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Policy Brief: Policies Targeting Skilled Workers and Students Crush American Innovation and Harm our Economy

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In response to the [economic](#) and [foreign policy](#) fallout of the [ICE raid on the Hyundai plant](#) in Georgia, President Trump emphasized on social media platform Truth Social that skilled workers are welcome, [stating](#), “I don’t want to frighten off or disincentivize Investment into America by outside Countries or Companies. We welcome them, we welcome their employees...” Yet five days later, the Trump Administration announced a slew of policies targeting highly skilled workers that directly contradict this welcome by requiring applicants to pay prohibitively expensive fees. These policies target not just highly skilled H-1B visas, but green cards earmarked by Congress for truly exceptional individuals—preventing many of the world’s “geniuses,” including those educated in the United States, from contributing to the American economy.

When viewed in conjunction with policies from earlier this year that make it harder for foreign students to study and work in the United States, the Administration is hobbling the American economy by undercutting innovation. It is shutting down the pipeline that brings the brightest foreign students to the United States to study alongside American students, then retains their talent in American businesses. Instead, the Administration is driving that talent to global competitors like [Canada](#) and [China](#), who see the recent U.S. policies as an opportunity. The national economy is already feeling the impact, with the Organization for Economic Co-operation and Development noting in its growth forecast that [lower immigration](#) is a major factor in expected slower economic growth next year.

Congress must protect the innovation that drives the U.S. economy by standing up to attempts to usurp Congressional authority and implementing oversight of these new policies. Our immigration system needs real reform that recognizes the importance of both U.S. workers and foreign workers, not administrative chaos that will kill the United States’ ability to attract and retain top talent in favor of a pay-to-play system.

Highly skilled immigrants drive innovation in the United States

The importance of these highly skilled immigrants to innovation in the United States cannot be overstated. Highly skilled immigrants, such as those who arrive on H-1B visas, are key drivers of innovation in [multiple sectors](#) of the U.S. economy, from healthcare and IT to finance and manufacturing. Immigrants working in the STEM field are [more likely](#) to obtain a patent than a native-born worker in a similar field and are then more likely to have that patent commercialized. Some of the most recognizable [U.S. business leaders](#) started their careers in H-1B status and have gone on to start or lead highly profitable businesses.

¹ Mariah Ferguson and Joshua Rodriguez contributed to this policy brief.

Importantly, H-1Bs are also used heavily in the medical industry—often by those who have received medical training in the United States—with [5,640 approved](#) petitions in the healthcare and social assistance industry in 2025. [Almost 23,000](#) H-1B physicians worked in underserved communities between 2001 and 2024. Our national response to COVID-19 was also directly impacted by H-1B scientists who were involved in developing vaccines, as leading pharmaceutical companies have hired [over 3,000](#) H-1B scientists since FY 2010.

The international student to H-1B to Green Card pathway

H-1B visas are a key pathway for international graduates to remain in the United States. A sizable number (nearly 25%) of new annual H-1B approvals are statutorily [reserved](#) for students with graduate degrees from U.S. universities and colleges, highlighting the close connection between foreign students and innovation. International students stay and contribute to the U.S. economy—143 billion-dollar companies in the United States have a founder who was an international student, including [25% of founders of billion-dollar startup companies](#) in the United States. These companies [include](#) household names like SpaceX, Stripe, Epic Games, and Instacart – all of whom employ thousands of American workers. Indeed, Elon Musk, famous entrepreneur and founder of SpaceX whose main companies collectively employ [over 130,000](#) people, is an example of the international student to H-1B pathway.²

The temporary visa category known as H-1B allows U.S. employers to hire individuals with a bachelor’s degree or higher to work in a specialty occupation. It requires employers to pay a prevailing wage, as determined by the Department of Labor (DOL), as well as significant fees for the adjudication of the application and ensuring that U.S. workers are not harmed by the program. Most H-1Bs are subject to a [cap](#) of 85,000 visas per year, and a random lottery is in place to determine who can apply for visas subject to a cap because [demand far exceeds](#) the availability of visas. Employers who are [exempt](#) from this cap are limited, and include institutes of higher education, their affiliated nonprofits, and research organizations. Workers on H-1B are admitted for only three years and can renew for a total of six years. An H-1B visa can only be renewed beyond six years if the worker is being sponsored for an employment-based green card.

