Institut für Arbeitsmarktund Berufsforschung Die Forschungseinrichtung der Bundesagentur für Arbeit

## **IAB-Colloquium** zur Arbeitsmarkt- und Berufsforschung



## Flight of the H-1B: Inter-Firm Mobility and Return Migration Patterns for Skilled Guest Workers

## Todd A. Sorensen

University of California, Riverside

Critics of U.S. high-skilled guest worker visa programs argue that 1) program regulations tie workers to their sponsoring firm, creating working conditions akin to indentured servitude and that 2) the programs lack a vehicle for adjusting downward the number of visas available during a recession. We address these two criticisms using unique payroll data from firms that rely upon these programs. Contrary to popular belief, we find that the guest workers in our sample exhibit a significant amount of inter-firm mobility that

varies over both the earnings distribution and the business cycle. This suggests that, despite regulatory frictions of the visa programs, competitive pressures are a driving force in this labor market. Furthermore, we find evidence of increased return migration during periods of high unemployment. This is especially true for lower paid workers, suggesting positive selection.

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Institut für Arbeitsmarkt- und Berufsforschung der Bundesagentur für Arbeit Weddigenstraße 20-22 = 90478 Nürnberg = www.iab.de