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Economies of Immigrant Detention Centers

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Executive Summary

This report examines objective government-collected economic indicators surrounding prison economics. I pay particular attention on the prison economics of privately owned or managed immigrant detention centers in the United States more generally, and Otero County, NM, more specifically. I examine Otero County because that is the location of the Otero County Processing Center (OCPC), which is publicly owned by Otero County and privately managed by Management and Training Corporation (MTC). I also examine economic indicators in counties where prisons have previously closed (San Joaquin County, CA and Bent County, Co) to assess whether the prison closures affected local economic indicators.

The closure of prisons, military bases, private prisons, and immigrant detention centers has often brought controversy and opposition. Advocates often eschew the moral considerations and instead focus on economics. A common response against prison closure is to warn against economic decline, as uttered by the GEO Group after the Biden Administration announced its intention to do away with private prisons:

> "Given the steps the BOP had already announced, today's Executive Order merely represents a political statement, which could carry serious negative unintended consequences, including the loss of hundreds of jobs and negative economic impact for the communities where our facilities are located, which are already struggling economically due to the COVID pandemic" a GEO Group spokesperson said in a statement.[2]

This report examines these claims in a variety of scenarios and concludes the following:

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[1] Author bio at the end.

[2] https://apnews.com/article/joe-biden-race-and-ethnicity-prisons-coronavirus-pandemic-c8c246f00695f37ef2afb1dd3a5f115e

- The opening of large immigrant detention centers across the United States has had no statistical or substantive effect on local unemployment rates.
- The opening of the Otero County Processing Center had no clear effect on unemployment in Otero County, in fact unemployment rose after the opening of OCPC – which if anything suggests the prison had a negative effect on the economy.[3]
- The total number of jobs in Otero County did not immediately rise after OCPC's opening – in fact the number of jobs actually declined in the county until 2010. Based on these data, it is impossible to conclude that OCPC created new jobs in the county – rather workers likely left existing jobs for jobs at OCPC or reside in other nearby counties in New Mexico or Texas.
- OCPC's opening did not raise the annual payroll of workers in Otero County. Whereas a rise in annual payroll is observed in neighboring Doña Ana County, a decline and flatline is observed in Otero in the years following OCPC's opening.
- People working at OCPC likely have a higher average weekly salary than workers overall. In the months and years following OCPC's opening, salaries for those working in privatized corrections increased but then dropped down again around 2013-2014.
- The median household income of people living in the Census tract where OCPC is located dropped significantly in the years following the opening of OCPC. This trend is not observed in Otero County as a whole or in Doña Ana County. Income only recovered for people living in the OCPC Census tract in 2020 very likely due to Covid economic stimulus because people with the lowest incomes were eligible for greater relief.[4]
- The home value of people living in OCPC's Census tract declined in the years following OCPC's opening whereas this trend is noct observed in Otero or Doña Ana Counties overall. Indeed, even during the post-Covid housing boom, home values in the OCPC Census tract remained flatlined whereas the home values of Otero County, Doña Ana, and New Mexico overall increased.
- No people who live in the OCPC Census tract work as protective service workers – which suggests there is no immediately localized benefit of the OCPC to people living nearby.
- The closing of the Ft. Lyon prison in Bent County, CO, in 2012 did not increase the unemployment rate or appear to influence a change in annual payroll, but did

[3] To be sure, the prison's opening occurred during the 2008 financial crisis so we would expect unemployment to rise during this time across the board.

[4] https://www.cbpp.org/sites/default/files/8-29-23pov.pdf

reduce the total number of jobs by about 200 or 10%. The county has fewer than 6,000 people.

- The closing of the Deuel prison in Tracy, CA (San Joaquin, CA) in 2021 did not increase the unemployment rate or appear to influence a change in annual payroll. Also, the closure did not reduce total jobs in the county; rather there were more total jobs in 2022 compared to 2021.

U.S. Analysis

Prison companies often bill themselves as job growers and highlight their company's job prospects for people living near their facilities. Further, in GEO Group's 2021 Environmental, Social, and Governance report, the company highlights many benefits to working in their prisons. This argument makes a certain logical sense – there is a building with lots of people imprisoned – people work in that facility. The people who work there then probably live close by; thus, the prison must be good for the economy. Furthermore, GEO Group argues there is a downstream economic benefit: "GEO's facilities not only benefit the community with direct employment opportunities but can also create additional job growth through employment of local vendors supplying various goods and services, payment of utility services, and infrastructure enhancements."[5]

But the argument extends to local government intake. In the case of many immigrant detention centers, counties sign intergovernmental service agreements (IGSA) with the Department of Homeland Security (specifically Immigration and Customs Enforcement – ICE) then pass most of the money along to the prison company whether that is GEO Group, CoreCivic, or MTC. The county essentially plays an intermediary, and so takes a cut from the arrangement. It is undeniable then that the county does bring money into its coffers that it can use to fund governmental services. However, finding these data is difficult and not readily publicly available, so it is hard to say with any certainty as an outside/independent researcher just how much money local governments make off these IGSAs.

However, I can examine publicly available government data. In this section, I examine the economic effect of the opening of privately owned or managed immigrant detention facilities across the United States with at least a 50-prisoner capacity. Specifically, I test the hypothesis that the opening of privately owned or managed immigrant detention centers will reduce the local (county) unemployment rate. I focused on privately owned or operated immigrant detention centers because "as of July 2023, **90.8 percent** of people

[5] https://www.geogroup.com/partnerships

detained in ICE custody each day are held in detention facilities owned or operated by private prison corporations."[6] New Mexico's three existing facilities are either privately owned or operated, and thus this analysis squarely fits the New Mexico situation.

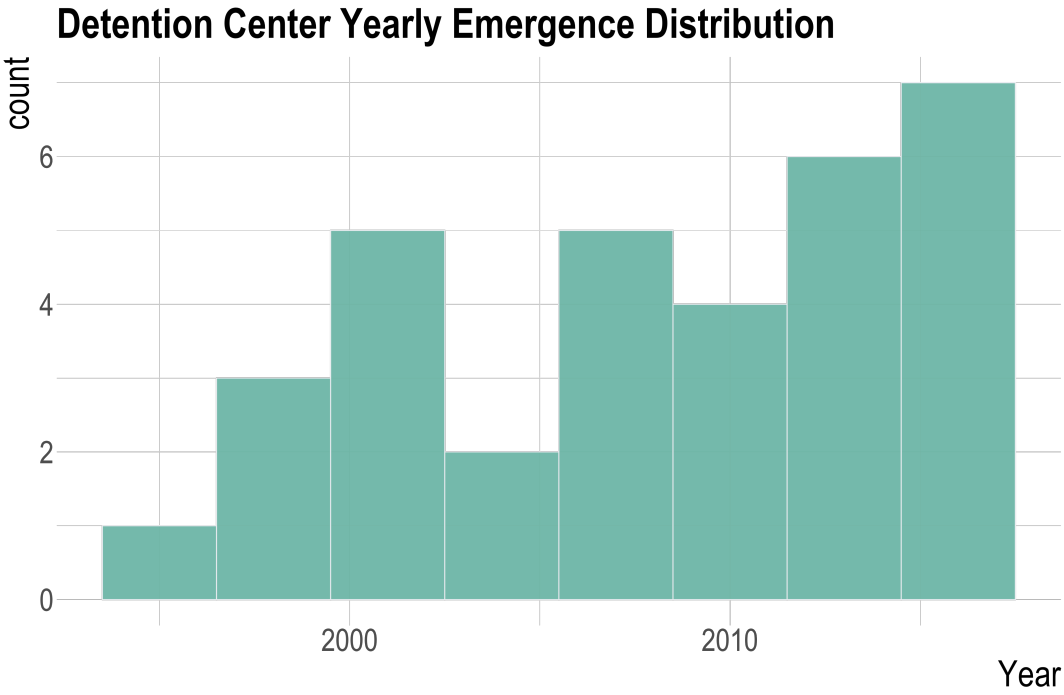
Immigrant Detention Center County-level Data

To test this hypothesis I constructed a county-year panel dataset for years 1990 - 2021. I select these years because the Bureau of Labor Statistics (BLS) provides yearly county-level unemployment rate figures, which serves as the primary outcome measure.

In 2018, a FOIA request produced a publicly available dataset of ICE immigrant detention facilities across the United States. These data serve as the basis for the primary independent variable. I subset the data to facilities that can house at least 50 detainees, opened after 1994, are still in operation, and are privately owned or managed. This produced a dataset of 33 ICE facilities spread across 30 counties, which opened between 1995 - 2017. Figure 1 displays the over time distribution of prison entry.

[6] https://www.aclu.org/news/immigrants-rights/unchecked-growth-private-prison-corporations-and-immigration-detention-three-years-into-the-biden-administration#:~:text=In%20the%20last%20two%20years,operated%20by%20private%20prison%20corporations.

Figure 1. Histogram distribution of yearly emergence of privately owned or managed immigrant detention facilities.



Thus, in the data, any county that experiences the entry of a privatized immigrant detention center during the roughly 30-year window between 1990 - 2021 is classified as a treated county. Because I use a staggered treatment design (i.e., treatment does not occur all in, say, 2010, but instead is staggered across the time window), I use treatment county adjacent counties as the control group. Specifically, for each treated county, I include its geographic neighbors as control counties. Thus, each treatment county has several control counties in which unemployment rates can be compared across time.

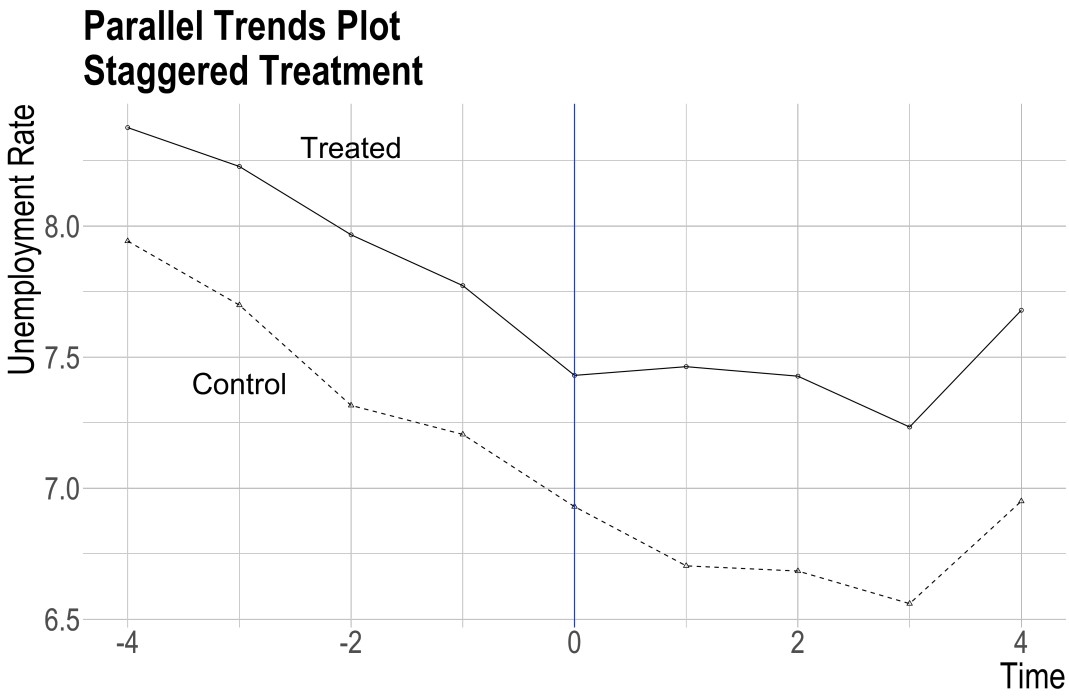
Parallel Trends Analysis

The staggered difference in difference design seeks to draw out a causal effect of the independent variable (prison opening) on the dependent variable (unemployment rate). That is, I want to be able to say that when a new prison comes into existence, the unemployment rate changes by XX% on average. To ensure I can produce a causal effect, I investigated the parallel trends assumption which must hold to rule out alternative explanations for why the unemployment rate might change. Figure 2 presents the results of

my analysis, where I plot the unemployment trend lines four years prior to the treatment year and four years post treatment.

