

Immigration, Skills, and Wages: Unpacking the U.S. Labor Market

Course: Econometrics ECO B2000

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Abstract

Immigration is a topic frequently debated in political and economic spheres, often clouded by misrepresentation and oversimplification. This study examines how immigration levels impact wages in the U.S. labor market, controlling for skill levels and education. Using data from the 2021 Household Pulse Survey of the American Community Survey (ACS), this paper investigates demographic characteristics, wage disparities, and occupational dominance of skilled and unskilled immigrants. Skilled immigrants, defined as those with post-secondary education, generally earn higher wages due to access to higher-paying occupations, paralleling trends observed in native workers. Unskilled immigrants, by contrast, are more concentrated in industries requiring less formal education. Additionally, this study explores immigrant age distributions, their paths to citizenship, and the regions of the world they originate from. The findings aim to contribute to a nuanced understanding of the relationship between immigration, education, and economic outcomes in the United States.

Introduction

Immigration, like many topics in political discourse, is often misrepresented and reduced to overly simplistic narratives. However, its role in the economy, particularly concerning wages, productivity, and growth, demands a more nuanced examination. Recent developments have heightened the relevance of understanding immigration's economic impact, making this a critical area of study.

Decades of research have investigated how immigration influences labor markets, providing an extensive body of data. This paper utilizes the 2021 Household Pulse Survey from the American Community Survey (ACS), part of the U.S. Census Bureau's efforts to capture demographic information on variables such as race, income, and citizenship status. The ACS dataset serves as an ideal sample for this analysis, though future studies should consider incorporating more recent data.

Economists David Card and Giovanni Peri have emphasized that immigrants are not a homogenous group akin to native workers. Instead, they can be categorized into two broad groups: skilled and unskilled immigrants. Skilled immigrants typically possess higher education obtained either in their home countries or after migrating to the United States, enabling them to access higher-paying occupations. Conversely, unskilled immigrants generally have a high school education or less, limiting their participation in the formal labor market and confining them to lower-wage industries.

This study reveals that skilled immigrants earn substantially higher wages than their unskilled counterparts, reflecting the wage disparities driven by education and occupational access. These findings mirror trends among native workers, where education significantly determines earning potential. Moreover, this analysis underscores that immigrants represent a

spectrum of educational and economic outcomes, from those holding advanced degrees to individuals with minimal formal schooling.

The data also highlights demographic patterns, with skilled immigrants tending to be older. This is likely due to naturalization pathways, as many skilled immigrants achieve U.S. citizenship after years of residency. For instance, naturalized citizens (Type 2) typically range in age from 45 to 60, while non-citizens or temporary visa holders (Type 3) are often aged 30 to 52. The paper further explores the industries where skilled and unskilled immigrants dominate, as well as their regional origins, spanning continents such as Asia, Europe, Africa, and Latin America.

By integrating these aspects, this paper aims to contribute to a richer understanding of the interplay between immigration, education, and wages in the U.S. labor market.

Literature Review

The impact of immigration on wages and labor markets has been extensively analyzed by economists, revealing a complex and multifaceted relationship. Drawing on diverse studies, primarily accessed through JSTOR, this review synthesizes key findings, explores methodological approaches, and highlights the differences among existing research.

Economist Giovanni Peri, in *Immigrants, Productivity, and Labor Markets* (2016), examines six decades of immigration trends using data from sources like the U.S. Census, World Bank, and the United Nations. Through natural experiments in Miami and Denmark, Peri finds that immigration does not significantly lower wages due to labor market adaptability. His use of confidence intervals and controlled sample sizes provide robustness, but challenges, like omitted

variable bias and limited generalizability, persist. Integrating instrumental variable techniques could further strengthen his causal claims, especially in addressing endogeneity concerns.

Britta Glennon's *Skilled Immigrants, Firms, and the Global Geography of Innovation* (2024) shifts focus to skilled immigration and its impact on firm productivity. Using accessible government datasets, such as USCIS Nonimmigrant Worker Petitions and the H-1B Employer Data Hub, Glennon shows how firms in high-value industries disproportionately benefit from skilled workers. Her sectoral comparisons and visual analyses underscore skilled immigrants' unique contributions. However, a deeper use of advanced econometric methods, like propensity score matching, would provide stronger causal insights.

The intersection of immigration and innovation is further explored by Francesco Lissoni and Ernest Miguelez in *Migration and Innovation: Learning from Patent and Inventor Data* (2024). Using data from the U.S. Patent and Trademark Office, the authors link patents to STEM-educated immigrants. Their findings show immigrants' significant role in technological advancements through linear regressions and comparative bar graphs. However, relying solely on patents as proxies for innovation limits the scope, as many contributions remain unpatented. Including broader measures of innovation would enhance the comprehensiveness of their study.

In *The Abolition of Immigration Restrictions and the Performance of Firms and Workers* (2021), Andreas Beerli and colleagues investigate the impact of Switzerland's open border policy with EU citizens. Their findings reveal that labor mobility fosters innovation without negatively affecting native wages, echoing Glennon's conclusions on skilled immigration. Beerli's methodological rigor, which includes linear models and demographic analyses, stands out. However, incorporating longitudinal data could provide deeper insights into the sustained effects of open border policies.

David Card's seminal works, *Immigration and Inequality* (2009) and *The Impact of the Mariel Boatlift on the Miami Labor Market* (1990), remain pivotal in immigration economics. In *Immigration and Inequality*, Card uses municipal data and scatter plots to show minimal adverse effects of unskilled immigration on native wages. Similarly, *The Impact of the Mariel Boatlift* employs a natural experiment to analyze the sudden influx of unskilled Cuban immigrants to Miami in 1980. Despite a slight increase in unemployment among Hispanic Cubans, Card finds minimal wage disruptions for unskilled workers overall. His reliance on OLS models and natural experiments demonstrates methodological robustness, but addressing potential endogeneity through advanced techniques like instrumental variables could enhance the validity of his findings.

Lastly, C.R. Winegarden and Lay Boon Khor's *Undocumented Immigration and Unemployment of U.S. Youth and Minority Workers* (1988) focuses on undocumented immigration and its impact on unemployment among youth and minorities. Using state-level data from the 1980 Census and simultaneous-equations modeling, the study finds disproportionate effects on these vulnerable groups. While methodologically rigorous in addressing endogeneity, its demographic-specific focus limits broader applicability.

Across these studies, accessed primarily through JSTOR, a general consensus emerges: immigration, whether skilled or unskilled, does not universally harm wages. Variations in findings stem from regional contexts, data sources, and methodological differences. While linear regressions, scatter plots, and descriptive statistics dominate the methodologies, advanced techniques like difference-in-differences or longitudinal models could improve causal inferences. Data accessibility also varies, with government datasets like the U.S. Census being readily available, while proprietary sources, such as patent records, present challenges.

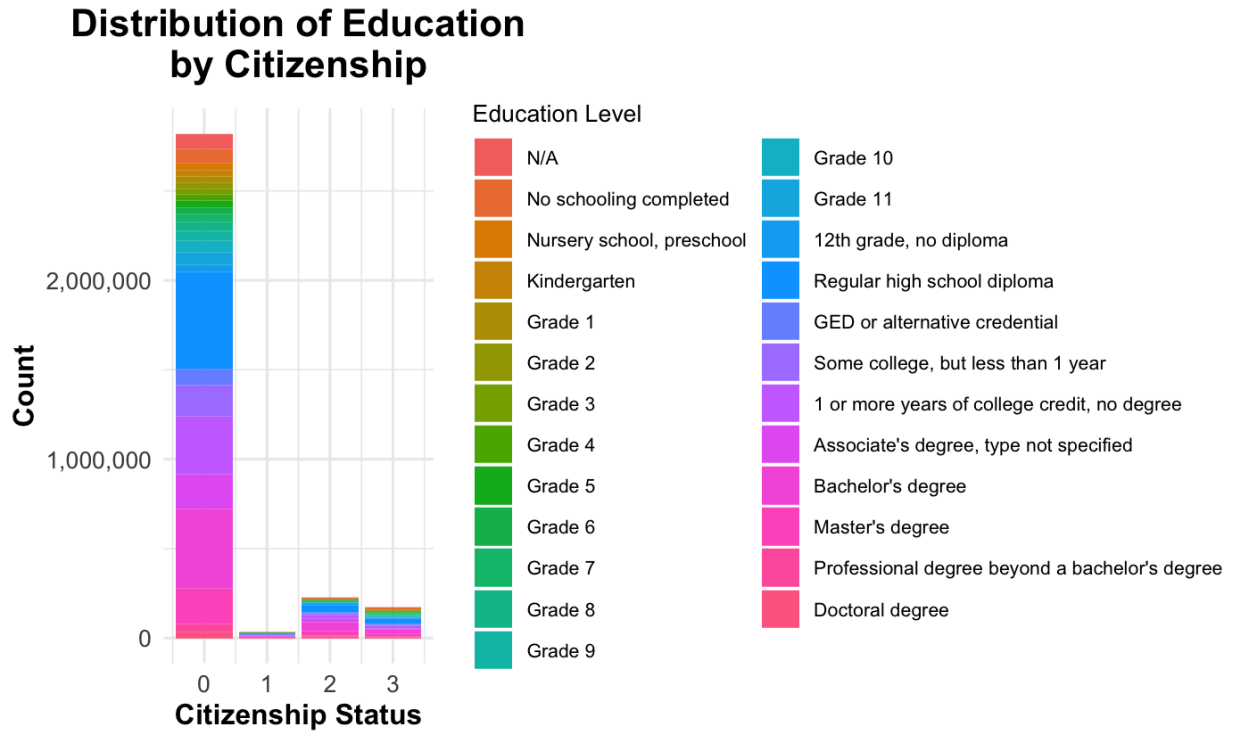
This literature review underscores the nuanced impacts of immigration on wages and labor markets. It highlights gaps in existing research, such as the need for broader datasets and longitudinal analyses, which this paper seeks to address. By synthesizing diverse perspectives, the review emphasizes the importance of robust data and econometric methods in shaping informed immigration policy and economic understanding.

Data

The dataset analyzed in this study, derived from the 2021 American Community Survey (ACS) Household Pulse survey, provides a comprehensive snapshot of U.S. demographic, citizenship, and educational characteristics. This dataset is a key component of the U.S. Census and is particularly well-suited for examining the effects of immigration on wages.

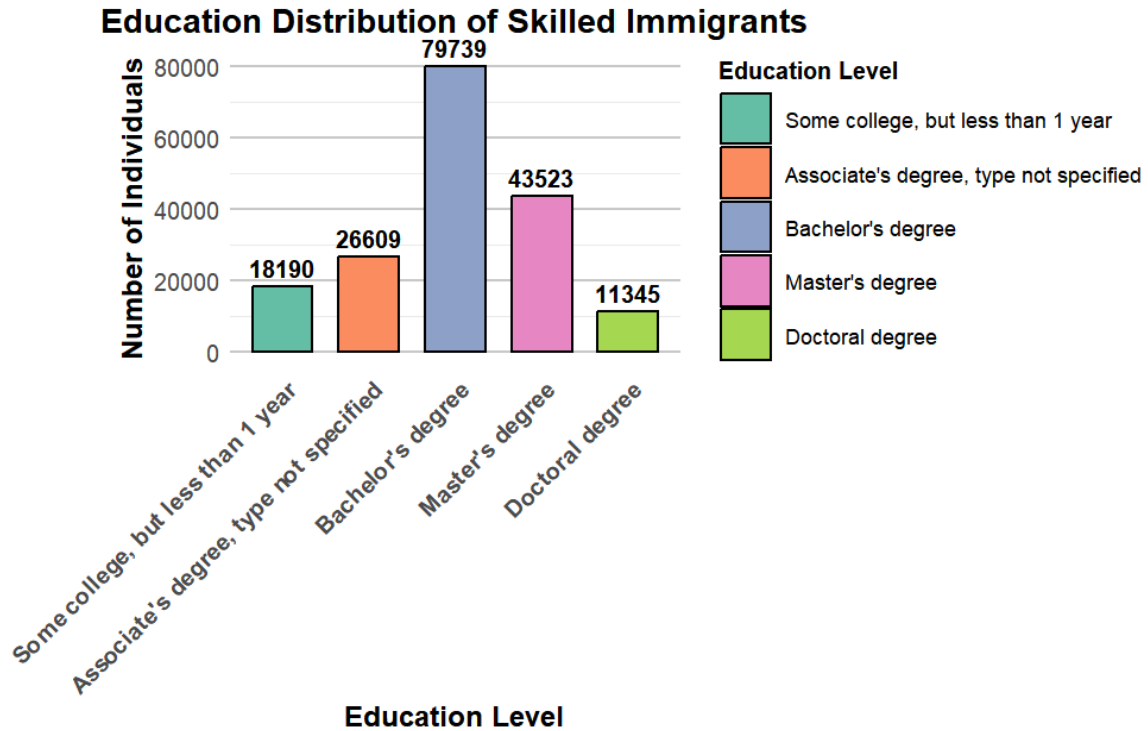
The data categorizes individuals into four citizenship types, each offering unique insights into the immigrant population. Type 0 represents individuals born on U.S. soil who are citizens by birth. Type 1 includes individuals born outside the United States to American parents; this group, often undergoing a streamlined legal process for citizenship, is the smallest sample in the dataset and not a primary focus of this study. Type 2 encompasses naturalized citizens who have completed the legal process for citizenship, while Type 3 represents non-citizens. The analysis in this paper primarily focuses on the latter two groups, as they provide the most relevant insights into the impact of immigration on the labor market.

