

H1B Filings in the US: A Look at Winners and Losers of the Lottery

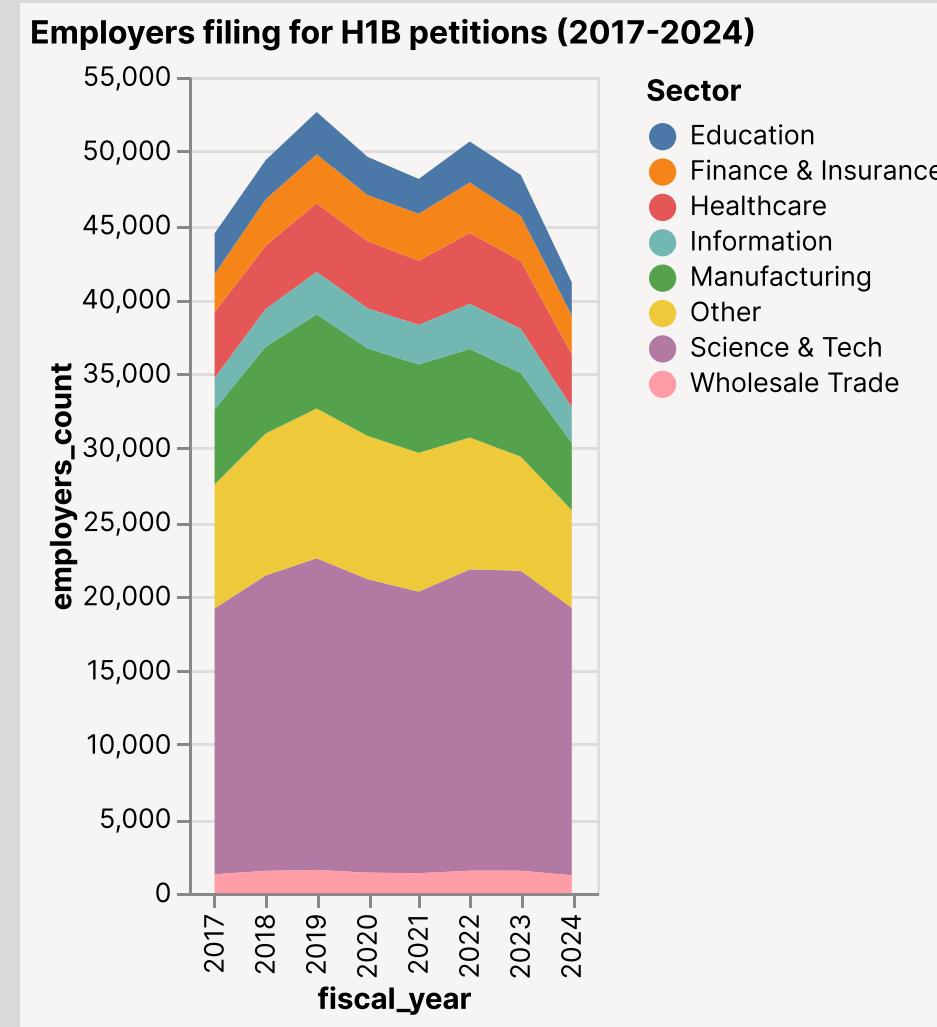
On top of the cost associated with any new hire, companies are paying anything from \$7,165 to \$33,365 in legal and government fees for any non-US employee they sponsor to work in the US. What is the data behind these well-sought after international talents? Is the system that determines who gets to work and who does not really fair as its lottery mechanism seemingly suggests?

What is H1B?

