

# THE EFFECTS OF IMMIGRATION ENFORCEMENT ON CALIFORNIA'S ECONOMY

PRESENTATION TO THE CALIFORNIA STATE SENATE  
COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND  
RETIREMENT

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MARCH 11, 2026

# Research Report

UC Merced Community and Labor Center tracks monthly employment trends.

Last year, the center released briefs tracking the impact of immigration enforcement on California's economy.

The February 2026 report (at right) adds historical context.

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FEBRUARY 2026

The Effects of Federal Immigration Enforcement on  
Private Sector Employment in Six States and Washington, D.C.

SUMMARY

The UC Merced Community and Labor Center analyzed US Current Population Survey (CPS) data during the first year of the second Trump administration, and found that periods of escalated immigration enforcement operations were associated with state-level downturns in the number of persons reporting having worked in the private sector. These patterns diverged from broader national trends, and in most cases were unusual or unprecedented compared with historical data.

Moreover, in enforcement states, declines in the number of private sector workers were associated with specific escalation periods, such as those coinciding with named operations. Enforcement states, as a whole, experienced private sector worker gains (176,992) before escalations, declines (-1,513,699) during escalation periods, and rebounds (815,114) following escalation periods. In all but one enforcement state (Louisiana), escalation periods were associated with downturns that diverged from trends in the rest of the US.

KEY FINDINGS

In the first year of the second Trump presidency, from January 2025 to January 2026, overall private sector employment in states targeted by escalated enforcement operations ("enforcement states") declined by -1.8%, while the rest of the US experienced a 1.1% increase. In terms of numbers of workers, enforcement states (Tennessee, California, Oregon, Washington D.C., Illinois, Louisiana and Minnesota) experienced a net decline of -521,593 persons reporting having worked in the private sector work, while the rest of the US experienced a gain of 1,162,741.

The historical record, dating back to 1983 (when all CPS variables used in this analysis were first available), further suggests that the month-to-month private sector work downturns in enforcement states this year were out of the ordinary. The recent downturns in Tennessee, Illinois and Washington, D.C., had few comparisons, while those in California and Oregon were unprecedented. Findings indicate that ongoing federal immigration enforcement escalations are having negative consequences on private sector work, and suggest the need for policy interventions to mitigate such negative economic consequences.

# Research Report

**Research Question:** “During escalations in federal immigration enforcement, how does private sector employment change?”

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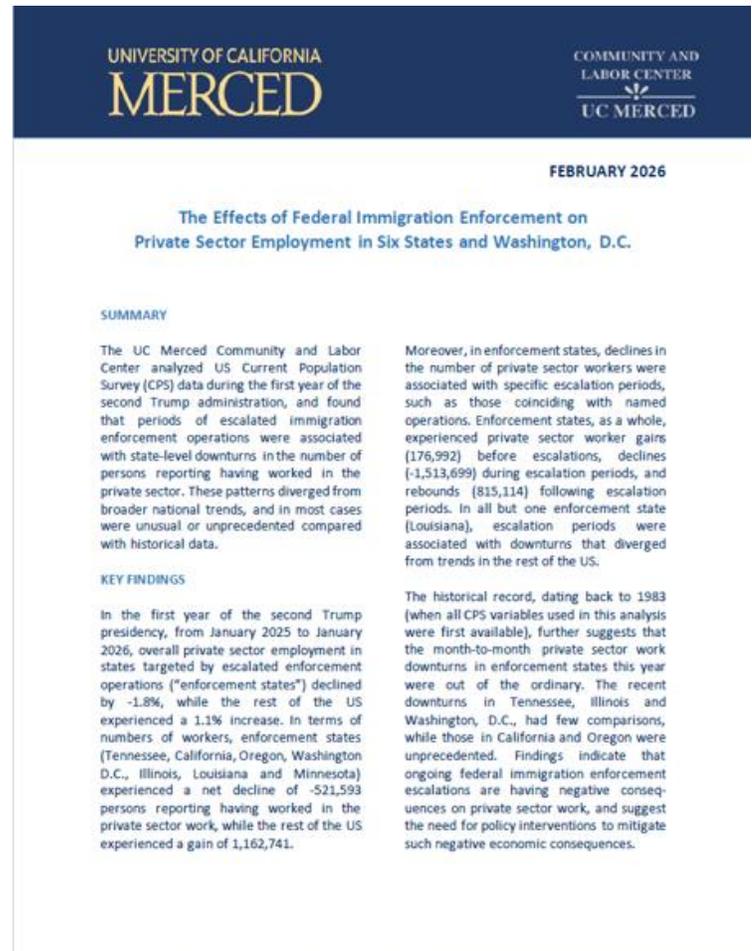
# Research Report

