

America's Loss is the World's Gain: America's New Immigrant Entrepreneurs, Part IV



Authors: Vivek Wadhwa AnnaLee Saxenian, Richard Freeman Gary Gereffi Alex Salkever









Ewing Marion KAUFFMAN Foundation

March 2009

Authors

Vivek Wadhwa Executive in Residence Pratt School of Engineering, Duke University Senior Research Associate Labor & Worklife Program, Harvard Law School

> AnnaLee Saxenian Dean and Professor School of Information University of California, Berkeley

Richard Freeman Herbert Asherman Chair in Economics, Harvard University Director, Labor and Worklife Program, Harvard Law School Director, Labor Studies Program, National Bureau of Economic Research

Gary Gereffi Director, Center on Globalization, Governance & Competitiveness, Professor Sociology Department Duke University

> Alex Salkever Visiting Researcher Masters of Engineering Management Program Pratt School of Engineering, Duke University

Student research team

Liayo Wan, Anuradha Phulekar, Kevin Luo, Aishwarya Ramaswamy, Aparna Bhaskara, Karna Vishwas, Praveen Kalakuntla, Rohit Naag, Nimit Shah, Lisa Valverde

Special thanks

Pete Engardio, Guillermina Jasso, Ben Rissing, John Trumpbour

This research was funded in part by the Ewing Marion Kauffman Foundation. The contents of this publication are solely the responsibility of the authors.

Contents

Introduction and overview
Demographic characteristics
Visa status of returnees
Reasons for coming to and for leaving the U.S.
Social/family factors.
Divergence between Indians and Chinese: children, education, and quality of life
How have they done professionally since returning?
Where are the best entrepreneurial opportunities?
In what areas is the U.S. better?
Can the U.S. attract these returnees back?
Conclusions and Interpretation
Background
Momentum and catalyst for contracting R&D
Methodology
Detailed survey tabulations and results
Characteristics of returnees: age, sex, nationality, marital status, and family.
Figure 1: Ages of respondents upon return home
Figure 2: Sexes of respondents
Figure 3: Respondents' marital status
Academic degrees and occupation
Figure 4: Highest qualification
Figure 5: Industries of respondents' employment back home
Visa status last held in the U.S.
Figure 6: Visa status of returnees
Year of return to home country
Figure 7: Year returned home
Reasons for migrating to the U.S.
Figure 8: Average rating of factors contributing to decision to migrate to the U.S.
Figure 9: Professional development
Figure 10: Educational development
Figure 11: Quality of life
Figure 12: Better infrastructure and facilities in the U.S.
Figure 13: Higher compensation in the U.S.
Figure 14: Lack of jobs in home country
Reasons for returning home: professional growth and family/social issues—not visas
Professional growth
Figure 15: Average response values for reasons for returning to home country
Figure 16: Better professional opportunities at home than in the U.S.

Figure 17: Better career opportunities in home country than in the U.S.	. 13
Figure 18: Home country provides better quality of life	. 14
Figure 19: Growing demand for skills in home country	. 14
Figure 20: More attractive compensation in home country	. 14
Personal and social comparisons	. 14
Figure 21: Average response values comparing social situation in home country and in the U.S.	. 15
Figure 22: Closeness to family and friends	. 15
Figure 23: Emotional growth of children	. 15
Figure 24: Care of aging parents	. 15
Figure 25: Family values.	. 15
Figure 26: Quality of life	. 15
Figure 27: Education of children.	. 16
Visa status not a strong determinant in decision to return	. 16
Figure 28: Were visa issues a significant factor in decision to return home?	. 16
Comparison of current professional situation and previous U.S. job: professional opportunities	. 16
Figure 29: Average response values comparing current employment with previous U.S. job	. 16
Figure 30: Compensation in relation to cost of living	. 16
Figure 31: Speed of professional growth	. 17
Figure 32: Available professional opportunities	. 17
Figure 33: Professional recognition	. 17
Superior workplace morale and upward organizational mobility perceived in home countries	. 17
Figure 34: morale of co-workers.	. 17
Figure 35: Job seniority: job in home country vs former U.S. job	. 17
Entrepreneural Opportunities.	17
Figure 36: Likelihood of starting a business within five years	18
Figure 37: Opportunities to start my own business	18
U.S. advantage—salary and somewhat better health care	18
Figure 38: Compensation/salary.	18
Figure 39: Health-care benefits	19
Returnees do not express strong interest in returning to the U.S.	19
Figure 40: Likelihood of return to the U.S.	19
Figure 41: Likelihood of move to another country	19
Figure 42: Would return if offered permanent residency and suitable job	19
References	20

