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The Economic and Fiscal Impacts of Mass Deportation: What's at Risk in New Jersey

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The Trump Administration has intensified efforts to deport immigrants, seeking to remove them from their communities across the country. In addition to causing serious social and humanitarian harm, these deportation efforts pose significant and quantifiable economic risks to New Jersey.

Deporting Immigrants Will Cost New Jersey State and Local Governments

New Jersey is home to approximately 2.3 million immigrants, nearly one in four residents, who contribute significantly to the state's economic vitality and community life. Of these residents, about 993,000 are non-citizens,¹ including an estimated 475,000 who are undocumented.² Despite their integral roles in society and the economy, these residents face increasing threats from intensified immigration enforcement. The potential economic and humanitarian costs of mass deportations are profound.

- In 2022, people who are undocumented paid an estimated \$1.3 billion in New Jersey state and local taxes.³
- Deporting 475,000 people who are undocumented from New Jersey poses enormous logistical challenges. Even if just one in ten undocumented individuals were deported or placed into detention, it would lead to a loss of \$133 million in state and local tax revenue each year. This is the cost of 295,000 free school meals in New Jersey public schools.⁴
- These projected impacts underestimate the actual loss since they do not include the disruption to businesses and communities from conducting raids, the harm to families who lose a breadwinner, and the costs to the foster care system when children lose their parents.
- Since people who are undocumented are excluded from many public benefits, there will be minimal state and local cost savings from deportation. However, there will be new costs to state and local governments associated with deportation and detention.

Rescinding Status and Restricting Immigration Will Hurt the New Jersey Economy

New Jersey stands to face significant losses as the Trump Administration revokes temporary status for immigrants, drastically alters asylum policies, and shuts down refugee resettlement. These changes threaten to destabilize communities, shrink the workforce, and weaken key sectors of the state's economy.

- **An estimated 13,000 active DACA (Deferred Action for Childhood Arrivals) recipients are at risk in New Jersey.**⁵ These individuals arrived in the U.S. as children and have lived their entire lives here. While DACA allows them to work legally, they live in limbo — contributing to the economy without a path to permanent status and now in fear of deportation.
- Temporary work visa programs are also threatened, including H-1B visas for highly skilled workers and H-2A visas for seasonal agricultural labor. Eliminating these programs without reforms or alternatives would leave many New Jersey employers — especially in agriculture, tech, and health care — struggling to fill essential roles.

Where New Jersey's Economy and Daily Life Are Most at Risk

Mass deportation generates widespread fear and presents unpredictable threats to the New Jersey economy. **In New Jersey, the deportation of 475,000 undocumented immigrants would result in the loss of approximately 42,000 jobs held by U.S.-born workers.**⁶

- **A loss of large numbers of workers from the labor force would mean an increase in the cost of living** for New Jerseyans who will pay more for restaurants, child care, home health aides, construction, and more. Because immigrants are often underpaid, there will be a significant shortage of workers and costs will rise.
- **A labor supply shortage will force businesses to shrink an already tight labor market.** In March 2025, the unemployment rate was relatively low at 4.7 percent, meaning employers are already struggling to find workers.⁷ Removing workers from the labor force will worsen this problem.
- **Deporting undocumented workers would result in a decline in the number of jobs for U.S.-born workers.**⁸ This happens for several reasons:
 - **Lower consumer demand:** When immigrants leave, their spending disappears, reducing demand for local goods and services.
 - **Fewer complementary workers:** Fewer cooks and dishwashers mean fewer waiter jobs and fewer construction laborers mean fewer construction managers.
 - **Decline in care workers:** With fewer caregivers available, young parents may struggle to work, leading to lower overall labor force participation.

Several sectors of New Jersey's economy are particularly vulnerable to immigration rollbacks and mass deportation policies, including:

Restaurants: Restaurants heavily depend on immigrant labor, particularly in critical roles like food preparation and sanitation. In New Jersey, 48 percent of the cooks are immigrants. The loss of these workers would create severe staffing shortages, force closures or reduce operations in restaurants, and negatively impact other roles, such as servers and managers. Central to local economies and community social life, the restaurant industry would experience rising costs and diminished service capacity.

Personal, home, and office: Personal service roles — including janitors, landscapers, nail technicians, and housekeeping staff — are predominantly filled by immigrant workers.⁹ In New Jersey, immigrants represent 46 percent of janitorial staff and 74 percent of housekeeping personnel. Mass deportations would lead to acute labor shortages in these often underrecognized positions, affecting both households and commercial establishments. Consequently, costs for such services would increase, impacting family budgets and businesses statewide.

