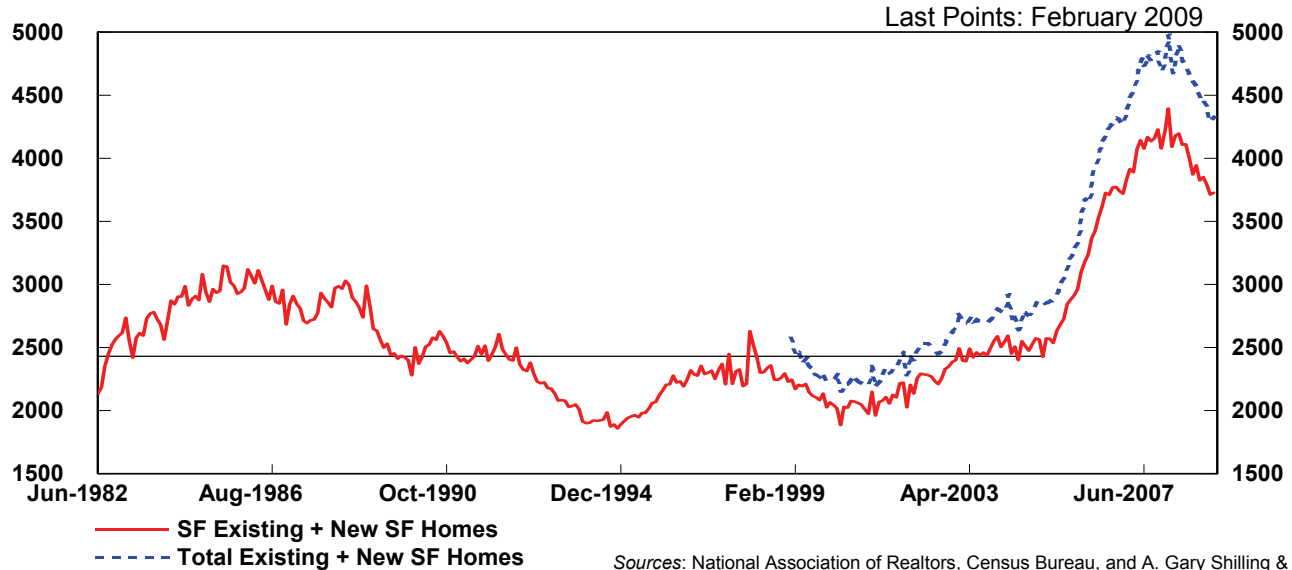


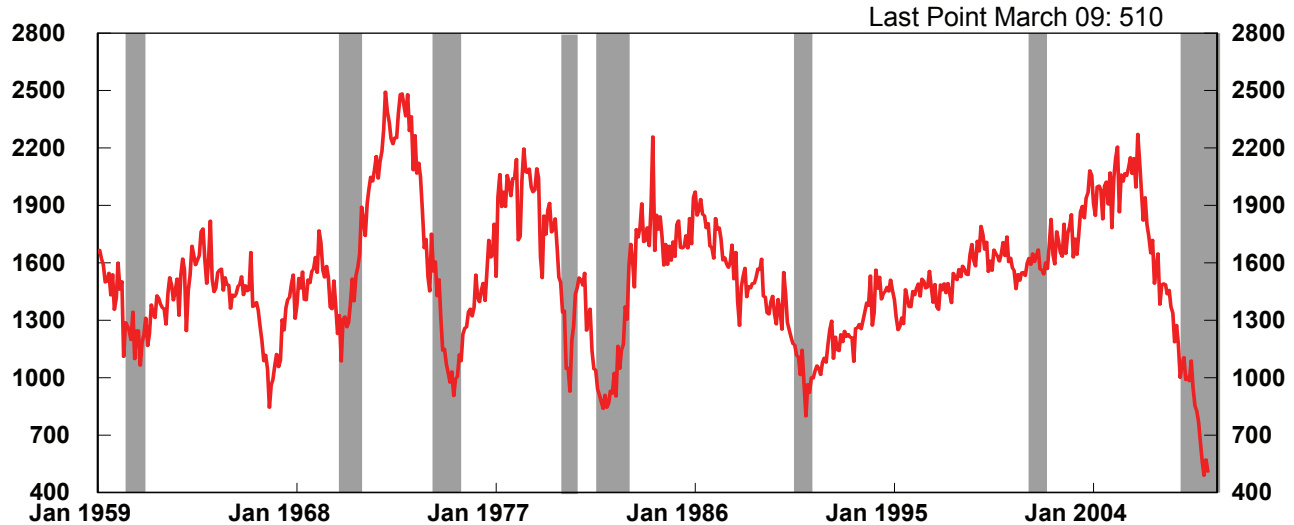
Home Inventories

Thousands of units, seasonally adjusted



Housing Starts

Thousands of units, SAAR

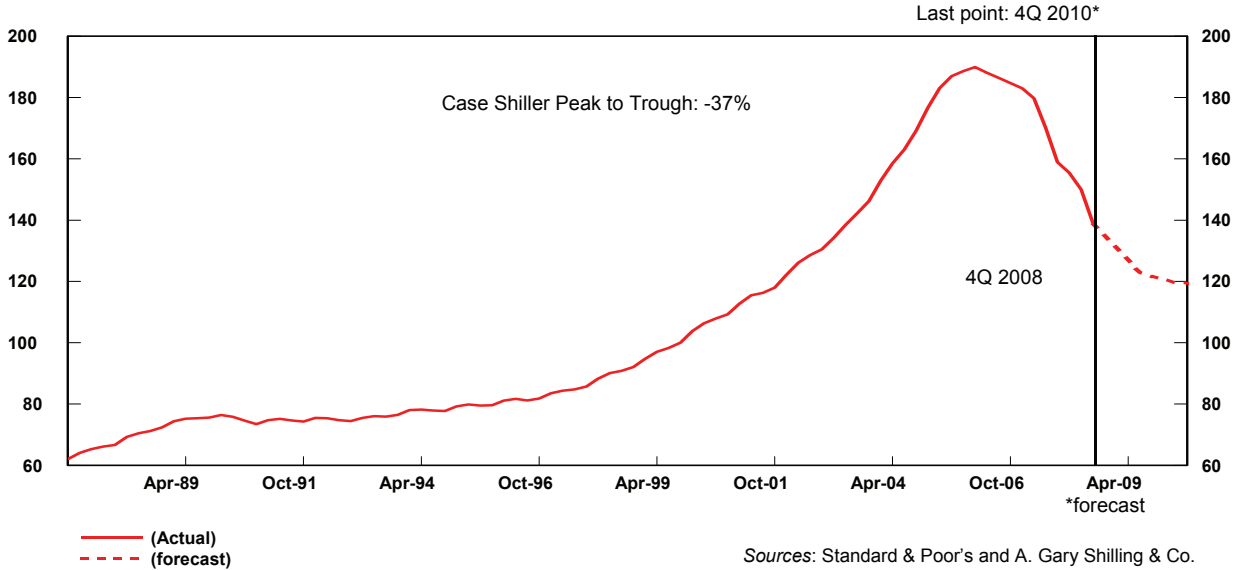


Source: Census Bureau.

