

National Foundation for American Policy

July 26, 2022

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New Research: Immigrants Have Started More Than Half of America's Billion-Dollar Startup Companies

Nearly Two-Thirds of U.S. Unicorn Companies Were Founded or Cofounded By An Immigrant or the Child of an Immigrant

Arlington, Va. – Immigrants have started more than half (319 of 582, or 55%) of America's startup companies valued at \$1 billion or more, according to a [new study](#) from the National Foundation for American Policy (NFAP), a nonpartisan research organization. Moreover, nearly two-thirds (64%) of U.S. billion-dollar companies (unicorns) were founded or cofounded by immigrants or the children of immigrants. Almost 80% of America's unicorn companies (privately-held, billion-dollar companies) have an immigrant founder or an immigrant in a key leadership role, such as CEO or vice president of engineering.

The report, "Immigrant Entrepreneurs and U.S. Billion-Dollar Companies," can be found at <https://nfap.com/>.

"The research shows the importance of immigrants in cutting-edge companies and the U.S. economy at a time when U.S. immigration policies have pushed talent to other countries for talent," said Stuart Anderson, the author of the study and NFAP's executive director. Anderson was head of policy and counselor to the Commissioner of the Immigration and Naturalization Service (INS) in President George W. Bush's administration. "The story of immigrant entrepreneurs and billion-dollar companies is not only about impressive numbers but about immigrants coming to this country, working hard and achieving the American Dream."

The report shows immigrants have fueled the rise in U.S. billion-dollar startups: Without immigrants today there likely would be fewer than half as many billion-dollar startup companies in the United States. As of October 1, 2018, there were 91 unicorn companies in the U.S., and 50 of them (or 55%) had an immigrant founder compared to 582 unicorn companies in the U.S and 319 (or 55%) with an immigrant founder as of May 2022. That represents a more than 500% increase in both unicorn companies and immigrant-founded unicorn companies between 2018 and 2022.

The research updates and confirms findings in NFAP studies in 2016 and 2018 and identifies more than 300 U.S. billion-dollar companies with immigrant founders. The analysis shows that 58% of immigrant-founded billion-dollar companies had only an immigrant or multiple immigrant founders (i.e., no native-born founders). Overall, 86% of the immigrant-founded billion-dollar companies had solely an immigrant founder or immigrant founders or a majority of founders who were immigrants or an even number of immigrant and native-born founders; only 14% had a majority of native-born founders. Given that each cofounder contributes to a startup company's success, it appears likely that none of the billion-dollar companies with at least one immigrant founder would exist or have been created in the United States if the foreign-born founder had not been allowed to come to America.

Cutting-edge startups are crucial to an economy because innovation is often expressed through entrepreneurship. The best ideas will never be applied or perfected without people willing to take a

chance on those ideas, and billion-dollar companies are among America's most innovative businesses.

The research involved interviews and gathering information on over 580 U.S. startup companies valued at over \$1 billion (as of May 2022) that have yet to become publicly traded on the U.S. stock market and are tracked by the firm CB Insights. The companies, so-called "unicorns," are all privately held, valued at \$1 billion or more and have received venture capital financing.

The collective value of the over 300 immigrant-founded U.S. companies is \$1.2 trillion, which is more than the value of all the companies listed on the main stock markets of many countries, including Argentina, Colombia, Peru, Portugal, Ireland, Russia and Mexico. The value of immigrant-founded U.S. billion-dollar companies would rise to \$1.5 trillion if one included billion-dollar companies with immigrant founders that have become publicly traded (or were acquired) since 2016, such as Moderna and Zoom Video. The collective value of the 50 immigrant-founded billion-dollar companies in 2018 was \$248 billion.

The research finds that the privately held U.S. billion-dollar startup companies with immigrant founders have created an average of 859 jobs per company.

At least 10 immigrants have founded multiple billion-dollar companies: Al Goldstein (born in Uzbekistan, Avant and Amount), Noubar Afeyan (Lebanon, Moderna and Indigo Ag), Ignacio Martinez (Spain, Indigo Ag and Inari), Elon Musk (South Africa, SpaceX, OpenAI and The Boring Company), Mohit Aron (India, Nutanix and Cohesity), Ashutosh Garg (India, Bloomreach and Eightfold.ai), Ajeet Singh (India, Nutanix and ThoughtSpot), Sebastian Thrun (Germany, Cresta and Udacity), Ion Stoica (Romania, Databricks and Anyscale) and Jyoti Bansal (India, AppDynamics and Harness).

