Hi Norm-

Thanks for sending this over. I had no expectations regarding what your commentary would bring, so I don’t know if it was “different”... Certainly, “lively”! I appreciate seeing it in advance.

With commentary on my research, I mostly avoid wordsmithing-type comments or stating repeatedly “but we addressed that in footnote 72”. For research to make progress, papers and their findings must get beyond the minds and interpretations of individual authors. In this spirit, I don’t have any violent objections to your post. I disagree with some of what you concluded, naturally, but the overall perspective you provide does not distort the paper in any way. Others will react differently, and ideally a creative discussion will emerge that advances our understanding.

A few more specifics (with no obligation on your part, of course):

- My main regret about the post is that very few readers will actually know before or after what the paper says/claims/etc. Your critiques do not actually mention this, and this paper has not been widely circulated. It might be helpful to at least include the abstract of the paper at the start as a neutral way of giving some background.
- My only “wordsmitthing” request would be to remove the “w/o an obvious flaw to it” from the personal quote in point #1, or to note that you asked me whether there was something “obvious” as to why the question was not asked. The quote currently sounds pretty snooty to me, when the email language was just a reflection of what you had asked me.
- With respect to IV, economists focus a lot on the technique, but we don’t worship it per se. The focus is on causal assessments, first and foremost. Most readers would not get that point in your write-up. IV is actually quite difficult and econometrically consuming, so I would prefer to find opportunities to discern causal relationships without the technique. We use IV in this paper because of the very challenging setting—within-firm changes in annual employments over an extended timeframe—but let’s hope other causal techniques at the firm-level can be developed too. I strongly believe papers and research in this area need to continue to move from suggestive evidence to causal analyses.
- Some of your critiques focus on the narrowness/quickness of the literature review, the lack of broad complementary tabulations, and similar. I appreciate your issues here. For papers to be published in academic economics journals, you will often find these traits (with some variance as you noted). The publication process demands papers to be very focused on their specific contributions, with review pieces, policy commentary, and similar providing meta reflections that extend across papers.
- With respect to “young skilled immigrant” versus H-1B workers specifically (i.e., the terminology of the paper), we are seeking to strike an appropriate balance to reflect the work and its place in the debate. Your comments on this point are a useful input for future revisions. This is not easy or simple. In your review, for example, you criticize us for both having data that are removed from H-1B and later for also not addressing further the H-1B hot button points, etc. We regrettably don’t observe visa status, but we can estimate that H-1B holders account for about
40% of the young skilled immigrants in the firm sample. This places us in a challenging position that we will navigate as best possible.

- I don’t have any unconscious biases that I am aware of.
- Regarding the link to the innovation results, we are working on a follow-up paper that considers these employment data and how they link to the patenting of US firms. At the very beginning, I had hoped to combine it all into one piece, but the paper simply became too cumbersome and long. I hope to release this follow-up piece in the fall.
- On the discussion about long-term impacts, I agree with your assessment that these issues go far beyond this paper. You have a very strong opinion about these impacts, while I am not yet convinced by any one account. I stress this in all interviews, which typically annoys the reporter to death. I am hoping to work on a model-based analysis (in technical terms, general equilibrium) to explore these issues over the coming year. While I believe we need to know more about the long-term, I also stand strongly by the importance of an accurate depiction of the short-run consequences.

I hope these notes are helpful. My hope is that as many readers as possible look at the paper directly. It is the outcome of tremendous work with very special data that has never before been assembled. In our opinion, it is an important advance in this area on many levels. There is no close substitute for the paper’s research platform with respect to these firms. With your critique in hand, I would be thrilled if some of your subscribers click through to read a bit of it themselves...

To close, let me also give you a nod. While you do not want to endorse the paper, your postings were clearly a large inspiration for the work. Economists had not considered some of these issues, especially those related to age substitution. We find some evidence for the effects that you describe. You obviously think the paper falls short of capturing the real deal, but the paper is nonetheless evidence of your impact upon the debate.

Thanks

Bill