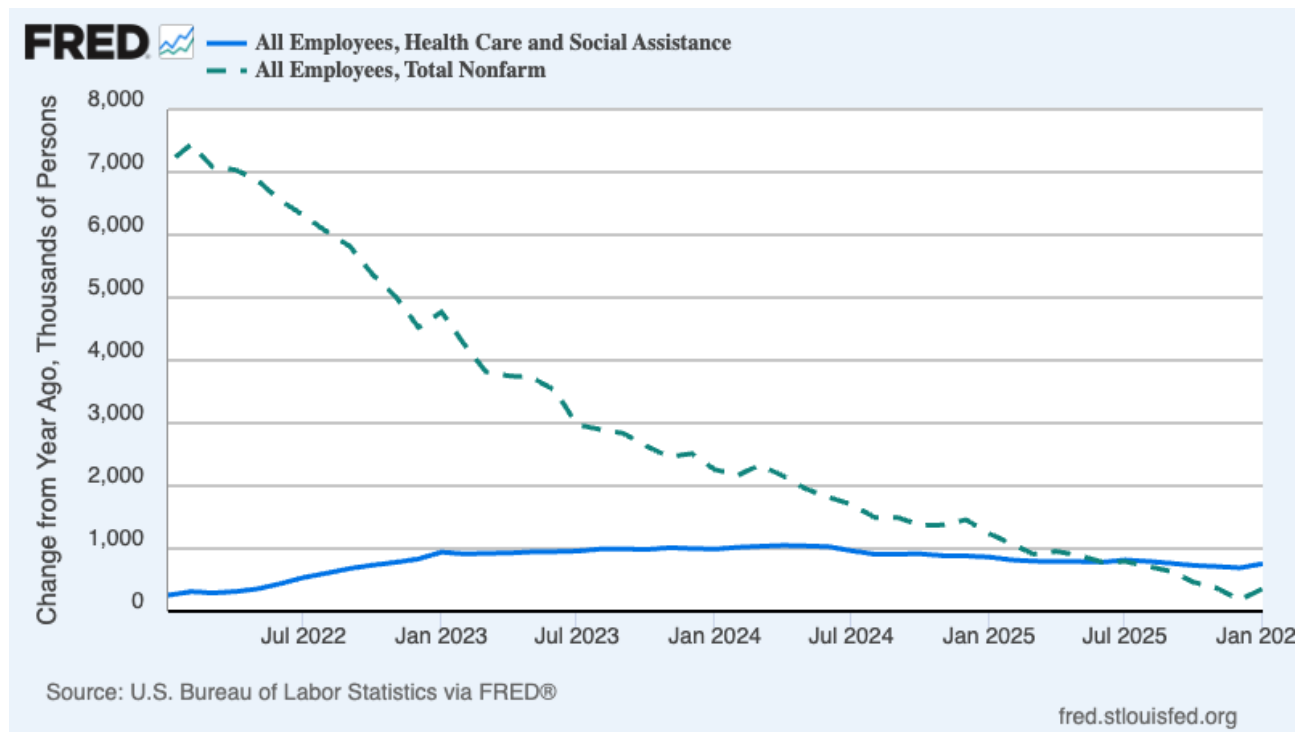


## Making America Stagnate Again

*di Paul Krugman*

*Deportations don't create jobs and will increase deaths of native-born Americans.  
Who knew?*

