



Jobs and Immigration: What Happened

BY PAUL KIERNAN AND DREW AN-PHAM

More than a year into President Trump's immigration crackdown, there's little evidence of widespread disruptions in the labor market, or of meaningful benefits to American workers. *- Note*

Unemployment is up slightly for U.S.-born workers, and wage growth has slowed. Wage growth has also slowed in the blue-collar industries that tend to employ low-skilled migrants, a sign that widely feared labor shortages haven't materialized, according to a Wall Street Journal analysis of Labor Department figures. *- Note*

The data provide early insight into a question that politicians and policymakers have debated for decades: What effect do immigrants have on wages in the countries that receive them, and what happens without the newcomers?

Some challenges have emerged in key sectors. Home builders in South Texas have raised alarms about construction delays and higher prices after immigration crackdowns spooked workers. Some restaurants say they are having trouble finding enough dishwashers.

In an economic report last week, the White House said: "Record flows of illegal immigrants depressed wages for Americans, inflated the demand for housing, and drained the welfare system."

In response to questions from the Journal, White House spokesman Kush Desai pointed to higher wages after inflation, and strong labor-force participation among primeage workers, as evidence that the administration's policies are working.

"After four years of Biden's inflation crisis and open borders disaster leaving American workers behind, the data since President Trump took office has been clear," Desai said in an emailed statement. "Real wages are finally growing and more Americans are coming off the sidelines to participate in America's economic resurgence." *- Note*

But industries in which immigrants with low educational attainment are overrepresented have seen slower wage growth than the broader private sector since Trump took office, a Wall Street Journal analysis shows.

If turning off the immigration spigot was going to meaningfully boost wages or spark labor shortages, it "should be jumping out at us in the data" by now, said Wendy Edelberg, an economist at the Brookings Institution. "The effects aren't there." *- Note*

Economists believe there are a handful of reasons. Trump rolled out his immigration policies at the same time as global tariffs that economists say ratcheted up uncertainty and slowed hiring. And by ramping up deportations and slowing immigration, the U.S. has lost consumers as well as workers. *- Note*

The immigration downturn and an aging population have reduced the number of jobs the U.S. economy needs to create to keep unemployment low. Meanwhile, rising productivity per worker has allowed the economy to keep growing with

relatively less labor.

The data suggest an economy that readily absorbed millions of immigrants a year after the pandemic is similarly able to adjust to a sharp decline in immigration, said Michael Feroli, JPMorgan's chief U.S. economist. Unemployment touched the lowest levels in half a century in 2023, and wages grew at the fastest pace since the early 1980s to keep up with the postpandemic inflation increase.

The White House has pointed to both trucking and construction— industries where hourly earnings were up 3.9% and 4%, respectively, in the year ended February—as positive examples. But other immigrant-heavy industries, such as restaurants, food manufacturing and services to buildings and dwellings, saw slower wage growth.

The Journal analyzed Labor Department data on wages in dozens of industries. The analysis used 2024 census data to identify fields—including construction, restaurants, food manufacturing and hotels— that rely heavily on noncitizens with a high-school diploma or less, a common proxy for people who entered the country illegally. The Journal excluded industries such as agriculture and the gig economy, for which the Labor Department doesn't publish hourly earnings.

The result: Across 41 industries that rely most heavily on low-skilled immigrants, hourly earnings rose by a weighted average of 3.5% in February from a year earlier, according to the latest figures. That was less than the 3.8% increase in average hourly earnings for all workers and marked a slowdown from before Trump took office.

Employment in those 41 immigrant-dependent industries fell by 90,400 in February from a year earlier, while overall employment grew by 298,000 jobs in the same stretch. Preliminary March figures available for 23 of the sectors show a year-over-year gain of 39,400 jobs.

There are idiosyncratic reasons for the modest wage growth in certain immigrant-heavy sectors, such high interest rates weighing on home construction. Uncertainty around tariffs and artificial intelligence has made some companies wary of hiring.

Across the economy, joblessness among U.S.-born workers inched up to 4.3% in March from 4.2% a year earlier, while unemployment for foreign-born workers went the other way, slipping to 4.3% from 4.4%.

Median weekly earnings, another measure of wages collected in a massive monthly Census survey of households, grew 3.9% last year among U.S.-born workers, the slowest pace in four years.

"I thought it would affect us better than it has," said Tyler Dunworth, who supervises a maintenance crew at a university in upstate New York, of the immigration crackdown. He voted for Trump in 2024 and said his union is struggling to negotiate more than a 2% or 3% annual pay increase.

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