

Detroit Free Press

Immigrant start-ups seen as key to reinventing Michigan

By Katherine Yung

January 21, 2011

When it comes to reinventing Michigan, Gov. Rick Snyder has a clear message: The state needs more people like Thanh Tran and Vinay Gupta.

The two entrepreneurs -- one just starting out and the other with lots of experience -- are smart, talented immigrants trying to create more jobs in Michigan just as Snyder called for in his State of the State address Wednesday.

Tran fled war-torn Vietnam as a young child for a new home in Grand Ledge and is launching MentalNoteOnline.com, an electronic medical records company located at Detroit's TechTown.

Gupta grew up in New Delhi, India, and came to the U.S. to get his MBA from the University of Michigan. He and a partner formed one of the most-successful start-up companies in Ann Arbor's history, BlueGill Technologies. Gupta is now running his sixth start-up company, a software firm called Janeeva.

Gupta and Tran illustrate the benefits that educated immigrants can bring to a state like Michigan, which is losing residents and suffers from a double-digit unemployment rate.

Snyder is well aware of these immigrants' potential. In his speech Wednesday, the new governor said he plans to establish "an exciting new initiative to encourage immigrants with advanced college degrees to come to Michigan to live and work."

"Immigration made us a great state and country," Snyder said. "It is time we embrace this concept as a way to speed our reinvention."

He did not reveal any details of his plan. His initiative could draw opposition from anti-immigration groups and others.

But Snyder's remarks couldn't have come at a better time for Global Detroit, a group launched two years ago to figure out ways to attract more educated immigrants to the state.

Global Detroit, led by former state Rep. Steve Tobocman, released a study last year that outlined 11 steps Michigan can take to lure more of these kinds of immigrants. The study advocates, among other things, creating a regional cultural ambassadors program, working with officials in Windsor, to attract overseas companies and setting up an investor visa regional center in southeast Michigan.

So far, Global Detroit has obtained grant money to develop a "Welcoming America campaign" for the state. It hopes to soon get the money it needs to start implementing its other ideas.

"Immigrants have been huge job creators," Tobocman said. "We ought to be looking at everything we can to create the kind of Michigan we had in the 20th Century."

According to a 2008 report from the Brookings Institution, in 1900, 34% of Detroit's population was foreign-born. By 1970, their numbers had fallen to 7.1% of the city's population.

In his speech, Snyder said about half of Silicon Valley's start-up companies were founded by a foreign national. Global Detroit found similar trends in Michigan, where immigrants founded a third of all high-tech start-up firms from 1995 to 2005. Only California and New Jersey had more immigrant founders, Tobocman said.

This kind of immigration-based economic development strategy is working in Philadelphia, said Richard Herman, co-author of "Immigrant Inc." and an immigration lawyer in Cleveland. Rust Belt cities like Detroit, Pittsburgh and Cleveland are starting to embrace the concept.

"You can't create the new economy without internationals," said Herman, who views Snyder's comments as a sign of a cultural change under way in the Midwest.

For Michigan to succeed, though, job opportunities will be key, said Gupta and others.

One overlooked source of talented immigrants is foreign students. Michigan is home to 23,000 foreign students but little is done to connect them to Michigan employers, said Scott Cooper, an immigration attorney and partner at Fragomen, Del Rey, Bernsen & Loewy in Troy.

Tran said he has met many foreign students who want to stay in Michigan. He urges state officials to provide these students with the resources they need to turn their business ideas into reality, such as staffing its SmartZone offices with helpful people who care.

"Little things can make a difference," Tran said.

To retain these students, Gupta also urges state officials to focus on transforming Detroit and other large cities into desirable places to live. Foreign students "are used to living in big cities," he said. "They don't want to move to suburbia."