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# The Economic and Fiscal Impacts of Mass Deportation: What's at Risk in North Carolina

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## Key Findings

- There are 995,000 immigrants in North Carolina, including 562,000 who are non-citizens, and among those an estimated 325,000 who are undocumented.<sup>1</sup>
- In 2022, people who are undocumented paid \$692 million in North Carolina state and local taxes.<sup>2</sup> If ten percent of people who are undocumented are deported it would result in a loss of \$69 million per year in state and local tax revenues.
- Immigrants, including those without documentation, are an important part of North Carolina's economy. Detention and deportation of these workers would dramatically decrease affordability and availability of important goods and services from food production to construction of homes and rebuilding after disasters to the daily provision of hospitality and health care services.
  - **Farming:** Over half of all crop workers in the United States are immigrants, and the vast majority of these immigrants are either undocumented or seasonal H-2A workers.<sup>3</sup>
  - **Restaurants:** Nationwide, 7 percent of people working in the leisure and hospitality industry are undocumented.<sup>4</sup> In North Carolina, immigrants in general, both documented and undocumented, make up 14 percent of the 85,000 cooks in the state, and many are likely at risk of deportation.<sup>5</sup>
  - **Construction:** Nationally, 13 percent of all construction workers are undocumented. In North Carolina, 1 out of every 4 construction workers are immigrants. There are an estimated 92,000 immigrants who work in the construction industry in North Carolina, which includes building homes and rebuilding infrastructure in the wake of disaster.
  - **Health Care & Other Care Industry:** Across North Carolina, immigrants are working to take care of people old and young, helping to support their health, development and to create safe environments to live. North Carolina is also grappling with a health care worker shortage and recent evidence shows that mass deportation will put further strain on health care facilities and reduce the care available in many communities.<sup>6</sup>

## A Mass Deportation Agenda will Hurt North Carolina

The Trump Administration has already begun, with unprecedented intensity, enforcement actions aimed at removing immigrants from their communities, their workplaces, and often from their families. In many cases this may result in deportations, in many others it may mean indefinite incarceration in detention centers.

Undocumented immigrants are the most vulnerable, but the impact does not end there. As the first 100 days of Trump's presidency demonstrated, immigration enforcement has been imprecise and led to deportations and detentions of legally present immigrants from doctors and researchers to roofers and factory workers.<sup>7</sup>

By definition, a mass deportation agenda pursues widespread enforcement that risks putting a whole host of people in harm's way, both at the moment of detention and through the long-term effects of separating people from family, community and opportunity. In addition to the far-reaching social and humanitarian implications of this type of enforcement regime, there are also economic risks that can be quantified.

## Immigrants are a vital part of the North Carolina economy

- There are 995,000 immigrants in North Carolina, including 562,000 who are non-citizens, and among those an estimated 325,000 who are undocumented.<sup>8</sup>
- Non-citizens include green card holders, as well as a number of people who are at risk of deportation or removal of immigration status, including those who are undocumented, people eligible for Temporary Protected Status, DACA recipients, H1-B and H2-A visa holders, asylum seekers, and others.

## Deporting immigrants will come at a significant fiscal cost to North Carolina's state and local governments

- In 2022, people who are undocumented paid an estimated \$692 million in state and local taxes in North Carolina.<sup>9</sup>
- Deporting 325,000 people who are undocumented from North Carolina poses enormous logistical challenges, not to mention opposition based on legal and human rights issues. If, for the sake of argument, one out of ten people who are undocumented were deported or put into detention camps, that would result in a loss of \$69 million per year in state and local tax revenue. This would pay for nearly 1,200 public school teacher salaries.<sup>10</sup>
- These projected impacts underestimate the actual loss, since they do not include the costs of disruption to businesses and communities from raids and other enforcement actions, the impacts on family members who lose a breadwinner, or the costs to the foster care system for children who wind up without parents in the United States.
- Any offsetting savings in state and local expenditures are likely to be small, since recent immigrants and people who are undocumented are excluded from many public benefits. At the same time, state and local governments will have new costs associated with deportation and detention.

