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Heartland Visas

How a new place-based, high-skilled visa can help revive growth in the American Heartland

Heartland Visas: A Policy Primer

How a new place-based, high-skilled visa can help revive growth in the American Heartland.

John Lettieri, Connor O'Brien, and Adam Ozimek

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Introduction

High-skilled immigration is a vital, but underutilized, source of American economic primacy. In this paper, we offer a detailed look at how lawmakers could improve it by enacting a program designed around the twin goals of reviving struggling regions and increasing the overall flow of talented workers into the U.S. economy: the Heartland Visa (HV).[1]

An HV program would target areas that are currently least exposed to the direct benefits of high-skilled immigration. It would do so by offering an expedited pathway to permanent residency for highly skilled visa holders who live in participating regions for a minimum period of time while consistently maintaining high-wage employment. Rather than linking visas to individual employers, Heartland Visas would be tied to participating counties, which would qualify based upon lagging population growth and housing markets that can readily absorb new inflows of skilled workers with little cost to existing residents.

The program would be structured as a dual opt-in model. Eligible counties would decide whether or not to participate, and visa-holders would select the participating region of their choice, where they would enjoy broad work authorization. The visa allocation process would prioritize those with the highest earnings and existing social ties to communities. The program would also come with a dedicated HV green card, eligibility for which would be reserved only for those who demonstrated the greatest value to their local economies during their time on the visa.

Heartland Visas would represent a long overdue advance in U.S. immigration policy. No previous immigration program has been designed from the ground up as a tool to advance the economic interests of millions of American workers and families in lagging regions nationwide. In doing so, this program has the potential to revitalize large portions of the country while also boosting the resilience and dynamism of the national economy.

1 This paper builds upon a previous effort that broadly outlined the case for and features of a Heartland Visa program. See Ozimek, Adam, John Lettieri, and Kenan Fikri, “From Managing Decline to Building the Future: Could a Heartland Visa Help Struggling Regions?” Economic Innovation Group, 2019.

Why a Heartland Visa?

Foreign-born talent boosts the U.S. tax base, spurs entrepreneurship and innovation, and, by one estimate, accounted for between 30 and 50 percent of productivity growth between 1990 and 2010.[2] However, two major policy failures have prevented the benefits of skilled immigration from reaching large portions of the country.

First, the scale of high-skilled immigration programs is simply too small to match our economic needs and strategic interests. In fact, employment-based immigration makes up only 14 percent of all legal immigration to the U.S. annually.

Second, current policy is not designed to leverage skilled immigration as a tool for regional economic development in struggling areas of the country.[3]

These failures represent a major missed opportunity. While U.S. high-skilled programs have languished under decades' worth of accumulated bureaucratic hurdles, outdated caps, and red tape, our peers and adversaries alike have embraced the economic and geopolitical benefits of skilled immigration, rolling out larger and easier-to-use pathways. Allies like Canada and Australia have even enacted "place-based" visa programs with the purpose of spurring economic development outside of the major growth hubs.

In spite of the many shortcomings of U.S. policy, this country remains a preferred destination for high-skilled talent, be it AI researchers,[4] top math students,[5] or entrepreneurs.[6] We should harness this near-bottomless demand to fuel both national dynamism and regional revitalization through a new pathway designed to catalyze lagging areas of the country that have long been excluded from the benefits of skilled immigration.

Let's start by digging into some of the most important ways a place-based, high-skilled Heartland Visa program would benefit workers, communities, and the broader economy.

Growth and innovation are highly concentrated in a select few regions.

High-skilled immigrants are an essential driver of U.S. innovation and economic growth. While immigrants make up just 14 percent of the U.S. population, they account for 35 percent of U.S.-based inventors.[7] A full quarter of all new businesses each year are immigrant-founded, and 44 percent of Fortune 500 companies were founded by an immigrant or a child of one. Immigrants

[2] Peri, Giovanni, Kevin Shih, and Chad Sparber, "STEM Workers, H-1B Visas, and Productivity in US Cities," Journal of Labor Economics, 2015.
[3] Fikri, Kenan."Immigration is Economic Development". Economic Innovation Group, 2023.
[4] Zwetsloot, Remco et al, "The Immigration Preferences of Top AI Researchers: New Survey Evidence," Future of Humanity Institute, 2021.
[5] Agarwal, Ruchir et al, "Why US immigration matters for the global advancement of science," *Research Policy*, 2023.
[6] Stiftung, Bertelsmann, "How do OECD countries compare in their attractiveness for talented migrants?" OECD, 2019.
[7] Akcigit, Ufuk, and Nathan Goldschlag. *Measuring the characteristics and employment dynamics of US inventors*. No. w31086. National Bureau of Economic Research, 2023.

are 80 percent more likely to start a business than native-born Americans, despite a visa system that often makes entrepreneurship difficult. Empirical research finds that skilled immigrants make both college-educated and non-college-educated workers more productive. Perhaps that is why startups with access to H-1Bs, for example, are more likely to secure venture capital funding, patent new ideas, and even go public.[8]

The economic benefits of high-skilled immigration have propelled explosive growth and innovation in superstar cities like New York, San Francisco, and Austin—but they have not reached places like Akron, Ohio, and other areas hit hard by deindustrialization. A small number of metropolitan areas are responsible for an outsized share of productive inventors, investment, and firms at the technological frontier of their fields. Between 2000 and 2015, just 100 counties (of more than 3,000 counties nationwide) accounted for nearly 70 percent of all utility patents granted in the United States.

