

Unauthorized immigrants and the economy

FAQ • By Daniel Costa, Josh Bivens, and Monique Morrissey • April 15, 2025

Overview

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This section clears up common misconceptions about unauthorized immigrants. Find answers to these questions: How many unauthorized immigrants live and work in the U.S.? Which industries do they work in? How do unauthorized immigrants affect state and federal budgets? How would mass deportations affect the U.S. economy?



Immigration is among the most important economic and political issues and a main topic of discourse and debate among policymakers and the public. But misperceptions persist about many fundamental aspects of this crucial topic, such as:

- the size and composition of the immigrant population
- the effects of immigration on the economy and workforce
- the difference between permanent immigration pathways that lead to green cards versus temporary and precarious immigration statuses
- various other facets of the U.S. employment-based migration system
- policy options for reform

This document provides essential background and facts, as well as answers to frequently asked questions, including relevant data, charts, and extensive citations to key sources.

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How many unauthorized immigrants live in the United States?

There are a handful of existing estimates on the number of persons in the United States who lack an immigration status. These persons are often referred to as undocumented immigrants, unauthorized immigrants, or irregular migrants. The four most recent and commonly cited statistics on the size of the unauthorized immigrant population come from:

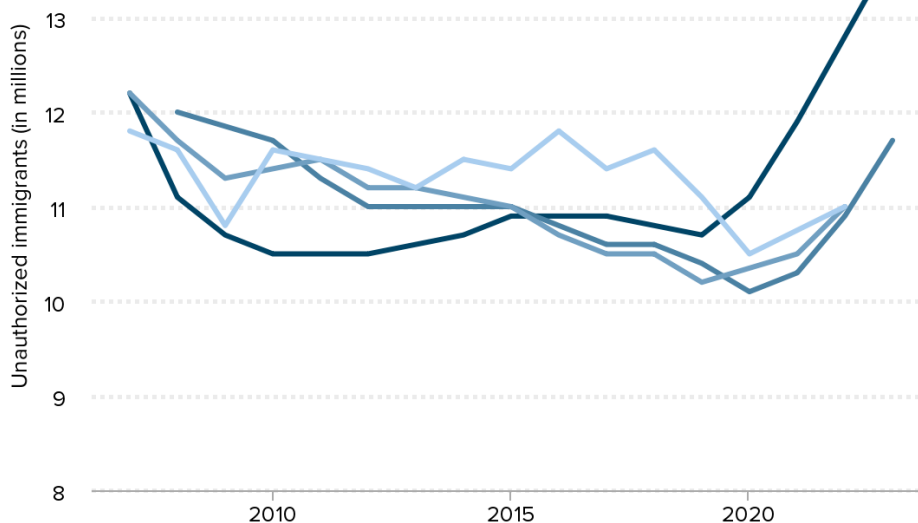
- the Migration Policy Institute, which has estimated the population at 13.7 million in 2023
- the Center for Migration Studies, which has estimated the population at 11.7 million in 2023
- the Pew Research Center, which has estimated the population at 11 million in 2022, accounting for 3.3% of the total U.S. population and 23% of the total foreign-born population
- the U.S. Department of Homeland Security (DHS), which estimated the population at 11.0 million in 2022

Figure A shows all the existing estimates from these four sources as a time series for the years for which they are available. All estimates show a decline in population, which occurred during the years of the Great Recession. The estimates available for 2023 are from the Migration Policy Institute (MPI) and the Center for Migration Studies, which both show an increase in the size of the unauthorized immigrant population since 2022.

Figure A

The unauthorized immigrant population declined during the Great Recession and remained steady until increasing in 2022

Estimates of the unauthorized immigrant population in the United States, 2007–2023



Existing research shows that a significant share of the current unauthorized immigrant population has resided in the United States for many years. A 2024 DHS report found that 79% of unauthorized immigrants—nearly 8 in 10—have resided in the United States since before 2010 for at least a dozen years).

