MIGRATION OPPORTUNITIES, COLLEGE ENROLLMENT AND COLLEGE MAJOR CHOICE

Sandra Spirovska
University of Wisconsin–Madison

This version: October 20, 2021
Please click HERE for the most recent version

Abstract: I explore how migration opportunities affect college enrollment and major choice in migrant-sending countries in the presence of open borders. My identification strategy exploits exogenous variation in migration costs during the 2004 European Union (EU) enlargement to compare enrollment in newly admitted sending countries and incumbent destination countries. I use microlevel data from the EU Labor Force Survey and an event study framework to show that college enrollment in new states increased 15-25% in anticipation of better migration opportunities, and up to 30% once borders opened. College students in new states were more likely to enroll in college majors related to occupations with labor shortages in destination countries. To disentangle the effects of migration costs and wages on enrollment, I develop a model of college major choice with a migration option. Counterfactual policy experiments indicate that sending country enrollment is highly sensitive to migration penalties, but less sensitive to domestic wage increases.

JEL Codes: F22, I25, J61

Key words: Migration, Human capital, College major choice

Email: spirovska@wisc.edu. Website: www.spirovska.com