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2005 (Oral) Labor Economics, Public Finance (*with distinction*)  
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**Dissertation Title:** *Essays on the Relationship between Migration and Labor Market Skill*

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M.Phil., Economics, Yale University, 2006  
M.A., Economics, Yale University, 2005  
B.S., Economics, *summa cum laude*, Vanderbilt University, 2003

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Raymond Powell Teaching Prize, Yale University, 2008  
Yale Dissertation Fellowship, Fall 2008  
Cowles Foundation Prize, Yale University, Summer 2005  
Graduate School of Arts and Sciences Fellowship, Yale University, 2003-2007

Honors in the College of Arts and Science, Vanderbilt University, 2003  
 High Honors in Economics, Vanderbilt University, 2003  
 Phi Beta Kappa, 2002 (early inductee)

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Introduction to Microeconomics, Yale University, Fall 2006 and Spring 2008 (Head TA)  
 Labor Economics, Yale University, Spring 2006 and Fall 2007  
 Intermediate Microeconomics, Yale University, Fall 2005  
 Economic Statistics, Vanderbilt University, Spring 2001-Spring 2003

### Research Experience:

#### *Research Assistant:*

Fabian Lange, Yale University, 2005  
 John Siegfried and Allen Sanderson, Vanderbilt University and University of Chicago, 2004  
 Malcolm Getz, Vanderbilt University, 2001-2003

### Papers:

“The Geographic Distribution of Human Capital: Measurement of Contributing Mechanisms,”  
 mimeo, October 2008. (Job Market Paper)

“The Relationship between Schooling and Migration: Evidence from Compulsory Schooling  
 Laws,” mimeo, February 2008.

“On the Effect of School Inputs on Labor Market Outcomes,” mimeo, December 2007.

“The Economic Impact of Colleges and Universities,” *Economics of Education Review*, October  
 2007. (with John Siegfried and Allen Sanderson)

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### References:

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## **Dissertation Abstract**

My dissertation consists of three essays studying the relationship between labor market skill and migration behavior. The first essay estimates a model describing the geographic distribution of human capital in the U.S. as a function of the previous generation's human capital distribution, the intergenerational transmission of skill from local parents to children, and migration of those children to adult locations. I find evidence of regression toward the mean of local skills through intergenerational transmission, which is partially offset by selective migration of skills. Labor market size, local supply of higher education, climate variables, and taxes influence skilled migration.

The second essay exploits variation in school attainment from compulsory schooling laws to estimate the effect of an additional year of schooling on the propensity to migrate. I estimate negative effects of schooling on migration at low levels of schooling (in secondary school) in the United Kingdom and imprecise negative coefficients in some specifications with U.S. data. The third essay corrects for selective migration in estimating the effect of state-level school quality inputs for children on their later earnings. I find evidence consistent with some positive effects of school inputs, but they are weaker than estimates in the previous literature.

## **I. The Geographic Distribution of Human Capital: Measurement of Contributing Mechanisms (Job Market Paper)**

The variance of employment skill levels across U.S. local labor markets is large. Increasing evidence indicates that the skill level of a labor market's residents matters. Workers with more education on average experience higher earnings, which means that locations with more-educated citizens have higher potential tax revenue. Consistent with these facts, local governments in the U.S. attempt to retain and attract skilled workers. For example, Georgia's HOPE scholarship reduces the costs to academically successful Georgia high school graduates of attending Georgia colleges.

The characteristics and policies that attract skilled residents to a local area are of interest. This paper contributes empirical evidence about the geographic distribution of skill in the U.S. and a framework for understanding the determinants of this distribution: the locations of previous generations, the intergenerational transmission of skill from parents to children, and migration of differently skilled individuals. I assess the effects of intergenerational transmission and migration on the generation-to-generation persistence of labor market skill differences. I also identify labor market characteristics that predict local skill levels.

