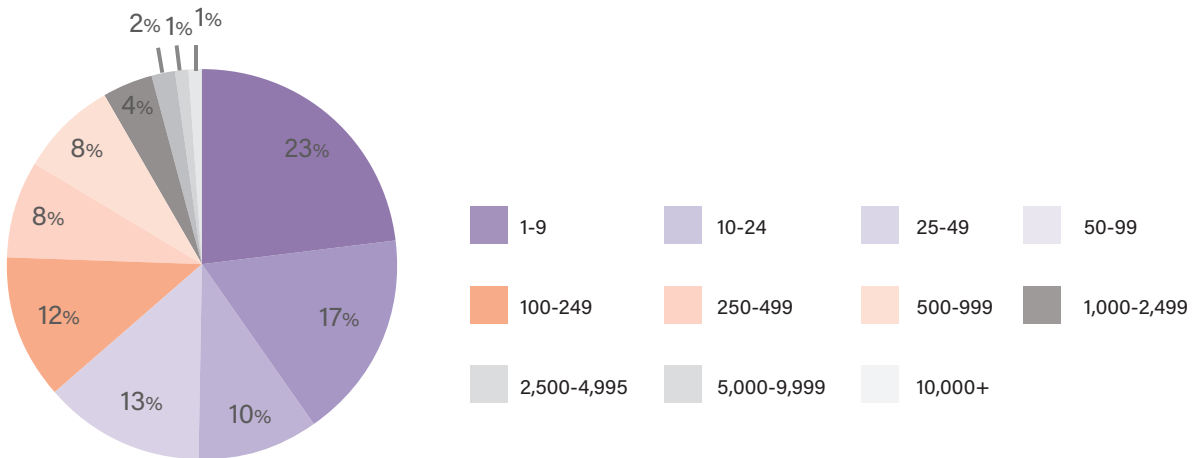
RESPONSES
BY STATE



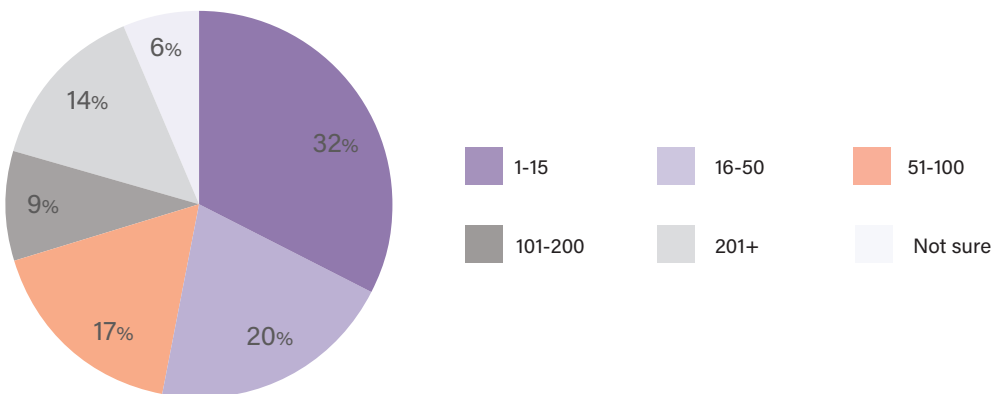
Q: Across all locations, approximately how many total employees work for your company or organization?
If you are not sure, please provide your best estimate.