Two points emerge. First, the trend lines prior to treatment (when each prison comes into operation) are, for the most part parallel. While the treated groups (i.e., prison counties) show higher unemployment rates overall, both groups show a consistent drop in the unemployment rate prior to the treatment year. Second, the year after treatment reveals, if anything, the unemployment rate in the treatment group increases which is not at all supportive of the argument that prison entry brings economic gains. This is the only point in the whole graph that shows a possible discontinuity in the trend.

Figure 2. Mean parallel trends plot between treated and adjacent county controls.



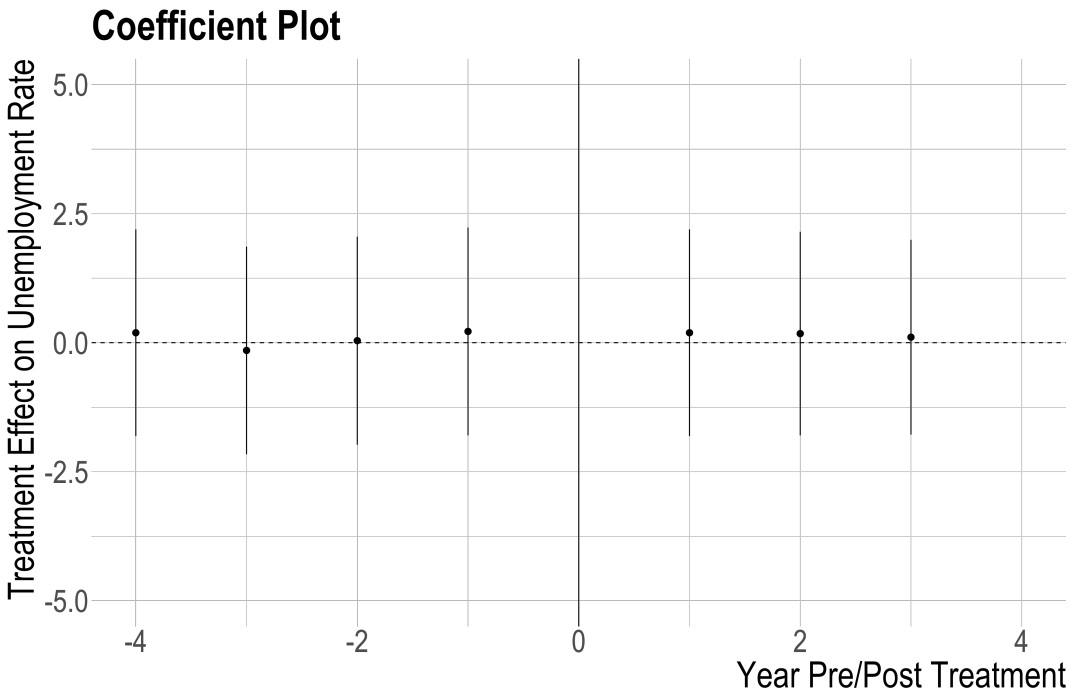
Main Regression Analysis

The main analysis accounts for lagged and lead effects of detention center emergence on the unemployment rate. I also take care to estimate models with clustered standard errors, state fixed effects, and year controls. Those auxiliary analyses do not change the core findings in any meaningful way.

The results of the analysis are presented in Figure 3 in graphical form. One does not need to be a statistician, economist, or political scientist to interpret the results stemming from

the regression analysis displayed in Figure 3. The x-axis shows years before and after the emergence of an immigrant detention facility. Year 0 is the year the facility became operational, then year 1, 2, and 3 indicate the effect of the entrance of that facility on the unemployment rate. The years prior (negative) show whether there are any strange changes across the treated and control counties that might cause one to question the results. The vertical bands around each estimate are called confidence bands. Should those bands cross the 0 along the y-axis it means there is no statistically discernible effect of the prison's opening on the unemployment rate in a given time period. What we see across the board is no statistically meaningful effect of prison emergence on the unemployment rate. Thus, there is absolutely no evidence for the main hypothesis that the emergence of privatized detention centers reduces the unemployment rate in the county where the facility is located.

Figure 3. Treatment effect by post treatment period.



Next, I turn to my examination of whether the Otero County Processing Center stimulated the local economy.

Otero County

Otero County borders Texas to the south and Doña Ana County to the west. The county seat and vast majority of its population is in Alamogordo and the nearby surrounding area. The Otero County Processing Center (which I reference as OCPC throughout the report) is located in the southwest corner of the county near the town of Chaparral – which splits Doña Ana from Otero. This area, incidentally, is also the area with the largest concentration of Hispanic individuals within Otero County. Indeed, the tract where the processing center is located is almost 90% Hispanic.

Figure 4 depicts Otero County and surrounding locations. The location of the OCPC is represented with a diamond symbol. Further, the map is shaded by percent Hispanic based on data from the 2020 U.S. Census. The Census tract where the facility is located includes the area around the Iglesia luz verdadera, is bordered by County Line Drive on the west, parts of Riley Way, Steve Drive, and Oasis Drive to the south, and Highway 54 to the east. The OCPC is in the northeast of the tract.

Figure 4. Otero County shaded by percent Hispanic at the tract level, based on 2022 American Community Survey data.

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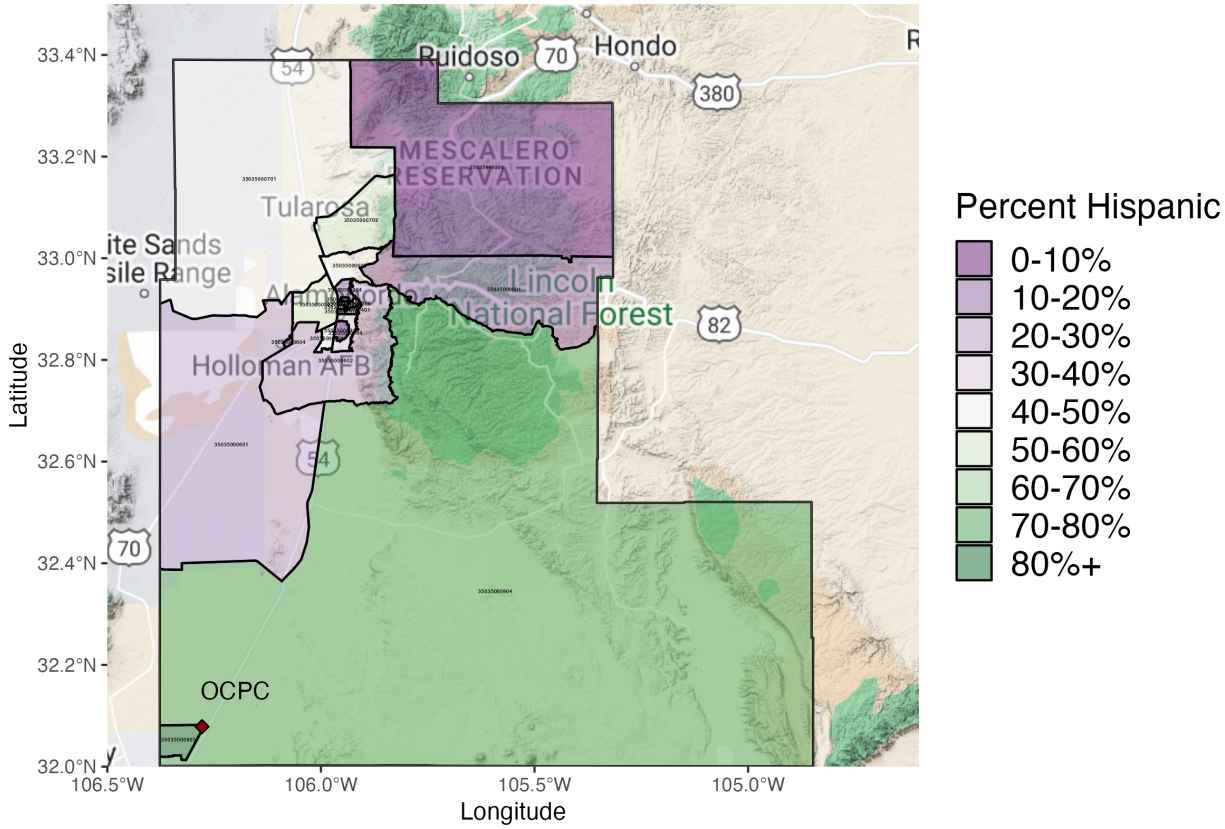
Otero County, shaded by Percent Hispanic (Source: 2022 ACS Census Tract)

