

# THE DYING AMERICAN DREAM

*and the Trump Administration*

## PART I: IMMIGRANT ENTREPRENEURS

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## **Executive Summary**

Immigrants are a diverse group, composed of many national origins and legal statuses. They come to America in search of better lives, and ultimately enrich the nation with their work, creativity, and ambition.

America has welcomed immigrants and benefitted uniquely from them. This is especially so for Main Street America, where immigrants start businesses at greater rates than United States-born individuals. These entrepreneurs work in every industry, create jobs, and pay taxes. In particular, the industries experiencing the most immigrant entrepreneurial participation are transportation and warehousing, accommodations and food service, administrative support and waste management, construction, health care, and wholesale trade. With immigrants starting and operating small businesses in American neighborhoods, the nation has seen increased innovation, job creation, economic growth, tax revenue, and budget deficit reduction. Immigrants contribute immensely to America's prosperity.

However, President Trump's return to office has prompted an unprecedented campaign to prevent and reverse immigration to America. His administration's actions and policies have prompted U.S. Immigrations and Customs Enforcement (ICE) to pursue frequent and aggressive raids, arrests, and deportations in communities across the country. ICE's crackdown is so blunt and untargeted that it has even ensnared visa holders, green card holders, and U.S. citizens. ICE agents have also been accused of physically abusing and mistreating detainees.<sup>1</sup>

The moral and ethical implications of the crackdown are clear, though an informational gap exists on the effects of the crackdown on America's main streets and economy. This report finds that the Trump administration's immigration enforcement is: (1) decapitating small business leadership; (2) cratering small business sales; (3) abducting Main Street workers; (4) lowering capital access; and (5) dangerously escalating petty and hate crime in America.

The Trump Administration's immigration campaign is also extraordinarily expensive, with costs at an estimated \$88 billion, about \$25 billion of which has already been allocated by the One Big Beautiful Bill Act.<sup>2</sup> These funds could have been allocated for more productive government activities, such as small business lending and counseling, health care assistance, education, and even public safety investments like crime prevention.

Despite these costs and consequences, the Trump Administration stubbornly presses on with its immigration agenda. In doing so, it will bleed small businesses of their owners, workers, sales, and innovation, rendering Main Street America a lifeless, colorless wasteland, devoid of vitality and creativity. America will lose its prosperity when it loses its immigrants.

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<sup>1</sup> E.g., Cristian Benavides, *U.S. citizen told "you have no rights" during immigration arrest speaks out: "It hurts me"*, CBS NEWS (Jul. 28, 2025), <https://www.cbsnews.com/news/kenny-layne-arrest-you-have-no-rights-interview/>; Gwynne Hogan & Haidee Chu, *'Like Dogs in Here'—Videos Expose ICE Lockup Inside 26 Federal Plaza*, THE CITY (Jul. 22, 2025), <https://www.thecity.nyc/2025/07/22/video-26-federal-plaza-immigration-ice-dhs-cells>; Gisela Salomon & Kate Payne, *Detained immigrants at 'Alligator Alcatraz' say there are worms in food and wastewater on the floor*, ASSOCIATED PRESS (Jul. 11, 2025), <https://apnews.com/article/alligator-alcatraz-immigration-detainees-florida-cc2fb9e34e760a50e97f13fe59cbf075>.

<sup>2</sup> AM. IMMIGR. COUNCIL, MASS DEPORTATION: DEVASTATING COSTS TO AMERICA, ITS BUDGET AND ECONOMY (Oct. 2024); One Big Beautiful Bill Act, Pub. L. No. 119-21, §§ 90003-90007 (2025).

## **Introduction: Who Are America's Immigrant Entrepreneurs?**

Throughout the nation's history, immigration has driven the growth of our economy and technological prowess. Yet, nearly 250 years since America's founding by its first immigrants, the idea of foreign-born persons living and working in society still holds immense controversy. In the last several months, Americans have heard intensely emotional, moral, and sometimes illogical arguments as to why immigration should or should not be promoted by the federal government. But what is lost in the noise and chaos of the debate – and recent presidential action – is the real, on-the-ground impact of immigrants on the success and prosperity of Main Street America. This report aims to address that informational gap by highlighting immigrant entrepreneurs, the role they play in America's business community, and how the nation's economy would fare without them.

An immigrant is a person living in the United States who was born in another country. Immigrants are a wide group consisting of lawful permanent residents (also known as green card holders), temporary visa holders, refugees, asylees, Deferred Action for Childhood Arrivals (DACA) recipients, and undocumented individuals. According to the U.S. Census Bureau, 47.8 million people are immigrants – which is 14.1 percent of the general populace.<sup>3</sup> Phrased differently, one in every seven people in the U.S. was born in another country. Of these immigrants, about a quarter are undocumented and almost 5 percent are refugees<sup>4</sup> with civil process rights.<sup>5</sup> The immigrant population in America is also surging: the Congressional Budget Office (CBO) estimates that the U.S. has been experiencing far higher net immigration since 2021, with 8.7 million more people immigrating between that year and 2026 than baseline expectations set in 2020.<sup>6</sup> Regardless of its diversity, immigration to the U.S. has always been motivated by the promise of better opportunity, a better life, and a better future for oneself and their family.



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<sup>3</sup> *American Community Survey 1-Year Estimates: Selected Population Profiles*, U.S. CENSUS BUREAU (2023), <https://data.census.gov/table?q=S0201>.

<sup>4</sup> E.g., Karen Aho et al., *The Number of Immigrants in the US Increases Yearly – And That's a Good Thing*, AM. IMMIGR. COUNCIL (Feb. 28, 2025), <https://www.americanimmigrationcouncil.org/blog/number-of-immigrants-in-us-increases-yearly-and-thats-a-good-thing>; Julia Gelatt et al., *Changing Origins, Rising Numbers: Unauthorized Immigrants in the United States*, MIGRATION POLICY INST. (Oct. 2025), <https://www.migrationpolicy.org/research/unauthorized-immigrants-us-2025-fact-sheet>.

