

Economic dip coincides with SB 1070

[By Amer Taleb, Arizona Daily Star](#)

Arizona's controversial immigration law took effect when the state was in the worst part of the recession, so gauging the economic impact is no small task.

Supporters of SB 1070, like bill co-sponsor Rep. John Kavanagh, a Republican from Fountain Hills, say people not authorized to live in this country drive down wages and take jobs from legal residents. So the loss of any residents, businesses or conventions that chose not to come to Arizona because of the law, they say, is offset by the higher wages legal residents are now earning for the low-paying jobs that laborers from south of the border used to take.

But there's little evidence that the law boosted Arizona's already flagging economy.

"Deportation isn't a ticket to economic prosperity," said David Berman, senior research fellow at the nonpartisan Morrison Institute for Public Policy. "I don't think there's much doubt that this bill had very adverse effects."

SB 1070, signed by Gov. Jan Brewer in 2010, galvanized enough unease among business leaders that 61 of them signed a letter to the state Legislature in March 2011, cautioning against additional immigration legislation then under review. All five bills failed to pass.

The letter, which lists anti-SB 1070 boycotts and canceled contracts as effects of the polarizing law, was signed by representatives ranging from the tourism industry to PetSmart to Jim Click Automotive.

"There was a strong, unified feeling within the mainstream business community that the state had hit its theoretical limit in the area of immigration reform," said Glenn Hamer, the Arizona Chamber of Commerce CEO and president who helped craft the letter.

A report by the Center for American Progress, a left-leaning think tank, said the tourism sector lost 2,761 jobs and \$253 million in economic output. The Cato Institute, a libertarian counterpart, said Arizona's agricultural and crop production employment dipped significantly, while simultaneously increasing in competitor states like California and New Mexico. The Cato report also factored in the 2007 Legal Arizona Workers Act, which prohibits employers from hiring people illegally and requires them to use a federal program to verify the status of new employees.

Kavanaugh, noting the importance of ensuring that jobs in Arizona remain reserved for legal residents, said it would be misguided to view SB 1070 as solely a monetary issue.

“If that was the price of doing the right thing, of enforcing the law, then that’s ... the state of affairs,” he said. “I’m not going to be held hostage by outside groups where, unless we disregard the law, they won’t come here. You can’t run a government like that.”