The Link Between Consumer Prices, Labor Costs, and Immigration in the U.S.: Bivariate Associations

Sean Maddan, Claudia San Miguel, & Marcus A. Ynalvez
Texas A&M International University

Introduction

In June 2022, the American Business Immigration Coalition (ABIC) consulted with researchers at Texas A&M International University (TAMIU) about a potential study exploring the link between non-citizen or migrant admissions/immigration and the larger economy. In particular, the proposed research was to assess the impact of non-citizen admissions on labor costs and consumer pricing in relation to meats, poultry, eggs, dairy, fruits, and vegetables. Additionally, the impact of the incidence of H-2A visas and petitions for naturalization of immigrants on labor costs, inflation, and consumer pricing was to be analyzed. Due to the compressed timeline, TAMIU agreed to evaluate macro-level indicators of the desired economic and immigration variables. TAMIU and the research team did not receive any financial funding or support for this study.

Data

The data for this research were collected from official data sources that include the Bureau of Labor Statistics, the Social Security Administration, the St. Louis Fed, US Customs and Border Protection, and US Department of Agriculture. Bivariate statistical analyses were used in this research.

Key Findings

1. *More migrant and more H-2A workers are related with lower inflation*
2. *More migrant and more H-2A workers are associated with higher average wages and minimum wages*
3. *More migrant and more H-2A workers are associated with lower unemployment*
4. *More denied petitions for naturalization are associated with larger consumer prices and higher inflation*
5. *More petitions for naturalization are associated with lower inflation*

Conclusion

Overall, the findings in this study tended to support the conclusion that policies on non-citizen admissions and immigration have a profound association with the economy. The relationships denoted above are strong, statistically significant relationships ($p < 0.05$). The majority of relationships discovered were in the hypothesized direction. More research using multivariate techniques or alternative methodologies is necessary to further explore these associations.