



THE IMPACT OF ICE RAIDS ON LOCAL BUSINESS

New York City's economy depends on immigrant labor and on vibrant streets bustling with pedestrians and international tourists. ICE raids threaten these fundamentals, creating an unsafe climate of chaos for both citizens and non-citizens that is bad for business, democracy, and civil order.

Immigrant workers underpin key industries in New York. New York's hospitality and service industries rely heavily on undocumented workers, making aggressive ICE enforcement especially disruptive to local businesses, and potentially has longer-term economic costs.

- + There are 4.5 million immigrants in New York State, including an estimated 670,000 who are undocumented. In 2022, undocumented immigrants paid an estimated \$3.1 billion in state and local taxes.¹
- + Industries across New York depend on undocumented workers, who make up an estimated 20,900 maids and housekeepers, 6,500 personal home health aides, and 7,000 child care workers. An estimated 12% of New York's restaurant workers are undocumented, and New York's construction industry includes roughly 29,500 laborers, 12,800 carpenters, and 6,200 painters who are undocumented.²
- + The NYC Hospitality Alliance has warned raids create a climate of fear that could worsen labor shortages, returning to recent pandemic-era staffing deficits.³

The dragnet approach of masked and militarized ICE units skirts democratic norms, creates unsafe conditions for citizens and non-citizens, and undermines local law enforcement.

- + According to the CATO Institute, as of June 2025, 65% of the 204,297 individuals booked into detention by ICE had no criminal convictions, and more than 93% had never been convicted of any violent crime.⁴
- + The chaos created by ICE raids can quickly escalate. In January 2026, President Trump threatened to use the Insurrection Act to deploy military forces as the Pentagon ordered about 1,500 active-duty soldiers to prepare for possible deployment to Minnesota.⁵
- + ICE raids can divert local law enforcement resources from their core public safety focus and create uncertainty about legal authority and accountability.

ICE raids in other cities have chilled economic activity. High-profile immigration raids have deterred many immigrants and their families from everyday economic activity, causing noticeable drops in business revenue in immigrant-dependent neighborhoods.

- + Following ICE raids in Los Angeles, foot traffic in areas around the raids decreased by 9.8% in June, and downtown restaurants experienced a 19.1% decline in business visits. Hispanic and Latino business owners reported revenue losses of 50% or higher.⁶
- + Economic modeling estimates ICE raids in the agriculture sector reduced workforce participation by 20–40% in California, leading to \$3–7 billion in crop losses and higher produce prices due to labor shortages.⁷
- + Immigrant-owned businesses across Minnesota are reporting precipitous declines in customer traffic and revenue, reduced hours, and temporary closures. Major corridors in Minneapolis and St. Paul saw roughly 80% of immigrant-owned businesses closed in a single week.⁸
- + Negative narratives and militarization of streets reduced foot traffic and international tourism in Washington, D.C., with experts predicting a 5% decline in international visitors in 2025.⁹ The World Travel and Tourism Council projected in May 2025 that the U.S. would lose \$12.5 billion in international visitor spending in 2025.¹⁰
- + Little Village in Chicago, often referred to as the “Mexico of the Midwest,” generates over \$900 million in annual sales. After the “Operation Midway Blitz” ICE raids, businesses in the district reported as much as a 70% drop in sales.¹¹
- + More than a quarter of construction contractors report their work has been either directly or indirectly impacted by increased ICE enforcement.¹²

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