The Pew Research Center recently reported on the geographic distribution of unauthorized immigrants in the United States and highlighted their top six states of residence:

- California (1.8 million)
- Texas (1.6 million)
- Florida (1.2 million)
- New York (650,000)
- New Jersey (475,000)
- Illinois (400,000)

The Pew authors also note that unauthorized immigrants have become less geographically concentrated among U.S. states, with the top six states previously accounting for 80% of the unauthorized population in 1990, but only 56% in 2022.

Which regions and countries are unauthorized immigrants from?

Table 1, which comes from the Migration Policy Institute, shows the top-10 countries of origin for the unauthorized immigrant population in 2023. Forty percent of all unauthorized immigrants hail from Mexico, at 5.5 million out of the total 13.7 million. The share from Mexico has declined over the years, decreasing from 62% in 2010. Other top countries of origin are Guatemala, Honduras, and El Salvador in Central America; Venezuela, Colombia, Brazil, and Ecuador in South America; and the Philippines and India being the top countries of origin outside of the Western Hemisphere.

Table 1 Top-10 countries of origin for unauthorized immigrants, 2023

	Number of unauthorized immigrants	Share of overall unauthorized immigrant population
Mexico	5,530,000	40%
Guatemala	1,402,000	10%
Honduras	1,098,000	8%
El Salvador	1,078,000	8%
Venezuela	486,000	4%
Colombia	351,000	3%
Philippines	294,000	2%
Brazil	286,000	2%
Ecuador	225,000	2%
India	199,000	1%
Top 10	10,949,000	80%
<i>Total</i>	<i>13,738,000</i>	<i>100%</i>

Economic Policy Institute

Table 2, which also comes from the Migration Policy Institute, shows the regions of birth of unauthorized immigrants in the United States as of 2023. It shows that more than two-thirds are from Mexico and Central America (68%). There are also 1.7 million unauthorized immigrants from South America; 851,000 from Asia; 504,000 from Europe, Canada, and Oceania combined; 575,000 from the Caribbean; and 415,000 from Africa.

Table 2

Regions of birth of unauthorized immigrants in the United States, 2023

	Number of unauthorized immigrants	Share of overall unauthorized immigrant population
Mexico and Central America	9,324,000	68%
South America	1,677,000	12%
Asia	851,000	6%
Europe/Canada/Oceania	504,000	7%
Caribbean	575,000	4%
Africa	415,000	3%
Total	13,738,000	100%

Economic Policy Institute

How many unauthorized immigrants work in the United States?

According to the Pew Research Center, the total number of unauthorized immigrants in the labor force was 8.3 million in 2022, which represented just under 5% of the total U.S. workforce and 3% of the total U.S. population. Pew notes that unauthorized immigrants are overrepresented in the labor force because “relatively few children or elderly adults” are part of the population, which are “groups that tend not to be in the labor force.” The number of unauthorized immigrants in the workforce was 3.6 million in 1995, hitting a peak of 8.3 million in 2008 and 2011, before returning to the high of 8.3 million in 2022.

The Pew Research Center also has detailed data on the distribution of unauthorized immigrant workers by U.S. state, which show that the states with the highest shares of unauthorized immigrants as a percentage of the total workforce were Nevada at 8.6%, Texas at 8.1%, Florida and New Jersey at 7.5%, and California at 7.2%. The states with the lowest shares of unauthorized immigrants as a share of the workforce were Maine, Montana, Vermont, and West Virginia, which each had a workforce in which less than 1% of all workers were unauthorized immigrants.

What share of unauthorized immigrants work in the U.S.? Which occupations employ the most unauthorized immigrants?

A 2022 estimate from the Center for Migration Policy’s data tool on the unauthorized immigrant population is represented in **Table 1** and shows that 74.1% of the unauthorized immigrant population were employed in 2022, with 3.1% unemployed, and 22.8% who were not in the labor force at the time.

The major occupations of employment were services in which 25.5% of unauthorized immigrants were employed; maintenance at 24.8%; management, business, science, and arts at 19.1%; production, transportation, and material moving at 18.3%; and sales and office occupations at 11.3%..