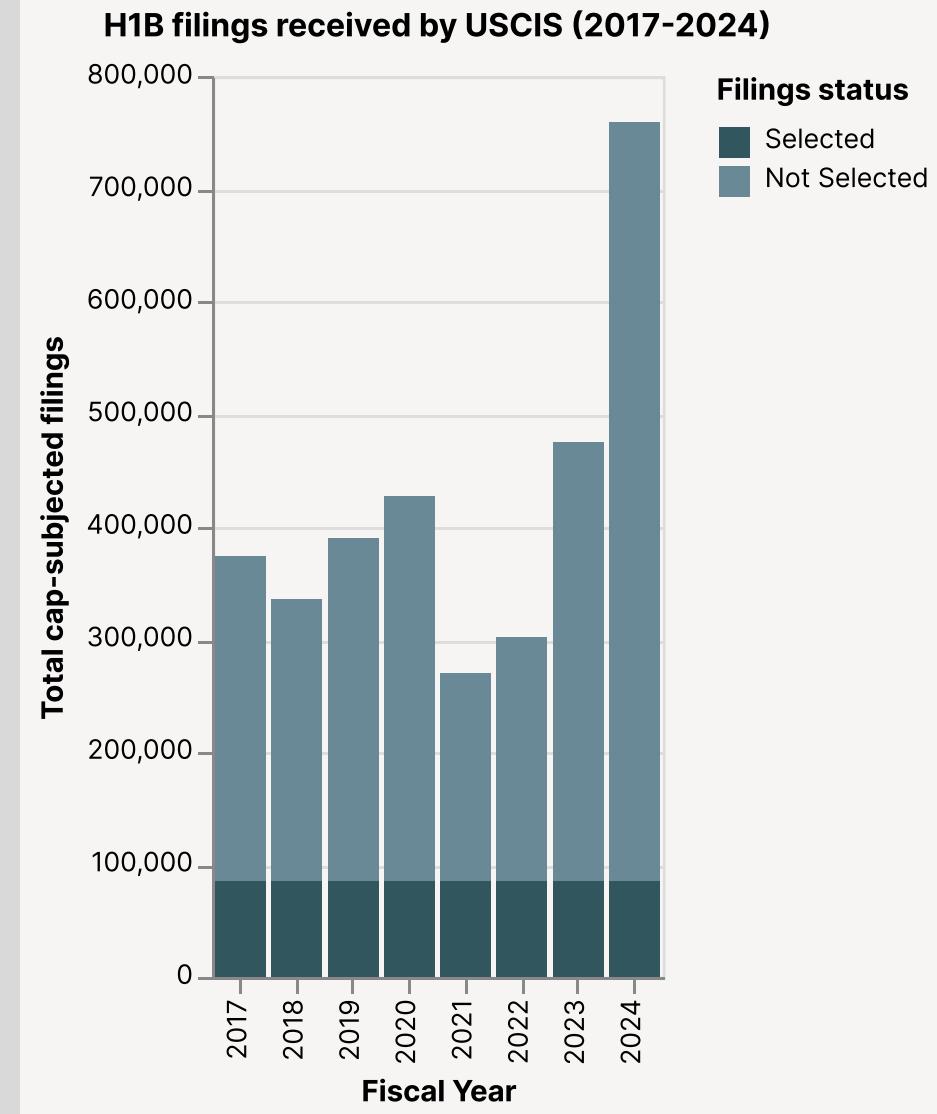
H1B is the most common work visa for foreign professionals in specialty occupations in the US, with validity of 3 years with extension for up to 6 years.

Due to an annual cap of 65,000 visas (plus 20,000 for those with a US Master's or Doctorate degree) per fiscal year ending September 30, a lottery is conducted every year to determine selection. As some non-profits and institutions are exempt from this cap, this analysis pertains to cap-subjected employers only.

More filings from fewer employers



US economic growth and positive outlook in 2019 fueled the rise in the number of employers petitioning to add international professionals to their rank. COVID caused a dip, but was nothing in magnitude compared to the plummeting of petitioners number in 2024. This is likely due to USCIS's 2,050% increase in H1B registration fee effective January yearof.



Interestingly, 2024 also witnesses an unprecedented surge in the number of H1B filings received. This means each company are filing more this season and, as we will soon see, more applications are being submitted for the same individual by these companies.



The high cost, complicated procedures, and uncertainty of retention all associated with H1B filings, very few companies take on this process.

For every 100 CA-based tech companies, there are only about 8 of them that would provide H1B sponsorship.

On one hand, this speaks to the challenging task of securing long-term work authorization (thereby, finding a job) for non-domestic job seekers in the US. On the other hand, this puts smaller firms in need of international talents at an disadvantage in comparison to corp giants counterparts, lacking the appropriate resources to hire H1B workers.



With a huge volume of filings that required processing over a short period of time and the feature of the lottery that allows for multiple registration of the same individual without a identifying token, it is not hard to imagine playing of this flawed system for parties in pursuit of their personal interests.