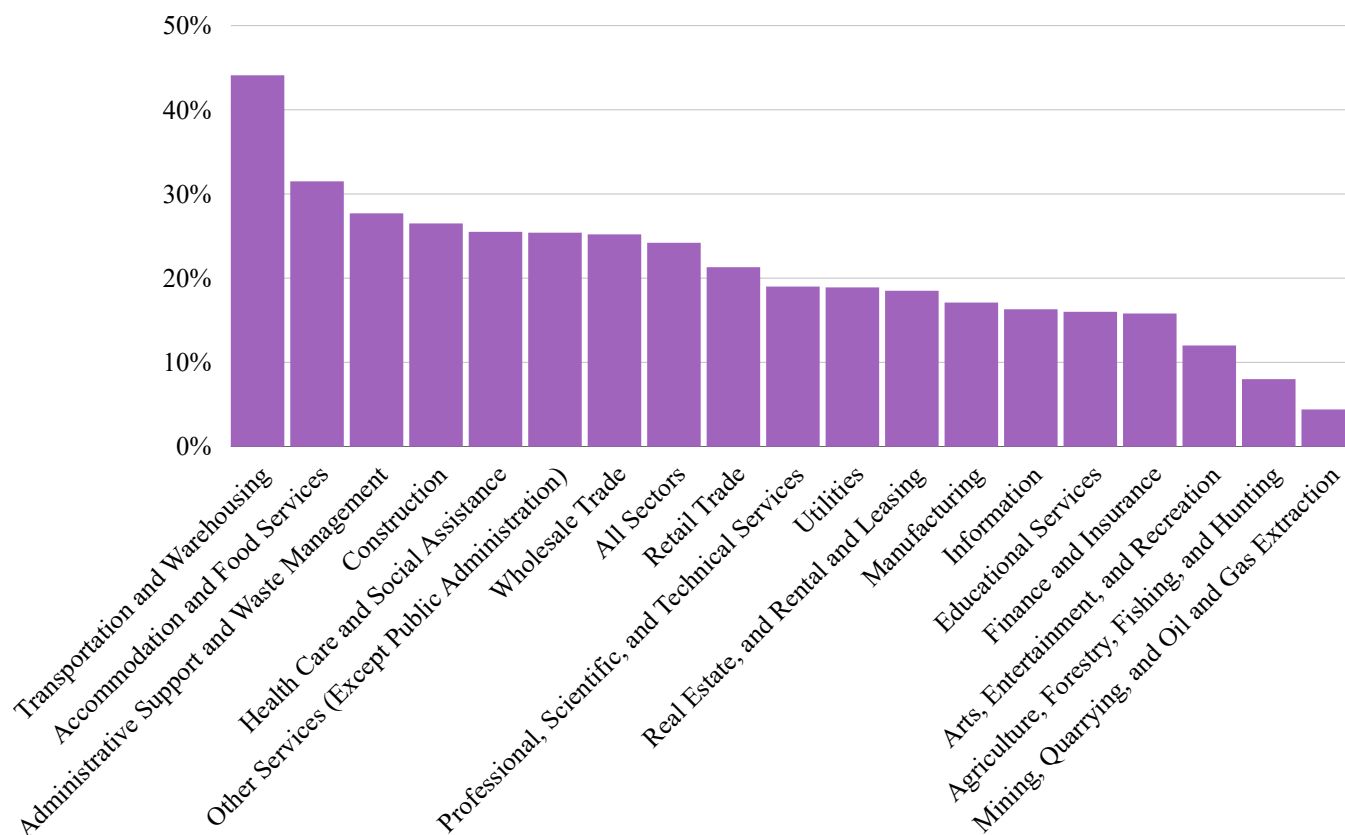
<sup>5</sup> CONG. RSCH. SERV., R47399, *U.S. Refugee Admissions Program* (Jan. 20, 2023).

<sup>6</sup> CONG. BUDGET OFF., *Effects of the Immigration Surge on the Federal Budget and the Economy* (Jul. 23, 2024).

The nation's immigrants have long had higher entrepreneurship and innovation rates than other Americans. According to an Office of Advocacy analysis, immigrants' monthly rate of new business formation was more than twice that of U.S.-born workers, and 10.5 percent of the immigrant work force were business owners, compared with 9.3 percent of the U.S.-born work force.<sup>7</sup> In other words, immigrant entrepreneurs are a significant portion of American small businesses.

The largest portions of immigrant-owned firms exist in the transportation and warehousing, accommodation and food service, administrative support and waste management, construction, health care, and wholesale trade industries.<sup>8</sup> Figure 1 is a bar chart displaying the percentage of immigrant-owned firms, broken down by major industry. Figure 1 is accompanied by Figure 2, an accompanying table with exact numbers and breakdowns by employer and non-employer firms.

**Figure 1: Percentage of Immigrant-Owned Firms by Industry and Employer Status<sup>9</sup>**



<sup>7</sup> Robert W. Fairlie, *Immigrant Entrepreneurs and Small Business Owners, and their Access to Financial Capital*, OFF. OF ADVOC. (May 2012), <https://advocacy.sba.gov/wp-content/uploads/2012/05/Immigrant-Entrepreneurs-Financial-Capital-Full-Report.pdf> (on file with the H. COMM. ON SMALL BUS.).

<sup>8</sup> *AB2200CSCBO: Annual Business Survey: Owner Characteristics of Respondent Employer Firms by Sector, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, Counties, and Places: 2022*, U.S. CENSUS BUREAU (2022), <https://data.census.gov/table/ABSCBO2022.AB2200CSCBO> (on file with the H. Comm. on Small Bus.); *AB2200NESD04: Nonemployer Statistics by Demographics series (NES-D): Owner Characteristics of Nonemployer Firms by Industry, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, Counties, and Places: 2022*, U.S. CENSUS BUREAU (2022), <https://data.census.gov/table/ABSNESDO2022.AB2200NESD04> (on file with the H. COMM. ON SMALL BUS.).

<sup>9</sup> *Id.*



**Figure 2: Percentage of Immigrant-Owned Firms by Industry and Employer Status<sup>10</sup>**

Industry	Percentage of firms that are immigrant-owned	Percentage of employer firms that are immigrant-owned	Percentage of non-employer firms that are immigrant-owned
Transportation and warehousing	44.1%	22.7%	44.8%
Accommodation and food services	31.5%	37.7%	28.2%
Administrative and support and waste management and remediation services	27.7%	14.5%	28.9%
Construction	26.5%	11.5%	29.2%
Health care and social assistance	25.5%	23.4%	25.9%
Other services (except public administration)	25.4%	22.5%	25.6%
Wholesale trade	25.2%	22.5%	26.3%
<b>All sectors</b>	<b>24.2%</b>	<b>19.1%</b>	<b>24.8%</b>
Retail trade	21.3%	24.8%	20.6%
Professional, scientific, and technical services	19.0%	15.8%	19.6%
Utilities	18.9%	8.3%	20.0%
Real estate, and rental and leasing	18.5%	13.7%	18.7%
Manufacturing	17.1%	12.2%	19.3%
Information	16.3%	17.2%	16.1%
Educational services	16.0%	20.0%	15.8%
Finance and insurance	15.8%	9.8%	17.0%
Arts, entertainment, and recreation	12.0%	9.7%	12.1%
Agriculture, forestry, fishing and hunting	8.0%	5.6%	8.1%
Mining, quarrying, and oil and gas extraction	4.4%	3.7%	4.6%