## Data and Methods

US Census Bureau- Current Population Survey, Basic Monthly (1983-2026) data.

- Representative, household sampling
- Per month, 40,000 US households reply

Private sector employment was measured among wage/salary earners and the self-employed/ non-incorporated.



# Research Report

## Data and Methods

Examined states targeted during the period of analysis.

Periods of immigration enforcement escalations were coded (see next slide)

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**Table 1.1 Federal Immigration Enforcement Escalations, by State**

State	Epicenter	Operation	Enforcement Escalation	Dates
Tennessee	Nashville	Flood the Zone	ICE/ highway patrol coordination	May 3- May 10, 2025
Tennessee	Memphis	Memphis Safe Task Force	Surge of federal agents	Sep 29, 2025- Present
Tennessee	Memphis		National Guard deployment	Oct 10, 2025- Present
California	Los Angeles/ several areas	No name	Roving patrols/ workplace raids	Jun 6- Jul 11, 2025
California	Los Angeles/ several areas		Reinstatement of roving patrols	Sep 8, 2025- Present
California	Los Angeles	No name	National Guard deployment	Jun 7, 2025- Jan 21, 2026
Oregon	Portland	No name	ICE deployment of chemical agents	Jun 14- Oct 4, 2025
D.C.		No name	Federalization of police	Aug 11- Sep 10, 2025
D.C.		No name	National Guard deployment	Aug 11- Present
Illinois	Chicago	Midway Blitz	Surge of federal agents	Sep 9- Present
Louisiana	New Orleans/ Baton Rouge	Catahoula Crunch	Surge of 250 federal CBP agents	Dec 3, 2025- January 9
Louisiana	New Orleans	No name	National Guard deployment	Dec 30, 2025- Present
Minnesota	Minneapolis- Saint Paul	Metro Surge	Surge of federal agents	Dec 4, 2025- Present
Minnesota	Minneapolis- Saint Paul		2,000 additional agents	Jan 6, 2026- Present

# Findings

From January 2025 to January 2026, private sector employment in enforcement states declined -1.8%, while the rest of the US experienced a +1.1 % increase.

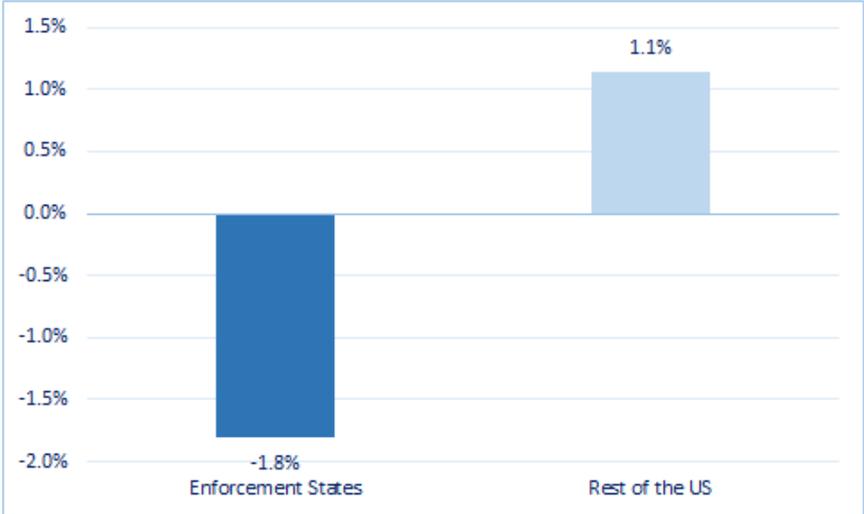
For California, year-to-year employment remained flat (0%). Yet from May 2025 to January 2026, CA declines were -2.6% (~393,000).