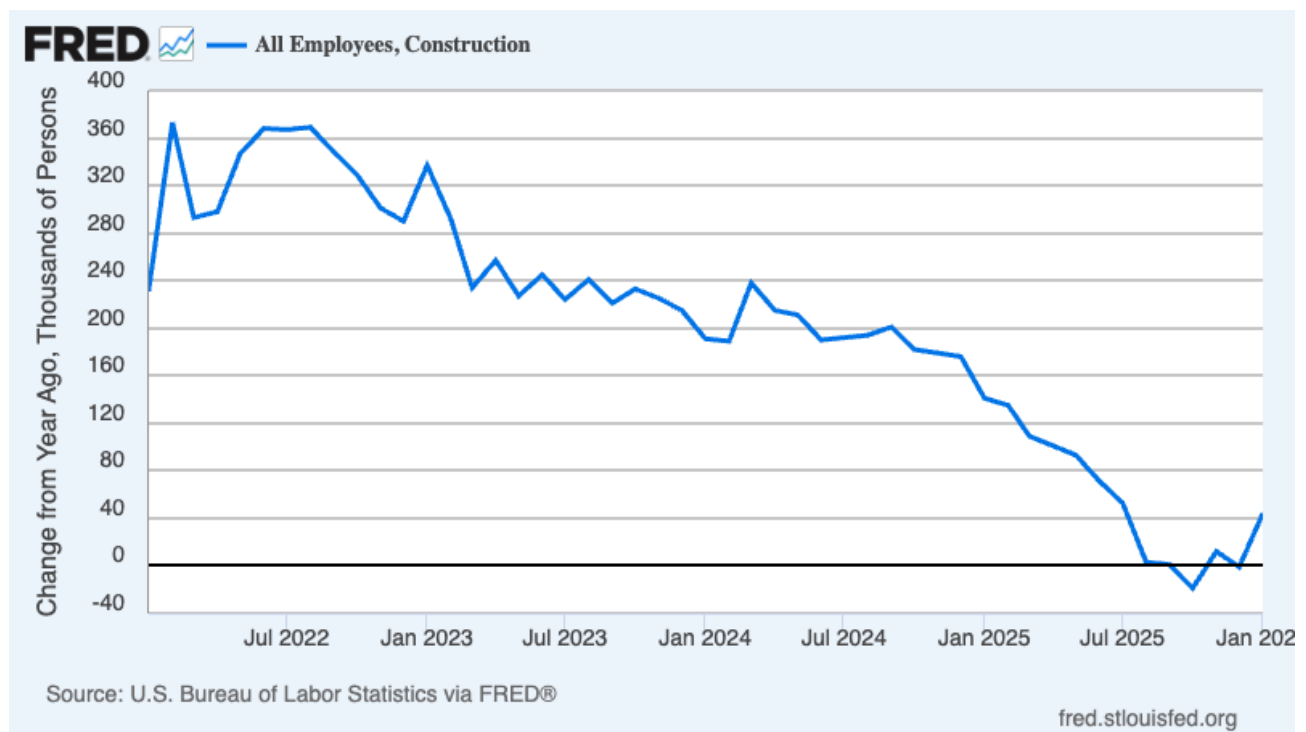


Yesterday's employment report was widely expected to be weak. As it turned out, it was unexpectedly strong, with an estimated 130,000 jobs added. But monthly job numbers are extremely noisy. If you read the details of the report from the Bureau of Labor Statistics, it actually said that its central estimate was 130,000 jobs, with the true number [lying between 7,700 and 152,000](#) (the 90 percent confidence interval that accompanies all its estimates). And for technical reasons not worth going into here, the true range of uncertainty is even bigger. Basically BLS estimates the *level* of

employment based on a sample subject to sampling error, which makes the estimated *change* over any given month extremely noisy.

A better indication of how the economy is doing is job gains over the past year, shown at the top of this post (dashed green line). This is a lot less noisy than the monthly number, and it also happens to cover the first year of Trump 47. Since January 2025 the economy is estimated to have added 359,000 jobs, down almost 900,000 from job growth the previous year. This indicates that the job market is very close to complete stagnation. Furthermore, the only sectors that saw large job growth were health care and social assistance (solid blue line). Employment elsewhere declined. Manufacturing employment, notably, fell. So Trump's economy is not exactly delivering the "manly jobs" that he promised.

Oh, and while both Donald Trump and [Scott Bessent](#) have recently asserted that construction jobs are booming, employment growth in construction, which *was* high under Biden, has in fact fallen precipitously:



Now, Trump officials have been vigorously spinning weak job growth on their boss's watch. What's interesting is the excuse for near-stagnation offered by both Kevin

