

If You Want More Jobs, You Should Want More Immigrants

By Steve Case

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It might sound counterintuitive, but when we make it harder for high-skilled immigrants to settle here -- and start businesses -- that means fewer jobs for everyone

When Poyan Rajamand completed his degree from Stanford University's Graduate School of Business in 2008, he faced a choice. Would the Swedish-born Rajamand look for work in the United States or relocate abroad? As he explained in a [report](#) written by the Partnership for a New America Economy and the Partnership for New York City, Rajamand and his fiancé arrived at their decision easily: move to Singapore, where obtaining a visa was simpler for high-skilled immigrants than here in the United States. In his new home, Rajamand has founded a startup called Barghest Partners that invests in new businesses.

Imagine the lost job creation, innovation, and economic output if the same visa challenges that bedeviled Rajamand had bedeviled the immigrant founders of AT&T, Kraft Foods, Honeywell, US Steel, and DuPont? In more recent years, what would have happened to whole new industries had the immigrant founders of Google, Intel, and eBay set up shop abroad?

For a country trying to recover from the deepest recession in generations, we're undermining our economic competitiveness when we make it harder, not easier, for talented immigrants to stay here and contribute to our economy. This has to change.

In order to understand the urgency of fixing our high-skilled immigration system today, it's first necessary to analyze the larger trends of entrepreneurship in the United States over the last 30 years. Since the early 1980s, entrepreneurs founding new startups created around 40 million American jobs, accounting for all of the country's net job growth during that period. While big corporations and small businesses on Main Street are essential to maintaining existing labor levels, high-growth startup companies like Twitter, Chobani, and Under Armour create new employment opportunities.

In recent years, however, the entrepreneurial ecosystem in the United States has not churned out job gains at its historical pace: During the five year period ending in 2010, the number of startups with more than one employee [decreased](#) by more than 25%, and new startups that are launching are adding fewer jobs on average than in previous decades. Initial public offerings (IPOs) for smaller- and medium-sized companies are down from 80 percent of total IPOs in the 1990s to 20 percent today. Student debt is increasingly burdening would-be entrepreneurs, and the globalization of entrepreneurship has added additional competition to American startups.

Every year, existing caps on immigration force 20,000 American-educated graduates like Rajamand to leave the United States and deploy their talents abroad. Yet we know that 40

percent of Fortune 500 companies in the United States were founded by immigrants or their children. Half of Silicon Valley startups between 1995 and 2005 had an immigrant as a [founder](#). In 2005 alone, American companies with an immigrant founder did \$52 billion in sales and provided more than 400,000 jobs in the engineering and technology industries. Other countries like Singapore, Germany, China, India, and Canada are working to attract the best and the brightest -- many of whom have been trained at American universities.

Entrepreneurs from across the country rallied together earlier this year to urge the White House and Congress to pass legislation aimed at helping startups raise capital and grow. A broad coalition of Democrats, Republicans, entrepreneurs, academics, investors, and ordinary Americans worked out their differences to come up with a sensible set of policy reforms aimed at jump-starting entrepreneurship nationwide. Despite reluctance in Washington to come together in an election year, President Obama [stood](#) with Majority Leader Cantor at the White House in April to sign the JOBS Act into law. The legislation legalizes crowdfunding so that early stage companies have expanded access to capital; creates a transitional "on ramp" to encourage smaller- and medium-sized companies to consider an IPO; and updates securities rules to enable more startups to solicit investment opportunities. Taken together, the JOBS Act is an important first step economically and politically.

But it's only one step. Now we must turn our attention to fixing our high-skilled immigration system before it's too late. A bipartisan group of senators got the ball rolling earlier this year, when Republicans Marco Rubio and Jerry Moran joined with Democrats Mark Warner and Chris Coons to introduce the Startup Act 2.0, which reforms the visa system in three areas. First, the Act eliminates the per-country cap for employment-based immigrant visas so that wait times are shortened and American companies have greater flexibility in securing talent. Second, the Act creates a new STEM visa category that puts graduates with a master's or PhD in science, technology, engineering, or math on the path to a green card. Third, the legislation creates an entrepreneur's visa for legal immigrants to remain in the United States if they start a business that employs American workers.

Whoever is president in January of 2013 should make the Startup Act 2.0 a legislative priority. These reforms are not costly, they are not controversial, and they offer a straightforward fix that could help unleash a new wave of entrepreneurial activity across the country.

America was built by entrepreneurs. Our most iconic companies and renowned cities were built by men and women who dreamt, in the face of great adversity, that a better tomorrow was possible. As we begin writing the next chapter of the American story, we need to return to our entrepreneurial roots and improve the environment for a new generation of pioneering risk-takers to do what they do best. By fixing a broken high-skilled immigration system and encouraging the world's most talented innovators to contribute here in the United States, we will once again secure our lead as the world's most entrepreneurial economy.

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