

## U.S. LABOR FORCE ANALYSIS: THE DECLINE IN THE FOREIGN-BORN LABOR FORCE SINCE JANUARY 2025

The Bureau of Labor Statistics [household survey](#) shows a decline of 881,000 foreign-born workers since the start of the Trump administration in January 2025, and a drop of 1.3 million since a peak in March 2025, according to a National Foundation for American Policy analysis of government data. The most recent BLS report covers through December 2025.

Any drop in the size of the immigrant labor force is a significant shock for the American economy. The Congressional Budget Office and the Social Security Administration had assumed more than 2 million net immigrants into the United States in 2025, which would translate into approximately 1.3 million more workers, or a gap of more than 2 million workers compared with the most recent BLS data.<sup>1</sup> From 2014 to 2024, more than half of American labor force growth came from the increase in immigrant workers.

### U.S.-BORN WORKERS NOT BENEFITTING FROM IMMIGRATION DECLINE

There is no evidence that U.S.-born workers have benefited from the decline in foreign-born workers. The unemployment rate for U.S.-born workers was 4.1% in December 2025 compared to 3.7% in December 2024.<sup>2</sup> The 12-month comparison is the most valid because the Bureau of Labor Statistics does not seasonally adjust its estimates separated by nativity. The seasonally adjusted unemployment rate for all workers is up since Trump took office, from 4.0% in January 2025 to 4.4% in December 2025.

There is no sign that U.S. workers have reentered the labor market in response to the withdrawal of foreign-born workers. The [labor force participation rate](#) for the U.S.-born aged 16 and older fell slightly from 61.4% in December 2024 to 61.2% in December 2025. The seasonally adjusted labor force participation rate for all individuals aged 16 or older dropped slightly since Trump took office, from 62.6% in January 2025 to 62.4% in December 2025.

The same BLS data show an increase of 2.0 million in U.S.-born employment since January 2025, but there are reasons to question this figure. Census projected an increase in the population of the U.S.-born over age 16 of just 1.4 million between 2024 and 2025, but BLS shows an increase in the U.S.-born population over age 16 of 3.7 million between January and December.

### THE RELIABILITY OF THE BLS ESTIMATES

The same technical issues that lead to overestimates of the U.S.-born labor force may also lead to overestimates of the foreign-born population, thereby potentially underestimating foreign-born labor force losses. When BLS does

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<sup>1</sup> While there are high standard errors in the monthly survey, this was the fourth consecutive monthly estimate to show a decline of more than 1 million foreign-born workers since January. Each monthly estimate showed a statistically significant decrease since January, and their consistency lends support to the magnitude of the change being fairly accurate.

<sup>2</sup> The unemployment rate for foreign-born workers fell slightly from 4.3% in December 2024 to 4.1% in December 2025.

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not find as many people in a population category as it expected based on Census data, it adjusts its estimates to reflect its prior expectation. This is a standard and well-accepted survey practice, but it means that if BLS finds fewer foreign-born individuals, it will increase the weight given to both U.S.-born and foreign-born individuals with similar characteristics.<sup>3</sup> If the reason BLS finds fewer foreign-born individuals is that they left the country, this will lead to an overestimate of both the U.S.-born and the foreign-born populations.

Some have posited an alternative explanation for the size of the estimated foreign-born loss: a disproportionate increase in nonresponse among the foreign-born.<sup>4</sup> The weight given to U.S.-born respondents will increase when immigrants are missing from the sample, whether because they left the country or refused to answer the survey. However, estimates of a large decline in the immigrant labor force come from months with very different response rates at the household level. For example, the response rate was lower in January 2025 (68.8%) than in August 2025 (69.5%) and September 2025 (68.9%), with both months showing more than a million fewer foreign-born workers than in January. The peak estimate of immigrants in the labor force in 2025 occurred in March, which had a relatively low response rate of 66.7%.

It is possible for U.S.-born and foreign-born response rates to move in opposite directions, so nonresponse could still produce an overestimate of immigrant decline. However, no consistent pattern is found between changes in foreign-born estimates and changes in the overall survey response rate.

