

APOLLO

# The impact of immigration restrictions and deportations on labor supply, nonfarm payrolls, wages, and housing demand

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**Apollo Global Management**

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Unless otherwise noted, information as of July 2025

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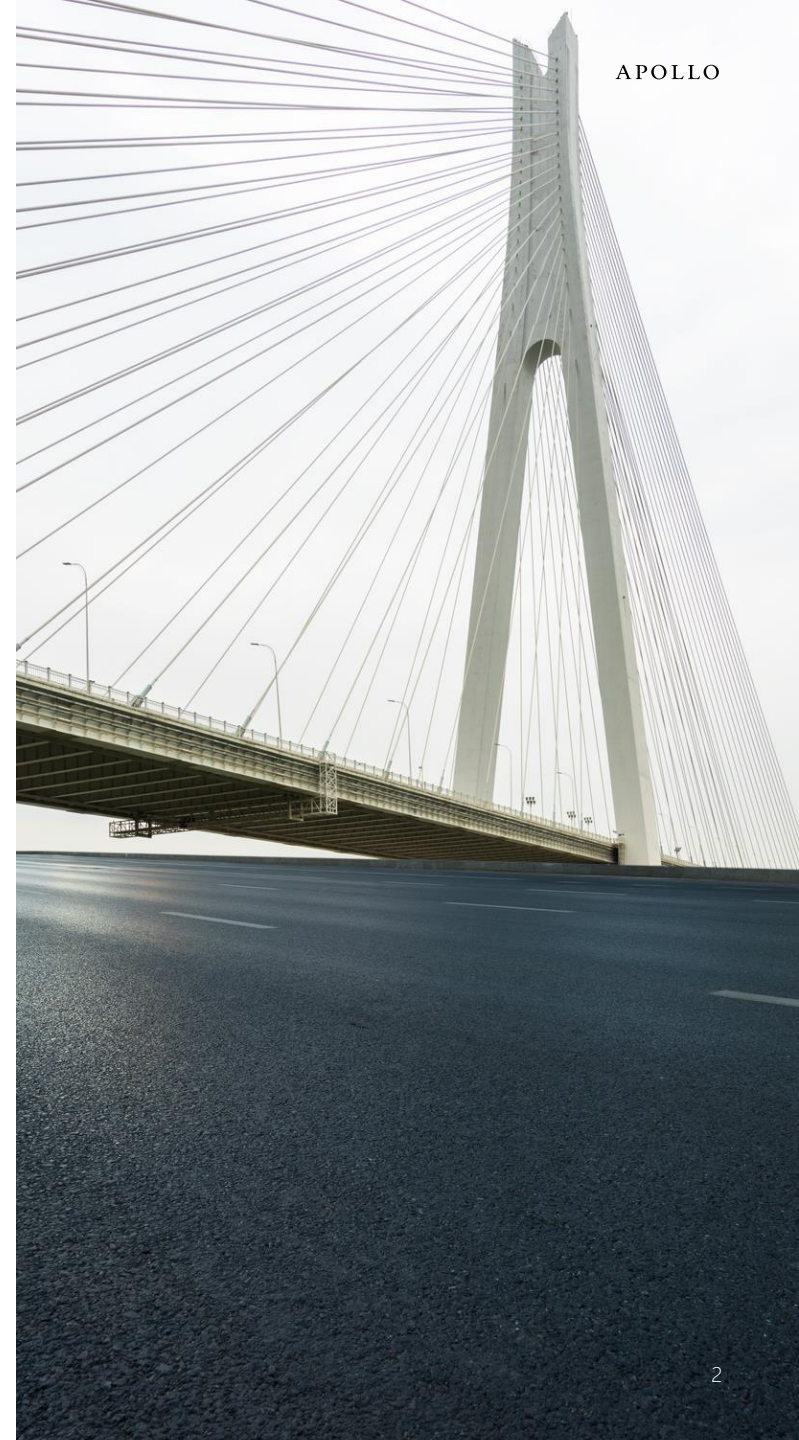
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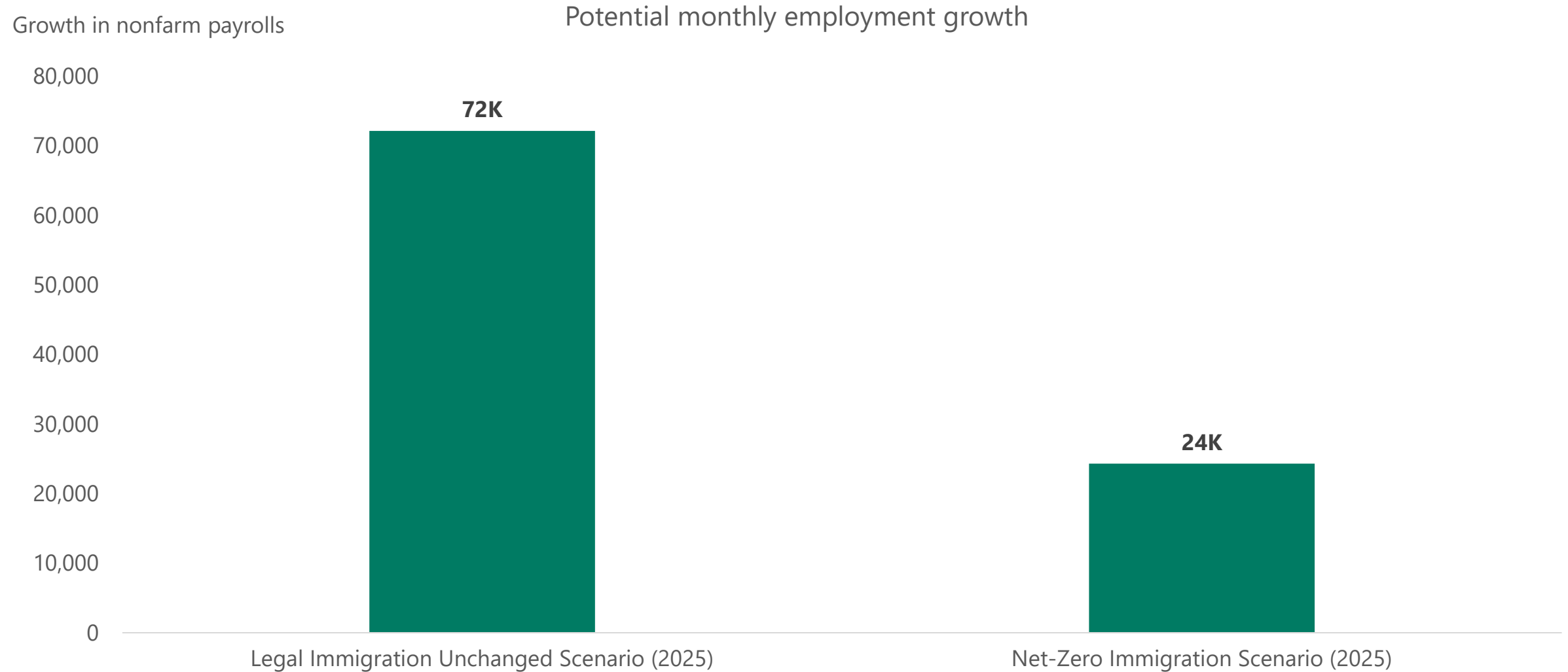
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# Conclusions

1. If 3,000 people are deported every day, the labor supply will decline by about 1 million in total in 2025
2. Combined with additional immigration restrictions, job growth is slowing down.
3. **If legal immigration continues at current levels and illegal immigration declines to zero, the new level of monthly nonfarm payrolls is 72K**
4. Deportations and immigration restrictions are likely to increase wage growth in agriculture, construction, and leisure & hospitality
5. Deportations and immigration restrictions lower demand for housing

