National Foundation for American Policy

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New Research: Trump Poised To Be Only President Since Civil War To Preside Over A Reduction In U.S. Civilian Labor Force

Arlington, Va. – Donald Trump is on track to be the only president in the 20th and 21st centuries to preside over a reduction in the U.S. civilian labor force during the length of his time in office, according to a National Foundation for American Policy (NFAP) analysis of government estimates. A combination of demographics and a policy choice to reduce the labor supply by restricting legal immigration and deporting immigrant workers has resulted in a drop in America's labor force. The Bureau of Labor Statistics (BLS) reports that the total U.S. labor force has declined by 919,000 workers since the start of the Trump administration in January 2025 through August 2026, according to the BLS seasonally adjusted estimate of the U.S. labor force. The unprecedented event forecasts slower economic growth, reduced dynamism and less ability to service America's public debt. Economic growth is composed of growth in the labor supply and productivity growth, with approximately two-fifths of U.S. economic growth since 1948 attributable to growth in the labor supply, according to an NFAP analysis.[1]

Table 1
U.S. Civilian Labor Force (Seasonally Adjusted)

January 2025	August 2026	Decline in U.S. Civilian Labor Force
170,696,000	169,777,000	-919,000

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

Analysis of the Reasons for the Decline And Its Implications

The size of the U.S. civilian labor force has fallen, according to the official government estimate, and the Trump administration's policies have contributed to the problem. Due to the U.S. birth rate declining since 1957, the growth in the U.S.-born labor force has slowed, and the U.S. population has aged. That reality makes the current period more economically challenging, as slowing growth makes it more difficult to improve living standards, service existing government debts and make good on future promises such as veterans benefits and Social Security. However, rather than addressing this problem, the Trump administration has actively sought to reduce the labor force further—and appears to have succeeded. The Bureau of Labor Statistics shows a decline in the U.S. civilian labor force of 919,000 between January 2025 and August 2026.

U.S. immigration policies have played a significant role in the reduction of the labor force. The Bureau of Labor Statistics household survey for August 2026 shows a decline of 1.4 million foreign-born workers since January 2025, according to an NFAP analysis. It is possible the decline in the foreign-born labor force is less steep than BLS estimates, but it is clear current policies have affected the number of foreign-born workers. (See the Appendix for a discussion of BLS estimates.)

[1] Two-fifths is according to an accounting division between growth in output per worker and the number of workers. More complex estimates that include total factor productivity attribute around one-third of economic growth to growth in the labor supply.

From 2014 to 2024, more than half of U.S. labor force growth came from an increase in immigrant workers.

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.[2] Instead, the BLS data for August 2026 show a *decline* of 1.4 million foreign-born workers since January 2025.

If the administration's policy goal was to help U.S.-born workers, it has failed: The unemployment rate for U.S.-born workers has increased to 4.6% in August 2026 from 4.3% in January 2025, when Donald Trump took office. 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 60.9% in August 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) also dropped from 83.5% in January 2025 to 83.4% in August 2026.

The Trump administration has been enthusiastic in its efforts to remove workers from the labor force. The White House has established arrest quotas, hoping to achieve one million or more deportations a year, which explains why most people in ICE detention do not have criminal convictions.

The administration has also targeted legal immigration. Based on policies enacted to date, 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 an NFAP estimate. The administration has lowered refugee admissions by more than 100,000 a year, or by at least 400,000 by 2028, currently admitting only white South Africans. 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 another 200,000 or more immigrants. The reductions in legal immigration may be higher, since U.S. Citizenship and Immigration Services has halted processing inside the country for many potential immigrants and visa holders. Administration officials may introduce additional restrictions.

Other Trump administration policies have removed legal workers from the U.S. labor force. Trump officials ended work authorization for several hundred thousand people who entered the United States under humanitarian parole programs during the Biden administration. Administration officials have also ended Temporary Protected Status for most countries, including Haiti and Venezuela. According to the Congressional Research Service, approximately 1.3 million people had Temporary Protected Status as of March 2025. The administration has claimed a high number of individuals have voluntarily departed the United States, and it has offered payments to unauthorized immigrants who leave the country.

