

Thinking Man 112: Visa Fees Counter Growth & Innovation Goals

September 2025

The Trump administration has introduced a \$100,000 fee for H-1B work visas, a policy shift that is widely viewed as counterproductive to attracting top STEM talent and supporting economic growth. While previous Trump policies and executive orders have been supportive of the technology, AI, and crypto sectors – offering regulatory clarity, supporting digital asset innovation, and positioning the U.S. as a global leader in crypto – this new visa fee proposal runs contrary to those goals.

High Fees Deter Global Talent

Studies and expert committees in both the U.S. and UK have shown that steep visa costs are a major deterrent to high-skilled STEM migrants, especially early-career researchers and those from less affluent backgrounds. When faced with such costs, top scientists and engineers are more likely to choose alternative destinations with more competitive policies, hurting the destination country's innovation pipeline and research output.

Negative Impact on Innovation and Economy

Empirical research has found a positive relationship between international STEM migration and innovation output: the more H-1B visas issued, the greater the number of patents, startups, and technology jobs in the host economy. Conversely, policies that restrict access through excessive fees reduce the inflow of highly skilled workers, thereby diminishing overall innovation and long-term economic growth.

Structural Barriers for Small and Medium Companies

High visa fees disproportionately impact small firms, startups, and academic institutions, which lack the financial capacity of large corporations to absorb major upfront costs. Research from the UK and U.S. finds that these groups, critical to basic STEM research and innovative entrepreneurship, will be most constrained, potentially leading to brain drain.

Multiple analyses comparing international visa regimes show that excessive costs make countries less attractive to mobile STEM professionals. Academic and policy papers recommend competitive, low-cost, and flexible visa programs to remain a destination of choice for the world's best minds.

1. The National Academies' "BRAIN FREEZE: How Restrictions on International Students Shape the STEM Workforce and Economic Growth in the United States" highlights the heavy reliance of U.S. higher education in STEM on foreign talent, and argues for policies that facilitate, not hinder, such flows.
2. A Peterson Institute analysis explicitly criticizes the new H-1B fee as evidence-contradicting and likely to harm innovation.



3. The Campaign for Science and Engineering (CaSE), which is the United Kingdom's leading independent advocate for science and engineering, as well as a House of Lords letter, both warn that raising visa costs is a form of "national self-harm" in the race for global STEM talent.

Figure 1: Immigrant STEM Workers in the US, by Occupational Group 2000-2019

Occupation Group	2000		2010		2019	
	STEM Workers	Share of STEM Workers	STEM Workers	Share of STEM Workers	STEM Workers	Share of STEM Workers
Computer & Math	570,000	17.7%	776,000	22.6%	1,370,000	26.1%
Engineering	376,000	14.8%	433,000	18.1%	611,000	19.5%
Life, Physical, and Social	222,000	18.1%	268,000	21.8%	342,000	21.5%
Management, Business, and Financial	61,000	12.2%	112,000	17.0%	176,000	20.7%

Source: American Immigration Council analysis of microdata from the 2000, 2010, and 2019 American Community Surveys.

Alternative Policy Measures

Expansion of Permanent Residency for STEM Graduates: the National Academies of Sciences and other policy groups urge exempting STEM master's and PhD holders from annual employment-based green card caps, providing a clear and competitive path to permanent residency for top global talent.

Flexible and Extended Post-Graduation Work Authorization: policymakers highlight expanding Optional Practical Training (OPT) for STEM graduates, allowing multi-year post-degree work experience, in order to ease the transition from study to career and help employers assess candidate fit without lottery or fee barriers.

Waiving Home Residency Requirements and Caps: policy briefs argue for exempting high-skilled STEM graduates from visa rules that require demonstrating intent to depart or that force them to leave if they don't secure immediate sponsorship. They also recommend expanded exemptions for universities and research institutions from work visa quotas.

Dedicated Startup or Entrepreneur Visas: some research calls for a new visa category dedicated to international entrepreneurs in STEM, enabling innovators to build high-growth companies without conventional sponsorship or excessive fees.

Comprehensive Immigration Reform: multiple reports suggest comprehensive reforms like reducing costs, increasing efficiency, and aligning policy with labor market needs to make the U.S. a more appealing destination for world-class talent.



Summary

President Trump's imposition of a \$100,000 fee on new H-1B visa applications has sent shockwaves through the technology sector and triggered a global race for skilled talent, with China rapidly responding by launching the K visa program targeting young STEM professionals. China's K visa, effective October 1, 2025, is explicitly designed to attract young science and technology graduates and professionals. Unlike the H-1B, it does not require employer sponsorship, covers a broad range of academic, scientific, cultural, and entrepreneurial activities, and offers multiple entries with longer validity and extended stays. Eligible applicants must be STEM graduates from recognized global institutions with at least a bachelor's degree, or young professionals in relevant roles. The policy amendment marks China's intent to lower barriers for foreign talent as part of its innovation strategy.

This dramatic policy shift by the Trump administration represents one of the most sweeping changes to the U.S. skilled worker program in decades. While the White House quickly clarified that the fee applies only to new applications and doesn't affect current visa holders or renewals, the announcement created widespread confusion among tech workers and companies like Amazon, Google, Microsoft, and Meta.