Among employer firms, the greatest share of immigrant-owned companies can be found in the accommodation and food services, health care, and retail trade industries. Meanwhile, the largest proportions of non-employer businesses that are immigrant-owned exist in the transportation and warehousing, construction, and administrative support and waste management industries.<sup>11</sup>

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

It is more than clear that immigrant entrepreneurs are an important segment of Main Street America. Hailing from origins around the globe, immigrant small business owners work and innovate in all sorts of fields but are all united by faith that their hard work will pay off, and they can earn a slice of the American Dream.

### **Immigrant Entrepreneurs' Contributions to America's Economy**

Like all entrepreneurs, immigrants power and strengthen America's economy and neighborhoods. Growth in entrepreneurship has been on the decline since the early 1980s, reducing economic productivity by an estimated 3 to 4 percent as of 2020.<sup>12</sup> The CBO attributes this downturn to constraints on new business owners' capital access, as well as recessions and slower working-age population growth, and presents immigration expansion as one way to offset this trend.<sup>13</sup> The previous administration saw a record high of over 21 million business starts,<sup>14</sup> spurred by investments in small business assistance, including to immigrant entrepreneurs.

### **Innovation and Job Creation**

Immigrants drive innovation and job creation because they start and own businesses at higher rates than non-immigrants. As stated above, immigrants' monthly rate of new business formation was more than twice that of U.S.-born workers, and 10.5 percent of the immigrant work force were business owners, compared with 9.3 percent of the U.S.-born work force.<sup>15</sup> More importantly, immigrant-owned businesses are more likely than others to create jobs and hire employees.<sup>16</sup>

Higher rates of innovation and entrepreneurship among immigrants also spur technological innovation and economic expansion. Immigrants account for 24 percent of U.S. patents, twice their share in the population,<sup>17</sup> and the patents that immigrants file tend to be of higher quality.<sup>18</sup>



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<sup>12</sup> CONG. BUDGET OFF., *Federal Policies in Response to Declining Entrepreneurship* (Dec. 2020).

<sup>13</sup> *Id.*

<sup>14</sup> Press Release, THE WHITE HOUSE, *FACT SHEET: Biden-Harris Administration Announces that Americans have Filed a Record 21 Million New Business Applications Since Taking Office* (Jan. 10, 2025), <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2025/01/10/fact-sheet-biden-harris-administration-announces-that-americans-have-filed-a-record-21-million-new-business-applications-since-taking-office>.

<sup>15</sup> Fairlie, *supra* note 7.

<sup>16</sup> *Id.*

<sup>17</sup> Jennifer Hunt & Marjolaine Gauthier-Loiselle, *How much does immigration boost innovation?*, 2 AM. ECON. J.: MACROECONOMICS 31 (Apr. 2010), <https://pubs.aeaweb.org/doi/10.1257/mac.2.2.31>.

<sup>18</sup> Robert Krol, *Effects of Immigration on Entrepreneurship and Innovation*, 41 CATO J., 551 (2021), <https://www.cato.org/cato-journal/fall-2021/effects-immigration-entrepreneurship-innovation>.

Part of this elevated rate can be explained by immigrants' educational levels: since immigrant college graduates disproportionately hold degrees in science and engineering, a single percentage point increase in immigrant college graduates increases patents per capita by 6 percent.<sup>19</sup> Additionally, according to the conservative Cato Institute, collaboration on patents with an immigrant increases the productivity of U.S.-born inventors more than that same collaboration increases the immigrant inventor's productivity.<sup>20</sup> In fact, over half of the Silicon Valley engineering and technology startups founded from 1995 to 2005 had one or more immigrants as a key founder.<sup>21</sup> Innovative new firms like these often introduce new products and services, fostering technological change and productivity gains.<sup>22</sup>

Exports help firms create jobs and attain long-term success while also improving the U.S.'s trade imbalance with the rest of the world. Immigrant firms are more likely to export their goods and services, possibly because their owners have business networks in their home countries, as well as linguistic and cultural skills. The Office of Advocacy found that 7.1 percent of immigrant firms export goods or services, compared to 4.4 percent of non-immigrant firms, and they tend to have higher shares of exports as a percentage of their total sales.<sup>23</sup> For 3.2 percent of immigrant firms, exports represented at least 20 percent of their total sales, while the same was true for less than 1 percent of non-immigrant firms.<sup>24</sup>

Immigrants not only create jobs; statistics show they do not displace U.S.-born workers. As the nation's net immigration rate rose in the early 2020s, the average unemployment rate for U.S.-born workers reached the lowest rate on record, averaging 3.6 percent in 2023. Similarly, 2023 saw the labor force participation rate for U.S.-born workers ages 25 to 54 reach its highest point since 2002.<sup>25</sup> Furthermore, economists attribute worsening employment data in 2025 to the Trump Administration's immigration restrictions and a general slowdown in hiring related to the heightened uncertainty and increased costs that tariffs have imposed on the economy.<sup>26</sup>

Instead of displacing U.S. workers, immigrants fill gaps in the U.S.'s labor market caused by demographic changes, helping compensate for the aging of the U.S. work force and contributing to strong economic growth.<sup>27</sup> The proportion of Americans over the age of 65 is expected to reach about 20 percent by 2040, nearly double the proportion in 1980.<sup>28</sup> In recent years, the U.S.-born working-age population declined from 61.7 percent in 2018 to 60.9 percent in 2023.<sup>29</sup>

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<sup>19</sup> Hunt & Gauthier-Loiselle, *supra* note 17.

<sup>20</sup> Krol, *supra* note 18.

<sup>21</sup> Vivek Wadhwa, et al., *America's New Immigrant Entrepreneurs: Part I*, SSRN J. (Jan. 4, 2007), <http://dx.doi.org/10.2139/ssrn.990152>.

<sup>22</sup> CONG. BUDGET OFF., *supra* note 12.

<sup>23</sup> Fairlie, *supra* note 7.