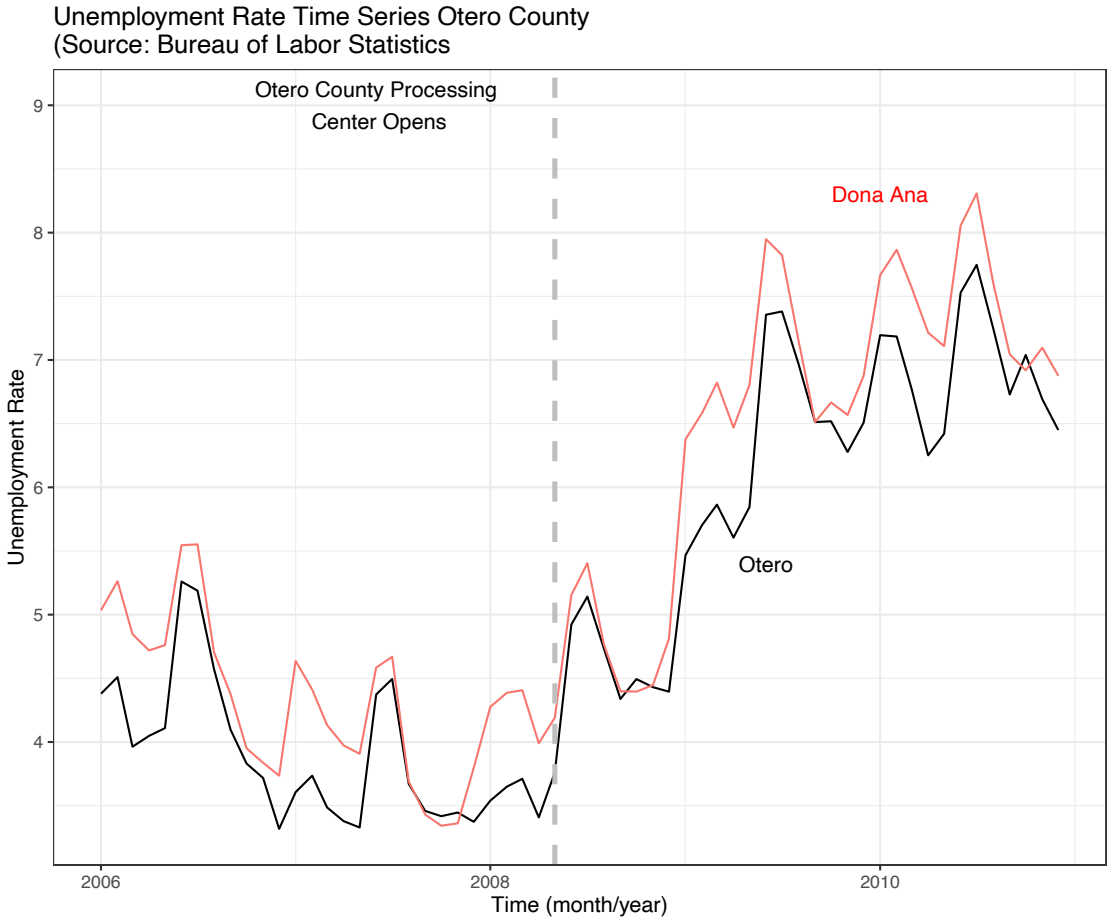


In May, 2008, MTC began operating OCPC. I examined several economic indicators – all from official U.S. government sources, these include the monthly unemployment rate, number of jobs, annual payroll, average weekly wage, median household income, and estimated home value. For each indicator I gathered the time series, then plot that against the opening of the detention center in May, 2008. This time period is treated as a cut-point that allows for basic hypothesis testing. If the facility is stimulating the economy, then we should expect to see a rise in economic indicators shortly after the opening of the center. Further, on several measures I compare Otero against other areas, i.e., neighboring Doña Ana County. In this way, we can see if economic indicators in Otero County deviate from other nearby locations. These other counties therefore act as a comparison/control.

Unemployment

I examined several economic indicators – all from official U.S. government sources – including the monthly unemployment rate as measured by the Bureau of Labor Statistics. Figure 5 presents the time series trend for Otero and Doña Ana for comparison. I subset the data to the years around the opening of the Otero County Processing Center for a better visual read on unemployment changes around the cut-point (May, 2008). What we observe quite plainly in both Otero and Doña Ana is that the unemployment rate rises – not falls – in the time period following the opening of the detention center. If anything, this cuts against the argument that the prison created jobs since we might expect the unemployment rate to drop following the opening of the facility if that facility was creating so many jobs.

Figure 5. Monthly unemployment rate in Otero County, NM, around the time of the OCPC opening. Doña Ana figures are provided for comparison.



Total Jobs

I gathered a measure for total yearly jobs from the Bureau of Economic Activity (BEA) for Otero and Doña Ana Counties.[7] Figure 6 below plots out the Otero County time series from 2005 - 2012. The purple line indicates the number of jobs across time, and the Otero Processing Center opening date denoted by a dotted vertical line. The opening of the facility does not appear to have changed the time series with respect to total jobs in Otero County. That is, the total number of jobs in the county is roughly the same the year before, during, and after the opening of the processing center.

Figure 6. Total employment (number of jobs) in Otero County, NM over time.

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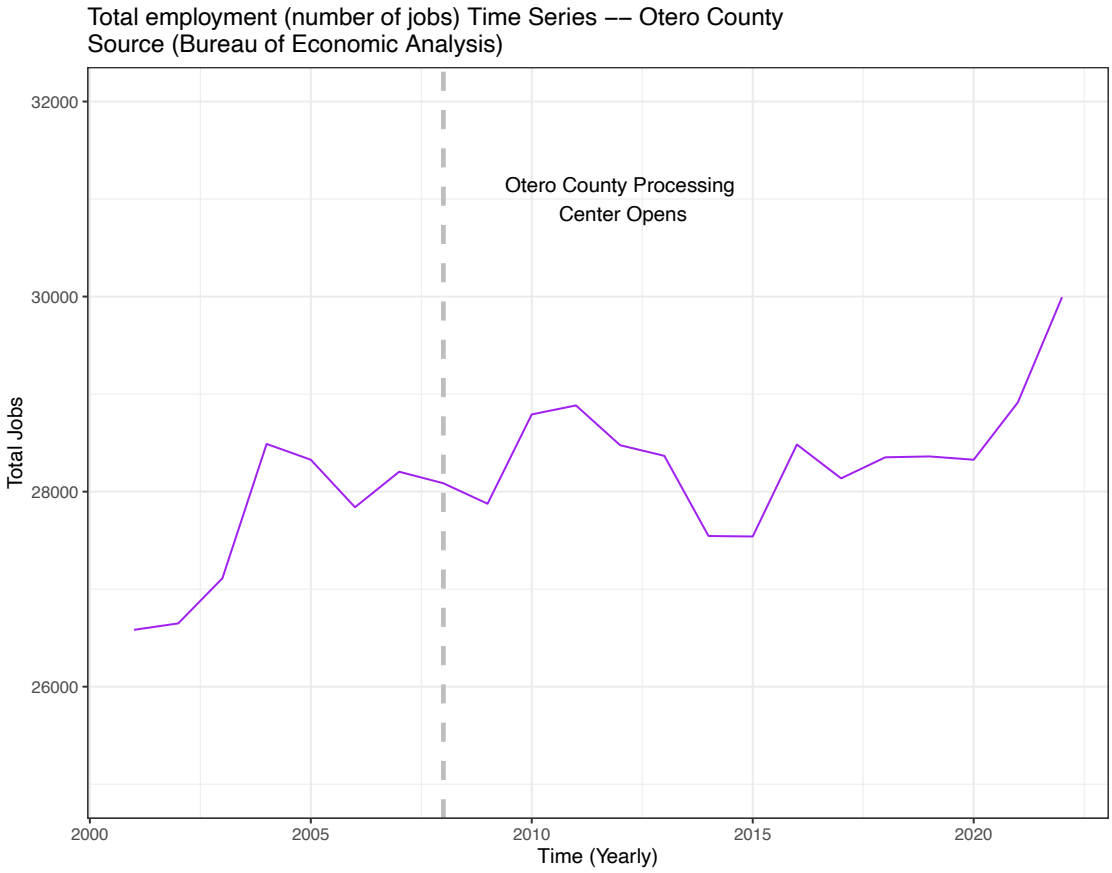
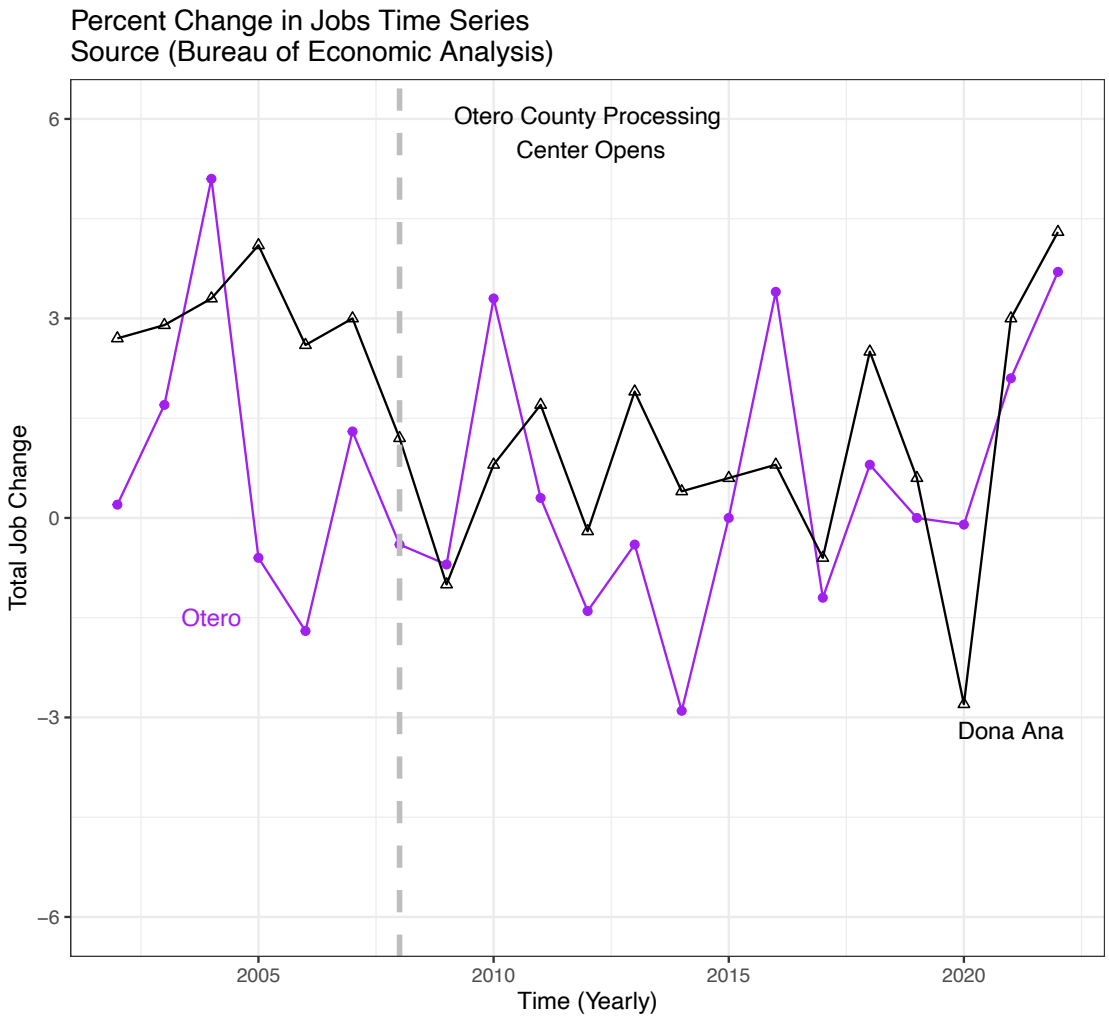
[7] U.S. Bureau of Economic Analysis, "CAEMP25N Total full-time and part-time employment by NAICS industry"



The BEA also releases percent change data, so that units (in this case counties) can be compared to one another on jobs measures. Figure 7 plots out this percent change measure for both Otero and Doña Ana counties. Around the time of the OCPC opening both counties' total jobs drop but Doña Ana experiences a higher drop. Further Otero's jobs rise more quickly with a large 3% gain in 2010 but then immediately drop again over the coming years. While it is possible these dynamics may be due to hiring by MTC, one cannot make this claim with much certainty.