In summary, recent academic and policy literature strongly warn that prohibitively high visa fees will undermine a country's appeal as a hub for global STEM excellence and damage its own scientific, technological, and economic competitiveness. Policy papers and research consistently recommend alternatives to high visa fees as more effective strategies for STEM talent retention. The most prominent proposals include expanding permanent residency pathways for advanced degree holders, exempting international STEM graduates from restrictive caps and intent-to-return requirements, and extending work authorizations for student visa holders.

Across the board, the evidence and policy advice conclude that cutting red tape, reducing costs, and increasing long-term residency pathways are much stronger incentives for global STEM talent than imposing or increasing hefty visa fees.

Contributors:



Ignacio Pakciarz

Co-Founder and Co-CEO



Important Disclosures and Disclaimers

This material is distributed for informational purposes only and intended solely for BigSur Wealth Management, LLC ("BigSur" or the "Adviser") clientele and or other parties to whom BigSur chooses to share such information. The discussions and opinions in this document (or "report") are intended for general informational purposes only, and are not intended to provide investment advice and there is no guarantee that the opinions expressed herein will be valid beyond the date of this document. While taken from sources deemed to be accurate, BigSur makes no representations regarding the accuracy of the information in this document and certain information is based on third-party sources (e.g. Bloomberg, Factset, Wall Street Journal) believed to be reliable, but has not been independently verified and its accuracy or completeness cannot be guaranteed. Any asset allocation proposals described herein are based on proprietary ratings and categorizations which involve varying levels of subjective analysis and interpretation. The asset allocation breakdown is intended to be a summary of BigSur's view on each asset class and its risk components which includes various factors including, but not limited to: market conditions and trends, correlation of securities, volatility, interest rate and issuer risk.

This article is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation, and the particular needs of any specific investor. Views regarding the economy, securities markets or other specialized areas, like all predictors of future events, cannot be guaranteed to be accurate and may result in economic loss to the investor. Any strategies referenced BigSur believes may present opportunities for appreciation over the subsequent time periods. BigSur closely monitors securities discussed and client portfolios and may make changes when warranted as a result of evolving market conditions. There can be no assurance that any investment strategies and/or performance included or referenced in the article will remain the same and investment strategies, philosophies, and allocation are subject to change without prior notice.

Any specific securities or companies identified and described may or may not be held in portfolios managed by the Adviser and do not represent all of the securities purchased, sold, or recommended for advisory clients. The reader should not assume that any investments in securities and/or sectors identified and discussed were or will be profitable. BigSur may change its views on these securities at any time. There is no guarantee that, should market conditions repeat, these securities will perform in the same way in the future. Any performance illustrations shown herein have not been audited and may reflect the reinvestment of dividends, interest and other earnings. Any performance and return illustrations have not been independently verified or audited by BigSur. Returns may be estimated and may not reflect actual performance. Further, past performance and returns may be subject to revision. BigSur does not undertake to update this information, and the results discussed may change without notice.

There are many factors that an investor should be aware of when trading options which can impact their overall performance such as market volatility, interest rates, and time horizon. Investors should only engage in options trading that is best suited to their financial condition and option experience. There is the potential to lose your entire investment in options as well as suffer unlimited downside loss. The options strategy outlined in this commentary only reflects BigSur's opinion and is subject to change at any time. Before trading options, you should understand these risks and carefully review and read the booklet entitled "Characteristics and Risks of Standardized Options" which is available at www.theocc.com. BigSur can provide you a copy of this booklet as well.

Please also note that this commentary is not investment research or considered a research recommendation for regulatory purposes as it does not constitute substantive research or analysis. In discussion of any strategy, results and risks are based solely on assumptions and hypothetical examples. Actual results, performance and risks will vary depending on specific circumstances. You are urged to consider carefully whether such services in general, as well as the products or strategies discussed in this material, are suitable to your needs.

Certain public offerings of Alternative Investment products (e.g. interests in real estate, private equity and hedge funds) are generally offered in reliance upon an exemption and do not require registration under the Securities Act of 1933.

Alternative Investments, therefore, pose additional risks which are different from those inherent in traditional investments. Investments in Alternative Investments may also involve the use of leverage which involves a high degree of risk factors including substantial loss of initial investment. Alternative Investments are not required to provide periodic pricing or valuation information to investors. As such, Alternative Investments are highly illiquid and are generally not transferrable without the consent of the sponsor/issuer.

This report may include forward-looking statements and all statements other than statements of historical fact are to be considered forward-looking and subjective (including words such as "believe," "estimate," "anticipate," "may," "will," "should," and "expect"). Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can provide no assurance that such expectations will prove to be correct. Many factors including changing market conditions and global political and economic events could cause actual outcomes, results or performance to differ materially from those discussed in such forward-looking statements. BigSur shall not be responsible for the consequences of reliance upon any opinion or statements contained herein, and expressly disclaims any liability, including incidental or consequential damages, arising from any errors, omissions or misuse.

This information is highly confidential and intended for review by the recipient only. The information should not be disseminated or be made available for public use or to any other source without the express written authorization of BigSur. Distribution of this document is prohibited in any jurisdiction where dissemination of such documents may be unlawful. Please contact your investment adviser, accountant, and/or attorney for advice appropriate to your specific situation.

BigSur Wealth Management, LLC
1441 Brickell Avenue, Suite 1410
Miami, FL 33131
Office (Main): 305-740-6777
Fax: 305-350-9998
<http://www.bigsurpartners.com>