

# Recovering the Counterfactual Wage Distribution with Selective Return Migration

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## *Abstract*

This paper studies what the immigrant wage distribution would be in the absence of return migration. In particular, it recovers the counterfactual wage distribution if all Mexican immigrants were to stay in the United States and no out-migration of Mexican born workers occurred. Due to the presence of self-selection, the overarching problem addressed by this study is the development of a consistent estimator for the counterfactual density of interest. I propose a semi-parametric procedure that recovers this distribution. I find that Mexican returnees are middle to high wage earners, at all levels of human capital.

JEL Classification: J61, F22

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