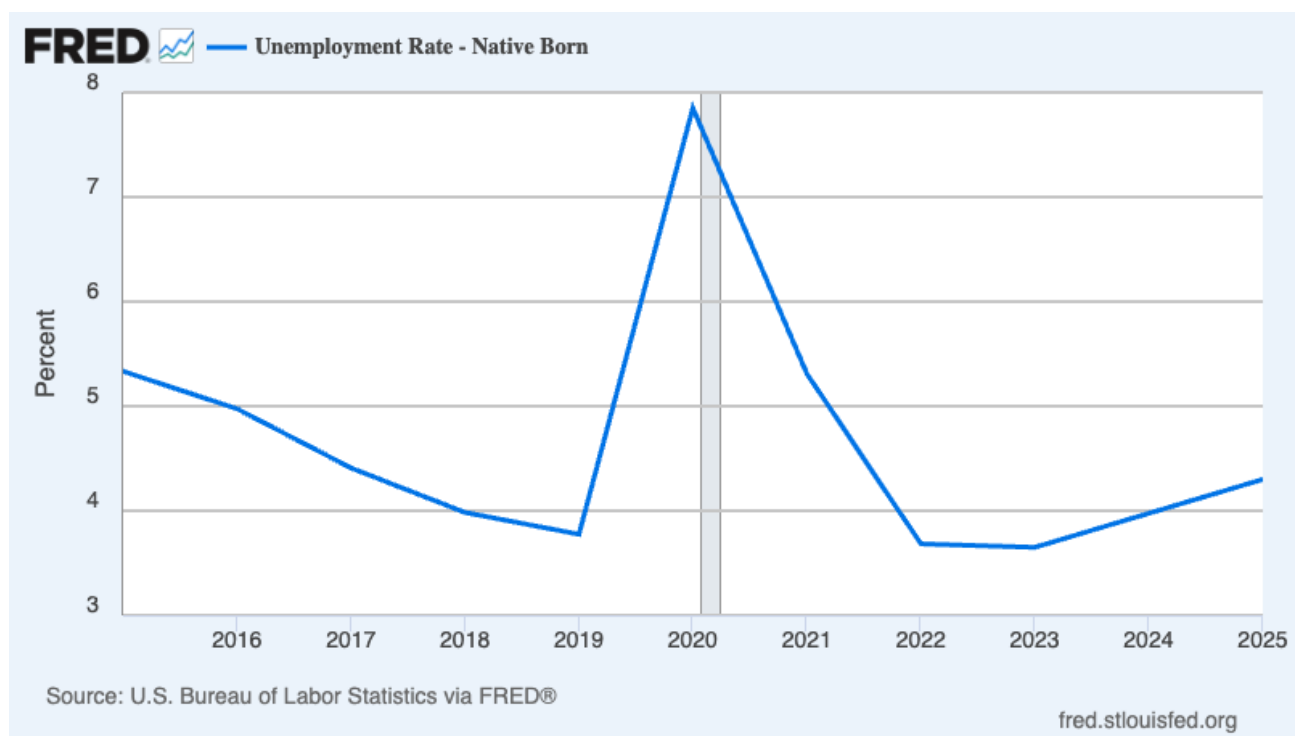
Hassett, the chair of the National Economic Council, and Peter Navarro, Trump’s trade czar: Job growth has stalled because of mass deportations.

Wait, what?

Since we’re talking about Trump appointees, some of what these officials said involved flat-out lying. Navarro, in particular, [declared](#) that “we’re deporting millions of illegals out of our job market” — ICE has “only” arrested around [393,000 people](#). He also disparaged strong job growth during the Biden years, saying

[A]ll of the jobs we were creating in Biden years were going to illegals. Americans were going to the unemployment lines.

There aren’t good data on how many jobs are going to illegal immigrants, but we do know that unemployment among native-born Americans *fell* under Biden but rose last year:



Compulsive lying aside, however, the fact that Trumpists are attributing stalled job growth to reduced immigration is astonishing, because it’s an admission that the fundamental economic premise behind mass deportations was always false. After all,