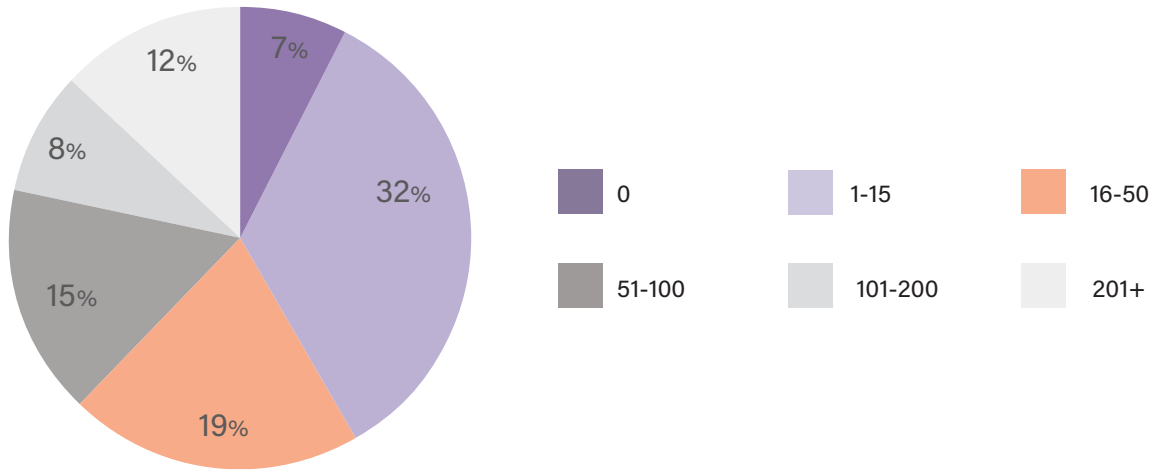
Q: How many sponsored employees do you have in your organization?



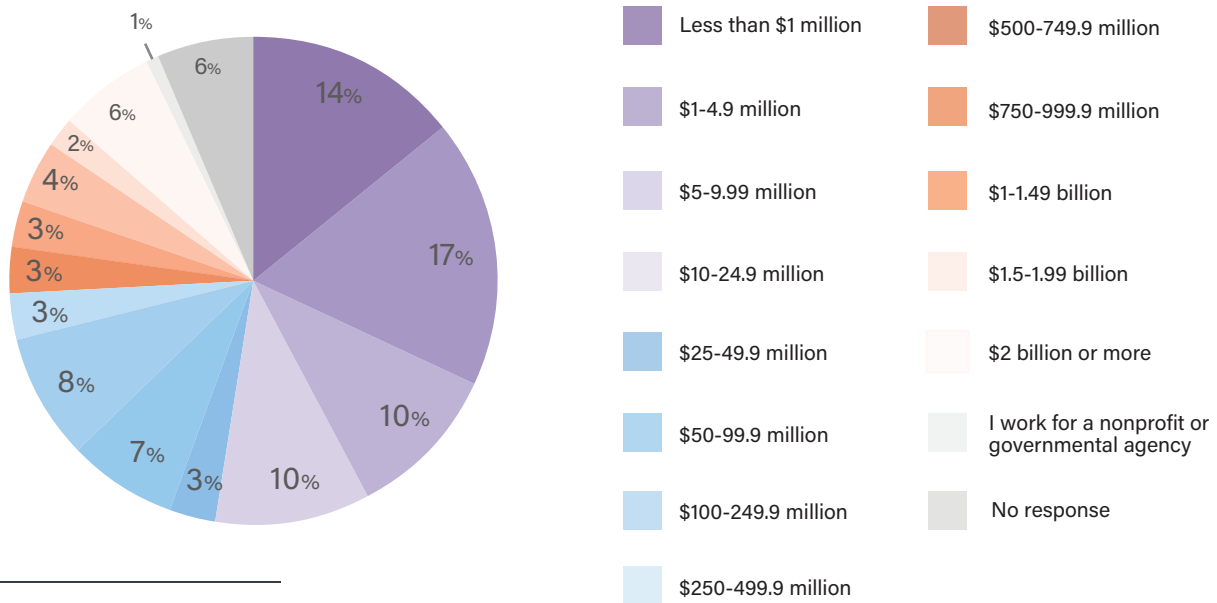
Q: What is the average number of visas, business visas, work authorizations and/or green cards that your organization applies for annually for workers coming to the United States?



