

**Question 2.3:** Why did we drop the Cubans for comparison cities in question 2.2? Explain in the context of the study.

I cannot find any place where David Card specifically alludes to why this would be the case other than Miami, which, by far, was the city with the highest Cuban population. Card just states that “[he] have assembled similar data for whites, blacks, and Hispanics in four other cities: Atlanta, Los Angeles, Houston, and Tampa-St. Petersburg [...] economic conditions were very similar in Miami and the average of the four comparison cities between 1976 and 1984.”

When looking at the numbers for the Cubans outside Miami, it is apparent that the number of respondents is relatively low.

```
In [22]: print('number of respondents in cities other than Miami by ethnicity')
         for ethrace in mariel["ethrace"].unique():
             print(f'{ethrace}: {mariel[(mariel["smsarank"] != "Miami") & (mariel["age"] >= 16) & (mariel["city"] != "Miami")].count()}'
```

```
number of respondents in cities other than Miami by ethnicity
whites: 53976
hispanics: 16268
blacks: 12414
cubans: 579
```

We only have 579 Cubans outside Miami, which is spread across 7 seven years and 4 cities, leaving ~12 Cubans pr. year per city on average, making it almost impossible to conduct any sound analysis.

Comparing to the ethnicities living in Miami:

```
In [23]: print('number of respondents in Miami by ethnicity')
         for ethrace in mariel["ethrace"].unique():
             print(f'{ethrace}: {mariel[(mariel["smsarank"] == "Miami") & (mariel["age"] >= 16) & (mariel["city"] == "Miami")].count()}'
```

```
number of respondents in Miami by ethnicity
whites: 3626
hispanics: 1281
blacks: 2458
cubans: 3351
```

In Miami, we see a much greater number of respondents across the board, thus making for a more robust analysis.

Additionally, as there was no inflow of Cubans in the control cities, we do not expect their employment to show a pattern different from that of the general economy. However, this assumes that Cubans do not possess jobs that, e.g. make them less exposed to economic fluctuations.



**Question 2.4:** Unemployment after the Mariel boatlift goes up for all groups, rising from 5.0% in April 1980 to 7.1% in July. Why does Card argue that “there is no evidence that the Mariel influx adversely affected the unemployment rate of either whites or blacks” (p. 250)?

The US officially entered a recession in the third quarter of 1981, and as seen from the comparison cities, unemployment is increasing across the board. Card, therefore, argues that it seems likely that *“this downturn reflects an unusually severe cyclical effect associated with the 1982-83 recession”* and not a result of the Mariel influx.



**Question 4.1:** If the boatlift had a negative effect on the employment of unskilled workers, what would we expect to see in the unemployment for each of categories of education in both Miami and the comparison cities?

*Note:* The possible values of `educ` are BA, HS, or `lessHS`.

If most Mariel immigrants were unskilled workers, their education level would likely fall under the `lessHS` category. If the boatlift negatively impacted employment, we expect to see especially the unemployment in `lessHS` increase in Miami – significantly more than in our comparison cities. The other categories should preferably follow the trend of the comparison cities. Depending on the type of work, a person with a high school degree `HS` might also be unskilled, and thus, there might be an effect here as well.



**Question 4.2:** What happens to the unemployment rates of those with a college education (BA) between 1980 and 1982, when the effects of the Mariel boatlift should have been felt? What happens to those with the least education? (“lessHS”). Is this consistent with a large effect of immigration on the least educated that is hypothesized above?

For the more educated people, BA, we see that the unemployment is falling slightly ( $\sim 1\%$ ) in the period after 1980 while we, for the ones with the least education `lessHS`, see the unemployment increase dramatically from 8.7% in 1980 to 16.5% in 1982. Thus, this is consistent with my hypothesis from Q4.1. However, as mentioned earlier, the US economy experienced a recession in this period, and it seems likely that the less educated had jobs that would be more affected by a recession than those with a college degree.





**Question 4.4:** Like Card's study, many empirical papers find very small or no impact of immigration on local workers' wages and employment. Several studies even found a positive impact of skilled immigration on wages and employment. What are 2 possible reasons why having immigrants could benefit non-immigrant workers?

One explanation for the positive impact of skilled immigration could be that the skills of the immigrants are slightly different than those of the local population. Thus, the immigrant's skills complement the non-immigrant workers. This, in turn, would increase the demand for non-immigrant workers, driving up their wages and employment rates.

A second explanation for this could be the entrepreneurship of immigrants. It seems plausible that immigrants with different backgrounds can find a gap in the market and start their own businesses. This could increase demand for work as the businesses of the immigrants start employing non-immigrants.