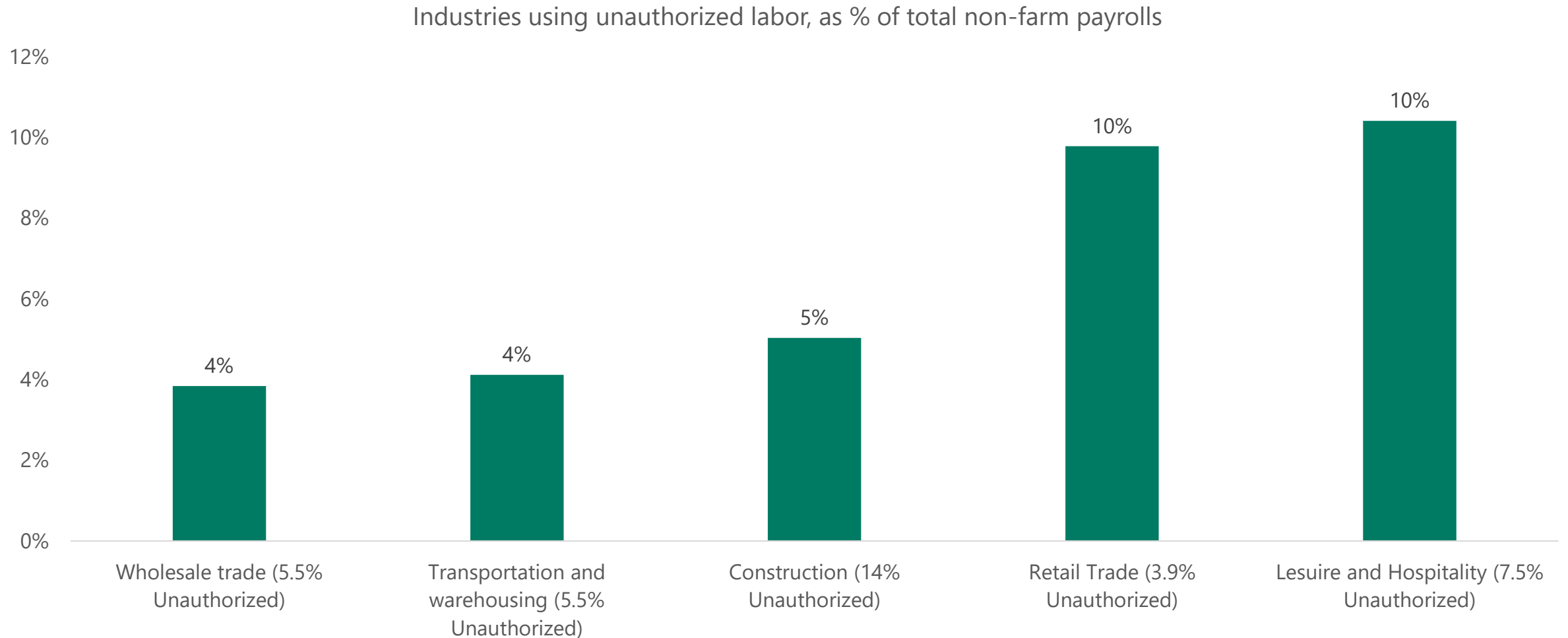
# Future changes in monthly employment depend on immigration policy



Source: Congressional Budget Office: The Demographic Outlook

Notes: Calculations use Congressional Budget Office demographic data as well as current Bureau of Labor Statistics reports to project monthly changes in employment

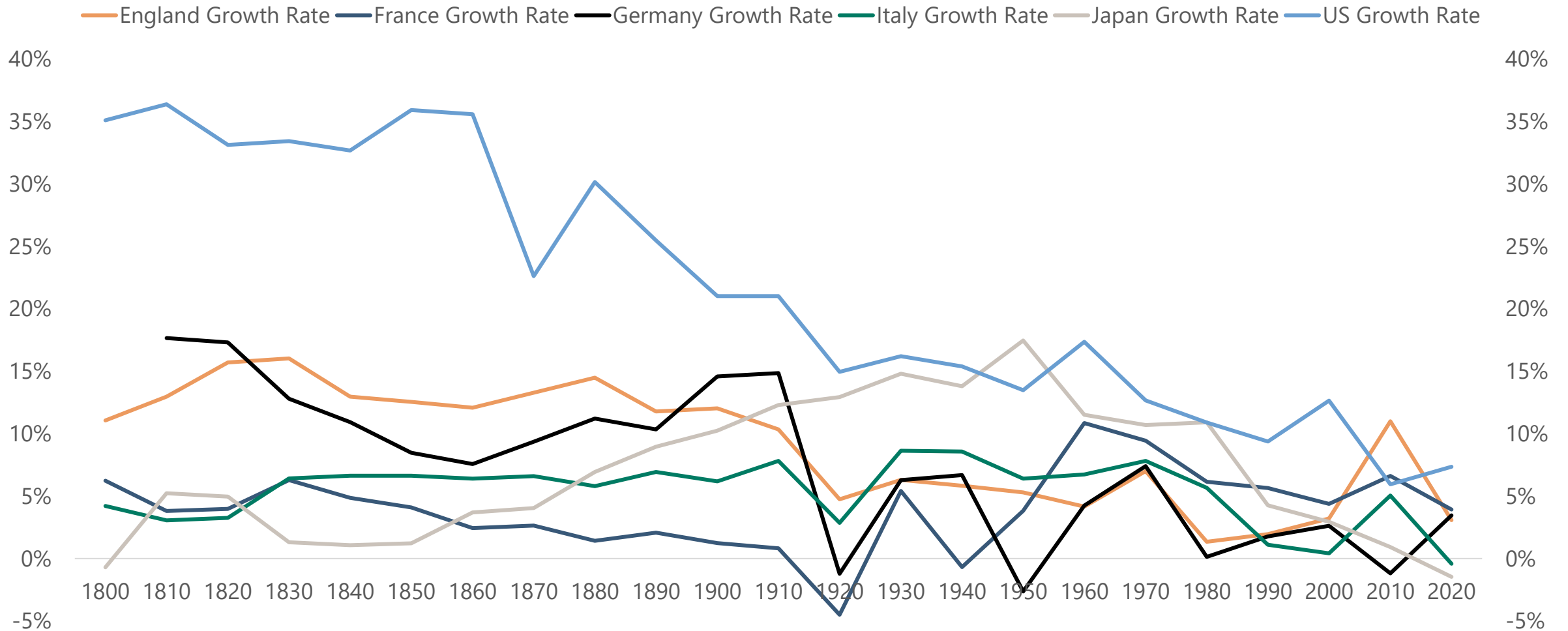
# Industries using unauthorized labor make up a significant portion of total US employment



# US population growth and unauthorized immigration

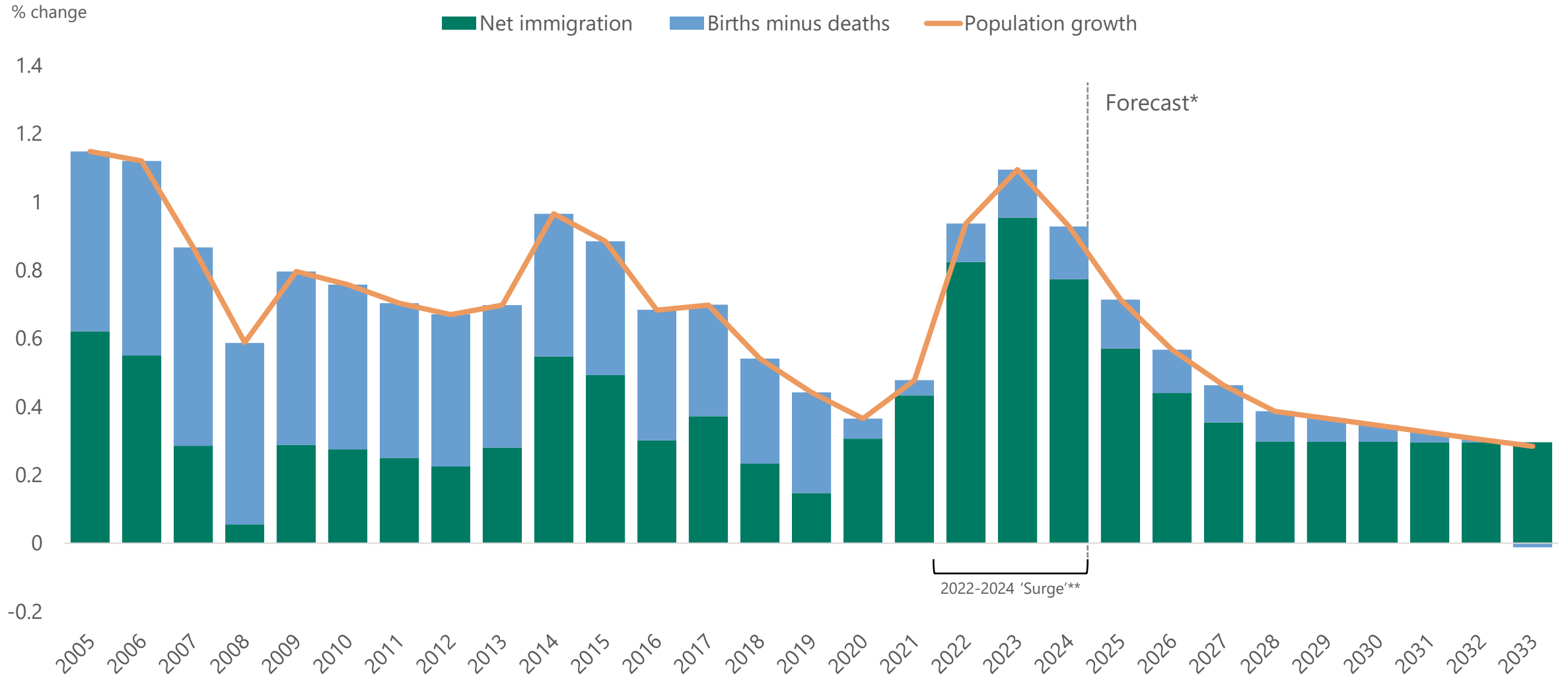
# Population growth used to be a lot higher in the US