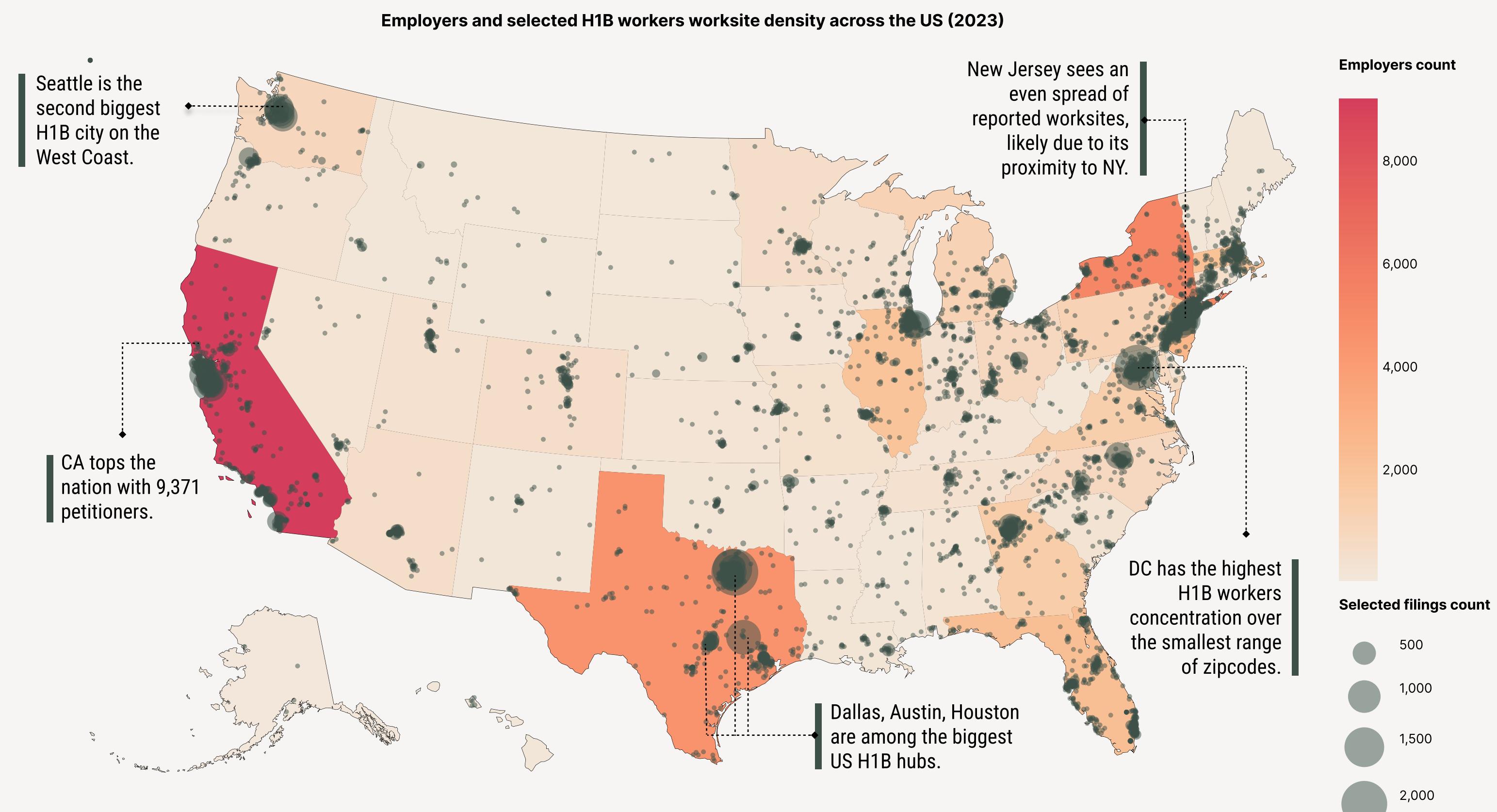
For FY2025, USCIS finally implemented a beneficiary-centric lottery system to address these problems. While this presents an effort to further preserve fairness of the process and leaves less room for fraud, many problems persist to ensure equity and opportunities for those who work hard for it: how is legitimacy of applications is ascertained in an efficient and effective manner, and how to prevent and seek out companies and individuals that try to hurt others for their own benefits by rigging the game?

Acknowledgement and Sources

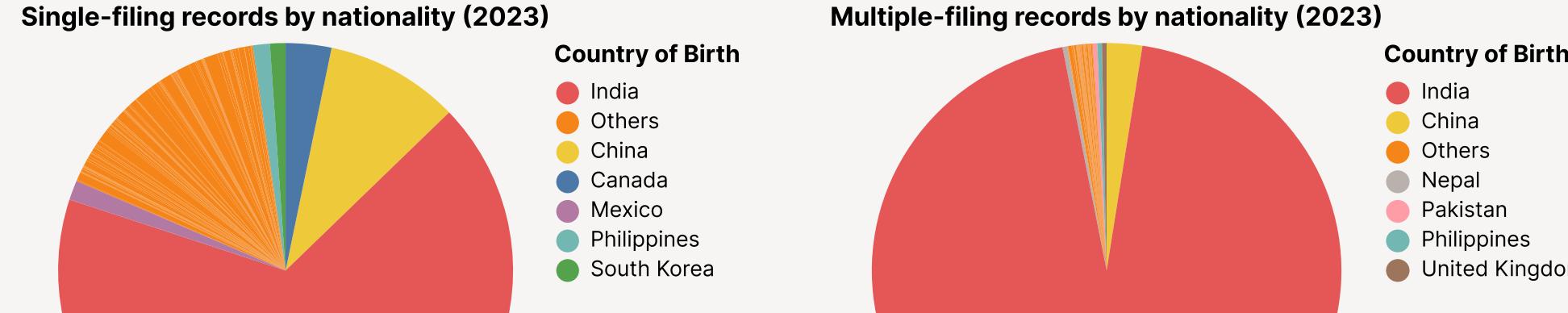
Data
USCIS, Employer Data Hub
Bloomberg & USCIS, H1B Visa Lottery and Petition Data FY21-24

