

## Mass Deportations Would Deliver a Catastrophic Blow to the U.S. Economy

Though the U.S. immigration system remains broken, immigrants are crucial to growing the labor force and supporting economic output. Immigrants have helped expand the labor supply, pay nearly \$580 billion a year in taxes, possess a spending power of \$1.6 trillion a year, and just last year contributed close to \$50 billion each in personal income and consumer spending. Congress must reform and modernize the immigration system while also cementing the immense economic benefits associated with immigration. Time and time again, Democrats have attempted to do so through comprehensive immigration reform but have been blocked by Republicans who continue to use the issue to sow division.

The incoming Trump administration plans to [conduct](#) mass deportations that would upend entire communities and have severe economic fallout. Mass deportations would reduce economic growth, shrink the labor force, cost U.S.-born workers their jobs, raise costs for nearly all Americans, and risk igniting inflation.

Depending on how many immigrants are deported, these mass deportations would:

- Reduce [real gross domestic product](#) (GDP) by as much as 7.4% by 2028,
- Reduce the supply of workers for key [industries](#), including by up to 225,000 workers in agriculture and 1.5 million workers in construction,
- Push prices up to 9.1% [higher](#) by 2028, and
- Cost 44,000 U.S.-born workers their [jobs](#) for every half a million immigrants who are removed from the labor force.

### Mass deportation would damage the U.S. economy and hurt U.S.-born workers as well as immigrants

On top of the billions of dollars it would [cost](#) to undertake the sweeping deportation efforts that President Trump has [called](#) for across the country, multiple analyses show that any mass deportation plan would cause massive declines in GDP and overall employment.

- Estimates from the Peterson Institute for International Economics show that if 8.3 million undocumented immigrants are deported, GDP would be 7.4% [lower](#) and employment would be 7.0% lower by 2028. This 7.4% reduction in GDP over four years would likely mean that the U.S. economy *would not grow at all* during President Trump's second term. Even if 1.3 million undocumented immigrants are deported, GDP would drop by 1.2% and employment would drop by 1.1% by 2028.

- The American Immigration Council has estimated that a long-term deportation—deporting one million people each year until there is no undocumented population—could amount to a 4.2% to 6.8% [loss](#) in GDP (totaling \$1.1 to \$1.7 trillion in losses), with the effects felt most acutely in California, Florida, and Texas. To put this in context, the economy shrank by 4.3% during the Great Recession.
  - The researchers also find that this deportation plan would [cut](#) \$23 billion in funds for Social Security and \$6 billion from Medicare *each year* because these workers would no longer pay into these programs.
- A 2016 study estimates that mass deportations would [reduce](#) GDP by nearly \$280 billion in the first year, with the cost growing to roughly \$5 trillion after 10 years as businesses shrink their hiring and production in response to the scale of deportations.

The effects of mass deportations could be greater if additional documented immigrants or U.S. citizen family members also leave the country. People in mixed-status families who are either U.S.-born children or green card holders may be caught up in deportation sweeps or leave themselves if undocumented members of their [family](#) are deported.

Evidence also shows that deportations [reduce employment](#) for U.S.-born workers. Deportation initiatives from past administrations actually led to [net reductions](#) in employment and earnings in the short- and long-term for U.S.-born workers, with the worst impacts falling on the least educated and most vulnerable. An [analysis](#) of past deportation operations estimates that for every half a million immigrants removed from the labor force due to enforcement, 44,000 U.S.-born workers lose their jobs. Employers would not simply [hire](#) U.S. born workers to fill the vacancies created by undocumented workers who are deported, as there would be too many [vacancies](#), U.S.-born workers would be [unlikely](#) to move into these industries, and employer hiring behavior can be variable. Employers may, for example, choose to invest in production processes that require less labor instead.