The most common pathway for international students to remain in the United States beyond their studies is through optional practical training (OPT), a temporary employment authorization that lasts one or three years, depending on their field of study. During this time, students will submit for the H-1B visa lottery. The significance and regular use of the OPT to H-1B pathway is recognized in the long-standing policy known as the “[cap-gap](#)” extension that addresses problems specific to international students changing their status to H-1B. The opportunity to put their studies into practice is one of the key reasons students are attracted to U.S. institutions.³

In recognizing the significant value that H-1B workers bring to our communities, many U.S. employers seek to retain these individuals permanently by sponsoring them for a green card. Given the education and skill set of these individuals, they may qualify for green cards as individuals with extraordinary ability (EB-1); with exceptional ability or advanced degrees, including those whose work is in the national interest (EB-2); or as professionals (EB-3). For an

² Musk [stated](#) that he began on a “J-1 visa that transitioned to an H1-B” [sic].

³ A recent [survey](#) of current and prospective students by NAFSA: Association of International Educators and the Institute for Progress noted that 54 percent of current students would not have enrolled at a U.S. institution if OPT had been rescinded.

employer to sponsor an individual in most EB-2 and all EB-3 positions, they need to demonstrate that there are not willing and available U.S. workers who can do the job.

Attracting these talented individuals to not only study in the United States, but to stay and work here, has been integral to sustaining the United States as a leader of innovation. For many international students, the H-1B visa is the only path forward to remain in the United States – and entry level H-1Bs are now out of reach for most under the Administration’s new policies.

New H-1B policies erect barriers to small businesses and international students

On September 19, President Trump issued the [Restriction on Entry of Certain Nonimmigrant Workers](#) Proclamation that radically shifted the H-1B landscape. With just over 24 hours until the effective date, impacted agencies scrambled to provide clarity while employers across the country panicked, not knowing if H-1B employees could be stranded overseas unless they paid a \$100,000 fee. Despite walking back statements from the Oval Office that the fee applied to all H-1B workers, many operational questions remain, including whether the \$100,000 fee applies to cap exempt institutions, whether it applies to individuals who are changing their status or employers, and how the fee will be collected despite it already being required. Notably, there is a significant outstanding legal question—whether the President has the authority to impose this fee, given that Congress has clearly spoken on the issue of [H-1B fees](#).⁴

On the same day, DOL announced “[Project Firewall](#),” an enforcement initiative to conduct investigations of H-1B employers to “maximize H-1B compliance,” with the Secretary of Labor personally certifying the start of investigations. Then, on September 24, DHS issued a [proposed new rule](#) that, if finalized, would give more chances for someone to be selected in the H-1B lottery if they are paid at the highest wage level to the detriment of entry-level employees who are recent graduates of U.S. institutions.⁵

These new policies targeting the H-1B visa erect significant barriers to accessing one of the few pathways available for highly skilled workers. Through steep fees and giving preference to the highest-paid workers, the policies prioritize big businesses over small businesses and organizations, including school districts, startups, and religious organizations.

Importantly, these policies also harm the higher education industry by making H-1Bs further out of reach for recent graduates of U.S. institutions and further decreasing the appeal of a U.S. education for international students. Recent graduates, who are typically paid as entry-level (or “Level 1”) employees, will have a ghost of a chance to turn their American education into the billion-dollar companies founded by international students of the past.

This compounds the harm seen earlier this summer with the more direct targeting of international student visas—which has already led to a [radical decrease](#) in international students.

⁴ In addition to petition filing fees, Congress has specifically mandated that U.S. employers pay fees to address fraud in the H-1B program through the [Fraud Prevention and Detection Fee](#), as well as the [Public Law 114-113 fee](#). Moreover, Congress sought to address any potential harms to U.S. workers, by requiring U.S. employers pay the [American Competitiveness and Workforce Act \(ACWIA\) Fee](#).

⁵ Fifty-three percent of current students would not have come to the United States to study if access to the H-1B program was prioritized by wage levels according to the [survey](#) from NAFSA: Association of International Educators and the Institute for Progress.

Actions targeting students have already eroded access to and appeal of study in the United States

This spring, the Trump Administration actively targeted international students through a series of policy decisions that caused chaos and uncertainty throughout international education and the businesses who employ international students.