<sup>24</sup> *Id.*

<sup>25</sup> Daniel Costa & Heidi Shierholz, *Immigrants are not hurting U.S.-born workers*, ECON. POLICY INST. (Feb. 20, 2024), <https://www.epi.org/blog/immigrants-are-not-hurting-u-s-born-workers-six-facts-to-set-the-record-straight>.

<sup>26</sup> Paul Wiseman & Christopher Rugaber, *US employers slash hiring as Trump advances a punishing trade agenda*, ASSOCIATED PRESS (Aug. 1, 2025), <https://apnews.com/article/jobs-unemployment-economy-trump-federal-reserve-68a15f89d68793a6cf88a522ff33246c>.

<sup>27</sup> Costa & Shierholz, *supra* note 25.

<sup>28</sup> Aho et al., *supra* note 4.

<sup>29</sup> *Id.*



By contrast, in 2023, 77.1 percent of immigrants, or 36.9 million people, were between the ages of 16 and 64.<sup>30</sup> These immigrants, who make up 18.6 percent of the U.S. labor force, are employed in numerous industries and in a mix of lower, middle, and higher-wage jobs.<sup>31</sup>

### Economic Growth and Tax Revenue

Immigrants – even the undocumented ones – pay taxes and accelerate economic growth. In fact, according to the CBO, the recent immigration surge will result in net increases in federal tax revenues and economic activity.<sup>32</sup> This is because immigration contributes to positive economic forces, such as labor force growth, increased productivity for all workers due to innovation, the aforementioned job creation, and greater investment due to the expanded human capital and business formation.<sup>33</sup>

As a result, the CBO projects an \$8.9 trillion increase in gross domestic product (GDP) between 2024 and 2034, attributed directly to the immigration surge.<sup>34</sup> Over the first few years of this period, up to half of the GDP growth was expected to come from new investments including additional housing for newcomers and their families, and equipment for these new workers.<sup>35</sup> Meanwhile, the new households' spending on goods and services would initially account for about half of the added GDP growth, rising to 70 percent by 2034.<sup>36</sup>

Not much data exists on undocumented immigrant entrepreneurs. However, the American Immigration Council recently highlighted that undocumented small business owners generated \$27.1 billion in 2022,<sup>37</sup> and more broadly, immigrants contributed \$419.8 billion in federal taxes in 2023 alone. Of these taxes, undocumented immigrants paid \$55.8 billion.<sup>38</sup>



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<sup>30</sup> *Id.*

<sup>31</sup> Costa & Shierholz, *supra* note 25.

<sup>32</sup> CONG. BUDGET OFF., *supra* note 6.

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> AM. IMMIGR. COUNCIL, *supra* note 2.

<sup>38</sup> Aho et al., *supra* note 4.

Figure 3 is a bar chart depicting 2023 tax payments made by immigrants to the federal government, state and local governments, Social Security, and Medicare, as well as the segment of payments made by undocumented immigrants. The Figure is accompanied by Figure 4, a table with exact numbers.

Figure 3: Total Tax Contributions Made by Immigrants in 2023<sup>39</sup>

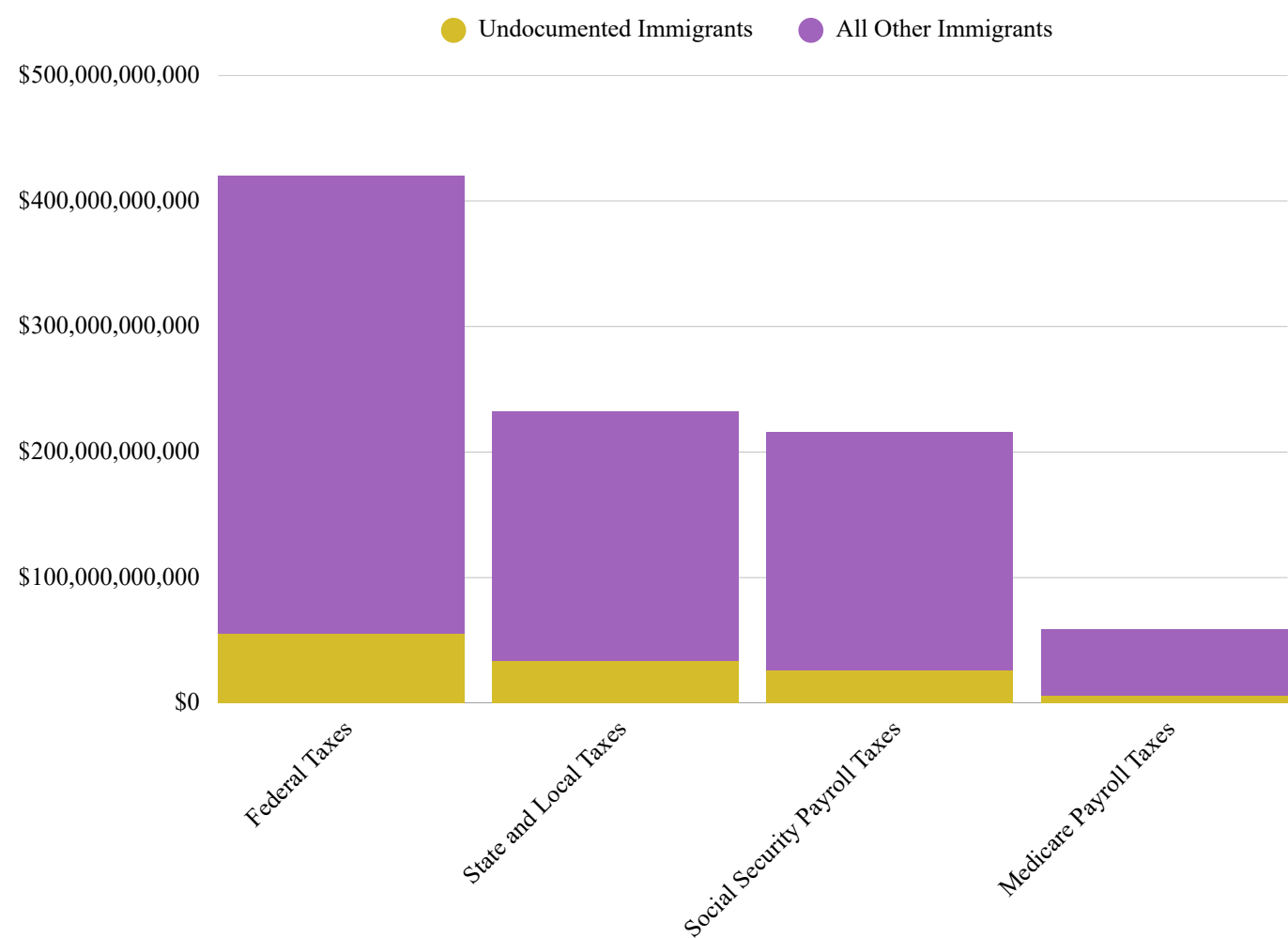


Figure 4: Total Tax Contributions Made by Immigrants in 2023<sup>40</sup>

	Undocumented Immigrants	All Other Immigrants
Federal Taxes	\$55,800,000,000	\$364,000,000,000
State and Local Taxes	\$33,900,000,000	\$198,200,000,000
Social Security Payroll Taxes	\$26,200,000,000	\$189,600,000,000
Medicare Payroll Taxes	\$6,600,000,000	\$52,100,000,000