Figure 1:



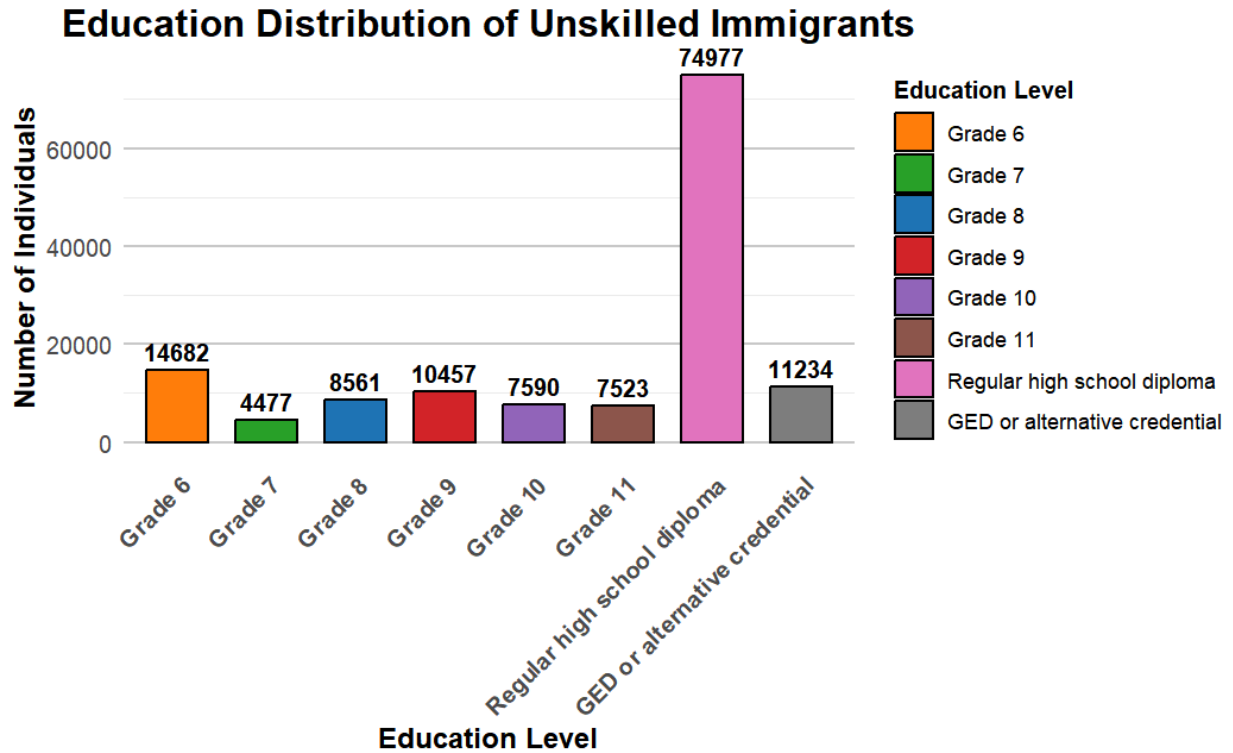
The first graph illustrates the distribution of individuals across different citizenship types. Unsurprisingly, Type 0—native-born citizens—dominate the population, accounting for 86% of the total. In contrast, Type 1 (citizens born abroad to U.S. citizen parents) represents a very small share, comprising only 1%. Types 2 and 3, which include naturalized citizens and non-citizens respectively, make up 7% and 5% of the population. Combined, all immigrant groups (Types 1, 2, and 3) constitute 13% of the total population.

Figure 2:



The study further categorizes immigrants into two skill groups based on educational attainment. Skilled immigrants are defined as those with at least some college education, encompassing bachelor's, master's, and doctoral degrees. Among skilled immigrants, bachelor's degree holders constitute the largest group (44%), followed by master's degree holders (24%), and doctoral degree holders, who represent a smaller proportion (6%).

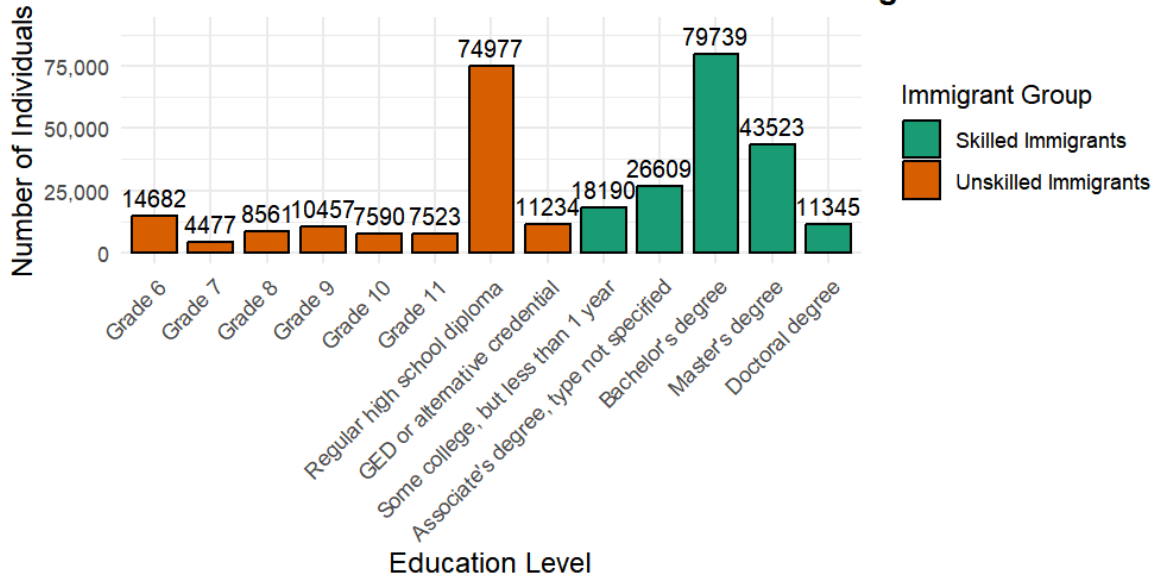
Figure 3:



Conversely, unskilled immigrants are defined as individuals with a high school diploma, equivalent certification, or less education. Within this group, high school diploma holders represent the majority (53%), followed by those who have completed sixth grade (11%) and seventh grade (3%). This categorization highlights the diverse levels of human capital among immigrants and their potential contributions to the labor market. By examining these classifications, the analysis seeks to explore the interplay between immigration levels, skill sets, and education in shaping wages within the U.S. labor market.

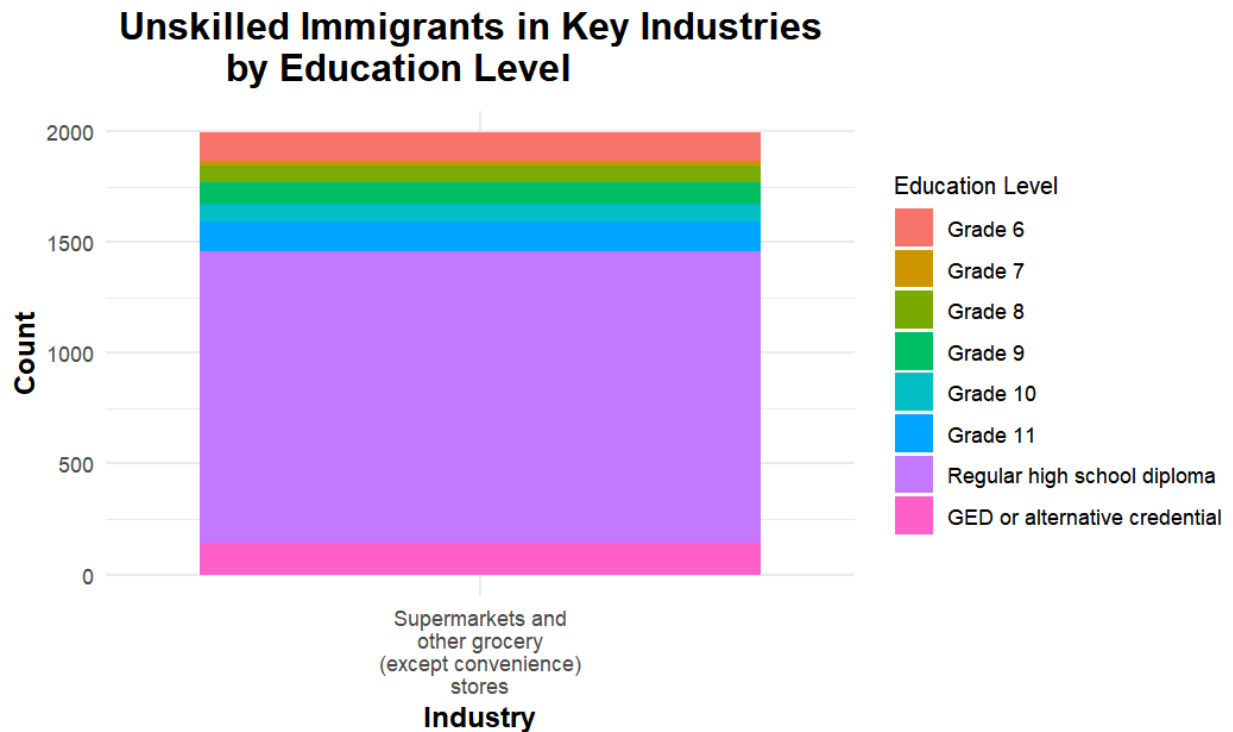
Figure 4:

Education Level Distribution: Skilled vs Unskilled Immigrants



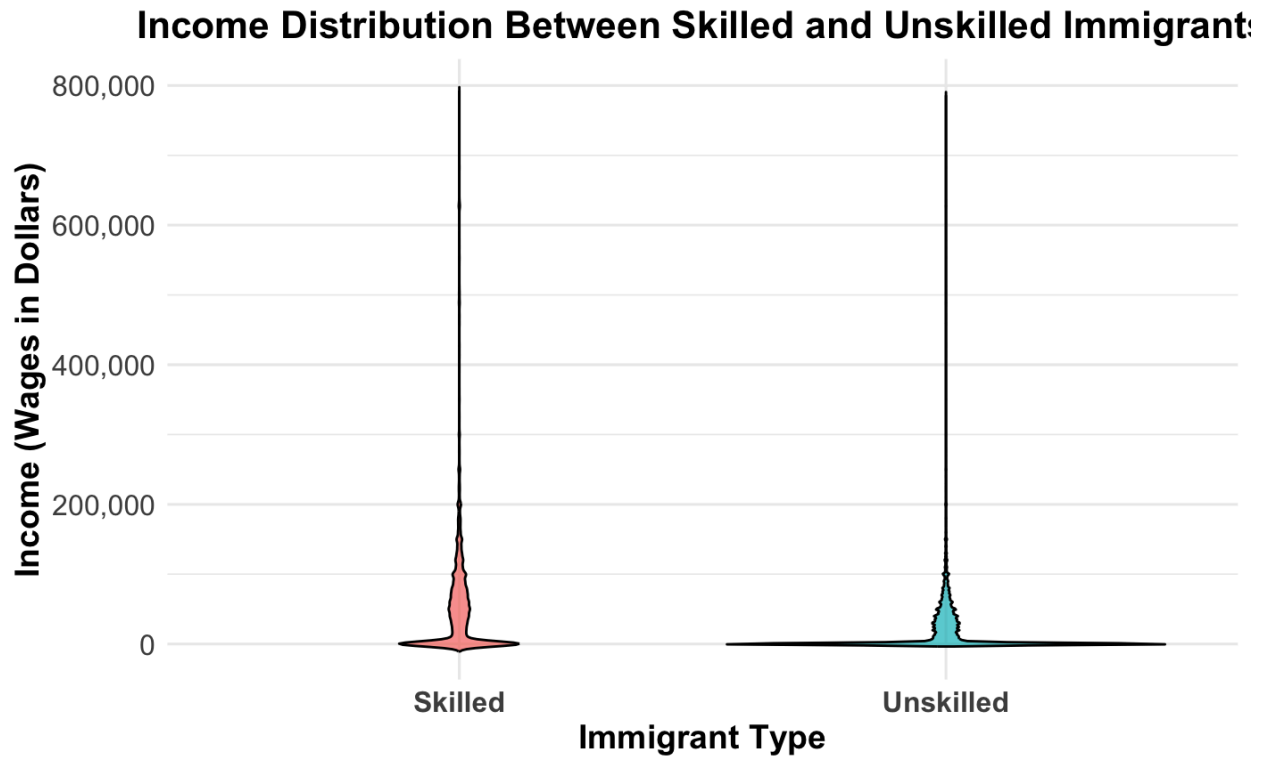
When combining the two data sets, it becomes evident that more immigrants have attained some college education compared to those with less than a high school diploma. This suggests that many immigrants enter the U.S. with foundational education or acquire additional skills upon arrival. The three largest groups are immigrants holding a bachelor's degree, a high school diploma, and a master's degree. These findings challenge the stereotype of immigrants as uneducated and unskilled individuals entering the job market without the ability to advance. Instead, the data highlights the potential for immigrants to achieve educational and occupational mobility in the U.S.

Figure 5:



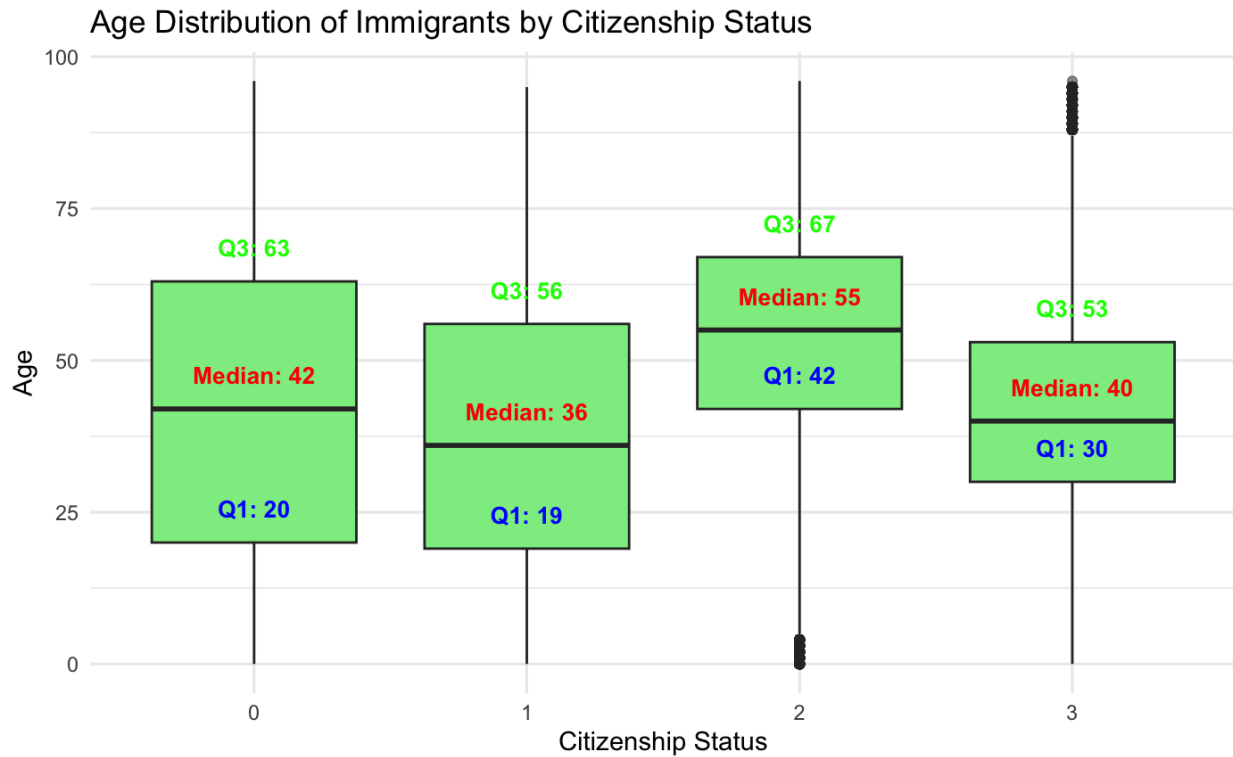
When examining working industries, a clear distinction emerges between the occupations of unskilled and skilled immigrants. Figure 5 highlights key industries employing unskilled immigrants, such as supermarkets, construction, and agriculture. Similar to the patterns observed in Figure 3, the majority of these workers possess a high school diploma. This demonstrates that unskilled immigrants are often employed in roles suited to their educational qualifications. Furthermore, it reflects that firms typically establish specific educational requirements, aligning job demands with the skills and qualifications of their workforce.

Figure 6:



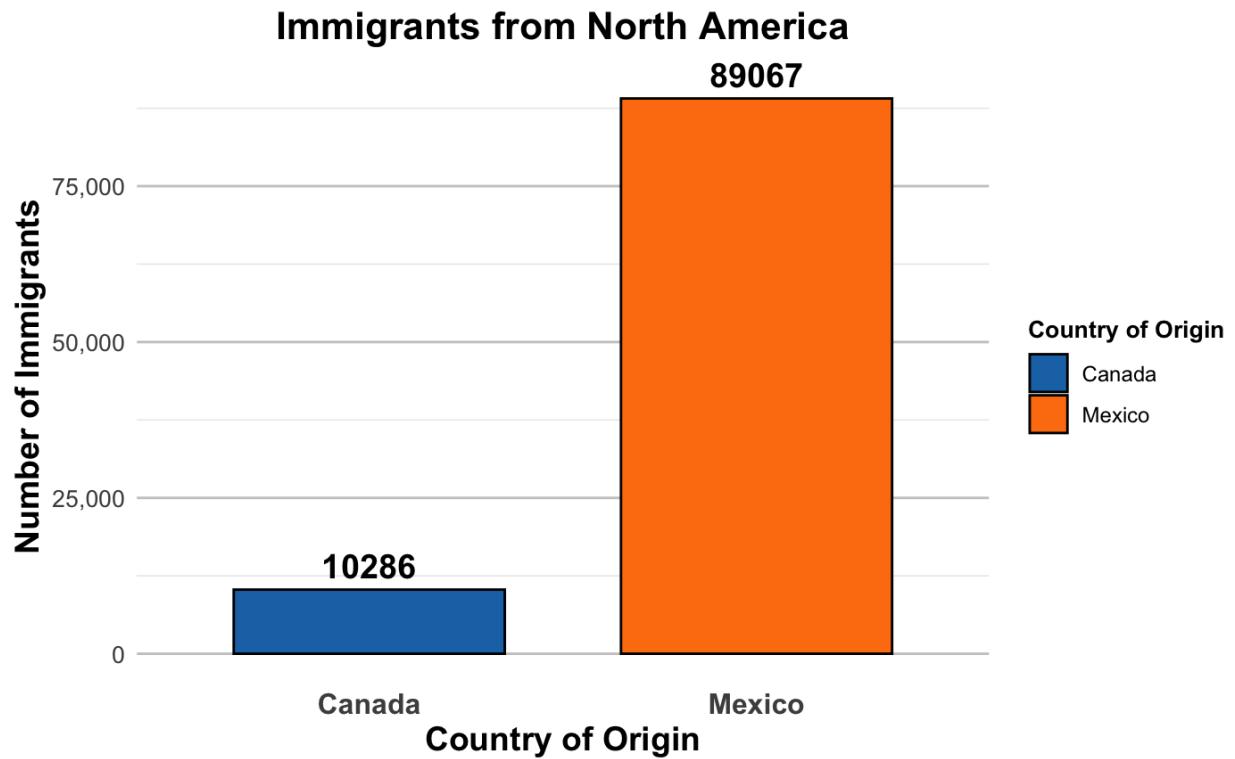
When analyzing the income distribution of both groups, education appears to play a significant role in determining earnings. Among unskilled immigrants, 95% earn less than \$100,000, whereas 95% of skilled immigrants earn below \$200,000. The average (mean) income for unskilled immigrants is \$22,350, with a median income of \$1,300, indicating a pronounced level of income inequality within this group. In contrast, skilled immigrants have a mean income of \$56,901 and a median income of \$33,000, reflecting less inequality and substantially higher earnings compared to their unskilled counterparts. These findings underscore that skilled immigrants possess more valuable qualifications and expertise, which enable them to command higher salaries in the labor market.

Figure 7:



The ages of immigrants tend to skew older, with the median age for Type 2 (naturalized citizens) being 55 and for Type 3 (non-citizens) being 40. This trend is understandable, as individuals in these groups often reside in the United States long enough to become eligible for visas and, in the case of Type 2, citizenship. Many Type 2 and 3 immigrants likely arrived in the U.S. at a younger age and now have children classified as Type 0 (native-born citizens). Conversely, Type 1 immigrants—individuals born abroad to U.S. citizen parents—tend to be younger, reflecting their immediate citizenship status upon arrival in the United States.

Figure 8:



From the continent of North America, the focus is on immigrants from Mexico and Canada. Among these, Mexico contributes significantly more immigrants to the United States than Canada. Meanwhile, all countries south of Mexico, including those in Central America and the Caribbean, are grouped under South America, as shown in Figure 8. This categorization helps provide a clearer regional perspective on immigration patterns.

