

AUGUST 2025

The Effects of Recent Federal Immigration Enforcement on California’s Private Sector Employment

SUMMARY

The UC Merced Community and Labor Center analyzed Current Population Survey data for the periods before and following escalations in federal immigration enforcement actions in California. The center examined changes in the number of workers in California and the rest of the US, for the weeks of May 11, June 8 and July 6, 2025, and found that persons reporting private sector work in California decreased by 4.9%—with citizens forming a greater share of the decrease. The state’s downturn in work is comparable with the Great Recession and the COVID-19 pandemic, and has profound implications for policymaking.

KEY FINDINGS

Findings indicate federal immigration enforcement actions have had a disruptive effect on California’s economy. Fewer Californians reported private sector work during the week of escalated enforcement actions on June 8 than on the preceding reference week of May 11, 2025—and even fewer reported work the week of July 6. The May-July decline was greater for citizens (414,832) than noncitizens (327,659), though rates of decline were highest among noncitizens. In contrast, in the rest of the US, the number of citizen workers slightly increased while non-citizen workers remained almost the same.

BACKGROUND

The second Trump presidential administration has been marked by escalated immigration enforcement actions, with profound implications for civil rights and the American economy. In September 2024, while on the campaign trail, Trump claimed that if elected “We’re going to have the largest deportation [initiative] in the history of our country” (Alvarez 2024). On January 7, 2025—one day after Trump’s election was certified by the US Congress—the US Customs and Border Patrol initiated “Operation Return to Sender,” arresting seventy-eight people at worksite raids in Kern County, of which only one had a criminal record (Olmos and Fry 2025).

Operation Return to Sender drew a complaint from the ACLU (with the United Farm Workers of America as a plaintiff) requesting a court order to prevent unconstitutional targeting of farmworkers and day laborers on the basis of race (ACLU Southern California 2025a). Nonetheless, by April 30, President Trump was on track to deport half a million persons in 2025—merely half of the Trump administration’s stated goal, and substantially fewer than the 685,000 that President Biden had deported in the final year of his presidency (Chishti and Bush-Joseph 2025).

In response to pressure to increase immigrant deportations, on June 6, 2025, the federal administration escalated enforcement by ordering US Immigration and Customs Enforcement (ICE) officers to carry out indiscriminate workplace raids and arrests in Los Angeles (Hesson and Cooke 2025). The raids were immediately met by largely peaceful protests, though subsequently on June 7 President Trump ordered the deployment of 2,000 National Guard troops to quell the protests (Hernandez and Futterman 2025). As a result of the enforcement actions, many noncitizens avoided work, school, and other public spaces, leading to declines in consumption, business, work and employment (Wick 2025). By July 11, a federal judge granted a temporary restraining order (TRO) against the federal government’s use of racial profiling or “roving patrols” to target immigrants (Fry and Olmos 2025). Yet, after agents used a rental truck for an immigration raid in Los Angeles, questions remain about compliance with the order (Solis et al. 2025).

This brief offers an examination of the effects of ongoing immigration enforcement actions on the economy, in June and July 2025 in California—the state with the nation’s largest immigrant population and one which has been the site of major public displays of immigration enforcement. Because the federal administration’s efforts to enact the nation’s largest-ever deportation campaign has been met with questions about its impact on the economy, we examine the impact that recent enforcement efforts appear to have had in California. We ask, “Since escalated federal enforcement actions began on June 6, 2025, how has employment changed among citizen and noncitizen workers in California and the rest of the US?”

DATA AND METHODS

This brief utilizes the US Census Bureau-Current Population Survey (CPS) Basic Monthly survey. The CPS Basic Monthly is a representative survey with responses from roughly 40,000 American households, of which roughly one of thirteen are from California (United States Census Bureau 2024). The American Community Survey is the largest survey on American social and economic life but is not available until more than a year after data is gathered, while the CPS Basic Monthly is the largest dataset that provides insight into the rapidly changing dynamics of work and employment among Californians, both US citizens and noncitizens.

We utilized the CPS Basic Monthly for May, June and July 2025. The CPS Basic Monthly is collected the week of the month on which the 19th falls and asks about the week of the 12th. In May 2025, the reference week was the week of May 11; in June, it was the week of June 8 (when escalated, immigration enforcement actions had just begun in Los Angeles), and in July it was the week starting July 6 (just before the announcement of the TRO on July 11).

