

Macro Roundup Article

Headline: [Third-Country Effects of U.S. Immigration Policy](#)

Article Link: https://agostinabrinatti.github.io/AgostinaBrinatti_Website/Brinatti_JMP.pdf

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Publication	University of Michigan
Publication Date	November 27, 2023

Tweet: Immigration restrictions on skilled immigration during Trump's first term drove an uptick in skilled immigration to Canada. This inflow was associated with Canadian firms expanding in both domestic and foreign markets. @AgosBrinatti

Summary: By the end of 2018, there was a decrease of 140,000 H-1B approvals (relative to trend) and an unprecedented spike in H-1B denial rates. Denial rates increased from about 6% in 2016 to 16% in 2018. Our event-study estimates imply that a 10 percentage point increase in H-1B denial rates increases Canadian applications by 30%. A back-of-the-envelope calculation suggests that for every four forgone H-1B visas, there is an associated increase of one Canadian application. We find that firms that were relatively more exposed to the immigrant inflow increased sales. Consistent with the increase in production, we find that a firm hired approximately 0.5 additional native workers per new immigrant. We also find that the earnings per native worker at relatively more exposed firms dropped. This result together with the fact that more exposed firms are intensive in occupations that were more impacted by U.S. restrictions, is consistent with earnings per native worker in more affected occupations declining compared to less affected ones. Related: America's Got Talent, but Not Nearly Enough and Top Talent, Elite Colleges, and Migration: Evidence from the Indian Institutes of Technology and The Economics of Inequality in High-Wage Economies

Primary Topic: Immigration

Topics: Academic paper, Database, Immigration, Important!, Innovation/Research, Productivity, Weekly, Workforce

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