Population growth rate per decade



# Without immigration the US population will begin to decline starting in 2033

Demographic factors that contribute to population growth

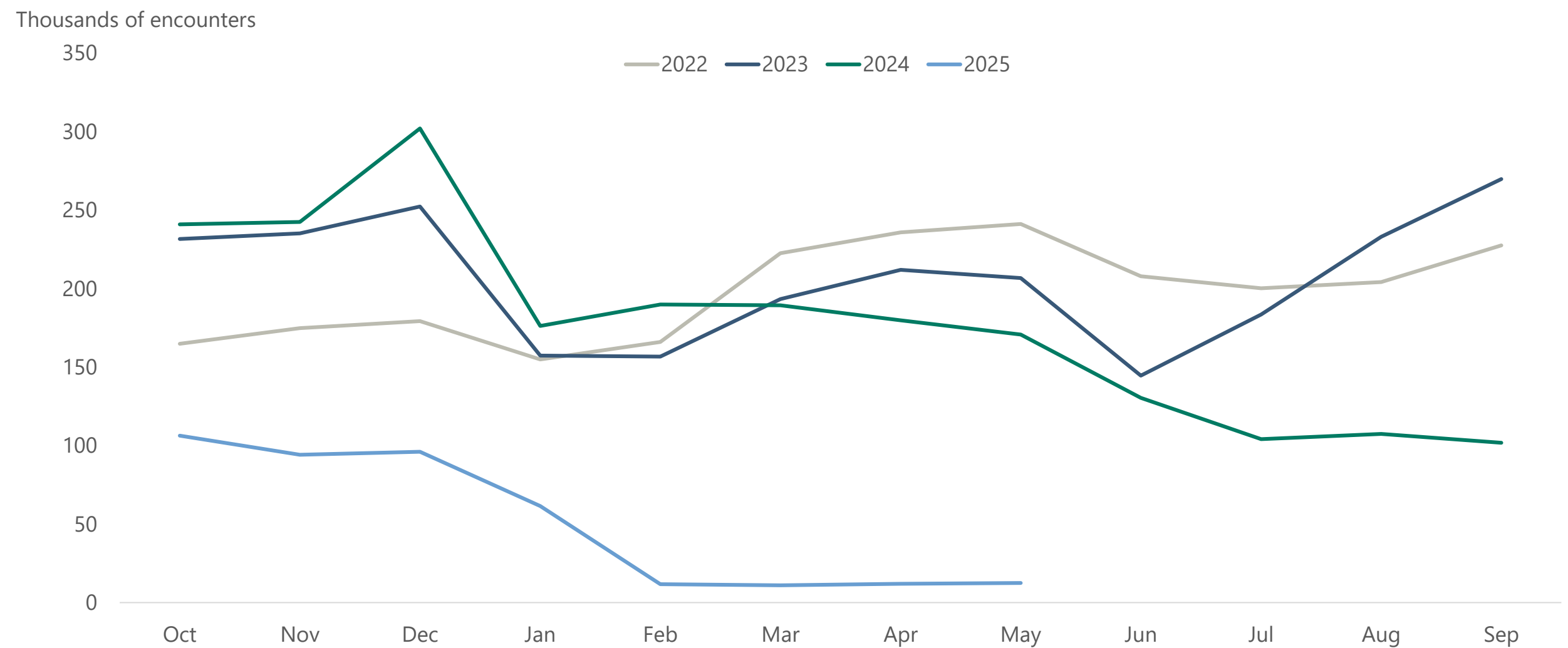


Source: Congressional Budget Office

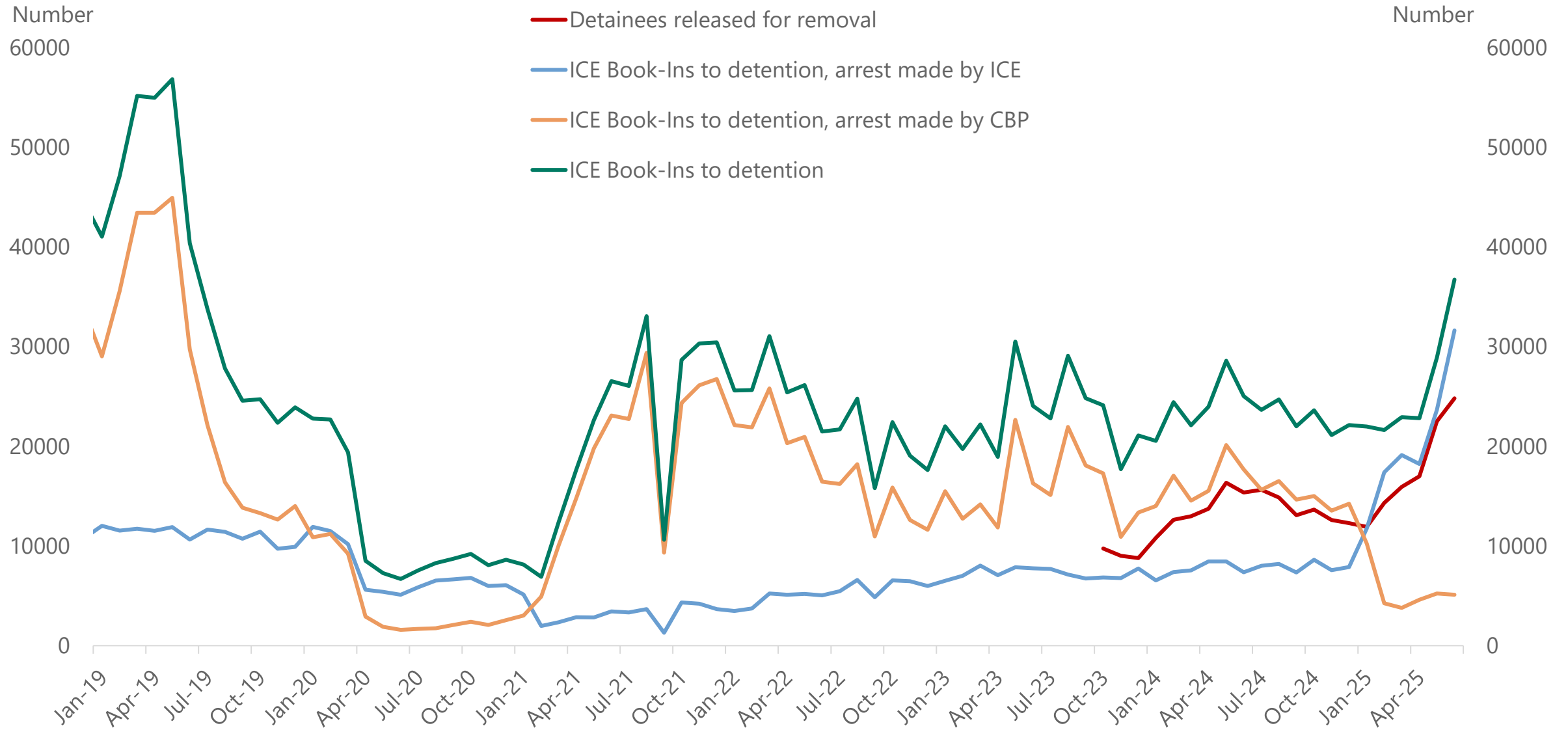
\*Forecast reflects a reversion to average net immigration and not deportation or policy changes \*\*The largest immigration surge in US history



