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Do Immigration Restrictions Affect Job Vacancies? Evidence from Online Job Postings

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Employers in immigrant-reliant labor markets increased their job search efforts in response to the 2016–21 decline in immigration.

The U.S. workforce relies heavily on immigration. However, a series of policy changes and the COVID-19 pandemic led to a rare decline in immigrant arrivals from 2016 to 2021. This period of reduced immigration coincided with and exacerbated already severe shortages in the U.S. labor market, leading employers and firms to look for new sources of labor. At the same time, online job postings became more prevalent as a method of searching for labor. These postings provide rich data that could help reveal how different dimensions of labor demand change in response to declining immigration.

Elinor Cohen and Samantha Shampine examine how declining immigration flows influence online job vacancies in labor markets with different levels of reliance on immigrant labor. They find that the growth rate of online job postings increased modestly in labor markets that historically relied more heavily on immigrant labor. In addition, they find that the content of those postings changed substantially as immigration declined: in more immigrant-reliant labor markets, starting wages increased and skill requirements grew more slowly. Their results highlight that as fewer immigrants arrive, firms in more immigrant-reliant labor markets disproportionately increase their job search efforts.

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