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

According to the CBO's estimates, the recent immigration surge would increase federal revenues by nearly \$1.2 trillion from 2024 through 2034.<sup>41</sup> This increase in revenue would come primarily from individual income taxes and payroll taxes paid by these immigrants, with the remainder coming from the general increase in economic activity they create.<sup>42</sup>

The CBO also projected a corresponding reduction in the federal deficit of \$897 billion in 2034 because the additional immigrants will contribute more federal revenue than they cost in government expenditures. Much of this is because most immigrants, including 65 percent from the surge, are already ineligible for federal benefits, which they therefore do not collect – and they still pay taxes.<sup>43</sup> Similarly, the Department of Health and Human Services has found that the net fiscal impact of refugees and asylees is positive, and that between 2005 and 2019, they contributed \$123.8 billion more in federal, state, and local tax revenues than the government spending necessitated by their presence.<sup>44</sup>

In summary, higher levels of immigration increase economic growth and innovation-related activities.<sup>45</sup> However, in the wake of the Trump Administration's escalating efforts to detain and deport foreign-born residents, recent estimates predict that the U.S. will see zero or net negative immigration in 2025.<sup>46</sup> The U.S. has consistently seen positive net immigration since 1960, making the impact of these missing entrepreneurs and workers unpredictable—though the change certainly harms industries including agriculture and construction.<sup>47</sup> The Trump Administration's own Labor Department acknowledged these harms in a recent rulemaking document, finding that the immigration crackdown contributes to a “current and imminent” agricultural labor shortage, threatening the production and price stability of domestic food.<sup>48</sup>



<sup>41</sup> CONG. BUDGET OFF., *supra* note 6.

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*

<sup>44</sup> OFF. OF THE ASSISTANT SEC'T FOR PLAN. & EVALUATION, THE FISCAL IMPACT OF REFUGEES AND ASYLEES AT THE FEDERAL, STATE, AND LOCAL LEVELS FROM 2005-2019, U.S. DEP'T OF HEALTH & HUM. SERVS. (Feb. 15, 2024).

<sup>45</sup> Krol, *supra* note 18.

<sup>46</sup> Megan Leonhardt, *U.S. Migration Could Be Negative in 2025. That Has Economic Consequences.*, BARRONS (July 2, 2025), <https://www.barrons.com/articles/migration-employment-growth-inflation-01fdab43>.

<sup>47</sup> *Id.*; see Aho et al., *supra* note 4.

<sup>48</sup> Adverse Effect Wage Rate Methodology for the Temporary Employment of H-2A Nonimmigrants in Non-Range Occupations in the United States, 90 Fed. Reg. 47914 (Oct. 2, 2025); Lauren Kaori Gurley, *Trump administration says immigration enforcement threatens higher food prices*, WASH. POST (Oct. 11, 2025), <https://www.washingtonpost.com/business/2025/10/11/immigration-crackdown-food-prices>.

## **The Trump Administration's Crackdown on Immigrants Hurts America's Main Streets**

Since returning to office in January 2025, President Trump's Administration has waged an unprecedented campaign to kidnap and expel immigrants from our nation. In May, the White House set a goal of 3,000 arrests by ICE daily – an unrealistically high expectation over triple the average number of arrests per day between January 20, 2025 and May 19, 2025.<sup>49</sup> This goal, justified in part by extremely racist and bigoted rhetoric targeted against immigrants of color,<sup>50</sup> has prompted ICE to expand its immigration detention activities and tactics.

In 2025 alone, ICE arrests have skyrocketed, with more and more people detained while in their homes, running errands, and at their workplaces.<sup>51</sup> Immigration agents have detained individuals in far more diverse settings – including at routine immigration proceedings intended for undocumented immigrants to receive due process.<sup>52</sup> ICE raids and arrests are increasingly warrantless and untargeted.<sup>53</sup> This means that ICE is arresting individuals regardless of status, entangling green card holders and applicants,<sup>54</sup> visa holders,<sup>55</sup> refugees and asylum seekers,<sup>56</sup> Deferred Action for Childhood Arrivals (DACA) status recipients,<sup>57</sup> and even U.S. citizens.<sup>58</sup> Furthermore, numerous reports have emerged of detainees being subjected to physical abuse, denial of constitutional rights, and squalid conditions, both upon arrest and in detention facilities.<sup>59</sup>

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<sup>49</sup> Rebecca Santana, *ICE, the agency central to Trump's mass deportation plans, undergoes a shakeup*, ASSOCIATED PRESS (May 30, 2025), <https://apnews.com/article/immigration-enforcement-border-trump-ice-6fecdf2313788bd889b51adfb003ca7a>.

<sup>50</sup> AM. C.L. UNION, TRUMP ON IMMIGRATION (Jun. 6, 2024), <https://www.aclu.org/publications/trump-on-immigration>.

<sup>51</sup> IMMIGR. RSCH. INITIATIVE, WHO IS ICE ARRESTING? (Jul. 23, 2025).

<sup>52</sup> Todd Heisler et al., *Anatomy of an ICE Arrest*, N.Y. TIMES (Aug. 5, 2025),

<https://www.nytimes.com/2025/08/03/nyregion/immigrant-arrests-courthouse.html>; Emma Winger, *At Graduation Time, ICE Targets Young Dreamers*, AM. IMMIGR. COUNCIL (Jun. 12, 2025),

<https://www.americanimmigrationcouncil.org/blog/graduation-ice-targets-young-dreamers>.

<sup>53</sup> E.g., José Olivares, *US immigration officers ordered to arrest more people even without warrants*, THE GUARDIAN (Jun. 4, 2025), <https://www.theguardian.com/us-news/2025/jun/04/immigration-officials-increased-detentions-collateral-arrests>.

