

# “The impact of skilled migration on firm-level productivity: An investigation of publicly traded US firms”

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Silicon Valley firms and CEOs lobby fiercely in favor of increasing H1B visas. Is there evidence that this would affect the sales, profits and innovation activity in these firms? And in other firms, such as startups, or other sectors? We assemble a unique firm-level dataset and build on the strategy proposed by Kerr and Lincoln to address these questions. We find that increases in the cap are likely to lead to growth in sales, TFP and profits but only for a select group of firms. Our analysis suggests that an important channel for these results is an increase in innovation efforts, measured by R&D expenses. Industry-wise we find that firms in manufacturing account for the main results. Our results suggest that caps on H1B visas particularly constrain the innovation efforts of medium size firms.