Figure 7. Percent change in total jobs, Otero County and Doña Ana Counties.



Annual Payroll

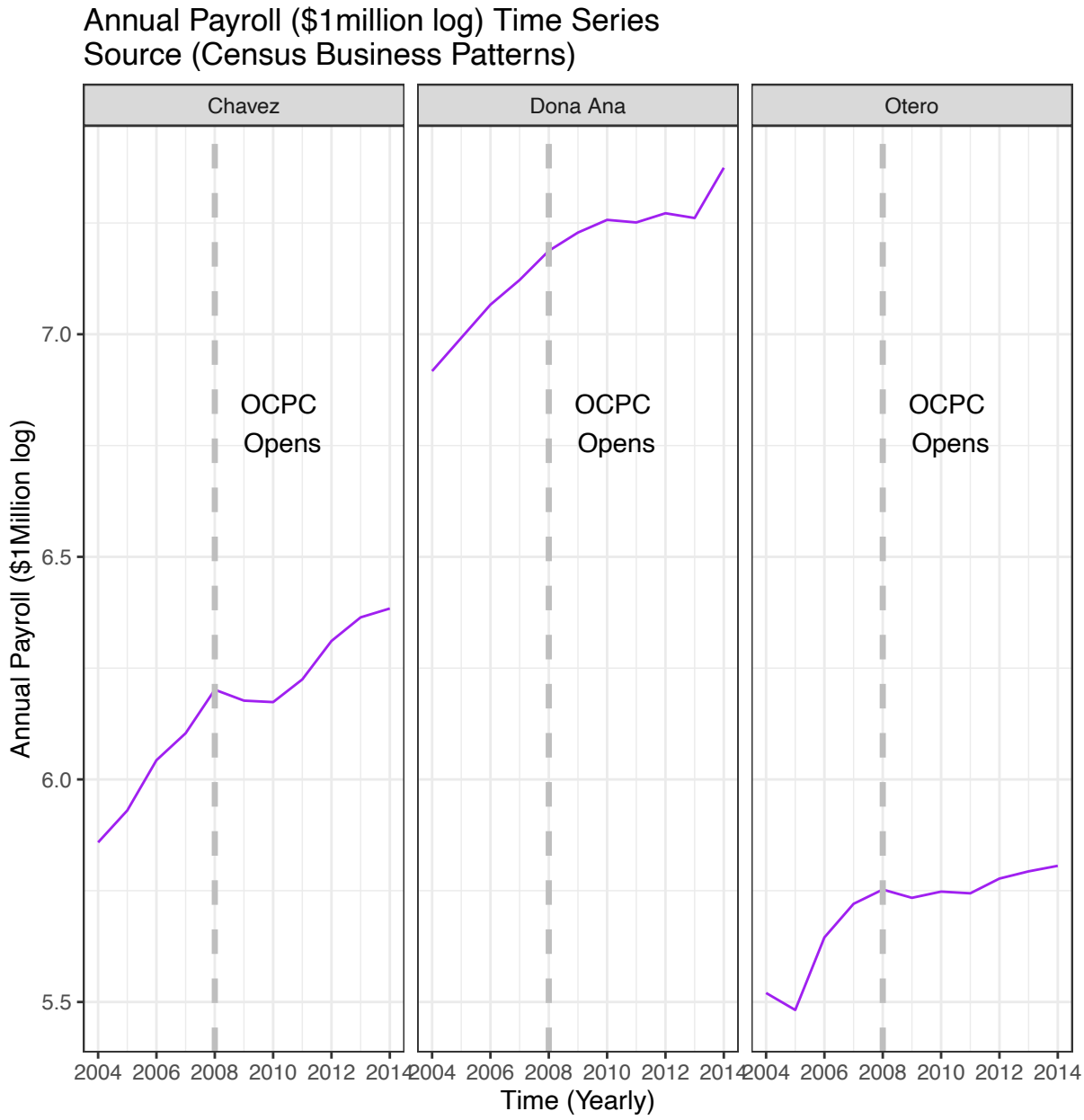
The next analysis considers annual payroll in Otero County and visually compares that against payroll in Doña Ana but also another neighboring county, Chavez County. The data come from the County Business Patterns annual survey of business and economics and are available at the county level.[8] I divided the annual payroll by $1 million then logged the data to make the visual comparison easier. These calculations do not change the trend or comparison across counties in any meaningful way.

[8] https://www.census.gov/programs-surveys/cbp/data/

Figure 8 shows the payroll patterns over time covering the OCPC opening. The chart is paneled by county (L-R Chavez, Doña Ana, Otero). Beginning with Otero, annual payroll more or less flat-lined around the time of the prison's opening and if anything dropped. This is in contradistinction to the patterns in Doña Ana which show a steady increase in payroll until 2010 when annual payroll stabilizes for several years. Finally, Chavez shows a drop in annual payroll in 2008 at a rate perhaps slightly more negative than that observed with Otero. However, payrolls seem to recover in Chavez more quickly beginning in 2010.

Overall, these results suggest that the OCPC opening did not produce a large noticeable gap in Otero County residents' annual payroll. The payroll trend observed in Doña Ana appears to follow a consistent pattern exhibited prior to OCPC's opening.

Figure 8. Annual payroll divided by 1 million and logged, for Otero (right), Doña Ana (middle), and Chavez (left).



Average Weekly Wage

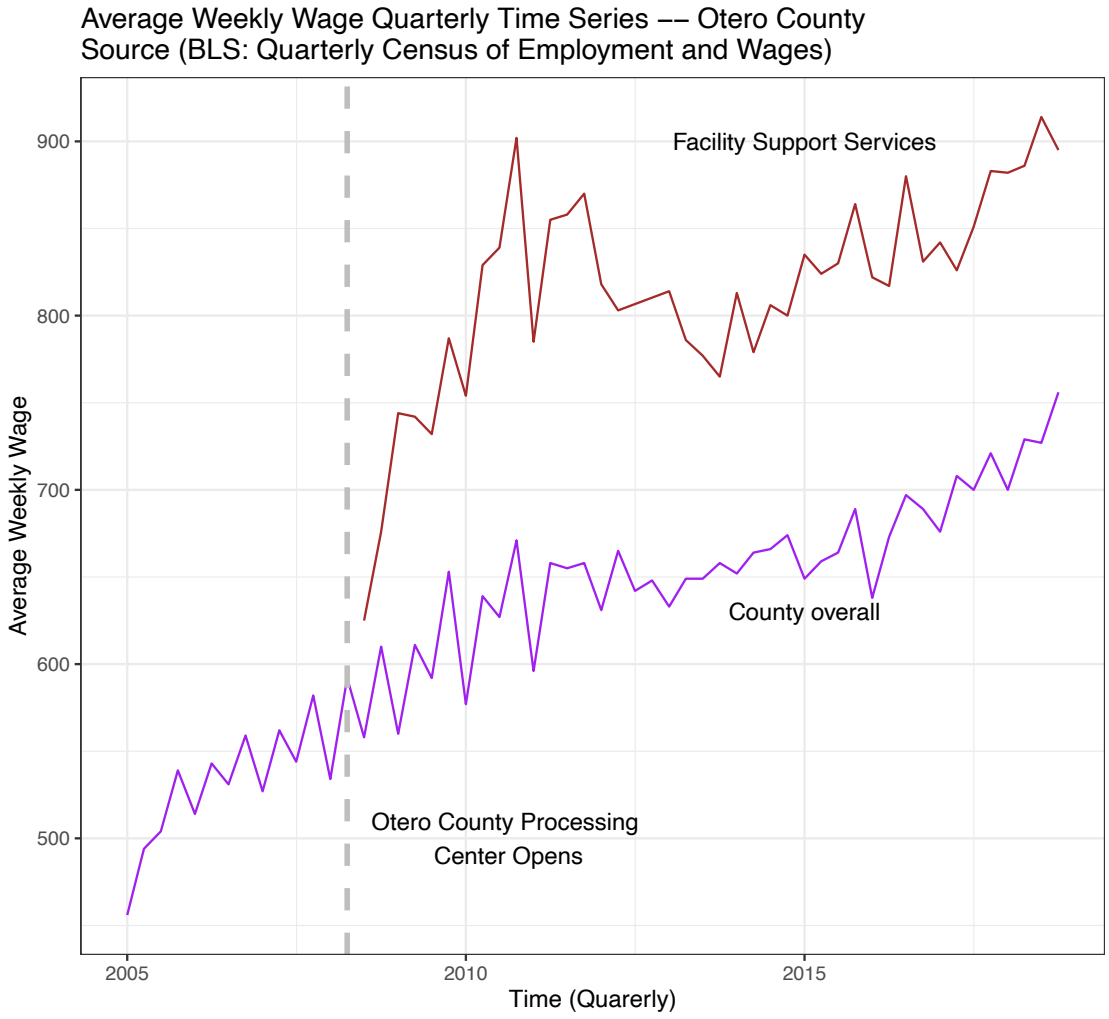
To measure average weekly wage, I gathered data from the BLS's Quarterly Census of Employment and Wages (QCEW) count. The QCEW publishes quarterly data on more than 95% of workers which are available at the county and sector level. Thus, I can examine the average weekly wage of all workers in Otero County but also of workers in the Facilities Support Services sector.[9] This is the sector that contain people who work in privatized corrections. Regarding this sector, the NAICS states: "Establishments providing facilities (except computer and/or data processing) operation support services and establishments providing private jail services or operating correctional facilities (i.e., jails) on a contract or fee basis are included in this industry."[10]

Figure 9 shows the trend lines that cover the opening of the OCPC. The data on facility support services prior to the OCPC opening is limited so I begin that time series in 2008. The brown line represents the average weekly wage for people working in facility support services, whereas the purple line represents workers overall. The first note is that workers in privatized detention likely make a higher weekly wage than does the average worker across the county. This is evidenced by the fact that in the plot the brown line is always higher on the y-axis than is the purple line. Second, there appears to be a noticeable rise in wages right after the OCPC opened but then a drop down by late 2013/early 2014. While we cannot conclude for sure, it is possible that MTC increased initial salaries to recruit workers into their facility then once the facility was established dropped wages down again.