Introduction and overview

Immigrants have historically provided one of America's greatest competitive advantages. They have come to the United States largely to work and have played a major role in the country's recent growth. Between 1990 and 2007, the proportion of immigrants in the U.S. labor force increased from 9.3 percent to 15.7 percent. Approximately 45 percent of the growth of the work force over this period consisted of immigrants. Moreover, a large and growing proportion of immigrants come with high levels of education and skill. They have contributed disproportionately in the most dynamic part of the U.S. economy-the high-tech sector. Immigrants have co-founded firms such as Google, Intel, eBay, and Yahoo. And immigrant inventors contributed to more than a quarter of U.S. global patent applications.

Since even before the 2008 financial and economic crisis, some observers have noted that a substantial number of highly skilled immigrants have started returning to their home countries, including persons from low-income countries like India and China who have historically tended to stay permanently in the United States.¹ These returnees contributed to the tech boom in those countries and arguably spurred the growth of outsourcing of back-office processes as well as of research and development.

Who are these returnees? What motivated their decision to leave the United States? How have they fared since returning?

This paper attempts to answer these questions through a survey of 1,203 Indian and Chinese immigrants who had worked or received their education in the United States and returned to their home country. In the absence of a census of all returnees, we could not conduct a random sample of the full population of persons who had been in the U.S. and returned. Instead, we drew our sample from persons on the LinkedIn website who were currently working for Indian and Chinese companies and had U.S. academic degrees or greater than one year of U.S. work experience. The survey was conducted over a period of six months in 2008. LinkedIn is an online network of more than 30 million experienced professionals and managers around the world and provides a valuable source of information on these types of workers. The survey obtained a 90 percent response rate. Though our findings may not generalize to all highly educated returnees, they are representative of the young professionals profiled on the site and potentially of similar persons more broadly.

This paper is the fourth in a series of studies examining the contribution and effect of skilled immigrants to the technology sector. Our previous research showed that immigrants were CEOs or lead technologists in one of every four tech and engineering companies started in the United States from 1995 to 2005 and in 52 percent of Silicon Valley startups. These immigrant-founded companies employed 450,000 workers and generated \$52 billion in revenue in 2006. The founders tended to be highly educated in science-, technology-, mathematics-, and engineering- (STEM) related disciplines, with 75 percent holding a masters or PhD (Wadhwa, Rissing, Saxenian, et al., 2007). Using the World Intellectual Property Organization's patent database, we found that the contribution of foreign nationals residing in the U.S. to global patents had increased more than threefold over an eight-year period (Wadhwa, Rissing, Chopra, at al., 2007).

The motivation for the current study is twofold. First, our earlier work estimated that there were more than a million temporary workers and students in the skilled-worker immigration categories waiting for a yearly allocation of 120,000 permanent-resident visas. We speculated that these workers might

¹ This features regularly in journalistic accounts. For instance, see Pocha (2007). For scholarly treatments of the phenomenon, see Saxenian (2006); Kuznetsov (2006); Lowell and Gerova (2004).

get frustrated at the wait and return to their home countries, producing a flow of immigrant talent from the U.S. to other countries.

Second, we knew and read about immigrants returning to their home countries and wanted to assess the extent to which the anecdotal evidence was supported by survey data. Given the meltdown of Wall Street and the onslaught of a major recession in the United States, this study provides a baseline for assessing changes in the characteristics and reasons for immigrants returning home post the worsened state of the U.S. economy.

We find that, though restrictive immigration policies caused some returnees to depart the United States, the most significant factors in the decision to return home were career opportunities, family ties, and quality of life.

Demographic characteristics

Here are some of the characteristics of the returnees we surveyed and some comparisons with the population of Indian and Chinese immigrants in the United States in 2006.

- The vast majority were relatively young. The average age of Indians was 30, and of Chinese was 33.
- The majority (89.8 percent of Indians and 72.4 percent of Chinese) were male; most (72.7 percent of Indians and 67.1 percent of Chinese) were married; and most (59.5 percent of Indians and 58.6 percent of Chinese) had no children.
- They were highly educated, with degrees primarily in management, technology, or science. Fifty-one percent and 40.8 percent respectively of Chinese respondents held Masters and PhD degrees. Of Indian respondents, 65.6 percent held Masters and 12.1 percent held PhD degrees.²

 A comparison of our sample with national data on Indian and Chinese immigrants shows that these returnees are at the very top of the educational distribution for these highly educated immigrant groups—precisely the kind of people that our earlier research has shown make the greatest contribution to the U.S. economy and business and job growth.