Table 1

Size of the labor force, employment, and major occupations of employment for unauthorized immigrants, 2022

	Estimate	% of total
Labor force and employment status		
Civilian population, ages 16 and older	9,851,486	100%
Labor force	7,603,550	100%
Employed	7,298,170	74.1%
Unemployed (but seeking work)	305,385	3.1%
Not in the labor force	2,247,936	22.8%
Major occupations of employment		
Civilian population, ages 16 and older in labor force	7,603,550	100%
Management, business, science, and arts	1,454,789	19.1%
Services	1,937,966	25.5%
Sales and office	855,419	11.3%
Maintenance	1,882,943	24.8%
Production, transportation, and material moving	1,390,930	18.3%

Economic Policy Institute

What is the fiscal impact of unauthorized immigrants at the state and federal level?

There is a broad consensus that immigration reduces overall budget deficits (or the present value of the long-run net fiscal impact of immigration overall, at all levels of government combined, is small but positive). As detailed in a 2017 National Academies of Sciences report and related research, the net effect is positive over the lifetimes of immigrants, their children, and grandchildren.

The long-run fiscal impact of immigration overall at the federal level is strongly positive; however, without proper support, there can be negative impacts at the state and local levels, particularly in the short term. There is also a clear understanding that while the negative state and local impacts are largely concentrated in the states and localities that receive most of the new immigrants, the federal impact is shared evenly across the nation.

This set of facts strongly suggests that small policy changes that smooth out the fiscal costs and benefits better across levels of government and geographies can lead to win-win outcomes. For example, federal grants—particularly for state and local budget stress related to immigration flows (like K–12 education)—could be increased. The federal government already transfers nearly \$1 trillion every year to state and local governments through a wide array of programs. Increasing the allocation of some of these to share the federal fiscal benefits of immigration more widely would be a trivial matter in economic terms but could make a major impact on states and localities.

If we examine just the net fiscal impact of unauthorized immigrants, even this is positive, despite the fact that lacking work authorization also means being trapped in low-wage work and being unable to adequately assert one's labor and employment rights. A prime reason the net contribution is, nonetheless, positive is that many unauthorized immigrants pay income taxes and have Social Security taxes withheld yet are generally ineligible for government benefits and services. A better solution would be an immigration reform that granted work authorization, which would allow many people to rise to higher-paid jobs and increase both tax revenues and eligibility for benefits by this population.

There are some exceptions to this rule, such as when unauthorized immigrant children receive public K–12 education. Some states also allow unauthorized immigrants to attend state colleges at in-state tuition rates. But education spending delivers high social rates of return generally. Including the benefits of this investment in education would make the net cost of providing public education to all children (including unauthorized immigrants) much smaller or even negative. Some forms of public spending on education even have net positive fiscal benefits over the long run.

Despite being ineligible for most government benefits and services, unauthorized immigrants still pay taxes. In the most recent study, unauthorized immigrants paid just under \$100 billion in federal, state, and local taxes, with just under \$60 billion of these going to the federal government. All pay sales taxes in states that have such taxes and property taxes either directly if they own a home or wrapped up in rent if they are renters. Additionally, most unauthorized immigrant workers also pay payroll and income taxes.

The Social Security Administration estimates that 75% of unauthorized immigrants are on formal payrolls, using Social Security numbers that were not issued to them. Many others are misclassified as independent contractors and, therefore, pay their taxes directly.

Unauthorized immigrants also pay into Social Security, Medicare, and unemployment insurance via automatic payroll deductions, but most will never be able to claim these benefits. In 2005, it was estimated that unauthorized immigrants paid about \$7 billion per year in Social Security taxes that they will never be able to reclaim. A more recent estimate comes from the former chief actuary of the Social Security Administration who estimated in 2014 that unauthorized immigrant workers pay an annual net contribution of \$12 billion to the Social Security Trust Fund.