Our analysis included those currently employed (PREMPNOT=1), who reported working one or more hours at one or more jobs (PEHRACTT>0). Since citizenship is generally a requirement for public sector employment, we expect the economic impact of immigration enforcement on noncitizen employment to be greatest in the private sector. In turn, our analysis of “workers” focused on private sector employment—including employment in the private, for-profit sector (PEIO1COW=4) and the private, non-profit sector (PEIO1COW=5)

Table 1. Number of private sector workers, California and rest of the US

	May	June	July	May-July Change	% Change
California	15,220,150	14,755,180	14,477,658	-742,492	-4.9%
Rest of the US	116,356,877	116,919,828	117,032,005	675,128	0.6%

Source: UC Merced Community and Labor Center analysis of US Census Bureau
Current Population Survey Basic Monthly data, May-July 2025

Table 2. Mean hours worked, California and rest of the US

	May	June	July	May-July Change	% Change
California	37.6	37.5	37.9	0.3	0.7%
Rest of the US	38.2	38.1	38.0	-0.3	-0.7%

Source: UC Merced Community and Labor Center analysis of US Census Bureau
Current Population Survey Basic Monthly data, May-July 2025

Table 3. Number of private sector workers, by citizenship, California and rest of the US

		May	June	July	May-July Change	% Change
California	Noncitizen	2,668,903	2,475,475	2,341,244	-327,659	-12.3%
	Citizen	12,551,246	12,279,705	12,136,414	-414,832	-3.3%
Rest of the US	Noncitizen	11,409,035	11,414,396	11,383,642	-25,393	-0.2%
	Citizen	104,947,842	105,505,433	105,648,363	700,522	0.7%

Source: UC Merced Community and Labor Center analysis of US Census Bureau
Current Population Survey Basic Monthly data, May-July 2025

Table 4. Number of private sector workers, by citizenship and sex, California and rest of the US

			May	June	July	May-July Change	% Change
California	Noncitizen	Male	1,720,419	1,608,809	1,494,235	-226,184	-13.1%
		Female	948,485	866,666	847,009	-101,476	-10.7%
	Citizen	Male	6,853,068	6,726,568	6,593,193	-259,875	-3.8%
		Female	5,698,178	5,553,137	5,543,221	-154,957	-2.7%
Rest of the US	Noncitizen	Male	6,995,017	7,004,121	7,114,831	119,814	1.7%
		Female	4,414,018	4,410,275	4,268,811	-145,207	-3.3%
	Citizen	Male	55,988,063	56,528,751	56,520,355	532,292	1.0%
		Female	48,959,778	48,976,682	49,128,008	168,230	0.3%

Source: UC Merced Community and Labor Center analysis of US Census Bureau
Current Population Survey Basic Monthly data, May-July 2025

—as well as self-employed workers, not incorporated (PEIO1COW=7), such as those not formally registering a business as a separate legal entity from their own labor. We analyzed these trends among workers in California (GESTFIPS=6), for citizens and noncitizens (PRCITSHP=5), and by sex (PESEX). We weighted data with the CPS' final weight (PWSSWGT/10,000).

FINDINGS

California's Declining Workers. The US (outside of California) had an estimated 116,356,877 private sector workers the week of May 11, 2025, which slightly increased by 675,128 (or 0.6%) to 117,032,005 by the week of July 6 (see Table 1). In contrast, the number Californians reporting work declined over the same period. The week of May 11, California had 15,220,150 workers, but that figure declined by 464,970 (or -3.1%) the week of June 8 and by 742,492 (or -4.9%) by the week of July 6 (see Table 1).

Californians' Hours Worked. The average number of hours worked in the private sector remained nearly identical during the same period, however. In California, workers averaged 37.6 hours of work per week in May and 37.9 hours per week in July, an increase of 0.7% (see Table 2). In the rest of the US, workers averaged 38.2 hours of work per week in May and 38.0 hours per week in July, a decline of -0.7% (see Table 2).

