Celeste Carruthers, PhD  
Editor-in-Chief  
Economics of Education Review  
April 12, 2020

Dear Dr. Carruthers,

I am writing to submit “Dynamic Effects of H-1B and Section 127 Policy on Higher Education.” This paper presents, among other things, a counterintuitive finding that the tax deduction for employer educational assistance did not meaningfully improve college enrollment from 1992 through 2017. I correct for a wide array of dynamic policy effects, and, along the way, uncover H-1B policy as a powerful tool to stimulate college enrollment.

Given the crisis in college affordability and student debt, this research provides critical evidence that should inform an evidence-based policy response. After initially examining the role of alternative postsecondary education in combatting the affordability crisis, I began to see employers as a bottleneck to adoption of alternative credentials. Examination of employer incentives lead me to study Section 127, H-1B, and other policies.

Previous scholarship and industry work have studied Section 127 and H-1B policy in depth, but in isolation. No study combines the wide set of correction variables and multi-specification analysis provided in the paper. Two works of note include:

Bound, John, et al, The National Bureau of Economic Research (NBER), Understanding the Economic Impact of the H-1B Program on the U.S. (2017).

Jones, Gigi, The Society for Human Resource Management (SHRM), A Study of Employee Education Assistance Provided under Section 127 of the Internal Revenue Code (2019).

I, the sole author, confirm that this manuscript has not been previously published and is not currently under consideration by any other journal. Additionally, I approve the contents of this paper and have agreed to the Economics of Education Review’s submission policies. I confirm that I have received no funding of any kind for the present research. I confirm that I have no conflict of interest, financial or otherwise.

Sincerely,  
John Vandivier

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