The Financial Impacts of Immigrants to the State of Ohio

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# Chapter 1: Introduction

Barone (2016) describes immigration as among the contemporary topics that evoke intense debate in the United States. According to Barone (2016), Americans cannot agree on whether immigrants contribute positively or negatively to the economy. Barone (2016) also says that America's forefathers aimed to establish a sanctuary for people escaping persecution in their homes. However, while immigration was significant to the nation's founding, some Americans today perceive immigrants as a threat to development. The diversity in opinion toward immigration reflects the incongruent policies that discourage immigrants from investing in the country through opening businesses, paying taxes, and filling labor shortages. Ohio is an excellent example of the States that report a low immigration rate due to divergent perspectives toward immigrants' role in local economies (Barone, 2016). Some of Ohio’s policy such as Global Reach to Engage Academic Talent (GREAT) attract immigrants, especially international students, while others shun away investors and alien workers (Pottie-Sherman, 2018).

Incongruent policies, directly and indirectly, impact immigration because they shun immigrants away and influence government development programs. Indeed, existing statistics show that Ohio has a small percentage of immigrants relative to its population than other States, such as Indiana and Pennsylvania (Pew Research Center, 2019). Immigrants are less likely to relocate to Ohio due to the incongruent policies and lack of attractive incentives for workers. However, as Collins & Wanamaker, (2018) posits, Ohio is still attractive to immigrants because of its high labor demand and manufacturing opportunities.

As per the Ohio access to justice foundation (2020), immigrants play an essential role in Ohios’ economy. For this reason, there is a need for further research on immigrants' financial impacts to Ohio to provide policymakers with a vision concerning the programs needing priority to facilitate development. However, some legislators believe that skilled immigrants are significant for the State's globalization initiatives and development. Additionally, they trust that immigrants’ economic impacts and contributions can help develop Ohio's economy (Barone, 2016). Despite the existing evidence, the State’s policies lack congruence in attracting and retaining immigrants.

Existing research on the topic encompasses the causes of immigration into the States, the impacts of infrastructure expenditure on immigration, and the effects of foreigners on Ohioan income (Barone, 2016). Existing evidence shows that manufacturing, labor demand, and distance are possible causes of immigration into States in the United States (Collins & Wanamaker, 2015). Infrastructure expenditure contributes to higher immigration rates because immigrants’ move to regions with better opportunities (Kreciglowa, 2018). Likewise, an increase in immigrants' percentage in a state contributes to median income growth (Durell, 2018). Therefore, available information concerning immigration points to immigrants’ possible benefits to Ohio’s financial status and the residents’ economic development.

## Statement of the Problem

The problem to be addressed in this study is the mismatch of immigration policies in the State of Ohio that discourage immigrants from investing in the state through opening businesses, filling labor shortages, and paying taxes. Statistics from the Pew Research Center show that Ohio has 90,000 immigrants, which is 0.8% of its total population (2019). Neighboring states with large population sizes have higher immigrant percentages, such as 1.5% in Indiana, 1% in Michigan, and 1.3% in Pennsylvania. Ohio recognizes that immigrants and states should have a mutually beneficial relationship, with the immigrants utilizing resources while actively contributing to economic development where they reside (Barone, 2016). Furthermore, Ohio considers immigrants highly skilled workers who contribute significantly to its development initiatives, leading to globalization and ultimate financial growth.

For these reasons, it has established incentives to retain international students, including immigrant students, because it acknowledges their impacts on the state's economic development (Pottie-Sherman, 2018). However, education is not the only factor that attracts immigrants to invest or settle in a State. Other factors that attract immigrants into a State are manufacturing and labor demand (Collins &Wanamaker, 2018). Kreciglowa (2018) opines that the State of Ohio has failed to invest in these manufacturing and labor-demanding incentives despite their proven impacts on economic development. This immigrant policy mismatch does not just cause uncertainty among immigrants; it threatens residents' financial interests in the State. According to Ohio Access to Justice Foundation (2020), immigrants fill emotionally draining and physically demanding jobs in the State, which allows the natives to focus on more skilled labor with higher pay. If the State fails to address the existing incongruity in its policies toward immigration, it risks discouraging immigrants from investing in its cities.

