

*Prepared for the Rockefeller Foundation-Aspen Institute Diaspora Program (RAD)*

## The Indian Diaspora in the United States

July 2014

### Summary<sup>1</sup>

Approximately 2.6 million Indian immigrants and their children (the first and second generations) live in the United States. The India-born population is the third-largest immigrant population in the United States, but historically it was not a significant country of settlement for Indian emigrants, and India was not a major source of immigrants for the United States.

The Indian diaspora is a comparatively young population, and high levels of academic achievement and economic patterns set them far above U.S. national averages and most other groups in the Rockefeller Foundation-Aspen Institute Diaspora Program (RAD) analysis.<sup>2</sup> Recent Indian immigration flows to the United States have largely been channeled through foreign temporary worker, family-based preference, and student admission programs. Immigrants from India represent the majority of beneficiaries of the H-1B program, the United States' largest temporary worker visa category, and make up the second-largest group of international students at U.S. colleges and universities.

Indian immigrants are widely dispersed across the country, but the largest numbers are in California, New Jersey, and Texas. By metropolitan area, the New York City area has the largest Indian immigrant population, followed by Chicago and San Jose, CA.

The Indian diaspora in the United States is highly organized, and is represented by a countless number of well-funded and professionally managed groups. Many members of the Indian diaspora have deep, positive, and multifaceted forms of engagement with India. The government of India has created many programs and initiatives that aim to encourage and amplify the diaspora's contributions and has established a ministry specifically for Indians abroad: the Ministry of Overseas Indian Affairs.

Migrant remittances make up a relatively low share of India's gross domestic product (GDP) (3.7 percent) but constitute the world's largest inflow in absolute terms, with remittances estimated at \$67 billion in 2013. The Indian diaspora has both the ability and the tools to contribute to the country's development, growth, and prosperity.

1 All Rights Reserved. © 2014 Migration Policy Institute. Information for reproducing excerpts from this report can be found at [www.migrationpolicy.org/about/copyright-policy](http://www.migrationpolicy.org/about/copyright-policy).

2 The RAD Diaspora Profile series covers U.S.-based Bangladeshi, Colombian, Egyptian, Ethiopian, Filipino, Ghanaian, Haitian, Indian, Kenyan, Mexican, Moroccan, Nigerian, Pakistani, Salvadoran, and Vietnamese diaspora populations.

## I. Introduction

The India diaspora in the United States is a highly educated and economically successful population that has integrated well in the United States while maintaining strong ties with its homeland. Among their many accomplishments, immigrants from India and their children have been instrumental in the development of the United States' information technology (IT) industry, and through skills transfers, circular migration habits, and transnational investments, they have also played a major role in building up India's IT industry. The majority of diaspora organizations are culturally based groups and within-group marriage rates are high, suggesting that preserving Indian identity and traditions are highly valued by members of this community.

## II. Population Profile of the Indian Diaspora<sup>3</sup>

Analysis of data from 2009-13 show an Indian diaspora in the United States of 2.6 million individuals. Sixty-nine percent of the members of this population were foreign born, representing about 4.8 percent of the U.S. immigrant population; 31 percent of the diaspora had at least one India-born parent. The India-born population in the United States has grown rapidly since 1980, when approximately 210,000 Indian immigrants lived in the country and made up 1.5 percent of its foreign-born population.<sup>4</sup> The India-born population is recently arrived to the United States: 51 percent of immigrants from India settled in the country during or after 2000, compared to 36 percent of the U.S. foreign-born population.

### First Generation (Indian immigrants in the United States)

- More than 1.8 million immigrants from India resided in the United States, representing the United States' third-largest immigrant group, after Mexican- and Chinese-born immigrants.
- It is a comparatively young population; first-generation Indian immigrants had a median age of 37, the second lowest among the 15-group RAD analysis (after Kenya and tied with Ethiopia), although on par with the U.S. national median.
- The majority (84 percent) of Indian immigrants were working age (18 to 64), a far higher proportion than for either the U.S. national population (63 percent) or any of the other first-generation populations in the RAD series. Nine percent of immigrants from India in the United States were 65 years and older, and 7 percent were younger than 18.

### Second Generation (U.S. born with at least one India-born parent)

- Almost 800,000 U.S.-born individuals had at least one India-born parent.

<sup>3</sup> Unless otherwise noted, estimates for the diaspora population and its characteristics are based on Migration Policy Institute (MPI) analysis of the U.S. Census Bureau's Current Population Surveys (CPS), using five years of pooled data (2009-13) collected in March of each year. All Census Bureau data were accessed from Integrated Public Use Microdata Series (IPUMS); Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek, Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database] (Minneapolis: University of Minnesota, 2010), <http://usa.ipums.org/usa/>.

<sup>4</sup> Estimates are based on MPI analysis of the U.S. Census Bureau's 2010-12 American Community Survey (ACS) and the 1980, 1990, and 2000 Censuses. The immigrant population also grew as a share of the total U.S. population, rising from 8 percent to 13 percent between 1990 and 2012.

- Sixty-nine percent of second-generation individuals were under 18 years old, and the population's median age was 11.
- Eighty-four percent of those in the second generation had both an India-born mother and father—the highest proportion to have both parents born in the country of origin in the 15-series. Members of the Indian diaspora had a demonstrated preference for marrying within the diaspora: only 14 percent of newlywed people of Indian ancestry in the United States had married someone outside of their ethnic group.<sup>5</sup>

### III. Immigration Pathways and Trends<sup>6</sup>

Until the 1970s, the United States was not a major country of destination for Indian emigrants, and Indians made up an insubstantial share of the United States' total immigrant population.<sup>7</sup> Restrictive immigration laws passed by the U.S. Congress during World War I and in the years immediately following effectively cut off Indian and other non-Northern and non-Western European population inflows through the mid-1960s.<sup>8</sup> The result of these nationally biased immigration policies for the India born was that from 1920 through 1959, only 6,250 of them gained lawful permanent resident (LPR) status in the United States. The *Immigration and Nationality Act of 1965* repealed the country's national-origin quota system and had a visible and immediate impact on the scale of Indian emigration to the United States.

