

## As H-1B Hiring Escalates, Firms Moving Jobs to Canada: Study

A new study shows companies plan to hire more H-1B candidates domestically, but are also shifting jobs to Canada.

Envoy Global recently released a study on immigration trends, and found U.S. companies are increasingly moving jobs to Canada to avoid the confused state of H-1B and other work visa programs. Around 65 percent of respondents say Canadian policies are “more favorable” than the ups and downs of the U.S. program(s).

Some 38 percent say their company is “considering” Canada as an expansion destination for new staffers, while an additional 21 percent say they’ve already established at least one office in that country. As the report goes on to note, Toronto added more tech jobs than Seattle, Washington D.C., and the “Bay Area” combined, and the province of Ontario is home to over 1,700 tech companies. (It’s unclear if “Bay Area” means San Francisco, Silicon Valley, or a combination of the two.)

Canada without hiring foreign nationals, while 15 percent are only hiring foreign nationals to work there.

While Envoy Global’s study isn’t unique to tech, or even the H-1B visa, the correlation between the rapid expansion of tech jobs in Canada and the H-1B program’s befuddling state can’t be ignored. The U.S. government vacillates between restricting H-1B and changing the program, with the most recent proposal placing ‘premium’ applicants into the general lottery pool.

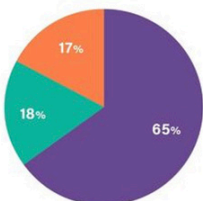
Canada plans to add over one million new permanent residents over a three-year period, with 330,800 eyed for 2019 alone under new immigration rules. Most (58 percent) will arrive via the Express Entry system, and many of them will be granted visas under the Skilled Worker Class, Experience Class, or Skilled Trade Class. Though there’s no specific tech worker provision in the Canadian system, the huge uptick in tech jobs suggests the applicant pool alone will be a driver for tech in Canada.

**65%** of employers consider Canada’s immigration policy to be more favorable than U.S. policy

Figure 15

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

■ Yes ■ No ■ Not Sure

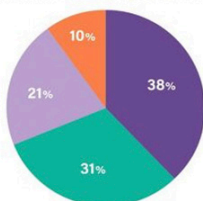


**38%** of employers are thinking about expanding to Canada, and **21%** said they already have at least one office there

Figure 16

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

■ Yes ■ No ■ Not Sure  
■ We already have at least one office in Canada



A full 63 percent of companies say they are increasing their presence in Canada. Breaking that down, 35 percent say they are both sending more people to Canada and hiring more foreign nationals there. Around 13 percent say they are simply sending domestic talent to

Will more foreign nationals going to Canada open up more jobs for U.S.-based workers stateside? The expansion of foreign offices may provoke some concern that companies will stake a larger claim to making their home in Canada should they find the visa program friendlier there. A quick look at the H-1B program domestically shows why companies are looking north; premium processing for H-1B visa applications yo-yos between ‘suspended’ and ‘open-but-with-changes,’ while end-around plays from the Trump administration on the H-4 spousal work visa make life at home harder for foreign-born tech employees.

Though one study shows Trump’s H-1B moves have been largely effective, outsourcing firms are suing on behalf of tech workers and hiring companies who feel H-1B denials are too frequent and restrictive.

UNEMPLOYMENT

Region	February 2018	January 2019	February 2019	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	3.0%	3.0%	2.8%	- 0.2	- 0.2
San Francisco MD	2.5%	2.5%	2.3%	- 0.2	- 0.2
California	4.6%	4.8%	4.4%	- 0.4	- 0.2
United States	4.4%	4.4%	4.1%	- 0.3	- 0.3

INDUSTRY EMPLOYMENT

Sector — February 2019	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
<b>Total Nonfarm</b>	<b>1,135,700</b>	<b>1,164,300</b>	<b>2,300,000</b>	<b>+ 0.7%</b>	<b>+ 3.0%</b>
Construction	46,600	43,900	90,500	+ 1.5%	+ 1.0%
Manufacturing	176,000	38,400	214,400	+ 0.5%	+ 3.4%
Retail Trade	85,700	79,500	165,200	- 1.7%	- 0.5%
Information	95,900	88,400	184,300	- 0.1%	+ 8.9%
Professional & Business Services	238,600	294,200	532,800	+ 0.8%	+ 3.5%
Educational Services	49,600	29,500	79,100	+ 6.3%	+ 0.8%
Health Care & Social Assistance	126,700	114,800	241,500	- 0.0%	+ 3.4%
Leisure & Hospitality	104,900	143,500	248,400	+ 2.2%	+ 3.3%
Government	98,000	131,900	229,900	+ 0.3%	+ 0.7%

NOTE: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties  
 San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

LABOR FORCE & ANNUAL CHANGE

Labor Force by Metropolitan Statistical Area (U.S. High-Tech Regions)

	LABOR FORCE			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	February 2018	February 2019	Change	February 2018	February 2019	Change	February 2018	February 2019	Change
<b>United States</b>	<b>161,900,000</b>	<b>163,184,000</b>	<b>+ 0.8%</b>	<b>6,687,000</b>	<b>6,235,000</b>	<b>- 6.8%</b>	<b>4.1%</b>	<b>3.8%</b>	<b>- 0.3</b>
Austin, TX	1,192,661	1,216,564	+ 2.0%	36,619	36,542	- 0.2%	3.1%	3.0%	- 0.1
Boston, MA	2,783,408	2,836,039	+ 1.9%	98,227	78,993	- 19.6%	3.5%	2.8%	- 0.7
New York City, NY	4,157,200	4,121,400	- 0.9%	193,100	188,500	- 2.4%	4.6%	4.6%	0.0
Seattle, WA	1,676,400	1,707,600	+ 1.9%	58,300	58,300	0.0%	3.5%	3.4%	- 0.1
California	19,277,700	19,582,200	+ 1.6%	837,700	824,200	- 1.6%	4.3%	4.2%	- 0.1
San Diego	1,586,800	1,611,400	+ 1.6%	55,600	56,200	+ 1.1%	3.5%	3.5%	0.0
San Francisco	1,019,300	1,054,400	+ 3.4%	25,400	24,700	- 2.8%	2.5%	2.3%	- 0.2
San José	1,072,400	1,098,700	+ 2.5%	31,700	31,000	- 2.2%	3.0%	2.8%	- 0.2
<b>NOVA Region</b>	<b>788,600</b>	<b>802,900</b>	<b>+ 1.8%</b>	<b>19,300</b>	<b>18,400</b>	<b>- 4.7%</b>	<b>2.4%</b>	<b>2.3%</b>	<b>- 0.1</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

REGIONAL LAYOFF ACTIVITY

February 2019 Events

Company	Location	# Affected
CardioDx	Redwood City	110
InstaCart	Cupertino	8
Pfizer	South San Francisco	100
Riverbed Technology	Sunnyvale	31
Space Systems Loral	Palo Alto	40
Symantec	Mountain View	13
<b>Total</b>		<b>302</b>

WARN SUMMARY

Events YTD <sup>†</sup> :	52
Individuals Affected YTD:	3,082
Individuals Previous YTD <sup>‡</sup> :	3,131

\* **WARN: Worker Adjustment and Retraining Notification**  
 (notice of mass layoff or closure)

† **YTD: Year to Date**  
 (Program year: July 1–June 30)

‡ **Previous YTD:**  
 (Same date range as YTD, one year prior)

NOTE: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database