Among the key findings of the research:

- The research finds that 319 of 582, or 55%, of America's startup companies valued at \$1 billion or more have at least one immigrant founder. This illustrates the continued importance and contributions of immigrants to the U.S. economy.
- In addition to the companies with immigrant founders, at least 51 of the 582 U.S. billion-dollar startup companies have founders who were born in the United States to immigrant parents.
- Nearly two-thirds (64%) of American billion-dollar companies (unicorns) were founded or cofounded by immigrants or the children of immigrants.
- Almost 80% of America's privately-held, billion-dollar companies have an immigrant founder or an immigrant in a key leadership role. CEO, CTO (chief technology officer) and vice president of engineering are the most common positions held by immigrants in billion-dollar companies.
- There are 143 U.S. billion-dollar companies with a founder who attended a U.S. university as an international student. One-quarter (143 of 582, or 25%) of billion-dollar startup companies in the U.S. have a founder who first came to America as an international student. U.S. billion-dollar startups with an international student founder created an average of 860 jobs. Several companies had multiple international students as founders. There are 174 international students who became founders or cofounders of U.S. billion-dollar companies. International students typically can only remain in the United States long-term after gaining H-1B status and (or) an employment-based green card.

- The leading companies for employment among immigrant-founded U.S. billion-dollar companies are REEF Technology (15,000 employees) and Gopuff (15,000), followed by SpaceX with 12,000 employees, Stripe (7,000), Epic Games (6,356), Better.com (5,800), Brandtech Group (5,000), HighRadius (3,635), Databricks (3,043), Instacart (3,000), Mu Sigma (2,665), KeepTruckin (2,592), Flexport (2,573), Axtria (2,463), Automation Anywhere (2,449), Indigo Ag (2,422), Rubrik (2,344), Talkdesk (2,200), Tanium (2,200), TripActions (2,200) and Icertis (2,100).
- Job growth in successful companies can be substantial. The number of employees at SpaceX rose from 4,000 in 2016 to 7,000 in 2018 and 12,000 in 2022. Stripe went from 380 employees in 2016 to 1,100 in 2018 and more than 7,000 in 2022. Gusto, which provides a payroll and human resources platform, grew from 300 employees in 2018 to 2,000 in 2022.
- The U.S. billion-dollar companies with at least one immigrant founder with the highest valuations are SpaceX (\$125 billion), Stripe (\$95 billion), Instacart (\$39 billion), Databricks (\$38 billion), Epic Games (\$31.5 billion), Miro (\$17.5 billion) and Discord (\$15 billion).
- Many immigrant women are founders of U.S. billion-dollar companies. The singer Rihanna immigrated to the United States from Barbados and founded Savage X Fenty, a fashion and lingerie company valued at \$1 billion. Sherry Wei, born in China, earned a Ph.D. in electrical engineering from Purdue University and founded Aviatrix, a cloud network platform valued at \$2 billion. Jen Rubio, an immigrant from the Philippines, is cofounder and CEO of Away, which produces luggage and travel accessories. Joanna Kochaniak, an immigrant from Poland, is a cofounder and chief technology officer of Upside, which has 300 employees and a \$1.5 billion valuation.
- Many immigrant entrepreneurs came to America as children with their families. Juan Rodriguez was 9 when he immigrated with his mother to Miami from the Dominican Republic. At 17, he enlisted in the U.S. Army. He is a cofounder of FLASH, which has more than 700 employees and a valuation of \$1 billion. Ara Mahdessian and Vahe Kuzoyan, who immigrated as children from Iran and Armenia, cofounded ServiceTitan, one of the most valuable privately-held startup companies in America, valued at \$9.5 billion. Hari Ravichandran immigrated with his family from India at 14. At 16, he enrolled in classes at Mississippi State and earned degrees at Stanford and Wharton. In 2017, he founded Aura, which has 660 employees and provides digital security for identity and online accounts.
- More than 25 of the U.S. billion-dollar startups with immigrant founders produce cutting-edge products, platforms or services involving artificial intelligence (AI). U.S. policymakers are concerned America could fall behind other countries in artificial intelligence. Databricks, with multiple immigrant founders, including CEO Ali Ghodsi, born in Iran, is a leader in using AI as a data platform. Other U.S. billion-dollar companies use AI in innovative ways to assist medical research, enhance company productivity, produce AI hardware and integrated systems and national defense.
- More than 30 immigrant-founded U.S. billion-dollar companies focus on improving healthcare and medical outcomes in America, including Biosplice Therapeutics, started by Osman Kibar, an immigrant from Turkey who studied at several U.S. universities before founding the \$12 billion company focused on developing biopharmaceuticals. Dr. Ikenna Okezie, who immigrated to America from Nigeria as a child, founded Somatus to provide integrated kidney care.
- Companies with immigrant founders have produced many products and services to benefit U.S. consumers and make U.S. companies more productive. SpaceX has created rockets for space payloads and placed satellites in orbit. Gusto makes it easier for employers to administer payroll. Stripe, started by two Irish immigrant brothers, facilitates online