Case-Shiller U.S. National House Price Index

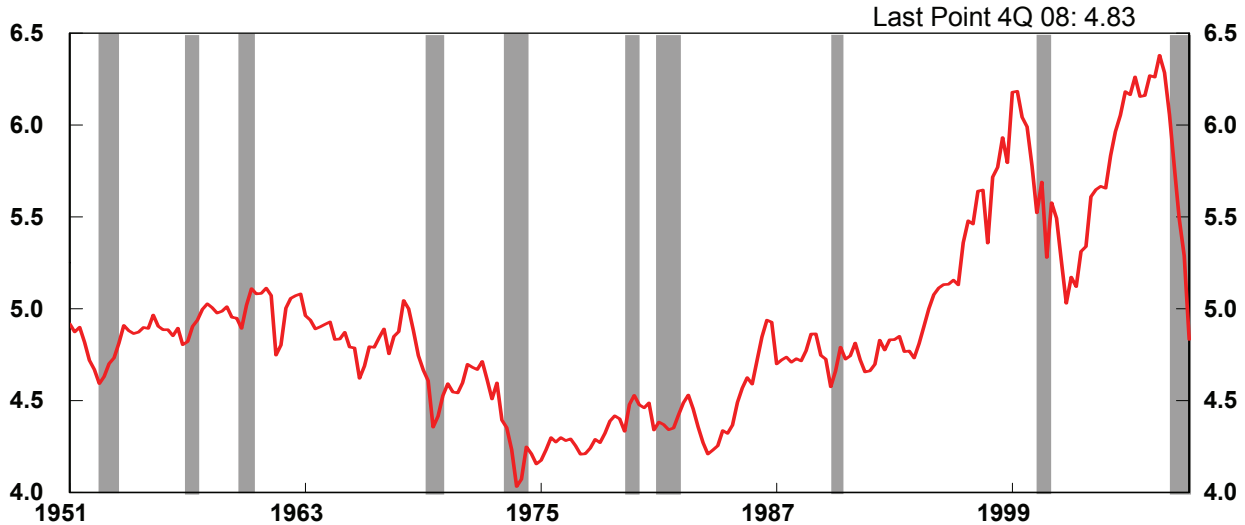


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Sources: Standard & Poor's and A. Gary Shilling & Co.

Ratio of Net Worth to Disposable Personal Income



Source: The Federal Reserve.