Visa status of returnees

- A third (32.2 percent) of the Chinese respondents were in the United States on student visas, in comparison with about a fifth (20.2 percent) of Indians. 19.8 percent of the Chinese and 48.0 percent of the Indians were on temporary work visas.
- Even those who are permanently settled in the U.S. choose to return. 26.9 percent of Indian respondents and 34 percent of Chinese respondents held green cards or U.S. Citizenship.
- Most returnees did not appear to be motivated by visa issues. Seventy-six percent indicated that considerations regarding their visa did not contribute to their decision to return to their home country.

Reasons for coming to and for leaving the U.S.

The returnees cited career, education, and quality of life as the main reasons to come to the United States.

 Amongst the strongest factors bringing these immigrants to the U.S. were professional and educational development opportunities. Of Indian and Chinese respondents, 93.5 percent and 91.6 percent respectively said that professional development was an important³ factor, and 85.9 percent and 90.5 percent respectively said that

² This difference in the level of educational attainment between highly skilled Indian and Chinese immigrants to the U.S. is consistent with the findings of comparable surveys. See Saxenian (2002).

³ In the text, percentages of responses given as "important" are those to which respondents answered "somewhat important", "very important", or "extremely important"; percentages of responses given as "unimportant" are those to which respondents answered "not very important" or "not at all important".

educational development was important in their decision to migrate to the United States.

• Other key factors were quality-of-life concerns, better infrastructure and facilities, and better compensation. The majority (67.4 percent of Indians and 69.1 percent of Chinese) said that the availability of jobs in their home countries was not a consideration in their decision to migrate to the United States.

Returnees cited career and quality of life as the main reason to return to their home country rather than stay in the United States.

- The commonest professional factor (86.8 percent of Chinese and 79.0 percent of Indians) motivating workers to return home was the growing demand for their skills in their home countries.
- A significant majority (84.0 percent of Chinese and 68.7 percent of Indians) believed that their home countries provided better career opportunities. Furthermore, 87.3 percent of Chinese and 62.3 percent of Indians saw better career opportunities in their home countries than in the United States.
- Financial compensation was a factor important to 62.1 percent of Chinese and 49.2 percent of Indian returnees.

Social/family factors

Family considerations are strong magnets pulling immigrants back to their home countries. Care for aging parents was considered by 89.4 percent of Indians and 79.1 percent of Chinese respondents to be much better in their home countries. Family values were also considered to be better in their home countries by 79.7 percent of Indians and 67.0 percent of Chinese. Additionally, 88.0 percent of Indians and 76.8 percent of Chinese reported that the opportunity to be close to family and friends was better at home.

Divergence between Indians and Chinese: children, education, and quality of life

- 63.2 percent of Indian respondents said that the emotional growth of children was better in their home country. Only 24.9 percent or Chinese respondents echoed this view.
- 42.5 percent of Indians, but only 17.6 percent of Chinese, reported that their home countries provided much better education for their children than the United States did. 35.5 percent of Chinese, and only 20.4 percent of Indians, said that the U.S. provided better education.
- A higher percentage (45.1 percent) of Indian respondents than of Chinese ones (33.5 percent) believe that the quality of life in their home country is better that in the United States.
- Indians (72.9 percent) also valued more commonly than Chinese (52.0 percent) the closeness to family and friends in their home country.
- Chinese respondents cited as the primary drawbacks of living in the United States: language barriers, missing their family and friends at home, difficulty with cultural assimilation, care of parents and children, and, to a lesser extent, visa and employment issues. For Indian respondents, the primary difficulties cited were loneliness and missing family, difficulty with cultural assimilation, and visa or immigration problems.

How have they done professionally since returning?

- Respondents report that they have moved up the organization chart by returning home. The percentage of Indian respondents holding senior management positions increased from 10.2 percent in the U.S. to 44.1 percent in India and Chinese increased from 9.3 percent in the U.S. to 36.3 percent in China.
- Professional growth was considered to be faster at home than in the U.S. by 61.1 percent of Indians and 70.2 percent of Chinese.
- Overall professional opportunities were considered to be better at home by 55.8 percent of Indian and 72.3 percent of Chinese respondents.
- Financial compensation was considered in relation to the cost of living to be more favorable at home by 49.4 percent of Indians and 54.1 percent of Chinese. Only 28.4 percent of Indian and 22.0 percent of Chinese respondents reported that it was more favorable in the United States.
- Professional recognition was considered better at home by 44.4 percent of Indians and 61.8 percent of Chinese. Only 28.0 percent of Indians and 17.4 percent of Chinese thought that the United States was better in this regard.
- Worker morale was considered better in their home country than in the U.S. by 44.0 percent of Indian and 40.2 percent of Chinese respondents. In comparison, 21.6 percent of Indians and 22.8 percent of Chinese respondents held the opposite to be true.