Figure 9:

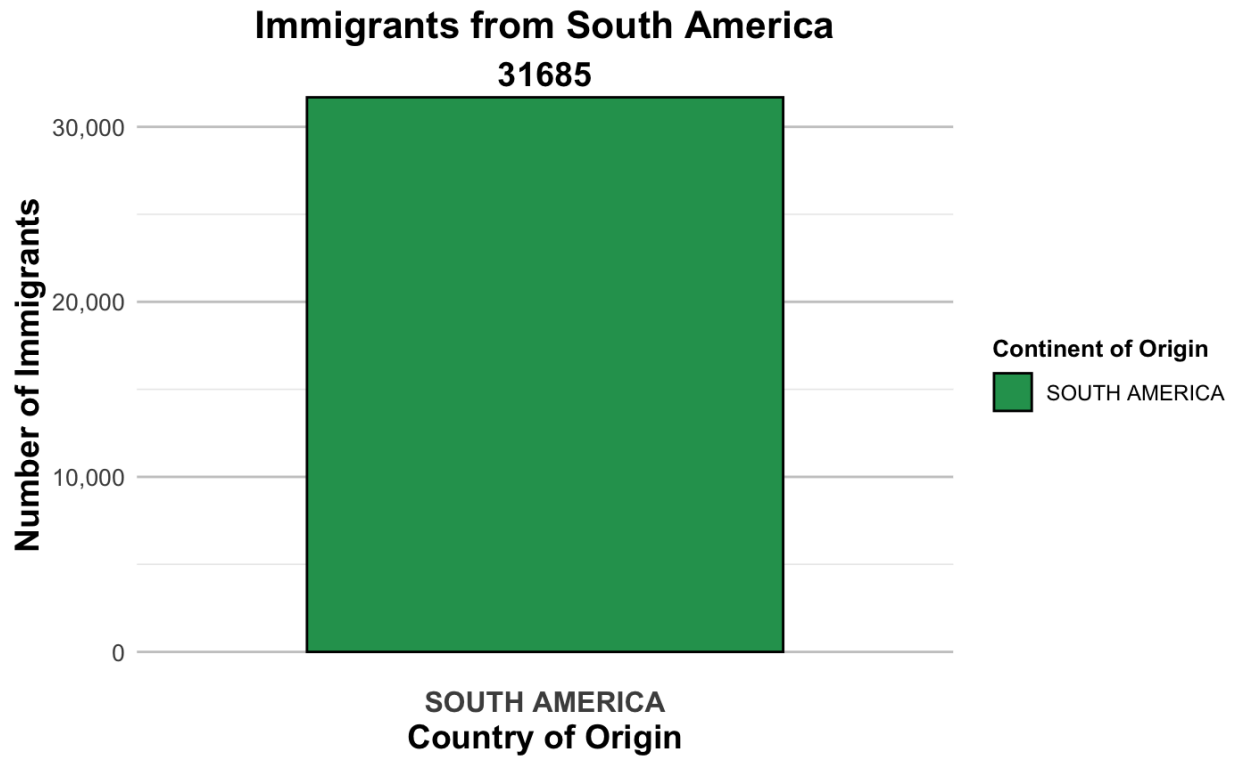


Figure 10:

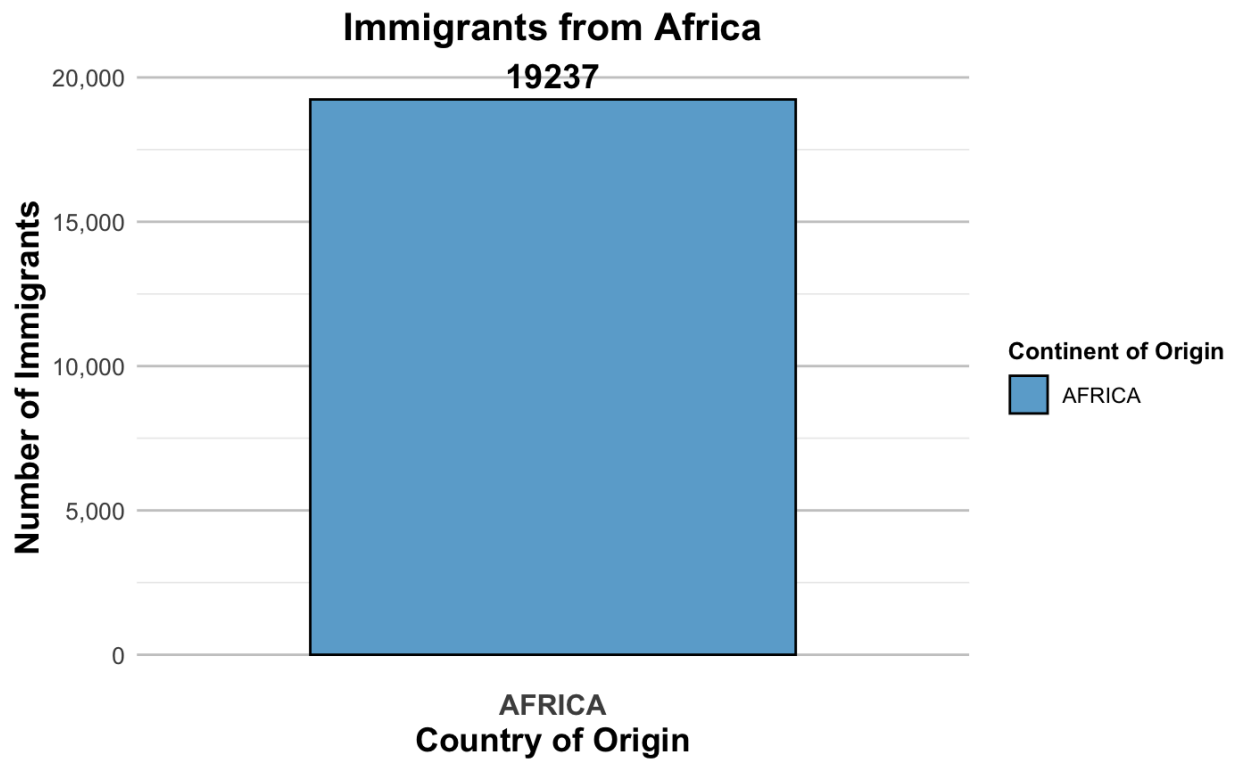
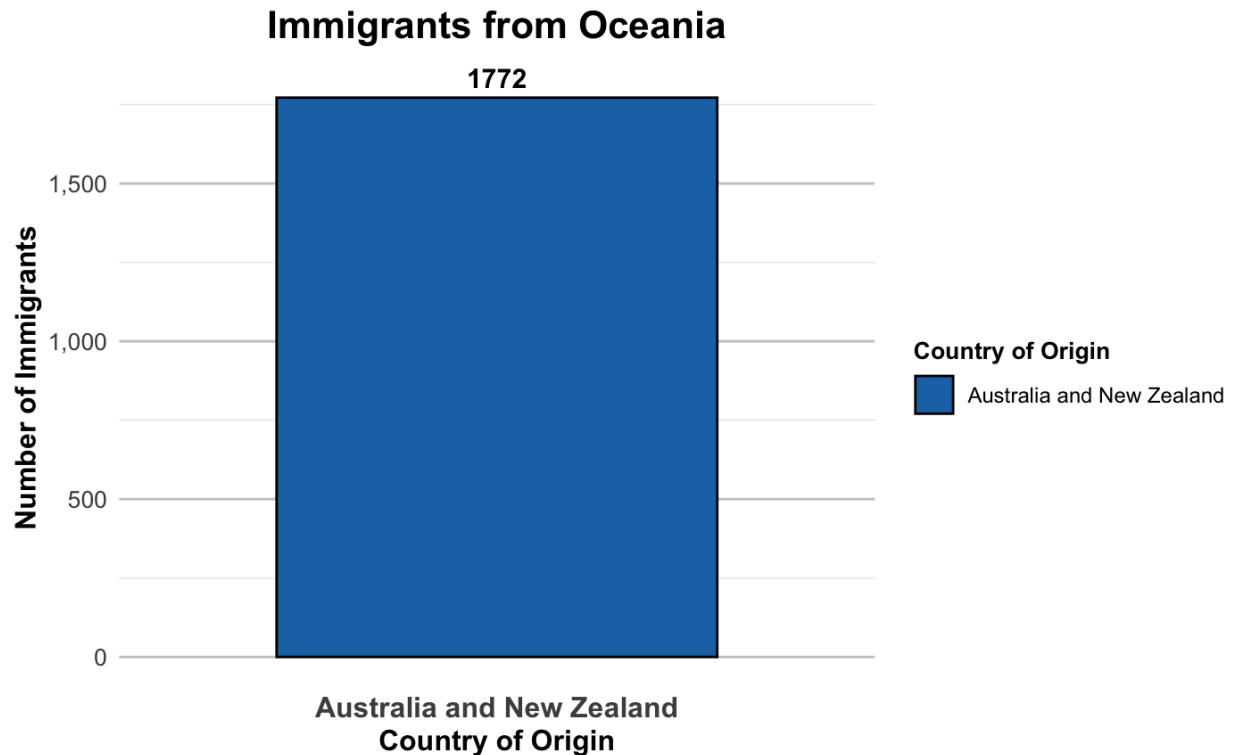
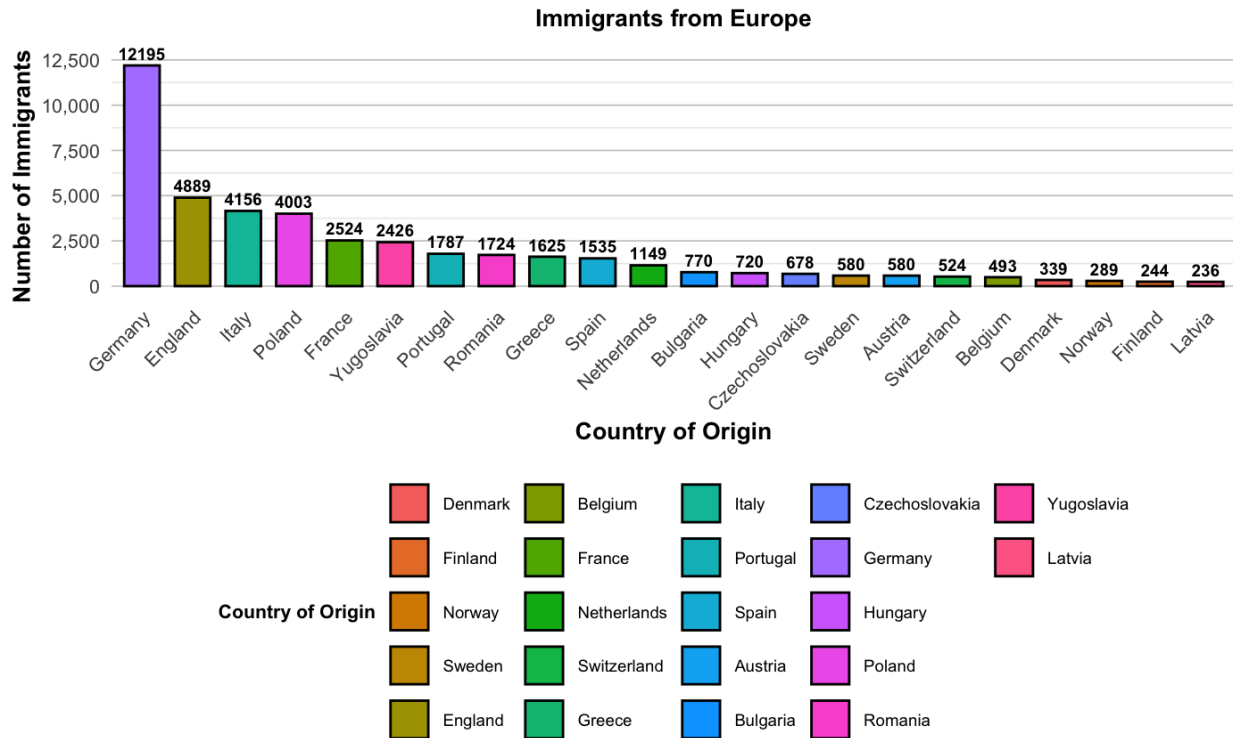


Figure 11:



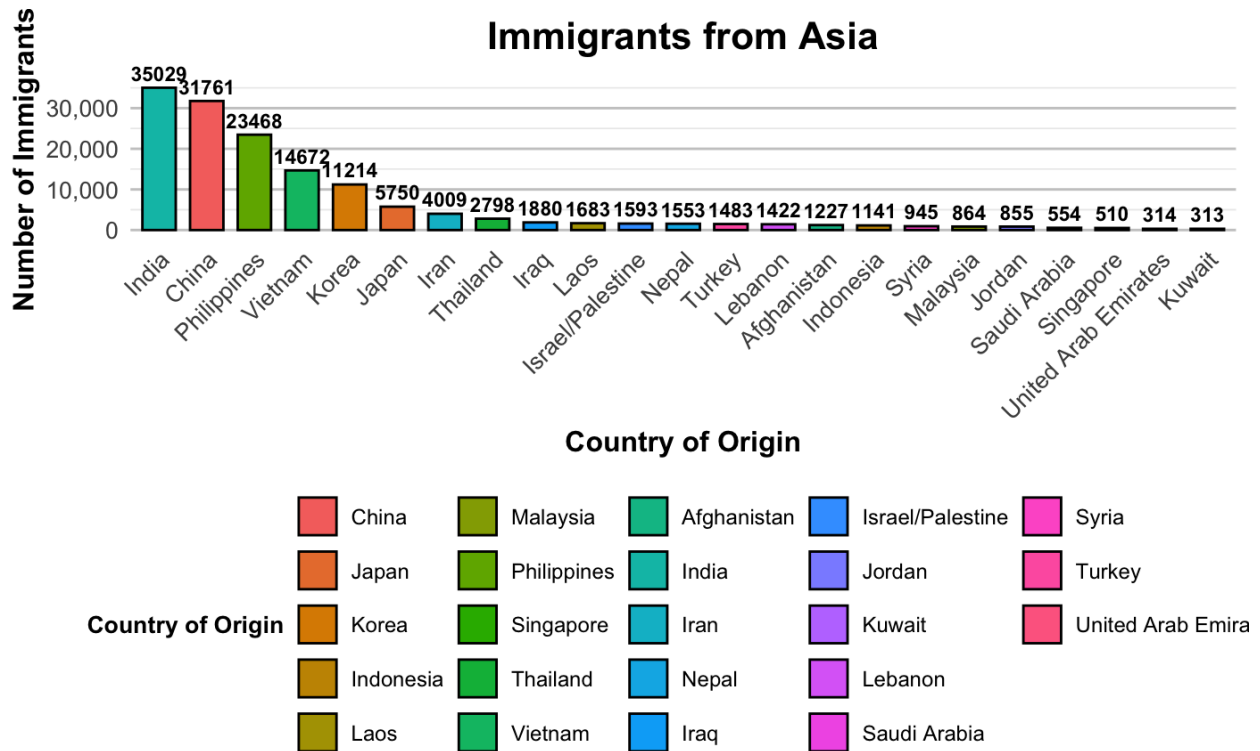
Figures 9, 10, and 11 highlight immigration patterns from South America, Africa, and Oceania (Australia and New Zealand). Oceania has relatively few immigrants to the United States, likely due to the high cost of travel and the high standard of living in their countries of origin. South America contributes a larger share of immigrants; however, the number of immigrants from Mexico alone surpasses the combined total of immigrants from South America and Africa. This comparison underscores the regional differences in immigration flows to the United States.

Figure 12:



The European continent's immigration data can be split into various countries, each contributing relatively low levels of immigration to the United States. This trend mirrors that of Oceania, where countries with a high standard of living incentivize their citizens to remain in their home nations. The minimal immigration from Europe highlights how economic stability and quality of life in origin countries can influence migration patterns.

Figure 13:



Immigration levels from Asia are significantly higher compared to many other regions. The top four countries—India, China, the Philippines, and Vietnam—together contribute 104,930 immigrants, surpassing the number of immigrants from Mexico. This challenges the common narrative of most immigrants crossing the southern border, highlighting a substantial influx from Asia, often via other means such as air or sea travel. Countries like China and India, despite lower overall standards of living, boast highly educated workforces, which likely explains their substantial immigration levels and alignment with U.S. labor market demands.

Simple Regressions

Figure 14:

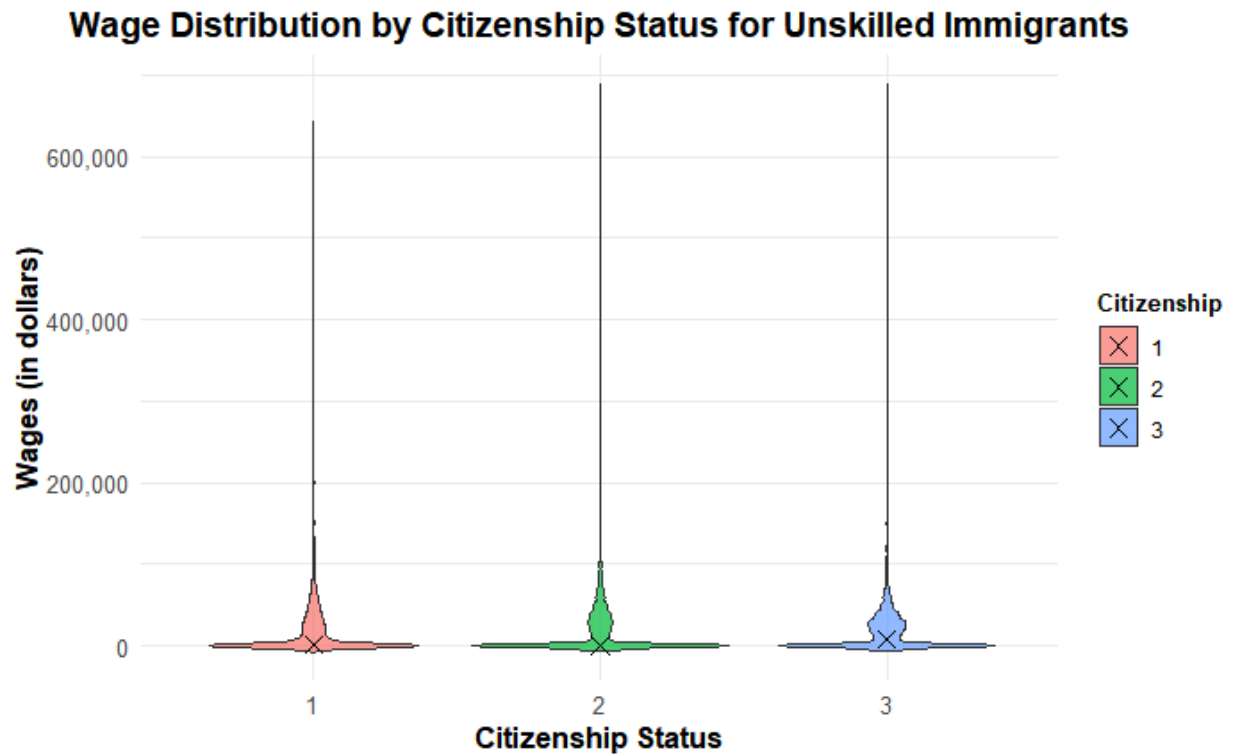


Figure 14 separates unskilled immigrants by citizenship type, highlighting that naturalized citizens (Type 2) have the highest median income among the three groups. This likely stems from their ability to obtain citizenship and English proficiency, which enhances their employability and promotion opportunities. In contrast, non-citizens (Type 3) exhibit the widest wage disparity, reflecting the significant economic challenges they face. Employers may be more inclined to hire or promote naturalized immigrants, given their legal status and adaptability to the U.S. workforce.

Figure 15:

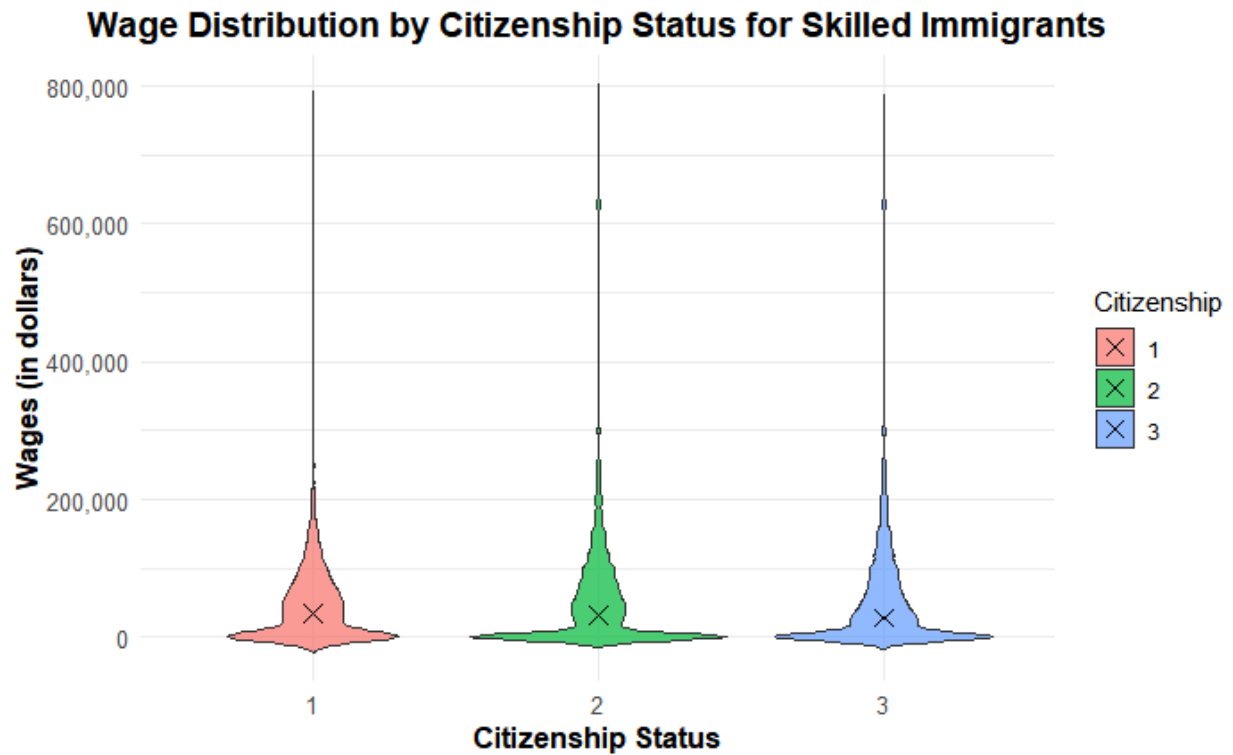


Figure 15 highlights the income distribution of skilled immigrants by citizenship type. As expected, all groups earn significantly more than their unskilled counterparts. Similar to Figure 14, naturalized citizens (Type 2) have the highest median income, reflecting their legal and economic advantages. Notably, non-citizens (Type 3) among skilled immigrants closely approach the earnings of Type 2, indicating the high market value of their advanced skills despite lacking citizenship.

Figure 16:

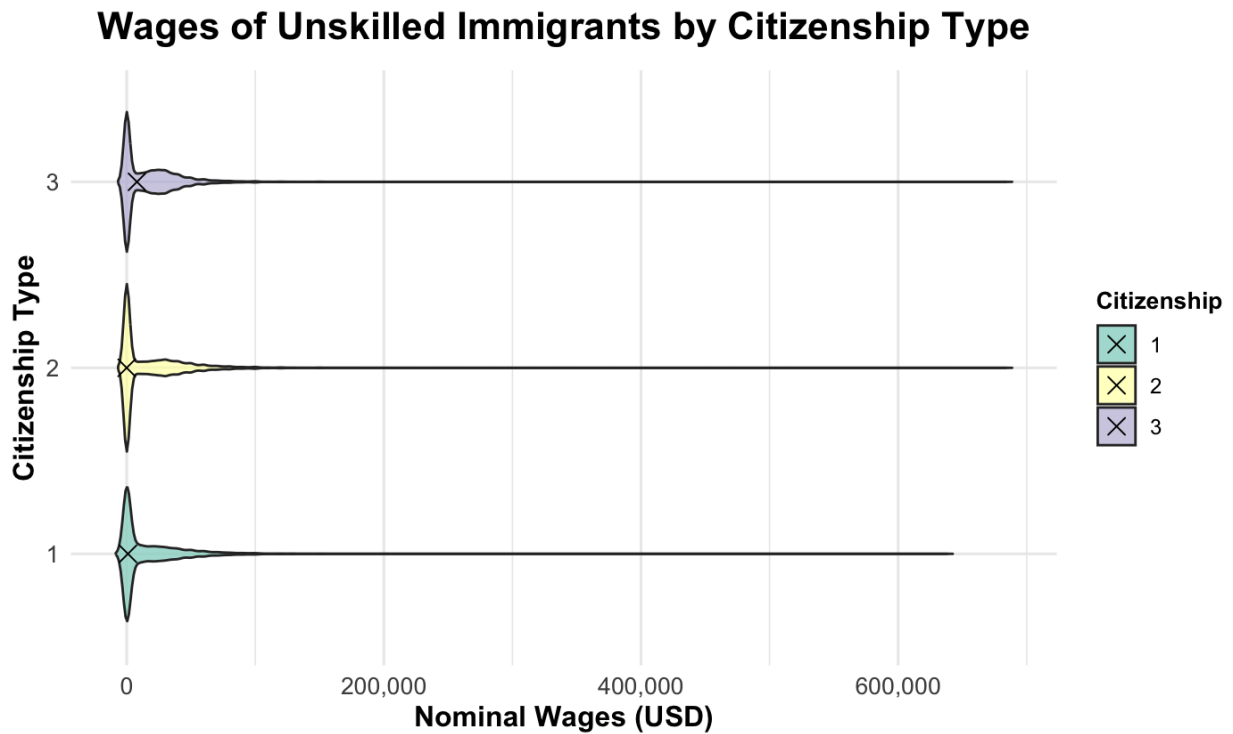


Figure 16 highlights the wage disparities among unskilled immigrants based on citizenship type. The median nominal wage for Type 1 citizens is \$7,405, while Type 2 citizens earn a significantly higher median of \$61,990, closely followed by Type 3 citizens at \$61,903. These figures underscore the economic vulnerability of unskilled immigrants, particularly those in the Type 1 category, as their wages are not only low but also highly susceptible to erosion under inflationary pressures. This makes unskilled immigrants, especially Type 1 citizens, an economically fragile group during periods of both recession and inflation.