Table 2.1 Change in Private Sector Workers, January 2025 versus January 2026

	Jan 2025	Jan 2026	Change	% Change
Enforcement States	28,799,740	28,278,149	-521,591	-1.8%
Rest of the US	101,373,578	102,536,319	1,162,741	1.1%
US Total	130,173,318	130,814,468	641,150	0.5%

Source: UC Merced Community and Labor Center analysis of Current Population Survey- Basic Monthly Survey data, January 2025 and January 2026.

Figure 2.1 Change in Private Sector Workers, January 2025 versus January 2026



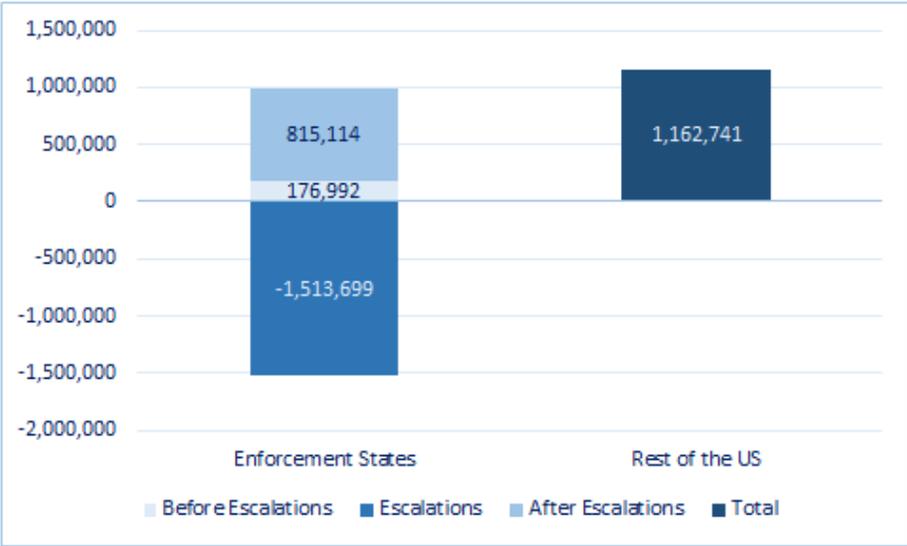
Source: UC Merced Community and Labor Center analysis of Current Population Survey- Basic Monthly Survey data, January 2025 and January 2026.

# Findings

Enforcement states experienced an overall downturn of -521,593 private sector workers between January 2025 and January 2026 (versus the rest of the US gaining 1,162,741 jobs).

Enforcement states experienced private sector worker gains (176,992) before escalations, declines (-1,513,699) during escalation periods, and rebounds (815,114) following escalation periods.

Figure 3.1 Monthly Change in Private Sector Workers Before, During, and After Escalation Periods, Jan 2025-2026



Source: UC Merced Community and Labor Center analysis of Current Population Survey- Basic Monthly Survey data, January 2025-January 2026.

