National Foundation for American Policy

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

Research: The U.S.-Born Unemployment Rate Increased in the Past 12 Months While the Number of Foreign-Born Workers Declined

Arlington, Va. – The Bureau of Labor Statistics household survey shows a decline of 122,000 foreign-born workers since the start of the Trump administration in January 2025, and a drop of 534,000 since a peak in March 2025, according to a National Foundation for American Policy analysis. This decline, though smaller than reported in earlier months, represents a reduction of more than 1.4 million foreign-born workers compared to the labor force growth expected in government estimates. The Congressional Budget Office and the Social Security Administration population estimates for immigrants translated into approximately 1.3 million more foreign-born workers. Instead, the latest BLS data show a decline of more than 100,000 foreign-born workers. The U.S. economy has long depended on immigrants for labor force growth. From 2014 to 2024, more than half of American labor force growth came from the increase in immigrant workers.

The January 2026 estimates from the household survey show a decline in employment among U.S.-born workers of 1.2 million since December 2025, while immigrant employment grew by 0.6 million. Neither change seems plausible. The January survey also shows an unlikely 664,000 reduction in the U.S.-born population aged 16 or older since December, and an 830,000 increase in the foreign-born population. There is no reason to believe the U.S.-born population dropped by 664,000 and the foreign-born population rose by 830,000 in the span of one month.

The National Foundation for American Policy is a nonpartisan public policy research organization based in Arlington, Virginia. The study "U.S. Labor Force Analysis: January 2025 to January 2026," can be found at https://nfap.com/.

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 4.7% in January 2026 compared to 4.3% in January 2025.[1] The 12-month comparison is the most valid because the Bureau of Labor Statistics does not seasonally adjust its estimates separated by nativity.[2]

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 January 2025 to 61.2% in January 2026.

The Reliability of the BLS estimates

Census projected an increase in the population of the U.S.-born over age 16 of just 1.4 million between July 2024 and July 2025, and of 1.3 million between July 2025 and July 2026. However, BLS shows an increase in the U.S.-born population over age 16 of 3.0 million between January 2025 and January 2026, despite the large decline in the last month.

[1] The unemployment rate for foreign-born workers fell slightly from 4.6% in January 2025 to 4.5% in January 2026.

[2] The seasonally adjusted unemployment rate for all workers is up since Donald Trump took office, from 4.0% in January 2025 to 4.3% in January 2026.

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 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.[3] 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.[4] 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 2025. The peak estimate of immigrants in the labor force in 2025 occurred in March, which had a relatively low response rate of 66.7%.[5]

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.[6]

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.

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.

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[3] Between January 2025 and December 2025, the weights on Hispanics in the Current Population Survey increased by 8.1% for both the U.S.-born and the foreign-born.

[4] 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

[5] The response rate for January 2026 was a relatively low 64.3%. which was a small improvement from 64.2% in December and 64.0% in November, as BLS data collection recovers from the disruption of the government shutdown. One-quarter of the sample for each of those months would normally have been initially recruited in October during the shutdown.

[6] Stuart Anderson, "Immigrant Labor Declines As Trump Imposes New Immigration Restrictions," *Forbes*, December 17, 2025.

NFAP Estimates of Reductions in Legal Immigration

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 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.

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