Figure 17:

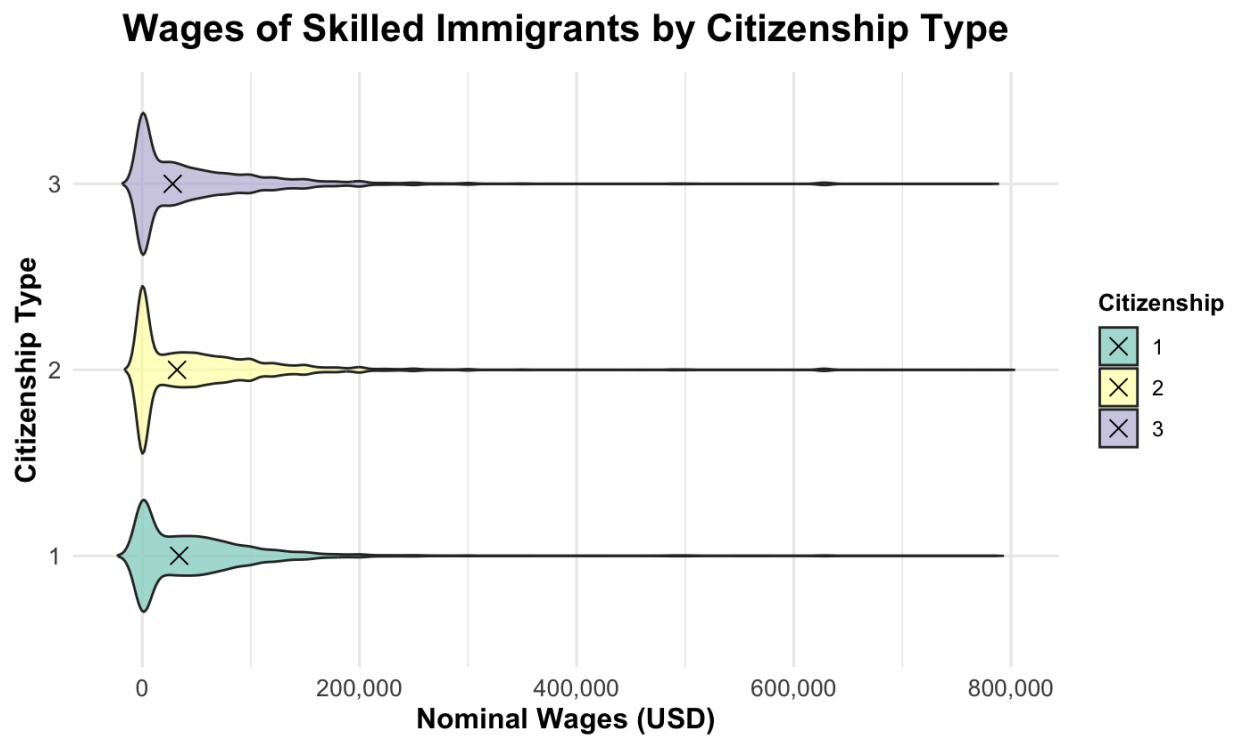


Figure 17 shows the distribution of wages among skilled immigrants based on citizenship type. The median nominal income for Type 1 citizens is \$13,529, for Type 2 citizens is \$108,963, and for Type 3 citizens is \$56,912. Interestingly, the median wage for skilled Type 3 immigrants is lower than that of unskilled immigrants, which underscores the variability within skilled immigrant wage outcomes. Type 2 citizens, however, stand out with the highest nominal wages across all groups, benefiting from the combination of naturalized citizenship and advanced education. This highlights the premium associated with both skill and citizenship status.

Figure 18:

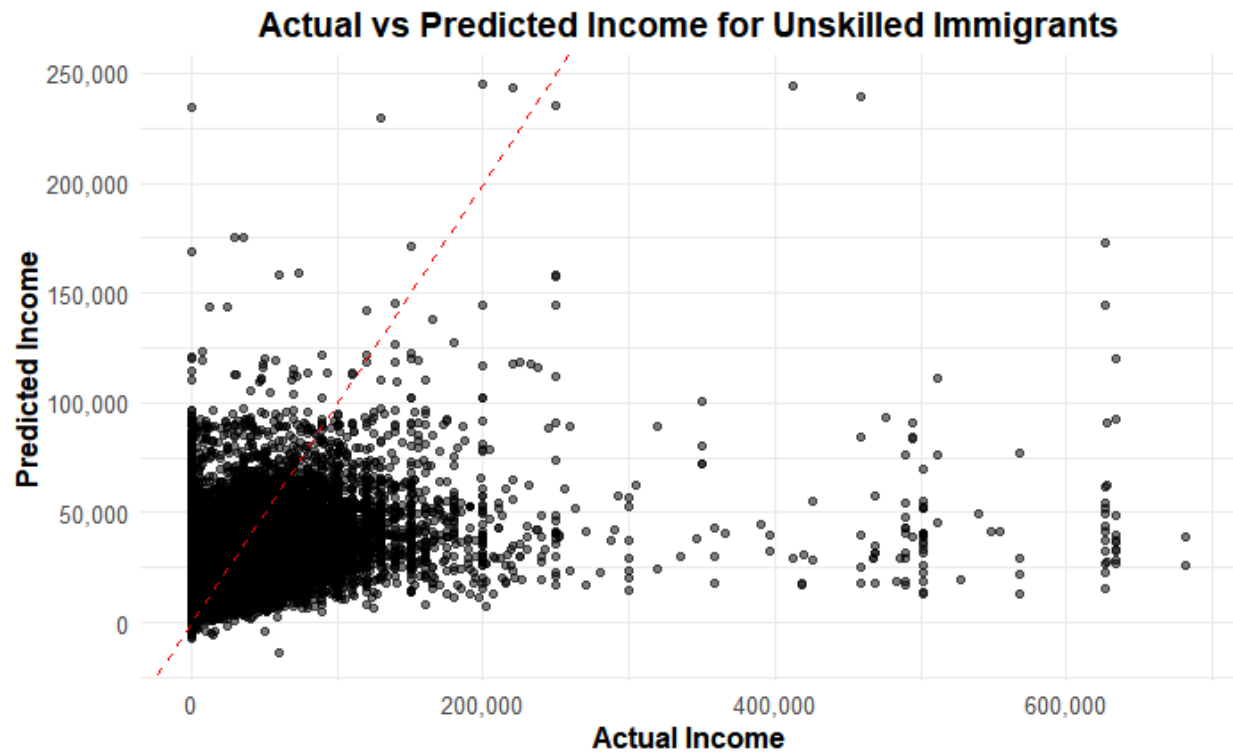


Figure 18 compares actual and predicted incomes for unskilled immigrants. The scatterplot indicates a significant discrepancy between predicted and actual incomes, as many data points deviate from the red diagonal line representing perfect prediction. This suggests that the model struggles to accurately predict income levels for unskilled immigrants, particularly for higher income values. These inaccuracies may arise from omitted variables or the complex factors influencing income within this group. Judging from the results, incomes are likely to grow to about \$200,000 or double their current income.

Figure 19:

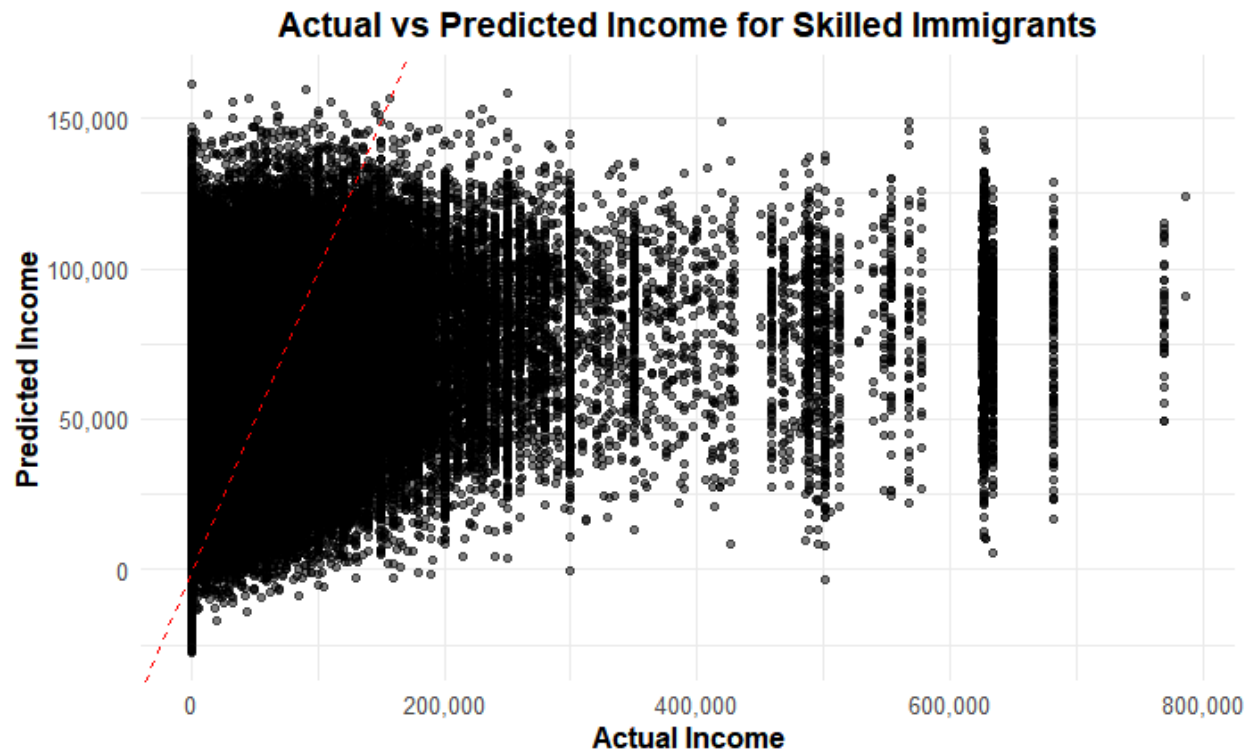


Figure 19 depicts the actual versus predicted income for skilled immigrants. While the model performs slightly better for skilled immigrants than for unskilled immigrants (as seen in Figure 18), there is still a noticeable disparity between the predicted and actual values, especially for higher income levels. A significant number of data points deviate from the diagonal line, indicating prediction errors. Compared to Figure 18, skilled immigrants display a wider range of incomes, with better prediction accuracy at lower income levels but greater variability at higher incomes. This suggests that the model may better capture the determinants of income for skilled immigrants than for unskilled immigrants, though it still struggles with more complex income. The income is predicted to increase to about \$300,000 to \$400,00 but some incomes with greatly increase to \$500,00 or even \$600,000.

