The first chapter of the dissertation examines the role of migration networks in the location choices of Mexican-born immigrants, who are found to be highly mobile in response to labor demand shocks. We rely on the sizable variation in labor demand declines across states during the Great Recession to identify migration responses to demand shocks and use a novel set of data, the Matrícula Consular de Alta Seguridad (MCAS) data, to construct migration network measures. We find that migration networks indeed play an important part in Mexican migrants’ responsiveness to local demand shocks. In particular, migrants respond to local economic conditions and conditions in network-connected locations when making location decisions.

In recent years, the competition for the H-1B visas has become so intense that a random lottery has been put in place to meet the specific quotas. In the second chapter, I examine the role of the H-1B lottery in the self-selection of the skilled immigrant workers in the U.S. Building on the basis of the Roy-Borjas Model, I construct a self-selection framework with the uncertainty in obtaining legal admission into the host country incorporated. As the proposed framework suggests, a decrease in the probability of obtaining the H-1B visas will likely reinforce the direction of the self-selection of international workers, be it positive or negative. Empirically, I use the Form I-129 data from USCIS and find evidence that the presence of the H-1B lottery and its decreasing odds have contributed to the deterioration in the quality of skilled international workers applying for H-1B visas in the U.S.

As we know, most developed countries have engaged in a race for global talent, as skilled immigration becomes increasingly imperative in maintaining competitive advantages and galvanizing economic growth through various channels. In this paper, I study a novel firm-level channel, in which skilled immigrant workers potentially drive growth by improving start-ups’ access to international venture capital funding. My first empirical approach makes use of the exogenous variation in firms’ access to high-skilled foreign workers as a result of the H-1B lotteries. To supplement in terms of external validity, I extend the period of analysis and conduct a panel study using ex-post changes in the start-ups' approved skilled workers. In both approaches, I find empirical evidence that having high-skilled foreign workers from a particular country increases firms’ access to venture capital funding from that country. Through home-country professional networks, common language, and cultural familiarity, skilled immigrants reduce investment frictions and information gaps and better facilitate cross-border venture capital investments from their origins, especially in the case of young firms or inexperienced venture capitalists. Lastly, I construct a framework of firms' hiring decisions to incorporate both the standard labor market and foreign venture capital channels. With a numerical exercise, I find that almost one-third of the displacement effect of high-skilled immigrants can be mitigated by the venture capital channel.