#### Temporary Employment and Student Visa Programs

Contemporary Indian immigration flows to the United States have been shaped by temporary admissions for skilled workers and students, and as a consequence high-skilled individuals are overrepresented among the India-born population in the United States relative to India's national population, the U.S. foreign-born population, and the U.S. general public. Indians entered the United States 1.8 million times as temporary workers and 819,000 times on student visas during the decade from fiscal year (FY) 2002-12. A person who holds one of these visas may use it to enter than once, so these numbers represent entries, not individuals.

Among the United States' temporary worker visa programs, the H-1B program has been an especially important pathway for India-born immigrants. Nationals of no other country have so completely dominated the H-1B program: of the 270,000 H-1B petitions approved during the FY 2012, 64 percent were granted to India-born people.<sup>9</sup> H-1B visas allow U.S. firms to hire foreign workers with at least a bachelor's degree for specialty occupations that require technical or theoretical expertise (e.g. scientists, engineers, and IT workers), and a limited number are issued each

5 Pew Research Center, *The Rise of Asian Americans* (Washington, DC: Pew Research Center, 2013), 13, [www.pewsocialtrends.org/files/2013/04/Asian-Americans-new-full-report-04-2013.pdf](http://www.pewsocialtrends.org/files/2013/04/Asian-Americans-new-full-report-04-2013.pdf).

6 Admissions, lawful permanent resident, and citizenship data are taken from MPI analysis of U.S. Department of Homeland Security data for fiscal years (FY) 2002 through 2012. U.S. Department of Homeland Security, *Yearbook of Immigration Statistics* (Washington, DC: Office of Immigration Statistics, 2002-13), [www.dhs.gov/yearbook-immigration-statistics](http://www.dhs.gov/yearbook-immigration-statistics).

7 Daniel Naujoks, "Emigration, Immigration, and Diaspora Relations in India," *Migration Information Source*, October 2009, [www.migrationpolicy.org/article/emigration-immigration-and-diaspora-relations-india](http://www.migrationpolicy.org/article/emigration-immigration-and-diaspora-relations-india).

8 Daniel Naujoks, *Migration, Citizenship and Development: Diasporic Membership Policies and Overseas Indians in the United States* (New Delhi: Oxford University Press, 2013), 26.

9 U.S. Department of Homeland Security, *Characteristics of H1B Specialty Occupation Workers: Fiscal Year 2012 Annual Report to Congress* (Washington, DC: Office of Legislative Affairs, 2013), [www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/H-1B/h1b-fy-12-characteristics.pdf](http://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/H-1B/h1b-fy-12-characteristics.pdf).

year.<sup>10</sup> Indian nationals' preeminence within this visa category may be attributed in part to India's large supply of IT workers and the fact that earlier waves of Indian immigrants to the United States have established a significant presence in this industry.<sup>11</sup>

Indian nationals also receive a substantial share of all L-1 visas issued: 29 percent. This visa category is open to foreign employees of international corporations that have offices in the United States. Indians often come to the United States as dependents of family members with temporary employment visas. In FY 2012, Indian nationals comprised 67 percent of all H-4 visa recipients, a visa category for immediate family members of H-1B beneficiaries, and 35 percent of all recipients of L-2 visas, a program for immediate family members of L-1 visa holders.

The India-born population is the second-largest group of international students enrolled at U.S. colleges and universities after students from China, and many plan on settling in the United States permanently after completing their studies. An average of 90,000 international students of Indian nationality studied in the United States each year during FY 2002 through 2012, mostly in graduate programs or as part of the Optional Practical Training (OPT) program. During the 2012-13 academic year, 12 percent of all international students in the United States were from India, with 75 percent of Indian students enrolled in a science, technology, medical, or mathematics degree program.<sup>12</sup>

Indian international students also received 15 percent of the PhDs that U.S. universities awarded to students on a temporary visa that year (equivalent to some 2,230 Indian doctoral graduates), earning more PhDs than international students from all other countries except China. Almost nine out of ten Indian international students awarded doctorates in the United States between FY 2002-12 planned to stay in the country after graduating (86 percent), a rate only surpassed by those students from Iran and Nepal.<sup>13</sup> While international students and beneficiaries of the H-1B, H-4, L-1, L-2 visa programs are admitted to the United States as nonimmigrants on a temporary basis, all of these programs can be used as stepping stones towards permanent residence in the United States.

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10 Congress first enacted the H-1B visa category in 1990 with the passage of the *Immigration Act of 1990* and made significant changes to the program through the *American Competitiveness Act and Workforce Improvement Act of 1998* and the *American Competitiveness in the Twenty-first Century Act of 2000*. The number of H-1B visas is currently capped at 65,000 per year, with an additional up to 20,000 made available for workers with at least a master's degree or equivalent, and an additional uncapped group of visas available for employees of universities, nonprofit organizations, and research institutions. U.S. Citizenship and Immigration Services (USCIS), "H-1B Fiscal Year (FY) 2014 Cap Season," last updated April 15, 2013, [www.uscis.gov/working-united-states/temporary-workers/h-1b-specialty-occupations-and-fashion-models/h-1b-fiscal-year-fy-2014-cap-season](http://www.uscis.gov/working-united-states/temporary-workers/h-1b-specialty-occupations-and-fashion-models/h-1b-fiscal-year-fy-2014-cap-season).

