

Arizona Shows How to Kill an Economy

Shikha Dalmia | Sep. 25, 2012 11:06 am

Alex Nowrasteh of the Cato Institute has just release a policy analysis documenting the havoc that the twin legislative scourges in Arizona – to wit, the 2007 LAWA that cracks down on employers hiring paperless

workers and SB 1070, “your papers please” law – have wreaked on the state’s economy. He notes:

The(se) laws have forced unauthorized immigrants out of the state, and the regulatory mechanisms have diminished economic growth, incentivized the creation of a larger informal economy, created uncertainty for businesses, and depressed property values. These effects serve as a warning to other states seeking to enact Arizona-style immigration laws. Arizona-style laws are economically destructive and inimical to growth.

More specifically, he traces the drastic housing bust in Arizona to these laws -- which forced 200,000 consumers of real-estate out of the state during an already bad housing bust. Those combined forces resulted in the Phoenix area's disastrous housing price decline. Only Las Vegas fared worse.

Next Up: Alabama, Georgia, South Carolina -- the other states with the worst immigration laws.