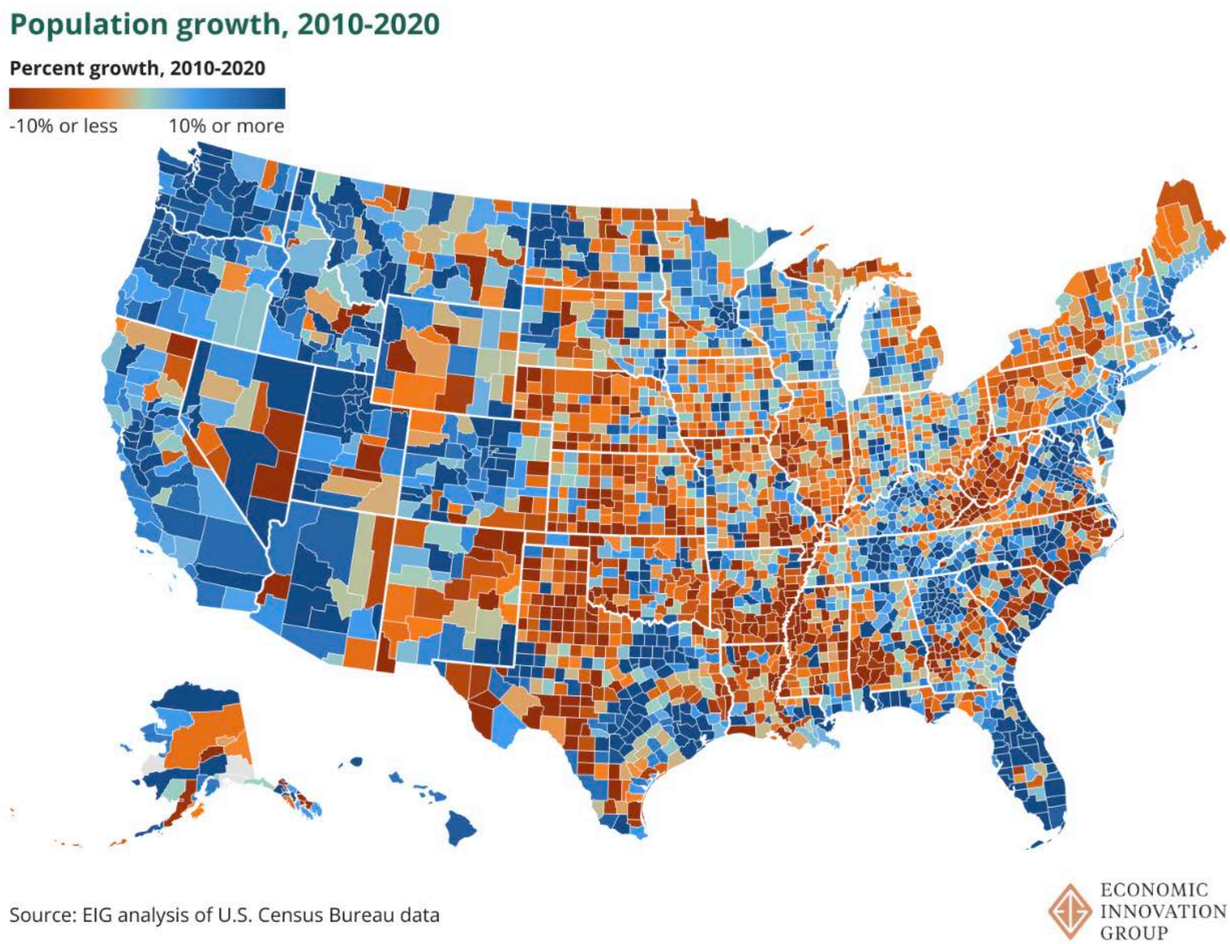
Meanwhile, vast swathes of the country are falling behind on various measures of innovation, entrepreneurship, and prosperity. It is no coincidence that these places have much smaller pools of highly-skilled, specialized talent, as they struggle to recruit or retain workers who are lured by high salaries and dense labor markets of major metro areas. The disappearance of the urban wage premium for those without a college degree has resulted in superstar cities skimming highly specialized talent while locking out everyone else with expensive and exclusive housing markets.[9] Consequently, leading companies searching for regions with large, ready-made skilled workforces in which to make long-term investment commitments tend to pass over Heartland communities.

Instead of growth and innovation, these communities are left with outright demographic decline. More than half of U.S. counties shrank between 2010 and 2020, over twice the share that shrank in the 1990s. More than 50 million Americans now live in these shrinking counties. Declines in the prime working age (25-54) population within these counties are even more severe and widespread—and are set to worsen as the country continues to age.

Such demographic decline has serious economic ramifications. Localized population declines put added pressure on municipal budgets, which are already weighed down by infrastructure and pension commitments made long ago. A shrinking population also means reduced demand for locally-produced goods and services, dampening new business formation and investment.[10]

The extreme concentration of growth and innovation in so few parts of the country is neither desirable nor inevitable. The building blocks of dynamic and innovative clusters of growth can be found in lagging communities and regions across the country. Many such areas have high-quality institutions and assets and, most importantly, a workforce whose skills are not being fully tapped.

8 Chen, Jun, Shenje Hshieh, and Feng hang. "The role of high-skilled foreign labor in startup performance: Evidence from two natural experiments." Journal of Financial Economics, 2021.
9 Hoxie, Philip G., Daniel Shoag, and Stan Vueger. "Moving to density: Half a century of housing costs and wage premia from Queens to King Salmon," Journal of Public Economics, 2023.
10 Ozimek, Adam, John Lettieri, and Kenan Fikri, "From Managing Decline to Building the Future: Could a Heartland Visa Help Struggling Regions?" Economic Innovation Group, 2019.



Supplementing new efforts to develop our domestic workforce, like those in the CHIPS and Science Act, with a new immigration pathway tailored specifically for Heartland economies will enable those places to retain and attract more talent and resources, making the fruits of national economic growth more widely accessible.

High-skilled immigrants can help catalyze growth in communities suffering from deindustrialization.

High levels of human capital and rates of entrepreneurship have historically been key buffers for places that have proven resilient in the face of economic shocks, including those from globalization. Research from Autor, Dorn, and Hanson (ADH) on communities that were most exposed to the trade shock with China shows that those with high levels of education were able to quickly bounce back and thrive.[11]

[11] Autor, David, David Dorn, and Gordon H. Hanson. “On the persistence of the China shock,” National Bureau of Economic Research, 2021.