11 Lindsay Lowell, "H-1B Temporary Workers: Estimating the Population" (working paper, Center for Comparative Immigration Studies, San Diego, 2000), <http://ccis.ucsd.edu/wp-content/uploads/2012/08/wrkg12.pdf>.

12 MPI analysis of data from Institute of International Education, "International Student Totals by Place of Origin, 2011/12-2012/13," Open Doors Report on International Educational Exchange (New York: Institute of International Education, 2013), [www.iie.org/Research-and-Publications/Open-Doors/Data](http://www.iie.org/Research-and-Publications/Open-Doors/Data).

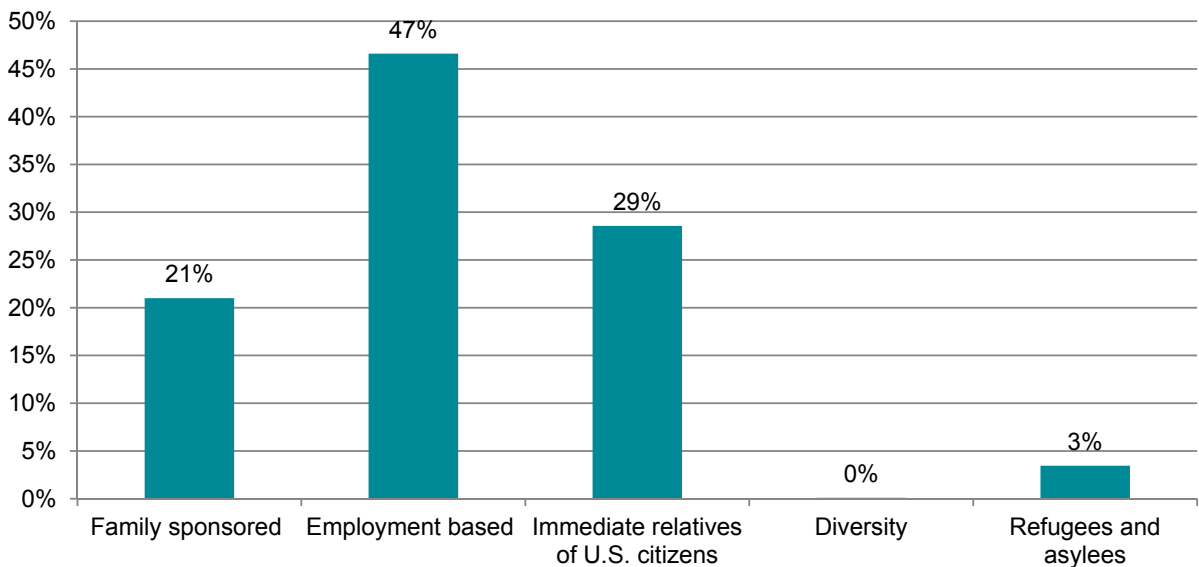
13 MPI analysis of data from National Science Foundation and the National Center for Science and Engineering Centers, *Doctorate Recipients from U.S. Universities: 2012* (Arlington, VA: National Science Foundation and the National Center for Science and Engineering Centers, 2013), [www.nsf.gov/statistics/sed/2012/](http://www.nsf.gov/statistics/sed/2012/).

## Lawful Permanent Resident (LPR) Admissions and Naturalizations

With regards to immigration channels leading to citizenship, 728,000 Indians became LPRs in FY 2002-12, representing 6.3 percent of all LPR beneficiaries during this period. Nearly half (47 percent) of new India-born green card holders in these years earned this permanent immigration status through an employment-based preference program (see Figure 1). Most of the remainder gained LPR status as immediate relatives of U.S. citizens or through other family-based preferences: 29 percent and 21 percent, respectively.

A similar share of the India born had become naturalized U.S. citizens as the foreign-born population overall: 42 percent versus 44 percent.<sup>14</sup> Considering that the majority of Indian immigrants in the United States are newcomers, the population's relatively high naturalization rate suggests that many Indian immigrants applied for citizenship shortly after they became eligible. During FY 2002-12, 501,000 India-born people naturalized, representing 6.8 percent of all naturalizations granted during this period.

**Figure 1: Indians Admitted to the United States as Lawful Permanent Residents, by Preference Category, FY 2002-12**



Source: U.S. Department of Homeland Security Office of Immigration Statistics (Washington, DC: DHS Office of Immigration Statistics, various years), [www.dhs.gov/immigration-statistics-publications](http://www.dhs.gov/immigration-statistics-publications).

## Irregular Migration

The vast majority of the India-born population in the United States has authorized immigration status, but a growing number in this population is unauthorized. Compared to their proportion of the U.S. foreign-born population, relatively few India-born people in the United States are irregular migrants: immigrants from India account for 4.8 percent of the U.S. foreign-born population

<sup>14</sup> These figures are taken from the CPS data. In the 2010-12 ACS data, 46 percent of Indian immigrants were naturalized U.S. citizens.

but 2 percent of the estimated U.S. unauthorized population. However, the India-born population is one of the fast-growing segments of the unauthorized population. The size of the unauthorized India-born population in the United States is thought to have risen 94 percent between 2000 and 2011, increasing from approximately 120,000 to 240,000.<sup>15</sup> Part of this growth is due to the overall expansion of the population of immigrants from India in the United States during this time period, but there are likely other trends at work too, such as the weak job market in the United States which makes it more difficult for graduating international students to find employers that are able to sponsor them for H-1B temporary employment visas or for permanent employment-based visas. As opposed to migrants from Latin America, who make up the bulk of the U.S. unauthorized population, those from India do not regularly cross into the United States clandestinely; instead, most in this population overstay valid visas.<sup>16</sup>

