

# The economic and fiscal impacts of mass deportation:

## WHAT'S AT RISK IN WASHINGTON STATE

## **Key Findings**

- There are 1.2 million immigrants in Washington state, including 619,000 who are non-citizens, and among those, an estimated 325,000 who are undocumented.1
- In 2022, people who are undocumented paid nearly \$1 billion (\$997 million) in Washington state and local taxes.2 If 10% of people who are undocumented are deported, it would result in a loss of \$100 million per year in state and local tax revenues.
- Immigrants, including those without documentation, are an important part of Washington's economy. Detention and deportation of these workers would dramatically decrease the affordability and availability of important goods and services.

## Some areas of the Washington state economy that will be impacted 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 (temporary visa) workers.3
- Restaurants: Nationwide, 7% of people working in the leisure and hospitality industry are undocumented.4 In Washington state, immigrants – both documented and undocumented – make up 28% of the 16,000 cooks in the state, and many are likely at risk of deportation.<sup>5</sup>
- Care, service, and domestic work: In Washington state, there are 18,000 janitors, 9,000 landscaping workers, 4,000 nail technicians, and 13,000 maids and housekeepers who are immigrants (both documented and undocumented). These workers, though often underrecognized, are part of our everyday lives.
- Construction: Nationally, 13% of all construction workers are undocumented. An estimated 50,000 immigrants work in the construction industry in Washington state.



The Trump Administration has already begun an unprecedented intensity of 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. The new administration is also promising to radically reduce the number of new immigrants allowed into the country, and to strip some immigrants of the status and work authorization they currently hold.

The immigrants most vulnerable are those who are undocumented. But the impact does not end there.

People who have temporary visas may see them terminated or unrenewed. People with temporary protected status, asylum seekers, Deferred Action for Childhood Arrivals (DACA) recipients, and many others are also in a precarious position.

There are far-reaching social and humanitarian implications of this type of enforcement regime, but there is also a quantifiable economic risk.

## Immigrants are a vital part of the Washington state economy

- There are 1.2 million immigrants in Washington state, including 619,000 who are non-citizens, and among those, an estimated 325,000 who are undocumented.6
- Non-citizens include green card holders, as well as a number of people who are at risk of deportation or removal of immigration status. This includes those who are undocumented, people eligible for Temporary Protected Status (a visa for people who left their home country due to armed conflict, natural disasters, or other humanitarian emergencies), DACA recipients, H1-B and H2-A visa holders (for specialty and temporary workers), asylum seekers, and others.

## Deporting immigrants will add to Washington's already staggering budget crisis

Washington state lawmakers are already facing a huge revenue shortfall, estimated to be between \$12 million and \$16 million, over the next four years. This is due in large part to our inequitable tax code, which over-relies on low-wage workers and gives the ultra-wealthy and corporations a special deal. Deporting undocumented workers, who pay state and local taxes, would have a further negative impact on state and local budgets. For example:

- In 2022, people who are undocumented paid an estimated \$1 billion (\$997 million) in state and local taxes in Washington.<sup>7</sup>
- Deporting 325,000 people who are undocumented from Washington state 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 \$100 million per year in state and local tax revenue. This is roughly the cost of funding an unemployment insurance-like program for undocumented workers for the next six years.8
- These projected impacts underestimate the actual loss since they do not include the calculation of the disruption to businesses and communities that have been subject to raids and other actions, the impacts to 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.
- A better approach to strengthening our economy would be to make it possible for people who are undocumented to gain legal status. That approach would increase Washington state and local tax revenues by \$100 million, annually.9

## Rescinding status and restricting immigration will further hurt the Washington economy

Washington also stands to lose a lot as this presidential 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.

