

Cracking Down on Immigration Doesn't Boost Wages

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Whatever happens on Nov. 8, the immigration debate will continue to rage, and Arizona will still be the case study for mass deportations. No state rounded up and kicked out more illegal residents. Not that it did a heck of a lot for the economy.

Wages for the most part didn't rise more for low-skilled positions than for those overall when undocumented workers -- who in theory pull the base down by accepting lesser pay -- were expelled. Jobs in construction and agriculture weren't always easy to fill, especially in months when temperatures top 100 degrees. The exit of hundreds of thousands of consumers may have been a drag on growth. Small businesses struggled with the loss of employees.

Measures to target people without legal status "hobbled the labor market, accelerated residential property-price declines and exacerbated the great recession," said Alex Nowrasteh, an analyst at the Cato Institute, a libertarian think tank. Most state laws to stem or reverse illegal immigration "don't work very well. Arizona's, unfortunately, did."

Now, after an exodus between 2007 and 2012 equal to about 2.4 percent of the state's population, the undocumented are slowly returning. Maricopa County Sheriff Joe Arpaio, whose aggressive enforcement of the laws made him famous, is in a tough re-election fight. Arizona may be what state Senator Steve Smith called "not a good place to be if you're illegal," but shifting demographics and dissatisfaction with harsh throw-them-out policies -- and their unanticipated consequences -- could be helping turn Arizona from red to a shade of purple earlier than expected.

"Many people thought that was four years off," said Thom Reilly, director of the Morrison Institute for Public Policy at Arizona State University.

Wall? 'Absurd'

Talking to Phoenix residents shows how complex the issue is, with many holding counterintuitive positions. Taking refuge from the sun in the shadow of a county office building, Steve Pirtle said he's a Democrat supporting Hillary Clinton who is convinced he wouldn't have found work as a roofer at \$14 an hour if not for the anti-illegal immigrant laws enacted in 2008

and 2010. “They waited too long to do anything about it,” Pirtle, 57, said. “It shouldn’t have ever gotten so far out of hand as it has. They take a lot of jobs.”

Alex Levine, on the other hand, is a Donald Trump fan who called the Republican’s proposal to build a wall along the Mexican border “absurd.” The 18-year-old, a Jack in the Box manager who makes \$9 an hour, said most who sneak across should be sent back. “Come on man, get out of here.” But he believes the undocumented with local roots should be allowed to stay, an opinion at odds with Trump’s.

‘Old’ Sheriff Joe

The 2008 law created sanctions for employers with illegal workers, while the 2010 statute requires police to determine a person’s resident status if there’s “reasonable suspicion” during a routine interaction. Raids conducted under the earlier measure ended just before a federal judge issued an injunction in January 2015 preventing Arpaio from enforcing other state laws against using another’s identity to gain employment.

The sheriff has won election six times, but there have been questions for months about his chances on Nov. 8 against Democrat Paul Penzone, a retired Phoenix police sergeant making his second run. Penzone was up 15 points in a recent Arizona Republic/Morrison/Cronkite News poll -- conducted before the U.S. Justice Department said it would bring contempt-of-court charges against Arpaio for defying an order to end the targeting of Latinos in traffic stops.

Arpaio may be in trouble because of get-the-Latino-vote-out drives or because, after 23 years in office and having reached the age of 84, he’s viewed as having worn out his welcome.

“I didn’t mind that Sheriff Joe was a hard ass, but I think he’s getting too old,” said Marlene Clark, 68, sipping coffee at a McDonald’s. “You need to have the fresh blood coming in and have that new perspective.”

In Arizona, which has about 6.8 million residents, the undocumented population plummeted 40 percent from 2007 to 2012, according to Pew Research Center estimates. That was by far the greatest decline of any state. Nationwide the number fell 8.2 percent in those years.

The state’s gross domestic product slipped 0.5 percent from 2007 through 2015, which included the 2007-2009 national recession, making it the third-worst performer behind Nevada and Connecticut; Arizona and Nevada had led growth among all states between 1998 and 2006. It’s unclear how much the departure of illegals contributed -- or how much boycotts by conventioners and tourists, protesting the anti-illegal immigrant measures, played a role.

Overall, Arizona wages adjusted for inflation rose 5.7 percent from 2007 to 2012, in part due to a hike in the state minimum wage to \$6.75 an hour in 2007 from \$5.15; it was also indexed to inflation. Nationally, wages adjusted for inflation went up 1.6 percent in that period.

‘Law-And-Order State’

But increases in Arizona for the low-skilled positions most often held by the undocumented were mixed, with janitors and restaurant cooks outpacing overall gains while maids, landscapers and

farmworkers didn't keep up. A study by led by Sarah Bohn of the Public Policy Institute of California and published in the Southern Economic Journal last year saw "no evidence" the crackdown "improved the likelihood of employment for low-skilled legal workers. In fact, we find some evidence of the opposite."

Grand Canyon State policies might not have delivered the bounce in wages or jobs some anticipated, but that wasn't the motivation, according to Smith, the senator, a Republican. "Arizona is a law-and-order state," he said.

While he said there's no question illegal residents contribute to the economy by shopping and paying rent and buying cars, they're undoubtedly a bigger drain on government services than they deliver in tax revenue, citing a study by the Federation for American Immigration Reform, a group that lobbies for tighter controls. What's more, Smith said, the Phoenix Law Enforcement Association reported the crime rate fell to a 30-year low after the laws were enacted.

"I think we did a lot of good for our state," he said.

For the businesses raided, the hindsight might be different. In September 2008, sheriff's deputies, accompanied by TV news crews, showed up at Gold Canyon Candle Co. and carted away one-third of the 200-person workforce. "We were able to hire, but then there was a huge training curve to get everyone up to speed, and a lot of those people didn't stick," said Curt Waisath, 50, co-owner of the now-closed manufacturer. "It was a costly endeavor."

The raids drove the undocumented underground and dried up job offers, said Armando Alfonso, 49, who crossed the border eight years ago and makes \$12 to \$15 an hour in construction, landscaping and plumbing. "People here in Mesa and Phoenix didn't go out into the street because the police were stopping all the Mexicans," he said, waiting outside a Home Depot for potential employers to cruise the parking lot. "Now it has calmed down."

The homebuilding industry depends on people like Alfonso, with conservative estimates putting the proportion of U.S. construction jobs held by the undocumented at 14 percent. These days it takes Phoenix-area homebuilder Courtland Communities six months to finish a house instead of three-and-a-half because of a labor shortage, said construction manager Andrew Katz, 38.

He described the people some contractors used to hire from Mexico as skilled and hard-working, not like those now applying for jobs. "They don't know how to swing a hammer."

Most Arizonans today aren't hard-line when it comes to illegal immigration, said Arizona State's Reilly. "Our polling has shown there's not support for the wall, nor is there support for mass deportation."

Those attitudes aren't likely to change. Latinos make up about 30 percent of the population, with about half of that group under the age of 30. By 2050, they may be at 44 percent, on the way to the majority