

How Did the Post-Pandemic Migration Surge Affect Labor and Housing Markets?

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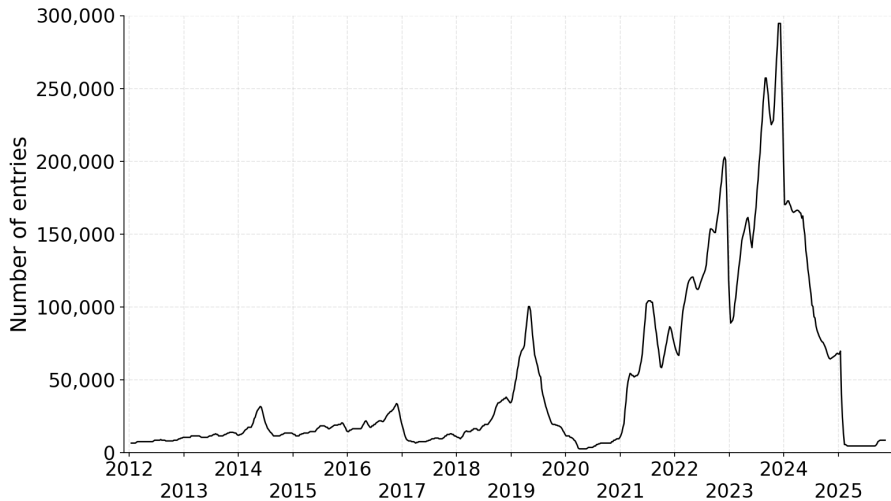
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 - Source: Customs and Border Protection (CBP)

Unprecedented entries through these pathways



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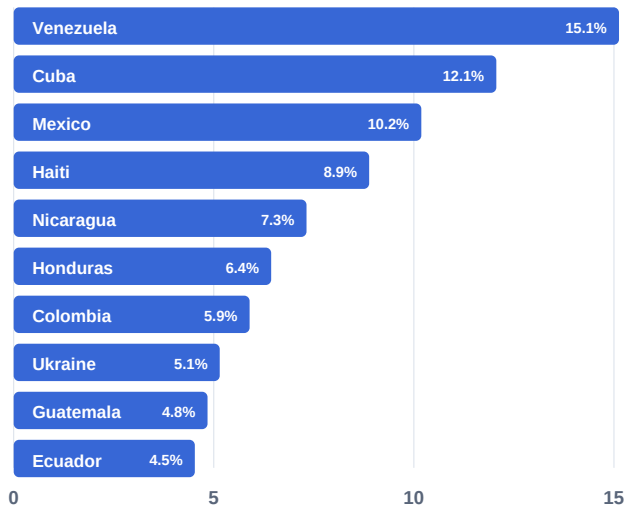
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 - Ukrainians
 - Mostly flew in

Top 10 origin countries 2021-2024

Account for 80% surge inflows



Questions

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Distinguish effect on everyone vs on native-born

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Distinguish effect on everyone vs on native-born

How did internal US migration respond to the arrivals?

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Employment

- Total employment $\uparrow$
- Native employment rate $\leftrightarrow$ no effect
(as in all previous US literature)

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- Wages could benefit from consumption-fuelled boom

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- Mutes effects in high surge migrant metros

Concurrent work

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- Clemens, Nice and Rigol (2026)

Statistical approach

Difference (k) across adjacent years or 2021 $\rightarrow$ 2024,
for 164 metros (m)

Employment L (number)

$$\begin{aligned} L_{mt} - L_{m,t-k} = & \alpha + \varphi \text{Surge}_{mt}^k + \beta_1 \text{Pop}_{m,2019} \\ & + \beta_2 (L_{m,2019} - L_{m,2016}) + \beta_3 (L_{m,2021} - L_{m,2019}) \\ & + \sum_{\tau} \beta_{4,\tau} s_{m,\tau} + \Delta^k \varepsilon_{mt} \end{aligned}$$

Outcomes except internal migration

$$\begin{aligned} y_{mt} - y_{m,t-k} = & \delta + \rho \left(\frac{Surge_{mt}^k}{Pop_{m,t-k}} \right) \\ & + \gamma_1 (y_{m,2019} - y_{m,2016}) + \gamma_2 (y_{m,2021} - y_{m,2019}) \\ & + \Delta^k v_{mt} \end{aligned}$$

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 - Instrument effective 2023-2024

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- BLS, BEA, Zillow

Effect of

- 1 more surge migrant or

	All	Native
L or L/pop	0.4 ^{***}	0.0 pp
GDP (%)	1.5 ^{**}	
Wage (%)	-1.5 [*]	0.9 ^{***}
Rent (%)	1.4 ^{***}	1.6 ^{***}

