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Immigrant Entrepreneurship on Startups and Innovation

REQUEST

Support legislation and policies that encourage immigrant entrepreneurship and innovation

BACKGROUND

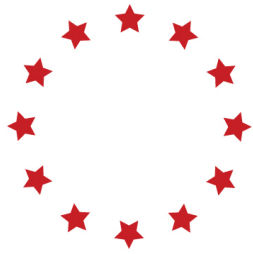
Immigrants are the engine of our economy. Immigrants perform critical labor, but they are also innovators and entrepreneurs. This is not a new trend. Entrepreneurs like Alexander Graham Bell, Sergey Brin, Pierre Omidyar and Elon Musk are few of the immigrants that have contributed to innovations that have changed the world.

A 2016 study by the National Foundation for American Policy found that immigrants have started more than half (44 of 87) of America's startup companies valued at \$1 billion dollars or more and are key members of management or product development teams in over 70 percent (62 of 87) of these companies. The research finds that among the billion dollar startup companies, immigrant founders have created an average of approximately 760 jobs per company in the United States. The collective value of the 44 immigrant-founded companies is \$168 billion, which is close to half the value of the stock markets of Russia or Mexico.

Overall, immigrants are more likely to start businesses than the U.S. born. Some immigrants, such as refugees, have particularly high rates of entrepreneurship. Studies have found that Asian and Latino immigrant entrepreneurs have generated \$4.8 trillion in revenue and created millions of U.S. jobs.

The Brookings Institute found that almost half of the Fortune 500 companies were founded by immigrants or their children. Similarly, first and second-generation immigrants account for 45 percent of high-tech company employees.

The state of California has one of the largest immigrant populations in the country and accounts for nearly 34 percent of the workforce. Nearly 880,000 immigrant business owners create jobs for 38.2 percent of California residents and generate \$21.8 billion in income. Studies show that in 2015, 1 out of 6 business owners in California is an immigrant, and in the Los Angeles area 40.2 percent of business owners were immigrants. Out of 53 of California's top businesses, 23 were founded by an immigrant or second-generation immigrants. Some of the largest top ranking immigrant-founded companies in California (including Google) generate billions of dollars to the state's strong economy.



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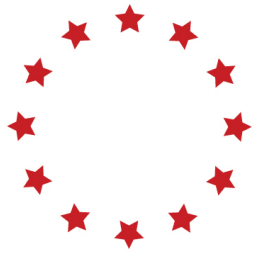
The United States has prided itself as being the country of innovation and entrepreneurship, but many innovators are leaving the U.S. because of financial and social incentives in other countries. Immigrant entrepreneurs have very limited options when building businesses in America. Current immigration law offers limited options to help entrepreneurs pursue start-ups in the U.S.

Before the Obama administration ended its term, the administration promoted entrepreneurial parole to temporarily allow individuals to be legally present in the United States for two years to conduct research on their business innovations. This program was never implemented and the Trump Administration has not indicated their support of this program.

The other visas that exist, including the E Visa and H1-B visa, have cumbersome application processes and often are not permanent solutions for individuals seeking to build and grow a business.

TALKING POINTS

- 43% of Fortune 500 companies was founded by first or second-generation immigrants. (Center for American Entrepreneurship: *Immigrant Founders of the Fortune 500*)
- California alone has 880,000 immigrant business owners that bring 32% of jobs and \$21.8 billion in revenue to California's thriving economy. (American Immigration Council: *What Immigration means to California*)
- California's largest companies founded by first or second generation immigrants include Apple, Alphabet and Walt Disney. (Center for American Entrepreneurship: *Immigrant Founders of the Fortune 500*)
- According to the National Immigration Forum, Asian and Latino immigrant entrepreneurs alone bring a total of \$1 trillion in revenue, 6.7 million jobs, and \$212 billion in annual payroll. (National Immigration Forum: *Immigrants as Economic Contributors: Immigrant Entrepreneurs*)
- Studies show that refugees have higher chances of being entrepreneurs in America compared to other immigrants and U.S born populations respectively. (National Immigration Forum: *Immigrants as Economic Contributors: Immigrant Entrepreneurs*)



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- In today's global competitive market, legal paths for immigrant entrepreneurs in the U.S. are very limited and hard to obtain. We must push congressional leadership to give immigrant entrepreneurs more incentives and opportunities to begin their business in America that will create jobs for the American economy. (American Immigration Council: *Capitalizing on the Economic Potential of Foreign Entrepreneurs*)
- Studies have demonstrated that 1 out of 6 business owners in California is an immigrant, specifically in the Los Angeles area 40.2% of business owners are immigrants. (American Immigration Council: *What Immigration means to California*)

ATTACHMENTS

<http://startupsusa.org/fortune500/#immigration-facts>

<http://nfap.com/wp-content/uploads/2016/03/Immigrants-and-Billion-Dollar-Startups.NFAP-Policy-Brief.March-2016.pdf>

<https://immigrationforum.org/article/immigrants-as-economic-contributors-immigrant-entrepreneurs/>

<https://www.brookings.edu/blog/the-avenue/2017/12/04/almost-half-of-fortune-500-companies-were-founded-by-american-immigrants-or-their-children/>

<https://www.americanimmigrationcouncil.org/research/capitalizing-economic-potential-foreign-entrepreneurs>

<https://www.americanimmigrationcouncil.org/research/immigrants-in-california>

<http://nfap.com/wp-content/uploads/2016/03/Immigrants-and-Billion-Dollar-Startups.NFAP-Policy-Brief.March-2016.pdf>

<https://www.uscis.gov/humanitarian/humanitarian-parole/international-entrepreneur-parole>