Estimated Employment-Based Pre-Legal Permanent Resident Population: Sept. 2006



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	Resident in the U.S.	Resident Abroad	Worldwide
Principals	500,040	59,945	559,955
Family Members	555,044	66,506	621,550
Total	1,055,084	126,421	1,181,505

Source: Ewing Marion Kauffman Foundation – Intellectual Property, the Immigration Backlog, and a Reverse Brain-Drain: America's New Immigrant Entrepreneurs, Part III.

H-1B Petitions Approved by Age of Beneficiary



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Fiscal Year 2005

H-1B Petitions Approved		
Total	267,131	
Age Known	266,946	100.0%
Under 20	136	0.1%
20-24	19,018	7.1%
25-29	90,390	33.9%
30-34	84,664	31.7%
35-39	39,801	14.9%
40-44	18,821	7.1%
45-49	8,047	3.0%
50-54	3,548	1.3%
54-59	1,649	0.6%
60-64	610	0.2%
65+	262	0.1%
Age Unknown	185	

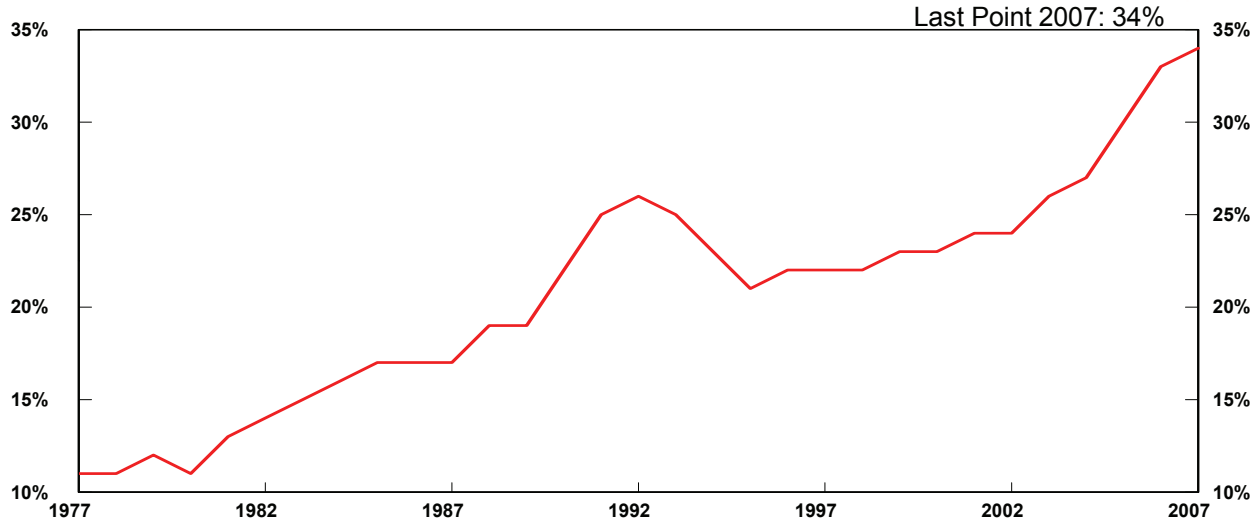
Source: U.S. Citizenship and Immigration Services.

Doctorates Awarded



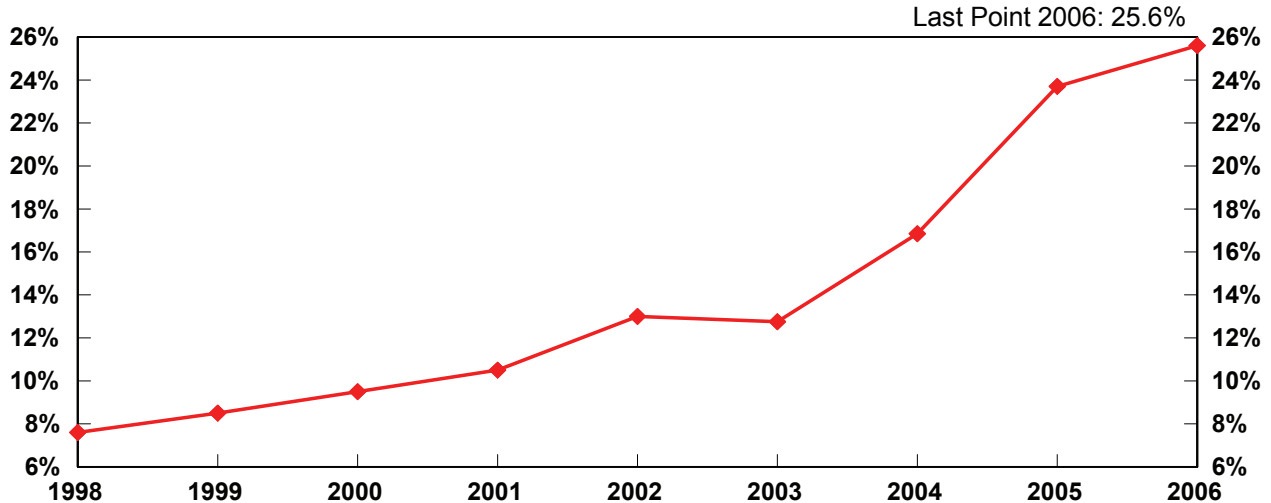
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Percentage on temporary visas



Source: National Science Foundation/Division of Science Resource Statistics, Survey of Earned Doctorates, 2007.

