



Published: 11.12.2007

Businesses that cater to Latinos seeing steeper drops in sales

ASSOCIATED PRESS

PHOENIX - Already feeling a sting from the economic slowdown, businesses in metropolitan Phoenix that cater to Latinos are seeing less spending by immigrants who fear layoffs and crackdowns from law enforcement.

Businesses with large Latino clienteles said many customers were anxious about losing their jobs and worried about a new state law that prohibits employers from knowingly hiring illegal immigrants. The law takes effect in January.

The declines in sales at immigrant-oriented businesses are more severe than business declines in general.

There is no hard data on the effect a decline in spending by immigrants is having on the state budget, but economists believe the decrease is driven more by economic factors than immigration crackdowns.

Even so, they say the impending employer sanctions law and other immigration crackdowns are factors, creating economic insecurity among immigrants that is causing them to hold on to their money.

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