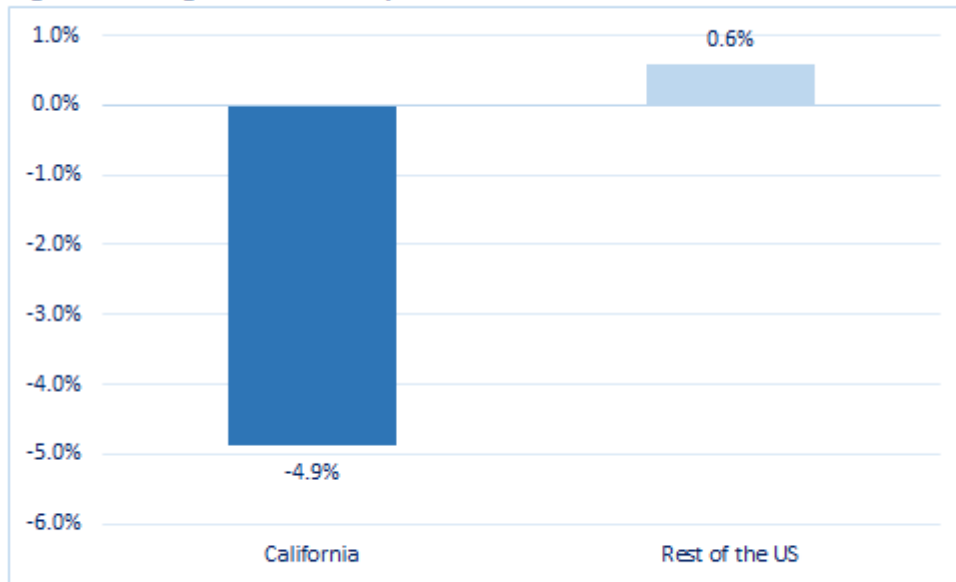
California's Declining Citizen and Noncitizen Workers. California's decline in the number of private sector workers was greatest among noncitizens, although the number of citizens declined as well. California had an estimated 2,668,903 noncitizen workers in May, but only 2,341,244 by July, a decline of 327,659 workers (or -12.3%) (see Table 3).

Californian citizens reporting work declined from an estimated 12,551,246 to 12,136,414, a loss of 414,832 (or -3.3%), over the same period (see Table 3). As a whole, the estimated number of workers in the rest of the US outside of California changed very little; US noncitizen workers decreased by 25,393 (or 0.2%), while the number of US citizen workers changed from 104,947,842 to 105,648,363, an increase of 700,522 persons working (or 0.7%) (see Table 3).

California's Declining Male and Female Workers. California also saw declines in the number of male and female workers reporting private sector work, though the decline was slightly more pronounced among males. Between May and July 2025, California had more than one in eight fewer noncitizen males reporting work; noncitizen males working declined from 1,720,419 in May to 1,494,235 in July—a loss of 226,184, or -13.1% (see Table 4). Over the same period, the state had over one in ten fewer noncitizen females working, a decline from 948,485 to 847,009—a loss of -101,476, or -10.7% (see Table 4). In contrast, in the rest of the US, noncitizen male workers (1.7%) and male citizen workers (1.0%) experienced increases. Citizen female workers (0.3%) remained virtually consistent from the prior period, while noncitizen female workers (-3.3%) saw declines (see Table 4).

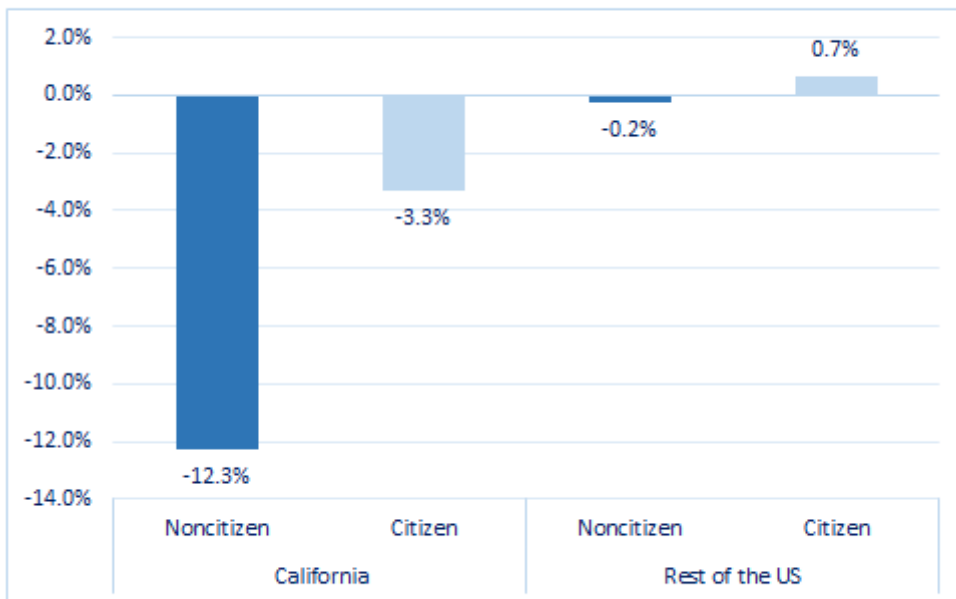
California's Declining Latino, White, Black and Asian Workers. Private sector work in California significantly decreased among the four major racial/ethnic groups. Between May and July 2025, the number of Californian Latinos reporting work decreased from 6,511,032 to 5,991,211, a change of -519,821, or -8.0% (see Figure 4). The number of whites in California reporting work decreased from 4,912,455 in May, to