# Findings

Table 3.2 Change in Private Sector Workers, by state, April 2025-January 2026

	May	Jun	Jul	Aug	Sep	Nov	Dec	Jan
Tennessee	-0.7%	-6.0%	4.1%	6.1%	-2.8%	<b>-1.4%</b>	0.4%	-3.4%
California	1.3%	-3.1%	-1.9%	4.0%	<b>-1.9%</b>	2.4%	-1.5%	-0.5%
Oregon	-2.2%	-3.1%	2.9%	<b>-4.8%</b>	-2.7%	3.0%	-3.0%	0.8%
Washington D.C.	-2.5%	12.1%	1.2%	<b>-7.4%</b>	4.0%	5.0%	6.0%	-3.7%
Illinois	-2.9%	4.2%	-2.1%	0.7%	<b>2.0%</b>	<b>-2.3%</b>	-1.4%	0.5%
Louisiana	1.5%	1.6%	-2.7%	0.5%	0.9%	2.9%	<b>0.6%</b>	-0.6%
Minnesota	-3.8%	6.2%	-0.5%	-4.4%	2.1%	-5.9%	<b>-2.9%</b>	<b>-1.7%</b>
Rest of the US	-0.2%	0.4%	0.1%	-1.3%	0.7%	0.5%	-0.1%	-0.5%

Note: Bolded figures represent months of escalated federal immigration enforcement actions.

Source: UC Merced Community and Labor Center analysis of Current Population Survey- Basic Monthly Survey data, April 2025-January 2026.