References

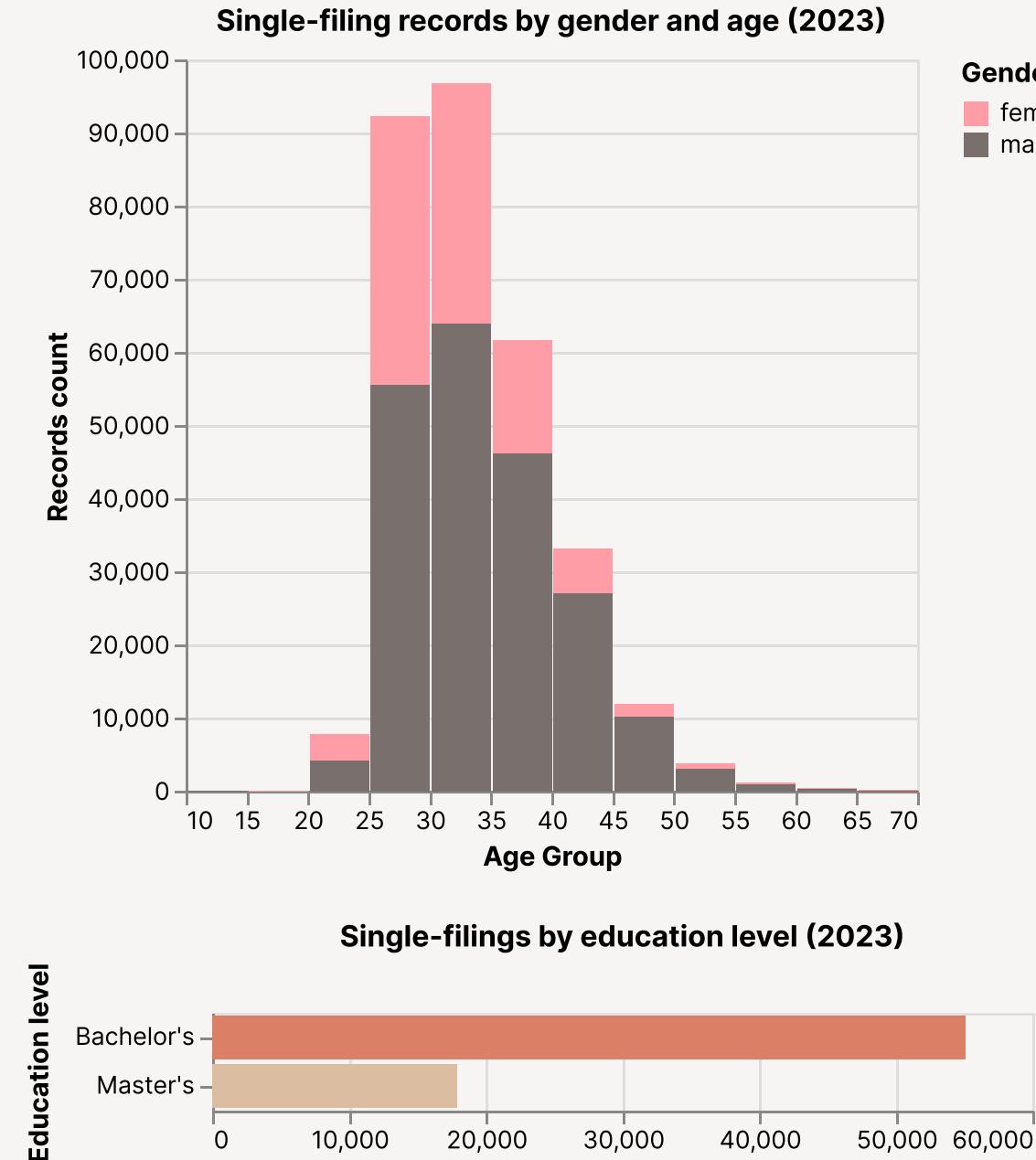
DOL, H1B Program
Forbes News, A Look At The High Fees Making Hiring H-1B Visa Holders Challenging
Bloomberg, How Thousands of Middlemen are Gaming the H1B Program