Unauthorized migrants who arrived in the United States before reaching age 16 may be eligible for the Deferred Action for Childhood Arrivals (DACA) program. About 2,500 unauthorized India-born young adults have been granted work authorization and a temporary reprieve from deportation as DACA beneficiaries. From August 2012 through December 2013—the program’s first 17 months—about 3,000 immigrants from India applied for the benefit. Less than 1 percent of all DACA beneficiaries during that time period were of Indian birth, making it the 12<sup>th</sup> largest national-origin group in the program.<sup>17</sup>

## IV. Geographic Distribution<sup>18</sup>

- Indian immigrants were widely dispersed across the United States, although the largest numbers settled in California (350,000), New Jersey (210,000), and Texas (165,000).
- By metropolitan area, New York City was home to the largest number of Indian immigrants (300,000), followed by Chicago (120,000). San Jose, CA; Washington, DC; San Francisco; and Los Angeles and their surrounding areas were each home to between 80,000 and 85,000 Indian immigrants.

## V. Socioeconomic Characteristics

The Indian diaspora in the United States’ high levels of academic achievement and employment patterns set them far above U.S. national averages. Indian immigrants and their children hold advanced degrees at four times the rate of the U.S. general public, and they are also more likely to be in the labor force or to be employed. Households headed by a member of the Indian diaspora in the United States have a median annual income \$39,000 above the median for all U.S. households, and over one-quarter of Indian diaspora households are in the top 10 percent of the U.S. house-

15 In January 2011, an estimated 11.5 million unauthorized immigrants were in the United States. The foreign-born population estimate here is based on MPI analysis of the 2012 ACS, while the unauthorized population estimate is taken from Michael Hoefer, Nancy Rytina, and Bryan Baker, “Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2011,” *Population Estimates* (Washington, DC: U.S. Department of Homeland Security, 2012), [www.dhs.gov/xlibrary/assets/statistics/publications/ois\\_ill\\_pe\\_2011.pdf](http://www.dhs.gov/xlibrary/assets/statistics/publications/ois_ill_pe_2011.pdf).

16 Naujoks, *Migration, Citizenship, and Development*, 41.

17 MPI analysis of USCIS data, “Data Set: Deferred Action for Childhood Arrivals Process (Through Fiscal Year 2014, 1st Quarter),” February 6, 2014, [www.uscis.gov/tools/reports-studies/immigration-forms-data/data-set-deferred-action-childhood-arrivals](http://www.uscis.gov/tools/reports-studies/immigration-forms-data/data-set-deferred-action-childhood-arrivals).

18 These estimates are based on MPI analysis of 2008-12 ACS data. Note that geographic distribution is only analyzed for the immigrant population; second-generation Indian diaspora members are not included in this section.



hold income distribution (see Appendix 1).

## Educational Attainment

- High educational attainment distinguishes the Indian diaspora population from the U.S. general population, and the Indian diaspora was one of the most highly educated of the 15 groups in the RAD analysis.
- Seventy-nine percent of the Indian diaspora age 25 and older in the United States had earned at least a bachelor's degree, compared to 31 percent of the U.S. population overall.<sup>19</sup> Forty-four percent of the Indian diaspora age 25 and older in the United States had earned a master's degree, advanced professional degree, or PhD versus 11 percent of the U.S. general public.
- Indian first-generation immigrants were especially well educated, and in fact, their academic achievements surpassed that of the second generation. The Indian diaspora was unique among the 15 countries in the RAD analysis for having a higher proportion of the first generation holding an advanced degree than the second: 45 percent versus 39 percent.<sup>20</sup> The intergenerational gap in advanced degrees was pronounced among men of Indian ancestry in the United States but did not hold true for women: 51 percent of Indian first-generation men and 37 percent of second-generation men held an advanced degree, whereas 38 percent of Indian first-generation women and 41 percent of second-generation women held such a degree.

## Employment

- Indian diaspora members age 16 and older were slightly more likely than the general U.S. population to be in the labor force: 69 percent versus 64 percent. A contributing factor to the Indian diaspora population's high labor force participation was its age structure: a larger than average share was working age (18 to 64) and relatively few were children or retirees compared to the U.S. population.
- The members of the Indian diaspora in the labor force were also employed at higher rates than the general U.S. labor force (94 percent versus 91 percent), consistent with the group's high educational attainment. Of the 15 groups in the RAD analysis, the employment rate in the Indian diaspora population was the highest.
- Half of Indian diaspora members were in professional or managerial occupations, compared to 31 percent of the U.S. general public.<sup>21</sup> The Indian and Egyptian diasporas had the highest levels of professional or managerial employment among the 15 groups in the RAD series.
- Professional or and managerial occupations include specialized fields (e.g. engineering, science, law, or education) as well as administrative and managerial jobs (e.g. finance or human resources).

19 Thirty-five percent of Indian diaspora members age 25 and older held a bachelor's degree as their highest credential, compared to 20 percent of the U.S. general public.

20 The second generation is also younger, and may attain similar or higher education levels by the time they reach their parents' current age.

21 This rate is calculated based on the share of all individuals reporting an occupation for their primary job at the time the CPS was administered, or for their most recent primary job.

