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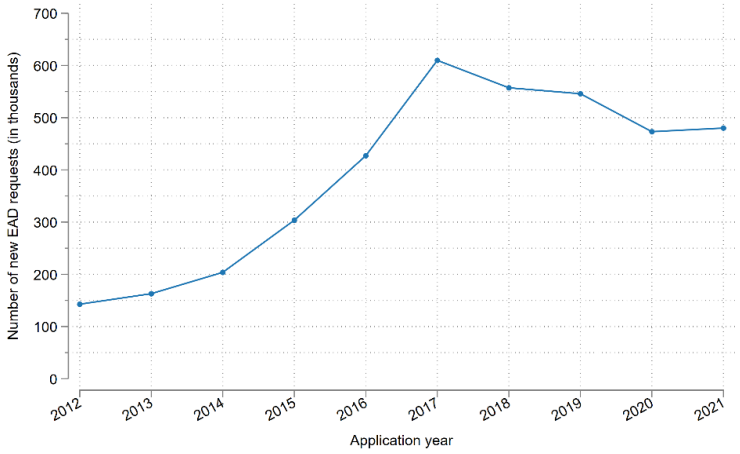
The Role of Employment Authorization in Asylum Seekers' Integration*

Over the past decade, the increasing arrival of asylum seekers to the United States has raised concerns about their economic integration and potential impact on public finances. A critical factor in this integration is the timely issuance of employment authorization, which is vital in facilitating asylum seekers' entry into the workforce. While most individuals with pending asylum cases are eligible for work authorization, it is not an automatic process; they must apply for an Employment Authorization Document (EAD) to legally engage in employment in the U.S. Despite the importance of work authorization and the rapid growth in the number of applicants, there is limited understanding of how the composition of EAD requests among asylum seekers has evolved—particularly regarding variations in application rates by country of origin, entry cohort, and place of residence—and how access to these permits affects their economic integration.

This study addresses these critical questions by analyzing data on EAD applications from asylum seekers between 2012 and 2021. *First*, we conduct descriptive analyses to highlight trends in applicant flows and shifts in their composition by country of origin, entry mode, geographic distribution across the U.S., and changes in their propensity to request employment authorization. *Subsequently*, we assess the impact of average EAD approval rates and processing times at the local level on applicants' economic integration, focusing on employment rates, earnings, and housing affordability.

For the descriptive analyses, we use individual-level data from all asylum seekers who submitted an initial application for employment authorization with U.S. Citizenship and Immigration Services (USCIS) between 2012 and 2021. This dataset includes essential information, including asylum seekers' U.S. place of residence, dates of EAD application and approval, country of origin, as well as their year, legal status, and point of arrival in the United States. These data allow us to examine the evolving composition of asylum seeker flows over time.

Figure 1: Initial EAD requests from asylum seekers by year



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Preliminary analysis reveals a significant surge in asylum seekers applying for EADs between 2012 and 2017, followed by a moderate but steady decline in subsequent years (see Figure 1). The composition of applicants also evolved during this period. Early in the decade, Chinese asylum seekers constituted over one-third of EAD applicants, but by 2017, Venezuelans had emerged as the leading country of origin. Additionally, the entry mode of asylees shifted, with the proportion entering on nonimmigrant visas increasing from 21% in 2012 to nearly 45% in 2017.

During the study period, EAD approval rates varied significantly by country of origin. Mexicans and Central Americans consistently experienced approval rates 10 to 20 percentage points lower than those of Chinese and Venezuelan applicants. EAD processing times also fluctuated considerably, ranging from less than a month for some groups, such as Venezuelans in 2012 and 2019, to as long as six months for Mexicans and Central Americans in 2021 (see Figure 2). Using 2021 as an example, Figure 3 illustrates how these differences in approval rates and processing times across countries of origin contributed to distinct EAD processing timelines across various regions of the United States.