H1B winners profiling reveals employers' preference



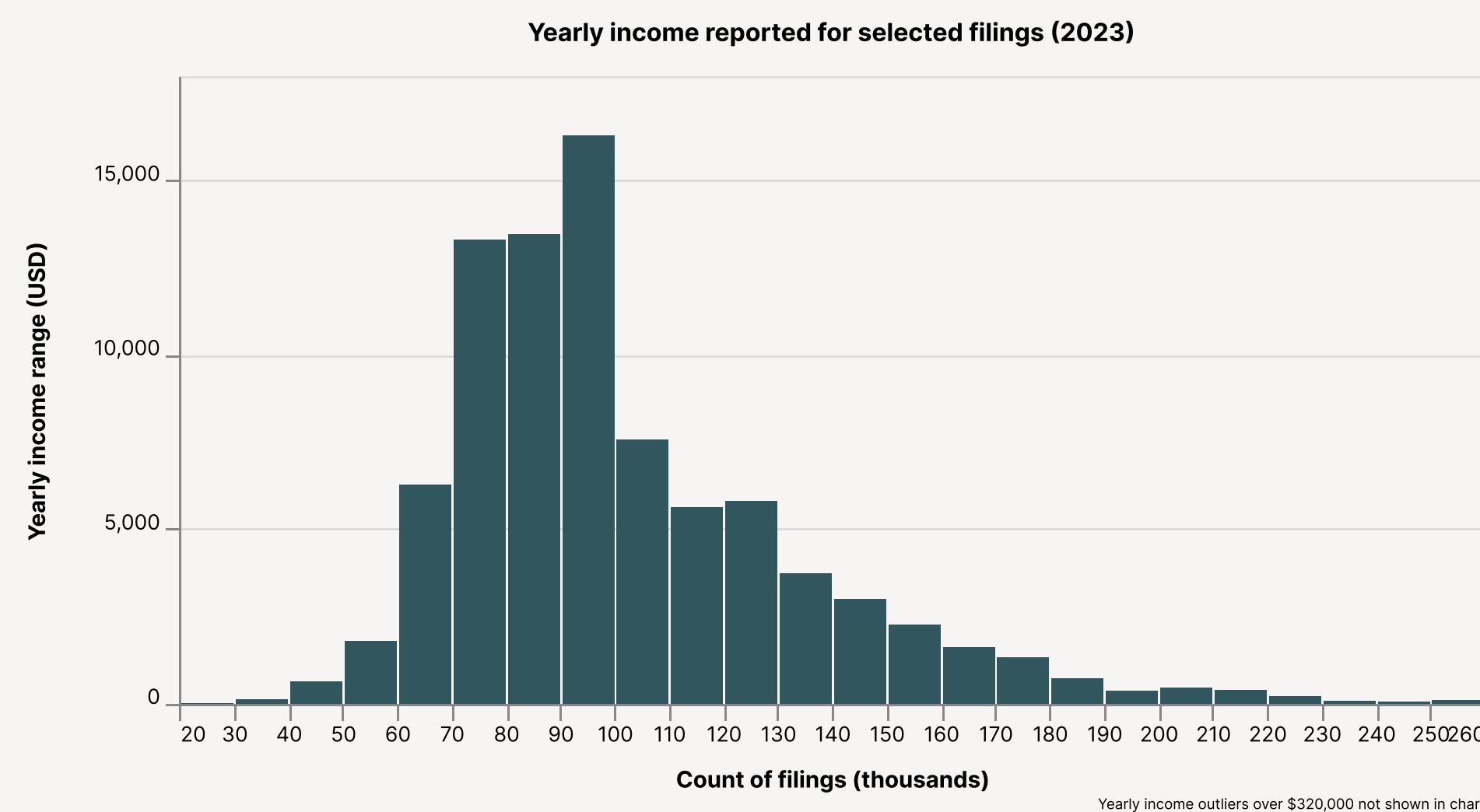
2023 saw people from 185 countries applying for H1B. Indians have an overwhelming presence in both filings type. Single filings see greater diversity in countries of origin for beneficiaries than its multifiling counterparts.