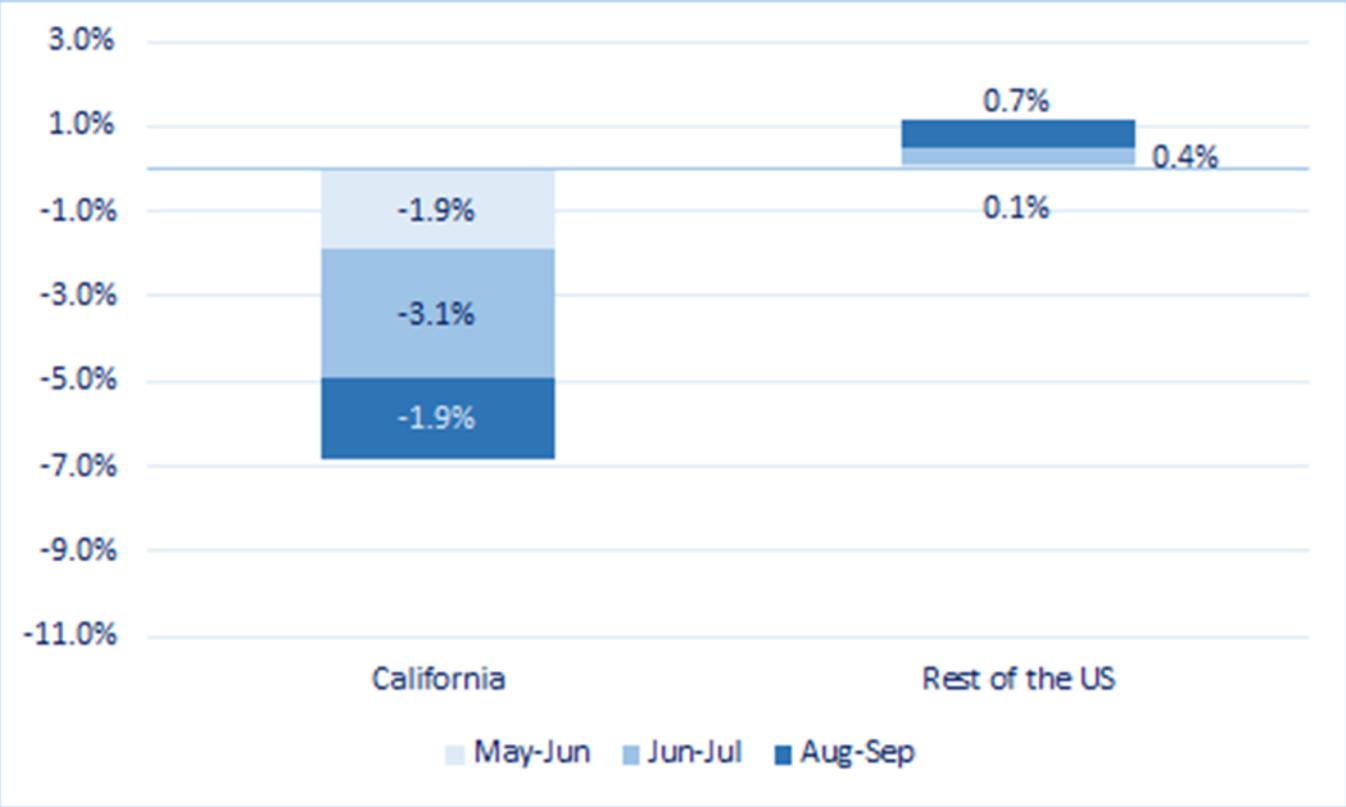
# Findings

California's private sector jobs recorded a -3.1% decline in June. As actions escalated, California experienced an additional 1.9% decline in July.

After a court order on July 11 placed a Temporary Restraining Order (TRO) on roving patrols, however, California's private sector jobs bounced back 4.0%.

Yet, after the US Supreme Court placed a stay on the TRO, California's private sector jobs declined by -1.9% in September.

**Figure 3.3 Change in Private Sector Workers, California vs Rest of the US (May-June, June-July, and August-September 2025)**

