# Luke Rawling

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## RESEARCH FIELDS

Macroeconomics, Labour Economics, Applied Econometrics

## EDUCATION

Ph.D. Economics, **Queen's University** 2020–present
*Committee:* Ming Xu (supervisor), Mons Chan (supervisor), Allen Head, Steven Lehrer

M.A. Economics, **Queen's University** 2019–2021

B.Sc. Financial Mathematics and Economics, **University of Ottawa** 2014–2018

## PUBLISHED AND ACCEPTED PAPERS

**The Implications of Sorting for Immigrant Wage Assimilation and Changing Cohort Quality in Canada**
with Steven F. Lehrer
Accepted at *Canadian Journal of Economics*

*Abstract*: Immigrant integration is a central issue in policy debates, with wage assimilation serving as a key indicator of immigrants' economic success. Using matched employer–employee data from Canada, we study how access to higher-paying firms affects the economic assimilation of immigrants. Immigrants are disproportionately concentrated in lower-paying firms, accounting for much of the observed inequality. Nearly half of this sorting occurs across industries, and both firm- and industry-level wage gaps stagnate after eight years, suggesting that further assimilation reflects human capital accumulation rather than improved firm access. Importantly, these disparities persist after controlling for estimates of worker skill, indicating barriers to high-paying firms rather than differences in human capital. The analysis further shows that Canada's post-2015 immigration policy reforms significantly improved immigrant outcomes: the initial wage gap narrowed by 25–35%, with roughly half of the improvement attributable to better allocation into higher-paying firms. Taken together, the findings highlight the critical role of firm sorting and its interaction with immigration policy in shaping the economic integration of immigrants.

**Non-Compete Agreements in Low-Wage Markets: Efficient Contracting or Exploitation?**
with Bhargav Gopal and Xiangru Li
Forthcoming at *AEA Papers and Proceedings*

*Abstract*: A standard theory of non-compete agreements (NCAs) is that they encourage firm-sponsored investment in workers by reducing turnover, which may benefit both parties if productivity gains are shared with workers. While this view may justify NCA use among high-skilled workers, the prevalence of NCAs in low-wage labor markets is harder to reconcile: these jobs typically involve less general raining and workers are more easily replaced. We present two competing explanations. One is an efficient contracting view, in which workers with high discount rates accept NCAs in exchange for upfront compensation, even in the absence of firm sponsored investment. The other emphasizes monopsony power, where firms use NCAs to restrict job mobility and further suppress wages when they cannot price discriminate. Using detailed worker-level data from the NLSY97 and a stacked difference-in-differences design that exploits variation across cohorts of NCA signers, we analyze how signing an NCA affects job satisfaction, wages at the time of signing, and job tasks. We use these empirical results to distinguish between the two theories.

## WORKING PAPERS

**Networks, Sorting, and the Productivity Implications of Immigrant Assimilation**
*Job Market Paper*

*Abstract*: I study how barriers to labor market integration shape immigrant outcomes and the aggregate economy. Using matched employer–employee data from Canada, I find that new immigrants earn substantially less than comparable natives, sort into lower-productivity firms, have higher job turnover, search longer when unemployed, and cluster in firms with co-ethnic incumbents–patterns that dissipate with time in the host labor market. Guided by these facts, I develop and estimate a search model with referral networks, sorting, and assimilation. Half of the gap in firm sorting is driven by labor market barriers and lower quality networks rather than differences in human capital, suggesting immigrants are substantially misallocated. Eliminating these barriers would raise immigrant output by 8.4% and total output by 1.1% without harming native workers. Feasible integration programs that combine human capital investments with search assistance deliver similar output gains. The counterfactuals highlight that integration programs should target unemployed low-skill immigrants.

**Do Non-Compete Agreements Help or Hurt Workers? Evidence from the NLSY97**
with Bhargav Gopal and Xiangru Li
*CLEF Working Paper*

*Abstract*: While non-compete agreements are prevalent, the incentives driving their use and their causal effects on workers remain poorly understood. We develop a model with asymmetric information to show that non-compete agreements shift the nature of allocative inefficiency—reducing inefficient quits but increasing inefficient retention—while mitigating the canonical hold-up problem. The model predicts that non-compete agreements are more likely to be used in industries with high returns on industry-specific investments, and that signers have longer job tenures, higher wages, and receive more firm-provided investment than similar workers without such agreements. Using panel data from the NLSY97 and a difference-in-differences research design, we estimate the causal impact of signing a non-compete agreement. We find that non-compete agreements raise job tenures by 6% and lead to an immediate wage increase of 10%. Six years after signing, the wage premium falls to 5%. There is also substantial heterogeneity across worker demographics, with non-white, non-college and lower-wage workers experiencing lower wage-growth after signing an NC. While the theory links non-compete agreements to firm investment, we find no evidence of increased investment in formal training, suggesting investments prompted by the agreement are likely informal. Our findings caution against blanket bans on non-compete usage, favoring a more targeted approach focusing on lower-wage workers.