# The number of southwest border encounters has declined to near zero in 2025

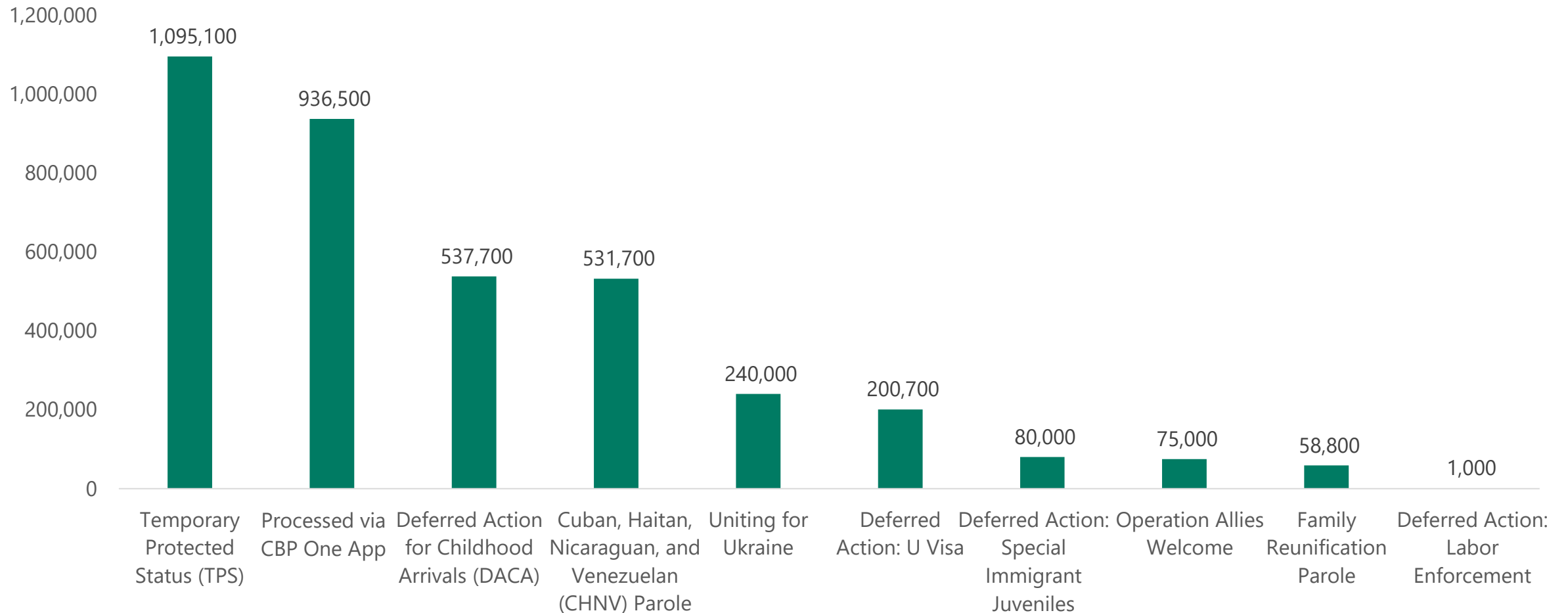


# Deportations: ICE Book-Ins



3.8 million immigrants in the US have liminal or ‘twilight’ status through programs, which are being suspended or terminated

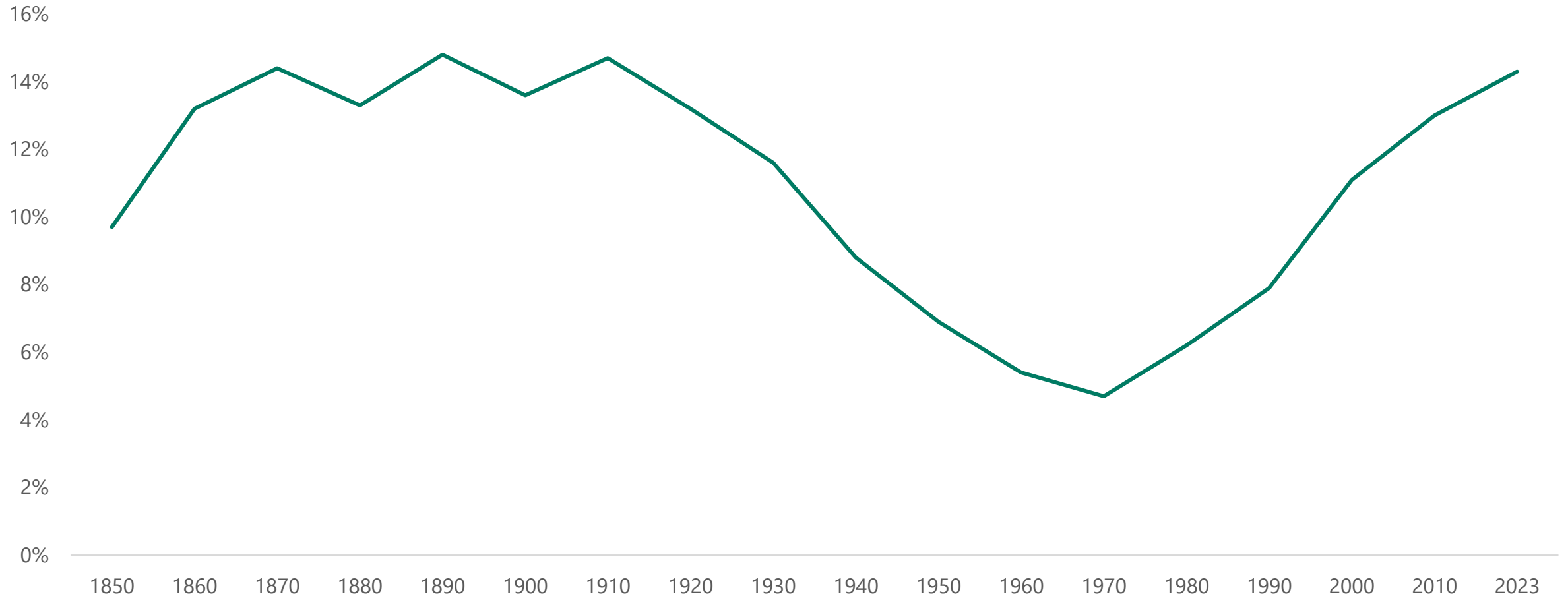
Number of beneficiaries of Liminal Status Programs (2024)



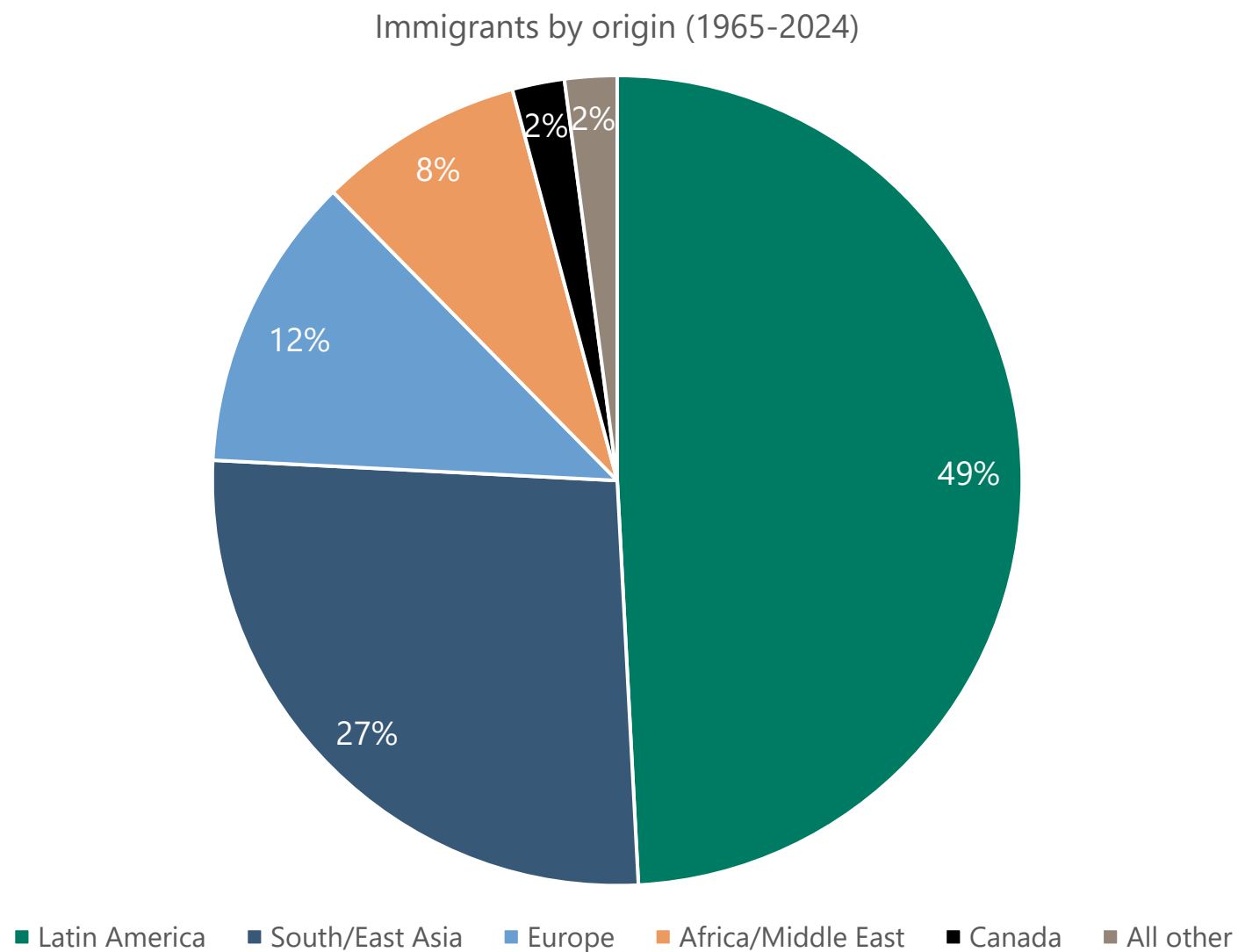
# The composition of the US immigrant population