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There is estimated to be around 14,000 active DACA recipients in Washington state who are at risk.<sup>10</sup>

Also at risk are the renewal or new visas for temporary "guest worker" visas such as H-1B, intended for highly skilled workers, and H-2A visas for seasonal agricultural workers. In Washington, technology giants, universities, and research institutions employ thousands of H-1B workers who would be impacted if their visas were discontinued. Microsoft employed almost 5,000 H-1B workers in 2024.<sup>11</sup> Many of these programs are ripe for

improvement since they can exploit workers, especially seasonal agricultural workers with H-2A visas. Simply eliminating these H-2A visa workers without creating better working conditions will be a significant challenge for employers.

Asylum seekers and other newly arrived migrants have quickly contributed to Washington's cultural and economic strength. Newly arrived immigrants contribute \$6 million annually in state and local taxes per 1,000 workers. In 2024, Washington established the Washington Migrant and Asylum-Seeker Support (WA MASS) program, a network of over 20 organizations across Washington state that have provided critical support and services to thousands of our community members, asylum-seekers, and other recently arriving community members who would otherwise have to find resources on their own.

## Where Washington residents' well-being are most at risk

A regime of mass deportation and restriction poses widespread and unpredictable threats to the Washington state economy.

- A loss of large numbers of workers from the state labor force would mean an increase in the cost of living for Washingtonians who will pay more for restaurants, child care, home health aides, construction, and more. Immigrants often take jobs that U.S.-born workers don't want to take<sup>13</sup>, which means that their absence would result in many roles unfulfilled. Costs will go up because there will be an under-supply of workers.
- ▶ 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.¹⁴ Contrary to popular belief, deporting immigrants reduces the number of jobs for other workers. With fewer immigrants, there is less purchasing power and demand and less need for workers to address that demand. Undocumented workers also work side by side, with U.S.-born workers. If undocumented workers were deported, many U.S.-born workers would also lose jobs because they rely on one another. For example, without undocumented construction workers, there will be fewer U.S.-born construction managers to oversee projects. In Washington, if all 325,000 immigrants who are undocumented were deported, it would result in a job loss of 20,000 U.S.-born workers.

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Washington boasts an award-winning food scene and cherished neighborhood restaurants, many of which are immigrant-owned. Without immigrant workers, restaurants would lose not only a quarter of their cooks, but also food that fuels the heart and soul of the state.

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### Some areas of the Washington state 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, both categories of immigrants that this presidential administration has threatened. 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 Washington are a source of fresh milk, top-quality apples, 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, are enhancements to the local landscapes, and are part of a growing agritourism industry. Eliminating immigrants from farm work would be nearly unimaginable. Reducing the number of immigrant workers by even 5% or 10% would have dramatic negative consequences.

**Restaurants.** Immigrants play a big role in America's restaurants: in the "front of the house" jobs serving diners, in the "back of the house" jobs in the kitchen, and in so many cases as restaurant owners. Overall, in the United States, immigrants who are undocumented make up 7% of all workers in the leisure and hospitality industry. Undocumented immigrants play a particularly big role in restaurants. Nationwide, there are 275,000 cooks who are undocumented, an additional 60,000 chefs and head cooks, and 45,000 dishwashers.<sup>16</sup>

In Washington, there are 16,000 cooks who are immigrants (including both those who are documented and undocumented). Washington boasts an award-winning food scene and cherished neighborhood restaurants, many of which are immigrant-owned. Without immigrant workers, restaurants would lose not only a quarter of their cooks,<sup>17</sup> but also food that fuels the heart and soul of the state. While some other workers could step into these jobs, there are not enough workers currently unemployed to meet this demand, and the predictable result of an outflow of workers is the shrinkage of other jobs that rely on these workers.<sup>18</sup>

Domestic care and service work: Immigrants also work in a range of important occupations that aren't so visible but that make our everyday lives better. In Washington there are 18,000 janitors, 9,000 landscaping workers, 4,000 nail technicians<sup>19</sup>, 1,000 laundry and dry-cleaning workers, and 13,000 maids and housekeepers who work in homes, hotels, and other locations who are immigrants. In fact, about half of all maids and housekeepers are immigrants. While not all are at risk of deportation, large numbers are, and concern about deportation might spread to as many as half of all households and hotels employing maids or housekeepers. Similarly, nail salons would feel enormous strain because of mass deportations. A majority of nail salon workers (80% of all workers) are immigrants. While many possess a documented immigration status, salons would face a challenge with replacing these workers.