## Purpose of the Study

The purpose of this exploratory qualitative study is to discover the financial impact of immigrants in the State of Ohio. In particular, the research will analyze different immigrant family members' information and Ohio's economy. According to Guetterman (2015), there is a relationship between immigrants' population and economic development. However, there is still a need to find why the increased immigration population could lead to Ohio's economic growth. Furthermore, there is a need to establish whether business infrastructure in the State of Ohio enable immigrants to work and invest in the State. Also, the study will inform the level of integration of immigrants into Ohio’s society. The study will also help analyze Ohioan's perceptions toward immigrants' impact on Ohio’s economy. In examining these issues, several case studies will help identify immigrant families showing their financial contributions and their benefits. The study's independent variable is immigration in Ohio, while the dependent variable is economic growth. The researcher will examine seven families within the recommendations for the appropriate sample size for case studies as suggested by Creswell (Guetterman, 2015). The study population will be the immigrant families who have lived in Ohio in the last five years. The researcher will study immigrant families in the State of Ohio, with each family member completing questionnaires concerning their perspectives on the State's immigrant policies. Then, the scholar will collect and analyze data concerning the income, taxes, education, and health expenditures of participants on excel spreadsheets. The sample size will be 31, at least three members from each family. The study results will help policymakers in the State of Ohio improve their insight into how to improve the State economy. Additionally, it will inform the economist and researcher of the effects of immigration on labor markets, which will give insight into how immigration affects the State of Ohio's wages and employment. Policymakers will gain insight into how immigrants affect the financial position of the State of Ohio.

## Introduction to Theoretical Framework

Dustmann et al. (2017) reviews the benefits and costs that are borne by the economies that receive the immigrants. In their study, the effect of immigration on the wages and employment for the economies welcoming the immigrants are explained. Dustmann et al. (2017) posit that this effect is likely to occur only if the skill set of the immigrants is different from that of the native workers such that it changes the supply of labour in the economy. In such a case, the economy theory is applied that states that the effect of immigration is likely to be small and get low as time goes by since the economy would have adjusted itself given the large labour supply. The assumption here is that the economy is open or there is the flow of capital into the economy.

The neoclassical migration theory formulated in the nineteenth century is one of the early theories to be developed to explain labour migration. It suggests that workers are likely to move from low-wage to high-wage markets. This is with the assumption that the factors of production are flowing freely.

The neo-classical migration theory will guide this study because it explains the relationship between regional development and labor flow, relevant in evaluating immigration. It presents two models that explain immigration, including the micro-economic and macro-economic approaches (Hejdukova & Kurekova, 2020). The micro-economic process holds that individuals evaluate the costs and benefits of moving to a region when making immigration decisions. Nonetheless, these perceived expenses and profits vary depending on the destination that the individual relocates. The macro-economic approach focuses on how differences in supply and demand between different places influence immigration. According to the macro-economic model, regions enjoying a more significant share of labor-capital are likely to report low wages. In contrast, those with a lower portion will have higher earnings. Subsequently, immigration tends to flow from regions with surplus labor and low wages to regions with a shortage of labor and high wages. In this regard, immigration helps balance the economic disparities that exist among individual territories.

The neo-classical migration theory is relevant to the study because it explains the causes of the low immigration rate to Ohio. Notably, the study aims to address the immigration policy mismatch, which discourages foreigners from moving to the State. Policymakers are reluctant to invest in projects that attract foreigners because they do not perceive them as beneficial to Ohio's economy (Champlin & Knoedler, 2020). A notable factor in the neo-classical theory is the market forces’ role in attracting or discouraging foreigners from a State. Hence, this theory guided the development of the problem statement concerning the possible cause of low immigration into the State of Ohio.