Figure 20:

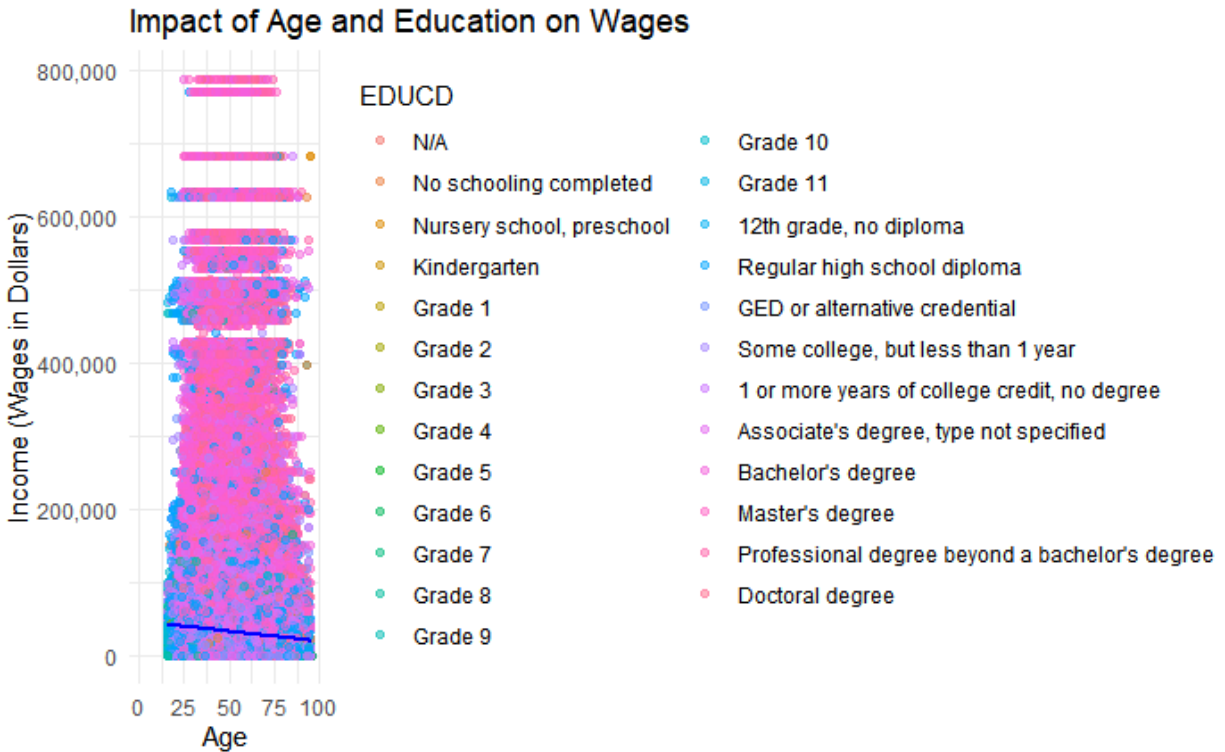


Figure 20 examines the combined impact of age and education on wages. The scatterplot reveals that individuals with higher levels of education, such as bachelor's, master's, and doctoral degrees, cluster in the upper ranges of income, with many surpassing \$200,000 annually. The trendline, however, shows a slight decline in income for older age groups, indicating a potential peak earning age followed by stagnation or decline. Lower educational attainment, such as high school or below, consistently corresponds to lower wages across all age groups, emphasizing the critical role of education in wage determination. This visualization highlights the compounded benefits of higher education over a working lifespan. It also shows the highest level of education and wage tend to be dominated by older immigrants.

Complicated Regressions

Figure 21:

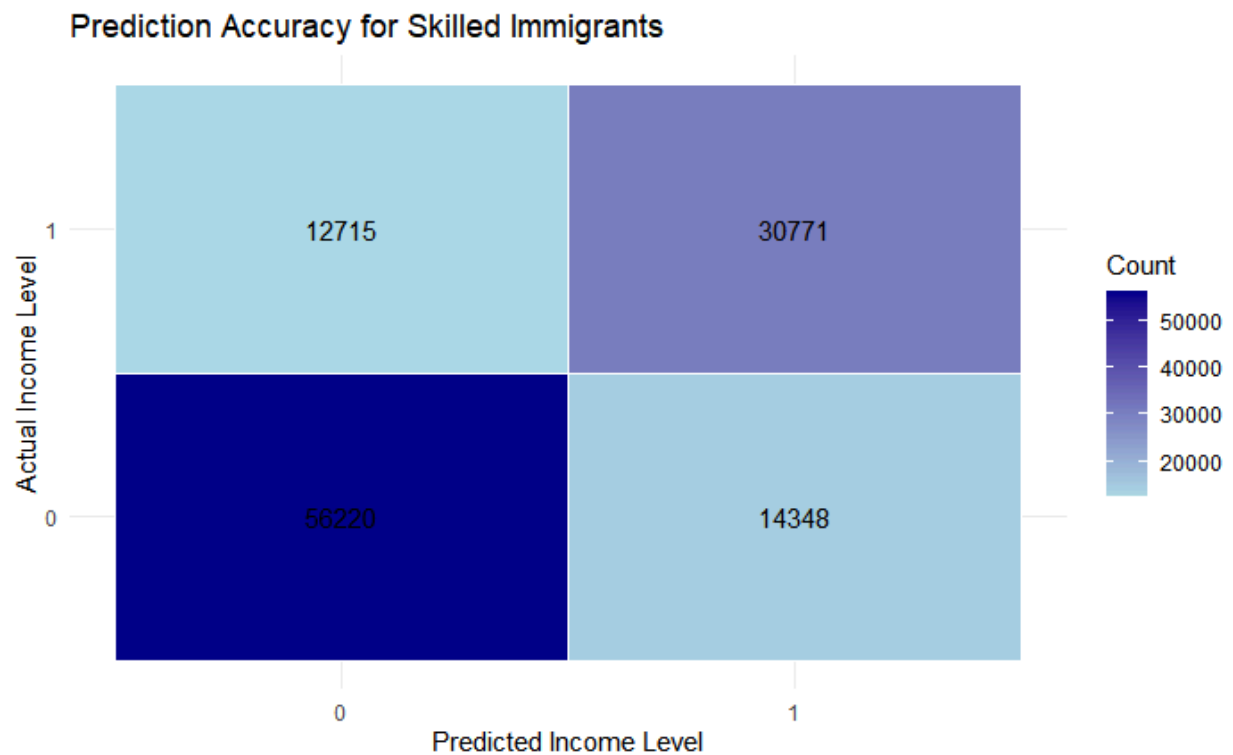


Figure 21 presents the prediction accuracy of the OLS model for skilled immigrants' income levels. The confusion matrix shows that 14,348 cases of higher income were correctly identified (true positives), while 12,715 cases of lower income were also accurately classified (true negatives). However, the model incorrectly labeled 30,771 lower-income cases as higher income (false positives) and 56,220 higher-income cases as lower income (false negatives). This indicates that while the model can differentiate between income levels to some extent, it frequently misclassifies individuals, particularly in identifying higher-income skilled immigrants. These results illustrate the challenges of accurately predicting income within this demographic.

Yet these figures offer a valuable insight into how income is affected by education for skilled immigrants.

Figure 22:

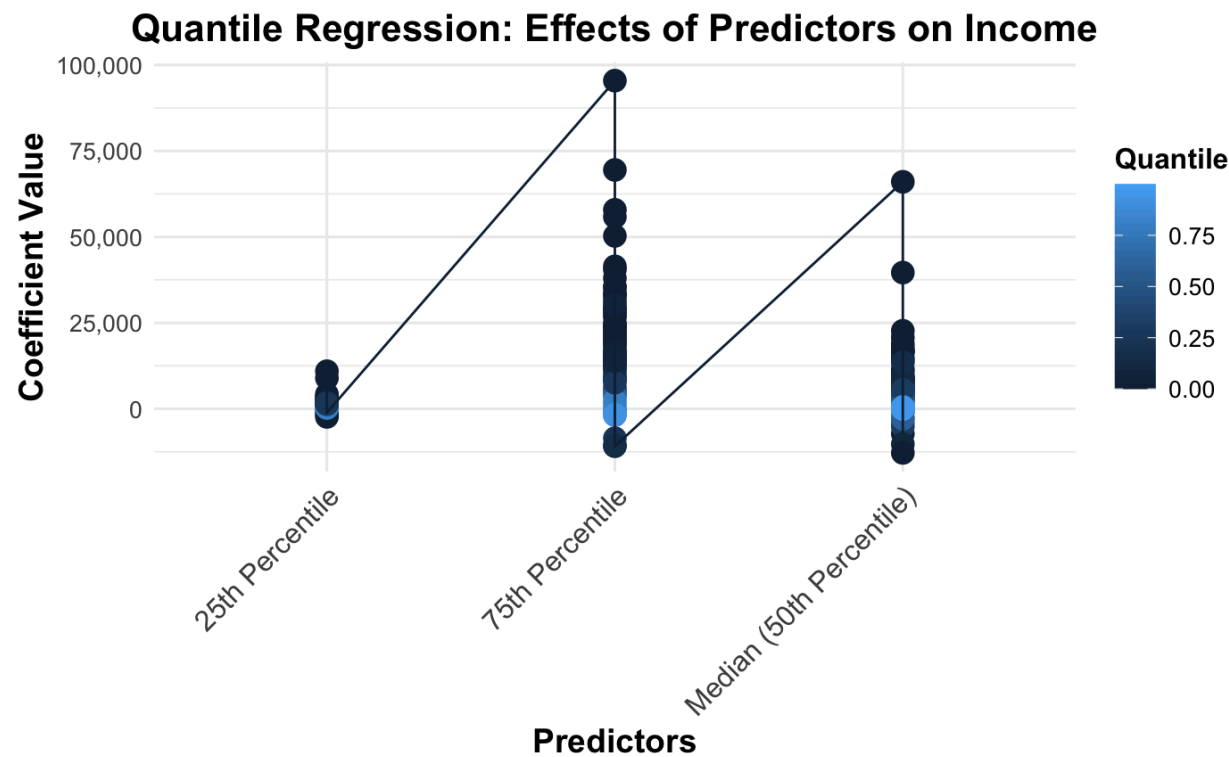


Figure 22 examines the effects of predictors such as age, education, citizenship, race, and birthplace on income at the 25th, 50th, and 75th percentiles. The coefficients increase substantially across the quantiles, indicating that these factors have a greater influence on higher earners. For example, education exhibits a more pronounced impact at the 75th percentile, highlighting its critical role in driving higher wages among skilled immigrants. Conversely, the lower percentiles show a muted relationship, reflecting limited income mobility for individuals with fewer resources or lower qualifications. This visualization underscores how the benefits of

predictors like education and age are amplified for those already earning higher incomes, revealing disparities in their effects across the wage distribution. It has become clear that the relationship between resources and education is mixed as greater education leads to greater resources but access to higher education is determined by the amount of resources an individual has.

Figure 23:

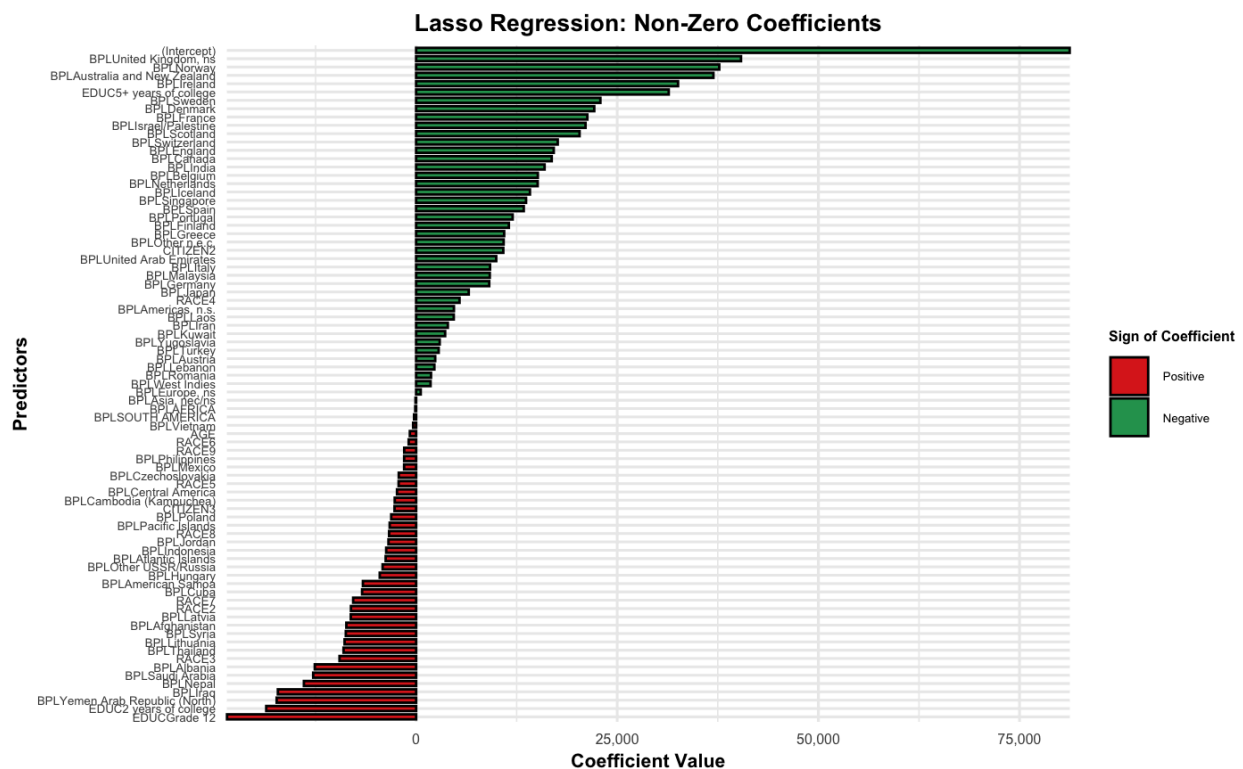


Figure 23 illustrates the non-zero coefficients from a Lasso regression model, which identifies the most influential predictors of income by penalizing less relevant variables. The predictors are sorted by their coefficient magnitude, with positive coefficients shown in green and negative coefficients in red. The coefficients represent the education obtained. Variables

such as birthplace in developed nations (e.g., Norway, New Zealand) and higher education levels (e.g., "EDUC: 5+ years of college") have strong positive effects on income. In contrast, predictors like birthplace in less developed regions or lower education levels (e.g., "Grade 12 or below") exhibit negative coefficients, indicating a detrimental impact on income. This visualization highlights the role of both demographic and educational factors in income determination, while Lasso's selection emphasizes their relative importance in the model. It also shows that the birthplace of the immigrant is an important determining factor in how much education the person has.

Figure 24:

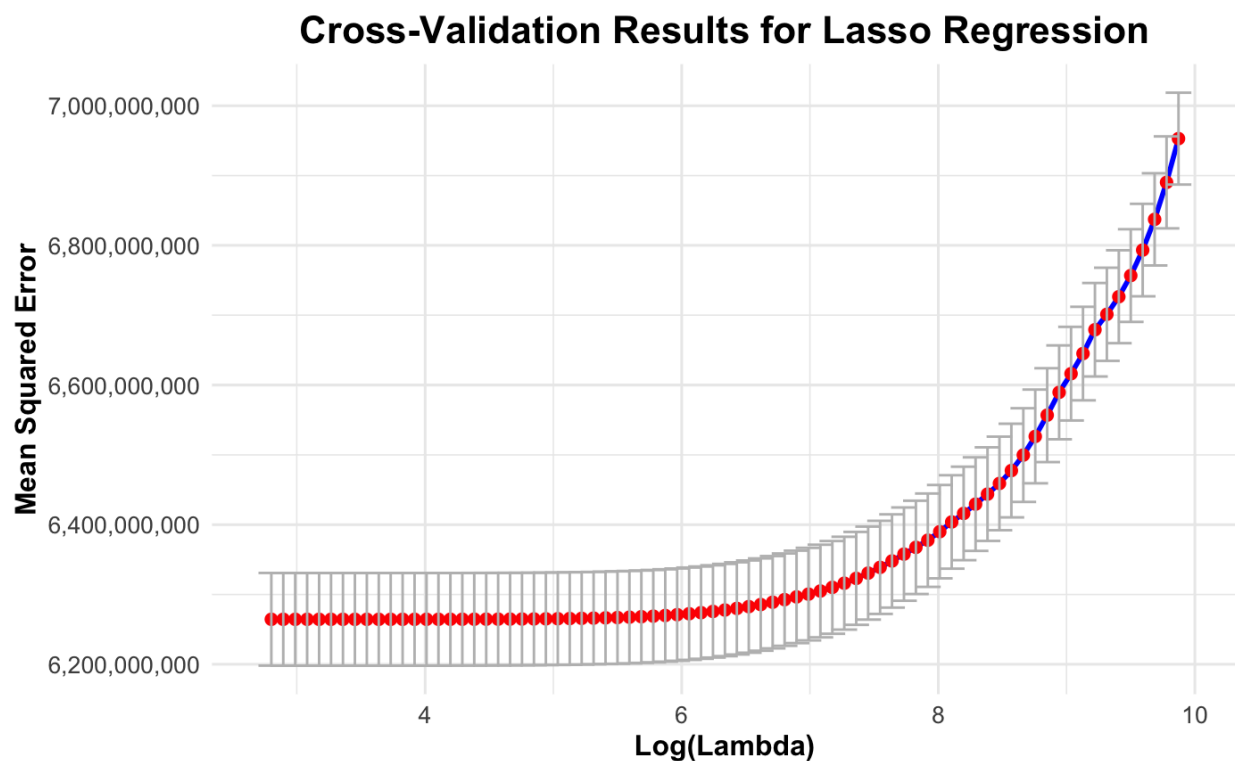


Figure 24 presents the cross-validation results for the Lasso regression model, showcasing the relationship between the regularization parameter (λ) and the mean squared error (MSE). The red points represent the MSE for each value of λ , while the blue dashed line indicates the overall trend. The error bars denote the variability of the MSE across folds, with smaller errors observed at lower λ values. As λ increases, the MSE grows, indicating that higher regularization penalizes more coefficients and potentially oversimplifies the model. This visualization underscores the trade-off in Lasso regression: balancing bias and variance to achieve optimal predictive performance. This graph clearly explains that education and income (wages) are highly correlated.

Discussion

The findings of this study highlight two central themes: the critical role of education in shaping the wages of immigrants and the diverse origins of immigrant populations, with significant representation from Asia and other developing regions. *“Since 1990, about 50 percent of immigrants to the United States, Europe, Canada, and Australia were from Asia, 30 percent from Latin America, and only 20 percent from Africa”* (Peri 2016).

Similar analysis has been applied to other groups of migrant and foreign-origin inventors in the United States, including Chinese, Koreans, Iranians, Russians, and some Western European countries. Again based on name analysis, Breschi, Lissoni, and Miguelez (2017) find that ethnic ties between migrant inventors matter for Asian and Russian inventors. As for evidence concerning diffusion back to the home countries, this appears significant for China and Russia, but not for India. Instead, patents by Indian-origin inventors in the United States appear to be

disproportionately cited by other members of the Indian diaspora, such as those residing in the United Kingdom or other former Commonwealth countries (Lissoni, Miguelez, 2024).

Education consistently emerges as a key determinant of income for both skilled and unskilled immigrants. As shown in Figures 6 and 20, skilled immigrants—those with post-secondary education—earn substantially higher wages than their unskilled counterparts, reflecting the importance of educational attainment in accessing high-paying jobs. However, Figures 16 and 17 reveal that wage disparities persist even among skilled immigrants, with naturalized citizens earning the highest median wages. This suggests that the dual benefits of citizenship and education play a significant role in boosting economic outcomes for immigrants. For unskilled immigrants, Figure 4 demonstrates that many possess foundational education or pursue additional skills upon arriving in the U.S., challenging the stereotype of immigrants as uneducated or lacking in mobility. These patterns underscore the potential for education to serve as a long-term investment, benefiting both immigrants and the broader economy. This is largely due to the high standard of living in developed countries, which reduces the incentive to migrate. This creates a paradox: the U.S. seeks skilled workers from developed nations, but these individuals are less likely to migrate while developing countries often lack an abundant supply of skilled workers. This imbalance could be addressed by policies that encourage unskilled immigrants from developing nations to pursue higher education in the U.S. Figures 7 and 8 suggest that immigrants often reside in the U.S. long enough to become naturalized citizens or obtain educational qualifications, making such investments worthwhile. This approach benefits both parties, as immigrants gain access to higher wages and a better standard of living, while the U.S. cultivates a domestic supply of skilled workers. This is even more necessary when factoring

in that importing more unskilled immigrants does not harm unskilled natives. “Yet, this study shows that the influx of Mariel immigrants had virtually no effect on the wage rates of less-skilled non-Cuban workers. Similarly, there is no evidence of an increase in unemployment among less-skilled blacks or other non-Cuban workers” (Peri 1990). *“Our econometric results clearly do not support commonly-expressed fears that undocumented immigration has caused any substantial increases in unemployment among the presumably most vulnerable groups in the U.S. workforce”* (Winegraden, Khor, 1991). *“Overall, my interpretation of the evidence is that immigration has not had much effect on native wage inequality in the United States. Nevertheless, because immigrants are clustered at the high and low ends of the education distribution”* (Card 2009)

On the other hand, skilled immigrants might improve firm-level innovation and productivity for a variety of reasons. First, if there are shortages of skilled workers, then greater access to skilled immigrants allows firms to increase their stock of human capital at the firm to the optimal level, thus stimulating innovation and productivity, particularly among those firms that were facing skilled labor shortages (Glennon 2024).

The observed positive wage effect on skilled natives, instead, requires that the firm’s production function exhibits increasing returns to high-skilled workers. This is true if highly educated CBW have positive effects on firms’ total or skill-specific productivity and/or physical capital. In this case, greater availability of skilled workers can increase firms’ surplus of a match, stimulate job creation, and thus lead to higher wages for high-skilled workers. (Beerli et al., 2021)

The data also challenges the common misconception that most immigrants arrive via the southern border from Latin America. As shown in Figure 13, Asian countries like India, China, and the Philippines contribute a substantial share of immigrants, often arriving on the East Coast through air or sea routes. This raises questions about the efficacy of policies focused solely on border control and highlights the need for immigration strategies that prioritize visa systems and access to education. Investments in extending student visas or lowering tuition fees for immigrants at U.S. universities could enable unskilled immigrants to acquire the qualifications needed for higher-paying jobs. Figure 22, which illustrates the growing influence of education on wages at higher percentiles, reinforces the value of education as a pathway to economic success.

In conclusion, the study underscores the interconnectedness of education, immigration origins, and economic outcomes in the U.S. labor market. By shifting policy focus from border control to visa reform and educational access, the U.S. can better address its need for skilled workers while fostering upward mobility among its immigrant population. This strategic approach not only aligns with economic goals but also reflects a commitment to supporting immigrant communities in achieving long-term success.

Conclusion

This study has demonstrated the profound influence of education on immigrant wages and the diverse origins of immigrants shaping the U.S. labor market. The findings reveal that skilled immigrants consistently earn higher wages, emphasizing the critical role of education in enabling access to higher-paying jobs. These results align with prior research, such as Giovanni Peri's work on productivity and labor markets, which highlights the adaptability of the labor market and the importance of education in mitigating wage disparities. Similarly, the wage

premium observed for naturalized citizens confirms earlier studies, such as those by David Card, which highlight the economic benefits of legal status and language proficiency.

However, the results challenge common misconceptions about immigrant origins and the focus of immigration policy. Contrary to the narrative of immigrants predominantly crossing the southern border, the data highlights significant immigration from Asia, with countries like India and China contributing a substantial share of skilled workers. This finding echoes Britta Glennon's research on the importance of skilled immigration for innovation and global competition but contrasts with broader public perceptions of immigration.

The study also underscores the long-term potential of investing in unskilled immigrants through education, suggesting a shift in immigration policy priorities. This approach aligns with earlier research advocating for the integration of unskilled immigrants into the formal economy through skill development. By addressing this gap, the U.S. could increase its supply of skilled workers while improving economic outcomes for immigrants, as supported by Andreas Beerli's findings on labor mobility and innovation.

The divergence between public narratives and empirical data highlights the need for evidence-based immigration policies. While the findings largely confirm prior research, the emphasis on education as a transformative tool offers a novel perspective. The interplay between immigrant origins, education, and wage outcomes reflects the complexity of immigration's impact on the labor market, reinforcing the importance of nuanced policies that promote both economic growth and immigrant integration. This conclusion not only aligns with existing literature but also provides actionable insights for shaping future immigration and education policies in the United States.

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