## Rescinding status and restricting immigration will further hurt the North Carolina economy

North Carolina also stands to lose a lot as the Trump Administration begins to follow through on threats to remove the temporary status of immigrants who have it today, to radically change the treatment of asylum seekers, and to shut down refugee resettlement.

The people at risk include an estimated 20,660 active DACA recipients in North Carolina.<sup>11</sup> The state's refugee resettlement program welcomed nearly 3,500 refugees in the last year alone.<sup>12</sup>

Also at risk are access to visa renewals or new visas for temporary “guest worker” programs, such as H-1B visas, intended for highly skilled workers, and H-2A visas for seasonal agricultural workers. These programs are ripe for improvement, since they can be exploitative to workers and, unlike other immigration categories, have been shown to have adverse impacts on other workers. However, simply eliminating these workers without creating better options would be a significant challenge for employers.

### Where North Carolina's Economy and Daily Life Are Most at Risk

A regime of mass deportation and restriction poses widespread and unpredictable threats to the North Carolina economy.

- **A loss of large numbers of workers from the North Carolina labor force would mean an increase in the cost of living** for North Carolinians who will pay more for restaurants, child care, home health aides, construction, and more. Costs will go up not only because immigrants are often underpaid, but more fundamentally because there will be an under-supply of workers.
- **A labor supply shortage will force businesses to shrink.** As much as they can, businesses would adjust by hiring new workers. But the labor force is already constrained. The state's relatively low unemployment rate was 3.7 percent in March 2025.<sup>13</sup> Employers are already straining to find employees; eliminating large numbers of workers from the labor force will not help.
- **Deporting undocumented workers would result in a predictable decline in the number of jobs for U.S.-born workers**, according to a leading journal article on the subject.<sup>14</sup> Contrary to popular belief, deporting immigrants reduces the number of jobs for other workers. Reasons include: declining purchasing power among immigrants that reduces local demand; decline in the number of complementary workers — fewer cooks and dishwashers means fewer waiters, fewer construction laborers means fewer construction managers; and fewer care workers means lower labor force participation for parents.

Some areas of the North Carolina economy that are particularly at risk include:

**Farming:** Over half of all crop workers in the United States are immigrants, and the vast majority of these immigrants are either undocumented or seasonal H-2A workers,<sup>15</sup> both categories of immigrants that have been threatened by the incoming administration. Pay and working conditions are in dire need of improvement for farm workers. But the likely result of deporting current immigrants and restricting new immigration is not an improvement of working conditions, but a decline in farming. Farms in North Carolina are a source of sweet potatoes, hogs and beef, and vegetables and other produce enjoyed around the state and sold for export. Farms are also important to the economic and social vitality of rural communities, enhance the local landscape, and are part of a growing agritourism industry. Eliminating immigrants from farm work would be nearly unimaginable and reducing the number of immigrant workers by even five or ten percent would have dramatic negative consequences.

**Restaurants:** Nationwide, 7 percent of people working in the leisure and hospitality industry are undocumented.<sup>16</sup> In North Carolina, immigrants in general, both documented and

undocumented, make up 14 percent of the 85,000 cooks in the state, and many are likely at risk of deportation.<sup>17</sup>

**Construction:** Nationally, 1.4 million people who are undocumented work in the construction industry, making up 13 percent of the total.<sup>18</sup> Looking at detailed occupations nationally, there are 475,000 construction laborers who are unauthorized (18 percent of the total), 240,000 carpenters (14 percent), 170,000 painters (20 percent), and 70,000 roofers (17 percent).

Removing thousands of workers from the labor force would increase the cost of construction, limiting the total construction feasible during a historical housing shortage and the need to rebuild after hurricane damage in both Western and Eastern NC.

In North Carolina, again, we do not have detailed estimated of undocumented workers, but there are 92,000 immigrants (both documented and undocumented) working in the construction industry. Immigrants make up 24 percent of the 392,000 workers in the construction industry in North Carolina.