Take Raleigh, North Carolina, which ADH shows was dealt one of the largest China trade shocks in the country. Despite losing 35 percent of its manufacturing jobs between 2001 and 2010, Raleigh is now thriving, with a consistently below-average unemployment rate and a median household income in the top 10 percent of metro areas.[12] One reason for the resilience of places like Raleigh, Autor and his coauthors argue, is their high levels of human capital. In 2000, Raleigh possessed a large share of college graduates, including the 15th-highest share of high-skilled migrants among metros nationwide. More educated workers mean more entrepreneurs and innovators, which are crucial ingredients to helping places dealing with structural shocks find new patterns of specialization that make the best of the genuine assets of the local community.

Raleigh is not alone. Powerhouse metropolitan economies San Jose and Austin were also among the most China-shocked areas. These cities demonstrate that ensuring resilience, not preventing shocks, is what separates places that thrive from those that fall behind. No part of the country has the same industrial base that it had 100 years ago, or even 50 years ago. There are only places that have successfully adapted to change by adding new firms and industries, and places that have failed to do so and are now struggling.

But in spite of their challenges, many struggling areas throughout the country retain significant economic potential. First and foremost, they are located in the largest free economy in the world. They are home to many great universities and anchor institutions. And they have deep pools of labor that were employed at far higher rates in the not-too-distant past. As a result of these and other factors, even lagging areas of the United States would be highly desirable destinations for skilled immigrants, if only we were to create a pathway for them.

High-skilled immigrants can boost wages for native workers and reduce monopsony.

Research clearly demonstrates that high-skilled immigration boosts the wages of native workers. Many of the positive wage spillovers typically associated with high-skilled immigration are likely to be amplified in lagging areas of the country where demand for native workers is weak, new businesses are scarce, and dominant employers face little competition.

First, high-skilled workers consume goods and services in the local economy. This, in turn, increases the demand for workers that produce those goods and services. From the houses they live in to the restaurants and retail stores where they shop, this new demand for output means more demand for workers. As a result, lower-skilled native workers see a boost in pay and better opportunities.

Second, highly skilled immigrants are disproportionately engaged in the creation of new businesses, which are historically the main driver of net job creation. Immigrants are 80 percent

12 American Community Survey, 2021.

more likely to be entrepreneurs than natives and account for 20-25 percent of founders of high-tech firms.[13] The impacts on entrepreneurship are broader than this, however, as skilled immigrants also grow the labor force and spur others to create new businesses. Indeed, the declining labor force in many struggling areas is one reason they suffer from weak business formation rates.[14]

The creation of new businesses that then compete with incumbent businesses for workers is a good thing for the local labor force. This is especially true in parts of the country where business formation has been low and labor market concentration has become an issue.[15] In these places, new firm entry is key to boosting native wages.

High-skilled immigrants increase the tax base.

Another major benefit of skilled immigration is boosting the state and local tax base. High-income immigrants tend to increase state and local government revenues by significantly more than they increase costs. According to the National Academy of Sciences, each skilled immigrant with a bachelor's degree adds $105,000 on net to the fiscal balance of state and local governments over a 75-year period, while those with a graduate degree add $200,000.

Such a fiscal boost would be particularly welcome in areas where demographic decline has eroded the tax base. Deindustrialization and economic decline create a variety of direct economic challenges that are, in turn, exacerbated by declining government revenues. Vacancies rise and home values fall, putting downward pressure on property tax receipts. The loss of well-paying jobs erodes both sales taxes and state and local income taxes. A declining tax base leaves an already struggling community with no easy choices. For example, the pensions and healthcare costs of retired government workers are often sunk costs. As revenues fall, unavoidable burdens like these are spread over fewer taxpayers, necessitating cuts to essential services. School districts drop art and music programs, infrastructure falls into disrepair, police and fire departments shrink, and the vicious cycle of decline grows more intense over time.

A place-based visa would help fully harness the potential of remote work.

The sudden rise of remote work in the wake of the pandemic and the flight of many high-income, skilled workers from superstar cities has provided a prime opportunity for smaller, more affordable metro areas, suburbs, and small towns to attract new talent and investment. A similar phenomenon has occurred internationally, as countries compete for high-skilled "digital nomads" with visas specifically tailored to remote workers.

13 Azoulay, Jones, Kim, and Miranda (2022), and Brown, Earle, Kim, and Lee (2019).
14 Ozimek, Fikri, and Lettieri (2019).
15 Azar, José, Ioana Marinescu, and Marshall Steinbaum. "Labor market concentration." *Journal of Human Resources* 57, no. S (2022): S167-S199.

High-tech superstar cities are not going away anytime soon, but a portion of their workforces would prefer to live in a lower-cost alternative if given the opportunity to work from home. For a specialized knowledge worker whose industries are highly concentrated in places like San Francisco or New York, remote work options could for the first time make living outside of those cities a viable choice. From a policy perspective, this may lower the barrier to seeding new clusters of high-tech industry across the country. Luring an anchor employer with expensive public subsidies need not be seen as a prerequisite for building the type of skilled workforce that will drive long-run growth. Instead, quality amenities and affordability, much more attainable for local governments in struggling regions, can entice skilled remote workers to relocate. One successful example of such an effort is Tulsa Remote, which created one new job for every two high-earning remote workers attracted to the city.[16]

The same economic logic that makes in-demand, native-born remote workers valuable to a community applies to highly-skilled immigrant remote workers as well. Remote workers on Heartland Visas may initially maintain employment ties to firms headquartered in superstar cities. But over time, as they build deeper ties in their destination communities, some will start their own firms with physical footprints in participating Heartland Visa areas. This will boost employment opportunities for existing residents, broaden local tax bases, and set regions on a higher growth trajectory.

Better high-skilled immigration policy would make other challenges easier to solve.

History is littered with failed policies that aimed to nurture chosen industries or boost growth in lagging communities and regions. Nevertheless, lawmakers in both major parties have recently come to embrace a series of bold new experiments in industrial policy and place-based economic development with a particular focus on broadening the geography of U.S. innovation. These efforts have thus far prioritized federal subsidies while largely ignoring the most critical ingredient to developing new tech and innovation ecosystems: human capital.