- The Indian diaspora population was also overrepresented in scientific, engineering, and IT professions; for example, 15 percent of the Indian diaspora workforce reported their occupation as “computer software developers.” Computer, IT, and related occupations are the most common occupations for H-1B visa holders. Moreover, according to Panday et al., more than 38,000 physicians of Indian origin practiced medicine in the United States, accounting for about 5 percent of all U.S. doctors.<sup>22</sup>

## Household Income and Assets

- The Indian diaspora population had far higher household income than the U.S. general public and was the highest income group of the 15 populations in the RAD analysis. Households in the United States that were headed by a member of the Indian diaspora had a median annual income approximately \$39,000 higher than U.S. national median (\$89,000 versus \$50,000), and they were also far more likely to be high income.
- Half of all Indian diaspora households had annual incomes in the top 25 percent of the U.S. income distribution, meaning that their incomes were above \$90,000 per year. More than one-quarter (27 percent) of Indian diaspora households had annual incomes in the top 10 percent of this distribution, with incomes exceeding \$140,000. Indian diaspora households were the most likely to be in either the top quartile or decile of the U.S. income distribution of the 15 groups in the RAD study.
- Indian diaspora households were more likely to have certain types of investment income than U.S. households overall: 20 percent of Indian diaspora households had dividend income, compared to 15 percent of the U.S. households, while 52 percent versus 43 percent had interest income. However, median annual interest income between these groups was similar (at \$150 for Indian diaspora households and \$157 for all U.S. households), and about the same percentages earned more than \$500 in interest income: 14 percent versus 16 percent. The shares of Indian diaspora and U.S. households reporting rental income were small and nearly equivalent: 4 percent and 5 percent, respectively.
- Members of the Indian diaspora’s roles in the development and economic success of the Silicon Valley high-technology industry are well documented, and some technology experts and entrepreneurs accumulated great wealth as a result.<sup>23</sup> Between 1995 and 1998, Indians ran 9 percent of all Silicon Valley start-up companies, nearly 70 percent of which were in the software sector.<sup>24</sup>
- Further, the Indian diaspora has been noted for owning and managing many small businesses. According to Pandey et al., entrepreneurs of Indian origin or ancestry owned approximately 77,000 convenience stores in the United States with a collective pretax income of over \$4 billion. In addition, members of the Indian diaspora were thought to own about 17,000 hotels in the United States with a cumulative market value of \$36 billion.<sup>25</sup>
- Despite the Indian diaspora’s success across a number of economic indicators, this U.S.-

22 Abhishek Pandey, Alok Aggarwal, Richard Devane, Yevgeny Kuznetsov, *India’s Transformation to Knowledge-based Economy – Evolving Role of the Indian Diaspora* (Gurgaon, India: Evalueserve, 2004) 6, <http://info.worldbank.org/etools/docs/library/152386/abhishek.pdf>.

23 AnnaLee Saxenian, *Silicon Valley’s New Immigrant Entrepreneurs* (San Francisco: Public Policy Institute of California, 1999), [www.ppic.org/content/pubs/report/R\\_699ASR.pdf](http://www.ppic.org/content/pubs/report/R_699ASR.pdf); Devesh Kapur and John McHale, *Give Us Your Best and Brightest: The Global Hunt for Talent and Its Impact on the Developing World* (Washington, DC: Center for Global Development, 2005) 110, [www.cgdev.org/sites/default/files/9781933286037-Kapur-Hale-best-and-brightest.pdf](http://www.cgdev.org/sites/default/files/9781933286037-Kapur-Hale-best-and-brightest.pdf).

24 Saxenian, *Silicon Valley’s New Immigrant Entrepreneurs*, 24.

25 Pandey, et al., *India’s Transformation to Knowledge-based Economy*, 6.



based population had a homeownership rate of 54 percent, well below the U.S. national average of 66 percent. A number of factors specific to the foreign-born population may affect home ownership, such as immigration status and intent, the amount of time spent in the United States, and different cultural values around homeownership.<sup>26</sup>

## Poverty Status

- A substantially smaller share of the Indian diaspora had family incomes below the federal poverty threshold than the U.S. average: 7 percent versus 15 percent.
- Diaspora members were half as likely as the U.S. average to have family incomes between 100 percent and 150 percent of the poverty threshold: 5 percent versus 10 percent.<sup>27</sup> The poverty threshold is used to help determine eligibility for Medicaid and other means-tested government safety nets, for which some immigrant households may qualify.

## VI. Diaspora Engagement

The Indian diaspora community is noted for being very well organized and having a deep and multifaceted engagement with the homeland, which includes accelerating the development of India's IT industry. Many now affluent Indian immigrants in the United States arrived with few resources, but through a combination of hard work, education, skills, and vision achieved a remarkable level of success. Many consider giving back an obligation and a welcome responsibility.<sup>28</sup> In a survey of Indian diaspora philanthropic activities, almost 40 percent of respondents had donated between \$500 and \$1,000 during the previous two years, and 27 percent had given more than \$2,000.<sup>29</sup> Professional, regional, and religious organizations are the primary institutional formats for Indian philanthropic activities.<sup>30</sup>

The government of India has embraced the Indian diaspora's aspirations to stay connected with the homeland, and it has instituted a number of different programs and initiatives that aim to encourage and amplify the diaspora's contributions.

Since 1977 the government of India has maintained a dedicated ministry for emigrants and members of the diaspora. First established as a bureau within the Ministry of External Affairs, the Ministry of Overseas Indian Affairs has been a freestanding government agency since 2004 and "seeks to connect the Indian [d]iaspora community with its motherland."<sup>31</sup> Further, certain

<sup>26</sup> There are no restrictions on foreign buyers in the U.S. real estate market.

<sup>27</sup> The poverty threshold varies by household size and the number of related children under age 18. In 2011 the threshold was \$18,106 for a three-person household with one child younger than 18 and \$22,811 for a four-person household with two children younger than 18; see United States Census Bureau, "Poverty," [www.census.gov/hhes/www/poverty/data/threshld/index.html](http://www.census.gov/hhes/www/poverty/data/threshld/index.html).

