Immigrating into a Recession

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ABSTRACT

We analyze how economic conditions at the time of arrival shape the economic integration of family migrants in the US. Our identification strategy exploits years-long waiting times for visa that decouple the migration decision from economic conditions at the time of arrival. We find that initial economic conditions have considerable consequences for the integration of family migrants. A one pp higher initial unemployment rate decreases wage income by four percent in the short run and by 2.5 percent in the longer run. This is the result of substantial occupational downgrading. Family migrants who immigrate into a recession draw on ethnic networks to mitigate the negative labor market effects. They are also more likely to reside with family members, reducing their geographical mobility.

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