Construction. Nationally, 1.4 million people who are undocumented work in the construction industry, making up 13% of the total.<sup>20</sup> Looking at detailed occupations across all industries, there are 475,000 construction laborers, 240,000 carpenters, 170,000 painters, and 70,000 roofers. In Washington state, there are 50,000 immigrants (both documented and undocumented) in the construction industry. Immigrants make up 16% of all workers in the construction industry in Washington state. Removing thousands of workers from the labor force, many of them union members, would increase the cost of construction, limiting the total construction feasible during a historic housing shortage.

Immigrant workers are a vital part of our workforce and a cherished part of Washington's culture and community. They support our daily lives, provide jobs, and strengthen our state economy. The presidential administration may lie that deporting immigrants will help our economy, but we know that the data tells the truth: Immigrants are essential to the well-being and success of the residents of our state.

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Immigration Research Initiative is a nonprofit, nonpartisan think tank on immigrant integration, looking at issues of economic, social, and cultural inclusion of immigrants in the United States.





#### **Endnotes**

- 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).
- 2 Davis, et al. "Tax Payments by Undocumented Immigrants," Institute on Taxation and Economic Policy, July 30, 2024. <a href="https://itep.org/undocumented-immigrants-taxes-2024/">https://itep.org/undocumented-immigrants-taxes-2024/</a>
- 3 Gutiérrez-Li, Alejandro. "Feeding America: How Immigrants Sustain US Agriculture," Baker Institute for Public Policy, July 19, 2024. <a href="https://www.bakerinstitute.org/research/feeding-america-how-immigrants-sustain-us-agriculture">https://www.bakerinstitute.org/research/feeding-america-how-immigrants-sustain-us-agriculture</a>
- 4 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.
- 5 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.
- 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).
- 7 Davis, et al. "Tax Payments by Undocumented Immigrants," Institute on Taxation and Economic Policy, July 30, 2024. <a href="https://itep.org/undocumented-immigrants-taxes-2024/">https://itep.org/undocumented-immigrants-taxes-2024/</a>
- 8 "Multiple Agency Fiscal Note Summary for Senate Substitute Bill 5626 in the 2025-2027 Washington State Legislative Session." <a href="https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=73624">https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=73624</a>
- 9 Ibid.
- 10 "Deferred Action for Childhood Arrivals (DACA) Data Tools" Migration Policy Institute. <a href="https://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles">https://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles</a>
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- 12 Dong, Kaitie. "Newly arrived refugees and asylum seekers are essential to Washington.", Washington Budget and Policy Center, June 4 2024, https://budgetandpolicy.org/schmudget/newly-arrived-refugees-and-asylum-seekers-are-essential-to-washington/#:~:text=Migrants%20also%20 contribute%20%246%20million%20annually%20in%20state%20and%20local%20taxes%20per%201%2C000%20workers.
- 13 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.
- 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 estimate down slightly to about 21,000 by scaling from 500,000 to 325,000, and then rounding from 20,680 to 20,000.
- 15 Gutiérrez-Li, Alejandro. "Feeding America: How Immigrants Sustain US Agriculture," Baker Institute for Public Policy, July 19, 2024. <a href="https://www.bakerinstitute.org/research/feeding-america-how-immigrants-sustain-us-agriculture">https://www.bakerinstitute.org/research/feeding-america-how-immigrants-sustain-us-agriculture</a>
- 16 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. 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.
- 17 Ibid.
- 18 We do not have state-level data to show how many of these immigrant workers in each job category are undocumented and are therefore most immediately at risk.
- 19 Nail technicians include manicurists and pedicurists.
- 20 The occupation "painters" also includes paperhangers.