

Reliability Of Job Creation Estimates In EB-5 Projects

By Joseph P. Whalen (Saturday, October 3, 2015)

Since the subject matter of this essay is job creation estimates and such estimates derive from economic modeling to produce an economic impact analysis (EIA) which predicts “indirect jobs”, this essay is only relevant for EB-5 Regional Centers because only investments through *them* are permitted to count indirect jobs. The reliability of job creation estimates provided by an EIA is dependent upon the validity of the information and assumptions that form the basis for the analysis contained therein.

Any Matter of Ho compliant business plan, *exemplar or actual*, provided in support of a Regional Center affiliated investment vehicle must contain sufficient specificity to provide valid and reasoned inputs into the economic model, **if** such a model is used to demonstrate job creation for EB-5 purposes. Otherwise, an affirmative determination cannot be made that the Regional Center’s proposed investment demonstrates in “verifiable detail” that the requisite jobs will be created. The ability of the Regional Center to address the issues regarding the feasibility of each capital investment project; the validity of the economic impact analysis; and the timing of the EB-5 job creation; is critical to the ultimate success of the immigrant investors' immigration process, *i.e.*, the lifting of conditions via Form I-829, *Petition by Entrepreneur to Remove Conditions*. If a Regional Center cannot deliver in its initial I-829 endgame, it usually will not get a second chance. While the investor may choose to try again elsewhere, failed Regional Centers and the people behind them will rarely get a second chance. Such Regional Centers will hopefully be terminated without causing too much harm to its investors, local economies, or the EB-5 Regional Center Program.