Unauthorized immigrants are also unlikely to receive any income credits available through the tax code or a tax refund if they overpaid in their regular payroll withholdings. The Tax Policy Center estimates that 78% of American households that earned less than \$33,000 did not owe any federal income taxes in 2011. Many low-income taxpayers only paid marginal amounts if they owed anything. Because of their low income levels, most unauthorized immigrants would likely fall into one of these categories. A significant portion of unauthorized immigrants file taxes using Individual Taxpayer Identification Numbers (ITINs), which generally makes them ineligible for most federal income tax credits (though they would be eligible for the Earned Income Tax Credit and the Child Tax Credit). Further, many unauthorized immigrants don't file tax returns at all because they fear being detected for lacking status and being deported. If they don't file tax returns, they are never refunded the money that was automatically withheld from their paychecks.

If today's unauthorized immigrants were given the opportunity to gain legal status and a path to citizenship, we could expect several changes. With work authorization, they would earn higher wages and make employment gains. That would result in higher tax revenues. There would be a higher rate of filing tax returns if the fear of deportation were removed and people were more comfortable providing information to the government. At the same time, this population would become eligible for benefits from which they are currently excluded. In other words, they would become like all other Americans, paying what they owed in taxes and getting the benefits they are eligible for.



Unauthorized immigrants are generally ineligible for public benefits like SNAP and SSI.

Unauthorized immigrants are, by and large, ineligible for public support and social insurance programs because of their immigration status. They are excluded, for example, from such programs as non-emergency Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), and most housing assistance programs. Unauthorized immigrants are also ineligible for subsidies under the Affordable Care Act (ACA) and cannot purchase insurance through the ACA Marketplace (i.e., exchanges).

Under current federal law, the general rule is that even lawful permanent residents (green card holders) must wait five years before using most public benefits. There are a few narrow exceptions to this rule, which allow immigrants to be eligible for certain benefits regardless of immigration status; those programs include emergency Medicaid (if otherwise ineligible for their state's Medicaid program), programs that provide immunizations and/or treatment of communicable disease symptoms, and school breakfast and lunch programs. Under federal law, all children have equal access to public education at the elementary and secondary level, regardless of their immigration status or that of their parents.

Similarly, at the state and local level, unauthorized immigrants are generally ineligible for government benefits, contracts, licenses, grants, and loans, although exceptions similar to the federal ones apply, for example, for immunization and treatment of communicable diseases. However, some states have created programs to fill some of these gaps, with some key examples being “excluded worker” programs to provide unemployment insurance to workers without an immigration status created during the COVID-19 pandemic. Some states also extend health care benefits to undocumented immigrants who meet other eligibility requirements.

What will mass deportation do to the economy?

Deporting the entire unauthorized immigrant population would require astronomical direct resources and costs, and even aside from the additional humanitarian concerns, it would disrupt and hurt the economy and the jobs situation in the United States. It would cause unnecessary mass suffering if the United States were to forcibly separate the estimated 28.2 million people (1 out of every 12 U.S. residents) who live in mixed-status households, which include 11.3 million U.S. citizens. And it would be impossible to conduct this kind of massive and intrusive police action without spillover effects on families and communities far beyond just those who are unauthorized.

In terms of the costs, we should recall that over the past decade, the U.S. government has already appropriated huge sums of money for immigration enforcement—between \$20 and \$30 billion per year (mostly to fund two agencies, Immigration and Customs Enforcement and Customs and Border Protection). The U.S. Department of Homeland Security, nevertheless, noted in 2010 that it believed that the amount Congress appropriates to it is sufficient to remove approximately 400,000 unauthorized immigrants per year (about 3.6% of the total population of 11 million at the time). An analysis by Robert Shapiro in May 2024 attempted to calculate the total cost for a mass deportation program, finding that “[u]sing the latest DHS estimates, the taxpayer costs to deport 11 million people would come to \$265 billion—without including their American children or the costs to build and maintain large detention camps.” The American Immigration Council also estimated a mass deportation program would cost at least \$315 billion.

