

Surge In Rich Chinese Who ‘Invest’ In U.S. Citizenship

By Robert Frank



Newly minted U.S. citizens

Despite all the talk of class warfare and punishing success, the U.S. remains a highly desirable place for the world's rich. Especially for the rich Chinese.

According to data from the Immigration Service, thousands of wealthy Chinese have applied for the EB-5 Visa, also known as the "green-card-for-money" program.

Under the program, foreign investors must finance commercial projects in the U.S. by investing either \$500,000 or \$1 million and create at least 10 full-time jobs. The investors have to undergo a background check, identify the source of their wealth and create

and sustain 10 full-time jobs. The investors and their families can get citizenship after five years if they fulfill the requirements.

Lots of rich people around the world apply. But the Chinese have become far and away the biggest users and beneficiaries.

In 2011, 2,969 Chinese citizens applied for the program and 934 were approved, according to the Immigration Service. (Approval doesn't mean they get citizenship, it just means they can start the program). Their numbers represented more than three quarters of the total number of applicants and approvals.

It's also a huge increase from previous years. In 2007, only 270 Chinese citizens applied and only 161 were approved, accounting for only about a third of the totals.

Why the huge increase?

The obvious reason is that China has a lot more millionaires and billionaires.

But the other reason is that these newly rich want out – or at least an escape hatch and presence in another country in case they have to flee.

A recent survey from the Bank of China and wealth researcher Hurun Report found that more than half of China's millionaires are either considering emigrating or have already taken steps to do so.

The survey found that the most common reason cited by respondents for emigrating was their children's education, followed by a desire for better medical treatment and the fear of pollution in China.

The top destination among those emigrating was the U.S., accounting for 40%, followed by Canada with 37%, Singapore with 14% and Europe with 11%, the survey showed.

The EB-5 program has stirred controversy for years, with some saying it's brought welcome investment, and others saying it's a mercenary citizenship program that does little for actual employment.