



**School of Public Policy  
Department of Economics**

# **“Migration Experience and Earnings in the Mexican Market”**

by

**Kevin Thom**  
New York University

**Abstract:** We present an empirical analysis of the relationship between U.S. migration experience and labor market earnings in Mexico. Using Mexican Migrant Project (MMP) data, we find a return to migration experience of about 2.7% per year. Our estimates are robust to the inclusion of controls for unobserved skill, and we thus believe that our estimates are not greatly influenced by standard forms of self-selection bias or the endogeneity of migration experience. A comparison with patterns in the Mexican Census suggests that our results are robust across data sets and are driven by a relationship between migration experience and wages, not hours worked. We also explore the plausibility of multiple mechanisms that might give rise to a return to migration experience. We find the most evidence for the theory that individuals are acquiring occupation-specific work experience in the United States. The return to a year of occupation-specific migration experience is estimated to be as high as 9.3% for some occupations.

**Wednesday, March 16, 2011  
3:30 – 5:00 pm  
Kelley Engineering 1003**