# Immigrants as a share of the total population since 1850

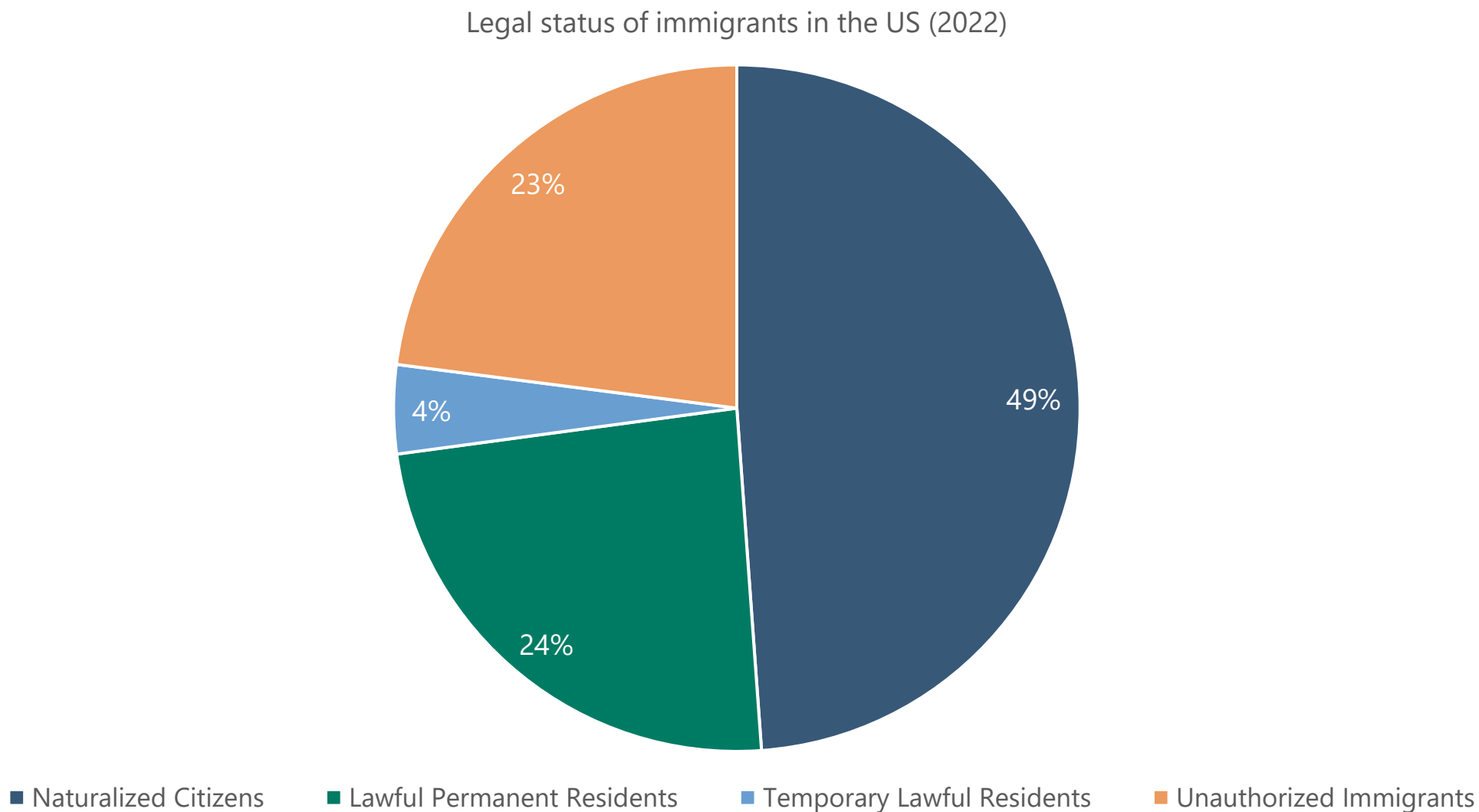
Foreign born as percentage of total population



# US immigrants are primarily from Latin America and South/East Asia

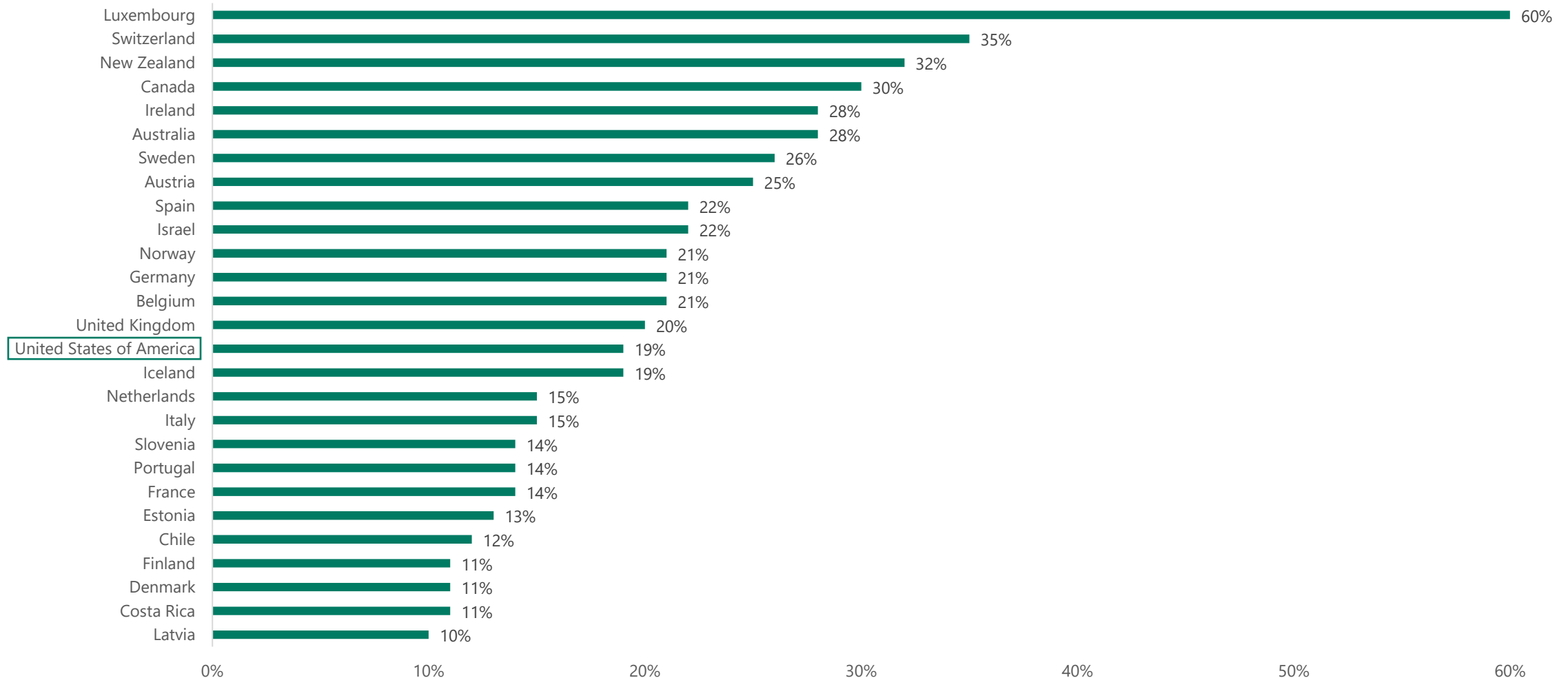


# Most immigrants are in the US legally



# The US is not an outlier in terms of migrant work force

Percentage of labor force who are international migrants (OECD Countries)