There would also be devastating short- and long-term costs in terms of jobs and income. A group of researchers recently estimated the impact of deportations that took place through the Secure Communities program, a county-based immigration enforcement program. They found that the program had a negative impact on employment (i.e., it reduced employment) for U.S.-citizen workers, regardless of their skill level. In terms of concrete jobs numbers, one economist noted that their results “impl[ie]d that for every one million unauthorized immigrant workers seized and deported from the United States, 88,000 US native workers were driven out of employment.”

Mass deportations could also have a negative impact on wages and salaries. The aforementioned analysis by Shapiro found that a “mass deportation program could depress national wage and salary income by \$317.2 billion or 2.7 percent of labor income in 2023.” The impact on certain key industries would also be devastating. For example, roughly half of all crop farmworkers are unauthorized. Deporting them would leave U.S. farmers with too few workers, endangering the nation’s food supply. Overall, it is clear that deporting millions of people will shrink the economy, which will have a negative impact on all workers.

While mass deportation would entail huge costs and likely zero benefits, multiple studies have shown that there are large economic benefits if we regularize the unauthorized immigrant population by providing them with a permanent immigration status and a path to citizenship—to the tune of hundreds of billions to trillions of dollars. Regularization will create jobs, raise wages, and improve labor standards for all workers.

And it's also important to understand that while unauthorized immigrant workers add to the supply of labor, they also consume goods and services, thereby generating economic activity and creating jobs. One way to think of this is to remember that the labor force is growing all the time, and that's fine because the economy expands too. We all understand this intuitively; that's why we don't worry when new graduates enter the labor force. We know those new graduates pay rent and buy food, cars, and clothes. By the same token, unauthorized immigrants are not just workers; they are also consumers. We could remove them, which would indeed reduce the number of workers, but it would also reduce the jobs created by the economic activity they generate. The right choice is to regularize the status of unauthorized immigrants who are already here, so they can continue to help the country realize its economic potential.

What are the policy options for current U.S. residents who are unauthorized immigrants?

The best solution—and the only durable one—for the unauthorized immigrant population is for Congress to pass legislation that regularizes the status of unauthorized immigrants by allowing them to adjust to lawful permanent resident status (in other words, provide them with a path to citizenship) and for the president to sign it. Only Congress has the power to provide a permanent immigration status to an individual or a group of individuals; it cannot be granted by the executive branch alone.

However, the executive branch does have a number of options to protect unauthorized immigrants from deportation through various forms of administrative relief. Because the U.S. Department of Homeland Security (DHS) has limited resources to detain and remove individuals who lack a lawful immigration status, DHS can determine that a particular individual is not a priority for an enforcement action. For those who are low priorities, the administration can extend temporary relief that affords a measure of safety to immigrants who don't have criminal records and are long-term residents of the United States, or whose presence benefits the United States, or who have long resided in and/or have strong family ties to the United States for example. The forms of temporary protection include work authorization, which can be critical to reducing workplace exploitation, thus benefitting all workers in industries in which immigrants are concentrated. They also allow DHS to use its limited enforcement resources on persons who pose the greatest threats to the security of the United States.

One form of temporary immigration relief is deferred action, which is a discretionary determination to postpone the deportation of an individual who would otherwise be subject to removal. U.S. Citizenship and Immigration Services (USCIS) can grant deferred action as an act of prosecutorial discretion, as it is based on the executive branch's discretion to enforce the law. While individuals with deferred action are considered to be lawfully present in the United States during the period of deferred action, it does not confer upon them any lawful immigration status. Individuals who have been granted deferred action are eligible to apply for an Employment Authorization Document (EAD).

Under the parole provision in the Immigration and Nationality Act, the Secretary of DHS also has discretionary authority allowing DHS to permit someone who does not otherwise have a valid immigration status to enter or reside in the United States temporarily for urgent humanitarian reasons or when the entry is determined to be for significant public benefit. Three DHS agencies have parole authority: USCIS, U.S. Immigration and Customs Enforcement, and U.S. Customs and Border Protection. While parole gives the recipient either permission to reside in or enter the United States—known as “parole-in-place” for persons already in the United States—it is not considered a formal admission to the United States. Parolees, like individuals with deferred action, are eligible to apply for an EAD.