[9] NAICS industry code: 561210

[10] https://www.naics.com/naics-code-description/?code=561210

Figure 9. Average weekly wage for all workers and those specifically classified as facility support services (which includes privatized corrections), Otero County, NM.



Median Income

Figure 10 plots out median household income taken from the American Community Survey. From this survey I collected data on median income across time, including for Otero

County, Doña Ana County, and the Census tract where the detention center is located.[11] Here I present the household median income for Otero County, Doña Ana County, and the tract where the OCPC is located. I cannot get ACS data in 2008 because the ACS 5-year is not available until 2009. Overall, the median income for both Doña Ana and Otero track very closely with Doña Ana's slightly higher during the early part of the time series than more or less ending the times series tied. However, the median income for people living in the prison tract immediately fell from 2009-2011, then continued a downward trajectory until about 2020 when the economics surrounding covid helped massively increase the household median income in this area.

Figure 10. Median household income, Otero County, Doña Ana County, and the detention center tract.

[11] Note the geographic boundaries of this tract narrowed some in the 2010 Census boundary redraw.

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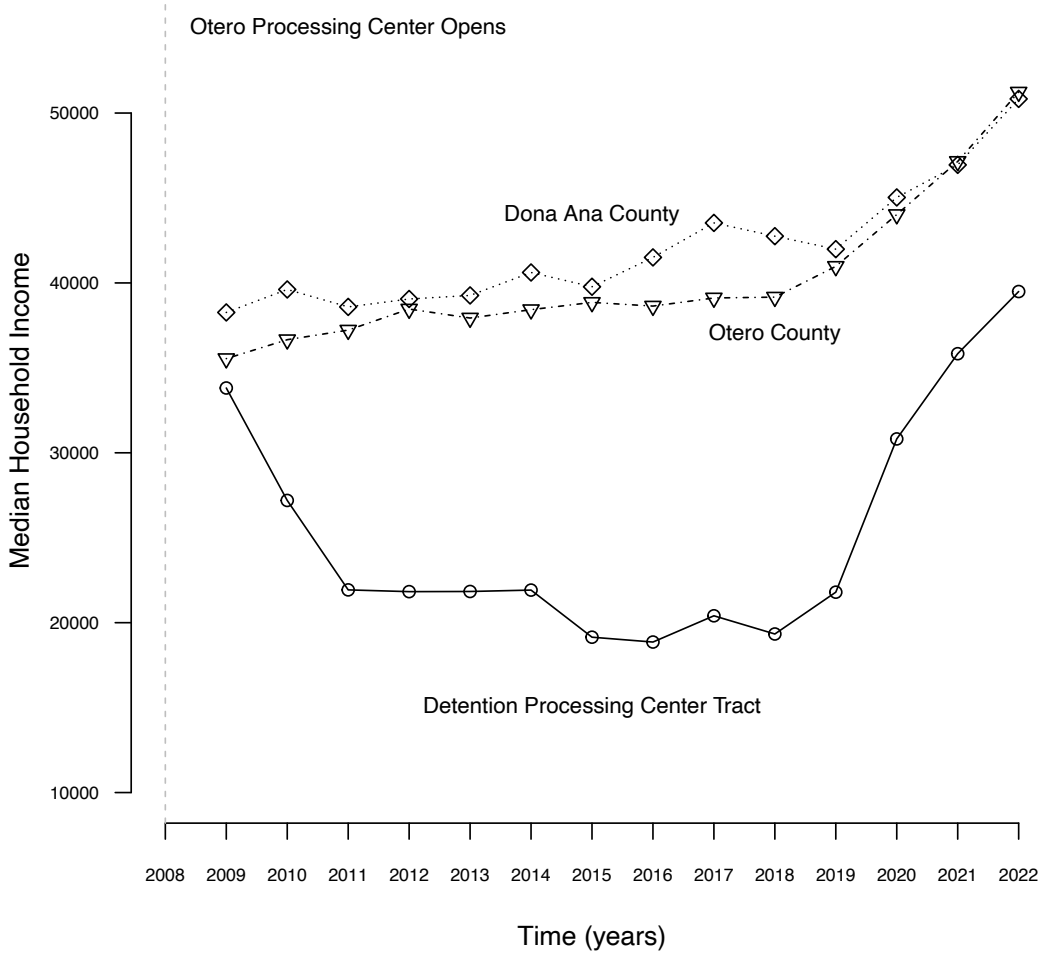
Median Household Income Time Series
Source: American Community Survey



Home Value

I also gathered data on home value across time, including for Otero County, Doña Ana County, and the Census tract where the detention center is located. Figure 11 plots out the findings. Beginning with Otero County, home values did slightly uptick after the entrance of the OCPC, then mostly leveled off before beginning a rise around 2016. We see a similar pattern in Doña Ana, however there is a small dip around 2012-2014. In the OCPC tract, home values dropped between 2009 and 2010 by a considerable amount, then appear to have increased in 2012 then drop again in 2013. Since then, home values have mostly stayed about the same.

Figure 11. Estimated home value, Otero County, Doña Ana County, and the detention center tract.

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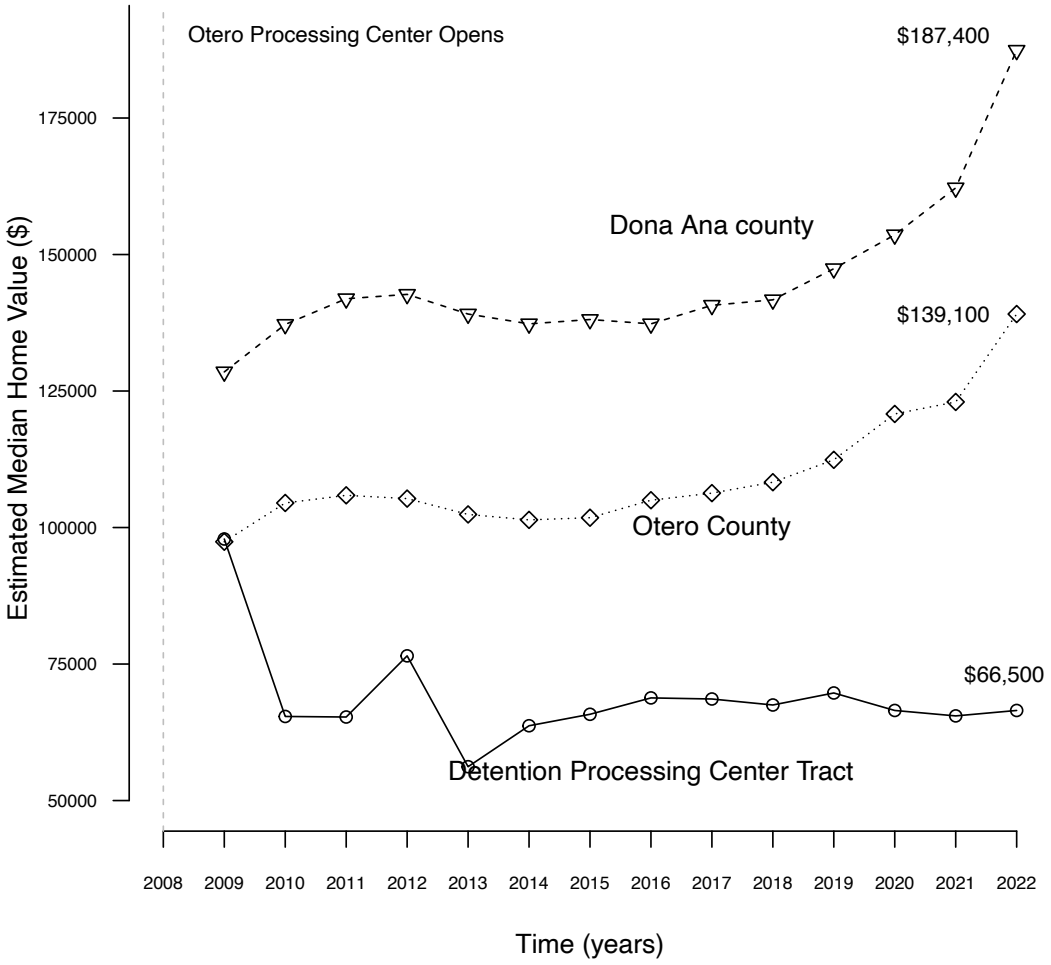
Home Value Time Series
Source: American Community Survey



Protective Services Workers

Finally, I gathered data on where people who work as protective service workers in Otero County live. It might be the case that people in the OCPC Census tract have suffered from a decline in home value and income but that at least they have a job in the detention facility. I use ACS data because I can get fairly reliable estimates at the Census tract. The protective service worker definition is broader than the facility support services measure I used earlier – it captures anyone working in corrections, jails, police, firefighters, etc. But it captures people who would work in OCPC so the data are at least instructive to testing whether there is a local benefit to people living near the facility.

Figure 12 maps out the distribution of protective service workers around the county. Overall, about 5% of the county workforce is in protective service workers. The area with the highest density of these workers is west of Alamogordo – people likely associated with the Holloman Airforce base. However, the OCPC tract contains very few people who work in protective services. In fact, of the civilian employed population, 0 work in protective services. This means that people who live closest to OCPC essentially gain nothing economically from the OCPC's presence.[12]

Figure 12. Otero County map shaded by percent protective service workers, 2022 ACS data.

[12] It may be possible that some people who work in the OCPC facility or contract with it are classified as working in another industry but that is difficult if not impossible to know.