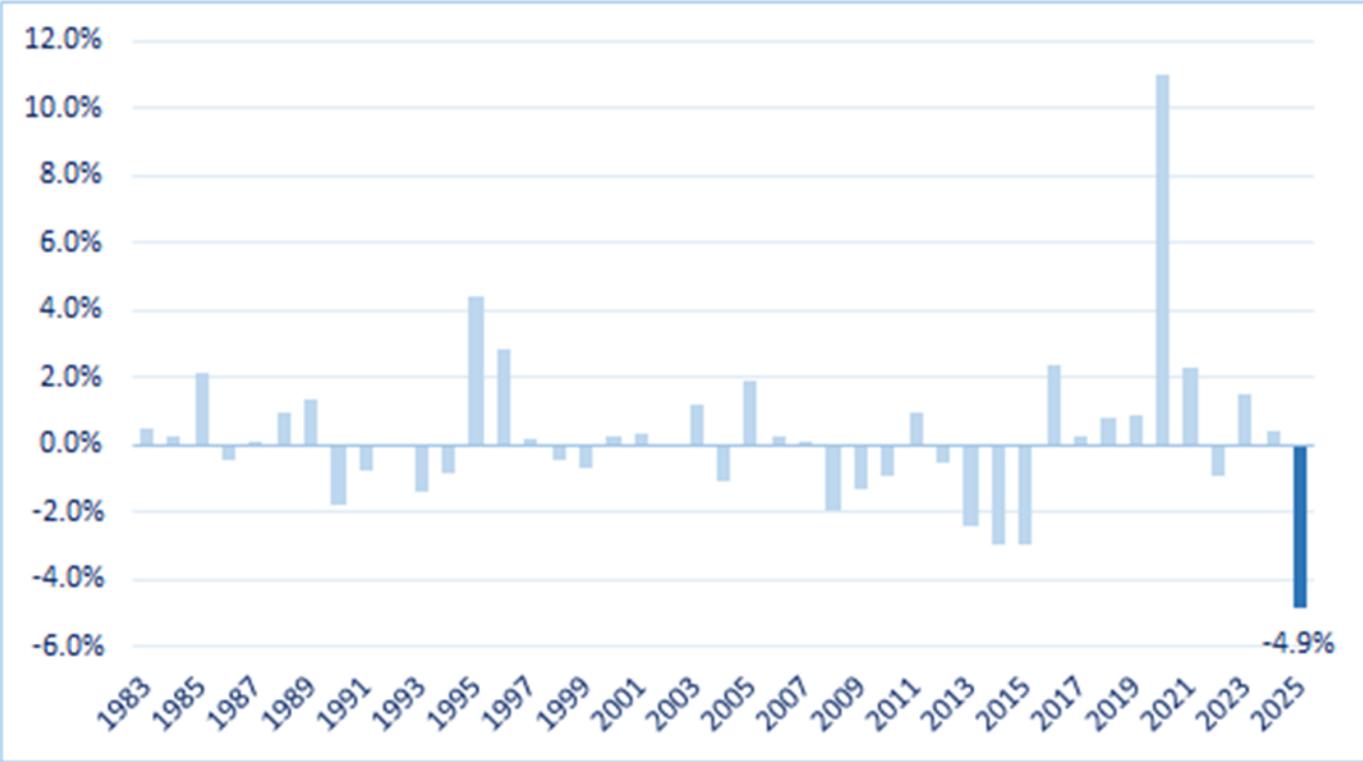


Source: UC Merced Community and Labor Center analysis of Current Population Survey- Basic Monthly Survey data, May-September 2025.

# Findings

California's May-July decline (4.9%) was unprecedented, about 1.6 times that of 2014 (-3.0%) and 2015 (-3.0%), the next worst years on record.

Figure 4.3 Historical May-Jul Change in Private Sector Workers, California 1983-2025