<sup>54</sup> E.g., Joel Rose, *Green-card holders, travelers caught in Trump's immigration crackdown*, NPR (Apr. 1, 2025), <https://www.npr.org/2025/04/01/nx-s1-5339698/green-card-holders-detained-border-crackdown> (on file with the H. COMM. ON SMALL BUS.); Billal Rahman, *Woman Detained During Birthday Trip Despite Pending Green Card Application*, NEWSWEEK (Jun. 2, 2025), <https://www.newsweek.com/maryia-vviadzenskaya-detained-birthday-green-card-2079700>.

<sup>55</sup> E.g., April Rubin, *Tracking the foreign nationals detained by ICE as tourists or U.S. residents*, AXIOS (Apr. 1, 2025), <https://www.axios.com/2025/03/20/tourists-us-residents-detained-arrested-deported-ice-immigration-trump>.

<sup>56</sup> E.g., Ximena Bustillo & Juliana Kim, *Christian refugees caught in the crosshairs of U.S. immigration policy*, NPR (Jul. 31, 2025), <https://www.npr.org/2025/07/31/g-s1-80181/trump-christian-refugees-asylum-immigration> (on file with the H. COMM. ON SMALL BUS.); Tania Thorne, *Advocates say an Afghan refugee was detained at San Diego immigration court*, KPBS (Jun. 16, 2025), <https://www.kpbs.org/news/border-immigration/2025/06/16/advocates-say-an-afghan-refugee-was-detained-at-san-diego-immigration-court> (on file with the H. COMM. ON SMALL BUS.).

<sup>57</sup> E.g., Grethel Aguila, *DACA recipient detained at Alligator Alcatraz, attorney says. 'We don't know why'*, MIAMI HERALD (Jul. 10, 2025), <https://www.miamiherald.com/news/local/immigration/article310337645.html>.

<sup>58</sup> E.g., María Luisa Paúl, *Here are the U.S. citizens caught in Trump's immigration crackdown*, WASH. POST (May 3, 2025), <https://www.washingtonpost.com/immigration/2025/05/02/citizens-caught-trump-immigration-crackdown>.

<sup>59</sup> E.g., Benavides, *supra* note 1; Hogan & Chu, *supra* note 1; Salomon & Payne, *supra* note 1.

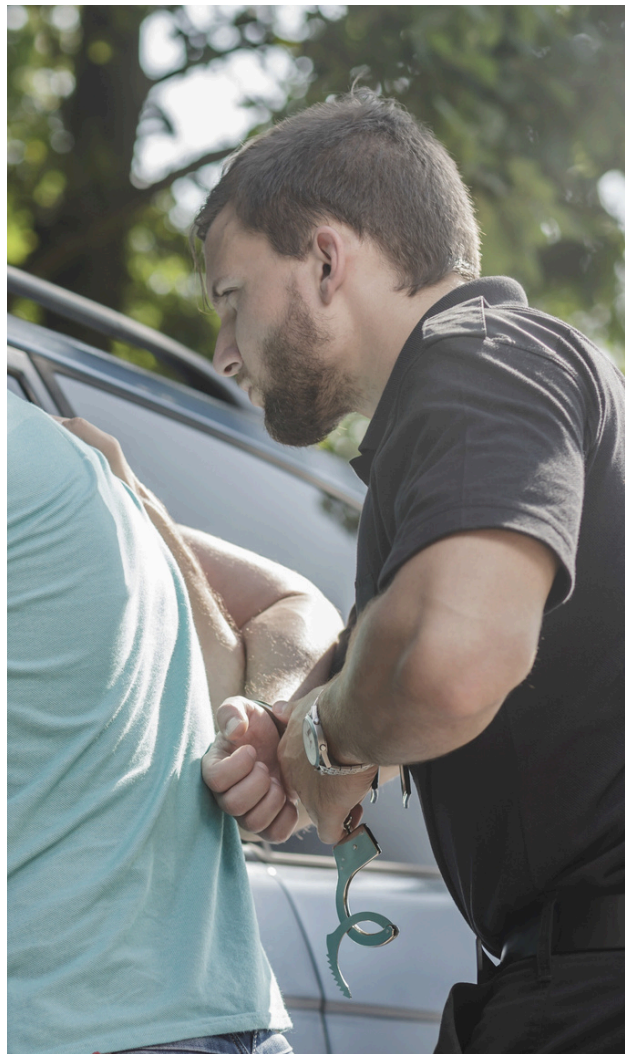


Additionally, ICE agents have begun wearing masks and concealing their identities – undermining any accountability for abuses.<sup>60</sup> On top of that, the Trump Administration’s *One Big Beautiful Bill Act* imposes a new, onerous fee of at least \$5,000 per immigration arrest, among other burdensome fees thrust onto immigrant entrepreneurs and workers.<sup>61</sup>

ICE’s expansion of raids and arrests, wide scope of this campaign, poor treatment of detainees, and masking of officers – all under the Trump Administration – means that immigrant entrepreneurs are under threat, more than ever, by an increasingly abusive federal agency whose officers act with impunity, arbitrariness, and capriciousness. In other words, ICE’s crackdown is threatening the very fabric upon which Main Street thrives.

### *Decapitating Small Business Leadership*

Because immigrants start small businesses at greater rates than U.S.-born individuals,<sup>62</sup> ICE’s campaign will slow business creation, particularly in the industries where immigrant-owned businesses are more common.<sup>63</sup> With that said, the crackdown also impacts entrepreneurs who have already opened small businesses in America. When a small business owner is arrested or deported by ICE, their leadership of their business is incapacitated – they are inherently unable to make important decisions or oversee the day-to-day operations of their firm.<sup>64</sup> Similarly, when an entrepreneur’s relatives, such as a spouse or children, are detained, they often rightly prioritize locating them and acting to obtain the release of those relatives – drawing the entrepreneur’s attention away from their business. If ICE physically mistreats a small business owner, the injuries they sustain, and the resulting health impacts, can likewise hurt their ability to run their business.<sup>65</sup> All these effects can cause the temporary or permanent closure of a small business, especially if it is a sole proprietorship.



<sup>60</sup> Leila Fadel et al., *Masked immigration agents are spurring fear and confusion across the U.S.*, NPR (Jul. 10, 2025), <https://www.npr.org/2025/07/09/nx-sl-5440311/ice-raids-masked-agents> (on file with the H. COMM. ON SMALL BUS.).

