

Why it matters to startups:



Startups need to hire the best and brightest talent from around the world to compete, especially since the tech sector faces a record number of job openings, and U.S. workers currently

lack the necessary skills to fill all of those positions. But the process for hiring a high-skilled, foreign-born worker can be daunting. Long wait times for visas and cumbersome red tape place additional financial burdens on already tight startup budgets, and there is no guarantee that a startup will succeed in getting a visa for an employee. Even when startups don't hire foreign-born talent themselves, the entire tech ecosystem benefits when companies can access high-skilled immigration opportunities for their workforces, since many of these employees may go on to found or contribute to new, innovative companies, even though the U.S. lacks a dedicated startup visa program. Immigrants are twice as likely as native-born Americans to start a new business, and new immigrant-owned startups generated an estimated three to four million jobs.

Ultimately, the U.S. technology sector needs a more diverse and a better trained workforce. Studies routinely show that a diverse workforce—including cultural, racial, and gender diversity and across all levels of an organization—lead to more profitability for a business. The startup ecosystem as a whole would be boosted by a more accessible system for hiring foreign-born talent, efforts to attract startup founders from other countries, increased resources for STEM education, and a renewed focus on promoting diversity in the tech sector.

Key takeaways:

- The startup ecosystem needs access to the best and brightest talent to succeed.
- The U.S. needs to continue attracting and retaining skilled talent from around the world to compete globally, and policymakers should improve employer-sponsored immigration opportunities to make it easier for startups to navigate the system.
- Policymakers must prioritize STEM education to cultivate future startup founders and innovative thinkers and build on initiatives to bolster diversity in tech.



Startup Spotlight on Talent

Pioneers 21

(El Paso, TX)

Carlos Martínez-Vela, Executive Director

[Pioneers 21](#) is a nonprofit incubator working with startups and small businesses along the U.S.-Mexico border

"We know that immigration is a good thing for the United States. Our economy thrives when we attract talent and open the door, in an orderly and humane way, to individuals who are looking to improve their lives, start a business, and work hard. ...Policies that shut the door to people looking for opportunities—including but not only highly-qualified individuals—are going to cause long-term damage to our nation's economy and the life of our regional economies."



Startup Spotlight on Talent

Greater Nashville Technology Council

(Nashville, TN)

Brian Moyer, President and CEO

[Greater Nashville Technology Council](#) is a member-based organization promoting local workforce development and tech education initiatives

"Having a quality, educated workforce is the key to our future economic growth and success. That is most evident when it comes to our tech workforce. We need programs that support the reskilling of our underemployed workers so they can move into higher paying tech jobs. It's all about the workforce."

What policymakers can do:

Policymakers should defend and expand existing immigration programs. The last administration pursued hundreds of executive actions to limit high-skilled immigration through H-1B visas. These efforts included imposing a moratorium on new entries, narrowing the definition of “specialty occupation,” and proposing a rule to replace the H-1B visa lottery with a system that prioritizes the highest wages. The administration also halted the International Entrepreneur Rule (IER), a program aimed at bringing foreign-born entrepreneurs and their new companies to the U.S.

And recipients of the Deferred Action for Childhood Arrivals program still lack a permanent solution to legally remain in the U.S. without having to continually renew their statuses. Policymakers need to prioritize expanding legal mechanisms for companies to fill their talent gaps—including the H-1B visa program—and welcoming high-skilled talent so that the U.S. can remain competitive and innovative on the global level. Policymakers should also consider implementing a startup visa program, so that the U.S. can attract innovative founders from across the globe, and the incoming administration should consider rolling back the previous administration's efforts to halt the IER.



Another way for policymakers to address the current talent gap that startups face is to take steps towards a more high-skilled and diverse workforce through improved STEM education. Policymakers should consider proposals to increase funding for STEM education generally, including boosting funding for university-based STEM programs through government grant-supported research. This funding is crucial to preserve the university-to-startup pipeline, particularly amidst the pandemic, as delays and restrictions have impacted university-based research.

In addition to broader efforts, policymakers should focus specifically on initiatives to boost diversity in STEM education for students and educators. For instance, Congress could expand funding for programs that target diversity and inclusion of underrepresented groups—including at the National Science Foundation and at educational institutions—and craft strategies for increasing diversity in tech at the federal level. And policymakers at all levels of government should work with stakeholders in order to remove barriers to participation in STEM careers, including through grants to boost participation of underrepresented individuals in STEM programs.

Talent By The Numbers

- In 2016, immigrants were responsible for starting 30 percent of all new businesses.
- Over half of America’s unicorn startups (over \$1 billion valuation) were founded by immigrants, and 80 percent of these startups employ at least one immigrant in a key role.
- Almost 22 percent of unicorn startups were founded by former international students in the U.S.
- Immigration leads to U.S. job creation, and increasing H-1B visas could result in 1.3 million new jobs in the U.S. by 2045.
- As of 2014, there were almost three million immigrant entrepreneurs in the U.S.
- Implementing a startup visa could result in the creation of up to 1.6 million American jobs over ten years.

Startups valued at \$1 billion or more

