

FOREIGN SCIENTISTS BOOST CITIES' GROWTH

Cities with larger inflows of foreign scientists and engineers experience faster growth of productivity and wages, especially for college educated natives, according to a study to be presented to the NORFACE migration conference at University College London this weekend.

The research by **Giovanni Peri, Kevin Shih** and **Chad Sparber** finds that these gains are substantial, accounting for 10-20% of the total productivity growth in the US between 1990 and 2010. US-born workers had 4% higher wages in 2010 than they would, if no H1B visa worker had been admitted. This amounts to a surplus of \$615 million for the US citizens as a whole.

The researchers analyse the effects of the increased presence of foreign scientists and engineers, admitted via the H1B visa policy, in the US between 1990 and 2010. They use the introduction of the policy in 1990 and the uneven distribution of those foreign scientists across US cities to estimate their long-run effect on the productivity, wages and employment of native workers in those cities.

Scientists and engineers constitute a particularly important and mobile group. They tend to move where larger agglomeration of other scientists and engineers operate and they are naturally important for a large part of scientific and technological innovation.

ENDS

'STEM Workers, H1B visas and Productivity in US cities' by Giovanni Peri, Kevin Shih and Chad Sparber, manuscript UC Davis Working Paper