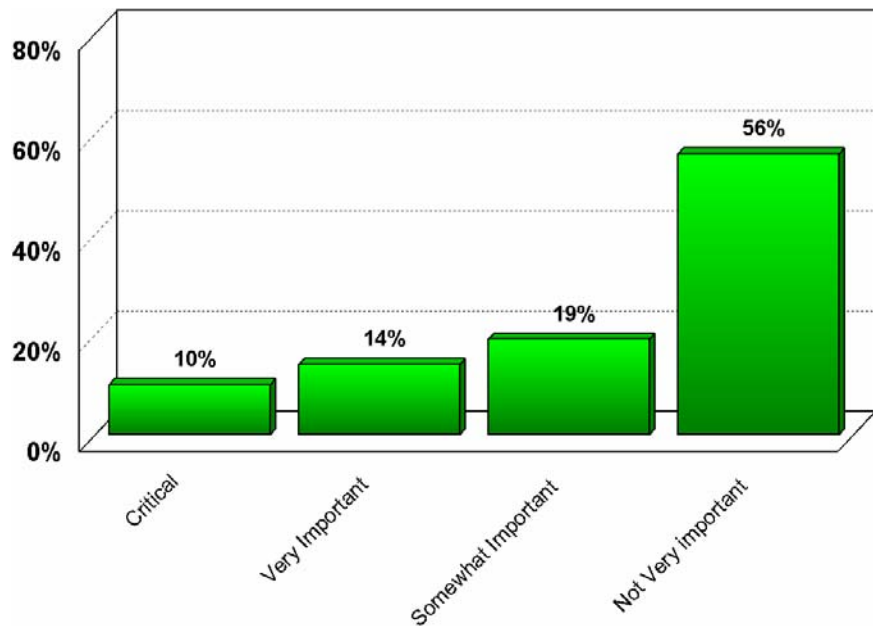


Quarter 3, 2008

### ***Is the Illegal Immigration Issue Disappearing?***

Immigration, which once seemed to be a raging national issue, appears to be dropping off the political radar screen; at least if a just completed survey of Arizona businesses is any indicator.

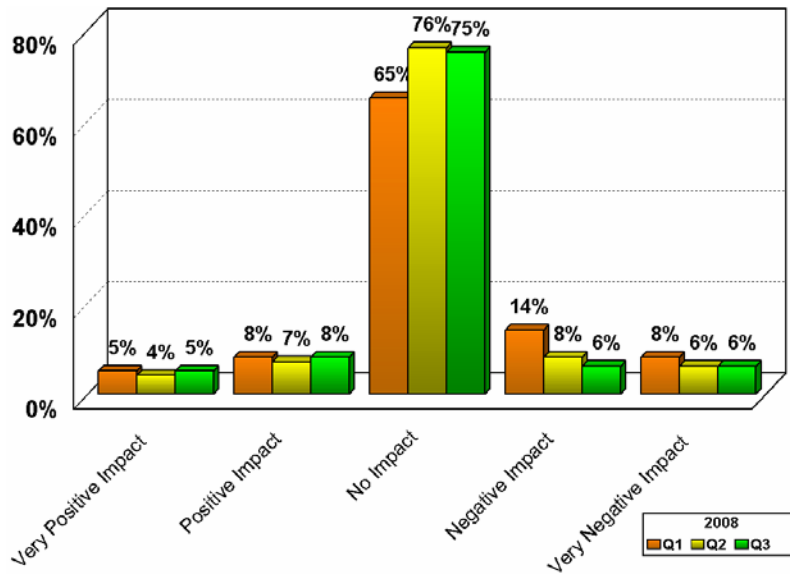
The O'Neil Associates/ASBA Arizona Economic Indicators Monitor asked 3,000 Arizona small businesses to rate the importance of securing our borders against illegal immigration to their businesses. Only one-in-ten (10%) indicated that it was critical. An additional (14%) indicated that it is very important. On the other hand, a clear majority (56%) indicated that it is not very important.



The poll's director Dr. Michael O'Neil commented,

*“There are several possible explanations for the apparent disparity between these figures and the recently raging political debate. One simple explanation is that the small business community was never as incensed about this issue as were other groups within the community. At least an equally plausible explanation however, has to do with the rapidly deteriorating economy. The latter seems to have resulted in a mass exodus of illegal immigrants who came to Arizona in search of jobs which are no longer there.”*

## Yawn! Employer Sanctions Law Seen As Having Little Impact



A related set of perceptions were evident when we asked Arizona small businesses about the impact of Arizona's new sanctions law on their businesses. This quarter the O'Neil Associates/ASBA Economic Indicators Monitor found large numbers of businesses are saying that the law is having no impact on their business. Last quarter's observation that Arizona's Employer Sanctions Law was having little impact on businesses in the state has persisted this quarter. Seventy-five percent (75%) report that it has had no

impact on their business; a number that is virtually the same as last quarter's 76% and up from the 65% reported in Q1 when the law first went in to affect.

A subtle, but interesting change, has occurred over the first two quarters. During the first quarter, considerably more employers reported that the law had a negative impact (22%) than said it had a positive impact (13%). While the same relationship was evident in Q2, the disparity was greatly diminished. This quarter we found virtually identical numbers of businesses reporting a positive impact (13%) from the law as reported a negative impact (12%).

According to the poll's director, Dr. Michael O'Neil,

*"It looks like in our opinion several things are recurring here. First of all, the law continues to go through a shakedown period wherein most employers are discovering that the law's reach is limited and that its impact is neither catastrophically positive or negative. Furthermore, the law is currently being enforced in an increasingly severe economic downturn. While concerns about labor shortages in times of increasingly economic growth may be salient, such concerns recede greatly in times of economic stress. When workers are being laid off and unemployment rates are growing, concerns about an adequate labor force are far less salient."*

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*These results are taken from the Q3 O'Neil Associates/ASBA Arizona Economic Indicators Monitor. This project provides insights to support business leaders in companies of all sizes to make key economic decisions, as well as sharing small business attitudes on major political issues. O'Neil Associates, a national public opinion research firm based in Tempe, sent surveys to ASBA's membership of 3,000 small businesses across the state as it did at the end of Q1 and Q2 2008. The survey covered a wide range of economic issues, including business performance, revenue and job growth, and overall business confidence ratings. Results provide insights into the perceptions of business owners on the economic health and vitality of the Arizona economy. The survey has a margin of error (at the 95% confidence level) of approximately +/-6%.*  
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**Results of this survey may be cited freely with the proviso that they be cited as the O'Neil Associates/ASBA Arizona Economic Indicators Monitor"**

The O'Neil Associates/ASBA Arizona Economic Indicators Monitor is made possible by a cooperative effort of

- [ASBA](#), the Arizona Small Business Association, is the leading voice for small businesses in the State of Arizona.
- [O'Neil Associates](#), a national public opinion research firm based in Tempe, has done over 1700 public opinion and marketing research projects since 1981. These include surveys and focus group projects for a wide array of businesses throughout the country.

For a complete copy of all **O'Neil Associates/ASBA Arizona Economic Indicators Monitor** reports released to date, as well as opinion research reports on an array of other topics visit <http://www.oneilresearch.com/publicdomain> or click on the banner below.



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