



Immigration

Overview

The United States is the envy of the world when it comes to startups and entrepreneurship. This is due, in significant part, to the ingenuity and creativity of immigrant entrepreneurs who choose to build and grow their businesses in the United States.

Venture-backed companies with at least one immigrant founder include iconic American brands like eBay, Facebook, Google, Intel, LinkedIn, Zipcar and Tesla Motors. A 2013 NVCA study found that fully one-third of U.S. venture-backed companies that went public between 2006 and 2012 had at least one immigrant founder. A more recent study found that immigrants have started more than half of America's startup companies valued at \$1 billion or more.

As successful as immigrant entrepreneurs have been, our outdated immigration system is a drag on U.S. competitiveness and puts us at risk of losing access to the best and brightest talent from around the world. Other countries are working hard to attract the world's best entrepreneurs, with China attracting nearly \$33 billion in venture investment in 2016 and Europe receiving nearly \$13 billion. In the last five years, at least half of the top ten largest venture investments in the world occurred *outside* the U.S. Our share of global venture investment dropped to 54% in 2016, when it was 81% only ten years earlier and 90% twenty years earlier.

America's immigration policy needs reform to ensure that the world's most talented entrepreneurs create and grow startups in the United States, rather than overseas.

Policy Recommendations

Create a Startup Visa to bring top entrepreneurs to our shores

NVCA supports the creation of a Startup Visa that offers a separate visa category for immigrant entrepreneurs who create a new business, are backed by venture capitalists or other investors, and create American jobs. A Startup Visa is a common sense way to grow the American economy through new company formation by immigrant entrepreneurs. Far from taking the job of an American, an immigrant entrepreneur can only qualify for the Startup Visa when he or she has created jobs for Americans and has been backed by investors with a track record of success. Specifically, we strongly support Senator Flake's *Attracting and Retaining Entrepreneurs Act* (S.

3510, 114th Congress) and the Startup Visa provisions in the *Startup Act* (S. 1877, 115th Congress), introduced by Senators Jerry Moran (R-KS) and Mark Warner (D-VA).

NVCA also supports the *International Entrepreneur Rule*, which would establish criteria for temporary permission to be in the U.S. for startup entrepreneurs with significant capital financing whose entry into the United States would provide a significant public benefit through the substantial and demonstrated potential for rapid growth and job creation. The *International Entrepreneur Rule* is similar to a Startup Visa, and is a pro-growth solution that our economy needs.

Reform the H-1B program to serve our nation's needs

NVCA supports increasing the number of H-1B visas available on a yearly basis to meet the employment needs of advanced U.S. technology and healthcare companies. 2017 was the fifth consecutive year in which the H-1B visa cap was reached within days of U.S. Customs and Immigration Services accepting petitions for the upcoming year.

Unfortunately, in recent years, outsourcing firms have obtained increasingly large percentages of H-1B visas. We support reforming the program to make it more accessible to startups and professionals who often go on to form their own companies in partnership with venture investors. Historically, the H-1B visa has been a 'stepping stone' for many talented immigrant entrepreneurs who found startups, and reform is needed so the program can continue to be an engine for U.S. economic growth in the future.

Create a STEM Visa to attract advanced degree holders

NVCA supports creating additional visas for advanced graduates of U.S. universities in science, technology, engineering, and mathematics (STEM). According to some estimates, every foreign-born graduate with an advanced STEM degree is associated with, on average, 2.6 jobs for American workers.

NVCA supports past proposals (e.g., S. 744, 113th Congress) that have effectively "stapled" a green card to the diplomas of advanced STEM graduates from U.S. universities by removing visa caps for immigrants with a PhD or Master's degree in a STEM field. Other proposals would create a STEM visa for U.S.-educated foreign students who graduate with a Master's or Ph.D. in a STEM field.