Given current and projected Trump administration immigration policies, it is likely that a decline in the foreign-born labor force will continue and seems unlikely to be driven solely by the undocumented population. There has always been significant emigration across all classes, including temporary and permanent visa holders. Perception of a less hospitable environment may increase emigration.<sup>5</sup>

## NFAP ANALYSIS OF THE IMPACT OF IMMIGRATION REDUCTIONS

“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.

<sup>3</sup> Between January 2025 and November 2025, the weights on Hispanics in the Current Population Survey increased by 11.8% for both the US-born and the foreign-born.

<sup>4</sup> For example, see Jed Kolko of the Peterson Institute for International Economics: <https://www.piie.com/blogs/realtime-economics/2025/seeing-economic-data-through-fog-immigration-estimates>

<sup>5</sup> Stuart Anderson, “Immigrant Labor Declines As Trump Imposes New Immigration Restrictions,” *Forbes*, December 17, 2025.

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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.

**NFAP ESTIMATES OF IMPACT OF NEW PROCLAMATION ON LEGAL IMMIGRATION**

The Trump administration released a December 16 [proclamation](#) that will further reduce legal immigration. The wide reach of the restrictions indicates that the proclamation's goal is to reduce legal immigration.<sup>6</sup>

The Trump administration has reduced the projected level of legal immigration to the United States by more than 600,000 immigrants during Donald Trump's second term, according to a National Foundation for American Policy estimate. The administration has lowered refugee admissions by more than 100,000 a year, or by at least 400,000 by 2028. NFAP finds that over the next three years, the Trump administration's ban on the Immediate Relatives of U.S. Citizens from multiple countries via the Dec. 16 proclamation could reduce legal immigration to the United States by more than 200,000 immigrants.

Under the proclamation, nationals of 19 countries cannot enter the United States on immigrant or temporary visas: Afghanistan, Burkina Faso, Burma, Chad, Republic of Congo, Equatorial Guinea, Eritrea, Haiti, Iran, Laos, Libya, Mali, Niger, Sierra Leone, Somalia, South Sudan, Sudan, Syria and Yemen.

Nationals of 19 additional countries cannot enter the United States on an immigrant visa or in four temporary visa categories (B, F, M and J): Angola, Antigua and Barbuda, Benin, Burundi, Cote d'Ivoire, Cuba, Dominica, Gabon, The Gambia, Malawi, Mauritania, Nigeria, Senegal, Tanzania, Togo, Tonga, Venezuela, Zambia and Zimbabwe. (Nationals of Turkmenistan cannot enter on immigrant visas, and individuals cannot enter the United States on travel documents from the Palestinian Authority.)

By freezing and then reducing annual refugee admission levels to 7,500, well below the 125,000 ceiling established in the last year of the Biden administration, Trump officials reduced projected immigration. The most significant impact of the Dec. 16 proclamation will be on the individuals affected, U.S. citizens who want to sponsor close

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<sup>6</sup> This section adapted from Stuart Anderson, "Immigrant Labor Declines As Trump Imposes New Immigration Restrictions," *Forbes*, December 17, 2025.

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relatives for immigration from the 39 countries, employers that wish to hire them and U.S. universities that want to enroll these individuals as students.

According to an NFAP estimate of the Dec. 16 proclamation, prohibiting the entry of the Immediate Relatives of U.S. Citizens (spouses, children and parents) will reduce immigration to the United States by approximately 50,000 to 76,000 a year, depending on whether processing is permitted for adjustment of status inside the United States. USCIS has said it will hold pending applications and “re-review” cases approved since January 20, 2021, for individuals from the 39 countries.

## ABOUT THE NATIONAL FOUNDATION FOR AMERICAN POLICY

Established in 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) non-profit, non-partisan public policy research organization based in Arlington, Virginia, focusing on trade, immigration and related issues. Advisory Board members include Columbia University economist Jagdish Bhagwati, Cornell Law School professor Stephen W. Yale-Loehr, Ohio University economist Richard Vedder and former INS Commissioner James 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](http://www.nfap.com). X.com: [@NFAPResearch](https://twitter.com/NFAPResearch) Bluesky: [@NFAPResearch.bsky.social](https://bsky.app/profile/NFAPResearch.bsky.social)