## WORK IN PROGRESS

**Trade, Occupational Sorting, and Inequality**
with Mons Chan and Ming Xu

*Abstract*: Firms react to changes in factor prices with intensive and extensive-margin employment adjustments at the occupational-level. We study the distributional and aggregate consequences of this make-or-buy dynamic by developing a novel network model of heterogeneous firm-to-firm trade where the boundary of each firm depends on factor prices and firm-occupation comparative advantage in input-production. We show that the model can be aggregated and taken to industry-level data, and use the calibrated model to examine recent trends in employment, wages and trade in the US. Using public ACS data, we provide empirical evidence that a significant fraction of the growth in wage inequality in the US is due to changes in firm/industry specialization and occupational sorting. To understand and measure the underlying causes of these trends, we calibrate the model to occupation and industry data from the ACS and input-output tables. Our model allows us to decompose the rise in wage variation into a) changes in inter-industry trade frictions, b) changes in production technology and c) changes in labor supply. We show that changes in trade frictions have substantial implications for wage inequality and the increases in occupational sorting and concentration.

**Immigration and Firm Wage-Setting Policies**

*Abstract*: I develop a theoretically founded empirical strategy to estimate how firms adjust their wage setting policies in response to immigration inflows. As in traditional models, my framework predicts that hiring new immigrants will tend to directly reduce the productivity of existing workers at a firm, putting downward pressure on wages (direct channel). However, this direct effect is offset at the firm level by two competing forces: (i) existing workers may respond by re-allocating away to less exposed firms (worker mobility channel) and (ii) firms respond by adjusting demand for other inputs (input complementarity channel). The impact of immigrants on the labor market therefore depends critically on which firms attract new immigrant labor and the technology those firms operate. I further allow for the fact that immigration may affect firm wages via both changes to marginal product of labor and/or changes to their labor supply curve and decompose these distinct margins of adjustment. I apply my framework to Canadian matched employer-employee data to quantify the mechanisms through which firms adjust to immigrant inflows.

## NON-ACADEMIC PUBLICATIONS

**Improving the Economic Integration of Canadian Immigrants**
*JDI Policy Insight*, 25-0601.

## TEACHING EXPERIENCE

**Teaching Assistant**, Department of Economics, Queen's University, 2019–present.

**PhD Courses**:

ECON 817 (Advanced Macroeconomic Theory II)
ECON 816 (Advanced Macroeconomic Theory I)

**MA Courses**:
ECON 815 (Macroeconomic Theory)
ECON 840 (Public Economics)

**Undergraduate Courses**:
ECON 255 (Intro to Mathematical Economics)
ECON 360 (Labour Economics)
ECON 361 (Income and Inequality)
ECON 391 (Topics in Environmental Economics)
ECON 280 (Population and Economic Change)

**Teaching Assistant**, School of Policy Studies, Queen's University, 2022.
MPA 817 (Impact Analysis Capstone)

## AWARDS, FELLOWSHIPS, AND GRANTS

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| Ontario Graduate Scholarship (OGS) | 2024–2025 |
| W.C. Good Memorial Fellowship | 2023–2024 |
| SSHRC Canada Graduate Scholarships-Doctoral Award | 2021–2023 |
| Arthur B. McDonald Prize for Academic Excellence | 2020–2021 |
| SSHRC Canada Graduate Scholarships-Master's Award | 2019–2020 |
| Mathematics and Statistics Faculty Award, University of Ottawa | 2018 |

## CONFERENCE AND WORKSHOP PRESENTATIONS

**2025**: Midwest Macro Meetings (Cleveland Fed, upcoming), Canadian Public Economics Group (Quebec City, upcoming), Vienna Macroeconomics Workshop (IHS), The Economics of Migration Junior Seminar (online), Fourth Workshop on the Macroeconomic Implications of Migration (Atlanta Fed), Second European Workshop on the Macroeconomic Implications of Migration (Bank of Spain), Workshop on Firms and Inclusive Growth (Smith School of Business), Canadian Economic Association Meeting (Montreal)

**2023**: Society of Labor Economists (Philadelphia), CEA Meeting (Winnipeg)

**2022**: Lindau Nobel Laureate Meetings (Lindau, Germany)

## EMPLOYMENT

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| JDI Research Fellow, John Deutsch Institute | 2025–present |
| Research Assistant, Queen's University | 2022–2024 |
| Teaching Assistant, Queen's University | 2019–present |
| Research Analyst, Limestone Analytics | 2020 |
| Assistant Project Manager, Colliers Project Leaders | 2018–2019 |

## REFEREE SERVICE

*Canadian Journal of Economics*

## OTHER INFORMATION

**Citizenship**: Canada
**Programming Languages**: Stata, MATLAB, Julia, Python, R

## REFERENCES

**Prof. Ming Xu**
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