

The impact of immigration on firms and workers: insights from the H-1B lottery*

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March 2023

Abstract

We study how random variation in the availability of highly-educated, foreign-born workers impacts firm performance and recruitment behavior. To do so we combine two rich data sources: 1) administrative employer-employee matched data from the US Census Bureau, and 2) firm-level information on the first large-scale H-1B visa lottery in 2007. Using an event-study approach, we find that lottery wins lead to increases in firm hiring of college-educated, immigrant labor along with increases in scale and productivity. Skill-intensive, high-paying firms expand the most after winning the H-1B lottery. We find limited evidence of displacement effects on native-born, college-educated workers.

JEL Codes: F22, J61

Keywords: Immigration, firm dynamics, productivity, H-1B visa, high-skilled migration

*We thank John Bound, Ethan Lewis, Chad Sparber, and seminar participants at UVA, FRB Dallas, Peking University, Bank of Canada, Wharton Migration and Organizations Conference, SEA Annual Meetings (Ft. Lauderdale), and NBER Immigrants and the U.S. Economy conference. Any views expressed are those of the authors and not those of the U.S. Census Bureau. The Census Bureau has reviewed this data product to ensure appropriate access, use, and disclosure avoidance protection of the confidential source data used to produce this product. This research was performed at a Federal Statistical Research Data Center under FSRDC Project Number 1582. (CBDRB-FY23-P1582-R10450). This research uses data from the Census Bureau's Longitudinal Employer Household Dynamics Program, which was partially supported by the following National Science Foundation Grants SES-9978093, SES-0339191 and ITR-0427889; National Institute on Aging Grant AG018854; and grants from the Alfred P. Sloan Foundation. The views expressed are those of the authors and do not necessarily reflect those of the Federal Reserve Bank of Richmond or the Board of Governors.

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