<sup>28</sup> Silicon Valley Community Foundation and LTG Associates, Inc., *On the Shoulders of Generations: Philanthropy in the Indian American Community of Silicon Valley* (Mountain View, CA: Silicon Valley Community Foundation, 2012) 7, [www.siliconvalleycf.org/docs/indian-american-philanthropy-final.pdf](http://www.siliconvalleycf.org/docs/indian-american-philanthropy-final.pdf).

<sup>29</sup> R. Gopa Kumar, "Indian Diaspora and Giving Patterns of Indian Americans," in R. Gopa Kumar, ed., *Indian Diaspora and Giving Patterns of Indian Americans* (New Delhi: Charities Aid Foundation India, 2003): 3-69, as quoted in Najuoks, *Migration, Citizenship and Development*, 108.

<sup>30</sup> Najuoks, *Migration, Citizenship and Development*, 108.

<sup>31</sup> Najuoks, *Migration, Citizenship, and Development*, 50; Ministry of Overseas Indian Affairs, "About the Ministry > An Overview," accessed March 21, 2014, <http://moia.gov.in/services.aspx?mainid=6>.

rights of citizenship are available to people of Indian origin that live in the diaspora and register through the Overseas Citizenship of India (OIC) or Persons of Indian Origin (PIO) programs.

## Diaspora Organizations

The Indian diaspora has established countless highly organized, well-funded, and professionally managed groups located throughout the United States. These organizations address a broad range of issues and take on many different forms, including philanthropic projects to improve health and education in India, advocacy organizations, business and professional networks, media outlets, and societies for the promotion of Indian culture, language, and religion. India has immense linguistic and religious diversity, but some Indians in the United States have conceived something like a pan-Indian—and in some cases, a pan-South Asian—diaspora community.<sup>32</sup> Others focus on more narrowly defined identities, such as Silver Spring, Maryland's 1,000-member Telugu-language Seventh Day Adventist Church.

Of the 224 U.S.-based Indian diaspora groups identified for this report, many were well resourced; 20 groups had annual revenue above \$1 million, and another 59 had annual revenue higher than \$200,000. Pratham U.S.A, the American India Foundation, TiE Global, the National Federation of India-American Associations, and the American Association of Physicians of Indian Origin were among the most influential of these organizations.

The majority of the Indian diaspora groups surveyed for the RAD analysis were cultural organizations (51 percent), many of which focused on teaching the languages and artistic traditions of India to the next generation. Charities made up 26 percent of the organizations in this analysis, and 14 percent of the groups were business or professional groups. Relatively few groups were religious or political in nature, comprising 3 percent and 4 percent of the groups surveyed, respectively. Most prominent diaspora organizations were headquartered in northern California or along the Boston-to-Washington, DC corridor; however, like the Indian diaspora itself, Indian diaspora organizations can be found in all corners of the United States.

## Remittances, Entrepreneurship, and Investment<sup>33</sup>

India receives more in remittances than any other country in the world. In 2012, remittances to India totaled \$67 billion, almost \$13 billion of which was transferred from the United States (see Appendix 2). The United States was the second-largest source of remittances to India and the second most common destination country for Indian emigrants, following the United Arab Emirates in both categories.

<sup>32</sup> Naujoks, *Migration, Citizenship, and Development*, 15.

<sup>33</sup> Remittance data are taken from World Bank Prospects Group tables for annual remittance inflows and outflows (October 2013 update) and the 2012 Bilateral Remittance Matrix. World Bank Prospects Group, <http://go.worldbank.org/092X1CHHD0>. GDP estimates are from World Bank World Development Indicators data. World Bank DataBank, "World Development Indicators, India," <http://data.worldbank.org/country/india>. Population estimates are from the United Nations Population Division mid-2013 matrix of total migrant stock by origin and destination. United Nations, Department of Economic and Social Affairs, "Trends in International Migrant Stock: Migrants by Origin and Destination, 2013 Revision (United Nations database, POP/DB/MIG/Stock/Rev.2013)," <http://esa.un.org/unmigration/TIMS02013/migrant-stocks2013.htm>.

Relative to the overall size of India's economy, remittances account for a small but rising share of India's GDP. In 1975, this monetary flow comprised 0.4 percent of India's economy, whereas it constituted 3.7 percent in 2012. Changes in government and commercial bank policies, the profile of recent emigrants, and the strength of the Indian economy help explain the exponential growth in remittances to India.<sup>34</sup>

Although remittances are associated with greater human development across a number of areas such as health, education, and gender equality, they are not the only medium through which the Indian diaspora supports the country's economic growth.<sup>35</sup> Members of the diaspora transfer skills, technologies, and professional and social networks that they developed in their countries of settlement to India; they also make investments there. The government of India has worked to increase capital flows into India from people of Indian origin abroad.

Ethnic resources and business and professional networks have long contributed to the success of entrepreneurs in the U.S.-based Indian diaspora. Aided by the reduced transaction costs associated with digitization and air travel, new immigrant entrepreneurs from India are also building and maintaining business and professional ties in Asia. Indian engineers and entrepreneurs in Silicon Valley are transferring technical and institutional knowledge and skills between distant regional economies with ever greater speed, efficiency, and flexibility, and those in the diaspora are credited with accelerating the development of India's IT industry.<sup>36</sup>

One such civil-society organization that helps Indian diaspora entrepreneurs strengthen their business and professional networks is TiE (The Indus Entrepreneurs). The organization was founded in Silicon Valley in 1992 and now boasts some 11,000 members. It has chapters in the United States and India as well as many other countries, and promotes entrepreneurship through education, mentoring, and networking.