Construction: The construction sector employs approximately 112,000 immigrants in New Jersey, representing 36 percent of the industry's workforce.¹⁰ A significant reduction of immigrant workers in construction would exacerbate labor shortages, raise construction costs, and dramatically increase costs at a time when New Jersey faces a crisis in housing availability and affordability.

Farming: Immigrants make up over half of all U.S. crop workers, with most either undocumented or seasonal H-2A workers,¹¹ both groups now at risk under the new administration's policies. New Jersey's agricultural sector — known for its nursery stock, cranberries, vegetables, and other exports — plays a key role in rural economies and agritourism. Even a **5 to 10 percent reduction** in immigrant labor would lead to food shortages, higher food prices for families, and unsustainable labor costs for farmers.

New Jersey's Economy Needs Our Immigrant Friends and Neighbors

Immigrant workers are a vital part of our workforce and a valuable part of New Jersey's culture and community. They support our daily lives, provide jobs, and strengthen our state economy. There are policies that can make their lives better and enhance their contribution to our communities.

- Make it possible for people who are undocumented to gain legal status, which would increase state and local tax revenues by \$332.5 million.¹²

- Improve the visa programs since they leave workers vulnerable to exploitation and can have adverse impacts on other workers.
- Implement stronger labor protections and increase wages for domestic and farm workers.

The presidential administration might try to deceive the public by claiming that deporting immigrants will benefit the economy, but the facts speak louder: immigrants are vital to the prosperity, stability, and success of New Jersey and its residents.

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¹ Non-citizens refer to individuals who are not U.S. citizens, including green card holders, undocumented people, and those at risk of losing their immigration status. This group also includes individuals eligible for Temporary Protected Status (TPS), DACA recipients, H1-B and H2-A visa holders, asylum seekers, and others facing potential deportation or status removal.

² For the number of immigrants, non-citizen immigrants, and the estimate of immigrants who are undocumented, see the Immigration Research Initiative fact sheet, “[50 States: Immigrants by Number and Share](#).” The number of immigrants and non-citizen immigrants is an IRI analysis of the 2023 ACS. The number of immigrants who are undocumented is estimated by the Pew Research Center based on the 2022 ACS. The fact sheet gives parallel estimates from the Center for Migration Studies (2022 ACS) and the Migration Policy Institute (2019 5-year data).

³ Davis, et al. “Tax Payments by Undocumented Immigrants,” Institute on Taxation and Economic Policy, July 30, 2024. <https://itep.org/undocumented-immigrants-taxes-2024/>

⁴ Using high rate and total federal and state reimbursement rates, which estimate \$4.52 per lunch. https://www-agr.state.nj.us/AG_SNEARS2/api/resourcesManagement/download?id=2863

⁵ “Deferred Action for Childhood Arrivals (DACA) Data Tools,” Migration Policy Institute. <https://www.migrationptpolicypolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles>

⁶ East, et al. “The Labor Market Effects of Immigration Enforcement,” Journal of Labor Economics, vol 41, number 4. This work is summarized in an accessible fashion by Chloe N. East in “[The Labor Market Impact of](#)

[Deportations](#),” The Hamilton Project, Sept. 18, 2024. The study finds that for every 500,000 people deported, 44,000 U.S.-born people lose their jobs. We are rounding to the nearest thousand.

⁷ U.S. Bureau of Labor Statistics, Unemployment Rates for States, <https://www.bls.gov/web/laus/laumstrk.htm>

⁸ East, et al. “The Labor Market Effects of Immigration Enforcement,” Journal of Labor Economics, vol 41, number 4. This work is summarized in an accessible fashion by Chloe N. East in “[The Labor Market Impact of Deportations](#),” The Hamilton Project, Sept. 18, 2024. The study finds that for every 500,000 people deported, 44,000 U.S.-born people lose their jobs. We are rounding to the nearest thousand.

⁹ Nail technicians include manicurists and pedicurists.

¹⁰ The occupation “painters” also includes paperhangers.

¹¹ Gutiérrez-Li, Alejandro. “Feeding America: How Immigrants Sustain US Agriculture,” Baker Institute for Public Policy, July 19, 2024. <https://www.bakerinstitute.org/research/feeding-america-how-immigrants-sustain-us-agriculture>

¹² Davis, et al. “Tax Payments by Undocumented Immigrants,” Institute on Taxation and Economic Policy, July 30, 2024. <https://itep.org/undocumented-immigrants-taxes-2024/>