Another important form of immigration relief that is determined by the executive branch but authorized by U.S. law is Temporary Protected Status (TPS). The Secretary of Homeland Security consults with the Secretary of State to assess if a particular nation warrants a TPS designation, often for cases of ongoing armed conflict or environmental disaster, as specified by law. A foreign national from a country designated for TPS who arrived prior to the designation is eligible to register for TPS for a period up to 18 months at a time, giving them protection from removal, as well as work authorization eligibility, allowing them to work for as long as the TPS designation is in place.


There is also a blanket form of administrative immigration relief that can be provided for humanitarian purposes, known as Deferred Enforced Departure (DED). DED is similar to TPS but instead of being authorized by statute, DED designations of a country derive from the president's foreign policy authority, and there are no explicit criteria for making a determination, although DED has normally been used in situations of war, civil unrest, or natural disasters in foreign nations. Persons who qualify under a DED designation are generally eligible to apply for an Employment Authorization Document allowing them to work.

If unauthorized immigrants get legal status, how would this improve wages and labor standards for all workers?

All persons in the United States have—at least on paper—basic labor and employment rights under U.S. law, which in theory, should protect them from lawbreaking employers. However, the extent to which those rights are able to be exercised and the extent to which they are enforceable in practice depends very much on immigration status because of the power that employers have over workers vis-à-vis that immigration status and because of how employers can exploit that power. If workers lack a regular immigration status or only have a temporary one that employers can control (for instance, through a temporary work visa), they can use the fear of retaliation and deportation against workers to underpay them, not provide required safety equipment, or break other workplace laws.

However, having a regular immigration status with a work permit—or better yet, a permanent immigration status like a green card—and the rights that accompany it, allow workers to have workplace rights and exercise them in practice. That, in turn, leads to higher wages and improved labor standards. There is a growing body of literature examining the link between immigration status and workplace rights, and on the impact that immigration status can have on wages and labor standards. This literature is discussed in more depth in EPI’s 2024 report on immigration, but below are some examples of the impact that gaining a regular immigration status can have on wages and working conditions:

- In a 2021 study, Peri and Zaiour found that a legalization program that led to a green card and citizenship for all unauthorized immigrants would, in five years, lead to a wage gain of 10%, amounting to \$4,300 per year. They then calculated that if all those who earned a green card became naturalized citizens five years later, they would see an increase in their annual wages of 32.4%, amounting to an increase of \$14,000 per year.
- Pastor and Scroggins found in 2012 that citizenship would boost individual earnings of workers by 8% to 11%, “leading to a potential \$21–45 billion increase in cumulative earnings over ten years that will have ripple effects on the national economy.”
- Smith, Kramer, and Singer, in a 1996 report conducted for the U.S. Department of Labor, found that after four or five years of gaining a green card, the real hourly wages of persons who had their immigration status regularized increased on average by 15.1% (13.2% for men and 20.5% for women).
- A 2012 paper by Mukhopadhyay and Oxborrow looked at college-educated migrant workers on temporary H-1B visas. They found that “H-1B workers are paid less than native workers” and that the wage gain associated with obtaining an employment-based green card was \$11,860 per year.

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- A 2024 survey of recipients of Deferred Action for Childhood Arrivals (DACA), conducted by Wong et al. and published by the Center for American Progress, showed that DACA and the work permit and temporary status it grants led to 59.1% of respondents moving to a job with better pay, 47.3% moving to a job with better working conditions, 47.5% moving to a job that “better fits [their] education and training,” 57.3% moving to a job with health insurance or other benefits, and 19.6% of respondents obtaining professional licenses.
 - Wong et al. also measured the impact of DACA and work permits on wages, finding that “[d]ata from the past nine years show that DACA has had a significant and positive effect on wages: Recipients’ average hourly wage more than doubled from \$11.92 to \$31.52 per hour—an increase of 164.4 percent—after receiving DACA.”