

# udall center update

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News from the Udall Center for Studies in Public Policy at The University of Arizona

## Immigrants in Arizona Provide Positive Net Fiscal Impact of \$1 Billion Annually

A report published recently by the Udall Center's Immigration Policy Program, *Immigrants in Arizona: Fiscal and Economic Impacts*, estimates that immigrants in the state generate more than three dollars in taxes for every two dollars they incur for government services, such as education, health care, and law enforcement - for a net economic gain approaching one billion dollars per year.

Using an economic simulation model, the study's researchers tallied the fiscal costs and benefits of immigrants in Arizona's economy for 2004, finding that the total state tax revenue attributable to immigrant workers was nearly \$2.4 billion (\$860 million for naturalized citizens plus \$1.5 billion for non-citizens, a majority of whom are likely to be undocumented) balanced against estimated fiscal costs of about \$1.4 billion, for a positive net impact of about \$940 million.

"What the research shows is that immigrants, regardless of their legal status, make a significant contribution to our state's economy," said Judith Gans, the report's principal author and manager of the Udall Center's Immigration Policy Program.

"Because immigrants are filling specific gaps in Arizona's labor force, they are making possible economic activity

that otherwise would not occur," Gans said. The report estimates that immigrant workers generate about \$44 billion, or 12 percent, of Arizona's economic output.

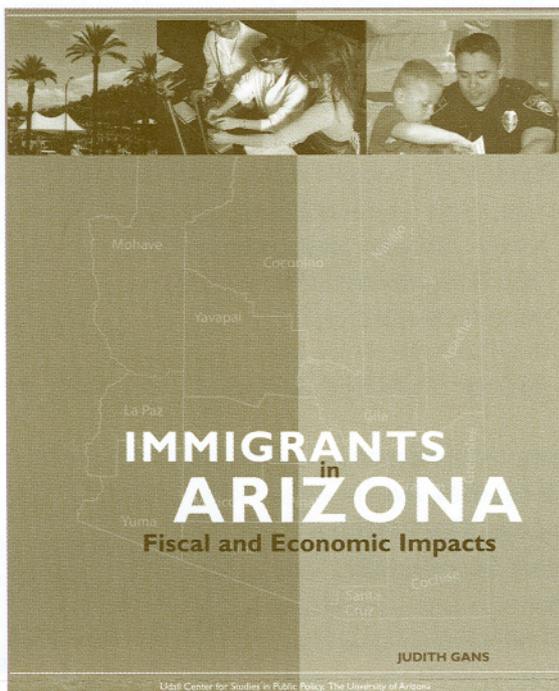
Gans said that non-citizen immigrants are a vital source of labor in key industries that employ large numbers of low-skilled workers, such as construction, agriculture, manufacturing, and various service industries. Eliminating these workers, she said, would result in lost output of approximately \$29 billion.

"The tax revenues that result from this economic activity outweigh the fiscal costs of immigrants, and the result is a significant net fiscal benefit to the state," she said.

Gans said the aim of the study, commissioned by the Thomas R. Brown Foundations, is to help create a better understanding of the economic costs and benefits of immigration and of the

tradeoffs involved in the legitimate desires for a secure border and a robust economy.

"It is my hope that public understanding of what is at stake for the economy, along with the costs of immigration, can contribute to a less polarized environment for making and enforcing immigration policy," Gans said.



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