

National Foundation for American Policy

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Contact: Stuart Anderson, 703-351-5042, press@nfap.com

New Research: Trump Administration Immigration Policies Would Lower Annual Economic Growth Rate by Almost One-Third

Policies Would Reduce the Projected Number of Workers in the U.S. by 6.8 Million in 2028 and 15.7 Million in 2035

Arlington, Va. – The Trump administration’s policies on illegal and legal immigration would reduce the projected number of workers in the United States by 6.8 million by 2028 and by 15.7 million by 2035 and lower the annual rate of economic growth by almost one-third, harming U.S. living standards, according to [an analysis](#) by the National Foundation for American Policy (NFAP). This is the first analysis to project the short-term and long-term impact of the Trump administration’s policies on both illegal and legal immigration. The National Foundation for American Policy is a nonpartisan public policy research organization based in Arlington, Virginia.

The combination of the Trump administration’s policies on deportation and legal immigration would reduce the number of workers in the United States by 15.2 million over 11 years and lower the annual rate of economic growth by approximately one-third, harming U.S. living standards, according to an analysis by the National Foundation for American Policy. This is the first analysis to project the long-term impact of the Trump administration’s policies on both legal immigration and deportation. (NFAP also released a companion [study](#), *An Analysis of the Trump Administration’s Policies on Deportations*.)

Due to fewer workers in the labor force, the Trump administration’s immigration policies would lead to a potential labor loss to the U.S. economy of approximately 19 million worker years by 2028 and 102 million worker years by 2035, according to the analysis. The policies would reduce the projected cumulative goods and services produced (GDP) in America by \$1.9 trillion, or \$5,612 per person, from 2025 to 2028, and by \$12.1 trillion, or \$34,369 per person, from 2025 to 2035. The policies would also substantially increase the federal debt.

The study “The Economic Impact of the Trump Administration’s Immigration Policies,” can be found at <https://nfap.com/>.

Of the 6.8 million fewer projected workers in the U.S. labor force in 2028, 2.8 million would be due to changes in legal immigration policies, and 4 million would result from policies on illegal immigration. A total of 4.7 million of the 15.7 million fewer workers in 2035 would come from policies on legal immigration. The reductions in legal immigration include suspending refugee admissions, the travel ban enacted in 2025, ending Temporary Protected Status and humanitarian parole programs, prohibiting international students from working on Optional Practical Training and STEM OPT after completing coursework and other changes, such as an expected public charge rule, to restrict legal immigration.¹ The analysis does not include the likely significant economic impact of

¹ NFAP assumed a very conservative 1.1% growth rate in the affected populations if Temporary Protected Status and humanitarian parole programs were maintained—the Trump administration has eliminated or soon will eliminate both TPS and humanitarian parole for the relevant populations—and a 4% annual growth

restricting U.S. companies' access to high-skilled foreign nationals through regulatory and [administrative](#) action, which could affect productivity growth. "When we aggregate at the national level, inflows of foreign STEM workers explain between 30% and 50% of the aggregate productivity growth that took place in the United States between 1990 and 2010," concluded economists Giovanni Peri, Kevin Shih and Chad Sparber.²

The National Foundation for American Policy analyzed the impact of the Trump administration's policies by estimating the reduction in immigration, examining the fiscal and economic effects using publicly available tools from the Congressional Budget Office and assuming the policies remain in effect from 2025 to 2028 and from 2025 through 2035. The CBO tools and the NFAP analysis are based on the CBO projections produced in January 2025, as these were done prior to the implementation of the Trump administration's policies, providing the best way to assess the impact of the policies.

Among the findings in the NFAP analysis:

- The Trump administration's policies on illegal and legal immigration would decrease GDP (Gross Domestic Product) growth, also referred to as economic growth, by almost one-third, from a projected average annual rate of 1.8% to a 1.3% average annual rate between FY 2025 through FY 2035.³ For 2025, GDP growth is projected to drop from 2.1% under the CBO January baseline projections to 1.5% after estimating the impact of the Trump administration's immigration policies; for 2026, the GDP growth rate would decline from 1.8% to 1.1%; for 2027 from 1.8% to 1.3%; and for 2028, from 1.7% to 1.3%.
- The Trump administration's immigration policies would reduce the projected cumulative goods and services produced (GDP) in the United States by \$1.9 trillion from 2025 to 2028, and by \$12.1 trillion from 2025 to 2035.
- The combination of the Trump administration's policies on illegal and legal immigration would increase the total federal debt held by the public by \$252 billion by 2028 (in 2025 dollars) and by \$1.74 trillion (or \$1.42 trillion in 2025 dollars) between 2025 and 2035. The rise in debt does not include billions of dollars in increased federal spending on border and immigration enforcement.
- The January 2025 Congressional Budget Office projections of debt-to-GDP—a crucial indicator of a national government's ability to manage its debts—would rise from 105.4% in 2028 under the CBO baseline to 112.4% in 2028 after implementing the Trump administration's immigration policies. The debt-to-GDP would increase from a projected 118.5% under the CBO baseline to 129.2% in 2035 under the Trump administration's immigration policies.