payments for businesses and their customers. Many immigrant-founded companies provide cybersecurity services to protect businesses and other entities against hacking. Formlabs, with an Israeli-born cofounder and chairman, develops 3D printing technology.

- Immigrant entrepreneurs in U.S. billion-dollar startups come from diverse backgrounds, hailing from 57 countries. India, with 66 companies, is the leading country of origin for the immigrant founders of U.S. billion-dollar companies. Immigrants from Israel founded the second-most billion-dollar companies with 54, followed by the United Kingdom (27), Canada (22), China (21), France (18), Germany (15), Russia (11), Ukraine (10), Iran (8), Australia (7), Romania (6), Italy (6), Poland (6), Nigeria (6), South Korea (5), New Zealand (5), Pakistan (5) Argentina (5), Brazil (5), Spain (4), Portugal (4), Denmark (4) and several other countries.
- The findings in the study are noteworthy given there is generally no reliable way under U.S. immigration law for foreign nationals to start a business and remain in the country after founding the company. Successful immigrant entrepreneurs in America are almost always refugees or family-sponsored and employer-sponsored immigrants. A startup visa to allow foreign nationals who found companies and create jobs would be a critical addition to the U.S. immigration system since it can be difficult for potential foreign-born entrepreneurs to stay and grow a business due to the absence of a reliable immigration category. Additional administrative reforms would also make it easier for temporary visa holders to start new businesses.
- The long wait for employment-based green cards due to low quotas and the per-country limit prevents many individuals in H-1B status from having the employment status that would allow them to start a business. The Congressional Research Service estimates the backlog for employment-based green cards for Indians could exceed 2 million by 2030. The low annual limit on H-1B temporary visas also can make it difficult for startup companies to hire new personnel in their fast-growing businesses or for international students to remain the United States. USCIS [reported](#) that it received 483,927 H-1B registrations for FY 2023 and rejected nearly 400,000, or 82%, of registrations as exceeding the 85,000 annual limit for H-1B petitions.

Immigrants are “almost twice as likely” as native-born Americans to become entrepreneurs, according to the [Ewing Marion Kauffman Foundation](#). More open immigration policies will produce more startup companies in America, including cutting-edge companies that transform industries, satisfy consumers and employ many Americans.

Immigrant entrepreneurship is about overcoming obstacles and achieving dreams, showing that America benefits when it opens its doors to people seeking opportunity in a new land.

About the National Foundation for American Policy

Established in 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) non-profit, non-partisan public policy research organization based in Arlington, Virginia focusing on trade, immigration and related issues. The Advisory Board members include Columbia University economist Jagdish Bhagwati, Ohio University economist Richard Vedder, Cornell Law School professor Stephen W. Yale-Loehr and former INS Commissioner James W. Ziglar. Over the past 24 months, NFAP’s research has been written about in the *Wall Street Journal*, the *New York Times*, the *Washington Post*, and other major media outlets. The organization’s reports can be found at www.nfap.com. Twitter: [@NFAPResearch](#)

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