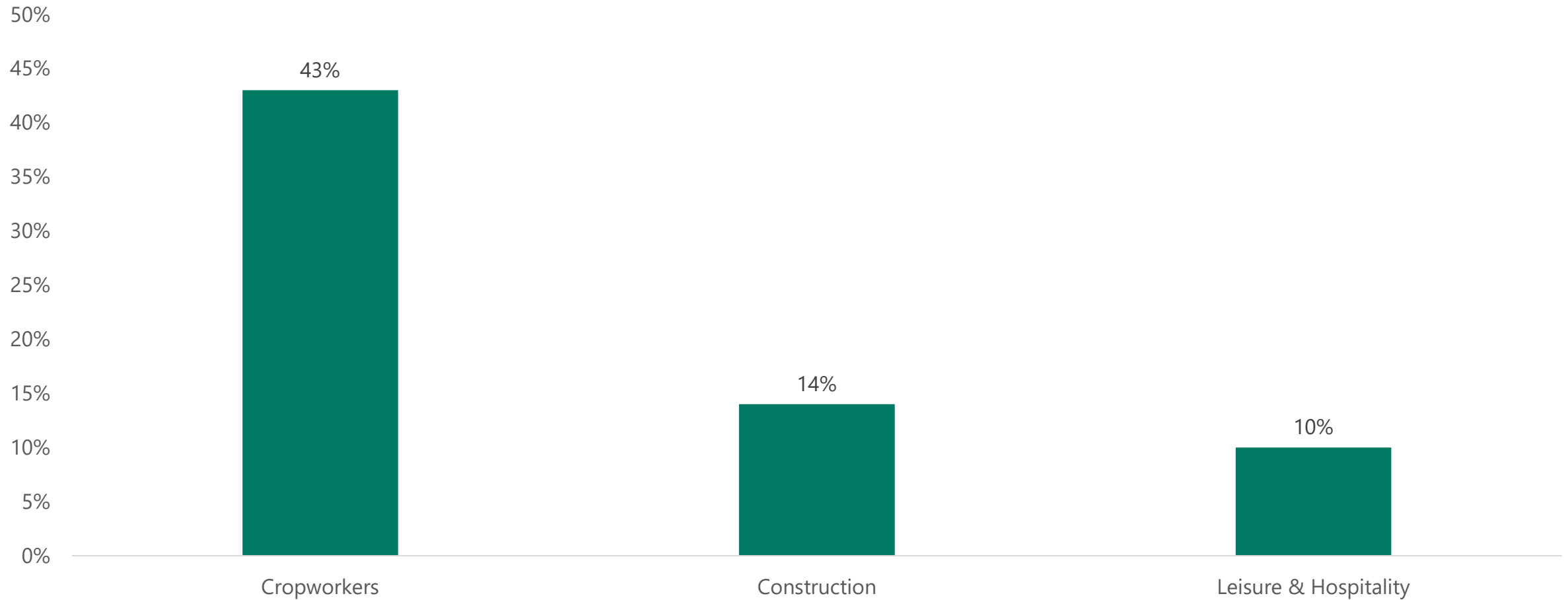




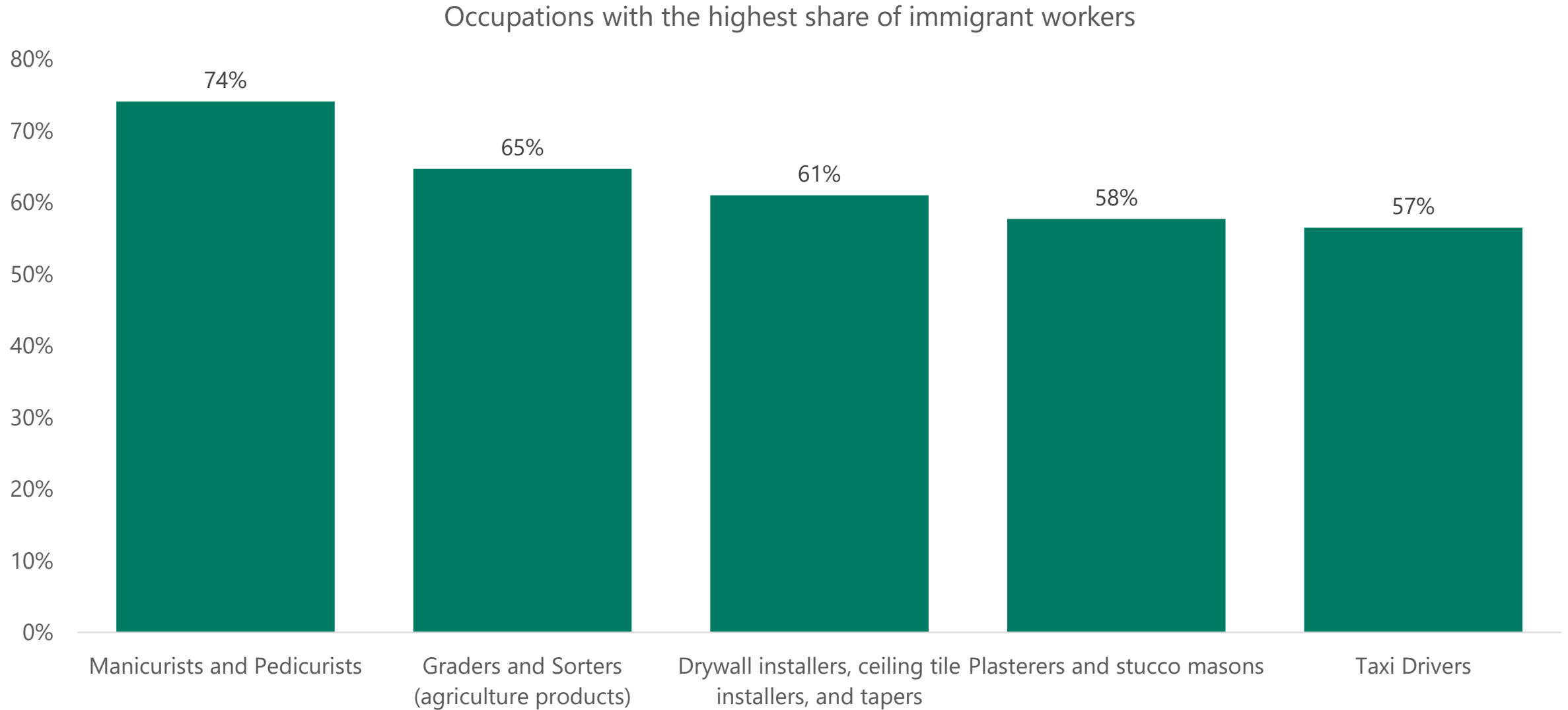
The importance of immigrant workers in  
agriculture, construction, leisure, and hospitality