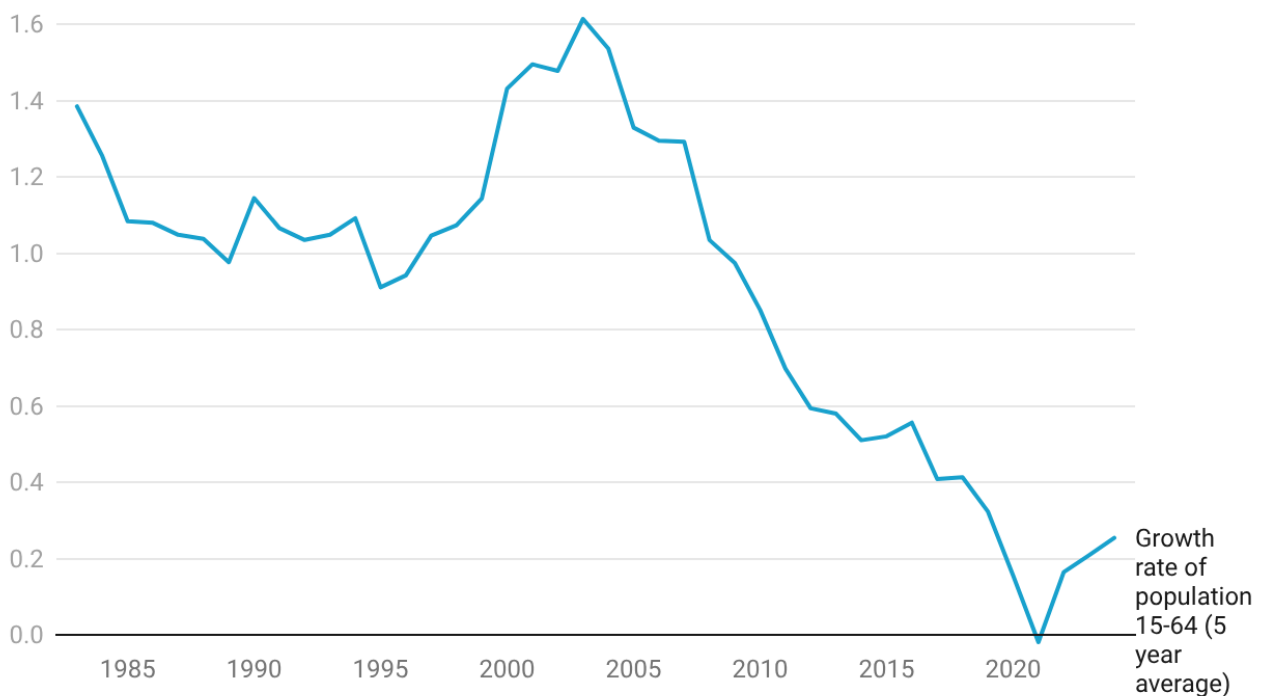
the claim was that immigrants were taking jobs away from the native born. Now MAGA officials are saying that deporting foreign-born workers reduces employment, which implies that previous immigration was creating new jobs, not taking them away.

So what are those mass deportations about, exactly? Oh yes, we're getting rid of violent criminals — except that very few of those being swept up by ICE have violent criminal records, and crime rates among undocumented immigrants are actually low. But while reducing the number of foreign-born workers may not help the native-born, does it actually hurt them? Yes.

There are two big reasons mass deportations and shutting out or scaring away future immigration will hurt the native born.

First is demography. Like every advanced nation and many developing countries, the U.S. has seen fertility decline below the rate needed to keep the population from shrinking, and growth in the working-age population and hence the potential labor force has already slowed to a crawl:

## Growth rate of working-age population



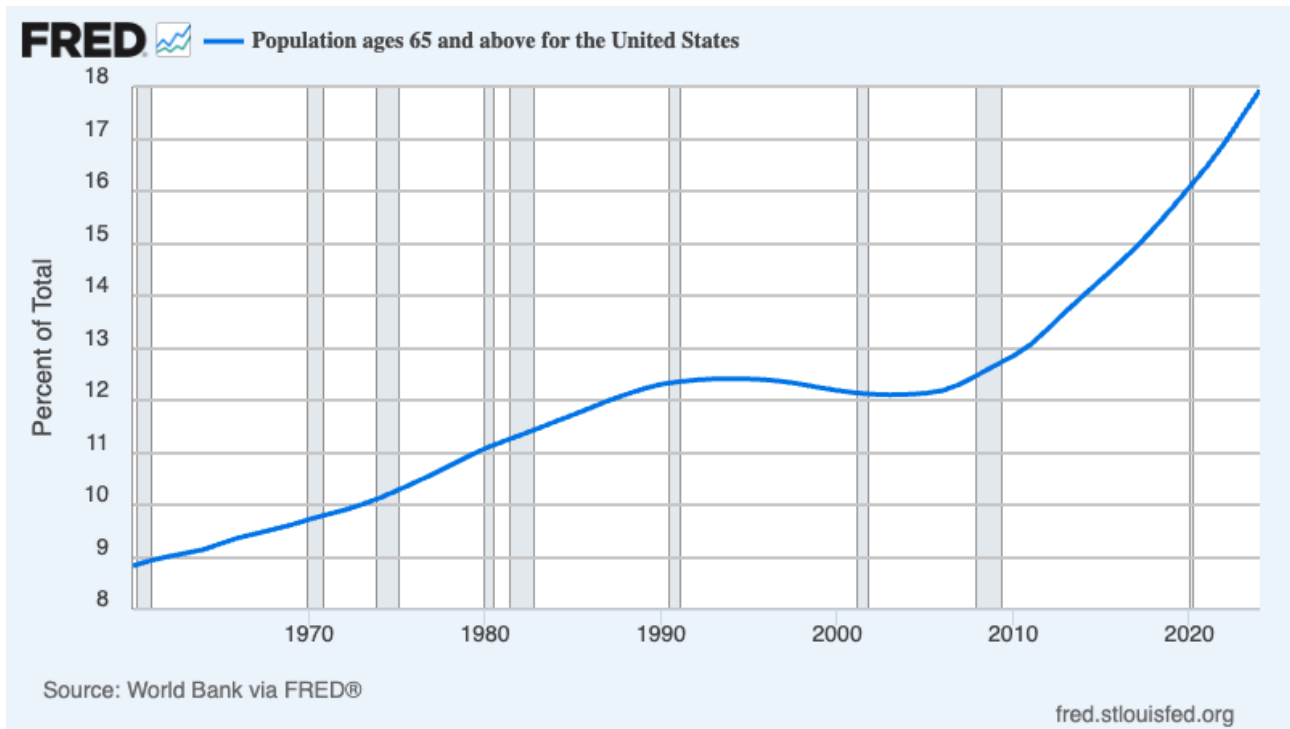
Source: OECD

However, the working-age population would already have been declining, Japan-style, without immigration — and although we don't have reliable numbers, it seems likely that the Trumpists *have* effectively [cut off the inflow](#) of working-age immigrants.

Without those immigrants, who will pay the taxes that support Medicare and Social Security? True, immigrants place some demands on government services, but these are hugely outweighed by their contribution to government revenue, both through the taxes they pay directly and through their role in boosting economic growth. The Congressional Budget Office just released its latest fiscal projections; these have gotten substantially worse compared with a year ago, in part because the budget office is factoring in the negative effects of [reduced immigration](#).

In fact, CBO's numbers probably understate just how extreme anti-immigrant policy has become. Also, the projection only extends for the next 10 years, and the adverse fiscal effect of cutting off immigration will be even larger further in the future.

Beyond worsening our already unsustainable fiscal situation, a cutoff of immigration raises the question of who will provide essential services to our still-rapidly-growing population of senior citizens:



This demographic concern about immigration interacts with the second big reason reduced immigration hurts native-born Americans: We need immigrant workers to do jobs the native-born can't or won't do.

As I have repeatedly [pointed out](#), the available evidence suggests that immigrants are mainly complements, not substitutes, for native-born workers. Foreign-born workers aren't evenly spread across the economy. They are, instead, concentrated in occupations where they make up a large share of the work force, so they aren't really competing with non-immigrant workers, but are making some goods and services cheaper and more available than they would be without immigrants.

Examples of occupations in which immigrants play a crucial role include farm labor, meatpacking and other food processing, and construction. Foreign-born workers also play crucial roles in providing health care:

## Immigrants as % of work force



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Source: [Migration Policy Institute](#)

With healthcare facing severe labor shortages, cutting off the supply of immigrant workers will raise the cost and reduce the availability of care — which will be especially hard on seniors, who are 19 percent of the population but account for [more than 40 percent](#) of health expenditures.

A [new paper](#) by David Grabowski, Jonathan Gruber and Brian McGarry uses variation in immigration over time and across metropolitan areas to estimate the impact of immigration on the health care labor force. They find that the arrival of an extra 1000 immigrants leads to employment of an additional 28 aides, 49 nurses and 19 doctors. This effect on the number of healthcare workers means, in turn, that increased immigration leads to lower senior mortality, and conversely that blocking immigration and deporting foreign-born workers will increase deaths among older Americans. A back of the envelope calculation using Grabowski et al's numbers suggests that reducing the immigrant population by one million immigrants, which is what Stephen Miller wants to do every year, would lead to around 15,000 extra deaths per year among U.S. seniors.

Which brings me back to the stunning stagnation of job growth that has already taken place on Trump's watch. Trump's minions would have you believe that near-zero job growth is fine because immigration has plunged — even though they assured us that this wouldn't happen. But the reality is that the war on immigrants, in addition to being a moral and civil liberties nightmare, will make native-born Americans poorer — and send thousands of us to an early grave.