

Interview: Samir Jain, senior director, LCR Capital Partners

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Connecticut, US headquartered LCR Capital Partners (estd. 2012) is a global private investment firm specialising in U.S. immigration advisory services. Having served over 800 clients through its regional offices spread across Miami, Sao Paulo, Dubai, Singapore and Mumbai, the company has been promoting the US government's EB-5 Immigrant Investor Program that makes foreign nationals investing in new U.S. businesses eligible for US citizenship. Samir Jain the company's



Mumbai-based senior director talks about the EB-5 Visa and its benefits for investors' children seeking admission to US-based universities and colleges.

What is the EB-5 Visa programme and what are its benefits?

The United States government created the EB-5 Immigrant Investor Program in 1990 in an effort to attract foreign investment by allowing eligible foreign nationals to invest either \$900,000 (Rs 6.84 crore) or \$1.8 million (Rs13.68 crore) in a new business in the US. When investors demonstrate that their investment in a US Citizenship and Immigration Services (USCIS) approved project will create at least ten jobs for US workers, they receive green cards for themselves and their families within 18-20 months from date of investment.

The long term benefits is that investors' children who qualify for admissions to public universities and colleges pay lower tuition costs and have access to wide variety of merit-based scholarships meant for US residents. Studies also show resident students have over four times higher acceptance rates since they are not considered part of the institute's 'international student' category. Students having a green card have a better chance of obtaining summer internships and full-time positions. It also expands the employment opportunities after graduation since the student is not subject to annual H1-B annual visa lottery or requiring any sponsorship. The student can also pursue entrepreneurial career opportunities on equal terms after graduation.

Given the huge investment involved, this seems like a really expensive route to seek admissions to US-based public universities and colleges!

Most public universities in the US have separate fee structures-one for students living in the same state where the universities are located, another for students from outside the state, or "out-of-staters" and a third, higher fee structure for international students. While holding a green card is no guarantee to getting admitted to colleges and universities in the

US, it does improve the student's chances of getting into the institutions since the number of seats for resident students is around 80 percent as compared to the international student's quota of 10-20 percent. Also while 35 of the top 50 universities are based in the US, tuition costs at these institutions make up a huge part of the education costs. Students enjoy a significant savings in tuition fees under an EB-5 visa. At the University of Michigan while an international student pays \$49,350 for tuition and fees per year, an in-state student pays \$15,262. The four year cost savings for a US resident is \$136,352 (approx. Rs one crore).

US remains the primary hub for education and while prestigious universities have hiked the number of seats allotted to international students through enhanced foreign quota, there has been a rise in the applicant pool too. In 2018-19 alone, the number of international students in the US touched one million plus.

How has the Covid-19 pandemic impacted the US education sector?

Since the outbreak of Covid-19, all education programs globally have been suspended and international students have returned home. With education turning towards digitization and virtual classrooms, we can expect a dip in the admissions over the next two or three quarters. However, we do not expect the dip in the US economy to hit educational prospects in the long run. The current atmosphere of uncertainty in US' education space is likely to be short-lived as US universities are working towards attracting more international students post the Covid-19 pandemic.

In the given situation universities and colleges are planning several measures, from shifting the fall semester to later towards the end of the year, or enhancing the online platform for students who are already enrolled to not miss out the time. The Harvard Business School has provided recent admits with the option to pursue the fall semester online and come to campus in January 2021 or request for a deferral, whereby the admissions office will guarantee a spot in September 2021 or 2022. Students should expect communications from the universities in the coming weeks.