Where are the best entrepreneurial opportunities?

56.6 percent of Indians and 50.2 percent of Chinese respondents indicated that they would be likely to start a business in the next five years. But they believed that their best opportunities for entrepreneurship were at home: 53.5 percent of Indian and 60.7 percent of Chinese respondents reported that opportunities to start their own business are better in their home country. Only 19.0 percent of Indians and 7.3 percent of Chinese believed that opportunities for them to start a business in the United States were greater.

In what areas is the U.S. better?

The one area in which U.S. employers showed a distinct advantage over their home-country counterparts was gross salary and compensation. 53.7 percent of Indian and 42.8 percent of Chinese respondents indicated that total financial compensation for their previous U.S. positions was better than at home. Only 29.8 percent of Chinese respondents and 22.3 percent of Indian respondents believed the opposite to be true.

Health-care benefits were also considered somewhat better in the United States by 51.4 percent of Chinese respondents. Only 21.2 percent of Chinese respondents said that they had better employer health-care benefits in their home country. Indian respondents were split more evenly, with 38.8 percent stating that U.S. health-care benefits were better and 36.1 percent stating that health-care benefits were better in their home country.

Can the U.S. attract these returnees back?

Most respondents found settling in the United States relatively easy. Only 17.0 percent of Chinese respondents and 13.4 percent of Indian respondents found it difficult initially to settle in the U.S. Much higher numbers reported difficulty back home: 34.0 percent of Indian and 35.0 percent of Chinese respondents.

Of the Indians who reported having difficulty returning home, the primary complaints were traffic and congestion, lack of infrastructure, excessive bureaucracy, and pollution. Chinese complained of pollution, reverse culture shock, inferior education for children, frustration with excessive bureaucracy, and health-care quality. Presented with career opportunities or jobs in the United States equivalent to what they have in their home countries and a U.S. permanent-resident visa, 39.8 percent of Indian and 29.6 percent of Chinese respondents would, they said, turn down the offer; 22.9 percent of Indians and 16.7 percent of Chinese would return to the U.S.; and 39.8 percent of Indians and 53.8 percent of Chinese would consider the offer seriously. With regard to returning to the U.S., 47.8 percent of Chinese and 46.0 percent of Indians said that they were unlikely to do so; 24.9 percent of Chinese and 25.3 percent of Indians reported that they were likely to. There was a notably strong differential on the outer edges of sentiment, 26.4 percent of Chinese and 26.5 percent of Indian respondents indicating that it was very unlikely that they would return to the U.S., and 5.6 percent of Chinese and 6.5 percent of Indians saying that it was very likely that they would.

Conclusions and interpretation

Our results confirm anecdotal evidence that immigrants from India and China who return to their home countries do so in part due to perceptions of greater economic and professional opportunities in their home countries. They report significant professional advancement into roles more senior in their home countries than previously held positions in the United States.

Interestingly, the responses to our survey seemed to indicate that returnees' departures were not related solely to preferences for starting a business in their home countries or to perceptions of possibilities of further professional advancement in their home countries. Returnees showed a strong preference for their home country because of family and personal considerations. To a certain degree, this is to be expected: as the economies of China and India develop rapidly, they offer opportunities for middleand upper-class standards of living not previously available. Likewise, factors that previously would have weighed dramatically in favor of the U.S., such as quality of life and professional opportunities, diminish relative to ones more personal and familial. Of particular note is the overwhelming preference for their home countries in respect of care of aging parents and closeness to family and friends. This highlights a disadvantage the United States has in attracting and retaining skilled immigrants.

The returnees believe that the U.S. remains superior in areas such as education and certain career opportunities. In education, it maintained a significant edge in the minds of Chinese returnees and was at least on a par with education in India in the minds of Indian returnees. Beyond education, respondents to the survey were not definitive on whether they would return to the U.S. if given a permanent visa and an equivalent job opportunity. A majority of respondents indicated that they would at least consider returning to the U.S. if they could get a visa and a good job. Most likely the good job is the key here, as visa considerations did not weigh heavily in their decision to leave. Fewer than onethird of respondents had permanent-residency status, however, and it is possible that, though visa issues may not be perceived as a major reason to leave, job difficulties resulting from restrictive visa policies could be playing a major role in spurring the exodus.

