

Response to "The short-run impacts of immigration on native workers: a sectoral approach"

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1 Major comments

- I appreciate the sectoral focus and the introduction to this new methodology. It introduces some interesting possibilities.
- The results are interesting in that they emphasize a bound on the particular impact immigration might have had on native workers in particular sectors—the workers in which may find it more difficult to easily transition into new occupations if their labour market opportunities declined.
- The authors find large and significant decreases in earnings as the result of immigration—particularly in certain occupations in the construction industry and in certain service sectors.
- I would have liked to see some discussion of the likelihood that native workers may change occupations in response to greater labour market competition, even if only within industry. For example, if within-industry occupations are complementary in production, and if native workers do shift occupations in response to immigrant competition, the result could be both (i) the skill-distribution of native workers remaining in the immigrant-heavy occupations could be different than prior to immigration; and (ii) native workers who shifted into complementary occupations (or industries) may have actually experienced wage increases or a higher probability of full-time work as the result of cheaper complements in production.
- The authors don't talk about local shifts in consumer demand caused by immigration (for example, in retail). If immigrants increase demand for, say, retail goods, this could increase demand for workers in the retail sector—potentially positively impacting the earnings of natives.
- The authors note that their specification "reflects the idea that it is the stock of foreign-born workers, rather than the current inflow, that may affect native wages." Why should we be convinced that's correct? Shouldn't we expect inflows (shocks to the labour supply) to be causing changes? I think this needs to be defended a little.

2 Minor comments

- The authors note that they restrict their sample to the 150 largest MSAs due to small sample size in some MSA-sectors-by-year. I would have liked to have been given some sense of the

number of observations in these MSA-sector-years in the 50 smallest MSAs included in the sample. Were there enough that we wouldn't worry? What happens if the sample is restricted to the largest 100 MSAs?

- The authors include a discussion about why we should treat results from studies based on city comparisons with suspicion, because we should expect wages to equalize across cities due to capital adjustments (they include a nice little model/proof in the appendix showing this under certain conditions). But the paper is titled "The short-run impacts of immigration..." and regularly emphasize these are estimated short-run effects, so I wasn't clear on why they were talking about identification issues that may arise in the long-run under particular conditions.
- Why the ACS for measuring impacts on such disaggregated occupations? Did the authors consider data from employer surveys (CBP, QCEW, QWI, etc.)? Obviously there's no indicator in these for native or immigrant, but the QWI observes outcomes by race and ethnicity, which may allow a decent proxy. And if we believe much low-skill immigrant labour is potentially under-the-table then the CBP and QCEW may largely reflect the native outcomes.
- Could the authors give us a sense of how correlated MSA & pmetro are in the Decennial Census (1990 and 2000) and the ACS (2005-2011)?
- Why focus only on MSAs and not on, say commuting zones (to get the impact in non-metro areas, too)? Maybe briefly discuss this in the paper.