From the governmental perspective, over the past three decades the Indian economy has gradually opened to foreign investments, but some procedural and sectorial limitations remain.<sup>37</sup> With the financial resources of the diaspora in mind, the Indian government has worked to facilitate investments from Indians abroad by amending banking regulations and establishing the Overseas Indian Facilitation Center in 2007. The Reserve Bank of India has procedures in place to make it easier for diaspora members to invest in Indian companies. Nonresident Indians are eligible to purchase real estate in India, but they are banned from investing in the country's real estate companies. Policies aimed at encouraging diaspora investment in India show signs of success, as documented in several studies of members of the Indian diaspora who have chosen to move to India and establish enterprises there.<sup>38</sup>

Since the 1970s, the government of India has felt it necessary to build up foreign-exchange reserves. Some of the programs created as a result of this policy are aimed at the country's diaspora. For example, the government has encouraged the creation of attractive savings account

34 Muzaffar Chishti, "The Rise in Remittances to India: A Closer Look," *Migration Information Source*, February 2007, [www.migrationpolicy.org/article/rise-remittances-india-closer-look](http://www.migrationpolicy.org/article/rise-remittances-india-closer-look).

35 Dilip Ratha, "The Impact of Remittances on Economic Growth and Poverty Reduction," *Migration and Development Policy Brief*, no. 8 (Washington, DC: Migration Policy Institute, 2013), [www.migrationpolicy.org/research/impact-remittances-economic-growth-and-poverty-reduction](http://www.migrationpolicy.org/research/impact-remittances-economic-growth-and-poverty-reduction).

36 Saxenian, *Silicon Valley's New Immigrant Entrepreneurs*, ix; AnnaLee Saxenian, "From Brain Drain to Brain Circulation: Transnational Communities and Regional Upgrading in India and China," in *Studies in Comparative International Development*, 2005, <http://people.ischool.berkeley.edu/~anno/Papers/scid-2005.pdf>.

37 Naujoks, *Migration, Citizenship, and Development*, 96.

38 Sunali Jain, "For Love and Money: Second-Generation Indian Americans 'Return' to India," *Migration Information Source*, October 2010, [www.migrationpolicy.org/article/love-and-money-second-generation-indian-americans-return-india](http://www.migrationpolicy.org/article/love-and-money-second-generation-indian-americans-return-india).

schemes available exclusively to nonresident Indians (e.g. accounts with higher than normal interest rates or those that can be denominated in foreign or domestic currency). In 2012, Indian banks held about \$68 billion in deposits from members of the diaspora. In periods of economic instability, the government of India has issued diaspora bonds to overcome balance of payment crises. Since 1991 the government of India has issued three bonds, which have raised a combined \$11.3 billion.<sup>39</sup>

## Political Engagement

India does not recognize dual citizenship. The Overseas Citizenship of India (OCI) and Person of Indian Origin (PIO) schemes are two forms of status for nonresident Indians that convey many of the benefits of Indian citizenship, including the right to live and work in India. These two schemes do not, however, permit voting, running for elected office, or government employment.<sup>40</sup> Once acquired, OCI status endures until the recipient reaches age 50 (when it must be renewed), while PIO status lasts only for the term of the holder's passport. Each year, the United States has accounted for the single largest number of OCI registrations, receiving 41 percent to 44 percent of all OCI cards granted.<sup>41</sup> After five years of registration as an OCI, including one year of residence in India, a holder of that status is eligible to apply for Indian citizenship under section 5(1) (g) of the *Citizenship Act of 1955*.<sup>42</sup> Success in that process results in de facto dual citizenship, although neither the United States nor India formally accepts it. The lack of formal political rights in India, however, has not discouraged some Indian diaspora members from engaging in the political affairs of their country of origin. For example, members of the diaspora have established Indian political organizations in the United States, such as the Friends of Bharatiya Janata Party and the Indian National Overseas Congress of America.

In recent years members of the Indian diaspora have become increasingly involved in U.S. politics. Community leaders have begun to build advocacy organizations and political action committees that work to elevate Indian diaspora voices and perspectives on a range of issues. These groups include the Indian American Forum for Political Education, the U.S.-India Political Action Committee, South Asian Americans Leading Together, the Sikh American Legal Defense and Education Fund, and the Republican Indian Committee. Both houses of Congress have bipartisan caucuses dedicated to India and Indian diaspora affairs: the Congressional Caucus on India and Indian-Americans and the Senate India Caucus.

## VII. Conclusion

The diaspora has benefited India by transferring money and making investments there and by sharing the skills, technologies, and professional and social networks that have developed in the United States. Despite these benefits, the overrepresentation of the highly skilled in the pool of Indian emigrants to the United States relative to India's national population raises some concern about the depletion of India's talent pool in certain sec-

39 Naujoks, "Emigration, Immigration, and Diaspora Relations in India"; Naujoks, *Migration and Development*, 99-105.

40 Naujoks, "Emigration, Immigration, and Diaspora Relations in India."

41 Naujoks, *Migration, Citizenship, and Development*, 63.

42 Foreigners Division, Ministry of Home Affairs, Government of India, "Overseas Citizenship of India, Introduction" <http://mha1.nic.in/pdfs/intro.pdf>.

tors, such as faculty for elite science and engineering institutes in India. One recent survey on emigration from India, for example, found that 3 percent of Indian society could be described as comprising the urban, professional elite, but this segment accounted for 44 percent of all Indian emigrants to the United States.<sup>43</sup>

Freed of the dead hand of India's bureaucracy, the diaspora thrived in the United States. Their example encouraged some deregulation in the Indian economy and created a virtuous circle of reputational enhancement for the diaspora as well as the country of origin. The diaspora has also been an important source of inward investment to India, not only directly from diaspora entrepreneurs but also from diaspora members in their roles as corporate executives in mainstream U.S. businesses.

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<sup>43</sup> Devesh Kapur, *Diaspora Development and Democracy: The Domestic Impact of International Migration from India* (New Delhi: Oxford University Press, 2010) as quoted by Naujoks, *Migration, Citizenship and Development*, 27.