Figure 1. Change in number of private sector workers, California and rest of the US



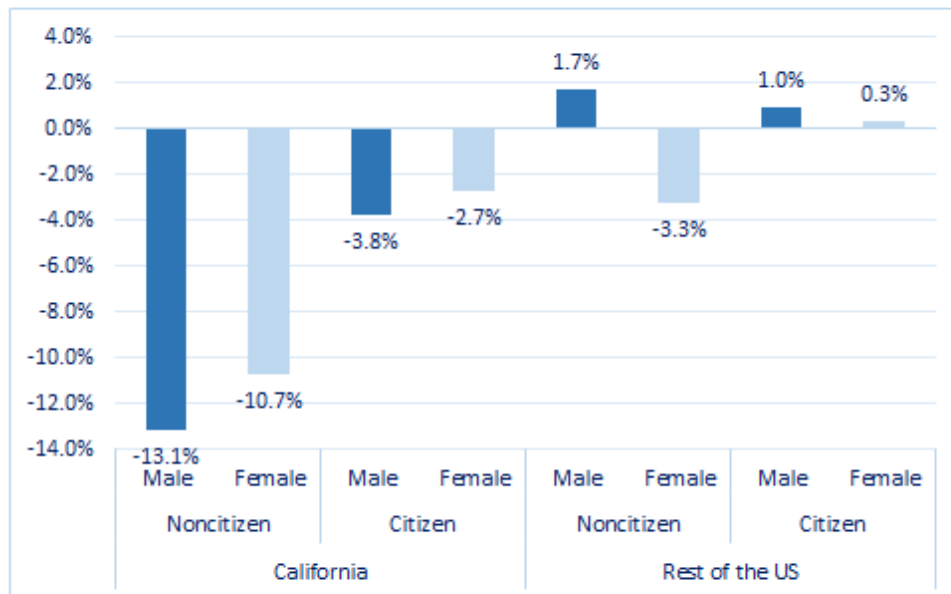
Source: UC Merced Community and Labor Center analysis of US Census Bureau Current Population Survey Basic Monthly data, May-July 2025

Figure 2. Change in number of private sector workers, by citizenship, California and rest of the US



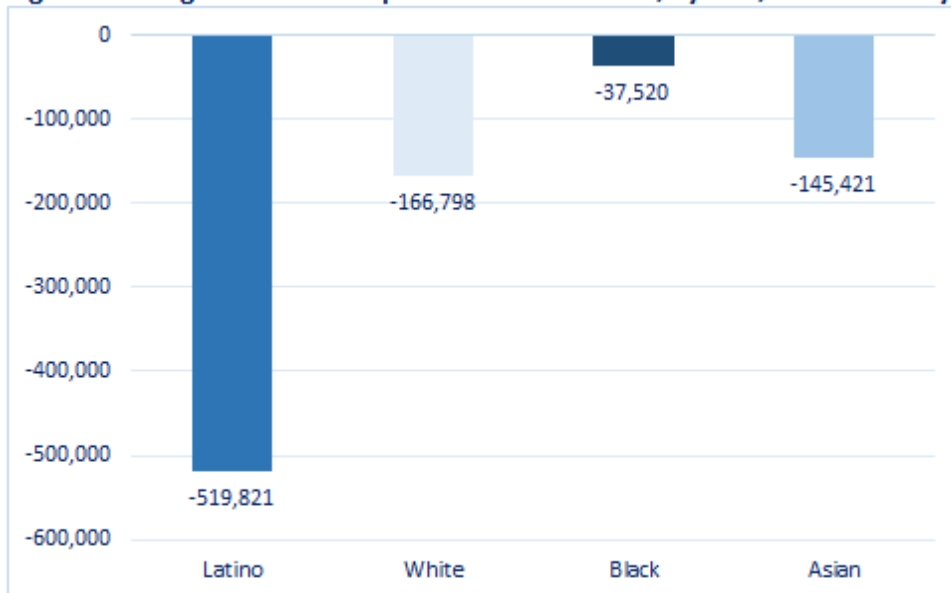
Source: UC Merced Community and Labor Center analysis of US Census Bureau Current Population Survey Basic Monthly data, May-July 2025

Figure 3. Change in number of private sector workers, by citizenship and sex, California and rest of the US



Source: UC Merced Community and Labor Center analysis of US Census Bureau Current Population Survey Basic Monthly data, May-July 2025

Figure 4. Change in number of private sector workers, by race, California only



Source: UC Merced Community and Labor Center analysis of US Census Bureau Current Population Survey Basic Monthly data, May-July 2025

4,745,657 in July, a change of -166,798, or -3.4% (See Figure 4). Californian Asian workers decreased from 2,809,986 in May, to 2,664,565 in July, a change of -145,421, or -5.2% (See Figure 4). Californian Black workers also decreased from 675,256 in May to 637,736 in July, a change of -37,520, or -5.6% (see Figure 4).