- The Department of State (DOS) [revoked the visas](#) and Immigration and Customs Enforcement (ICE) terminated the SEVIS (Student and Exchange Visitor Information System) records of over 4,700 international students.
- DOS [paused interview appointments](#) for F, M, and J visas (visa categories for students and exchange visitors), to allow consular posts to evaluate their processes and expand social media vetting criteria for these visa types. Student visa interview appointments did not resume until June 18, 2025. Consular officers are now [required](#) to investigate students' social media to identify applicants who, per DOS, are hostile to the U.S., advocate for terrorism, or engage in antisemitic harassment or violence.
- The president issued a [proclamation](#) banning nationals of 12 countries from entering the United States and imposing a partial entry ban on nationals of an additional 7 countries, including F, M, and J visa holders, further hindering international students' ability to study in the U.S.
- The Department of Homeland Security (DHS) and ICE have issued a [notice of proposed rulemaking](#) to end "duration of status" for F, J, and I nonimmigrants, replacing it with a fixed admission period. If finalized, this rule would result in the [loss of flexibility](#) for students to complete their programs and force them to incur additional costs.

These policies are already impacting the U.S. economy. International students are a major economic engine for the United States, contributing [nearly \\$44 billion](#) to the U.S. economy and supporting approximately 400,000 American jobs during the 2023-2024 academic year. They frequently pay full tuition at U.S. universities, helping to subsidize American students' tuition. International students have an immense impact outside of economics as well, contributing to cross-cultural understanding, introducing global viewpoints in the classroom, and [filling essential roles in STEM fields](#). STEM students are also [critical to our national security](#), as 50 percent of advanced STEM workers in this industry are foreign born.

According to [NAFSA: Association of International Educators](#), an estimated 30 to 40 percent fewer international students are expected to attend U.S. institutions in the fall 2025 semester, compared to the year prior. This is [predicted](#) to result in the loss of nearly \$7 billion in revenue and more than 60,000 American jobs. The reasons for this decline include limited appointment availability and visa bans, but also a decline in prospective students interested in studying in the United States, as the hostile and chaotic policy landscape causes [potential students](#) to consider other countries like Canada or the United Kingdom. This is backed up by analysis by the [National Bureau of Economic Research](#), which shows a connection between the tightening of access to student visas under the first Trump Administration and a growth in student visas to Canada and the U.K. Given the increasingly hostile policy environment and lack of a path forward for international students through H-1Bs, the United States is unlikely to regain its appeal for international students without a significant reversal of policy.

While academic institutions are already feeling the squeeze caused by these policies, the long-term impact will be on the United States' ability to innovate and create jobs for Americans as the

Trump Administration closes off the main pathway for international students to stay in the United States and innovate.

The erosion of investment in American innovation does not end with these restrictions on entry-level international students and high skilled workers. It is multiplied by another policy targeting those who have already established themselves as innovators and leaders of their field.

Trump's new Gold Card prioritizes money over excellence

President Trump took a further step away from innovation with the details laid out in his new Executive Order on [Gold Cards](#). The new Gold Card proposes to expedite green card processing for those who can pay a \$1 million “donation” on their own behalf or a \$2 million “donation” for a corporation on behalf of the individual. Crucially, by co-opting green cards intended for priority workers who are at the top of their fields, this program will prioritize those who can pay for the Gold Card over those who have already demonstrated their excellence.

Congress has carved out a special route to a green card for individuals of extraordinary ability in the arts, science, business, sports, and education, or those with an advanced degree or exceptional ability whose work is in the national interest (employment first or second preference or “EB-1” and “EB-2”). This includes Nobel laureates, Olympians, researchers (including those that focus on diseases like cancer or Alzheimer’s), [AI and Data Science experts](#), actors like Academy Award-winning [Charlize Theron](#), and entrepreneurs. These EB-1 and EB-2 categories are subject to visa caps the U.S. government will only issue so many of each category every year. Approximately 80,000⁶ visas are available annually for these two categories, and [over 400,000 people](#) are currently waiting in line for years for these visas.

The new Gold Card proposes to take visas from these experts and give them to the individuals who can afford to “donate” millions of dollars to the United States—sacrificing a long-term investment in innovation and the economy for a quick buck.

Conclusion

Rather than incentivizing foreign workers and their employers to invest their education, skills, and resources into the United States, the Administration’s policies are closing the door to economic growth and innovation in favor of the wealthy elite. International students, H-1B workers, and their employers will turn to other countries that recognize that their extraordinary ability and potential will bolster their global competitiveness, to the detriment of the U.S. economy and U.S. workers

Related Resources

[Think Immigration: Excluding International Students Hurts Agency Efficiency and the National Economy](#)

[Policy Brief: Immigration Enforcement Actions Against International Students](#)

[Policy Brief: The Scope of Immigration Enforcement Actions Against International Students](#)

[The H-1B Visa Program and Its Impact on the U.S. Economy](#) (American Immigration Council)

⁶ 8 USC §§ 1151(d); 1153(b)(1)-(2).