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Individual Empirical Project:

Comparative Outcomes for Mexican Migrant Workers in the United States

Abstract: Most agricultural workers in the United States historically have been and currently are foreign-born. As of 2016, unauthorized foreign-born workers made up nearly 48% of all farmworkers and the authorized foreign-born accounted for 21% of farmworkers (USDA ERS, 2017). The H2-A visa category accounts for most authorized foreign-born workers. The demand for H2-A certified workers is growing, and many advocate for overhauling the process to reduce costs for recruiters while immigration advocates warn about concerns for employer abuse of migrant workers. This paper analyzes how H2-A status influences standard of living outcomes for migrant workers in the US. By comparing a matched sample of undocumented migrant workers and H2-A temporary workers in the US, I find that H2-A visa status is associated with some positive economic outcomes compared to undocumented agricultural workers, measured by higher wages and monthly savings and lower cost of living, but remitting less per month. Social outcome results are also mixed; H2-A workers are more likely to be formally employed but have reduced social capital and language acquisition compared to undocumented workers likely due to the temporary nature of the H2-A visa. Finally, H2-A workers are less likely to have a hospital visit while working in the US and less likely to have medical bills covered by insurance. While this paper does not aim to promote reliance on unauthorized labor, this analysis sheds light on whether formal employment for farmworkers in its current legal framework leads to better standards of living for migrants.

Background: H2-A Temporary Agricultural Workers in the United States

The H-2A guest worker visa provides a temporary legal pathway for agricultural migrant workers in the United States, and the annual number of visas certified by US Citizenship & Immigration Services (USCIS) are on the rise. Increasingly strict border enforcement in the past decade and the 2008 financial crisis have reduced the labor supply for high-intensive agriculture work in the US. Under these conditions, agriculture employers increasingly rely on the H-2A visa to meet labor demands despite the program's lengthy process and cost (Devadoss and Luckstead 2019). The number of H-2A visas issued has increased by roughly 18% each year since 2014 and H-2A-certified farm jobs make up about 25% of total farmworkers (Devadoss and Luckstead 2019). Devadoss and Luckstead studied the impact of the H2-A program by modeling the effect of immigration policies on the native and foreign-born labor force, wage rates (legal and illegal), and US and Mexican agricultural production. Their model shows that expanding H-2A visas have a small impact on labor supply for US labor-intensive agriculture, but eases reliance on undocumented labor, and does not adversely affect legal US workers in terms of jobs available and wage rates.

The lack of robust guest worker programs in the US poses the greatest challenge to further studying the impacts of streamlined guest worker programs. A pilot program studying the impact of temporary work visas for Haitian migrants to the US provides an experimental analysis but contains a small sample size because of bureaucratic and legal hurdles to obtaining worker visas for the Haitian migrants selected for the study (Clemens and Postel 2017). In their preliminary analysis, they found significant economic gains to Haiti and the US and that the program successfully targeted poor households in Haiti and provided greater benefits than other poverty reduction programs (Clemens and Postel 2017). An optimal temporary worker visa

should provide benefits to Mexican migrants who would otherwise be undocumented and perform the same work through higher wages and improved worker protections. Because the H2-A visa program ties workers to a single employer, however, many are concerned about predatory employer practices. Although formal complaints from H2-A workers about working conditions are low, the immobility of H2-A workers eliminates any leverage to collectively organize against employer abuse (White, 2007). In comparison of standard of living outcomes for migrant farmworkers, I hypothesize that:

(1) H2-A-certified workers receive higher earnings, have higher savings, lower cost of living, higher remittances,

(2) Are more like to be formally employed, have lower social capital and English acquisition,

(3) And have fewer hospital visits, more insurance coverage, and less reports of poor health upon returning to Mexico than undocumented workers.

Data and Methods:

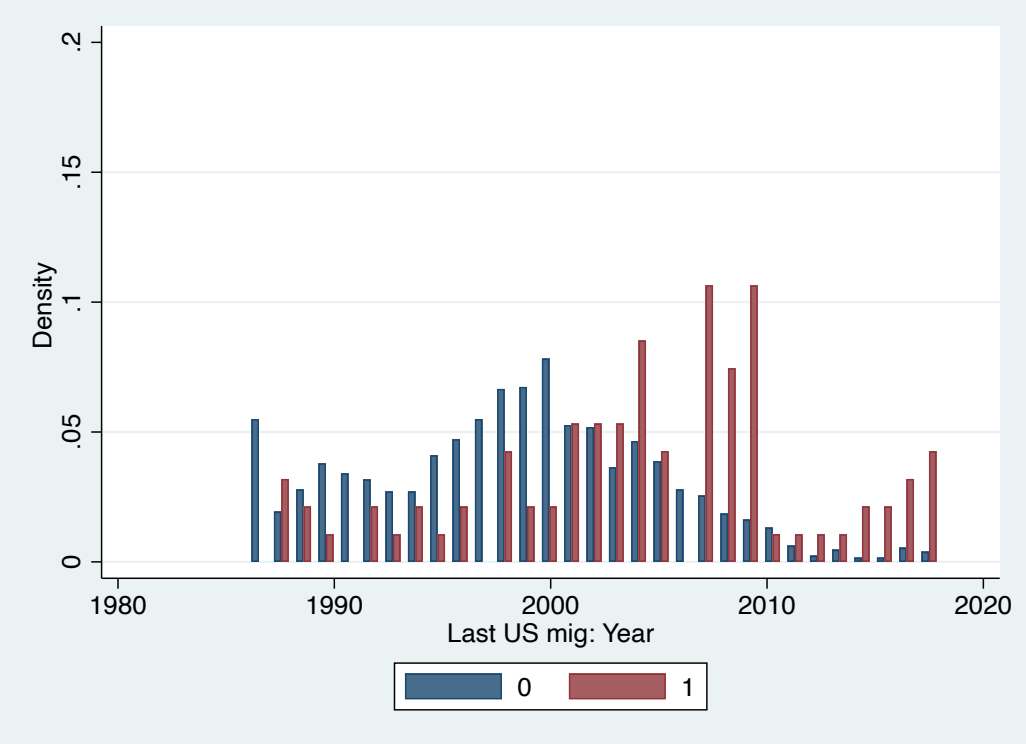
This analysis follows the methodology used by Shelby O'Neill in their 2022 article "The Tradeoff of Temporariness: Economic and Social Impacts of H-2A Status on Mexican Migrant Men." To examine whether H2-A workers enjoy improved social, economic, and health outcomes compared to their undocumented counterparts, I employ 2 to 1 nearest neighbor propensity score matching on Mexican Migration Program (MMP) data. Data are from the Mexican Migration Project (MMP 174) migration and life files. This rich binational survey gathers cross-sectional and longitudinal information from migrants between Mexico and the United States on a variety of social, economic, and health topics. Following O'Neill's methods described in the *Data and Methods* portion of the article, I merged the migration and life surveys and kept observations where the year was the same as the year of their last trip to the US,

maintaining one observation per unique migrant surveyed. Next, I dropped observations of migrants who had never migrated to the US or whose last time migrating to the US was before 1986—before the H2-A program was implemented. Observations of communities 1-71 were dropped since these surveys lack survey questions marriage collecting data. Any migrant listing legal status other than the H2-A visa or undocumented status were dropped to limit the sample to compare these two groups and any observation missing data on wages were dropped. Given the small proportion of women in the sample who held H2-A visas on their last trip to the US (9 out of 100 migrants), these were also dropped, limiting the analysis to Mexican migrant men. Migrants surveyed had their last trip to the US in a range of years, as illustrated per group in figure 1, which is one limitation of this analysis. From 1986 to the present, changes in US immigration law and interior enforcement likely impacted migrants' decisions to come work in the US, particularly for the undocumented group. The spread of last trip to the US also illustrates the downward trend of unauthorized Mexican migrant farmworkers and the rise of H2-A Mexican farmworkers.

Next, I created new variables for the matching criteria and economic, social, and health outcomes. Mexican migrants were matched based the following continuous variables: age, number of children at the time of their last trip to the US, years of education, years of experience in the US, and the total number of US migrations. They were also matched based on certain binary variables: if they were married during the year of their last trip to the US, if their spouse was employed, if they had migration social capital, and if they had physical capital. Migration social capital =1 when the migrant had a sibling or parent who had migrated to the US any time before their own last migration to the US, capturing the impact of rich social networks migrants can leverage to ease their move to the US. Physical capital =1 when the migrant owned a house,

business, or land parcel at the time of their last trip to the US. Matching on these criteria creates a counterfactual for H2-A recipients from the sample of undocumented migrants that becomes more systematically comparable.