## Appendices: Tables, Graphs, and Figures

### Appendix 1. Summary 2009-13 Current Population Survey Results

	Indian Diaspora in the United States*	Total U.S. Population
<b>Household Income</b>		
Median household income	\$89,000	\$50,000
Average household size	3.0	2.5
Share of households with high incomes (\$90,000+)	50%	25%
Share of households with very high incomes (\$140,000+)	27%	10%
<b>Employment</b>		
<b>Total population age 16 and older</b>	1,988,000	239,386,000
Share in the labor force	69%	64%
... that was employed	94%	91%
... that was in a professional occupation**	50%	31%
<b>Educational Attainment ***</b>		
<b>Total population age 25 and older</b>	1,740,000	201,925,000
... with less than high school education	5%	13%
... with high school or some college education	16%	57%
... with a bachelor's degree	35%	20%
... with an advanced degree	44%	11%
<b>Assets</b>		
<b>Total households</b>	876,000	119,173,000
... that own or are buying their home	54%	66%
... with income from dividends	20%	15%
... with income from rent	4%	5%
... with income from interest	52%	43%
Median income from interest (for recipients)	\$150	\$157
Share with more than \$500 in interest income	16%	14%
<b>Population Characteristics by Generation</b>		
<b>First- and Second-Generation Immigrant Population</b>	2,662,000	77,138,000
<b>First-generation immigrant population†</b>	1,822,000	38,468,000
... that was working age (18-64)	84%	81%
... that entered the United States before 2000	49%	64%
... naturalized as U.S. citizens	42%	44%
<b>Second-generation population††</b>	840,000	38,670,000
... that was under age 18	69%	46%
... that was working age (18-64)	30%	43%
... with only one parent from India	16%	-

\* defined as all first and second generation.

\*\* calculated based on the share of all individuals reporting an occupation for their primary job at the time the Current Population Survey (CPS) was administered or for their most recent primary job.

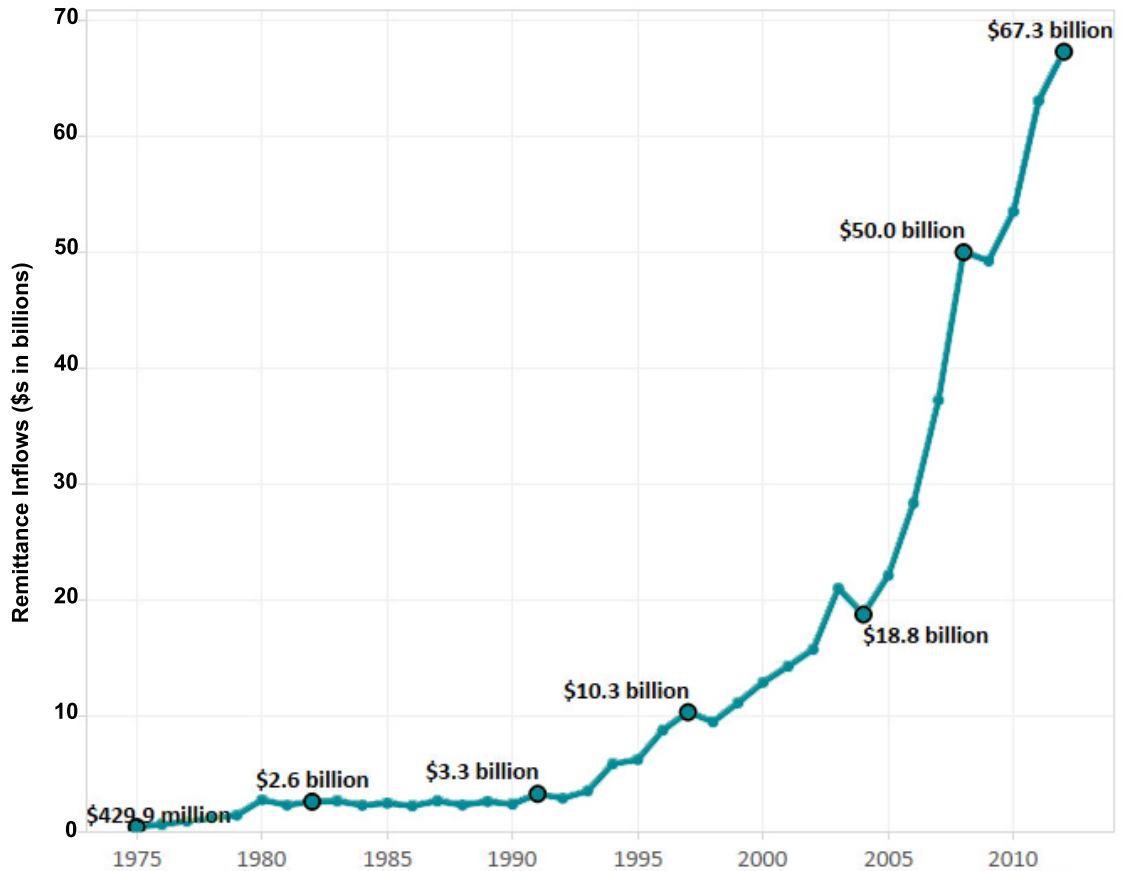
\*\*\* highest level reported.

† all individuals who report India as their place of birth, excluding U.S. births abroad.

†† all individuals who report having at least one parent born in India.



## Appendix 2. Remittance Inflows to India, 1975-2012



Source: Remittance data are taken from World Bank Prospects Group tables for annual remittance inflows and outflows (October 2013 update), <http://go.worldbank.org/092X1CHHD0>.

Appendix 3. Geographic Distribution of Indian Diaspora in the United States