New skilled-immigration pathways like a Heartland Visa can help regions fast-track the process of catching up to the technological frontier in target industries. Experienced talent brings with it hard-to-codify tacit knowledge of production processes and opportunities to form new global research and supplier networks. Further, it makes recipient regions more attractive places in which to invest. Research shows that in strategic industries, including advanced manufacturing, immigrants make up a disproportionate share of the skilled workforce.[17] Look no further than the story of Taiwan's rise to semiconductor manufacturing dominance as an example of how high-skilled foreign talent can seed new high-growth clusters; many initial key employees of TSMC brought with them experience from American semiconductor firms.[18]

16 Newman, Daniel, Kennedy O'Dell, and Kenan Fikri, "How Tulsa Remote is Harnessing the Remote Work Revolution to Spur Local Economic Growth," Economic Innovation Group, 2021.
17 O'Brien, Connor, and Adam Ozimek. "Foreign-born skilled workers play a critical role in strategically significant industries." Economic Innovation Group, 2024.
18 Miller, Chris. *Chip War: The Fight for the World's Most Critical Technology*, 2022.

Voters in both parties support greater levels of high-skilled immigration.

Americans are deeply divided over many aspects of the immigration debate, but they are largely united on the question of high-skilled immigration. Voters of all stripes recognize that high-skilled immigration is as close to a "free lunch" as one can find in economic policy, delivering enormous economic and fiscal benefits to our country. They also understand that we are not fully tapping into this invaluable asset. More than 70 percent of voters support increasing skilled immigration, including majorities of Republicans, Democrats, and independents.[19] That support extends to a variety of potential policy options, including a new visa to retain STEM college graduates, a new visa for entrepreneurs, and a place-based economic development program like Heartland Visas.

Support for Skilled Immigration Programs

Program	Description	Overall	Democrats	Republicans	Independents
STEM Grad Visa	This would allow international students attaining a graduate-level degree in Science, Technology, Engineering, or Mathematics at U.S. universities to stay and work in the U.S. upon degree completion.	**73%**	**83%**	**64%**	**70%**
Place-Based Visa	This would allow high-skilled immigrants to move to geographic areas of the U.S. that have experienced demographic and economic decline, with the goal of reinvigorating these struggling communities (this is similar to EIG's Heartland Visa proposal).	**66%**	**79%**	**54%**	**62%**
Start-up Visa	This program would provide an opportunity for foreign entrepreneurs to immigrate to the United States to start and build companies, provided they have sound business plans, investors, and promising technologies.	**67%**	**79%**	**56%**	**68%**

Table: Economic Innovation Group • Source: Analysis of EIG's 2022 U.S. Perspectives on Skilled Immigration national survey

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19 "EIG Survey Finds Bipartisan Support for Increasing Skilled Immigration in Spite of Voters' Frustration with Broken Immigration System," Economic Innovation Group, 2022.

Key features of a Heartland Visa

- **Eligibility:** Eligibility would be targeted to a) counties experiencing outright population decline or very sluggish growth, or b) counties with modest growth whose populations peaked before 1980. Places with high-cost, restrictive housing markets would not be eligible.
- **Dual opt-in:** Eligible counties must opt into the program, while visa applicants could apply to the participating region of their choice.
- **Quarterly wage ranking:** Visas would be allocated quarterly to applicants with the highest wage offers or earnings histories, adjusted for age and local ties.
- **Residency requirements:** Heartland Visa holders would be required to live in a participating area for a set period of time (but may work for a firm located anywhere).
- **Permanent residency:** Participants meeting a high earnings threshold during their time on the visa would become eligible for an expedited, self-sponsored path to permanent residency free of burdensome labor market tests.
- **Scale:** The number of Heartland Visas available each year would scale in proportion to the share of eligible counties that choose to participate, with a floor of 100,000 visas.
- **Regional allocation:** Each participating Heartland Visa region would receive a quarterly quota of Heartland Visas based on its population.
- **Term:** Visas will be for an initial three-year term, and renewable once for a total of six years.

Heartland Visas should be available to communities experiencing economic and demographic decline.

We propose two sets of qualifying criteria for a county to participate in a Heartland Visa program. One is a standard set of criteria for counties plagued by sluggish growth, and another is for “legacy” counties whose recent momentum is both modest and tenuous.

The standard eligibility criteria would broadly target places with chronically slow-growing or shrinking populations, particularly among the prime working age (25-54) population. However, while population trends typically provide a good barometer of a region’s economic trajectory, participating communities should also demonstrate the capacity to absorb new talent. For that reason, areas with above-average housing costs that signify tightly regulated supply should be excluded. Such a rule would have the added benefit of incentivizing local governments to take the necessary steps to allow for new housing or risk being cut off from participation.

The alternative criteria would target counties that are home to small and mid-sized legacy industrial cities, in addition to a few dozen rural counties, that exhibit particularly strong potential to benefit from an HV program. Many of these communities are home to important anchor institutions and infrastructure. They have seen modest population growth in recent years, but nevertheless they remain well below their peak populations. Allegheny County, Pennsylvania, for instance, saw some population growth in the 2010s as Pittsburgh began to emerge from a long period of deindustrialization, but its economic and demographic reemergence is still fragile. For places like this, the HV program could be instrumental in the process of becoming self-sustaining hubs of growth and innovation.

Standard Criteria:

1. Overall population and prime age (25-54) population growth less than 0.5 percent between 2010 and 2020.
2. The county's median home value is less than the national median.

