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The Immigrant-Unicorn Connection

Most billion-dollar startups have foreign-born founders.

By Stuart Anderson

With so much of the U.S. immigration debate focused on the caravan of refugees and low-skilled migrants gathering at the border with Mexico, it's worth remembering that many of the founders of America's leading startup companies are immigrants. That's a sign the American Dream is alive and well.

I recently conducted a study of 91 U.S. "unicorns"—startups with a market value of \$1 billion or more. All are privately held and have received venture-capital financing. More than half of those companies, I found, were started by immigrants.

Fifty-five percent of the companies I researched—50 of 91—had immigrant founders. These entrepreneurs came from 25 different countries. Canada and Israel were the leading countries of origin, with nine immigrant founders each, followed by India (eight), the United Kingdom (seven), China (six), and Germany (four). France, Ireland and Russia rounded out the list, each with three immigrant founders of billion-dollar U.S. startups.

As of Oct. 1, the collective value of those 50 immigrant-founded startups was \$248 billion. The immigrant-founded companies employ an average of more than 1,200 people each.

Unsurprisingly, U.S. universities are a leading source for future entrepreneurs. Nearly a quarter (20 of 91) of the companies had a founder who first came to America as an international student. But I also discovered several founders came to America as refugees or were sponsored by family members.

Six of today's billion-dollar startups had a founder who immigrated as a child. That includes all three co-founders of Avant, the Chicago-based online lender worth more than \$2 billion. CEO Al Goldstein's parents were accepted into the U.S. as refugees in 1988 after fleeing state persecution and anti-Semitism in the Soviet Union. John Sun's mother came to America to study at Loyola University Chicago, and Paul Zhang's father, born in China, was sponsored for immigration by a family member, allowing his son to immigrate as well. Avant was founded in 2012 and already employs 500 people.

American law doesn't make it easy to become an immigrant entrepreneur. There is no green-card category for starting a business. Moreover, the Trump administration has been denying more

high-skilled visas and enacted restrictions, such as refusing to honor earlier approvals when professionals try to extend their H-1B visas. This make it harder for tech employers and entrepreneurs to employ scientists, engineers and international students.

Still, the story of American immigration and entrepreneurship remains a positive one. The ability of immigrants to come to this country with little more than dreams and succeed is still one of the best ways to measure America's success as a land of opportunity.

Mr. Anderson is executive director of the National Foundation for American Policy.

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