Figure 2: Proportion of EAD approvals by year and region of origin

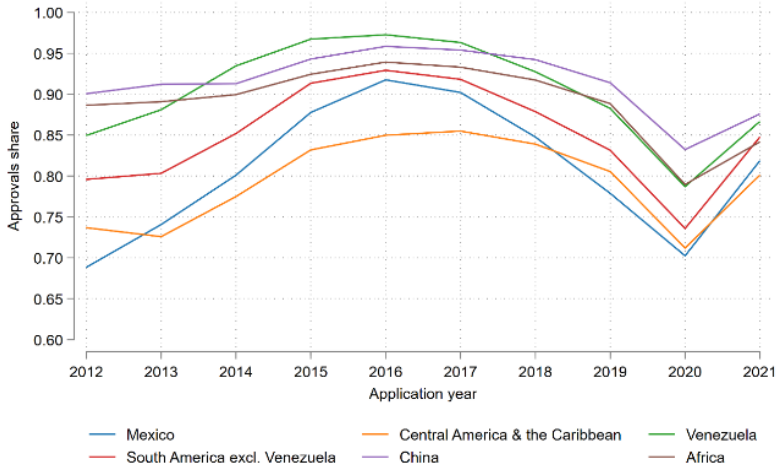
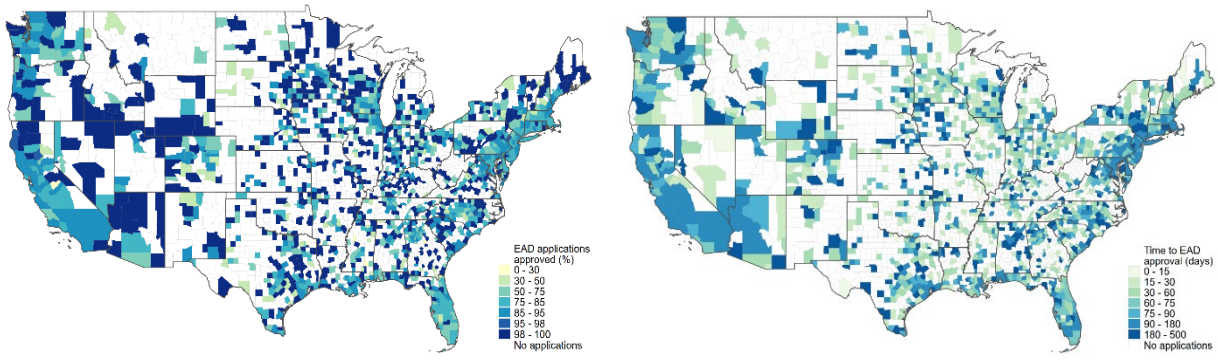


Figure 3: Key metrics in the approval of EADs by county (2021)



(a) Proportion of EADs approved

(b) Average time to EAD approval

To assess the economic integration of asylum seekers applying for work authorization, we calculate the proportion of EAD approvals and the average time to approval by country of origin, year, and U.S. county. We then merge these EAD approval metrics with individual-level data from the *American Community Survey* (ACS) by matching individuals' country of birth, year, citizenship status, and county of residence. This approach allows us to leverage country of origin, geographic, and time variations in EAD processing to evaluate the impact of work authorization processing on the economic integration of likely asylum seekers, specifically focusing on their employment and earnings outcomes. Our empirical model is specified as follows:

$$(1) \qquad Y_{ioct} = \alpha + \beta \times EAD_{oct} + X'_{ioct}\gamma + Z'_{ct}\delta + \theta_o + \theta_c + \theta_t + \theta_{oc} + \theta_{ot} + \theta_{ct} + \epsilon_{ioct,}$$

where Y_{ioct} captures employment, earnings, and various aspects of housing, including rent-to-income ratios and overcrowding, of individual i from country of origin o, in county c, at time t. Our right-hand-side variable of interest, $EAD_{oct,}$ represents the local EAD approval rate or average processing time. It varies continuously across asylum seekers' countries of origin, counties of residence in the U.S., and years. Vector X'_{ioct} includes information on individual-level characteristics like the respondent's age, age squared, race, marital status, and educational attainment. Vector Z'_{ct} comprises county-year controls, including a Bartik-style measure of labor demand to account for potentially confounding variations in local economic conditions.

We also include fixed effects for country of origin (θ_o) and U.S. county (θ_c) to control for time-invariant characteristics specific to each country of origin and county of residence, along with year fixed effects (θ_t) to account for unobservable, time-varying macro-level factors and year-specific shocks. Additionally, we incorporate two-way fixed effects to capture any remaining unobserved variation at the intersections of the country of origin×county, country of origin×year, and county×year. These fixed effects, for instance, capture time-varying differences in EAD outcomes related to the processing centers to which applications are assigned based on asylum seekers' places of residence.

The estimation of equation (1) enables us to identify the effect of EAD approval rates and processing times on applicants' employment and earnings, while accounting for various potential confounding factors. This approach ensures a robust estimation of the impact of work authorization on asylum seekers' economic integration.

Overall, the study will provide a detailed examination of how the composition and processing of Employment Authorization Documents (EADs) for asylum seekers have evolved and its implications for the economic integration of this population. The analysis will highlight significant trends in EAD application rates, approval variations by country of origin, and processing times, revealing the complex interplay between these factors and asylum seekers' integration outcomes. In addition, by linking EAD metrics with economic indicators from the *American Community Survey*, we will offer new insights into how different processing conditions affect employment and earnings among asylum seekers. As such, the study will enhance our understanding of asylum seekers' economic integration and inform policy discussions on improving the efficiency and fairness of the asylum process in the U.S.