Q: What is the average number of work permits and/or employment visas (e.g., work authorization) in jurisdictions outside of the United States for global assignments and/or business visas for jurisdictions outside of the United States for global business travel that you apply for on an annual basis?



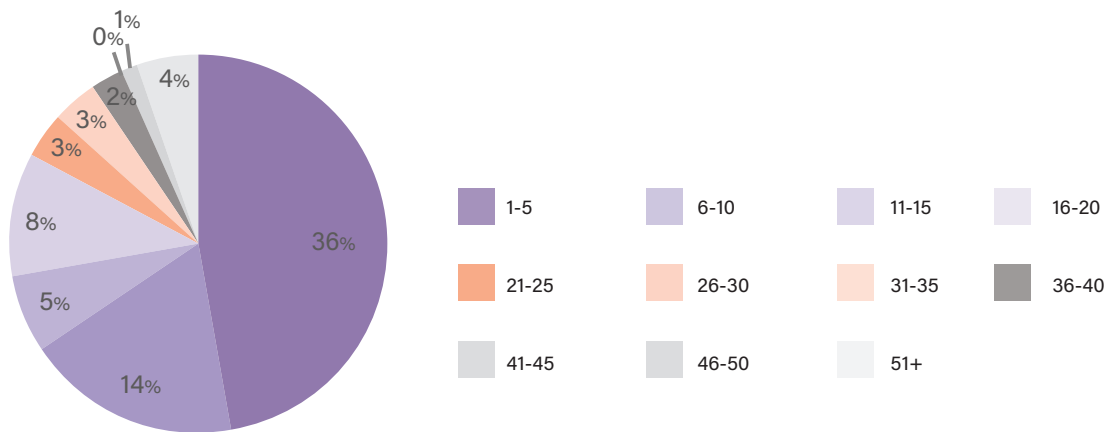
Q: What was your company's total gross revenue? If you are not sure, please give your best estimate.



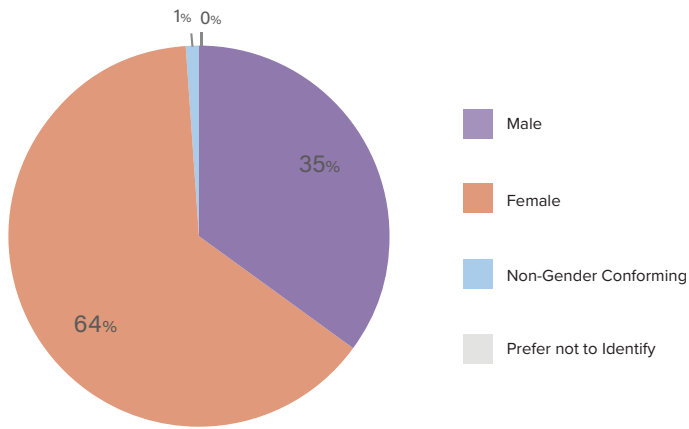
Q: Type of industry your company is primarily engaged in:

Accounting/tax prep/payroll	2%	Construction	6%	Manufacturing	10%
Agriculture	1%	Consulting	4%	Nonprofit	3%
Architectural/engineering	1%	Education	8%	Real Estate/Property	2%
Automotive	2%	Engineering	2%	Retail/Wholesale trade	6%
Banking/Financial	4%	Food/Beverage	1%	Shipping/Distribution/Logistics	1%
Bio-Tech	2%	Government/Public Sector	3%	Software	1%
Business/Financial services	0%	Health care	14%	Telecommunications	1%
Communications/Information	2%	Hospitality	4%	Transportation	2%
Computer systems design/Hardware	2%	Information Technology/IT services	4%	Other	4%