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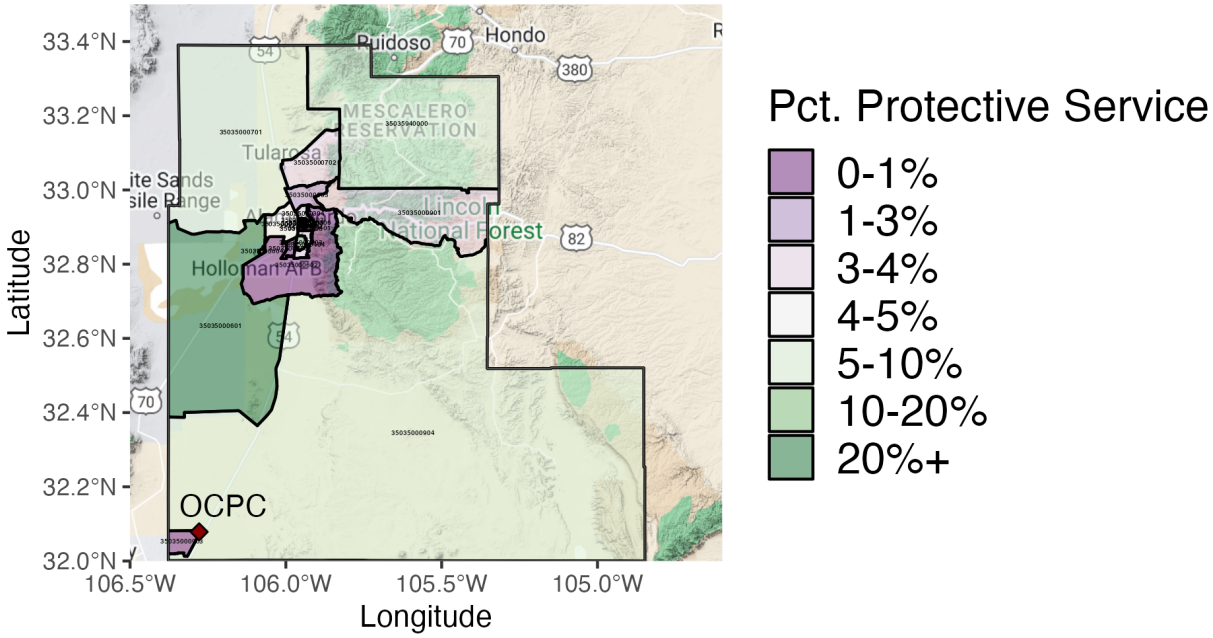
Otero County, Percent Protective Service (Source: 2022 ACS Census Tract)



In summary, the opening of Otero County Processing Center has had fairly minimal effects on objective economic indicators. Although the county certainly gets money from its contract with OCPC (data I could not easily locate), and the facility obviously does have jobs, the objective economic indicators suggest that the facility did not create jobs where there were not jobs. Rather, the data are consistent with a story that people left other jobs in the area to work in the prison or that workers come in from counties further away or

from Texas. The data suggest that workers shifted to the prison because the pay may have been better than what they otherwise were getting (see Figure 9). Further, this pay was initially higher suggesting maybe a signing bonus, but then dropped down after some time.

However, at the same time, total annual payroll inside the county does not appear to have been affected by the introduction of OCPC. Likewise, in line with the broader private immigrant detention center analysis, the unemployment rate inside Otero appears unaffected by the introduction of OCPC.

Finally, while I did not have the data to examine pre-post OCPC opening, my analysis suggests that median income at the county level was not greatly affected in the years following OCPC's opening. This suggests that the OCPC opening did not have much of an income effect on people in Otero or Doña Ana County. While there is a slight uptick in Otero County as a whole, the data are generally like Doña Ana with slight rising income over time. What is apparent, however, is that median income dropped significantly in the Census tract where OCPC is located and stayed there until 2020 only to recover likely due to Covid stimulus money. Perhaps more sinister, is the value of the peoples' homes who live in that same Census tract. Their home values dropped and have never recovered even while home values in both Otero and Doña Ana have risen along with New Mexico as a whole.

Further, the demographics of this Census tract are the following as of the 2022 ACS: Of the 7,574 people living there, 6,764 (89.3%) are Hispanic, 7% are non-Hispanic white, and the percentage of people aged 25 or older with at least a 4-year college degree is 4.5%. These numbers are not representative at all of Otero County more generally, which is only 39% Hispanic, 47% non-Hispanic white, and where 21% of the population has a 4-year college degree or higher.

Prison Closures

While the previous section examined whether the Otero economy noticeably changed shortly after the installation of the OCPC, this section examines some economic indicators as to what might happen with regards to a prison closure. Getting data on when larger immigrant detention facilities close is difficult. In early January of the first year of his administration, President Joe Biden issued an executive order banning private prison contracts. However, while contracts with the Bureau of Prisons closed many facilities, because the Biden order exempted ICE, these same prison facilities often turned around and made contracts with ICE. This is exactly the case with the Cibola County Correctional Center in Milan (next to Grants), which now is used in part as a facility which detains people in ICE custody, in addition to a separate contract to hold other types of detention populations such as US Marshal's and other criminal pre-trial detention – and is run by CoreCivic.

Because the timing of the BOP closures and opening of the ICE centers is near in time, it is likely the economy of Cibola did not change. In this way we cannot truly evaluate the economic effects of a prison closing because another one popped right back up which was the same prison just now with a different prison demographic.

To begin to get at this issue I examined the economic effects of prison closing of the Fort Lyon Correctional Facility in Bent County, Colorado in 2012; as well as the closing of the Deuel Vocational Institution State Prison in Tracy, CA (San Joaquin County) in 2021. These prison closures represent different geographies, one in a rural area (Bent County, CO), and one in a larger suburban county (San Joaquin).

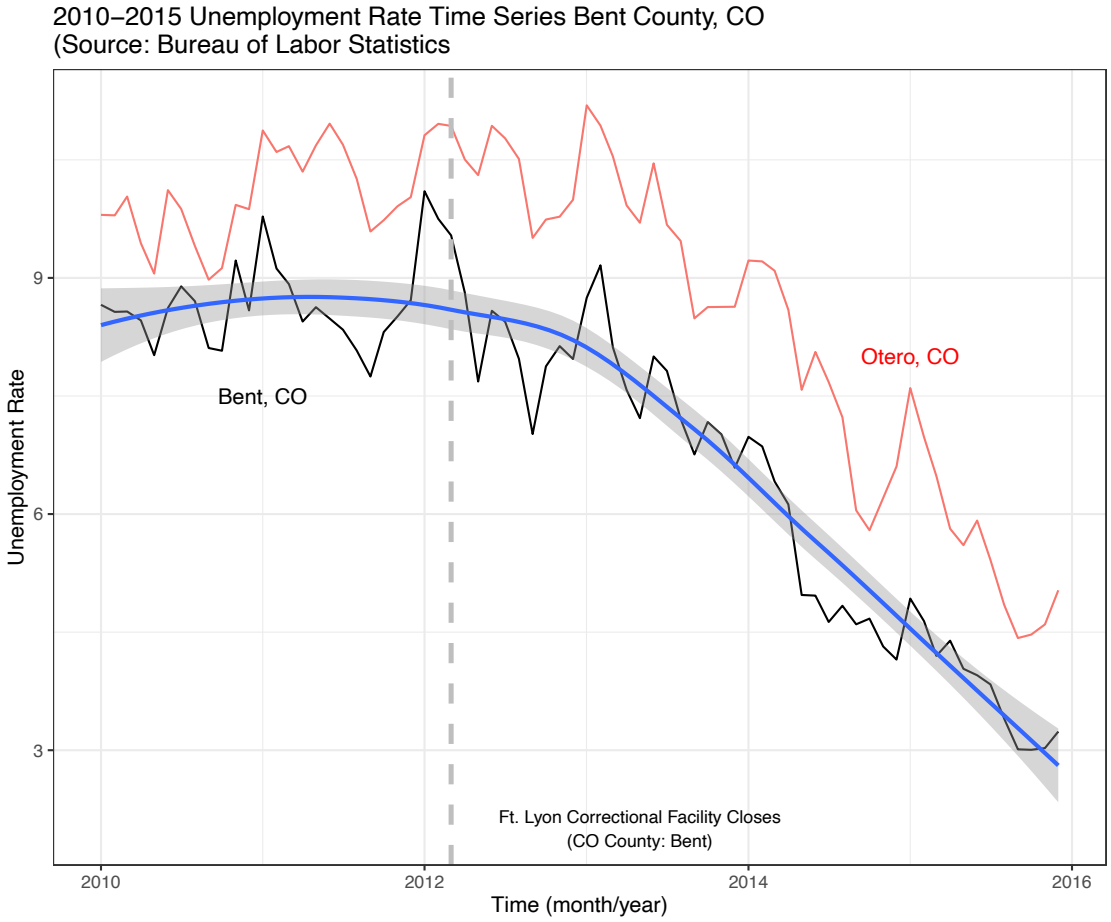
Bent County, Colorado

The Fort Lyon Correctional Facility closed in March 2012. It had a 500-bed prison capacity. I gathered the monthly unemployment time series data for Bent County and its neighbor Otero County for comparison.[13]

If a large economic fallout occurred due to the closing of the prison, then we might expect to see a large rise in the unemployment rate shortly after the closing. But this is not what the data show at all. Instead, in Figure 13, as indicated by the black line as well as the blue trend line, the unemployment rate dropped after the prison closure. This trend is similar in Otero, CO County suggesting that prison closure had a very minimal effect on the unemployment rate.

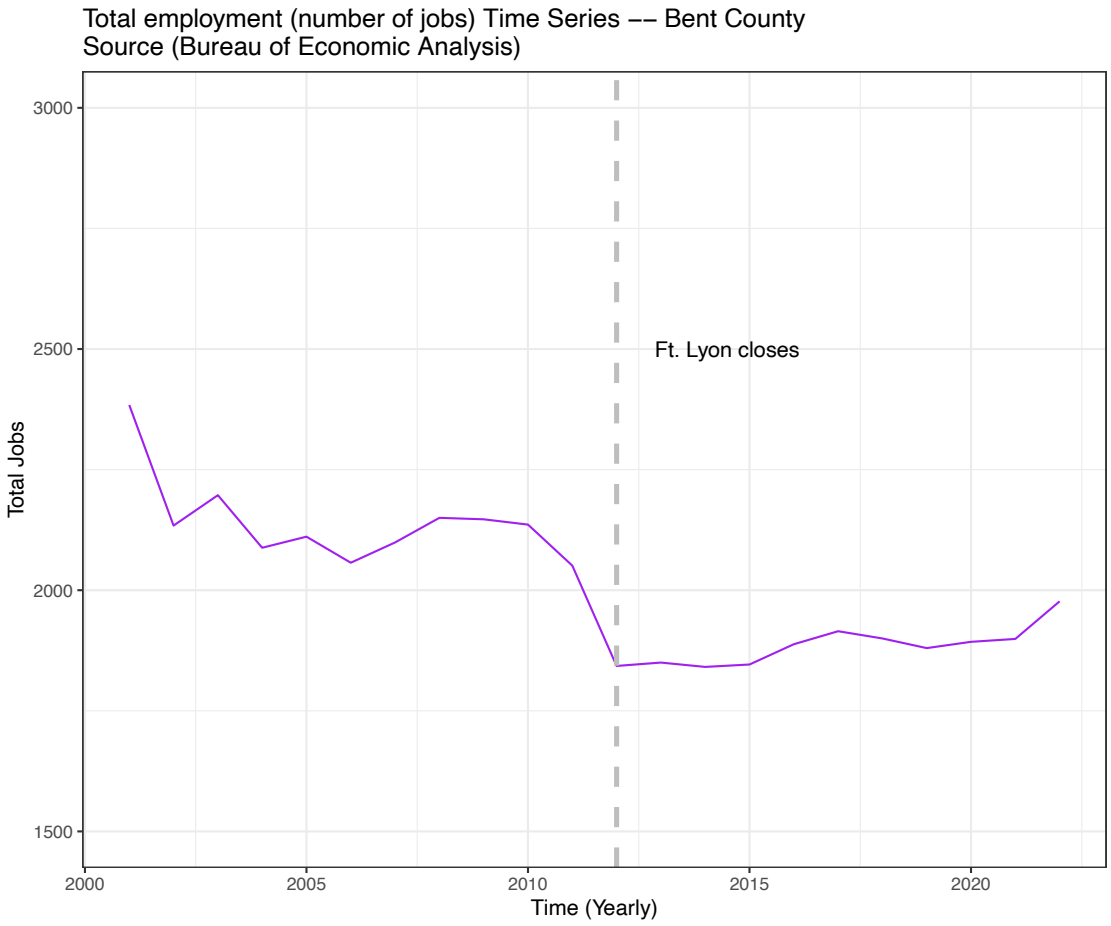
[13] It just so happens that there is also an Otero County, CO

Figure 13. Unemployment rate around Lyon Correctional Facility, CO, closure, Bent and Otero Counties, CO.