Of our random sample of workers who had returned from the United States, a disproportionately large number had done so in the previous five years. We unfortunately lack data on the number of immigrants who have chosen to remain in the U.S. rather than return home, but it appears likely that the trend of skilled workers to return has accelerated over the past decade. Clearly a less restrictive visa and immigration policy would do no harm in terms of retaining talented foreign nationals in the future. Although visa problems did not surface as the primary factor in losing these talented immigrants, a significant minority of respondents did indicate visa and residency permit issues as having played a role in their decision to return to their home country. At the same time, a huge backlog of demand for visas is building in the U.S., with tens of thousands of capable foreign undergraduate students and graduate students seeking ways to stay in the United States that are not as restrictive as the H-1B program.

Our findings clearly indicate that retaining highly skilled immigrant workers will require more than expanding the numbers of permanent visas in the skilled-worker categories. To retain these highly skilled workers and stay competitive, the United States will need to develop a new approach that entails coordinated efforts to address immigration policies, professional-development opportunities, and talented immigrants' concerns over family welfare and quality of life. It is also possible that extended familyimmigration programs would prove to be a critical benefit, by helping talented immigrants bring their families to them and reduce loneliness and cultural isolation, which may too have been a root cause for concern about children's emotional growth.

The current global recession may further increase the trend toward returning to one's country and make it more difficult for the U.S. to retain these persons or draw them back.

In summary, if the U.S. Government and the business community could find better ways to offer good jobs in tandem with less restrictiveness in visa policies for talented immigrants, the U.S. might be able to recapture many of these immigrants and their potential to serve as a much needed growth engine for the U.S. economy.

If they can't, the U.S. should seek to ensure that returnees remain closely linked to the United States even after they have chosen to return to their home country. Some returnees work for U.S. corporations in their home countries and continue to contribute indirectly to the health of the U.S. economy; often they are provided with opportunities that might eventually bring them back to the United States. In addition, most returnees value the opportunity to remain in touch with university and professional contacts in the U.S. even after returning home, for the business and professional potential as well as personal reasons. They recognize that these networks can serve as a critical source of customers and of customer information, as suppliers and technology partners, and as co-investors and collaborators in leading-edge research. This means that the U.S. should ensure that its term visa policies continue to encourage this process of "brain circulation" through returnees' short-term visits to the U.S. and to maintain open doors for their possible return in the longer term.

Background

The Global Engineering and Entrepreneurship project at Duke University has been researching the effect of globalization on the engineering profession and on U.S. competitiveness. We have explored such topics as engineering education in India, China, and the United States; the globalization of innovation and R&D; the effect of immigrants on the U.S. economy; and the factors affecting intellectual-property creation and entrepreneurial activity in the United States.

Momentum and catalyst for contracting R&D

Our research has shown that the contracting of R&D to countries like India and China is gaining substantial momentum and that returnees from the United States are providing a new catalyst for it.

In our visits to the labs of leading companies in

both countries, we met dozens of returnees from the United States: highly educated and skilled workers who received their education and training in top U.S. universities and corporations. These returnees appeared to be driving much of the R&D and innovation in these companies.

For example, In General Electric's Jack Welch Technology Center in Bangalore, where they are designing some of the company's most advanced technologies, 34 percent of the R&D staff are returnees from the United States. So are 50 percent of the PhDs at IBM research in Bangalore. And so are many of the managers of China's top engineering, technology, and biotech companies.

HR managers revealed that the numbers of resumes they receive from the U.S. have increased tenfold over the last few years.

Methodology

We surveyed 1,203 subjects of Indian or Chinese ethnic origin who had studied or worked in the United States for a year or more and had subsequently returned to their home country. In this study we referred to these subjects as "returnees". We selected Indian and Chinese returnees because our previous research indicated that the largest numbers of skilled immigrants to the United States originate from these countries.

We identified the returnees by making a random selection of companies located in India and China on the professional networking site, LinkedIn. We reviewed the backgrounds of the employees of these companies through their LinkedIn profiles. We identified returnees by their employment and educational history. We searched for members with a degree from a U.S. academic institution or more than one year of work experience in a company with a U.S. address.