CONCLUSION

Our analysis of CPS data suggests that following the escalated immigration enforcement of the week of June 8, private sector work among Californians as a whole initially decreased by 3.1%, and then further declined to 4.9% (compared with the week of May 11) by the week of July 6. While citizens accounted for the greatest decline in private sector work, noncitizens had a higher rate of decline. In contrast, in the rest of the US, the number of citizen workers increased slightly. In sum, the federal administration's escalating immigration enforcement actions seem to have profoundly negative consequences for California's economy.

Taking into account the seasonality of hiring, only two historical cases can compare with the loss of work that has just occurred in California from May to July 2025: the Great Recession and the COVID-19 pandemic. Since 1983, when the CPS began to collect data on private sector and self-employed, not incorporated workers, only during the COVID-19 pandemic did the US experience a greater month-to-month decline in private sector work (a decline of 3.4% from February

to March 2020, and a decline of 19.7% from March to April 2020).¹

The second comparable historical case is that of the Great Recession, when the state's decline in private sector work was 2.9% in the first year of the downturn (December 2007 to December 2008), while the US' decline was 3.2% in the first year.

To put this in context, the recent escalation in immigration enforcement had a more immediate impact on California's economy than the Great Recession did for the US. The recent decline of 4.9% of fewer persons reporting private sector work occurred in *two months* compared to the US' 3.2% decline in private sector work during the Great Recession's first *year*.

We have reason to suspect that immigration enforcement will further escalate in California and the rest of the US. First, California only experienced 8,460 ICE arrests from the beginning of Trump's second inauguration to June 26 (Jarvie and LeMee 2025). From the beginning of escalated federal actions in Los Angeles on June 6 to June 22, however, the US Department of Homeland Security reported 2,792 detentions of immigrants in Los Angeles alone (Wilner and Uranga 2025).

Some recent developments suggest that we might expect a reduction in the types of federal immigration enforcement actions associated with declines in Californians reporting private sector work. For example, a recent court order has prohibited ICE from

¹ Analysis (not shown) finds that in January 1996 the US had private sector decline in work of 3.6%, and in January 1991 it was 3.3%. These were the only other months with figures above 3%. However, they are statistically not different from the figures in this

report given the typical margin of error of US (.1%) and California (.6%) CPS estimates in this range. In addition, the January 1991 and 1996 figures are not seasonally-adjusted. The month of January typically sheds the most jobs in any given year.

the tactics of racial profiling and denying access to counsel in immigration raids that were seen in Los Angeles the week of June 8 (ACLU Southern California 2025b). Nonetheless, Congress recently allocated an unprecedented \$160 billion for immigration enforcement and deportation (PBS News Hour 2025). Meanwhile, neither federal legislators nor the Supreme Court have challenged the presidential administration's efforts to advance mass, indiscriminate immigration enforcement actions. As a result, efforts to protect or enhance immigrant workers' rights may require policy innovation on behalf of states, municipalities and employers.

Given that the Great Recession and COVID-19 pandemic are the most comparable examples of massive loss of work, state policymakers should consider how the current moment may require significant action on behalf of the state. In the cases of the Great Recession and the COVID-19 pandemic, lawmakers invested massive amounts of public resources for one-time stimulus or disaster relief spending. Similarly, policymakers might examine how to simultaneously protect those workers who must shelter in place during heightened immigration enforcement while infusing massive amounts of cash into the economy.

Los Angeles Mayor Karen Bass has recently announced a privately-funded plan to support undocumented immigrants affected by federal actions; similarly, state lawmakers might consider extending access (on a much wider scale) to the economic safety net to those affected by the recent federal actions. The state might, for example, create a state-funded unemployment benefit system for undocumented workers.

The recent workplace raids in California reveal how the state currently lacks an adequate economic safety net system for undocumented immigrant workers, and the downstream effects of escalated immigration enforcement on citizens' employment. Given the historic magnitude of the effects of recent federal actions on California's private sector employment, state lawmakers should begin planning and developing a major economic stimulus and disaster package—for all workers.

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MISSION STATEMENT

The UC Merced Community and Labor Center conducts research and education on issues of community, labor and the environment, in the San Joaquin Valley and beyond.