The purpose of the study will be to explore how immigrants impact Ohio’s economic status. The perceived impacts of immigrants’ on Ohio’s economy are the cause of the State’s policy incongruence. Proponents of immigration believe that immigrants’ have a positive financial impact on the State, while opponents argue that they drain Ohio’s economy (Durell, 2018). In this regard, the neo-classical theoretical framework will guide the purpose statement because it will provide the investigators with the factors that influence immigration. From these factors, the researcher will determine whether immigrants’ presence in the State will improve or impede economic development.

This framework informed the study's research questions, which encompass the factors that contribute to the low immigration rate in Ohio when compared to other States in the U.S. Notably, the questions will help the researcher identify the initiatives that attract or discourage immigrants’ from relocating to the State. Additionally, the questions will help explore the impacts of immigrants’ on the strength of economic sectors in the State of Ohio. The neo-classical framework guided the formulation of these questions because it presents the factors determining migration into a region.

## Introduction to Research Methodology and Design

The purpose of the qualitative study is to explore the financial impacts of immigrants in the state of Ohio. It seeks to study the factors that contribute to the low immigration rate in Ohio when compared to other states in the United States. Additionally, it aims to identify the impacts of immigration on the strength of Ohio State’s economy.

It will encompass a qualitative case study to explore the financial impacts of immigration on the state of Ohio. External validity, internal validity, and reliability help determine the appropriateness of a qualitative method. For external validity, the researcher will present the demographics of participants to show that they represent the study population (Gray, 2017). Additionally, the research will entail a multiple case study approach to improve the study's external validity. To ensure internal validity, the investigator will identify and control extraneous factors that threaten the study findings (Rogers & Revesz, 2020). Moreover, the researcher will follow the recommended protocol for conducting exploratory case studies. The study will entail four sections, including an overview of the project, field procedures, research questions, and a final report guide.

Rashid et al. (2019) claim that a case study is ideal in exploring a phenomenon to reveal its multiple facets. The method is suitable in studies where investigators have little control over events and seek to examine contemporary issues within a real-life context. Its objective is to allow researchers to conduct intensive investigations on a precise case, such as a group or community. In this scenario, the financial impacts of immigrants in Ohio have multiple facets, which might entail the immigrant policies and investments that attract or repulse immigrants. Besides, the researcher cannot influence this contemporary issue that impacts the state’s GDP. Therefore, a case study methodology is appropriate to respond to the study’s problem and purpose.

Notably, the study’s research questions seek to help the investigator understand the initiatives that influence immigration into Ohio and their impacts on the state’s economy. Research questions for a case study focus on explaining real-life phenomena instead of establishing normative statements (Rashid et al., 2019). Thus, the methodology allows investigators to study the behaviors, interactions, and attributes of individuals, which makes it appropriate for answering the research questions. A case study methodology will be suited for the research because it will allow the investigator to explore the impacts of immigration in Ohio, which is a contemporary issue within a real-life context. Besides, the study will encompass an examination of immigrants’ attitudes toward the state’s immigration policies, which will encompass their interactions and perceptions.

The case study methodology facilitates triangulation because it allows researchers to gather empirical data from diverse sources (Rashid et al., 2019). Due to its ability to allow the blending of diverse sources of data, the methodology adds depth to the research. In this study, the nature of the research problem requires a comprehensive exploration of the factors that impact immigration in Ohio. With in-depth analysis, the investigator will understand the perceptions of immigrants and the determinants of their decisions. For this reason, a qualitative multiple case study is ideal for the research because it will allow the investigator to explore the meanings that immigrants attach to immigration.

## Research Questions

The following qualitative research questions will be used in the study.

### RQ1a

What state policies attract immigrants to the State of Ohio?

***RQ1b***

What state policies discourage immigrants from relocating to the State of Ohio?

### RQ2

How does investing in infrastructure impact the decisions of foreigners to immigrate?

### RQ3a

Do immigrants believe that the State of Ohio have established sufficient resources to integrate them into American society?