Foreign-Nationals Contributions to U.S. PCT Applications (International Patents)



Source: Intellectual Property, the Immigration Backlog, and a Reverse Brain-Drain: America's New Immigrant Entrepreneurs, Part III.

Annual Compensation of All H-1B Beneficiaries



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Fiscal Year 2005

Occupation	Total Reported	Median Compensation
Total	262,130	
Occupations with annual compensation known	259,990	\$55,000
Computer-related occupations	112,817	\$60,000
Occupations in architecture, engineering, and surveying	31,574	\$60,000
Occupations in education	28,475	\$40,000
Occupations in administrative specializations	25,270	\$48,000
Occupations in medicine and health	16,284	\$52,000
Managers and officials in n.e.c. (not elsewhere classified)	10,455	\$65,000
Occupations in life sciences	8,749	\$42,000
Occupations in mathematics and physical sciences	6,545	\$59,000
Occupations in social sciences	5,903	\$53,000
Miscellaneous professional, technical and managerial	5,450	\$60,000
Occupations in art	3,699	\$43,000
Occupations in law and jurisprudence	1,727	\$90,000
Occupations in writing	1,436	\$38,000
Occupations in entertainment and recreation	648	\$35,000
Fashion Models	423	\$100,000
Occupations in museum, library, and archival sciences	368	\$42,000
Occupations in religion and theology	167	\$32,000
Occupation unknown	2,140	\$48,000

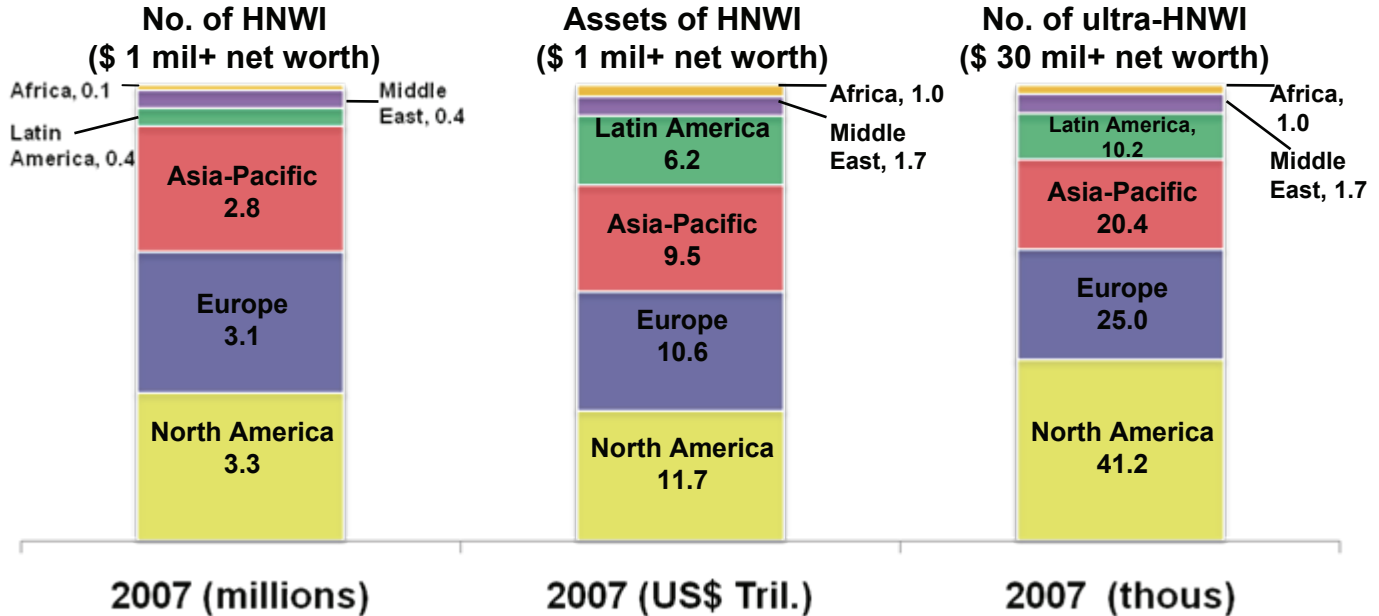
Source: U.S. Citizenship and Immigration Services.