Supplemental/Alternative criteria:

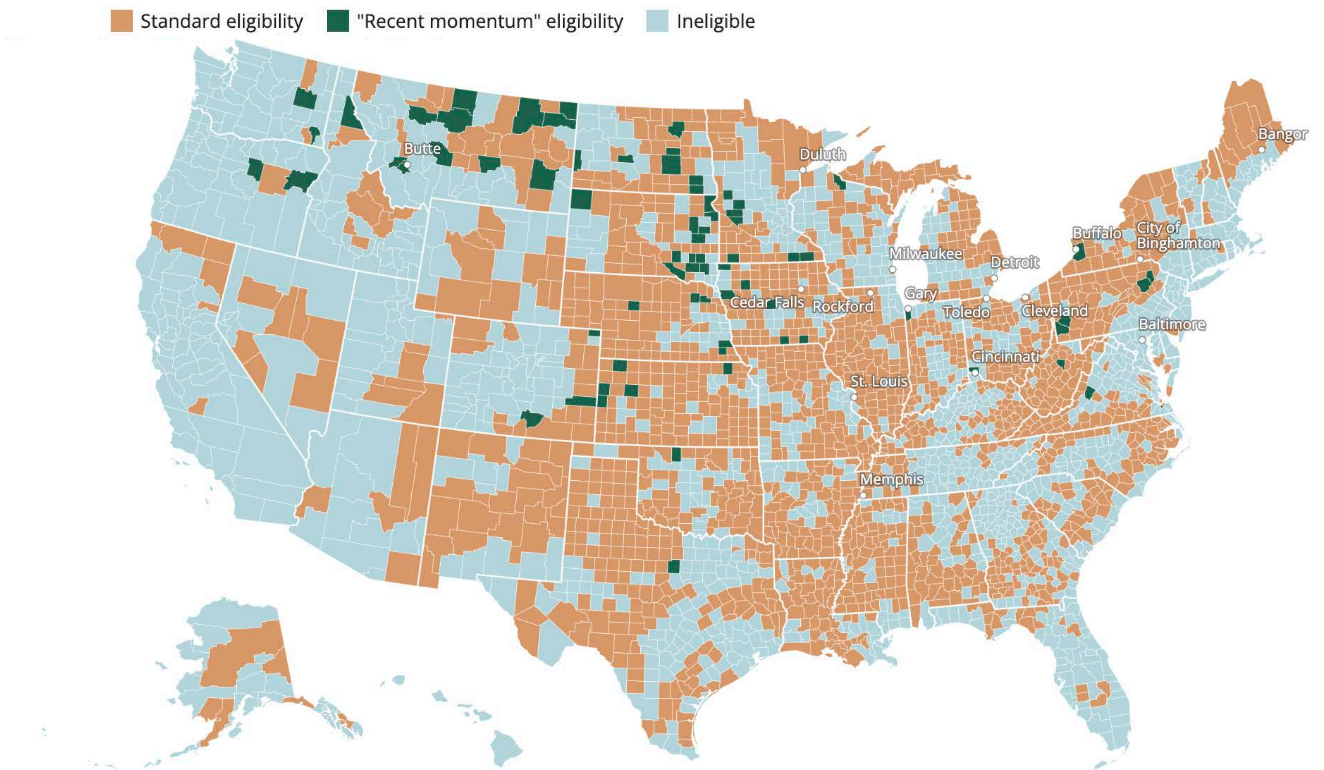
1. Prime age population growth less than 0.5 percent between 2010 and 2020 and overall population growth less than 5 percent.
2. The county's median home value is less than the national median.
3. The county's population peaked before 1980.

What Heartland Visa-eligible places look like

The eligibility criteria outlined above would translate to a map of more than 1,700 eligible counties with a combined population of 58 million, or roughly 17.6 percent of the national population. These areas are on a fundamentally different and more precarious economic trajectory compared to the rest of the country, demonstrating both a clear need for highly skilled workers and a clear capacity to absorb them into local labor and housing markets.

Heartland Visa-eligible counties

Criteria:
Standard: No greater than 0.5% population and prime-age (25-54) population growth between 2010-2020; Median home value no greater than the national median ($229,800),
Recent momentum: No greater than 0.5% prime-age (25-54) population growth between 2010-2020; Overall 2010-2020 population growth no greater than 5%; Median home value no greater than the national median ($229,800); Population peaked pre-1980



Map: Economic Innovation Group

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HV-eligible counties saw their combined population decline more than three percent between 2010 and 2020 and their prime working age (25-54) populations fall more than 11 percent. Meanwhile, the rest of the country experienced overall population growth of 10 percent and prime age population growth of three percent during the same period.

