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[Should the U.S. increase its H-1B visa program?](#)
[PRO: Skilled immigrants innovate](#)

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In the waning days of the congressional session, Sen. John Cornyn, R-Texas, deserves support for his attempt to pass a measure to increase H-1B visas and employment-based green cards for skilled foreign-born scientists and engineers. A new study released by the National Venture Capital Association shows America gains from the entry of such immigrants.

The study "American Made," which we co-authored, used objective data and found that in the past 15 years, immigrants started 1 in 4 U.S. public companies that were backed with venture capital. The market capitalization of such companies that have gone public since 1970 exceeds $500 billion, adding significant value to the American economy. This figure is higher than the gross domestic product (GDP) of all but 16 countries in the world.

Some of the most well known venture-backed companies that had one or more immigrant founders include Google, eBay, Yahoo!, Intel and Sun Microsystems.

The study found California, particularly Silicon Valley, is by far the most common location for the jobs and innovations brought to America by immigrant entrepreneurs, although such entrepreneurs can be found throughout the country, particularly in Massachusetts, Washington, D.C., Texas and New Jersey. Immigrant Ronnie Vasishta, CEO of eASIC in Santa Clara, said, "Once you're in America, the environment, particularly with the venture capital community and network that exists in Silicon Valley, encourages ambition. An environment for growth exists that encourages and accelerates ambition, which doesn't exist in other parts of the world."

A survey in the study indicated that about two-thirds of the immigrant founders of privately held venture-backed companies have started or intend to start more companies in America.

Despite this positive track record, U.S. immigration policy continues to function poorly. Congress has failed to allocate a sufficient number of H-1B visas, which are a key nurturing stage for future immigrant entrepreneurs. In nine of the past 11 years, employers used the H-1B quota for foreign-born professionals before the fiscal year ended; in the past three years, employers exhausted the quota before the fiscal year started.

H-1B visas are essential -- there is no other practical way to hire an outstanding international student off a U.S. campus or a researcher/professional from abroad. The wait is five years or more in the skilled green-card categories (for permanent residence) because Congress also has failed to raise those quotas. Nearly two-thirds of respondents to our survey whose companies use H-1B visas said, "Current U.S. immigration laws affecting skilled professionals harm American competitiveness."

Some argue that companies only want H-1B visa holders for "cheap labor." This tired argument ignores several factors:

1) Companies pay about $6,000 in government and legal fees to hire H-1B visa holders.

2) Firms legally must pay H-1B professionals the same as comparable Americans and Department of Labor data (1999-2004) show the number of serious violations remain low in total and as a percentage of H-1B petitions approved.

3) If companies hired based only on wages, then they would move all of their work outside the United States, because it costs $60,000 for a software engineer in Boston and only $7,200 for one in Bangalore, according to a March survey by PayScale, an online compensation information service.

4) H-1B professionals change jobs frequently in search of better opportunities, except perhaps when they have a green-card application pending and want to avoid re-starting an application. But that's the fault of Congress for not raising the green-card quota for employment-based immigrants, which both U.S. employers and skilled immigrants want increased.

A key lesson of the study is the importance of maintaining an open legal immigration system, because few of the immigrant entrepreneurs identified came to America prepared immediately to start a company capable of attracting venture capital. As the data, profiles and interviews revealed, most entered the country either as children, teenagers or graduate students, or were hired on H-1B visas to begin a first job while in their mid-20s. It's clear that while immigrants shape America, America also shapes the immigrants.

This year Congress can recognize the importance of skilled immigration to innovation, job creation and entrepreneurship in America by raising the H-1B visa and green-card quotas during the "lame duck" session. Next year, the new Congress should implement broader reforms to help international students and skilled immigrants come to America.

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