

# National Foundation for American Policy

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## Research: The Foreign-Born and Overall Labor Force Has Declined, While the U.S.-Born Unemployment Rate Has Increased

**Arlington, Va.** – The Bureau of Labor Statistics [household survey](#) for June 2026 shows a decline of 1,186,000 foreign-born workers since January 2026, and a drop of 1,847,000 since a peak in March 2025, according to a National Foundation for American Policy (NFAP) [analysis](#). The Congressional Budget Office and the Social Security Administration population estimates made near the start of the Trump administration for immigrants assumed about 1.3 million *more* foreign-born workers in 2025 and an additional 900,000 for all of 2026.<sup>1</sup> Instead, the latest BLS data show a decline of 1.4 million foreign-born workers since January 2025.

The U.S. economy has long depended on immigrants for labor force growth, which is important to economic growth and servicing our existing public debt. From 2014 to 2024, U.S. labor force growth averaged more than 1.3 million workers a year, and more than half of that growth came from the increase in immigrant workers. However, rather than gaining 1.3 million workers per year, the total U.S. labor force has declined.

In what many economists may consider an alarming development, BLS reports that the total U.S. labor force has declined by 1,338,000 workers since the start of the Trump Administration in January 2025, according to the BLS [seasonally adjusted estimate](#) of the U.S. labor force. “It’s not just that the U.S.-born are not benefiting from current policies, but the economy as a whole is stagnating,” said labor economist and NFAP Senior Fellow Mark Regets. “This is indicated by the decline in the labor force and the slow employment growth. The actual loss of foreign-born workers may be lower than the BLS estimate, but multiple data sources are showing declines the U.S. economy can’t afford.”

**Table 1**  
**Total U.S. Labor Force (Seasonally Adjusted)**

January 2025	June 2026	Decline in Total U.S. Labor Force
170,696,000	169,358,000	-1,338,000

Source: Bureau of Labor Statistics, National Foundation for American Policy.

### U.S.-Born Workers Not Benefiting From Immigration Decline

There is no evidence that U.S.-born workers have benefited from the decline in the number of foreign-born workers. The [unemployment rate](#) for U.S.-born workers was 4.6% in June 2026 compared to 4.4% in June 2025. The 12-month comparison is the most valid because the Bureau of Labor Statistics does not seasonally adjust its estimates separated by nativity.<sup>2</sup> The U.S.-born unemployment rate was 4.3% in January 2025.

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<sup>1</sup> NFAP extrapolation of labor force numbers from CBO and SSA population estimates.

<sup>2</sup> The [seasonally adjusted unemployment rate for all workers](#) is up since Donald Trump took office, from 4.0% in January 2025 to 4.2% in June 2026.

“Most economic research shows that immigration increases employment opportunities for the U.S.-born, so it would not be surprising if reducing immigration harms American workers,” said Regets.

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 from 61.8% in June 2025 to 61.0% in June 2026. The aging of the U.S. population is at least partly responsible for the decline, but the seasonally adjusted labor force participation rate for prime-age workers (ages 25 to 54) has also dropped from 83.5% in January 2025 to 83.3% in June 2026.

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. The Supreme Court recently cleared the Trump administration to end Temporary Protected Status for Haitians and Syrians, removing them from the legal workforce. The ruling will also make it easier to end TPS and remove from the workforce individuals from other countries. In addition, 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>3</sup> The administration also has increased restrictions on legal immigration.

### **Reliability of BLS Estimates**

While the monthly household survey has shown a decline in the number of immigrant workers, several reasons caution against treating its numbers as a precise estimate. For example, BLS showed an increase of 2.7 million in the U.S.-born population over age 16 between January 2025 and January 2026, while Census estimated growth of only about half that amount.<sup>4</sup> Between January 2026 and June 2026, the BLS Household Survey has shown an additional increase of 1.7 million in the U.S.-born population over age 16—about one million more than Census projections would suggest for a half year of growth.

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.<sup>5</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. This overestimate may compensate for any underestimate that results from fewer immigrants who are still in America answering the survey.

### **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

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<sup>3</sup> Stuart Anderson, “Immigrant Labor Declines As Trump Imposes New Immigration Restrictions,” *Forbes*, December 17, 2025.

<sup>4</sup> This is calculated using the revised January 2026 estimate that incorporates sample weights from Census population projections from July 2025.

<sup>5</sup> 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.

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 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 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. Litigation over the USCIS hold continues.

### **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](http://www.nfap.com). X.com: [@NFAPResearch](#) Bluesky: [@NFAPResearch.bsky.social](#)

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