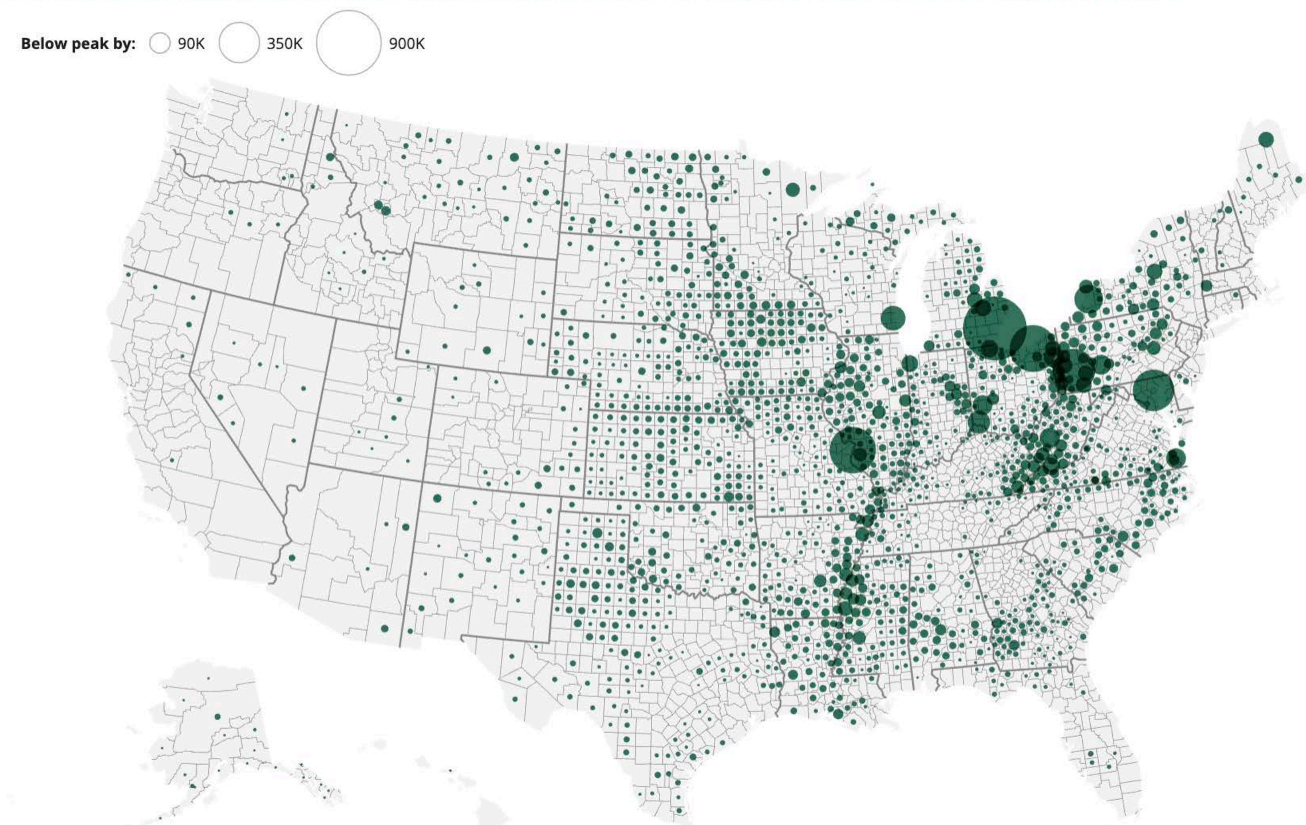
Collectively, eligible counties have a poverty rate of more than 16 percent, four percentage points higher than the rest of the country. On average, eligible counties have lower median household incomes and higher rates of households reliant on government assistance. Eligible counties also have housing markets with substantially more slack, with a combined vacancy rate of 15.6 percent compared to a combined vacancy rate of about 10 percent for non-eligible counties. Until the tight pandemic-era housing market drove up prices throughout the country, the average HV-eligible county experienced two decades of falling real house prices. As a result, inflation-adjusted house prices in eligible counties are only 15 percent higher than they were in 2000 compared to 57 percent in ineligible counties.[20]

20 All house prices are population weighted means using counties where FHFA data are available.

Along with looser housing markets, eligible places together are far below their combined peak populations. In 2020, eligible counties were collectively 9.1 million people (15 percent) below their prior peaks.

Places below their peaks have not only proven they can be home to many more workers, but often have the fixed infrastructure already in place, thereby reducing the costs of adding new residents. The population of the City of St. Louis, for example, is less than half of what it was 70 years ago, but the city's road and sewer systems have not contracted proportionate to population decline. An influx of highly-paid workers would therefore require less scaling-up of existing infrastructure in St. Louis than in cities whose systems match their existing populations. Likewise, places with declining populations are unlikely to need to build new schools to accommodate more high-skilled immigrants, as the average HV-eligible county has seen a 20 percent decline in the school aged population over the last two decades compared to nine percent growth in non-eligible counties.

Difference between 2020 and peak populations since 1960 in proposed Heartland Visa eligible counties



Source: EIG analysis of U.S. Census Bureau data

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A fundamental challenge for HV-eligible areas is that they lag far behind the rest of the country in terms of education attainment: just 23 percent of adults age 25 or older have at least a college degree, compared to 36 percent in non-eligible counties. The disparity is even deeper when it comes to skilled immigrants. Despite accounting for 17.6 percent of the overall U.S. population, HV-eligible counties are home to only 4.4 percent of the foreign-born population with a bachelor's degree or more.

This dearth of skilled workers translates to a dearth of innovation activity, as eligible counties accounted for just 8.1 percent of all patents granted between 2000 and 2015. What is more, their share has gradually been declining, dropping from 10.2 percent of patents in 2000 to just 7.2 percent in 2015, and likely declining further in subsequent years. Meanwhile, the rest of the country, home to 95.6 percent of high-skilled immigrants, has unsurprisingly soaked up an increasing share of America's innovation capacity.

Eligible counties should have the choice to participate.

We believe one of the essential features of an HV program is the ability for eligible counties to opt into or out of the program. Counties choosing to participate would be grouped with other participating counties in their state or in a group of states that has formed an agreement to combine into a unified Heartland Visa region ("HV region"). Such regions will define the geographic boundaries in which Heartland Visa holders live in exchange for accelerated pathways to permanent residency. Giving eligible counties an annual choice to opt-in and participating counties a choice to opt-out, Heartland Visas would be backed by an additional layer of democratic legitimacy and require broad buy-in. Furthermore, by requiring an affirmative choice, the program is more likely to encourage thoughtful local efforts towards successful implementation. Giving immigrants the choice to live and work in any participating county in a state or a region helps to ensure a minimum-sized labor market to find job opportunities that are a good match for their skills, but also helps to spread the benefits of high-skilled immigrants across states.

Importantly, once a visa holder has settled into an HV region, they are eligible to remain there regardless of whether that region ceases to participate, either due to opting out of the program or no longer meeting county-level eligibility requirements. In that sense, a county's decision to opt out would only affect the inflow of new HV holders.

Visas should be allocated quarterly to the most skilled applicants.

American economic interests are best served when our pathways for skilled visas prioritize those who provide the most economic and fiscal value—and when those pathways are easy to use from both the applicant's and sponsoring employer's perspective. To accomplish this, the primary factor in weighing applicants in the Heartland Visa program should be salary offers.

Here's how it would work. Once per quarter, every HV region will receive a quota of visas based on the size of its population. Immigrants who apply for a Heartland Visa will be ranked according to a points system. If, say, a region has a quota of 500 visas in a given quarter, then those visas would go to the 500 immigrants with the most points.

The single most important variable for how many points an immigrant is assigned will be the level of wages or salary they will earn in the job they are offered. But an immigrant can earn additional points based on three other factors, all of which have been shown to reliably predict future success and expected economic contribution.

