



Business

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Immigrants often key to startups

Study shows role that the highly skilled play in tech, engineering

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Immigrants, many of whom came to the United States for college, helped found about one in five new engineering and technical firms in Texas over a 10-year period, according to a study released Monday.

The study by the Ewing Marion Kauffman Foundation, which promotes entrepreneurship, found that between 1995 and 2005, Texas was second only to California in engineering and technology startups with more than \$1 million in sales and 20 or more employees.

Immigrants were key founders of 18.8 percent of the Texas companies, the study found.

The survey comes amid the country's charged debate on immigration, and highly skilled legal foreign workers are figuring in the discussion along with illegal immigrants.

Vivek Wadhwa, the study's lead researcher, said delays in the U.S. visa process are moving some of the company founders to take their businesses back to their native countries.

"This is increasingly a factor for the U.S." he said. "We've got to get our act together."

Immigrants from India led the pack over the 10 years studied, founding 25 percent of the Texas businesses started by immigrants. People from China founded 14 percent, and those from Mexico and the United Kingdom founded 7 percent each.

An earlier study found that 25.3 percent of technology and engineering companies started in the United States from 1995 to 2005 had at least one foreign-born founder.

Those companies produced \$52 billion in sales and employed 450,000 workers in 2005, that study showed.

RESOURCES

WHY THEY CAME

Most immigrants who have founded engineering and technology companies in the United States didn't list entrepreneurship as their main reason for coming. Here's what brought them:

- **Study:** 52.3 percent
- **Job opportunity:** 39.8 percent
- **Family move:** 5.5 percent
- **Entrepreneurship:** 1.6 percent
- **Other:** 0.8 percent

Source: Ewing Marion Kauffman Foundation

"We need to figure out what to do with the unskilled workers that jumped across the border," Wadhwa said. "But in the midst of this debate we are forgetting the immigrants that entered legally, who have skills and education that are in demand worldwide and who we need to help us compete globally."

An immigration bill that stalled in the Senate last week in some way favored skilled immigrant workers and their employers. It would have increased the number of H1-B visas that allow highly skilled workers to get jobs in this country.

And it would have established a merit system for work visas focusing more on skill levels and less on the family-reunification component that is central to the process now.

More than half of the immigrants who founded companies in the U.S. during the study period came to the country to pursue higher education, according to the Kauffman study. Fewer than one in 50 cited entrepreneurship as the principal reason for immigrating.

Researchers interviewed 144 immigrant company founders and surveyed 1,572 companies nationwide for the study.

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