**Caregiving:** Immigrants also work in important care-giving occupations. This includes health care and jobs that aren't as visible in the public sphere, such as domestic workers caring for the elderly and children in their homes, and maids and housekeepers who work in hotels, homes, and other locations. In North Carolina, immigrants are working in various health care jobs representing 7 percent of all health care workers and 5 percent of health-care support workers, such as home health aides and nursing assistants.<sup>19</sup> Not all these workers are undocumented, but national evidence points to the potential negative impact of mass deportation on closing the health care shortage gap and serving the health care needs of all people across the country. Researchers have identified roughly 366,000 health care workers who are undocumented nationwide.<sup>20</sup> In addition to the health care field, there are 13,000 maids and housekeepers in North Carolina who are immigrants.

### A better path exists on immigration that would boost the economy and well-being for all

For years, many policymakers have talked about the need for comprehensive immigration reform, but inaction has created the conditions for destructive anti-immigrant actions that will harm North Carolina's economy and our residents' well-being. A better approach would be to make it possible for people who are undocumented to gain legal status. That approach would increase North Carolina state and local tax revenues by \$151 million, create economic and family stability and ensure that our economy is reaching its full potential.<sup>21</sup>

At the state level, North Carolina policymakers should be charting a better path for our communities rather than doubling down on flawed policies that won't keep us safe or boost our economy. State-level action to provide pathways to education and skills training for immigrants through tuition equity, and to ensure everyone can access a driver's license to get to work and take their kids to school would be a start.

By David Dyssegaard Kallick and Shamier Settle (IRI), Maria Lopez-Gonzalez and Alexandra Sirota (NC Budget & Tax Center)

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**David Dyssegaard Kallick** is Director of Immigration Research Initiative

**Shamier Settle** is a Senior Policy Analyst at Immigration Research Initiative

**Maria Lopez Gonzalez** is a Public Policy Advocate at the NC Budget & Tax Center

**Alexandra Sirota** is Executive Director at the NC Budget & Tax Center

## Notes

<sup>1</sup> For the number of immigrants, non-citizen immigrants, and estimate of immigrants who are undocumented, see the Immigration Research Initiative fact sheet, “[50 States: Immigrants by Number and Share](#).” Number of immigrants and non-citizen immigrants are an IRI analysis of the 2023 ACS. Number of immigrants who are undocumented is estimated by the Pew Research Center based on the 2022 ACS. The fact sheet gives parallel estimates from the Center for Migration Studies (2022 ACS) and from the Migration Policy Institute (2019 5-year data).

<sup>2</sup> Davis, et al. “Tax Payments by Undocumented Immigrants,” Institute on Taxation and Economic Policy, July 30, 2024. <https://itep.org/undocumented-immigrants-taxes-2024/>

<sup>3</sup> Gutiérrez-Li, Alejandro. “Feeding America: How Immigrants Sustain US Agriculture,” Baker Institute for Public Policy, July 19, 2024. <https://www.bakerinstitute.org/research/feeding-america-how-immigrants-sustain-us-agriculture>

<sup>4</sup> National estimates of the number of undocumented workers were provided to IRI by Jeff Passel of the Pew Research Center, and are based on an analysis of the 2022 American Community Survey, consistent with the analysis in “[What We Know About Unauthorized Immigrants in the U.S.](#),” Pew Research Center, July 22, 2024..

<sup>5</sup> State-level data about of all immigrants, documented and undocumented, is from Immigration Research Initiative analysis of the 2022 American Community Survey 5-year data.