When the federal government shrinks the labor force, it gives employers less incentive to invest in skill upgrading or take a chance on marginal workers. That is because expelling immigrants and reducing the labor supply diminish economic dynamism. It provides fewer opportunities for employers to invest in new or existing businesses. If employers have difficulty finding enough workers to staff an existing restaurant or other business, they are unlikely to start new ones. Removing immigrants from the labor force also reduces the domestic market for goods and services because immigrants are not only workers, but also consumers. This is supported by other research: One recent study found that reducing the number of immigrants harms productivity growth, while others have concluded that a reduction in immigration leads to fewer job opportunities for U.S. workers.

[2] NFAP extrapolation of labor force numbers from CBO and SSA population estimates.

The current labor situation may create new challenges for the Federal Reserve Board. A loss of workers is an inflationary supply shock to the economy the Fed cannot easily manage without further increasing inflation or unemployment. "Having labor market tightness caused by a decline in the labor supply is a new problem," according to labor economist and NFAP Senior Fellow Mark Regets. "In the past, the usual public policy tradeoff for the Fed was how to stimulate the economy enough so that employers would take on risks and invest in training, while hoping to avoid too much stimulation so as not to cause inflation. Given U.S. economic history, a declining labor supply is new territory."

Historical Analysis

The National Foundation for American Policy examined each presidential term since 1900 and found none oversaw a decline in the estimated U.S. civilian labor force except for Donald Trump's second term. The data since 1948 are available from the Bureau of Labor Statistics and the St. Louis Fed. Individual years since 1900 are available via Stanley Lebergott (1964), *Manpower in Economic Growth: The American Record Since 1800.*

Below are tables detailing labor force data for each president or presidential term since 1948. Because of the post-war baby boom, the rise in female labor force participation and post-1965 immigration, all presidents since 1948, until Donald Trump's second term, saw increases in the size of the U.S. civilian labor force (seasonally adjusted) during their terms. NFAP measured the change in the size of the labor force for each president between the Bureau of Labor Statistics estimates for January during their first year in office and January of the last year of their presidential term. The analysis included Harry Truman (+2,668,000), Dwight Eisenhower in his first term (+2,989,000) and second term (+4,019,000), the Kennedy/Johnson administration (+3,122,000), Lyndon Johnson (+5,954,000), Richard Nixon (+7,964,000), the Nixon/Ford administration (+9,721,000), Jimmy Carter (+10,818,000), Ronald Reagan in his first term (+6,699,000) and second term (+8,665,000), George Bush Sr. (+5,010,000), Bill Clinton's first term (+7,056,000) and second term (+8,334,000), George W. Bush's first term (+4,229,000) and second term (+6,181,000), Barack Obama's first term (+1,553,000) and second term (+3,857,000), Donald Trump's first term (+461,000), Joe Biden (+10,615,000), and Donald Trump's second term (-919,000).

Until Donald Trump's second term, it appears no president in American history oversaw a decline in the U.S. civilian labor force during their time in office, with the possible exception of Abraham Lincoln during the Civil War due to the mobilization into the military in the North and South. However, data show the civilian labor force increased by 16% between 1860 and 1870, which means if Lincoln had not been assassinated in 1865, he likely would have seen a rise in the civilian labor force. FDR saw a rise in the civilian labor force during his presidency, even when including the mobilization during World War II.

An October 2025 National Foundation for American Policy analysis, which used CBO estimates and budget tools, found that 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. 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. It could also lower the annual rate of economic growth by almost one-third, harming U.S. living standards. Slower economic growth will also affect the ability to manage our debts. The NFAP analysis projected that continuing Trump's immigration policies through 2035 would add $1.7 trillion to Federal debt.

The current labor situation may create new challenges for the Federal Reserve Board and other policymakers, since a loss of workers is an inflationary supply shock to the economy that cannot be easily managed without further increasing inflation or unemployment. Labor market tightness caused by a decline in the labor supply is a new problem. However, it is one caused largely by a deliberate policy choice by the Trump administration. Based on U.S. economic history, a declining labor supply is new territory.

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** Bluesky: @NFAPResearch.bsky.social

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