Abstract

Immigrants are taking American jobs, but we are all better off because of it. Given today's political environment, immigrants are viewed to be a burden on American resources. This study examines American poultry and crop farms to determine the economic burden or gain on the host country's labor supply. The study finds that the labor supply for immigrant labor is more elastic than the native poultry farmer's labor supply. The rising domestic demand for chicken (often referred to as broilers) creates a demand-pull strain on the chicken market, and more human capital is needed to sustain this growing demand. It is found that immigrant labor, due to its labor supply's elastic tendencies, is utilized to meet production demands. In doing so, real wages for livestock workers increase, and prices for poultry decrease per pound. Overall, the native population's tendency to view poultry as a normal good drives the market to demand more workers. Reservation wages for native workers are too high to attract native workers, so immigrant laborers, motivated to seek a higher wage, flow into the host country and seek higher income. To continue to attract more immigrants, wages increase slightly - although at a much lower rate than if immigrants were not available. This study helps to clarify the complex economic relationship between immigrants in the host country and can apply to other economic markets.

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