

# Immigrant entrepreneurs spur renaissance

## Nearly half of today's private, and 20 percent of public, venture-backed start-ups were founded by immigrants despite challenges, study says.

By Jessica Seid Dickler, CNNMoney.com staff writer  
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NEW YORK (CNNMoney.com) -- Immigrant entrepreneurs have had a dramatic impact on the corporate landscape in the United States, a study said Wednesday.

A full 20 percent of venture-backed public companies were founded by one or more immigrants, according to the study, released by the National Venture Capital Association. Within the high-tech sector, that percentage rises to 40 percent.

The aggregate market capitalization of these companies, which includes giants like [Intel \(Charts\)](#), [Google \(Charts\)](#), [Yahoo! \(Charts\)](#), [Sun Microsystems \(Charts\)](#) and [eBay \(Charts\)](#), exceeds \$500 billion, according to the study, "American Made: The Impact of Immigrant Entrepreneurs and Professionals on U.S. Competitiveness."

Additionally, nearly half of today's private venture-backed start-ups have immigrant founders, and the proportion of immigrant-founded venture-backed companies has been increasing.

Eighty-seven percent of companies founded by immigrants operate in sectors such as high-tech manufacturing, information technology and life sciences, the study said.

Of the more than 400,000 worldwide jobs created by immigrant-founded ventured-backed public companies, 70 percent are in the high-tech manufacturing sector.

However, the study also found that two-thirds of the immigrant founders surveyed said that current U.S. immigration policy hinders the ability of future foreign-born entrepreneurs to start American companies.

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Jerry Yang, co-founder of Yahoo, came to this country from Taiwan at the age of ten and went on to Stanford University, where he and David Filo developed the concept for the online network.

"Yahoo would not be an American company today if the United States had not welcomed my family and me almost 30 years ago," Yang said in a statement.

"We must do all that we can to ensure that the door is open for the next generation of top entrepreneurs, engineers and scientists from around the world to come to the U.S. and thrive," he said.

While immigrant founders of U.S. public companies come from across the globe, the most common countries of origin are India, Israel and Taiwan.

"Foreign-born entrepreneurs have contributed significantly to our economy and our global leadership in innovation," said Mark Heesen, president of the National Venture Capital Association.

"There is no question that the U.S. must remain a magnet of foreign-born talent if we are to maintain our competitive edge," Heesen added.

The study was authored by Stuart Anderson of the National Foundation for American Policy and Michaela Platzer of Content First, LLC, and commissioned by the National Venture Capital Association as part of its MAGNET USA (Maximizing America's Growth for the Nation's Entrepreneurs and Technologists) initiative.

The study examined the Thomson Financial database of all publicly traded venture-backed companies founded since 1970. The authors then surveyed those companies that had not merged or been acquired or were otherwise no longer publicly traded (or in business). They received 342 responses.

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