First, since younger applicants' salary offers will tend to understate their longer-term earnings trajectory, points should be awarded based on age to level the playing field with older workers. The younger the applicant, the more points they receive.

Second, applicants who attended colleges or universities near or within an HV region would be awarded more points because they have information and social ties in the area that make them more likely to succeed, and perhaps also to stay in the region after their term on the visa.

Third, remote workers who bring their jobs with them would see a bump. Remote workers represent entirely new economic activity for the local economy, and their economic impact is therefore larger and more certain than the impact of other workers with the same skillset. By definition, remote workers are employees of businesses that are based outside their HV region—and therefore they do not compete against other workers in the local labor market, nor do they produce goods and services that compete with the products made by local businesses.

In the end, this means that remote workers or younger applicants with pre-existing ties to their chosen HV region would have the easiest path to a visa, provided that they are earning at a high level.

A system like this would ensure that the HV program is relentlessly focused on channeling talent with the greatest economic and fiscal value to local economies. This would be in stark contrast to the capped H-1B system, which allocates scarce visas by lottery.

The HV model would also deliver greater economic benefits, and be a more reliable and foolproof system, than a model that attempts to identify occupation-specific shortages. Rather than rely on centralized bureaucracies operating with far-from-perfect information to determine which skills local economies need, a points system based on wages allows local labor markets to work it out for themselves.

[21] For entrepreneurs who are able to bring their work with them remotely, the program should utilize earnings histories.

Finally, this system offers benefits, both to businesses and immigrants, that existing approaches fail to match. It gives employers in the HV regions the flexibility to hire more workers in the future. Businesses can confidently scale up their operations in response to more demand for their products, knowing they won't confront a shortage of skilled labor. The only limitation to hiring more of the workers they need will be their willingness to continue paying high enough wages, not a bureaucratic or legal obstacle.

For immigrants, in particular those attending U.S. universities, this model offers both clarity and more control over their professional destiny. When looking for a job, they will know in advance the wages or salaries they have to be offered in order to qualify for a Heartland Visa. Their chance to work in the U.S. won't depend on the outcome of an H-1B lottery, over which they have no influence.

Location and earnings requirements should give Heartland Visa participants flexibility while ensuring that they continue doing high-skilled work.

Heartland Visa holders should be required to live in their chosen HV region for the duration of their time in the program, which we envision as a maximum of six years. This would be a simple residency requirement without any restriction on traveling to other areas of the country or commuting to work outside of an HV region. Once settled in the HV region of their choice, visa holders would have broad authorization to work, leaving them free to start businesses or move between industries, occupations, and employers as they see fit.

The rationale for granting broad work authorization is simple: that's what delivers the highest benefits to local communities and the broader U.S. economy. Rather than micromanage occupational choice or limit job mobility between firms—ideas we would never view as improving economic outcomes if applied to native-born workers—the HV program should instead be responsive to market signals. The only limitation to broad work authorization would be that visa holders' earnings must not fall below the minimum that was necessary to qualify for a visa when they initially applied.[22] Such a system maximizes flexibility while ensuring participants continue to do genuinely high-skilled work. It also removes any incentive to game the system by gaining entry with artificial job offers.

Some Heartland Visa holders will, of course, relocate to other communities at the end of their term on the visa. However, evidence from a similar program in Canada suggests that a large share will ultimately put down long-term roots in their host county. The share of Canadian immigrants who remain in their sponsoring province after five years averages 85 percent, with a much shorter required period of residency that is rarely enforced in practice.[23] In selecting visa holders specifically based on the existence and quality of local job matches, our program model sets up immigrants and their communities for long-term success.

22 HV holders would be provided exceptions for time in between job transitions.
23 Van Huystee, Monica, "Interprovincial mobility: Retention rates and net inflow rates 2008-2013 landings," Government of Canada.

Retain successful Heartland Visa holders with a dedicated green card pathway.

To ensure that a Heartland Visa program delivers maximum benefits to participating regions and the broader U.S. economy, it must include an expedited green card pathway for the highest-performing visa holders. To this end, we propose utilizing a simple earnings test to ensure the HV green card process is outcome-focused and free of arbitrary quotas, while minimizing bureaucratic red tape.

Green card bureaucracy and scarcity is a major problem for the wider immigration system. This is exacerbated by per-country caps on employment-based green cards that have led to decades-long wait times for Indian nationals and growing wait times for others, which will only worsen in the years to come. American companies' ability to attract the world's top talent is undermined by these wait times, which leave workers in limbo for years and can even break up families.[24] For workers in the process of applying for permanent residency, the process is riddled with time-consuming labor market tests that raise costs for migrants and American businesses while doing nothing to protect native workers.

A Heartland Visa green card should cut out these expensive, lengthy steps and instead rely on a rigorous and transparent earnings test designed to demonstrate whether a given applicant is able to contribute to the U.S. economy at a high level over a sustained period of time. Visa holders who meet or exceed the required income threshold (on average) during their time in the program would qualify for an expedited pathway to permanent residency. We believe a sensible threshold is the 75th percentile of personal income for an applicant's age group.[25]

Using a high earnings threshold rather than a burdensome labor certification process would be straightforward to administer, enabling the U.S. to bring green card processing times more in line with peer countries competing for the same global talent.[26] And rather than placing the onus of sponsorship on American firms, HV holders should be able to sponsor themselves for permanent residency. If they have demonstrated sufficient earnings, complied with residency requirements, and passed a security screening, applicants should be granted permanent residency regardless of their place of birth or choice of occupation.

In the end, providing a clear, rigorous, and efficient pathway to permanent residency for the highest achieving visa holders is the key to delivering maximum economic benefits to local HV communities and the broader national economy. Why? Because without the powerful incentive that a green card provides, it would be much more difficult to attract the highest-skilled and most entrepreneurial applicants into the program in the first place.

