Access to Talent

How does policy impact access to talent?

Immigrants play a significant role in the American economy. Immigrants are twice as likely as native born Americans to start a new business, and new immigrant-owned startups generate an estimated three to four million jobs. There are also a record number of job openings in the tech sector that many employers simply cannot fill. Some employers seek to hire a highly-skilled foreign-born tech worker. That process can be daunting since there is no guarantee that you will succeed in getting a visa for the prospective employee. Recent government policies have made it more difficult for businesses to attract and retain foreign-born entrepreneurs.

Key Takeaways:

- Startups know that having the best and the brightest employees is critical for success.
- America needs to continue attracting and retaining the best talent from around the world to compete globally, particularly when it comes to tech-related ventures.
- The employee-sponsored visa program remains 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. 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. U.S. immigration policy should encourage entrepreneurs to build and grow their companies here.

Where are we now?

Despite initial comments from the current administration that there would be a shift to a merit-based immigration system, no proposals have addressed the need to retain highly-skilled entrepreneurs. Here are a few specific programs that could be reformed to help startups:

- The International Entrepreneur Rule was created in 2016 to allow entrepreneurs with over $250,000 of capital investment and a business plan dependent on hiring American workers to apply for a visa. The current administration moved to rescind this program in 2018. As a result, more than 2,900 entrepreneurs have had to find alternatives to starting their businesses in the U.S.

- 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. Each year, U.S. Citizenship and Immigration Services holds a lottery for 65,000 H-1B visas, however due to significant demand, the H-1B cap for each fiscal year is reached in the initial registration period. Moreover, the administration recently suspended the issuance of new H-1B visas due to the COVID-19 pandemic. 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.

- The Deferred Action for Childhood Arrivals (DACA) program provided legal status to young adults from other countries who arrived in the United States as children, giving recipients the ability to legally live and work in the United States on a renewable basis. Terminating the DACA program could result in the loss of thousands of highly skilled workers that are vital to the growth of startups in the U.S. In June, the Supreme Court blocked the administration's efforts to terminate the DACA program, but the administration can attempt to rescind the program again.