# Unauthorized workers make up a significant share of employment in key industries in the US

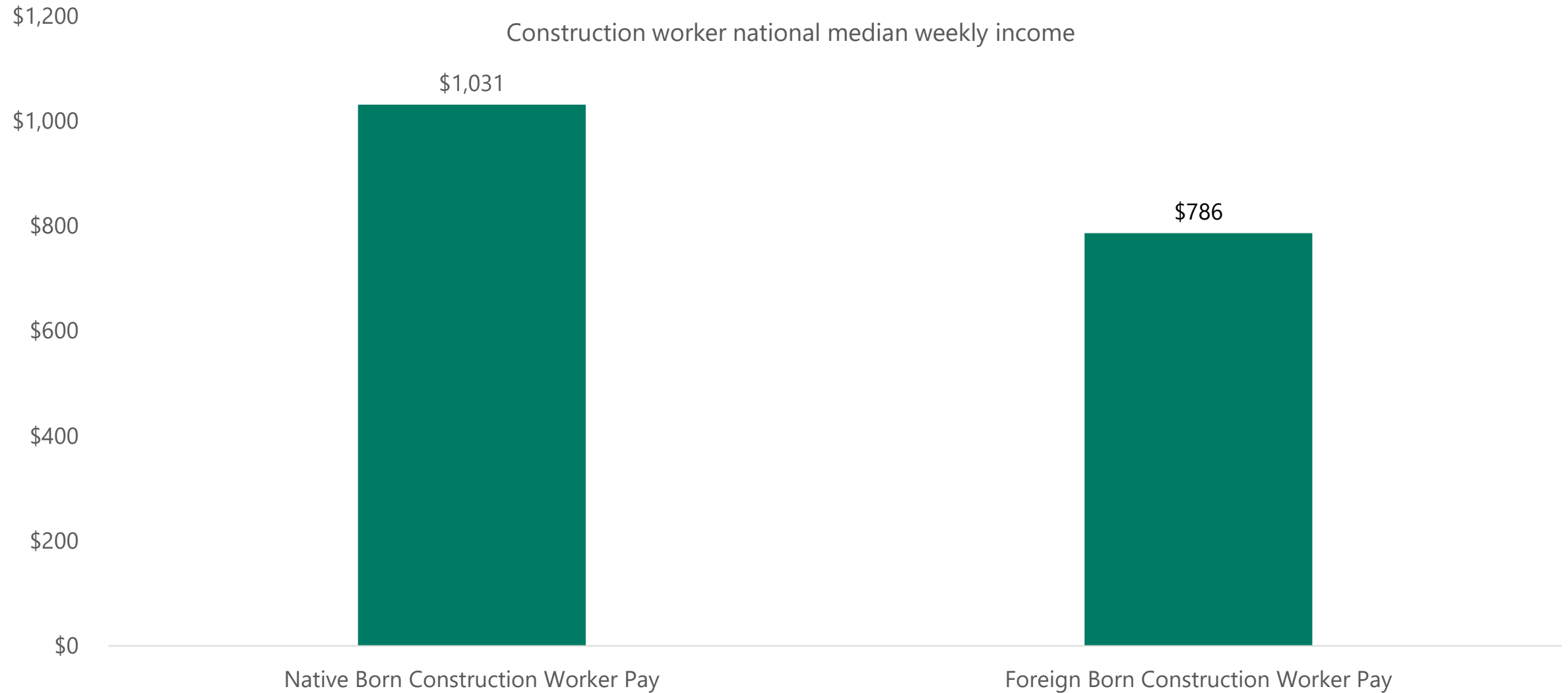
Estimated share of unauthorized workers, from surveys



# Occupations with the highest share of immigrant workers

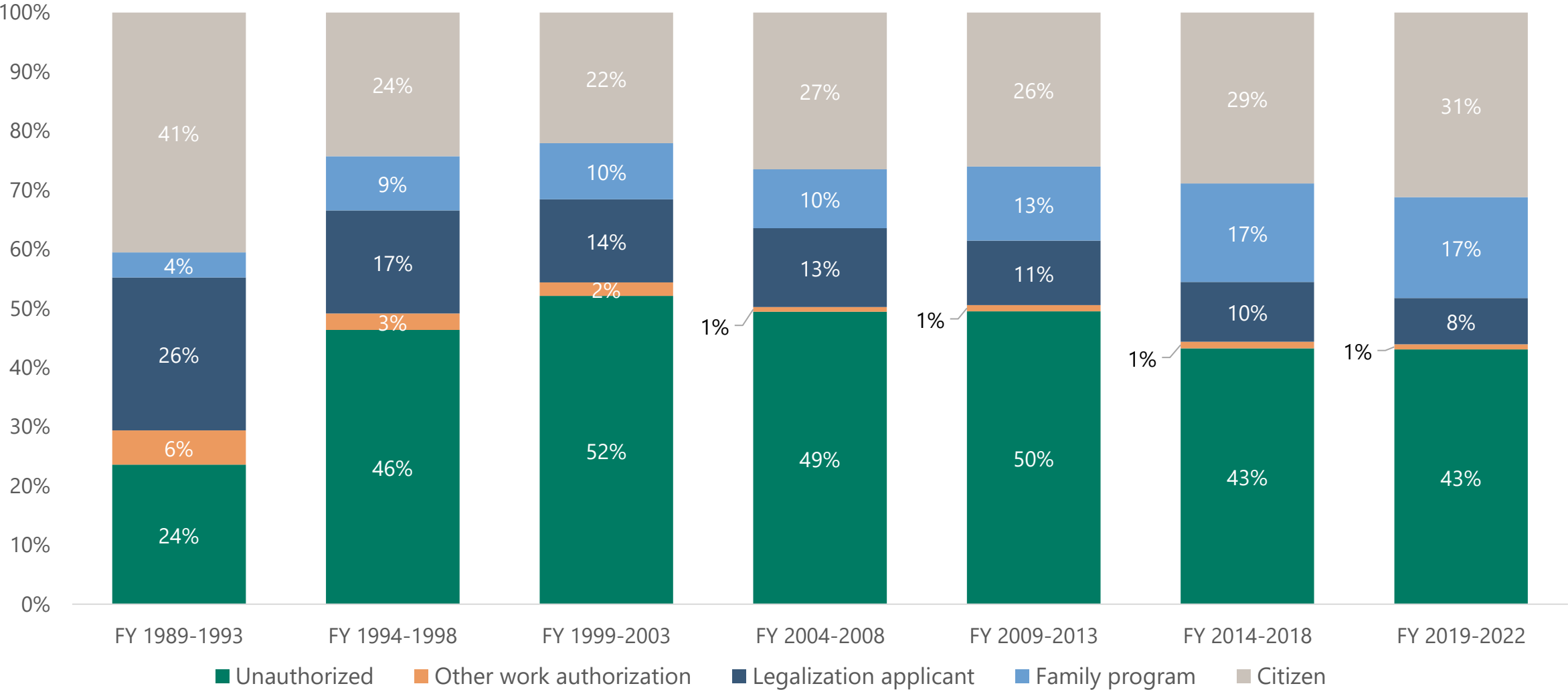


# Foreign born construction workers have lower wages than native born workers



# 43% of crop workers in the agriculture sector are unauthorized labor

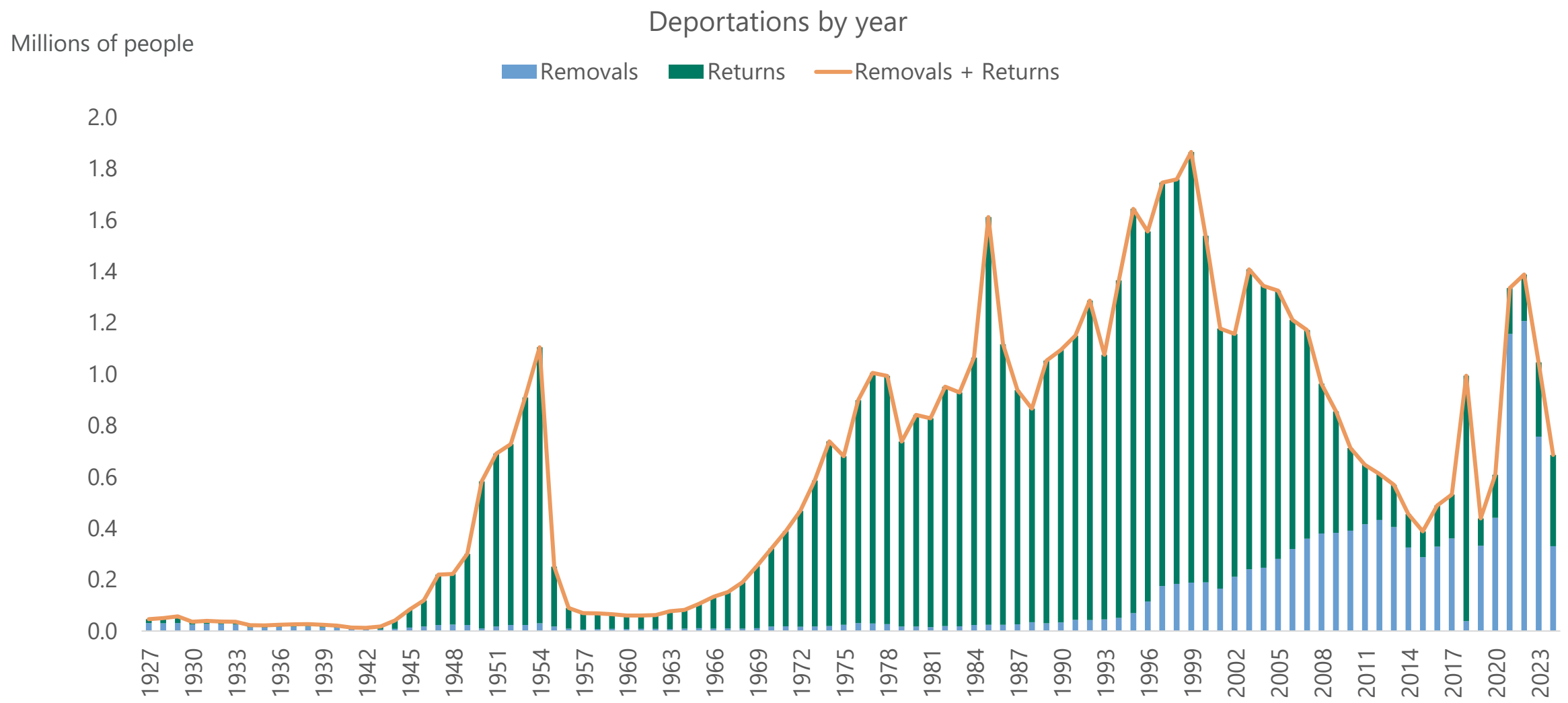
Hired crop workers by authorization status