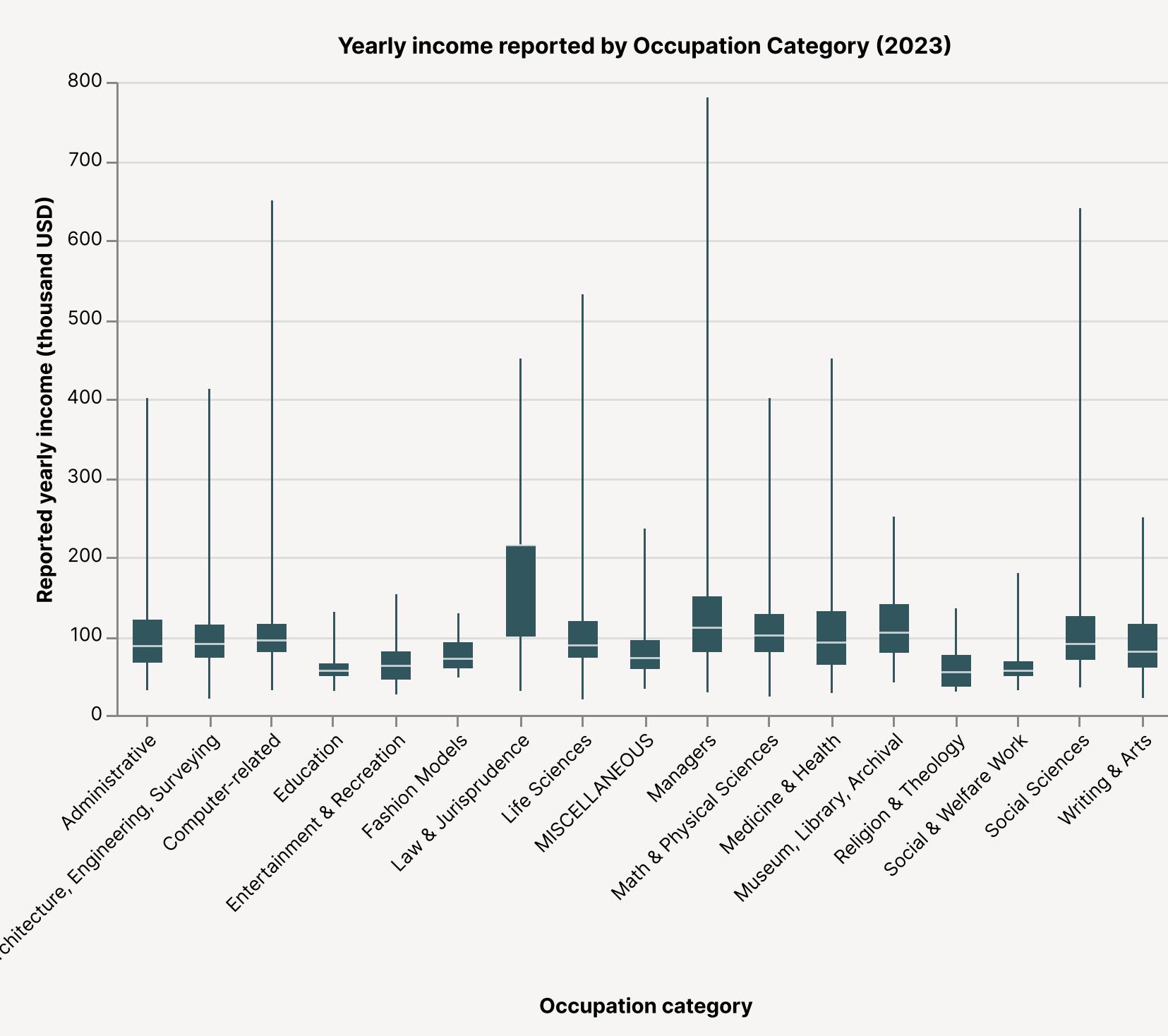
Bachelor's degree holders account for the majority of single-filings, despite having much lesser odds of selection in the lottery. Characteristics of selected H1B workers reveal employers' preference pattern to favor work experience over education level from H1B prospectives.

Gender-wise, male represents a greater proportion of H1B beneficiaries across all age groups. The male:female ratio gets increasingly greater the older the age groups are.

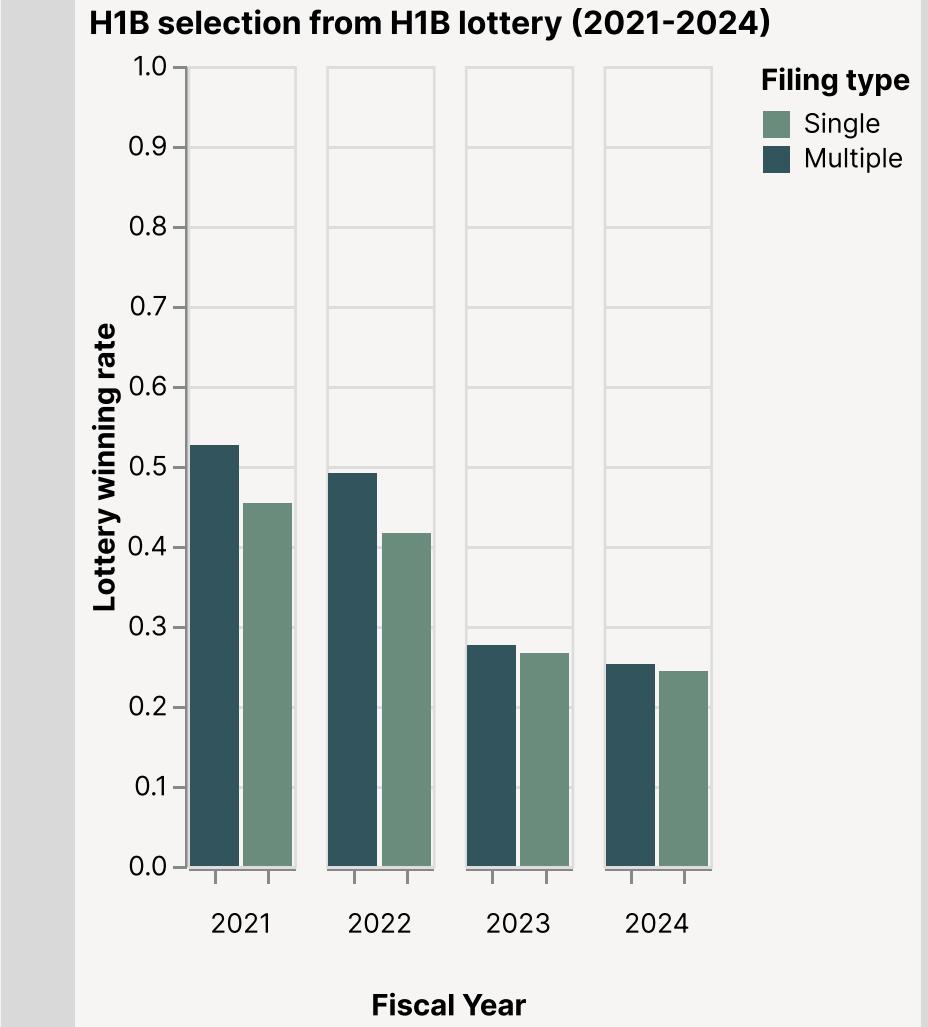
Yearly income are most concentrated in the 70-100 thousands range. The long right tail (cut off in the graph but extending to 800 thousands in the dataset) suggests demand for executive and very high-paying positions for these international professionals, with H1B being the stepping stone for later processes such as obtaining a green card for longer term commitment.