We contacted these returnees by e-mail and followed up by phone where necessary. In the cases in which we did not receive a response to the first message we sent, we followed up with up to two more e-mails. We also asked co-workers and other professionals with whom these workers had professional links for introductions if we did not receive a response to the second e-mail (LinkedIn provides information about which members have connections to other members). We called returnees by phone if (and only if) they provided a phone number and requested more information about our survey.

Our response rates (those who completed surveys) for both Indian and Chinese returnees whose contact information we had and could reach were higher than 90 percent. It is possible that selecting a survey pool from LinkedIn has skewed the respondent pools toward younger respondents and respondents in technology-centric industries; but controlling for such bias is not yet possible using current survey techniques, and we believe that the sample we used provides relevant information on the topic we seek to examine.

The survey was administered on line, and we required each respondent to provide a valid e-mail address, which we matched with our lists of e-mails sent to ensure that the respondents to the survey were from our sample.

The survey asked the subjects questions on a variety of topics, including their education level, their visa status before returning to their homeland, their reasons for returning to their homeland, and whether they would be likely to return to the U.S. in the near future. The survey also contained a variety of ratingscale questions asking returnees to compare their current situation in their home countries with their previous situation in the United States. Rating-scale questions covered family and social considerations, career advancement and salary ones, and other qualitative, subjective comparisons between their lives in the United States and their current life situations.

Questions were asked in multiple-choice, ratingscale, text-box, number-box, and open-ended formats. Response rate varied from question to question. Some questions were mandatory, the respondent unable to proceed with the survey unless the question was answered; the remainder were optional.

The survey was administered from 15 March to 15 September 2008, by a team of students at Duke University.

Detailed survey tabulations and results

Characteristics of returnees: age, sex, nationality, marital status, and family

The average age of Chinese respondents was 33 (the youngest, 19; the oldest, 58), and the average age of Indian respondents was 30 (the youngest, 16; the oldest, 55).

Fifty-one percent of respondents stated that they were Chinese, and 49 percent stated they were Indian. The response pool was overwhelmingly male (90 percent of Indians, and 72 percent of Chinese). A slightly greater fraction of Indian respondents (72.7 percent) were married than of their Chinese counterparts (67.1 percent). Of Chinese and Indian respondents, 58.6 percent and 59.5 percent had had no children when they returned home. Fewer than two percent of the sample had more than two children when they returned home.



Figure 2: Sexes of respondents





Figure 3: Respondents' marital status

Academic degrees and occupation

The majority of respondents held either Masters or PhD degrees. Of Chinese respondents, 51 percent held Masters degrees, and 40.8 percent, PhD degrees. Of Indian ones, 65.6 percent held Masters, and 12.1 percent held PhDs. Amongst the qualifications of both Chinese and Indian respondents, degrees in Management or Business Administration were the most prevalent, 33.8 percent of Chinese and 27.3 percent of Indians holding degrees in that field. The next-most prevalent degrees were in computer science, with 16.3 percent of Indians and eight percent of Chinese holding degrees in this field; engineering, with 40 percent and 15 percent respectively; and sciences such as physics, chemistry, and biology, with seven percent and 16 percent respectively.



Figure 4: Highest gualification

The occupations of the respondents varied widely, with high concentrations in I.T., education, finance, consulting, pharmaceuticals, and semiconductors. More than half of the Indian respondents listed I.T. as their field of employment.



Visa status last held in the U.S.

Of Indian respondents, 25.1 percent held green cards or U.S. citizenship. Of Chinese ones, 34.0 percent did.



Figure 6: Visa status of returnees

Year of return to home country

Of our random sample of workers who had returned home, a disproportionately high number had done so in the previous five years. This could be due to the large number of immigrants who have returned recently or to bias in the sample from LinkedIn, containing more Internet-savvy young professionals and managers than older workers.



Figure 7: Year returned home (percent returnees of each nationality)

Reasons for migrating to the U.S.

Returnees stated that the strongest drivers behind their migration to the United States were education and professional development. Of Indian and Chinese respondents, 93.5 percent and 91.6 percent respectively said that professional development played an important role in their decision to migrate to the U.S. 85.9 percent and 90.5 percent respectively said that educational development played an important role. Other factors that respondents considered important in their decision to migrate included concerns over quality of life (77.3 percent and 84.3 percent respectively), better infrastructure and facilities (84.6 percent and 82.6 percent respectively), and better financial compensation (75.5 percent and 74.2 percent respectively). Of lesser consequence were concerns about lack of jobs in their home countries.



Figure 8: Average rating of factors contributing to

Figure 11: Quality of life



Figure 9: Professional development



Figure 12: Better infrastructure and facilities in the U.S.