<sup>6</sup> Azaroff LS, Woolhandler S, Touw S, Bor D, Himmelstein DU. Deporting Immigrants May Further Shrink the Health Care Workforce. *JAMA*. Published online April 03, 2025. doi:10.1001/jama.2025.3544

<sup>7</sup> See news coverage: <https://www.pbs.org/newshour/show/migrants-in-u-s-legally-and-with-no-criminal-history-caught-up-in-trump-crackdown>; <https://www.nytimes.com/2025/04/09/us/immigration-green-card-crackdown-trump.html>; <https://www.usatoday.com/story/graphics/2025/04/07/administrative-error-timeline-el-salvador-deportation/82773566007/>; and <https://www.nbcnews.com/news/us-news/scholars-targeted-deportation-trump-administration-rcna197331>

<sup>8</sup> For the number of immigrants, non-citizen immigrants, and estimate of immigrants who are undocumented, see the Immigration Research Initiative fact sheet, “[50 States: Immigrants by Number and Share](#).” Number of immigrants and non-citizen immigrants are an IRI analysis of the 2023 ACS. Number of immigrants who are undocumented is estimated by the Pew Research Center based on the 2022 ACS. The fact sheet gives parallel estimates from the Center for Migration Studies (2022 ACS) and from the Migration Policy Institute (2019 5-year data).

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<sup>9</sup> Davis, et al. "Tax Payments by Undocumented Immigrants," Institute on Taxation and Economic Policy, July 30, 2024. <https://itep.org/undocumented-immigrants-taxes-2024/>

<sup>10</sup> National Educator Association, "Educator Pay Data 2025." <https://www.nea.org/resource-library/educator-pay-and-student-spending-how-does-your-state-rank>. Based on data for 2023-2024 school year.

<sup>11</sup> "Deferred Action for Childhood Arrivals (DACA) Data Tools," Migration Policy Institute. <https://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles>

<sup>12</sup> Refugee Processing Center, Refugee Arrivals by State and Nationality, [https://www.wrapsnet.org/documents/FY%202024%20Arrivals%20by%20State%20and%20Nationality%20as%20of%2030%20Oct%202024\\_updated.pdf](https://www.wrapsnet.org/documents/FY%202024%20Arrivals%20by%20State%20and%20Nationality%20as%20of%2030%20Oct%202024_updated.pdf). Data refers to federal Fiscal Year 2024.

<sup>13</sup> U.S. Bureau of Labor Statistics, Unemployment Rates for States, <https://www.bls.gov/web/laus/laumstrk.htm>

<sup>14</sup> East, et al. "The Labor Market Effects of Immigration Enforcement," Journal of Labor Economics, vol 41, number 4. This work is summarized in an accessible fashion by Chloe N. East in "The Labor Market Impact of Deportations," The Hamilton Project, Sept. 18, 2024. The study finds that for every 500,000 people deported, 44,000 U.S.-born people lose their jobs. We are rounding to the nearest thousand.

<sup>15</sup> Gutiérrez-Li, Alejandro. "Feeding America: How Immigrants Sustain US Agriculture," Baker Institute for Public Policy, July 19, 2024. <https://www.bakerinstitute.org/research/feeding-america-how-immigrants-sustain-us-agriculture>

<sup>16</sup> National estimates of the number of undocumented workers were provided to IRI by Jeff Passel of the Pew Research Center, and are based on an analysis of the 2022 American Community Survey, consistent with the analysis in "What We Know About Unauthorized Immigrants in the U.S.," Pew Research Center, July 22, 2024..

<sup>17</sup> State-level data about of all immigrants, documented and undocumented, is from Immigration Research Initiative analysis of the 2022 American Community Survey 5-year data.

<sup>18</sup> The occupation "painters" also includes paperhangers.

<sup>19</sup> Batalova J. Immigrant health-care workers in the United States. Migration Policy Institute. April 7, 2023. Accessed January 9, 2025. <https://www.migrationpolicy.org/article/immigrant-health-care-workers-united-states-2023>

<sup>20</sup> Azaroff LS, Woolhandler S, Touw S, Bor D, Himmelstein DU. Deporting Immigrants May Further Shrink the Health Care Workforce. *JAMA*. Published online April 03, 2025. doi:10.1001/jama.2025.3544

<sup>21</sup> Davis, et al. "Tax Payments by Undocumented Immigrants," Institute on Taxation and Economic Policy, July 30, 2024. <https://itep.org/undocumented-immigrants-taxes-2024/>.