While uncertainties exist about the number of immigrants affected and the economic effects of the Trump administration's policies, the NFAP analysis is conservative in several ways. First, the CBO's model only allowed NFAP to approximate the impact by summing the effects of different policies to produce a total. However, the fiscal and economic impact would be worse in combination than the sum of the individual parts.⁴ Second, NFAP did not measure the impact of economic

rate for Optional Practical Training if not eliminated. The assumption of a 4% annual growth in OPT is based on the average annual growth rate from 2019 to 2024, and a 1.1% annual growth for TPS and humanitarian parole is based upon the current growth rate in the world population. TPS grew significantly more than 1.1% annually in recent years.

² Giovanni Peri, Kevin Shih and Chad Sparber, "STEM Workers, H-1B Visas, and Productivity in U.S. Cities," *Journal of Labor Economics*, 2015, vol. 33, no. 3, pt. 2.

³ The Congressional Budget Office projects GDP growth to be 1.7% in 2028.

⁴ CBO correctly notes that substantial changes would produce effects outside its model, and limits changes to the assumed labor force growth rate to plus or minus three-quarters of a percentage point each year.

disruption, such as employers scrambling to find workers after an Immigration and Customs Enforcement (ICE) raid. Third, in estimating immigration reductions, NFAP did not attempt to calculate the indirect effects of policy changes, including how less welcoming policies will affect decisions to remain in or come to the United States. NFAP did not assume an increase in the emigration of legal immigrants directly or indirectly affected by the administration's policies. Fewer people in the country will also mean fewer marriages between U.S. citizens and immigrants, resulting in a decrease in the immigration of immediate relatives.

The 11 million projected fewer workers in 2035 and 4 million fewer workers in 2028 due to the Trump administration's policies represent a reduction from the labor force numbers that CBO assumed in its January 2025 forecast.⁵ For purposes of this simulation, we are assuming that the Trump administration's policies on deportations would reduce the number of foreign-born workers by approximately 11 million over 11 years and 4 million over 4 years due to deportations, reductions in unlawful entry and voluntary emigration of unauthorized workers and family members who may be citizens or possess legal status. The administration has stated a goal of deporting one million immigrants a year. Were the Trump administration to achieve its goal of one million annual deportations, the likely effect upon the labor force would be larger than NFAP assumes in this analysis. The Trump administration [claimed](#) on September 23, 2025, "2 million illegal aliens have been removed or have self-deported since January 20."⁶

While the Trump administration's policies have been controversial, there has been less discussion of their economic impact. The analysis finds the Trump administration's immigration policies would lower economic growth, increase the federal debt and reduce the supply of productive labor available in the U.S. economy.

About the National Foundation for American Policy

Established in 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) nonprofit, nonpartisan public policy research organization based in Arlington, Virginia focusing on trade, immigration and related issues. The Advisory Board members include Columbia University economist Jagdish Bhagwati, Ohio University economist Richard Vedder, Cornell Law School professor Stephen W. Yale-Loehr and former INS Commissioner James W. Ziglar. Over the past 24 months, NFAP's research has been written about in the *Wall Street Journal*, the *New York Times*, the *Washington Post* and other major media outlets. The organization's reports can be found at www.nfap.com. X.com: [@NFAPResearch](#)

1550 Wilson Blvd., Suite 700, Arlington, VA 22209
phone: (703) 351-5042 fax: (703) 351-9292 www.nfap.com

⁵ CBO updated its demographic forecast on September 10, 2025, to reflect lower net migration, but has not published what the effect of these changes will be on the forecast of the economy or Federal debt. <https://www.cbo.gov/publication/61390>.

⁶ "New Milestone: Over 2 Million Illegal Aliens Out of the United States in Less Than 250 Days," Press Release, Department of Homeland Security, September 23, 2025.