Figure 1: Density of Year of Last Migration to the US for Undocumented (0) and H2-A (1) Agricultural Workers



In constructing economic outcome variables, I used hourly wages, monthly savings, monthly remittances, and cost of living (equivalent to rent plus food expenditure). These four variables serve as indicators of economic gain while working in the US. Social outcome variables included three binary variables: formal employment, which =1 when a migrant was paid by check in their US job, social capital in the US, which =1 when a migrant reported being "very close" or "friends" with someone outside their ethnic group while living in the US or if they report participation in a sports organization or social group while in the US for their last trip. Language acquisition =1 when the migrant reported speaking and understanding much or

some English or using English often or always at home, work, among friends, or in the neighborhood. Finally, I decided to include several health outcome variables to get a sense of whether H2-A visa status is associated with better health than undocumented laborers. The analysis from O'Neill focused on economic and social outcomes for migrants, but it is important to also consider how H2-A status impacts health and safety for agricultural workers. Survey questions from MMP 174 go not go in depth about health but using the questions I constructed three health outcome variables of interest for analysis. First is hospital visit, which =1 when a migrant reported visiting a hospital during their last US trip. While not a direct measure of possible hazards the worker faces on the job, this measure serves as a proxy for workplace injury. Next, insurance =1 when a migrant had a health bill paid by either their employer, private insurance company, or public insurance, indicating that the migrant has insurance in some form that covered a medical expense. Lastly, I constructed poor health, which =1 when a migrant reported being in poor health after returning from their last migration to the US. This variable can measure if documentation status is associated with a disproportionate amount of poor health outcomes for migrants working in agriculture. Table 1 summarizes the mean and standard deviation values across demographic covariates and social, economic, and health outcome variables for H2-A versus undocumented workers.

Table 1: Summary Statistics for Variables by Documentation Type

	Undocumented		H2-A	
	Mean	St. Dev.	Mean	St. Dev.
Age	40.30	10.70	41.36	12.07
Married	0.71	0.45	0.92	0.27
Spouse employed	0.09	0.29	0.11	0.31

Total children born prior to/during last US trip	1.92	2.11	2.85	2.52
School years completed	6.95	3.35	7.25	3.56
Total months of US experience	70.42	70.72	43.18	50.53
Total number of US migrations	1.99	1.81	3.77	3.09
Migration social capital	0.36	0.48	0.27	0.45
Physical capital	0.60	0.49	0.87	0.34
Employment: Hourly wage	$8.13	$4.28	$8.25	$3.28
Average monthly savings	$3,043.64	$4,463.64	$4,963.03	$4,905.31
Monthly cost of living	$483.31	$430.27	$315.71	$301.59
Average monthly remittances	$332.85	$414.72	$345.56	$266.50
Formally employed	0.73	0.44	0.95	0.21
Social capital	0.24	0.43	0.19	0.39
Language acquisition	0.34	0.47	0.23	0.42
Hospital visit during last US trip	0.25	0.43	0.15	0.36
Insurance	0.19	0.39	0.11	0.31
Poor health after returning from last US trip	0.02	0.13	0.01	0.10
Total observations (N)	1,251		91	

Results:

After constructing the covariates and outcome variables of interest, I conducted a series of 2 to 1 nearest neighbor propensity score matching by documentation status (undocumented and H2-A only). Table 2 displays the results of the four economic outcomes of interest from nearest neighbor matching. As anticipated, H2-A status is associated with higher hourly wages and savings, although only the coefficient on saving is statistically significant at 90% confidence. In addition, the other statistically significant coefficient is cost of living, which is lower for H2-A visa holders than undocumented workers. This is likely in part due to a feature of the H2-A

program whereby employers are required to provide housing for their workers. Lower cost of living from eliminating rent, therefore, allows migrants to increase monthly savings. Finally, H2-A status is associated with lower monthly remittances, although this association is not statistically significant. Previous literature has conjectured that undocumented workers tend to remit higher because of the volatile nature of their legal status (Amuedo-Dorantes and Pozo, 2006). If a migrant fears apprehension or deportation, they may remit a larger proportion of their earnings to better leverage the wages they are able to earn, whereas H2-A workers may feel more secure to hold onto savings before returning to Mexico.

Table 2: Economic Outcomes for H2-A vs. Undocumented Migrant Workers

	(1) Wage	(2) Saving	(3) Cost of Living	(4) Remittances
Average Treatment Effect (ATE)				
H2-A Status	0.207	2230.7**	-141.1***	-14.79
	[0.40]	[3.00]	[-4.73]	[-0.44]
Observations	1317	1317	1088	1203

t statistics in brackets
Matching variables: age, married, spouse employed, total children born prior to or during last US trip, education, total months of US experience, total number of US migrations, migration social capital, and physical capital
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Results from the 2 to 1 nearest neighbor propensity score matching for social outcomes are listed in table 3. As hypothesized, H2-A recipients are more likely to be formally employed in accordance with the terms of their visa whereby they are matched to a single agricultural employer in the US. This positive relationship is statistically significant at 99.9% confidence, signaling that the visa program is functioning as intended between temporary workers and employers. Both social capital and language acquisition are negatively associated with H2-A visa status, although these coefficients are not statistically significant. Therefore, it may be true that

H2-A visa recipients tend to not take up English or join social groups or make friends outside their nationality as much as their undocumented counterparts, but this trend is not as strong as originally hypothesized.

