

Marriage Equality and the Transnational Flow of Skilled Labor: The Impact of Same-Sex Marriage Legalization on the US Inflow of Skilled Labor

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Introduction

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Introduction

- In 2001, the Netherlands became the first country to legalize same-sex marriage.
- 35 countries have marriage equality.
- Most countries with marriage equality are in North America, South America, and Europe.
- The composition of a family and family ties influence skilled labor migration decisions (Borjas & Bronars, 1991; Bushin, 2009).
- Foreign skilled labor contributes to the US comparative advantageous sectors, (Gunadi, 2019).



Related Literature

In opposite-sex couples:

- Migration and the family (Borjas & Bronars, 1991).
- Marriage as a migration tool (Charsley et al., 2012; Fan & Li, 2002).

In same-sex couples:

- Marriage equality and household's interstate migration (Beaudin, 2017).
- Marriage equality and individual's interstate migration (Marcén & Morales, 2022).

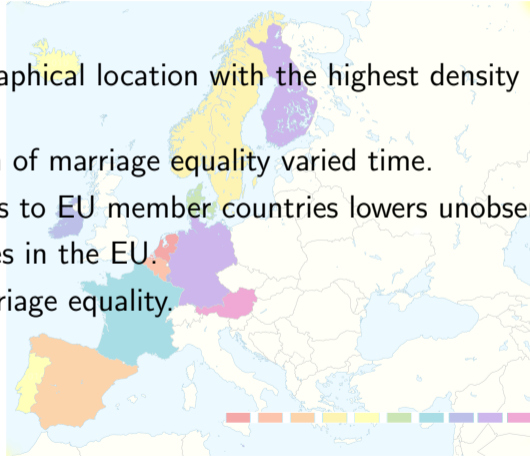
Research Question

How does access to legal same-sex marriage affect the international skilled labor movement?

The effect of marriage equality policies in Europe on the inflow of European Skilled labor to the US.

EU countries

- Europe is the geographical location with the highest density of countries with marriage equality.
- The implementation of marriage equality varied time.
- Limiting our analysis to EU member countries lowers unobservable variations.
- 27 member countries in the EU.
- 13 has enacted marriage equality.



Skilled Labor Inflow

Homeland Security points of entry admissions 2000-2019.

H1B visa admissions

- Requires a bachelor's degree and highly specialized knowledge.
- The number of visas issued is limited.
- Holders of masters degrees and higher have higher odds.

Why European Skilled Labor?

- In the US same-sex couples are more likely to have a masters degree or higher.
- Male same-sex couples are more likely to live in a state different from their birthplace (Badgett et al., 2021)

H1B visa holders:

- 73.7% are male.
- 54.2 % are masters degree holders or higher.

Methodology

Using the difference-in-differences approach developed by Callaway and Sant'Anna (2021) where the outcomes are defined as:

$$Y_{i,t} = Y_{i,t}(0) + \sum_{g=2}^{\tau} (Y_{i,t}(g) - Y_{i,t}(0)) * G_{i,g}$$

Group treatment effect parameter :

$$ATT_t = [Y_t - Y_{g-1} | G_g = 1] - [Y_t - Y_{g-1} | C = 1]$$

where Y is H1B visa admission per 1000 of the labor force

ATT is the average treatment effect at year t , which starting treatment at time g .

G is the time period when a unit first becomes treated.

G_g is a binary variable that is equal to 1 if a unit is first treated in period g .

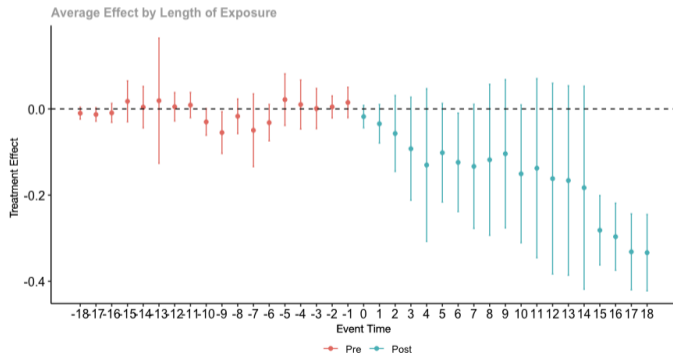
C is a binary variable that is equal to 1 for units that are never treated.

Identification

- Limited treatment anticipation.
- Pre-treatment parallel trends based on the never-treated group.
- Pre-treatment parallel trends based on the not-yet-treated groups.