I begin with a statistical decomposition of state differences in skills using the U.S. Census. A predicted earnings index is the proxy for skill. I call a worker high-skilled if his predicted earnings are in the highest quartile of the economy-wide distribution and low-skilled in the lowest quartile. The local skills measure is the local ratio of high-skilled to low-skilled populations. Initially, the state is my location definition, since this is the least aggregated birth location identified in the Census. For each state, I measure the skills of the parent generation, of the next generation by birth state, and of this second generation by adult residence state. I find evidence of mean reversion in state skills through intergenerational transmission. Of course, there are weaknesses to using the Census for this exercise. The most important is that states are poor proxies for labor markets, which are the geographic units of interest for understanding local production and consumption.

To remedy this, I use detailed location data for respondents to the National Education Longitudinal Survey of 1988 (NELS:88), which is a nationally representative sample of U.S. resident students in the eighth grade in 1988. The NELS:88 also provides richer data on individual skills and on linked parent and child skills. In order to use the relatively small sample size of the NELS:88 to study skill distributions of all U.S. labor markets, I add structure to the local skill decomposition framework.

The additional structure is a model that explains the geographic distribution of human capital as the outcome of a dynamic process wherein parents with different skills choose residence locations, they pass skills to their children, and their children choose their own residence locations. The model shows

that selective net migration responds to local characteristics that affect the local relative demand and supply for high- and low-skilled residents. Estimating the model for states replicates findings in the Census accounting exercise, which increases confidence in the estimation procedure.

I then estimate the model using groups of counties called commuting zones as the labor market definition. Overall, labor market skill levels persist from one generation to the next. The intergenerational transmission mechanism induces regression toward the mean of labor market skills. Migration of skills toward labor markets with higher parents' skills partially offsets the regression toward the mean. Intergenerational transmission tends to move skills toward small and rural labor markets, while migration tends to move skills toward larger and more urban labor markets. Local college enrollments and subsidies are positively correlated with the attraction of skills through migration. Labor markets with lower average January temperatures tend to have higher skill levels. Taxation in labor markets with higher skill tends to be tilted toward wage taxes and away from capital taxes.

## **II. The Relationship between Schooling and Migration: Evidence from Compulsory Schooling Laws**

In this essay, I assess the effect of schooling on the propensity to migrate, focusing on people with relatively low schooling levels like high school dropouts. Consistent with a large literature, I document positive correlations between schooling and migration.

It might be the case that the observed correlation between schooling and migration reflects mechanisms other than the effect of schooling on the costs or returns to migration. Schooling and migration are both investment choices that could be chosen together mostly by people with a greater propensity to invest or by people who are more career-oriented. I present a model that illustrates the possibility of such a relationship.

I then estimate the effect of schooling on migration by exploiting variation in schooling due to compulsory schooling laws (CSLs). I estimate negative effects of schooling on migration among those with relatively little schooling. Results from CSL policy changes in 1947 and 1957 in the U.K. provide the strongest evidence of a negative effect. Analysis with U.S. state policies over much of the 20th century yields negative point estimates of the relationship, although zero and some positive effects cannot be rejected statistically.

## **III. On the Effect of School Inputs on Labor Market Outcomes**

I follow Card and Krueger (1992) and associate workers' wage returns to schooling with measurements of school inputs in their birth states when they were at school age. Card and Krueger assess the effect of school inputs by comparing people earning wages in the same state who were born in different states. If individuals choose where to live based on their wages, then Card and Krueger's identification strategy is invalid.

I apply a version of Dahl's (2002) selection correction procedure to estimate birth-state-cohort-specific returns to schooling that account for selective migration in 1980, 1990, and 2000 U.S. Census data. This involves estimating a control function of individual characteristics that proxies for the source of bias in the wage regression. The approach infers school quality effects by comparing wages of people who were born in different states but for whom I predict similar migration choices.

Overall, my findings are not as supportive of school quality effects as Card and Krueger (1992). In my analysis, teacher salaries appear to raise returns to schooling in 1980 but probably not later on. The effects of pupil-teacher ratios are stronger and more persistent. Longer term lengths do not appear to increase returns to schooling. Correcting for selective migration in returns to schooling weakens the evidence that measurable state school inputs are productive in the labor market.