H-1B Petitions Approved by Level of Education

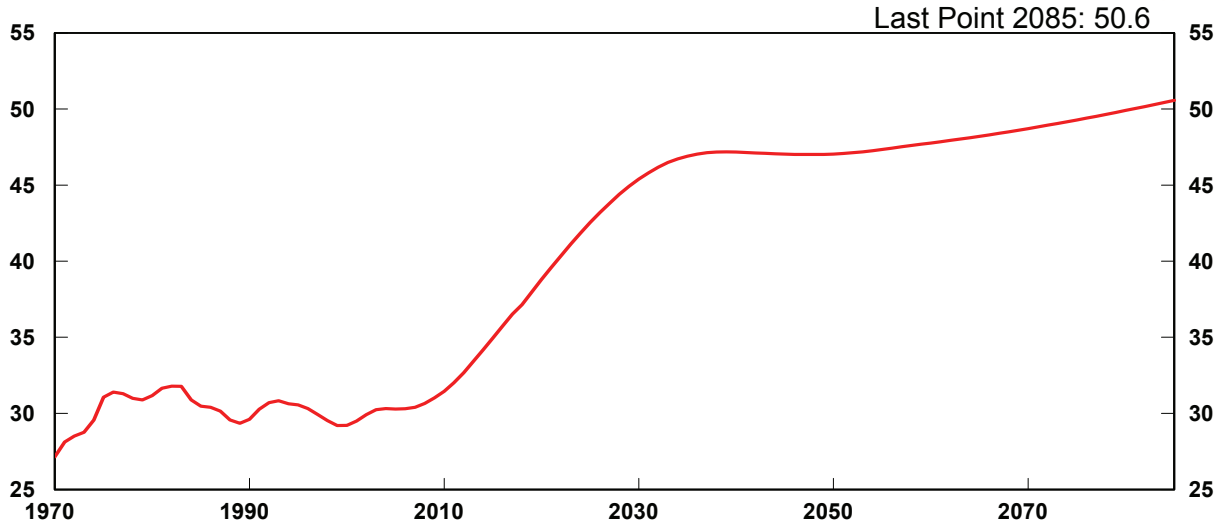
Level of Education	FY 2005
Education Known	100.0%
Less than a Bachelor's degree	1.0%
Bachelor's degree	45.0%
Master's degree	37.0%
Doctorate degree	5.0%
Professional degree	12.0%

Source: U.S. Citizenship and Immigration Services.



Social Security Beneficiaries

Per 100 covered workers



Source: 2008 OASDI Trustees Report.

Innovation in the Life Sciences



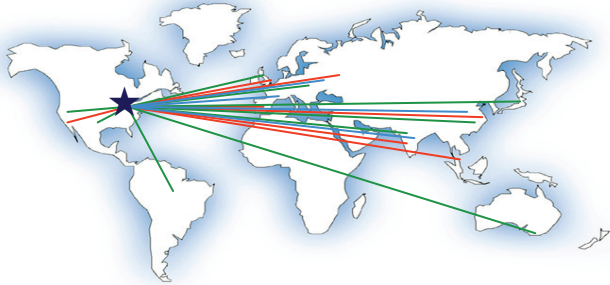
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“Drug research is quite possibly the least efficient endeavor in the world of business. It’s the equivalent of hiring thousands of art students and funding decades of work in hopes that once in a while one will paint a ‘Mona Lisa’.”

– John Simons, *Fortune*, April 14, 2003



FIPCO to FIPNet Transition

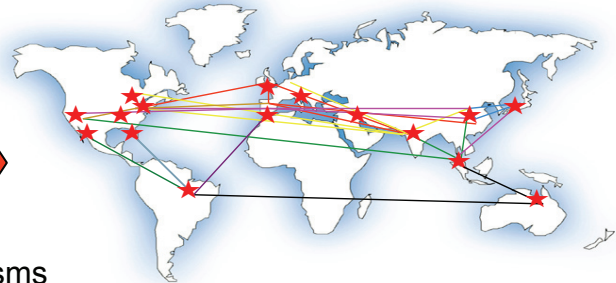


From:

- Functional outsourcing
- Indiana-centric, hub-and-spoke
- Centralized decision making
- LLY funds, absorbs all risk, control

To:

- Integrated global capacity
(continued outsourcing with greater coordination)
- Global portfolio network
- Common R&D goals, local execution
- Shared risk/reward
- Variety of deal structures, coordination mechanisms