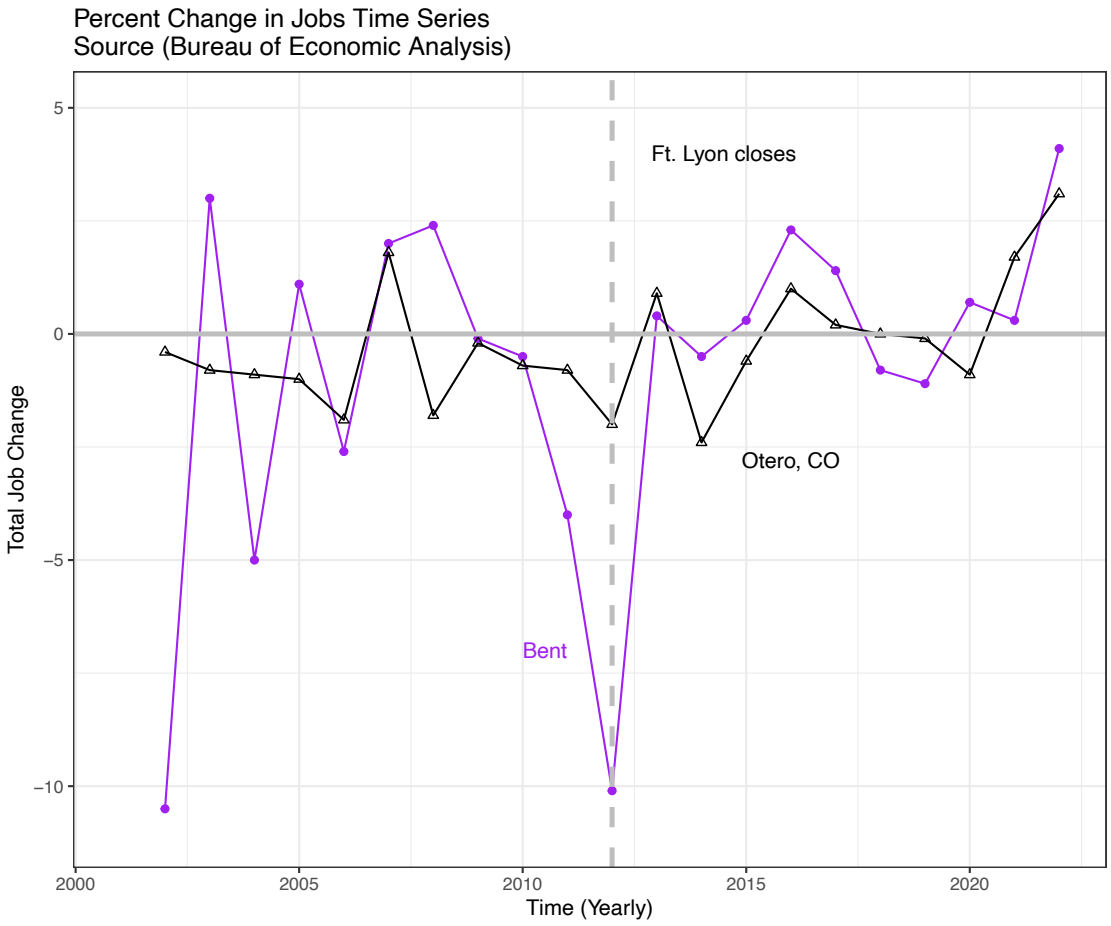
The data on total employment, as presented in Figure 14, show that the closing of Ft. Lyons led to about 200 job losses in the county between 2011 and 2012 when the prison closed. In such a small county as Bent – which is currently between 5,500 and 6,000 people, the prison closure produced a noticeable job loss.

Figure 14. Total employment (number of jobs) in Bent County, CO over time.



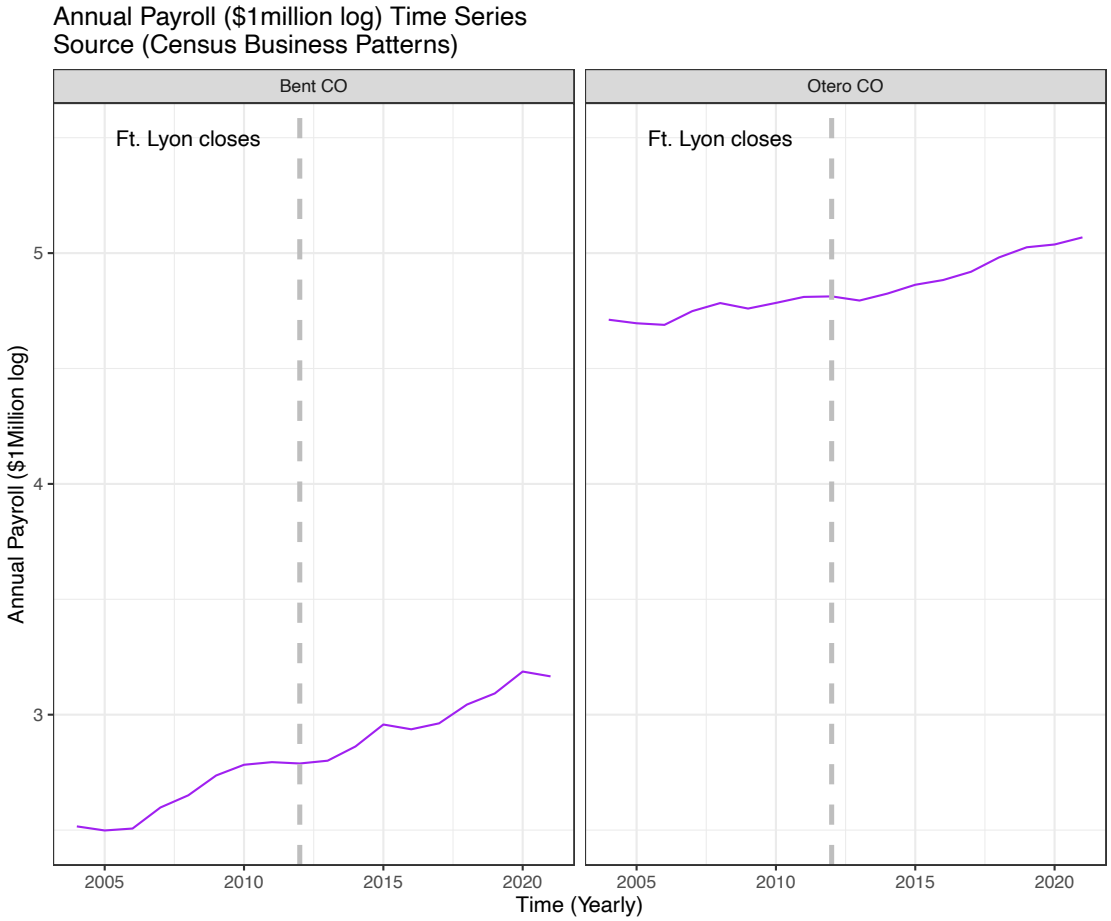
Further, when compared to the neighboring Otero County, CO, the job losses appear to be concentrated within Bent. From 2011 to 2012, the change in jobs figure for Bent County is -10.1% but for Otero County, CO it is just -2% (see Figure 15).

Figure 15. Percent change in total jobs, Bent and Otero Counties, CO.



Next, I examined annual payroll around the time of the Ft. Lyon prison closing. In Figure 16, Bent County, CO is paneled on the left with Otero County, CO paneled on the right as a neighbor comparison. In both counties, the annual payroll essentially lays flat across the 2012 cut-point and then gradually ticks upwards. This is not at all supportive of a negative economic prison-closing effect.

Figure 16. Annual payroll divided by 1 million and logged, for Bent (left) and Otero (left).

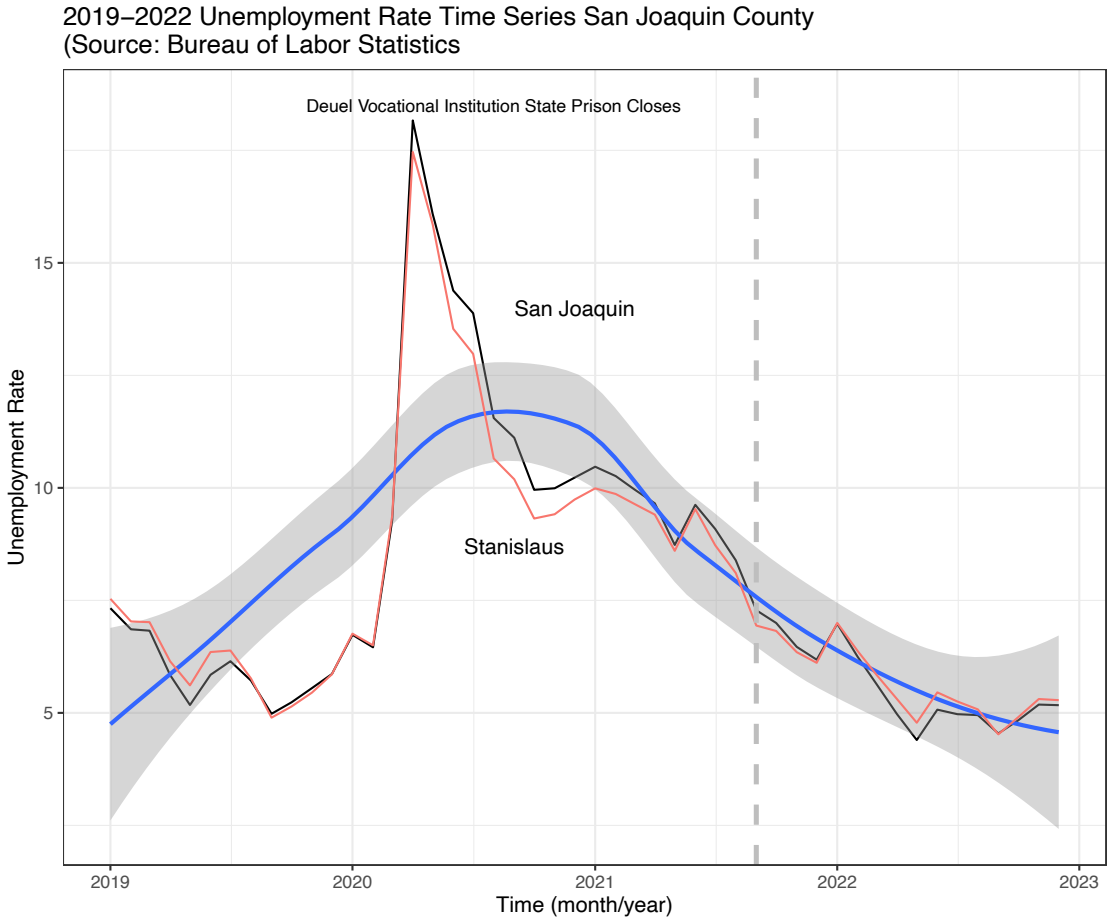


San Joaquin County, California

Deuel Vocational Institution State Prison opened in 1953 and closed on September 30, 2021. The prison capacity was 1,681 and had a population over 2,000 in mid 2020. When it comes to the effects of prison closure on the local economy, a similar trend emerges in San Joaquin County as what we saw in Bent County, CO – although there is no job loss associated with the prison closure.