Effects seem commensurate with size of inflow

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- 0.9 percentage point $\uparrow$ in surge migrants

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Short-run impacts over 2021-2024

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Short-run impacts over 2021-2024

Results

- Surge impact declines to zero even as migration ↑
 - Economy adjusting as arrivals now anticipated
- Internal migration offsets 90% of metro's surge migration

Results using bus passenger instrument

- Impact of 0.7 pp $\uparrow$ in surge migrant share in big metros 2023-2024

	All	Native
L or L/pop	0.1	−0.5pp
GDP (%)	−1.2	
Wage (%)	1.4	−1.8***
Rent (%)	1.1	−0.5

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- No domestic migration offset (10%)
- Specific to Denver?
Evidence should let migrants choose destination?

Conclusions

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 - Native renters better off net of rent by at least 0.6%
 - But study of distributional effects inconclusive
- Domestic migration is big adjustment factor
 - National effects slightly larger than measured here

Thank you

Shift-share first stages - surge migrants/pop

	2021-4	2021-2	2022-3	2023-4
Instrument (number)	0.21*** (0.03)	0.42*** (0.02)	0.17*** (0.03)	0.15*** (0.03)
F-statistic	56	350	39	20
Instrument/ population	0.31*** (0.08)	0.54*** (0.10)	0.24*** (0.06)	0.27*** (0.08)
F-statistic	17	29	18	20

All covariates for employment regressions, 164 metros

**First stages for top 30 metros: shift-share, bus - surge
migrants/pop**

	2023-2024	2023-2024
Instrument (number)	0.11 ^{***} (0.04)	1.56 ^{**} [p=0.03]
Bus metro dummy	--	-30.4 ^{**} [p=0.03]
F-statistic	8	--
Instrument/ population	0.16 ^{***} (0.03)	1.16 [*] [p=0.06]
F-statistic	17	--
Instrument	Shift share	Bus

All covariates for employment regressions

Bus coefficient >1

Native wages - Shift-share instrument

	2021-4	2021-2	2022-3	2023-4
OLS	1.3 ^{***}	3.3 ^{***}	1.0	-0.8
Full controls	(0.3)	(1.0)	(0.9)	(0.6)
IV	1.0 ^{***}	2.3 ^{***}	1.3	-0.4
Full controls	(0.3)	(0.7)	(0.9)	(0.7)
IV	1.1 ^{***}	2.8 ^{***}	1.3	-0.6
No controls	(0.3)	(0.8)	(0.9)	(0.6)

164 metros

Native wages - Bus and shift-share instruments

	2023-4	2023-4
OLS	-1.0	—
Full controls	(0.7)	
IV	-0.5	-2.6**
Full controls	(0.5)	[p=0.04]
IV	-0.7	-2.4**
No controls	(0.4)	[p=0.05]
Instrument	Shift share	Bus

Native employment rate - Shift-share instrument

	2021-4	2021-2	2022-3	2023-4
OLS	-0.1 (0.1)	0.4 (0.4)	-0.3 (0.5)	-0.4 (0.4)
IV	0.0 (0.1)	0.3 (0.3)	-0.2 (0.4)	-0.3 (0.4)

164 metros, full controls

Native employment rate - Bus and shift-share instruments

	2023-4	2023-4
OLS	-0.2	—
Full controls	(0.3)	
IV	0.0	-0.8
Full controls	(0.2)	[p=0.23]
IV	-0.0	-0.9
No controls	(0.3)	[p=0.12]
Instrument	Shift share	Bus

Native log rent - Shift-share instrument

	2021-4	2021-2	2022-3	2023-4
OLS	1.9 ^{***} (0.6)	3.0 ^{**} (1.5)	3.3 (2.0)	-0.7 (1.3)
IV	1.8 ^{***} (0.6)	2.9 ^{**} (1.3)	6.2 ^{**} (2.5)	-2.8 (2.2)

164 metros, full controls

Native log rent - Bus and shift-share instruments

	2023-4	2023-4
OLS	-0.8 (1.2)	—
IV	0.2 (1.0)	-0.7 [p=0.62]
Instrument	Shift share	Bus

30 metros, full controls

Net internal in-migration - Shift-share instrument

	2021-4	2021-2	2022-3	2023-4
OLS	-0.6*** (0.2)	-0.6* (0.3)	-0.7*** (0.2)	-0.6*** (0.1)
IV	-0.9*** (0.2)	-0.5** (0.2)	-0.9*** (0.2)	-1.2*** (0.2)

164 metros, full controls

Net internal in-migration - Bus and shift-share instruments

	2023-4	2023-4
OLS	-0.3 (0.3)	—
IV	-1.3*** (0.3)	0.1 [p=0.61]
Instrument	Shift share	Bus

30 metros, full controls