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New Immigrant Entrepreneur Visa Can Create Many Jobs for Americans

By STUART ANDERSON

Immigrant entrepreneurs are absent in the discussion over job creation in America. That should not be the case. According to a 2008 study by the Small Business Administration, “Immigrants are nearly 30 percent more likely to start a business than are nonimmigrants, and they represent 16.7 percent of all new business owners in the United States.” This raises a question: What if we designed a visa category specifically to encourage more foreign-born entrepreneurs to settle and start businesses in America?

A new report from the [National Foundation for American Policy](#) recommends Congress establish a new entrepreneur visa with a 10,000 annual quota that could create up 100,000 jobs over three years. (Find a copy of the report [here](#).)

A major benefit of the proposal is that it would create jobs without costing taxpayer money or becoming entangled in the broader immigration policy debate.

There is a growing recognition of the impact foreign-born entrepreneurs can bring to an economy. Vivek Wadhwa, Director of Research at the Center for Entrepreneurship and Research Commercialization at Duke University, reports that Chilean Minister of Commerce Juan Andres Fontaine recently came to Silicon Valley and announced the Chilean government will provide \$40,000 grants to qualified international entrepreneurs to start businesses in Chile. Fortunately for the United States, there is no need to offer money to foreign-born entrepreneurs – they want to come to America and will spend their own resources for the opportunities this country offers.

The new visa category proposed by the National Foundation for American Policy would establish a straightforward procedure for a potential entrepreneur to immigrate to the United States.

First, the individual would submit a business plan to be evaluated by the Small Business Administration (SBA). The SBA would judge the ability of the business to employ three or more U.S. workers (non-relatives).

Second, upon gaining the approval of the SBA, the U.S. Department of State (if the person is outside the country) or U.S. Citizenship and Immigration Services would conduct the necessary background and security checks to ensure admissibility.

Third, after gaining these approvals, the individual would receive conditional permanent residence for a period of two years. The conditional status would be removed and the green card awarded after two years if the individual satisfied the terms of the new EB-6 (employment-based 6th preference) visa by creating the required jobs.

Fourth, the individual would be admitted under a 10,000 quota for the principal immigrant. Spouses and children would not be subject to quota to maximize the number of job-creating entrepreneurs eligible.

The proposed immigrant entrepreneur visa is separate and fundamentally different from the current EB-5 (the fifth employment-based preference) immigrant investor visa. That visa requires an investment of at least \$500,000, a substantial sum out of reach for the vast majority of people around the world. In addition, investments under EB-5 primarily go toward existing projects, with the immigrant investor serving as a limited partner.

There is nothing wrong with that, since it does attract new foreign investment to the United States. However, even in a good year, 2009, only about 1,300 new principals received immigration status under the visa category. This is far less than supporters hoped when Congress started the program back in 1990.

Requiring large amounts of capital to become eligible for an immigrant visa is counterproductive if one wants to encourage job creation. Most businesses start with little capital. The average new business starts with only \$31,000, according to the Ewing Marion Kauffman Foundation. Moreover, giving the Small Business Administration the role in evaluating business plans will help prevent immigration authorities unschooled in how companies operate from rejecting legitimate entrepreneurs or approving illegitimate ones.

Will a new immigrant entrepreneur visa save the U.S. economy? No, our economy is too large and complex for any one proposal to achieve that goal. But will it provide more jobs for U.S. workers and bring greater economic dynamism? Absolutely. The proposal plays to two of America's greatest strengths – our entrepreneurial character and our historic openness to new people and ideas. Tall oaks from little acorns grow, the saying goes.