***RQ3b***

Do immigrants’ children believe that the State of Ohio have established sufficient resources to integrate them into American society?

### RQ4

What is the impact of immigration on the strength of economic sectors in the State of Ohio?

1. What sectors do immigrants contribute to in the state of Ohio?
2. What is the economic impact for each sector?
3. What might be the impact if such individuals exited the sectors completely?

## Significance of the Study

Kreciglowa (2016) claims that Ohio has a small number of migrants per capita than other states, including Idaho and North Dakota. Baron (2016) explains this is due to lack of an elaborate immigration framework propagated by dissonance in policies. Baron also says the small percentage of immigrants in the state might result from the existing immigration policy mismatch (2016). Sokkar Harker (2018) is of the view that the uneven immigrant policies may discourage immigration and demoralize immigrants from investing in the state by opening businesses, filling labor shortages, and paying taxes. Additionally, the report published by the Ohio access to justice foundation (2020), immigrants will boost the economy of Ohio state by filling up physically demanding jobs in sectors such as the heath care and retail sectors, thus allowing native Ohioans to occupy more skilled jobs. For this reason, the study results will help policymakers in Ohio to gain insight into the ways of improving the state's economy through enabling immigrants’ contribution of skills and resources to sectors of the economy with physically demanding jobs such as the Health Care and Retail sectors. The findings will directly benefit the state's residents because effective policies will elevate their living standards. Notably, Ohio recognizes the benefits of immigration and, thus, has established a policy to attract and retain international students (Pottie-Sherman, 2018). That said, it lacks the investment in infrastructure and manufacturing as an incentive of attracting investors due to insufficient evidence in the field. Hence, there is a need for in-depth research regarding immigrants' financial impacts to Ohio to provide policymakers with insight into the incentives that should receive prioritization to promote economic development in the state. Ohio Access to Justice Foundation (2020) claims immigrants fill emotionally draining and physically demanding jobs in the state, which is still in high demand for skilled labor. However, the immigration policy mismatch assessment will remove uncertainties among immigrants and encourage them to invest in the state. The results will contribute to migration literature. The information will add insight to the existing knowledge regarding patterns, demographics, and policies of immigration. The results of this study will be used to suggest policies that can be developed to help Ohio State involved immigrants in the development framework so that they can begin recognizing their contribution to the State's GDP. How Ohioans perceive immigration now is critical to enacting "policies" that would incentivize or disincentives immigration to the state. The study will provide more insights into Ohioan's perceptions of immigrants' impact on Ohio's State.

## Definitions of Key Terms

### Foreigner

A reference made to a person who is in a country other than their own. The term can be used in reference to a person outside a community or group (Barone, 2016).

### Gross Domestic Product

A combined value of finished goods and services generated within a country for some specific period of time (Kreciglowa, 2016).

### Immigrant

A process in which people move from one country to another with the view of becoming permanent citizens (Barone, 2016).

### Labour market

A market where the employees provide labour while the employers give jobs (Collins & Wanamaker, 2018).

### Macroenomic

Define the behavior or performance of an economy on a large scale (Hejdukova & Kurekova, 2020).

## Summary

Different states in the US tend to have varying immigration policies. Some in support of the immigrants, while others impact them negatively. This can be seen in the case of the Ohio state where the policies and regulations are not fully developed hence discourage investor and alien workers. There have been studies conducted to show the financial impact that immigrants have on the state, but it appears that the stakeholders and especially policy makers have not taken an initiative to utilize such evidence in the view of developing the state’s economy. In view of the disharmony in the immigration policies that are impacting the investment from the foreigners, the study seeks to do qualitative research based on the data collected from different immigrant families and their impact on Ohio’s economy. The approach of gathering information from the families be based on the use of case studies. Upon the completion of the data collection exercise, the results will be used to come up with information that would convince the policymakers and decision-makers to recognize the impact of the immigrants in the Ohio state.

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# Appendix A XXX

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# Appendix B XXX

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