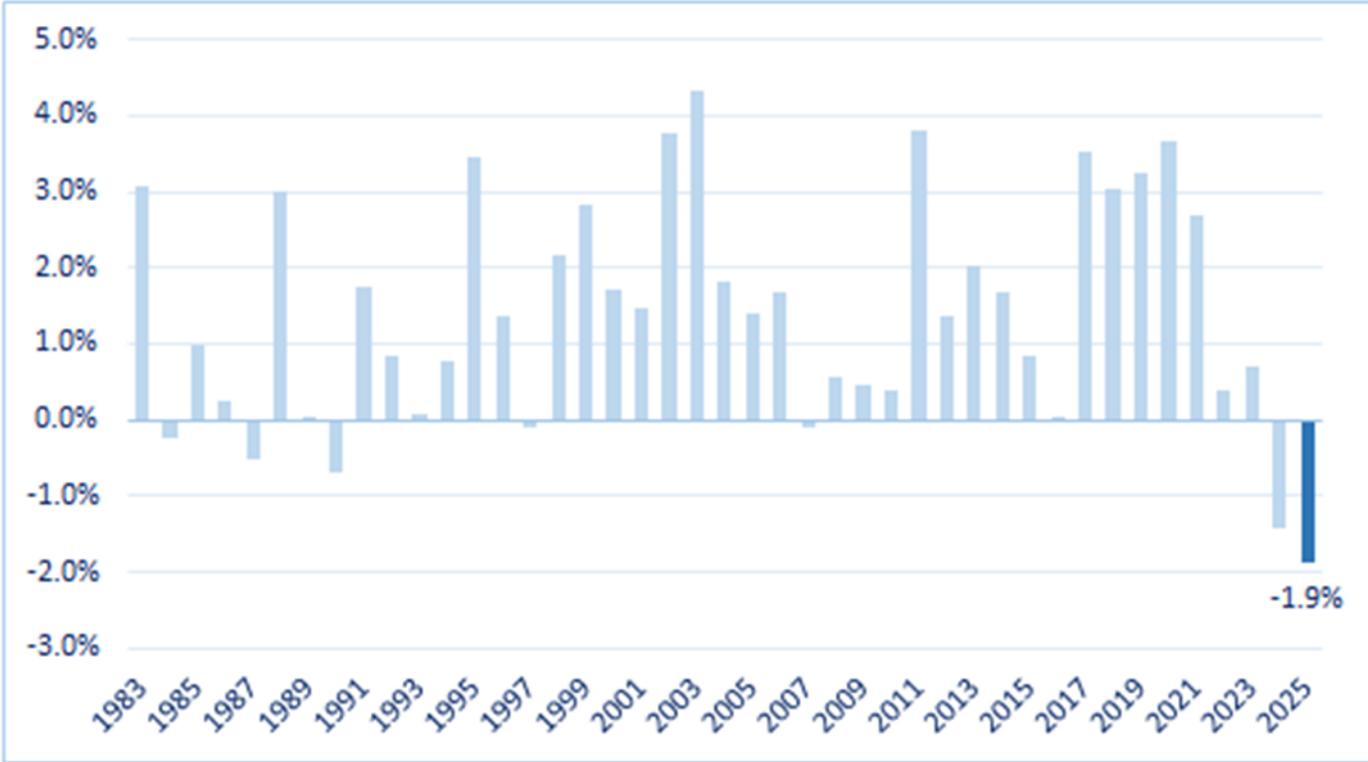


Source: UC Merced Community and Labor Center analysis of IPUMS-CPS Current Population Survey (CPS) Basic Monthly 1983-2025 data

# Findings

California's August-September decline also far surpassed previous worst years on record, 2024 (-1.4%), 1990 (-0.7%) and 2007 (-0.1%).

Figure 4.4 Historical Aug-Sep Change in Private Sector Workers, California 1983-2025



Source: UC Merced Community and Labor Center analysis of IPUMS-CPS Current Population Survey (CPS) Basic Monthly 1983-2025 data

# Policy Issues

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During historic periods of economic downturn (Great Recession, COVID-19 pandemic), policymakers have mitigated economic crisis with stimulus bills.

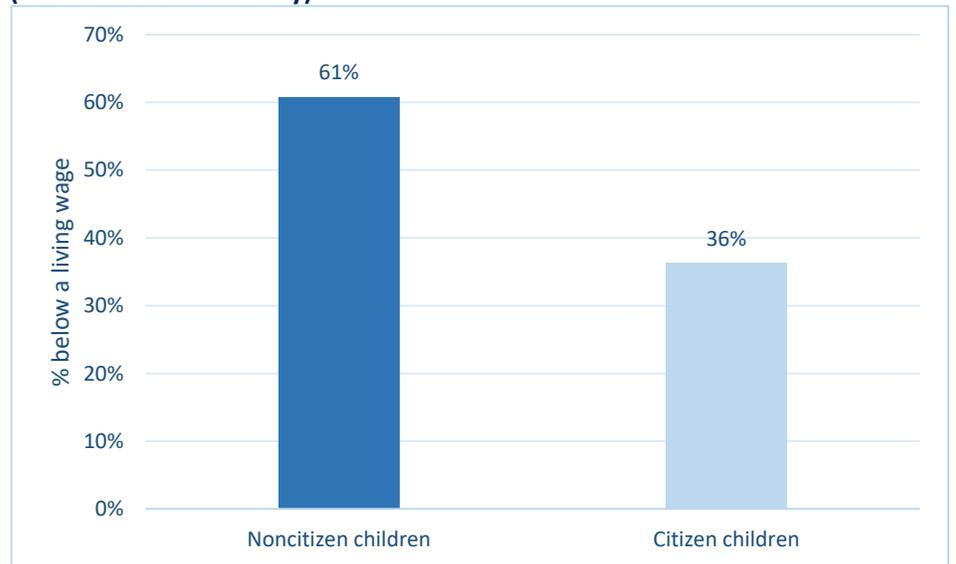
California lawmakers might consider how to stimulate local economies of impacted communities.

# Policy Issues

We are also confronting humanitarian concerns.

Most children (61%) in noncitizen households live below a living wage.

**Figure 3.3 Percent of California children living below a living wage, by citizenship (worker households only)**



Source: UC Merced Community and Labor Center analysis of IPUMS-USA American Community Survey 2019 Public Use Microdata Series (PUMS) data

# Policy Issues

Not all workers are eligible for the economic safety net.

Some states have created solutions to stimulate the economies of communities with undocumented households.

- New York (pandemic)
- Colorado (permanent system)