### **Mass deportations would cause labor shortages in vital industries like agriculture, housing, and health care—raising costs for all Americans**

Undocumented immigrants make up a relatively small share of the overall labor force—[between](#) 4.4% and 5.4% since 2003—but they have [outsized](#) roles in industries like construction, agriculture, health care, and hospitality. They grow, pick, and process Americans’ food; build homes in communities across the country; and provide in-home care to seniors and others. Without immigrant labor, these industries would face labor shortages, further exacerbating their need for labor. In addition, the United States would lose workers that were educated here. Over 15% of undocumented workers [have](#) a bachelor’s degree or higher, and nearly half a million are currently enrolled in U.S. colleges and universities.

Many industries already face labor shortages or are projected to face a shortage of workers in the coming decades. There were 282,000 job [openings](#) in construction in September 2024, and one study [estimated](#) the construction industry will need an additional 454,000 workers above the normal pace of hiring to meet the demand for labor in 2025. Mass deportations would only

exacerbate this shortage as up to a [quarter](#) of construction workers are undocumented. This loss in workers would make housing even harder to build, raising its cost. Mass deportations would also reduce the supply of farmworkers who keep Americans fed as well as the supply of home health aides at a time when more Americans are aging and requiring assistance. The American Immigration Council [estimates](#) that mass deportations would remove up to 1.5 million workers from the construction industry, 225,000 from agriculture, one million from hospitality, 870,000 from manufacturing, and 461,000 from transportation and warehousing.

The labor shortages that result from mass deportations would raise costs for all Americans. With unemployment near a historic low, employers in sectors like agriculture and construction would produce less, resulting in shortages and higher prices. Economists at the Peterson Institute for International Economics [estimate](#) that deporting 1.3 million immigrants would raise prices by 1.5% by 2028, while deporting 8.3 million immigrants would raise prices by 9.1%. Additionally, mass deportations would reduce consumer spending, as undocumented workers are not just workers but also consumers. If demand for certain goods and services slows enough, demand for workers in those sectors may also slow, and some businesses may be forced to lay off workers.

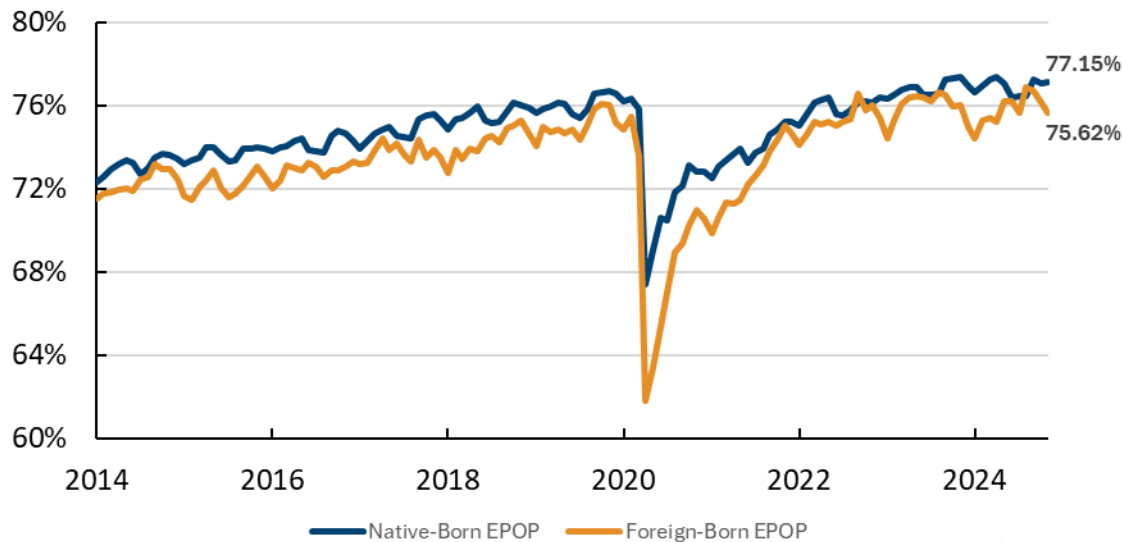
### **Immigration is essential for a strong labor force and U.S. economy**

The massive costs associated with these deportation plans underscore just how vital immigrants are to the U.S. economy. Non-partisan analysis of recent immigration trends by the Hamilton Project shows that in 2023 immigrants [contributed](#) \$48 billion to overall personal income and \$46 billion to consumer spending. An analysis by former Council of Economic Advisers chief economist Ernie Tedeschi suggests that immigration is responsible for at least a [fifth](#) of the 8.2% growth in real GDP since the end of 2019. The non-partisan Congressional Budget Office (CBO) [estimated](#) that the recent increase in immigration could add \$8.9 trillion to GDP over the next decade while reducing the deficit by \$900 billion.