<sup>61</sup> One Big Beautiful Bill Act, Pub. L. No. 119-21, § 100017 (2025).

<sup>62</sup> Fairlie, *supra* note 7.

<sup>63</sup> ECON. POLICY INST., *TRUMP’S DEPORTATION AGENDA WILL DESTROY MILLIONS OF JOBS* (Jul. 10, 2025).

<sup>64</sup> See, e.g., *The Devastating Impact of Deporting Business Owners on Our Economy and Communities*, ILL. HISPANIC CHAMBER OF COM., <https://ihccbusiness.net/ceo-letter/the-devastating-impact-of-deporting-business-owners-on-our-economy-and-communities> (last visited Oct. 23, 2025).

<sup>65</sup> See, e.g., Doc Louallen, *79-year-old US citizen claims ICE agents body-slammed him at his business, seeks \$50M*, ABC NEWS (Sep. 27, 2025), <https://abcnews.go.com/US/79-year-us-citizen-claims-ice-agents-body/story?id=125978834>.



ICE's lack of transparency – and refusal to acknowledge Congressional oversight letters – has made it difficult for Congress to assess the breadth of this impact. However, the constant drumbeat of news reports from around the country, detailing the raids, arrests, and deportation of small business owners, indicate that the leadership incapacitation effect is not confined to any one state or region.<sup>66</sup> ICE's aggressive immigration enforcement is decapitating small businesses, rendering them unable to function and provide the benefits to local communities for which they are well known.

### Cratering Small Business Sales

With fear of ICE raids and abuse rising, brick-and-mortar small businesses – particularly those operated and patronized by immigrants – have suffered cratering foot traffic and sales. This is because immigrant customers of small businesses are staying home regardless of status, for fear of detention and mistreatment by ICE, so there are fewer people to buy goods and services. Tourists are also far less likely to come to the U.S. and patronize businesses here.<sup>67</sup> These effects are particularly pronounced for immigrant-owned small businesses and small businesses located in predominantly immigrant communities.<sup>68</sup> Additionally, reports have surfaced that undocumented immigrants are spending less of their earnings, more generally, to hedge against any potential future apprehensions and expulsions.<sup>69</sup> America's main streets are losing valued customers because of ICE's campaign.



<sup>66</sup> ILL. HISPANIC CHAMBER OF COM., *supra* note 64; see, e.g., Eric Rosane, *ICE to deport Tri-Cities father, business owner after arrest at immigration interview*, TRI-CITY HERALD (Jun. 17, 2025), <https://www.tri-cityherald.com/news/local/article308777510.html>; Dan Snyder & Will Kenworthy, *New Jersey leaders rally around Haddon Township restaurant owners arrested by ICE*, CBS NEWS (Feb. 27, 2025), <https://www.cbsnews.com/philadelphia/news/new-jersey-haddon-township-kebab-ice>; Maria M. Silva, *'One of our own': Rhinebeck rallies for Honduran immigrant detained by ICE*, TIMES-UNION (Jul. 22, 2025), <https://www.timesunion.com/hudsonvalley/news/article/rhinebeck-locals-support-honduran-man-arrested-ice-20778778.php>; Sapna Bansil, *Hagerstown nail salon owner freed after 5 months in ICE custody*, BALT. BANNER (Oct. 13, 2025) <https://www.thebanner.com/western-maryland/melissa-tran-hagerstown-ice-custody-ZZLUF4V2RNHY3OVQZGGKIMIZ3E>; Nick Mordowanec, *ICE Detains Restaurant Owner Mom for Over Two Months After 21 Years in US*, NEWSWEEK (Aug. 12, 2025), <https://www.newsweek.com/ice-illegal-immigration-detained-kelly-yu-2112371>; Ramon Antonio Vargas, *Trump Burger owner in Texas faces deportation after Ice arrest*, THE GUARDIAN (Aug. 9, 2025), <https://www.theguardian.com/us-news/2025/aug/09/trump-burger-ice-arrest>.

<sup>67</sup> ECON. POLICY INST., *supra* note 63; IMMIGR. RSCH. INITIATIVE, *supra* note 51.

<sup>68</sup> E.g., Patricia Caro, *Latino businesses collapse under deportation terror: 'What is happening now is worse than what we experienced during Covid'*, EL PAÍS (Mar. 30, 2025), <https://english.elpais.com/usa/2025-03-30/latino-businesses-collapse-under-deportation-terror-what-is-happening-now-is-worse-than-what-we-experienced-during-covid.html>; Alfonso Galvan, *'They feel targeted': Deportation threat chills business on Minneapolis' Lake Street corridor*, SAHAN J. (Feb. 12, 2025), <https://sahanjournal.com/business-work/minneapolis-lake-street-businesses-immigration-chill>; Joanna Hernandez, *Business Owners in Little Village, Back of the Yards Say Sales Declining Amid Fears of ICE Raids*, WTTW (Jan. 30, 2025), <https://news.wttw.com/2025/01/30/business-owners-little-village-back-yards-say-sales-declining-amid-fears-ice-raids> (on file with the H. COMM. ON SMALL BUS.).

<sup>69</sup> ECON. POLICY INST., *supra* note 63; reports on file with the H. COMM. ON SMALL BUS.

### Abducting Main Street Workers

The fear and terror of ICE raids and arrests not only depress Main Street's customer base, but also its workforce.<sup>70</sup> This effect could be more intense for small employers owned by immigrants, particularly if they operate in immigrant communities. Committee Democrats have repeatedly highlighted this issue in previous proceedings,<sup>71</sup> and intend to more fully explore the contributions and impacts immigrant small business employees have on America's economy in future work products and publications.

### Lowering Capital Access

The incapacitation and expulsion of any entrepreneurs, by definition, decreases the number of individuals willing and able to invest in an American small business.<sup>72</sup> With fewer people in America with the money and wherewithal to start and support businesses, and with potential investors investing less due to the uncertainty and chaos emanating from the crackdown, it will be harder for the small business owners that remain to find capital to sustain and expand their operations.

