

Foreigners loom large in startups

A new study also finds a link between education and business creation among immigrants.

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The Kansas City Star

Foreign-born people were the founders of 25 percent of the technology and engineering firms started in the United States from 1995 to 2005.

These immigrant-founded companies employed 450,000 workers in 2005 and tallied sales of about \$52 billion, according to research sponsored by the **Ewing Marion Kauffman Foundation**. A report released Monday said this group of immigrant entrepreneurs showed a "strong correlation" between advanced education and business creation.

"More than half of the foreign-born founders of U.S. technology and engineering businesses initially came to the United States to study. Very few came with the sole purpose of starting a company," the researchers found.

"These are individuals who initially entered the United States either as students or as employees of corporations that sponsored their visas, but who eventually created new businesses," said Robert Litan, the vice president of research and policy at the Kansas City-based foundation.

The report also found that:

■ Ninety-six percent of the immigrant founders held bachelor's degrees, and 74 percent held graduate or post-graduate degrees.

■ Three-fourths of their degrees were in science, technology, engineering and mathematics.

■ About half of the immigrant founders completed their highest educational degree at U.S. universities.

Researchers at **Duke University** and the **University of California-Berkeley** conducted research for the report, which described the typical immigrant entrepreneur as someone who founded a company after living and working in the United States an average of 13 years.

@ To see both reports, go to www.kauffman.org/items.cfm?itemID=869.

Their business startups are especially concentrated in America's technology centers, such as California's Silicon Valley.

"The U.S. economy depends upon these high rates of entrepreneurship and innovation to maintain its global edge," said Vivek Wadhwa, a contributing researcher at Duke.

Wadhwa said that to maintain an edge, the United States needs to both "encourage more Americans to complete higher degrees in these fields" and "encourage foreign students to stay in the United States after completing their degrees."

The report, "Education, Entrepreneurship and Immigration: America's New Immigrant Entrepreneurs," was the second of a two-part study. The first part was released in January.

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