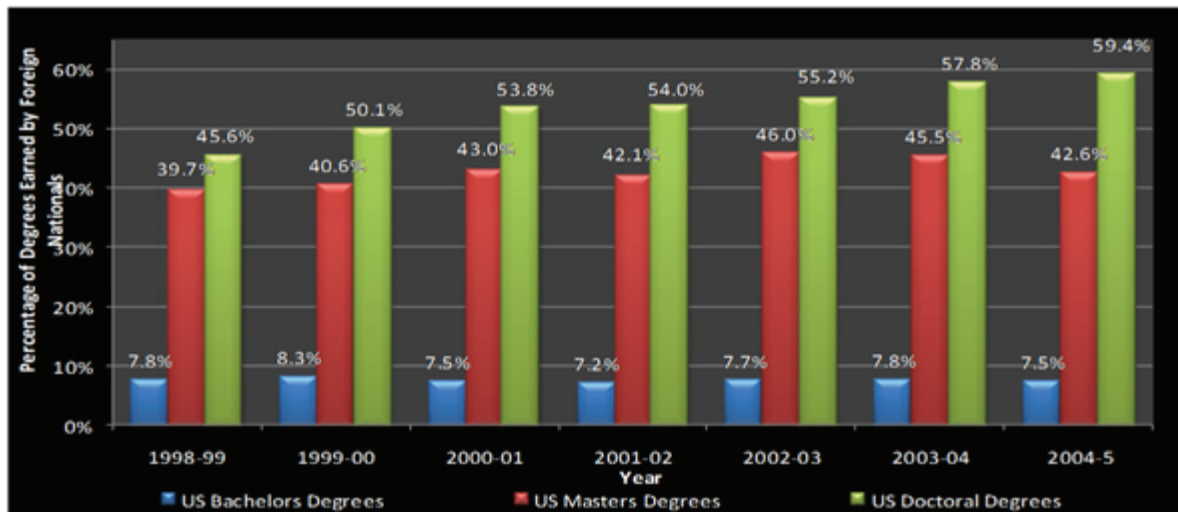


10 HR Challenges That Should Keep You Up At Night – pace SHRM ...

... most of which are made more challenging by poor immigration policy

- ***Becoming more strategic and less transactional***
- ***Aligning with key business objectives***
- ***Recruiting top talent and building a pipeline with leadership capability***
- ***Establishing an inclusive culture***
- ***Globalization***
- Practitioner's skills, competencies, and personal well-being
- The rising health care costs
- Religion and spirituality
- ***Immigration***
- Legal risks and reputation

U.S. engineering degrees earned by foreign nationals



Houston, we've got another problem



Americas new immigrant entrepreneurs

Tech and engineering companies founded from 1995-2005:

- 25.3% nationwide had an immigrant as a key founder
- 52.4% of Silicon Valley startups founded by immigrants
- 2005 revenue -- \$52 billion. Employed 450,000
- Indians founded 26% of these -- more than the next 4 groups (from U.K, China, Taiwan and Japan) combined

WIPO patents:

- 25.6% had foreign national authors in 2006. This increased from 7.6% in 1998
- 16.8% had a Chinese-name and 13.7% had an Indian-name author in 2006. This increased from 11.2% and 9.5% in 1998



Background of immigrant entrepreneurs

- 96% of immigrant company founders have a bachelor's degree
- 74%+ have a Master's or PhD
- 75%+ have degrees in engineering, math, or science-related fields
- 52% obtained degrees in the U.S. and stayed after graduation
- Plus, anecdotal evidence indicates that immigrants who come to the U.S. are risk takers and highly entrepreneurial

Higher Education in STEM does provide advantage



U.S. immigration backlog

Legal, educated, skilled workers currently waiting for green cards:

- 500,040 in main employment-based visa categories plus 555,044 family members
- 259,717 intl. grad students plus 38,096 in practical training (includes postdocs)

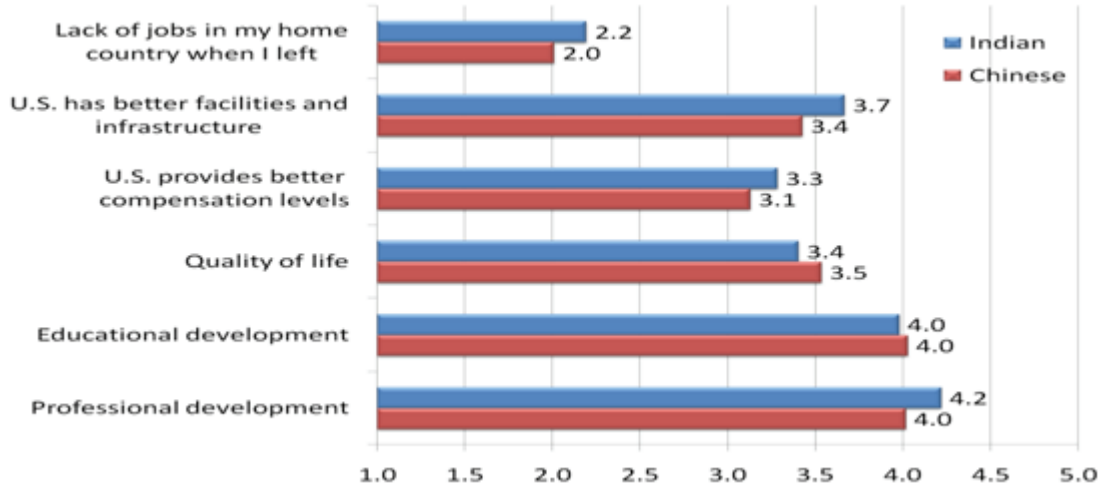
Permanent resident visas available yearly:

