

# Opportunity Foreclosed: The International Entrepreneur Parole Rule May Die Before it Gets Out of the Gate

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The U.S. and worldwide entrepreneur community had been looking forward to July 17<sup>th</sup> with great anticipation. This was supposed to be the effective date of the new International Entrepreneur Parole immigration regulation. This refreshing and innovative immigration option for foreign entrepreneurs would solve an enormous problem in the U.S. immigration system: the non-existence of a visa for start-ups founded by or being driven by talented foreign nationals. Yet on July 11, 2017 the Department of Homeland Security published a [notice](#) in the Federal Register seeking comments on its desire to rescind the rule.

This entrepreneur parole process would not have been a cakewalk for applicants: only those who could meet the stringent requirements associated with it would be able qualify (to be approved, entrepreneurs would have to own at least 10% of the enterprise and would have to have raised significant capital from established U.S. investors or government grants). Applications would be very strictly reviewed, and only applicants who clearly qualified and passed required government background checks would be approved for this temporary status.

Yet despite the strict criteria, the entrepreneur community was delighted that the U.S. government (during the Obama administration) had finally rolled out an immigration solution to the enormous talent crisis facing the U.S. technology sector.

The technology industry is fueled in large part by immigration. As of January, 2016 immigrants had started more than half (44 of 87) of America's start-up companies valued at \$1 billion dollars or more and are key members of management or product development teams in over 70 percent (62 of 87) of these companies.\* Immigrants play vital roles in the technology industry in job creation, innovation and leadership.

The data shows that these immigrants are not taking jobs away from native born Americans – instead they are creating jobs for Americans. For years the U.S. has not graduated enough graduates in STEM fields to fill even a fraction of the open positions requiring STEM skills. By 2020, projections indicate that 1.4 million computer specialist positions will be open in the U.S. but domestic universities will only produce enough graduates to fill 29 percent of those jobs. As an example, in Massachusetts today, there are seventeen technology jobs for every person who graduates with a college degree in computer science or information technology. And international students are disproportionately more likely to get their degrees in a STEM field – they make up over 30% of the post-baccalaureate degrees in STEM fields. These immigrants are not just studying STEM subjects – they are innovating and inventing technology, pharmaceutical and engineering solutions at a rapid pace. In 2011, 76 percent of patents awarded to the top 10 U.S. patent-producing universities had an inventor that was foreign-born. In recent years, foreign nationals contributed to more than three quarters of patents in the fields of information technology, molecular and microbiology and pharmaceuticals. Many of these inventions are making all of our lives better. In 2016, all six American winners of the Nobel Prize in economics and scientific fields were foreign-born.

To remain competitive in the global marketplace, the U.S. needs to be able to attract and retain the best talent, the sharpest minds, and those who are passionate about building solutions, building companies, and building community. While we have many home grown entrepreneurs who fit this description, we do not have enough of them. We need, and should be welcoming, not turning away, brilliant, hard-working, upstanding foreign entrepreneurs.

Despite paying lip service to the need to create jobs and economic growth, the current Administration seems bent on ending the International Entrepreneur Parole solution without focusing on or acknowledging the myriad positive contributions of immigrants to our country.

Other countries will benefit from the vacuum that will be created by the dissolution of this rule. Canada, for example, has a very entrepreneur-friendly immigration option. If this fledgling International Entrepreneur Parole program is not revived, the U.S. will have lost a major battle in the highly competitive, global war for talent.

*\*All statistics cited in this post are from The Economic Impact of Immigration on the U.S., published by the Mass Technology Leadership Council, June, 2017.*

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