

Employment Impact of an Entrepreneur Visa

Findings of a Kauffman Foundation Study

The Entrepreneur Visa in Startup Act 3.0 could generate up to **1.6 million jobs** over the next ten years.

Give Me Your Entrepreneurs, Your Innovators

Kauffman Foundation, February 2013

Who is eligible for an Entrepreneur Visa?

The Entrepreneur Visa in Startup Act 3.0 would be available to a fixed number of individuals who are already in the United States on either H-1B visas or F-1 student visas.



How does the Entrepreneur Visa create jobs?

Once the Entrepreneur Visa is issued, the entrepreneur is given one year to:

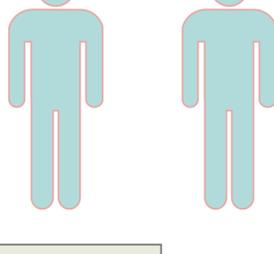
Register a Business



Invest or Raise at least

\$100,000

Employ Two Full-Time, Non-Family Employees



What happens next?

If the first-year requirements are met, the Entrepreneur Visa is extended three years. During that three-year period, the entrepreneur must:

Employ a total of five full-time, non-family employees



After the three-year period, the entrepreneur may apply to have the conditional status of their visa removed.

What is the total impact of creating an Entrepreneur Visa?

To estimate the impact of the 75,000 Entrepreneur Visas created by Startup Act 3.0, the Kauffman Foundation used U.S. Census Bureau Business Dynamics Statistics data, which shows that slightly less than half of these companies will survive the first four years.

Using this assumption, the Kauffman Foundation estimated the number of jobs created after a decade under three different scenarios:

Legislative Baseline Scenario

Startup Act 3.0 requires that each visa holder create **five** jobs. Multiplied by 75,000 visa slots, while taking into account the 49% survival rate of businesses, this scenario predicts:



484,343 JOBS

Average U.S. Company Scenario

On average, four-year-old firms from 2003-2010 employed **9.18** individuals each. Still taking survival rates into account, this scenario predicts:



889,239 JOBS

Technology and Engineering Scenario

Among technology and engineering companies founded between 2006 and 2012, one quarter were founded or cofounded by foreign-born individuals. These companies employed an average of **21.37** people per firm. This scenario predicts:



1,592,842 JOBS

Learn more about the Entrepreneur Visa and other provisions of Startup Act 3.0 at:

moran.senate.gov/StartupAct