

Do high-skilled immigrants find jobs faster than low- skilled immigrants? An analysis of the immigration of ethnic Germans

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This paper investigates the role that pre-immigration skills play in immigrants' job-finding processes in Germany. We first show theoretically that the job-finding rate for the high-skilled depends on which jobs they are prepared to take up: if they are only willing to take up skilled jobs (ex post segmented matching), they might actually need longer than the low-skilled to find a job. If they are prepared to accept both unskilled as well as skilled jobs (cross-skill matching), then their expected time to find a job is lower compared to that of the low-skilled. Allowing for on-the-job search can lead to high-skilled finding skilled jobs faster. We then provide empirical evidence by studying the labor market integration process of Ethnic Germans, one of the largest immigration groups in Germany, using novel German administrative data. Applying proportional hazard models, our estimates generally support the theoretical predictions: if the high-skilled only search for skilled jobs, the hazard rate of finding a job is about 60% lower compared to the low-skilled. In case of cross-skill matching, the job finding rate of the high- and low-skilled does not differ significantly. Using a timing-of-events model, we find evidence that low-skilled jobs serve as a stepping stone for high-skilled to find skilled employment.

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