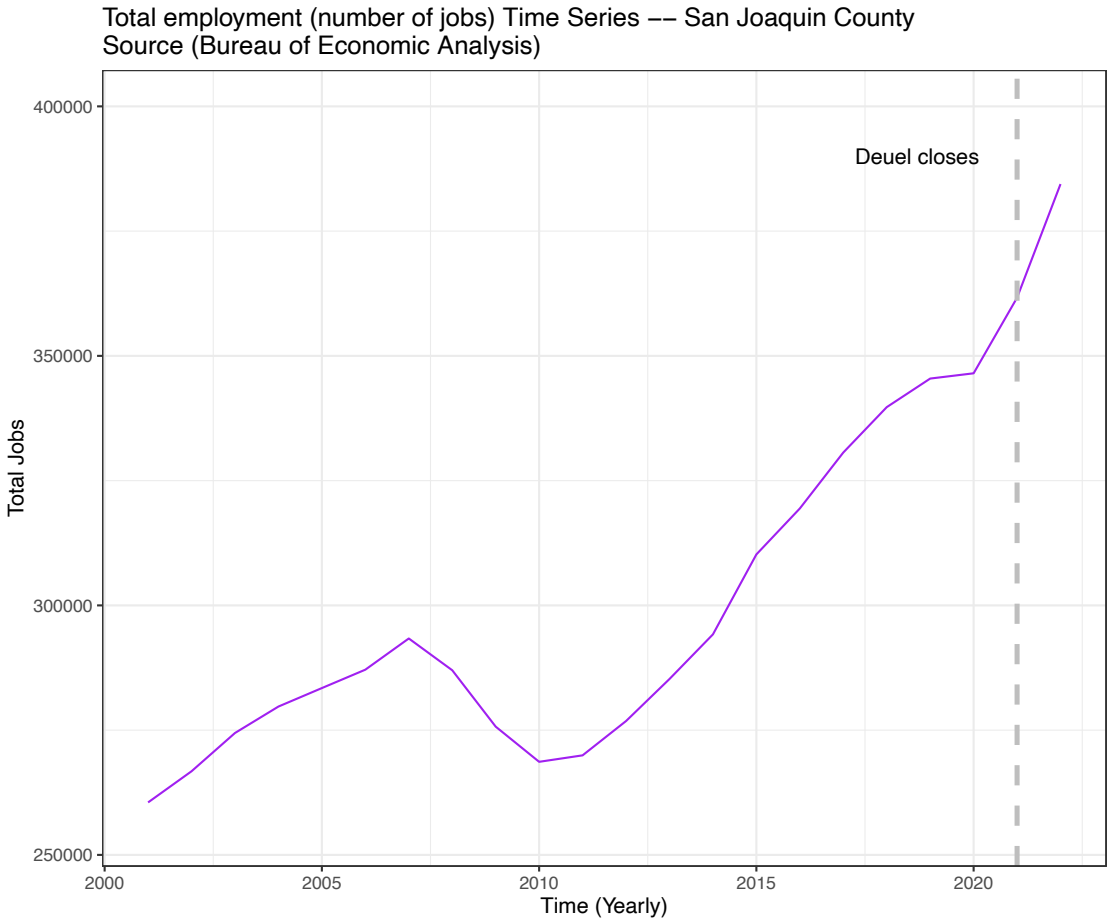
Figure 17 shows the monthly unemployment rate times series in San Joaquin County and Stanislaus County (Modesto) – which is the comparison unit. The two counties' unemployment rates essentially mirror each other during the period. Moreover, around the time of the prison closure, the unemployment rate actually went down suggesting the closure had no effect on the overall unemployment trend.

Figure 17. Unemployment rate around Deuel Vocational Institution State Prison, CA, closure. Data displayed for San Joaquin and Stanislaus Counties, CA.



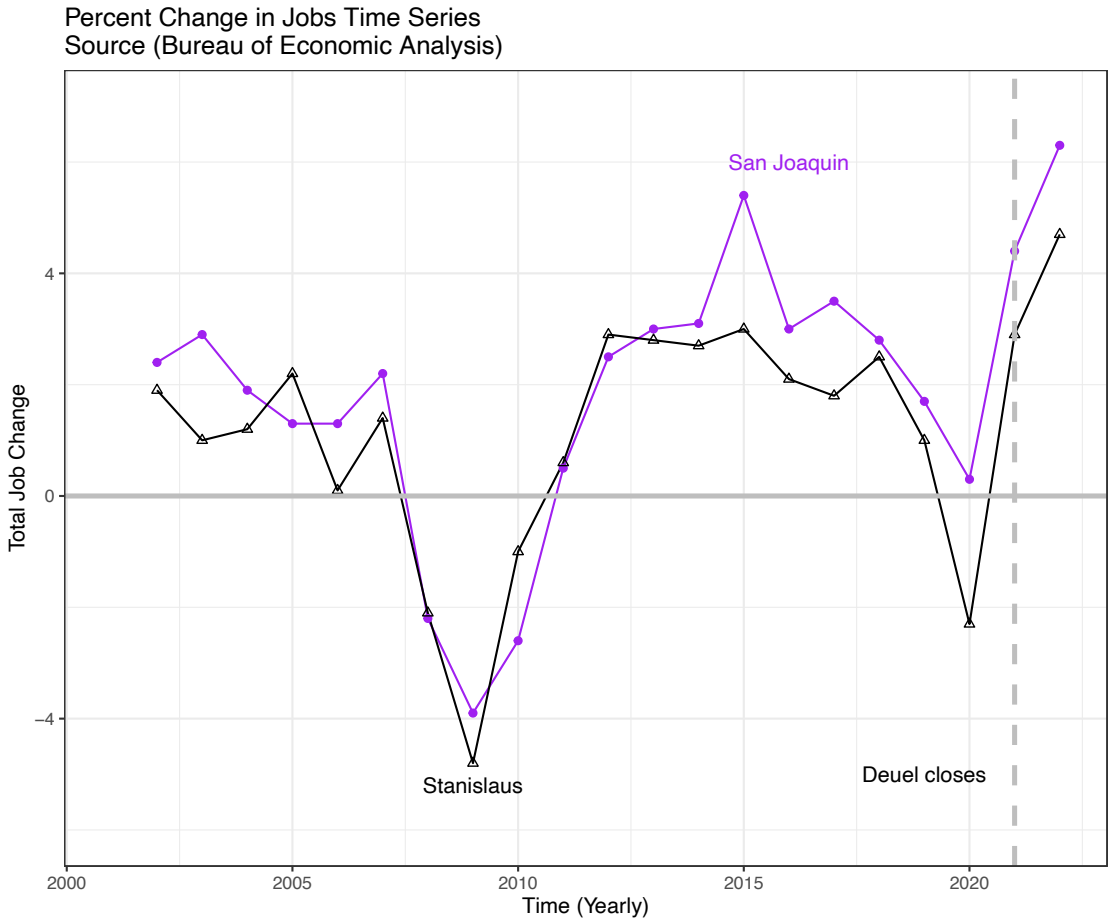
The data on total jobs over time suggest that the Deuel prison closure had no clearly noticeable effect on total jobs inside of San Joaquin county (see Figure 18). While the prison closure comes towards the end of the time series so there is limited backend data, what we do have suggests the jobs trendline is the same shortly before and shortly after the prison closure.

Figure 18. Total employment (number of jobs) in San Joaquin, CA over time.



On percent change, I now compare San Joaquin against Stanislaus – a similarly situated central valley county. The job changes are similar around the prison cutoff (2021) showing an almost parallel trendline (see Figure 19).

Figure 19. Percent change in total jobs, San Joaquin and Stanislaus Counties, CA.



Finally, I do not examine annual payroll around the time of the Deuel Vocational Institution prison closing because the Census Business patterns data are not available yet after 2021.

Conclusion

Overall, the data suggest that the argument that prison siting is a boon for the local economy is very thin especially in the case of Otero County, NM. While it is true that privatized ICE detention centers have people who work in them and therefore there are jobs as a result, the data suggest that local employment/unemployment markets stay

somewhat similar when a prison opens or closes. This is true with unemployment rate with regards to my national analysis. In Otero County, NM, of all the variables I looked at, only one (average weekly wages of facility support services) seemed to support the argument that the local detention facility is good for the economy. The rest suggest either no positive effect at all (i.e., payroll, total jobs), a likely null effect but possibly a negative effect (i.e., unemployment), or a clear negative effect (i.e., housing values, median income) that is placed upon the people living close by who are disproportionately Hispanic and poor. These findings are broadly consistent with several studies showing no local economic effect of prisons, including Hooks et al. (2010) and Genter, Hooks, and Mosher (2013), and Chirakijja (2022) who finds that prisons increase prison jobs but reduce local housing values.

Finally, regarding the two county prison closure cases studies, Bent County, CO, and San Joaquin, CA, I found evidence of job loss in the former but not the latter. This is potentially due to the fact that Bent County has fewer than 6,000 people and may have been overly reliant on a prison economy, whereas San Joaquin County has a population greater than 750,000 people so the closing of even a relatively large prison will have almost no measurable effect on the local economy. other economic indicators, though, I found little to no evidence that prison closures had negative economic outcomes. While we cannot say for sure, based on the foregoing analysis, it is unlikely that an OCPC closure would lead to substantial local job loss because no people (according to the data) inside the facility's Census tract work at the facility and moreover many of the workers likely live out of state in Texas.

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