

Abstract

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Titel: "Immigrants, Imports and Welfare: Evidence from Household Purchase Data"

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Topic:

We estimate the extent to which immigrants affect retail import expenditure in their location of residence and the associated consumption spillovers to native households. We document that (i) immigrants consume more imports per dollar than natives, and (ii) these imports come disproportionately from an immigrant's origin. These facts motivate a model of trade featuring two-sided heterogeneity and fixed costs of exporting, which we estimate using highly detailed scanner data with product and household country of origin. Counterfactual exercises suggest that 26% of the aggregate import expenditures in groceries is attributable to immigrants, with over half of this expenditure driven by immigrant preferences, rather than spillovers to native households. A naive application of standard welfare formulas substantially over-estimates the welfare gains to native households of immigrant-induced import flows, while the welfare gains that do accrue to natives are disproportionately concentrated among high-income and urban households.