Modernizing the Schedule A Occupation List Can Help the United States Address Key Employment Shortages

The Schedule A shortage occupation list was created in the 1960s to help the United States attract and hire international talent to address labor shortages in a range of high-demand occupations and industries. However, because the Schedule A list has not been updated since 2005, it no longer includes the occupations where the United States faces major labor shortages.

Economists agree that increased immigration is vital to addressing domestic labor shortages and growing the overall economy. Modernizing and updating the Department of Labor's (DOL) Schedule A list using a data-driven approach supplemented with expert consultation, can re-establish it as a powerful tool to help address labor shortages and grow the economy.

Schedule A was created to encourage immigration to fill gaps in the labor force

The Schedule A shortage occupation list was created by the Immigration and Nationality Act of 1965 to help the United States overcome labor shortages in occupations where there are not sufficient domestic workers who "are able, willing, qualified, and available pursuant to regulation." If an immigrant is sponsored for an employment-based green card and will work in an occupation on the Schedule A list, their sponsor does not have to obtain a permanent labor certification, which saves about a year of processing time.

The current Schedule A list is outdated, and does not include many occupations where the United States needs more workers

The current Schedule A list only includes two groups of occupations, physical therapists and professional nurses, and two broad categories focused on immigrants of exceptional ability in the sciences or arts (including college and university teachers) and immigrants of exceptional ability in the performing arts. This list does not include occupations where the United States currently faces a labor shortage.

The Secretary of Labor has complete discretion in determining which occupations are on the list. Between the 1960s and 1990s, the DOL used detailed data to keep the Schedule A occupations list up to date. In the past, the list included professions like pharmacists, aeronautical engineers, physicists, nuclear engineers, chemical engineers, physicians, and surgeons, but in recent years the DOL has stopped making these updates due to concerns about the costs of updating the list. Indeed, it has been almost two decades since the list has been updated.

Other countries have successfully adopted data-driven approaches to updating their lists of shortage occupations

The table below shows examples of how the United Kingdom and New Zealand structure their countries' similar lists of shortage occupations. Both countries regularly update both their lists of qualifying occupations and the methods they use to produce said lists.

	Example Shortage Occupation Lists from The U.S. and Abroad		
Country	**Year of Last Update, and How Often Updates Occur**	**Example of Shortage Occupations**	**Methodology**
United States	**2005**, No Required Timetable on Updates	Physical Therapists, Professional Nurses, College, and University Teachers	Shortage occupations are identified by DOL national office staff using factors such as: unemployment rates; occupational projections; evidence submitted by trade associations, employers, and organized labor; and technical reviews by Federal and State staff with expertise in these areas.
United Kingdom	**2023**, Updated yearly since 2020	Senior Care Workers, Care Workers and Home Carers, Welding Trades, Engineers, and Health Services and Public Health Managers and Directors	The Migration Advisory Committee uses four labor market indicators: wages, hours worked, employment, and vacancies. They then compile evidence from stakeholders using an online questionnaire to confirm that immigration would address the shortages.
New Zealand	**2023**, Prior list was from 2019	Engineers, Registered Nurses, Physicians, Surgeons, School Teachers, and Construction Roles	New Zealand's Ministry of Business, Innovation and Employment identifies occupations for the "Green List" of occupation shortages based on skill shortage lists, other government agencies, and community groups.

One study of how countries create these lists found that most use unemployment rates, employment growth, wage growth, and vacancy information among the labor market indicators used in determining shortages. Most processes leave room for expert judgment and stakeholder consultation and there is often a dedicated independent body to perform this function.

Modernizing and updating the DOL Schedule A list can re-establish it as a powerful tool to help address labor shortages

If updated regularly, Schedule A would create incentives to attract and hire international talent in high-demand occupations and industries without harming the wages and working conditions of U.S. workers. This would be beneficial in bolstering the health care workforce and attracting international talent to industries of critical importance to U.S. competitiveness, such as biotechnology, artificial intelligence, and semi-conductor production. Schedule A could also act as a tool to help domestic policy makers identify industries that would benefit from workforce training programs and training partnerships.

The DOL can take short term action by expanding Schedule A using a data-driven approach that uses data on vacancies, unemployment rates, wage growth, and hours worked to assess the sectors most in need of additional support.

In the long term, the DOL could adopt a transparent, modernized statistical model to regularly update the Schedule A list every 5 years to reflect workforce needs. The DOL could replicate attempts made by Dr. Malcolm Cohen of the University of Michigan in the late 1980s and early 1990s, which used labor economic indicators similar to the methodologies used in other countries to determine occupations with shortages. Starting with a data-driven approach to defining occupational needs that is then supplemented with stakeholder feedback will help ensure that employers and other groups can contribute to the process of defining shortage occupations but do not have sole control.

Increased data access and technological innovation can also make determining occupational shortages more efficient. For example, the Job Openings and Labor Turnover Survey (JOLTS), which provides monthly data on the number of vacancies at the industry level, was not implemented until 2000 by the Bureau of Labor Statistics. This data now provides helpful information on occupancy vacancies that could be added to a modernized statistical model aimed at measuring occupational shortages.