Figure 10: Educational development



Figure 13: Higher compensation in the U.S.





Figure 14: Lack of jobs in home country



Reasons for returning home: professional growth and family/social issues—not visas

Professional growth

Respondents strongly indicated that they felt that professional and career opportunities at home were superior to those in the United States. Eightyfour percent of Chinese and 68.7 percent of Indian respondents stated that better professional opportunities were strong factors in their decision to return home. Other factors that respondents overwhelmingly considered important in their decision to return home included better career opportunities (87.3 percent of Chinese and 62.3 percent of Indians) and growing demand for their skills in their home country (86.8 percent of Chinese and 79.0 percent of Indians). Better quality of life (55.5 percent of Chinese and 68.2 percent of Indians) and better compensation (57.1 percent of Chinese and 49.4 percent of Indians) were factors that fewer respondents considered important in their decision to return home. It is notable that the latter was the only consideration that more than 50 percent of either ethnic group considered unimportant.

Figure 16: Better professional opportunities at home than in the U.S.









Figure 18:

Figure 19: Growing demand for skills in home country







Personal and social comparisons

Respondents also answered a series of questions comparing their social and family situation in their home countries and in the United States. It appears that social factors also played a very strong role in their decisions to return home.

When asked to directly compare their current personal situations with their previous personal situations in the United States, respondents showed an extremely strong preference, on a five-category rating scale of several key measures, for the situation in their home country. They considered the situation in their home country to be somewhat or much better in their home countries with regard to family values (67.0 percent of Chinese, 79.7 percent of Indians), care of aging parents (78.8 percent of Chinese, 89.4 percent of Indians), and closeness to family and friends (76.8 percent of Chinese, 88.0 percent of Indians).

On other measures, returnees showed a more muted preference for the situation in their home country, with some divergences. For example, on the question of emotional growth of children, 63.2 percent of Indian but only 24.9 percent or Chinese respondents stated a preference for their home country. There was a similar difference of opinion with regard to home country versus United States education of children.. Of the sample, 42.5 percent of Indian but only 17.6 percent of Chinese respondents said that their children would receive a better education in their home country. Similarly, only 33.5 percent of Chinese respondents indicated that they believed quality of life is better in their home country; 45.1 percent of Indian respondents believed that quality of life is superior in their home country.



Figure 22: Closeness to family and friends









Figure 24: Care of aging parents

Figure 25: Family values





Figure 26: Quality of life



Figure 27: Education of children

Visa status not a strong determinant in decision to return

With regard to respondents' visa status, 76 percent indicated that considerations regarding their visa or residency permit status did not contribute to their decision to return to their home country. In fact, 30 percent of respondents held permanent-resident status. Collectively, these two facts would seem to indicate that visa status played only a minor role in determining whether to migrate home.





Comparison of current professional situation and previous U.S. job: professional opportunities

When asked to compare their current professional situation with their previous situation in the United States on a rating scale, respondents strongly indicated that their home country offered a more reasonable cost of living and better opportunities for professional advancement, and that they had advanced further up management ranks than in their previous jobs in the U.S. 54.1 percent of Chinese and 49.4 percent of Indian respondents said that their current jobs offered superior financial compensation in relation to the cost of living. Only 22 percent of Chinese and 28.4 percent of Indian respondents believed that the United States offered superior compensation in relation to the cost of living. 70.2 percent of Chinese and 61.1 percent of Indian respondents believed that their home country offered faster professional growth, and 72.3 percent and 55.8 percent respectively believed that their home country offered better professional opportunities. 61.8 percent and 44.4 percent respectively indicated that professional recognition was better in their home countries.

Figure 29: Average responses for comparisons of current employment with previous U.S. job





Figure 30: Compensation in relation to cost of living



Figure 32: Available professional opportunities



Figure 33: Professional recognition



Superior workplace morale and upward organizational mobility perceived in home countries

Asked to compare the morale of their current co-workers with that of co-workers in the United States, respondents viewed worker morale as better in their home country: 40.2 percent of Chinese and 44.0 percent of Indian respondents believed morale to be higher in their home country; 22.8 percent and 21.6 percent respectively, to be higher in the U.S. Respondents also reported significant upward mobility, particularly in the senior ranks, the proportion of Chinese respondents holding senior management positions increasing from 9.3 percent in the United States to 36.3 percent in China, and of Indian respondents increasing from 10.2 percent in the U.S. to 44.1 percent in India.