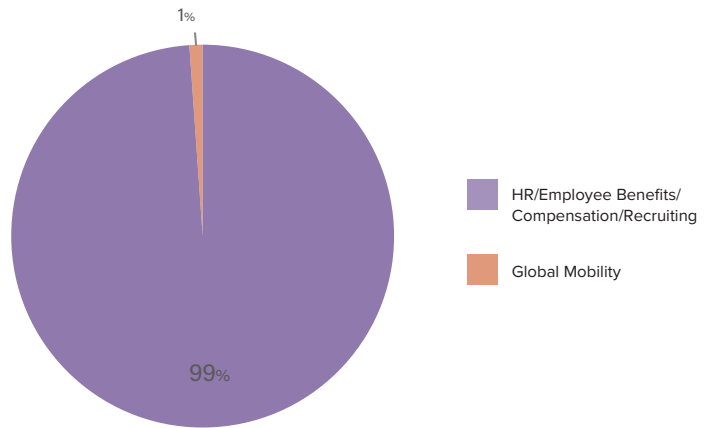
Q: How many countries outside of the U.S. does your company or organization have offices in? If you are not sure, please provide your best estimate



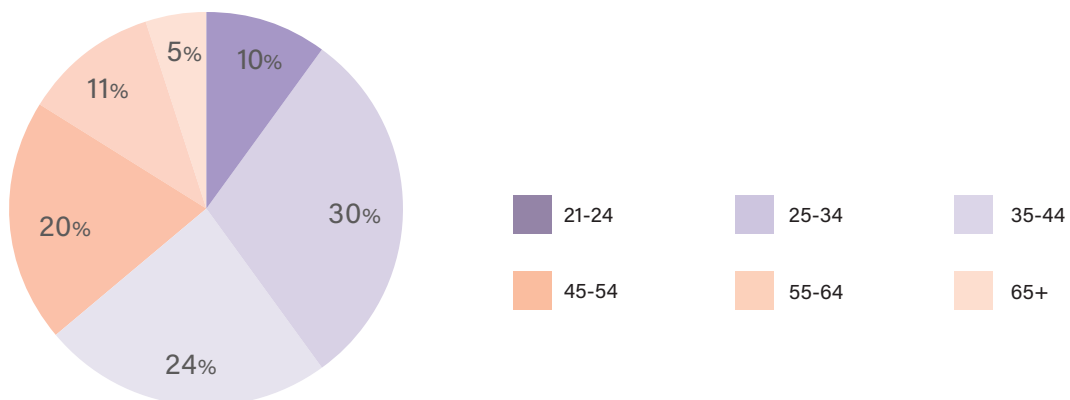
Q: What is your gender?



Q: What is your current department or functional area?



Q: What is your age?



Q: How many years have you been in this current role?

7.73
AVERAGE
TENURE

Q: Which function area within your Human Resources department do you work in?

Generalized HR Role	51%
Talent Acquisition	22%
Total Rewards (Benefits and Compensation)	15%
Global Mobility	10%
Other	3%

Q: What is your current level of seniority?

Manager-level	49%
Senior-level	35%
Entry-level	8%
C-level	7%
Other	1%



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Founded in 1998, Envoy is a global immigration services provider offering the only immigration management platform that makes it seamless for companies to hire and manage an international workforce. By combining access to top-tier legal representation—for both inbound and non-U.S. immigration—and proprietary technology, Envoy empowers companies to acquire the best talent regardless of where they live, while simultaneously managing their entire global workforce and enabling employees to take advantage of business opportunities around the globe. Envoy serves over 1,000 customers ranging from high-growth startups to Fortune 50 corporations.



Lucid is a programmatic research technology platform that provides access to first-party survey data in over 100 countries. With its global community of sample buyers and suppliers, the Lucid Marketplace enables anyone, in any industry, to ask questions of online audiences and find the answers they need – fast. Founded in 2010, Lucid is headquartered in New Orleans, LA with offices throughout North America, EMEA, and APAC.

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Totals may not equal 100 percent due to rounding
or the ability to select more than one response.