

TALENT

How does policy impact access to talent?



Access to talent is a critical component of a startup's ability to grow. Issues like restrictive non-compete agreements hinder startup formation and a worker's ability to migrate from large companies to startups, and independent contractor policy determines how well startups can meet their changing talent needs as they scale. Immigration also has an important role in startup formation and talent supply, but cost and limits to current high-skilled visa programs mean startups are often unable to benefit from existing programs. Moreover, women and people of color continue to be underrepresented in STEM education, leading to decreased opportunities in STEM fields, and domestic training programs and upskilling efforts are not meeting the demand for talent.

KEY TAKEAWAYS:

- Startups need access to the best and the brightest employees, as well as policies that increase worker mobility and flexibility.
- America needs to continue educating domestic talent and attracting and retaining the best talent from around the world to compete globally.
- The employer-sponsored visa programs remain broken. Congress needs to make it easier for startups and other small businesses to navigate the immigration system.

Why does it matter to startups?

Entrepreneurs know that finding and retaining talent remains one of the biggest challenges facing startups. To compete in a global economy, startups need to hire the best and brightest employees from around the world, and workers and innovation benefit from mobility and flexibility. That's why access to talent remains a top policy concern for startups. Long wait times for visas and confusing red tape practices place additional financial burdens on already tight startup budgets. A lack of a dedicated startup visa puts the United States behind its innovative competitors in attracting cutting-edge founders. U.S. immigration policy should instead encourage entrepreneurs to build and grow their companies here. It is also critical that we adequately train talent at home. Women and people of color are underrepresented in the innovation ecosystem, but diverse teams lead to more innovation and better results.

Where are we now?

IMMIGRATION: H-1B visas allow employers to sponsor foreign-born “highly-skilled” workers and are the best way for foreign students and specialized workers to remain in the country. For a startup, navigating the complex H-1B process and competing for an extremely limited number of visas is often daunting and cost-prohibitive, but these visas are critically important for the tech industry at large. Recent proposed changes would, in some ways, make it easier for startups and startup founders to make use of the H-1B process, but the proposed changes should be further refined to ensure maximum benefit to the startup ecosystem. Additionally, the Deferred Action for Childhood Arrivals (DACA) program remains in jeopardy after once again having been found unlawful by the courts, and Congress has yet to pass a permanent solution for the thousands of individuals affected.

NON-COMPETES AND INDEPENDENT CONTRACTORS: The Biden Administration has issued a proposed rule to ban post-employment non-compete agreements, which is expected to face a vote at the FTC this year. Policies to limit the implementation of non-competes would enable founders and employees to use the skills they have developed in launching and growing new startups, spurring economic and job growth. At the same time, the Department of Labor has issued a new rule that would make it more complicated to hire independent contractors, a flexible workforce that startups rely on when they have varying workloads and limited means to hire full-time employees.