Figure 35: Job seniority: job in home country vs former U.S. job

Entrepreneural opportunities

Respondents expressed significant interest in entrepreneurship, with 50.2 percent of Chinese and 56.6 percent of Indian respondents indicating that they would be likely to start a business in the next five years.

And 60.7 percent of Chinese and 53.5 percent of Indian respondents said that opportunities to start their own business are better in their home country than in the United States, and 50.2 percent and 56.6 percent respectively considered it likely that they would do so within five years. Only 7.3 percent of Chinese and 19.0 percent of Indians felt that opportunities in the United States were better.



Figure 37: Opportunities to start my own business



U.S. advantage—salary and somewhat better health care

In addition to the strong views that were expressed about U.S. higher education in earlier sections, an area in which respondents viewed U.S. employers as showing a distinct advantage was that of salary and compensation. In that area, 42.8 percent of Chinese and 53.7 percent of Indian respondents indicated that salary and compensation for their previous U.S. positions were better. Only 29.8 percent of Chinese respondents and 22.3 percent of Indian respondents believed the opposite to be true.

Health-care benefits were an area in which respondents preferred, or at least viewed as equivalent, what they had had in the United States. Of Chinese respondents, 51.4 percent said that they had had better health-care benefits with their previous, United States, employer, and only 21.2 percent said that they had better employer health-care benefits in their home country. Indian respondents were split more evenly, 38.8 percent stating that health-care benefits were better in the United States and 36.1 percent stating that they were better in their home country.



Figure 38: Compensation/salary



Figure 39: Health-care benefits

Figure 40: Likelihood of return to the U.S.



Returnees do not express strong interest in returning to the U.S.

Respondents indicated a strong likelihood that they would remain in their home country for the next five years. They were asked to rate on a five-grade rating scale the likelihood that they would move to another country, move back to the United States, or start a business within the next five years. 47.8 percent of Chinese and 46.0 percent of Indians said that they were unlikely to return to the U.S.; 24.9 percent and 25.3 percent respectively said that they were likely to. There was a notably strong differential on the outer edges of sentiment, 26.4 percent of Chinese and 26.5 percent of Indian respondents indicating that they were very unlikely to return, and 5.6 percent of Chinese and 6.5 percent of Indians saying they were very likely to. Only 16.2 percent and 24.0 percent respectively considered likely a move to any other country.

If they were offered the enticement of permanent residency and a suitable job, the greatest proportions of respondents indicated that they would consider the offer, but a greater proportion (29.6 percent of Chinese and 39.8 percent of Indian respondents) would decline the offer than would accept it (16.7 percent and 22.9 percent respectively).









References

Kuznetsov, Yevgeny, ed. (2006), Diaspora Networks and the International Migration of Skills, Washington, DC: World Bank Institute

Lowell, Lindsay; and Gerova, S. (2004), *Diasporas* and Economic Development: State of Knowledge, Washington, D.C.: World Bank

Pocha, Jehangir S. (2007), "Indian Immigrants Enticed to Go Home: Stronger Economy, Old Ties Beckon", *Boston Globe* 5 Feb 2007

Saxenian, AnnaLee; Motoyama, Yasuyuki; and Quan, Xiaohong (2002), Local and Global Networks of Immigrant Professionals in Silicon Valley, San Francisco: Public Policy Institute of California, 2002

Saxenian, AnnaLee (2006), *The New Argonauts: Regional Advantage in a Global Economy*, Harvard: Harvard University Press Wadhwa, V.; Rissing, B.; Saxenian, A; and Gereffi, G. (2007), Education, Entrepeneurship and Immigration: America's New Immigrant Entrepreneurs, Part II, Kansas City: Kauffman Foundation. http://papers.ssrn.com/sol3/papers. cfm?abstract_id=991327>

Wadhwa, V.; Rissing, B.; Chopra, A.; Balasubramanian, R.; and Freilich, A. (2007), U.S.-Based Global Intellectual Property Creation: An Analysis, Kansas City: Kauffman Foundation. <http://papers.ssrn.com/sol3/papers.cfm?abstract_ id=1026448>

Wadhwa, V.; Gereffi, G.; Rissing, B.; and Ong, R. (2007), "Where the Engineers Are", *Issues in Science and Technology* Spring 2007

Wadhwa, V.; Rissing, B.; Gereffi, G.; Trumpbour, J.; and Engardio, P. (2008), The Globalization of Innovation: Pharmaceuticals, Kansas City: Kauffman Foundation. http://papers.sfm?abstract_id=1143472>