- 120,120 in the three main employment visa categories (EB-1, EB-2, and EB-3)
- Largest numbers in queue from India and China
- Max. number of visas per country – 8,400 (7% of pool)

Over 1 million skilled immigrants waiting for yearly quota of 120,000 visas – with 8,400 max/country

***U.S. is headed for a massive reverse brain-drain –
Returnees will accelerate the offshoring of R&D***

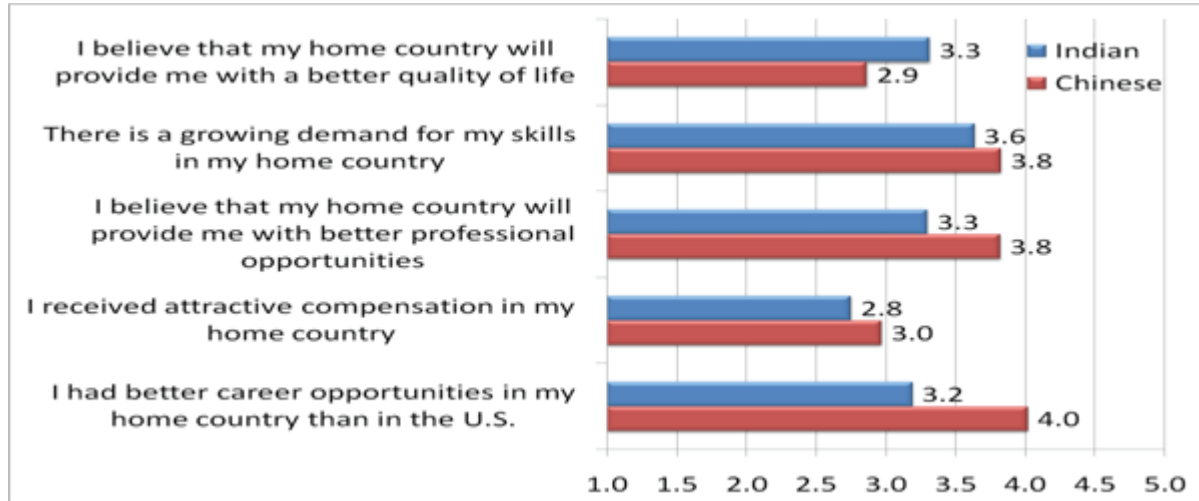
Returnees: Why did they originally come to the U.S.?



Average rating of factors contributing to decision to migrate to the U.S.

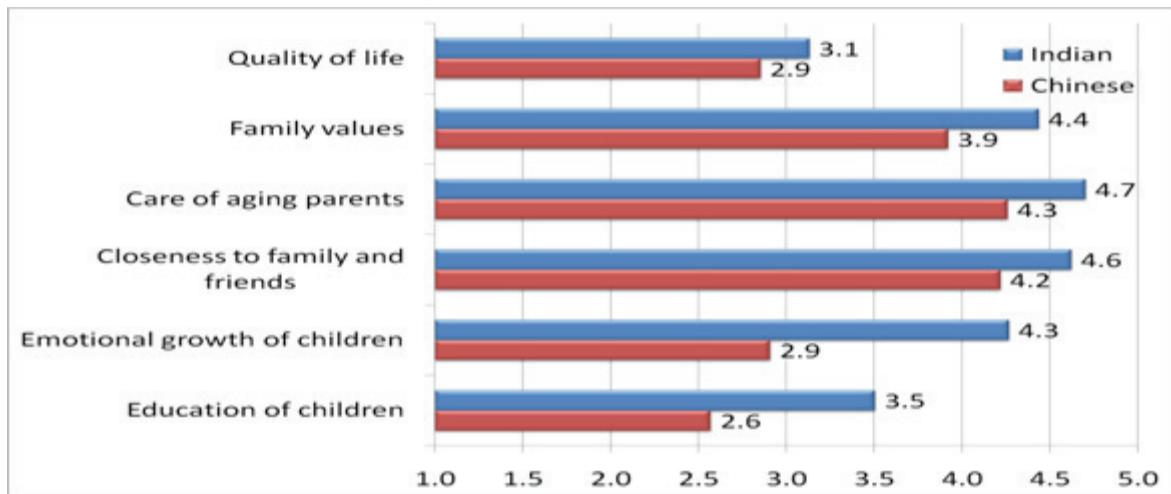


Returnees: Reasons for returning



Average response values for questions regarding reasons for returning to home country