Importantly, *both* immigrant and U.S.-born workers between the ages of 25 and 64 are employed at higher rates now than they were before the pandemic (see graph below), signaling that the strong labor market in recent years has benefitted both immigrants and U.S.-born workers alike. Evidence from the last few decades shows that immigrants do not take jobs from U.S.-born workers or bring down [wages](#) for similarly-skilled workers. This is especially [true](#) when there are lots of job openings, like there were during the post-pandemic recovery. A recent [analysis](#) from the Brookings Institution estimates that U.S.-born and immigrant employment actually increased more than expected in 2023, despite previous data pointing to a decrease in U.S.-born employment. A recent study even showed that immigrants can actually [boost](#) wages and employment for U.S.-born workers.

## The Strong Labor Market Has Benefitted U.S.-Born Americans and Immigrants

Native- and foreign-born employment-to-population ratio, ages 25-64, 2014-present



Source: Bureau of Labor Statistics  
Note: Data are not seasonally adjusted.



### Immigrants have a high propensity for entrepreneurship that boosts overall job growth

While immigrants make up about 14% of the U.S. population, they [represent](#) about a fifth of the self-employed workforce and account for a quarter of start-up founders. Many immigrants find success in their entrepreneurial pursuits: 55% of the companies valued at or above \$1 billion in the United States were [founded](#) by immigrants and more than 40% of the Fortune 500 companies in 2021 were [founded](#) by an immigrant or the child of an immigrant.

Immigrants are also more likely to work jobs that have a [job-multiplier](#) effect, meaning that their employment facilitates the entry of other workers into the labor force. For example, workers in sectors like education and health services, where immigrants make up about 1 in 5 workers, help parents and caregivers of all backgrounds enter the labor force and [grow](#) the economy. This is particularly true for women, who perform a disproportionate share of unpaid care work.

### Immigrants pay their fair share in taxes and can help secure the future of key government programs

Immigrants tend to be younger, and with their high employment rates, they pay taxes into Social Security and Medicare with most not receiving benefits until many years in the future, if they are eligible at all. One study found that each foreign-born person pays on average \$1,300 [more](#) each year and \$237,000 more over their lifetime in taxes than they receive in benefits from federal, state, and local governments. Another showed that between 2012 and 2018, immigrants contributed \$166 [more](#) per capita, on average, to the Medicare Trust Fund each year than what was spent on their behalf. Conversely, Medicare spent more on U.S.-born Americans than they contributed with an average cost of \$51 per capita. Immigration can help [preserve](#) Social Security, while reforms to immigration policy could help [extend](#) Medicare solvency.

Immigrants [contribute](#) to many social programs with their taxes, despite many being ineligible to receive most government benefits. In 2022, immigrants had a spending power of \$1.6 trillion, and they collectively paid \$579 billion in local, state, and federal taxes.

### **Legal avenues for immigration and pathways to citizenship benefit workers and the U.S. economy**

Providing a pathway to citizenship is good economics. Immigrants are helping [meet](#) labor demand while also demonstrating that more legal pathways to working in the United States are needed to meet this demand. Additionally, research shows that expanding legal immigration pathways can [reduce](#) irregular border crossings, leading to more secure and regulated borders. This approach is vital for managing [increased](#) migration to the United States, especially as more people flee their home countries due to the continued [risk](#) of violence, persecution, economic conditions, natural disasters, and climate change.

President Trump's mass deportation proposals would strip the United States of the many contributions of immigrants to the U.S. economy and communities across the country. Deporting immigrants will not only upend their lives, but also harm the U.S. economy through reduced economic growth, a smaller labor force, lost jobs, and higher costs to the detriment of all Americans.