



July 18, 2022

Dear Chairman Padilla, Ranking Member Cornyn, and members of the Senate Judiciary Committee's Subcommittee on Immigration, Citizenship and Border Safety,

Engine works with a network of startups, incubators, accelerators, and support organizations within the technology sector that depend on access to the best and most qualified employees to succeed. While these companies often start small, they grow and thrive and are ultimately responsible for much of the net job creation in the country. Access to innovative and skilled talent is critical to the U.S. startup ecosystem, both as a source for founders who start new businesses and as talent to provide the support startups need. As such, we are grateful to members of the subcommittee for holding a recent hearing—"Strengthening the Workforce and Economy Through Higher Education and Immigration"—and taking the time to think about how the U.S. can support businesses in need with immigrant talent.

More than half of our nation's billion dollar startups have an immigrant founder.¹ Moreover, these startups, and many others, are bolstered by immigrant talent. From the DACA program, which represents a group of entrepreneurial immigrants brought to the U.S. as children—six percent of DACA recipients under the age of 25 have started businesses of their own, as well as 9 percent of recipients over the age of 25—to the OPT program and H-1B visa program, which fill critical STEM talent needs, the contributions of immigrants to our innovation ecosystem cannot be overstated.² Indeed, Mr. Burrola from the recent subcommittee hearing agrees, arguing the contributions of international students are critical as nearly 1 in 4 billion dollar startups in the U.S. are founded by international students.³ But, without expanded pathways for this talent to remain in the U.S., including a permanent solution for DACA, addressing the green card backlog, providing a fix for documented DREAMers, and other common sense measures like streamlined access to green cards for STEM PhD holders, the U.S. innovation ecosystem risks falling behind.

According to witnesses from the hearing, international enrollment in U.S. universities is on the decline and roughly one half of graduate STEM degrees are awarded to international students.⁴

¹ National Foundation for American Policy, *New Research: More Than Half of America's Billion-Dollar Startups Have an Immigrant Founder* (Oct. 24, 2018),

<https://nfap.com/wp-content/uploads/2018/10/Billion-Dollar-Startups.DAY-OF-RELEASE.October-2018.pdf>.

² Tom K. Wong, *DACA Recipients' Livelihoods, Families, and Sense of Security Are at Stake This November* (Sept. 19, 2019), <https://www.americanprogress.org/issues/immigration/news/2019/09/19/474636/daca-recipients-livelihoods-families-sense-security-stake-november/>.

³ Study International, *Nearly 1 in 4 US billion-dollar startups are founded by ex-international students – report* (Nov. 8, 2018), <https://www.studyinternational.com/news/billion-dollar-startup-international-students/>; See hearing testimony, available at:

<https://www.judiciary.senate.gov/meetings/strengthening-our-workforce-and-economy-through-higher-education-and-immigration>.

⁴ See hearing testimony, available at:

<https://www.judiciary.senate.gov/meetings/strengthening-our-workforce-and-economy-through-higher-education-and-immigration>.

If this decline continues, and no fix is provided to help international STEM graduates remain in the U.S., a critical pipeline of talent for the innovation ecosystem will begin to dry up. Moreover, without fixes to the immigration system to allow these graduates to remain in the U.S. long term, we will continue to send U.S. educated, foreign-born talent to other parts of the world, bringing with them the skills and knowledge U.S. institutions helped nurture.

Another essential component missing from the U.S. immigration system is a startup visa. Legislation to implement a startup visa currently exists (Let Immigrants Kickstart Employment (LIKE) Act), and would bring the U.S. in line with dozens of other countries competing for the most innovative minds. Immigrant entrepreneurs are critical to the U.S. economy. In 2019, more than 20% of all businesses were owned by immigrant entrepreneurs, though immigrants only represented less than 14% of the population.⁵ And these businesses also make significant contributions to the job market and economy. Immigrant-founded unicorn startups have a combined value of almost \$250 billion and are individually responsible for creating an average of 1,200 jobs each.⁶

It is imperative that Congress act to improve the immigration system so that it works for innovation. Our competitive edge is dependent on it. Indeed, As Nicky Goulimis—co-founder of Nova Credit, a startup cross-border credit reporting company that allows immigrants to easily transfer their international credit histories to the U.S.—told us, “[w]e hear stories from immigrants we work with who are stuck abroad in this weird limbo, waiting to see if they’ll have the option or ability to come to the U.S. Some of them are actually starting to look at other countries, like Canada and Australia, which are able to attract some of this talent away from the U.S.”⁷ And Congress currently has multiple avenues to pursue immigration reform. While advancing standalone legislation remains an option including through passage of the LIKE Act, two other vehicles are ripe for including immigration provisions. A final, conferenced bill combining USICA and the America COMPETES Act is one opportunity. In fact, many provisions supporting the startup ecosystem, including a startup visa, passed the House as part of the America COMPETES Act in February. Talent issues are at the core of competition. Innovative founders and employees will take their ideas and skills elsewhere, only serving to strengthen the startup ecosystems of America’s competitors, including China. Alternatively, the National Defense Authorization Act (NDAA) presents another possibility for Congress to pass certain high skilled immigration reforms.

As the close of the 117th Congress quickly approaches, it is essential that Congress act imminently in order to maintain the strength of the U.S. startup ecosystem and to give American businesses the talent pool they so desperately need. We urge you to continue to build upon the conversations you had in the most recent subcommittee hearing as you continue your work through the legislative session.

⁵ New American Economy, *What percent of businesses are owned by immigrants?*
<https://www.newamericaneconomy.org/issues/entrepreneurship/#:~:text=In%202019%2C%20immigrant%20entrepreneurs%20made,of%20the%20U.S.%20labor%20force>.

⁶ Guadalupe Gonzalez, *More than Half of America’s Billion-Dollar Startups Have Immigrant Founders*,
<https://www.inc.com/guadalupe-gonzalez/immigrant-entrepreneurs-founded-more-half-unicorn-startups-us.html>.

⁷ Edward Graham, *#StartupsEverywhere: Nicky Goulimis, Co-Founder & COO, Nova Credit* (Oct. 23, 2020),
<https://www.engine.is/news/startupseverywhere-sanfrancisco-calif-nova-credit>.