Table 3: Social Outcomes for H2-A vs. Undocumented Migrant Workers

	(1) Formally employed	(2) Social capital	(3) Language acquisition
Average Treatment Effect (ATE)			
H2-A Status	0.245***	-0.0642	-0.0919
	[15.86]	[-1.34]	[-1.43]
Observations	1266	1317	1317

t statistics in brackets
Matching variables: age, married, spouse employed, total children born prior to or during last US trip, education, total months of US experience, total number of US migrations, migration social capital, and physical capital
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

From table 4 below, the nearest neighbor propensity score matching shows that H2-A status has negative coefficients for all three health outcome variables of interest. Statistically significant at 99.9% confidence, H2-A visa holders are less likely to have visited the hospital during their last US migration. As mentioned previously, this variable is an imperfect measure of workplace risk. H2-A workers may face less risk on the job than undocumented workers because their formal employment. Other factors may be at play, however, such as the level of access to medical facilities across both groups. More research on healthcare access for agricultural workers should be done to estimate disproportionate injury more precisely on the job for both groups. H2-A workers are less likely to have their health bill paid by their employer or public or private insurance providers. The other payment options from this survey question are paid by self, relatives, no one, other, or no health costs. Since model (1) shows that H2-A workers are less likely to visit the hospital during their US migration, the lack of health costs could drive this result. However, formal employment through the H2-A visa should provide medical coverage by

the employer, and if H2-A workers are insured less than undocumented workers in the same industry, future visa policy should consider how to improve healthcare coverage for H2-A workers. Lastly, H2-A status is associated with fewer reports of poor health after returning to Mexico from their last US migration, although this result is very small in magnitude and not statistically significant.

Table 4: Health Outcomes for H2-A vs. Undocumented Migrant Workers

	(1) Hospital visit during last US trip	(2) Health bill paid by insurance	(3) Poor health after returning from last US trip
Average Treatment Effect (ATE)			
H2-A Status	-0.143***	-0.107***	-0.00569
	[-6.60]	[-3.44]	[-0.75]
Observations	1317	1317	1317

t statistics in brackets
Matching variables: age, married, spouse employed, total children born prior to or during last US trip, education, total months of US experience, total number of US migrations, migration social capital, and physical capital
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Conclusion and Policy Discussion:

The purpose of this analysis in comparing social, economic, and health outcomes for undocumented and H2-A migrant workers in the US is to consider how future changes to guest worker programs in the US can impact the wellbeing of migrant workers. As the US farm industry continues to face worker shortages, their demand for H2-A workers will also continue to increase. Changes to worker visa policy must consider benefits to the visa recipient rather than solely the benefits to the business industry. While guest workers are given the opportunity to work for higher wages and have a lower cost of living compared to undocumented counterparts, other outcomes could similarly be improved with policy change. As remittances have been

shown to be a driver of economic development, policymakers should consider how to incentivize remittances for H2-A visa recipients by improving access to financial services in rural areas where they are employed and lowering the cost of remittance services.

Current legislation proposals to overhaul the H2-A program would include a path to permanent residency for undocumented agriculture workers who have worked for at least 10 years in the industry and terms for a year-long visa to support farmers that need year-round workers (Peterson & Hackman, 2022). Chipping away at the temporariness of this visa category would benefit farmers and potentially could improve social outcomes for migrant workers in their living standards and social integration in the US. O'Neill summarizes the drawbacks inherent in the H2-A visa because workers "are deeply dependent on employers and immobilized within the host society and its labor market, legally bound to work for a single employer, holding limited social resources, and, thus, at heightened risk of exploitation" (2022). Moreover, formal migration pathways do not guarantee removal from the structure of marginalization undocumented migrants face but can merely shift workers into a unique space of vulnerability. In shaping ideal guest workers programs, the US is not alone in this predicament. The European Union, Japan, and other advanced economies are considering whether and how to let in migrant workers without being compared to Arab States that repress their many migrant workers. To do so, the US will need to include improvements in guest workers programs for workplace safety, healthcare, and the right to organize.

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