The Committee and stakeholders remain concerned that personally identifiable information submitted to the Small Business Administration (SBA) for small business lending program applications and shared with the so-called "Department of Government Efficiency" (DOGE) could be in use to flag immigrant entrepreneurs, their relatives, or their employees for ICE detention.<sup>73</sup> DOGE's access to the SBA's systems is occurring as part of a larger effort to spy on critical federal public services, including Social Security, federal employee payroll, and the Internal Revenue Service.<sup>74</sup> Due to these dynamics, and previous anxieties surrounding information-sharing between public service providers and immigration agents, immigrant entrepreneurs, regardless of status, have – and will be – discouraged from applying for SBA lending services for which they are lawfully eligible, unduly constraining their access to capital.<sup>75</sup>

Given that capital access and lending discrimination are substantial barriers to the success of minority-owned businesses,<sup>76</sup> it is expected that the capital access impacts of these actions will be much worse for small businesses owned by immigrants of color rather than those owned by immigrants of European descent. The Administration's immigration policies have hurt investment and capital access for America's small businesses – especially those owned by immigrants.

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<sup>70</sup> *Hope on the Horizon: Prioritizing Small Business Growth in the 119<sup>th</sup> Congress*: Hearing before the H. COMM. ON SMALL BUS., 119<sup>th</sup> Cong. (Feb. 5, 2025).

<sup>71</sup> *Id.*

<sup>72</sup> See ECON. POLICY INST., *supra* note 63.

<sup>73</sup> Vittoria Elliott, *How Edward 'Big Balls' Coristine and DOGE Got Access to a Federal Payroll System That Serves the FBI*, WIRED (Jul. 30, 2025), <https://www.wired.com/story/edward-coristine-big-balls-doge-federal-pay-roll-system>.

<sup>74</sup> *Id.*

<sup>75</sup> See Lyanne Melendez & Juan Carlos Guerrero, *Bay Area restaurant owners find huge success, but could Trump's deportation push end American dream?*, ABC7 NEWS (Mar. 15, 2025), <https://abc7news.com/post/business-owners-undocumented-bay-area-restaurateurs-chase-american-dream-despite-fear-deportation-trump-administration/16002617>.

<sup>76</sup> Fairlie, *supra* note 7.

### *Dangerously Escalating Petty and Hate Crime*

The Trump administration's immigration crackdown has also emboldened petty criminals and violent racists across America. These activities encourage petty crime because immigration agents' new practice of refusing to identify themselves and show credentials creates opportunities for other criminals to impersonate ICE personnel, with little effort, and exploit openings to terrorize and steal from their communities. Numerous cases have been documented wherein individuals posing as ICE agents rob small businesses and falsely imprison their employees. For example, on June 8, 2025, one man allegedly entered a Northeast Philadelphia automobile repair shop, identified himself as an immigration officer, zip-tied an employee, and stole roughly \$1,000 in cash.<sup>77</sup> Similarly, on June 19, 2025, two men also reportedly targeted and mugged Latino residents of Anaheim by impersonating ICE agents.<sup>78</sup>

Trump officials' unhinged, cruel, and bigoted rhetoric<sup>79</sup> in justifying their immigration crackdown has empowered their supporters across the country, empowering them to escalate intimidation and hate crimes against immigrants, people of color, and small business owners from those groups.<sup>80</sup>

With elevated petty and hate crime, brick-and-mortar businesses on America's main streets are forced to close early for safety reasons, made to spend more on security measures, and turned into less attractive destinations for both workers and customers. Committee Members on both sides of the aisle have acknowledged this dynamic and highlighted the threat it can pose to our nation's small businesses.<sup>81</sup>



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<sup>77</sup> Jack Tomczuk, *Fake ICE agents exploiting fear, DA says after Mayfair robbery*, METRO PHILA. (Jun. 24, 2025), <https://metrophiladelphia.com/northeast-philly-ice-impersonator-robbery>.

<sup>78</sup> Jireh Deng, *Two men impersonated ICE agents to rob Latino residents, Anaheim police say*, L.A. TIMES (Jun. 24, 2025), <https://www.latimes.com/california/story/2024-06-24/two-men-impersonated-ice-agents-to-rob-latino-anaheim-residents-police-say>.

<sup>79</sup> AM. C.L. UNION, *supra* note 50; Benavides, *supra* note 1.

<sup>80</sup> BRIDGING DIVIDES INST., *Issue Brief: Mapping the Rise in Immigration-Related Demonstrations in Early 2025*, PRINCETON UNIV. (2025), <https://bridgingdivides.princeton.edu/issue-brief-mapping-rise-immigration-related-demonstrations-early-2025> (last visited Aug. 6, 2025).

<sup>81</sup> *Crime On the Rise: How Lawlessness is Impacting Main Street America*: Hearing before the H. COMM. ON SMALL BUS., 118<sup>th</sup> Cong. (Jan. 11, 2024).

## **Where Else Could Agencies' Time and Resources Have Gone?**

The American Immigration Council has warned that this administration's immigration crackdown would likely cost \$88 billion annually, with the bulk of the costs stemming from their construction of camps in which they can concentrate immigrants.<sup>82</sup> That is over double the annual lending in the SBA's flagship 7(a) loan program, and more than 277 times the amount appropriated for all of the SBA's business counseling programs combined in the last fiscal year.<sup>83</sup> From the One Big Beautiful Bill Act alone, the Trump administration has already allocated nearly \$25 billion to so-called border security activities, including immigration enforcement.<sup>84</sup>

This expansion of government spending, for the harassment and detention of hardworking immigrants, could be used elsewhere. For example, the federal government could be using these resources to protect and expand access to health care and education, and lower everyday costs for Americans. If the Trump Administration was serious about security and public safety, this money could have prioritized criminal investigations and crime prevention. Instead, the Administration is squandering billions of taxpayer dollars to terrorize and harm undeserving entrepreneurs, workers, and customers across the country.

## **Conclusion**

America's main streets are in crisis. Amidst the immigration chaos, small business owners are losing capital, sales, workers, and safety upon which their businesses thrive. ICE is running rampant through American towns and cities, terrorizing, brutalizing, and kidnapping hardworking Americans – including citizens – who form the backbone of the economy. In the wake of this campaign of destruction, communities everywhere have been gripped by fear – hurting business creation, growth, and innovation like never before. Immigrants are more scared than ever to come to America, stay, and contribute to the nation. If these efforts continue or escalate, America will lose the immense benefits that come from the workforce and diversity immigration brings.



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<sup>82</sup> AM. IMMIGR. COUNCIL, *supra* note 2.

<sup>83</sup> U.S. SMALL BUS. ADMIN., FISCAL YEAR 2026 CONGRESSIONAL BUDGET JUSTIFICATION & FISCAL YEAR 2026 ANNUAL PERFORMANCE PLAN (May 29, 2025).

<sup>84</sup> One Big Beautiful Bill Act, Pub. L. No. 119-21, §§ 90003-90007 (2025).