24 "Documented Dreamers: An Overview," American Immigration Council, 2021.
25 In 2022, the 75th percentile nationally was a little over $80,000.
26 Di Martino, Daniel, "Improving U.S. Immigration: Employment-Based Visas Should Attract the World's Best, Not Repel Them," Manhattan Institute, 2022.

The scale of a Heartland Visa program should be large enough to match the economic challenges we face.

The ultimate scale of the HV program must be large enough to ensure it can have an economically significant impact over time. To that end, we believe the floor should be set at a minimum of 100,000 available visas per year for the country as a whole. While this would be a substantial and much-needed increase in U.S. high-skilled immigration overall, a program of such scope would amount to only a partial offset of steep, long-running declines in the prime age workforce of HV-eligible areas.

Let’s put the numbers into perspective. Our map of 1,700 eligible counties is home to over 58 million residents and nearly 21 million prime age adults. A 100,000 visa per year allocation is equivalent to only 0.17 percent of that total population and merely 0.48 percent of the prime working age population. Extrapolated out over a decade, this would add up to a meaningful, but modest, boost—one that is far short of fully offsetting current population loss trends.

Just how deep are the demographic challenges of HV-eligible areas? From 2010 to 2020, the population of these counties declined by two million. However, even this understates the true scope of decline. The top five counties for population loss alone are 2.5 million people below their historic peaks. These include the core counties of major post-industrial cities like Detroit, St. Louis, Pittsburgh, Cleveland, and Baltimore. It would take many years of significant growth merely to get back to their prior population levels.

So what would it take for HV-eligible regions to fully offset their recent population losses and catch up to the rest of the country? When it comes to the prime age population, an inflow of 300,000 new residents per year—equivalent to less than 1.5 percent of their current prime age population—would still leave them short of the prime age growth seen in the rest of the country. Even 500,000 new residents per year would leave them far behind the total population growth of non-eligible places. Simply put, participating areas are likely to have a sustained demand for the kind of economic and demographic reinforcement an HV program could provide at the right scale.

Even setting aside areas of the country in the throes of severe demographic decline, the United States has ample capacity to absorb larger flows of high-skilled immigration. As it stands, our immigration system sets aside very few spots for skilled workers. The number of H-1B visas available to the private sector is no larger than it was in 2006—and the U.S. economy is now a third bigger than it was then. Employment-based green cards for sponsored workers, not counting derivative family members, only account for about five percent of all green cards issued each year.[27]

[27] Bier, David J., “Why Legal Immigration is Nearly Impossible,” Cato Institute, 2023.

The U.S. ranks in the bottom third among wealthy countries in its foreign-born share (15 percent), behind countries like Canada (25 percent), Australia (30 percent), Switzerland (30 percent), Ireland (18 percent), and Germany (16 percent).[28] The average rates of annual net migration in New Zealand (1,015 net migrants per 100k), Australia (792), and Canada (760) have all been more than twice the American rate (346) since 2013.[29] If the U.S. boosted its net migration rate merely to that of Australia or Canada—two large countries with economies and cultures perhaps more comparable to the U.S. than any other peer nations—we would admit more than 2.5 million permanent residents per year on net, compared with the current rate of 1.1 to 1.2 million annually. Not coincidentally, both countries have adopted place-based migration policies that yield economic benefits for all regions of their countries.

Why a Heartland Visa will work

Our Heartland Visa model sets up participating workers and communities for success in several key ways.

It maximizes the likelihood that the new workers will smoothly integrate into their local labor markets, as evidenced by historical episodes of high-skilled immigration to new places. Demand for skilled workers in the United States is growing faster than the supply of them, which is why the unemployment rate for those with a bachelor's degree or higher is vanishingly small—a mere 2.1 percent in March 2024.[30] By prioritizing visa holders with the highest-salary labor market matches, the program will filter for people whose skills are consistently in high demand regardless of national macroeconomic conditions.

The evidence is also clear that highly skilled immigrants are extremely entrepreneurial and adept at creating their own economic opportunities. Our Heartland Visa model does not simply assume that static job openings exist for all of these workers today. Instead, it recognizes that an inflow of skilled, innovative, entrepreneurial individuals will help to create new jobs, new businesses, and even new industries in participating communities.

The proposed terms for Heartland Visa holders, by emphasizing high wages and continued employment, ensure maximal economic value to participating communities. And the use of earnings-based criteria also provides clarity and certainty to HV holders and to the employers who wish to hire them.

The local benefits to participating places—from larger tax bases to faster job growth—will flip traditional economic development on its head. Rather than one-off incentive packages that eat into local school and infrastructure funding, local governments will instead compete for human capital. The potential benefits of participating in the program will incentivize coordination

28 Bier, David J., "US Foreign-Born Share Ranks Low & Is Falling Among Wealthy Countries," Cato Institute, 2022.
29 World Bank Development Indicators
30 Autor, David, Claudia Goldin, and Lawrence F. Katz. "Extending the race between education and technology." In *AEA Papers and Proceedings*, vol. 110, pp. 347-351. 2014 Broadway, Suite 305, Nashville, TN 37203: American Economic Association, 2020.

between governments and civic organizations to ensure that HV holders are smoothly integrated into communities, both economically and socially.

For places taking advantage of Heartland Visas, success will beget further success. Based on the experience of place-based worker visas in Canada, we know that a large share of participants are likely to put down long-term roots in the communities where they initially settle, in turn making such areas more attractive to business investment and more likely to see a rising inflow of other skilled workers. Whereas existing economic development strategies foster “race to the bottom” dynamics, Heartland Visas will instead spark a race to the top.

Conclusion

A Heartland Visa program would dramatically expand the range of communities able to benefit from the stream of scientific, technical, and entrepreneurial talent made possible through high-skilled, high-wage immigration. In doing so, it would also better equip the United States to confront a set of looming economic challenges in the coming decades. The bipartisan desire to reassert American dominance in key technologies, fortify supply chains against external threats, and seed new clusters of growth throughout the country cannot be achieved through government dollars alone. Ultimately, it is the sum of the skills, know-how, and dynamism of American communities that will make or break these initiatives.