

## Macro Roundup Article

**Headline:** [Immigrant Entrepreneurship: New Estimates and a Research Agenda](#)

**Article Link:** <https://www.nber.org/papers/w32400>

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**Tweet:** Immigrants accounted for 15% of the 2020 US population, but 27% of new businesses formed in 2021-23. Differences in education and fields of study only partly explain immigrant firms' high rates of patenting and innovation. @william\_r\_kerr @schodavadia

**Summary:** Immigrants play outsized roles in entrepreneurship in many countries, accounting for about a quarter of new employer businesses in the United States. In 2022, the four most valuable private, venture-backed US companies (SpaceX, Stripe, Instacart, Databricks) had immigrant founders, along with three of the ten most valuable public companies globally (Alphabet, Nvidia, Tesla) (Crunchbase, 2022). We utilize the Annual Business Survey (ABS) to quantify the greater rates of patenting and innovation in immigrant-founded firms. Figure 1b compares the 2019 ABS estimate to alternatives from the same period, some of them for specific type of entrepreneurship and prominent artificial intelligence startups. [Regressions] show that a firm is more likely to have a patent and more patents per employee if the owner is an immigrant. This result is quite robust to controlling for education and other traits of the owner and firm. Immigrants are over-represented as founders of innovative firms and in the high-tech industry. This higher propensity towards innovation is only partly explained by differences in education levels and fields of study.

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**Primary Topic:** Immigration

**Topics:** Academic paper, Database, GDP, Growth, Immigration, Important!, Weekly, Workforce

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