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A Visa for Job Creators

Spurning immigrant entrepreneurs makes no economic sense.

The immigration debate has devolved into a shouting match over allegations of "amnesty" and anti-Hispanic bias, but cooler heads need to keep in mind the economic benefits of attracting human capital to America. Consider the barriers we now put on immigrant entrepreneurs.

Start-ups are responsible for most net new jobs in the U.S., and immigrants are almost 30% more likely than non-immigrants to start a business. None of this is news to economists, writes Stuart Anderson of the [National Foundation for American Policy](#) in a new paper, but a focus on start-ups "is largely non-existent in the current policy debate over jobs and the economy, most of which centers on how to encourage existing firms to hire more employees."

The U.S. created an immigrant investor visa category (EB-5) in 1990, but steep minimum capital requirements put it out of reach for most potential recipients. The average start-up company in the U.S. begins with about \$31,000. Yet to become eligible for an EB-5 visa, an individual must invest at least \$500,000. It's no wonder that fewer than 3,700 people received EB-5 visas last year—including spouses and children—and most of them went to immigrant investors looking to expand existing U.S. ventures, not create new businesses.

Senators John Kerry of Massachusetts and Richard Lugar of Indiana have introduced legislation that would award a conditional green card to immigrant entrepreneurs who receive at least \$250,000 from a U.S. venture capitalist. The immigrant would receive permanent residence status if the enterprise employed at least five workers or reached \$1 million in revenue within a year. This would improve the status quo, but the capital requirements would still remain needlessly high. In retail and manufacturing, for example, start-up costs average \$98,000 and \$175,000, respectively.

Mr. Anderson, a former Immigration and Naturalization Service official, says the U.S. would do better to discard capital requirements and welcome any foreign national who

can present a business plan that passes muster with the Small Business Administration. As with the EB-5 visa, the individual would receive a green card only if the business created a certain number of jobs for U.S. workers within a set period of time.

"There's already a pool of individuals inside the country who could stay and start companies but are blocked either because they are international students who cannot get an H-1B visa, or scientists and engineers forced to wait 12 years or more if they want a green card," said Mr. Anderson in an interview. "Isn't it better to have the next generation of products and businesses created in the United States?"

Lowering U.S. barriers for foreign-born entrepreneurs can only help the economy. It would also help President Obama begin to fulfill his campaign pledge to address immigration reform. Republicans who claim to know something about job creation should welcome an opportunity to support a pro-growth immigration fix that doesn't involve "amnesty." A visa for job creators is a political and economic winner all around.