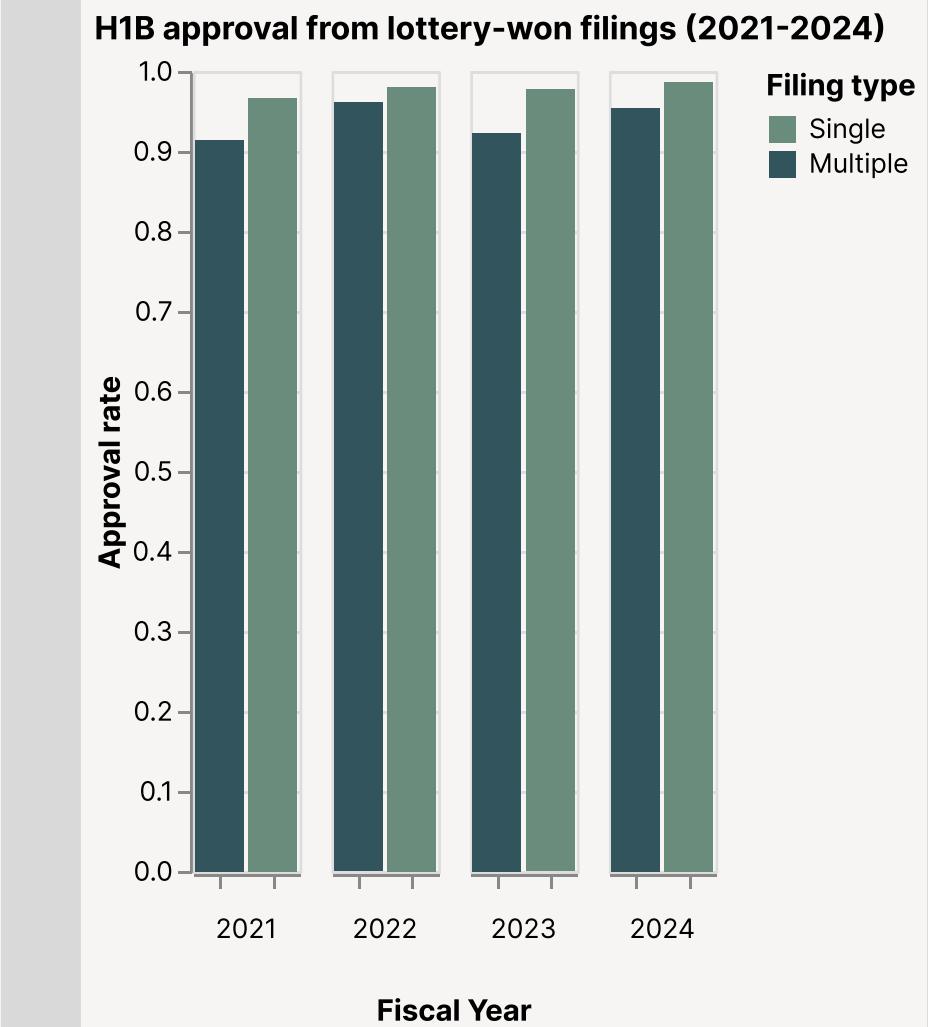
Salary rates differ significantly among occupation categories. Occupations in computer-related fields, managerial positions, and social scientists see petitions with the highest reported base income and likely the culprits of most outliers. Law occupation sees the highest minimum base income reported with the most even spread among applications, having the highest reported median income at 215 thousands USD.