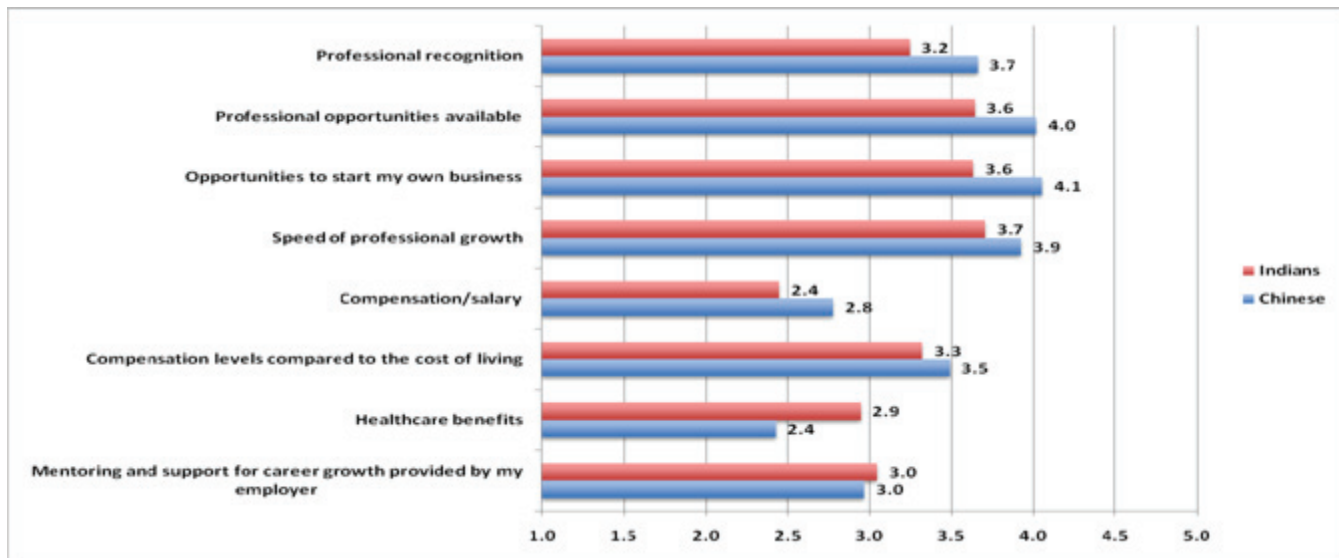
Returnees: Is the grass really greener back home?



Average response values comparing social situation in home country and in United States



Returnees: Professional comparisons





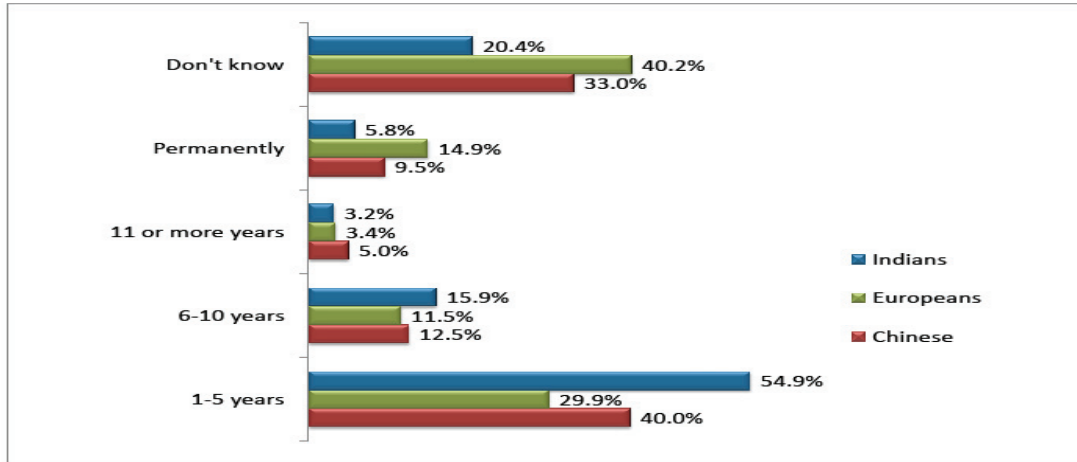
Returnees to India and China

- Average age of Indians – 30, Chinese – 33
- Indians – 65.5% master's, 12.1% PhDs. Chinese 51% master's, 40.8% PhDs...primarily in management/STEM
- 26.9% Indians, 34% Chinese were U.S. perm. residents/ citizens
- Indian senior management positions increased from 10.2% in the U.S. to 44.1% in India and Chinese increased from 9.3% in the U.S. to 36.3% in China
- More than half plan to start businesses in home countries



Foreign students in the U.S.

For how many years would you like to stay in the U.S. after graduation?



Foreign students: Where is the future?

Best days of home country's economy behind or ahead?