Event Study

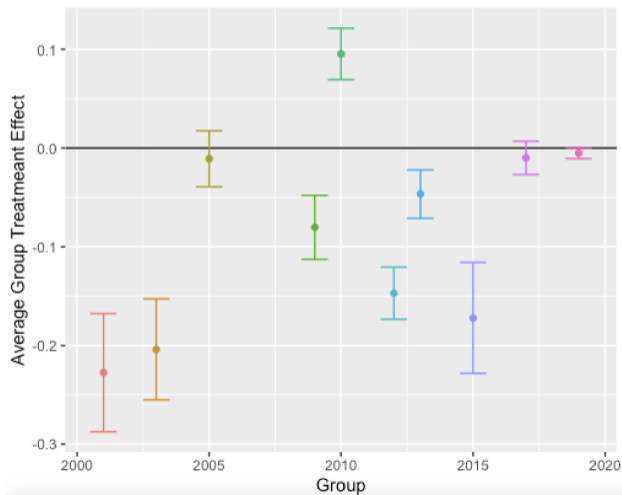
- An average decrease of 0.155^{***} admissions per 1000 of the labor force. A 41% decrease from the average.



Group Treatment Effect



Group Treatment Effect



Extensions and Robustness

Robustness checks.

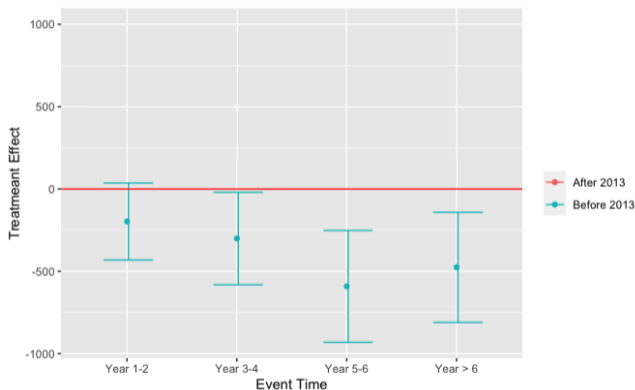
- Placebo tests using visitor visa admissions.
- Using not yet treated as the control group.
- Using the total number of admissions and controlling of population.
- Using a two-way fixed effects model, based on Wolfers' (2006).
 - 2013 *U.S. v. Windsor* The federal recognition of same-sex marriages.
 - 2015 *Obergefell v. Hodges* Federal legalization of same-sex marriages.

$$\begin{aligned}
 US\ Admission_{c,t} = & \\
 & \beta_0 + \sum_j \beta_{j1} Legalization_{c,t,j} + \sum_j \beta_{j2} Legalization2013_{c,t,j} + \sum_t Time\ FEs_t + \\
 & \sum_c Country\ FEs_c + \sum_c Country_c * Time + [\sum_c Country_c * Time^2 + Controls_{c,t}] + \epsilon_{it}
 \end{aligned}$$

US Policies

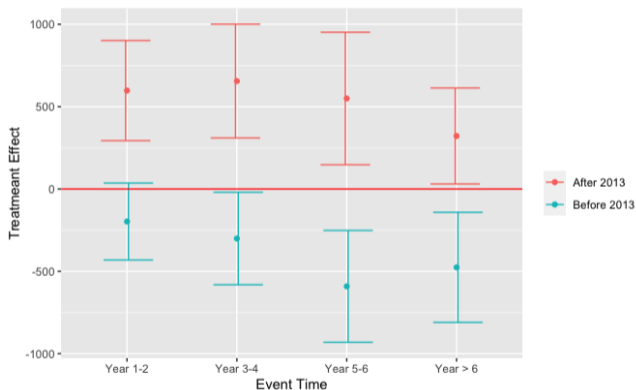
	(1)	(2)
Year 1-2	-197.622* (119.113)	-209.632 (134.432)
Year 3-4	-300.829** (143.288)	-304.172* (179.349)
Year 5-6	-591.303*** (173.096)	-627.729*** (241.145)
Year 7+	-475.981*** (170.595)	-511.127* (290.613)
Year 1-2 after 2013	597.400*** (155.047)	585.315*** (162.321)
Year 3-4 after 2013	655.180*** (176.197)	634.352*** (188.065)
Year 5-6 after 2013	549.443*** (205.200)	558.873** (222.416)
Year 7 + after 2013	321.617** (148.667)	222.328 (182.965)
Observations <i>year</i> ²	540	540 ✓

US Policies



Marriage equality lead to a decrease in the number of admissions before 2013.

US Policies



After 2013 there was a positive effect on the number of admissions.

Conclusions

- The results show an average decrease of -0.155 in admission per 1000 of the home country's labor force. An average of 1459 admissions.
- Access to same-sex marriage influences not only on prospective new skilled labor but also extends to the existing H1B holders.
- Based on H1B holders' average spending, the decline equates to a \$27 million spent in the US economy, and \$41 million in taxes each year (Gogol, 2023).
- The U.S. federal recognition of same-sex marriages helped lower the decline in admission.
- Marriage equality can help attract and retain skilled labor.

Thank you!

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