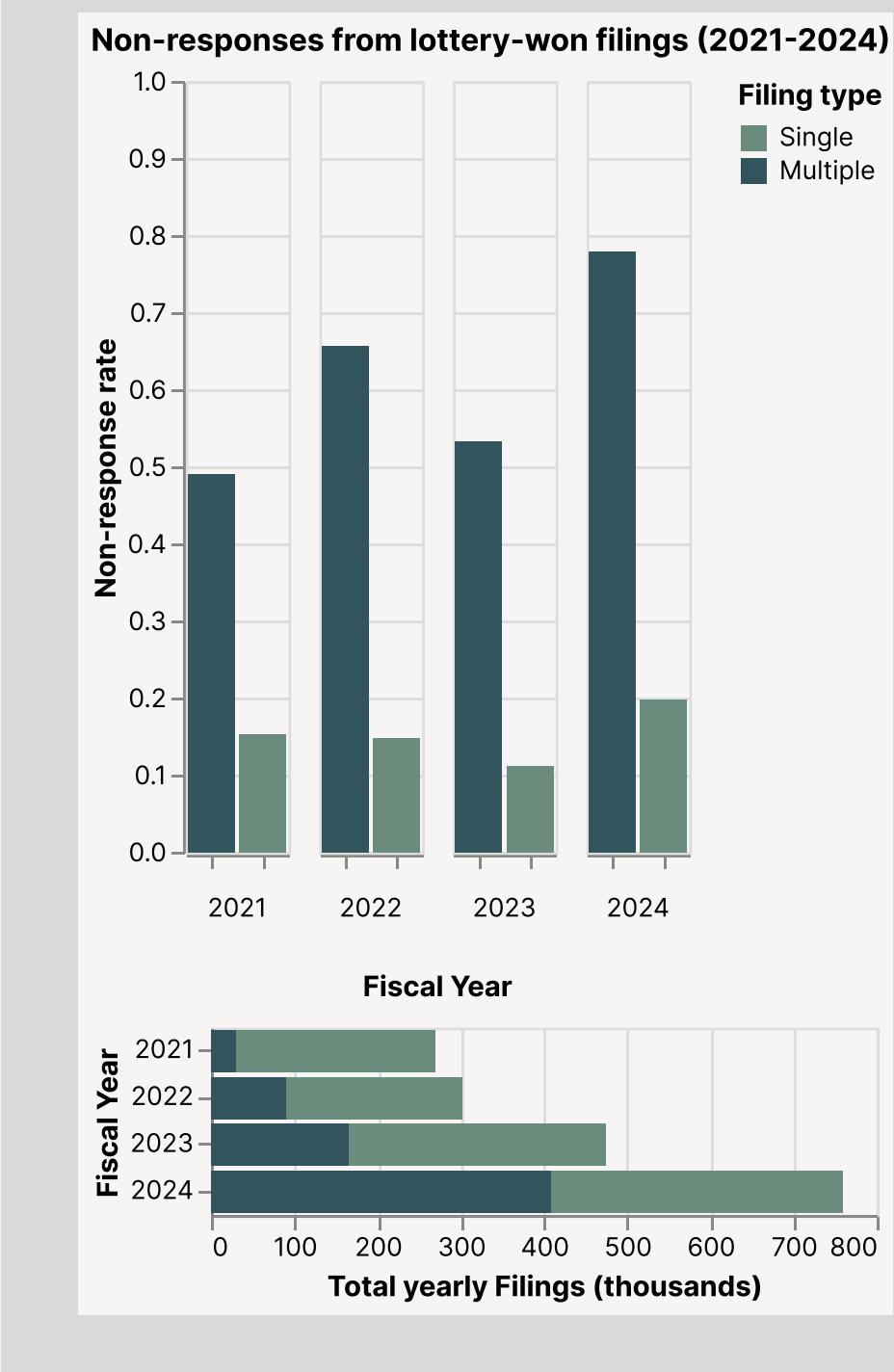
Chance lowers, but not for all



Chances of being selected lowers, but not quite as dramatically as the rate of increase in filings seemingly suggests. This is due to USCIS increasing the total filings drawn during the lottery, anticipating a large number of beneficiaries withdrawing when multiple of their applications are selected.



Once selected from the lottery, chance of USCIS approval is almost certain, though single filers generally have a higher approval rate. This is to say one's chance of securing H1B work authorization is mostly dependent on luck. But is it really?



The situation seems more nuanced than that. From 2021-2023, for every 10 multi-filings that were selected from the lottery, about 4 to 5 withdrew or did not respond to proceed with the process. In 2024, however, only 2 out of 10 multi-filings moved forward with filing after lottery selection. This suggests multi-filers in 2024 have about 400% more chance of being selected than a single filer.

This seems unfathomable, especially given the rising cost of H1B filing, that one could have 4 employers file a petition for them. The egregious boom in the number of multi-filers in 2024 suggests exploitation of the system, confirmed by various H1B fraud claims since and Bloomberg's coverage of the subject.