Sources: US Department of Agriculture

# The effects of deportations on the economy

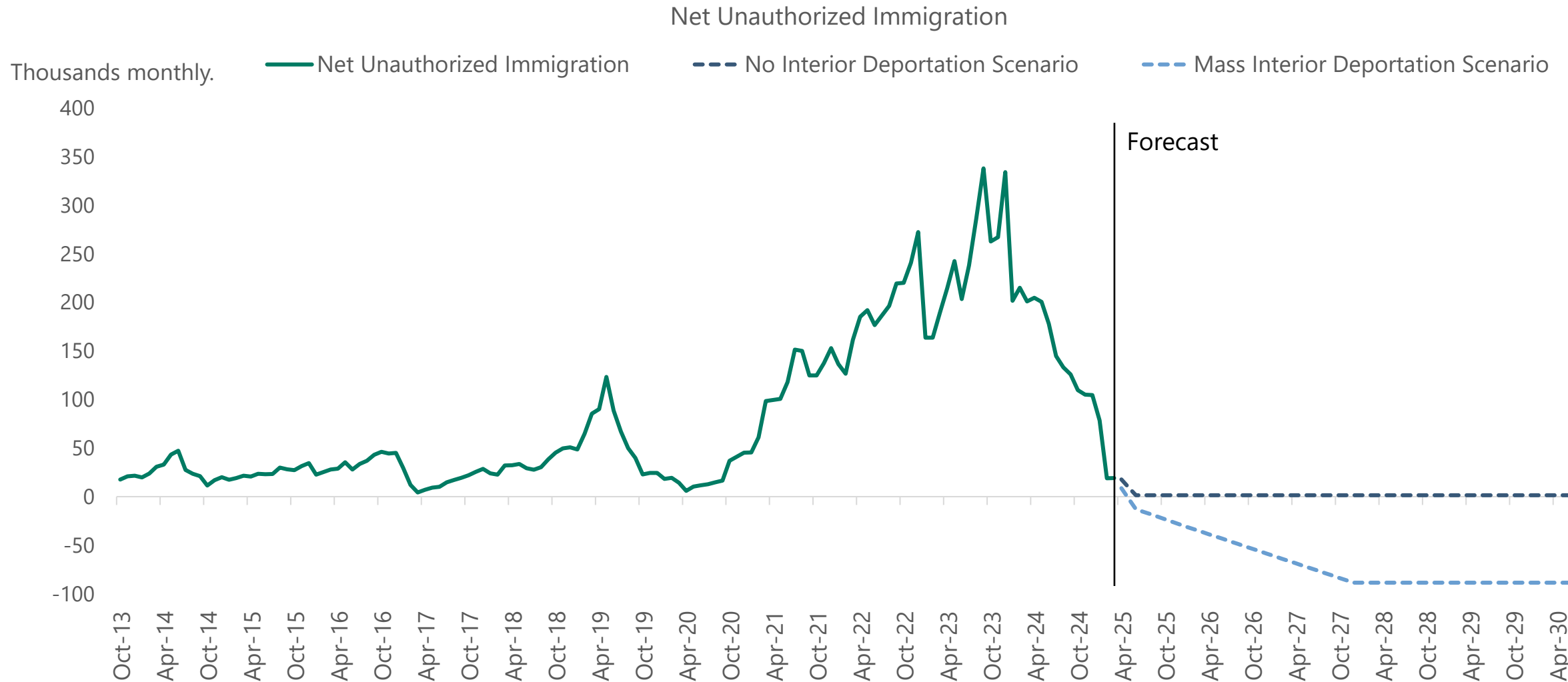
# The scale and type of deportation has changed over time



Source: Department of Homeland Security

Note: Removals involve a formal order and often penalties for future reentry while returns do not involve an order and include voluntary departures.

# Net unauthorized immigration is declining

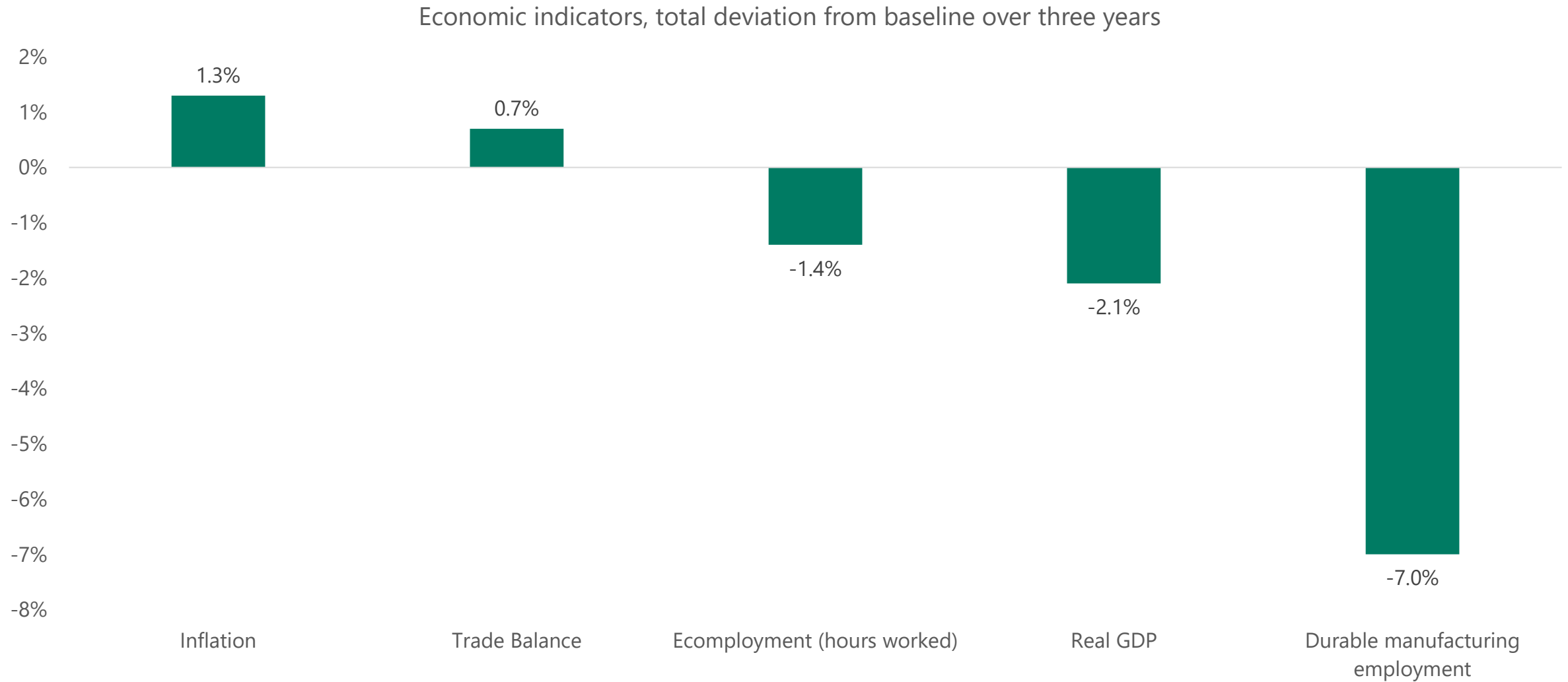


Source: Federal Reserve Bank of Dallas

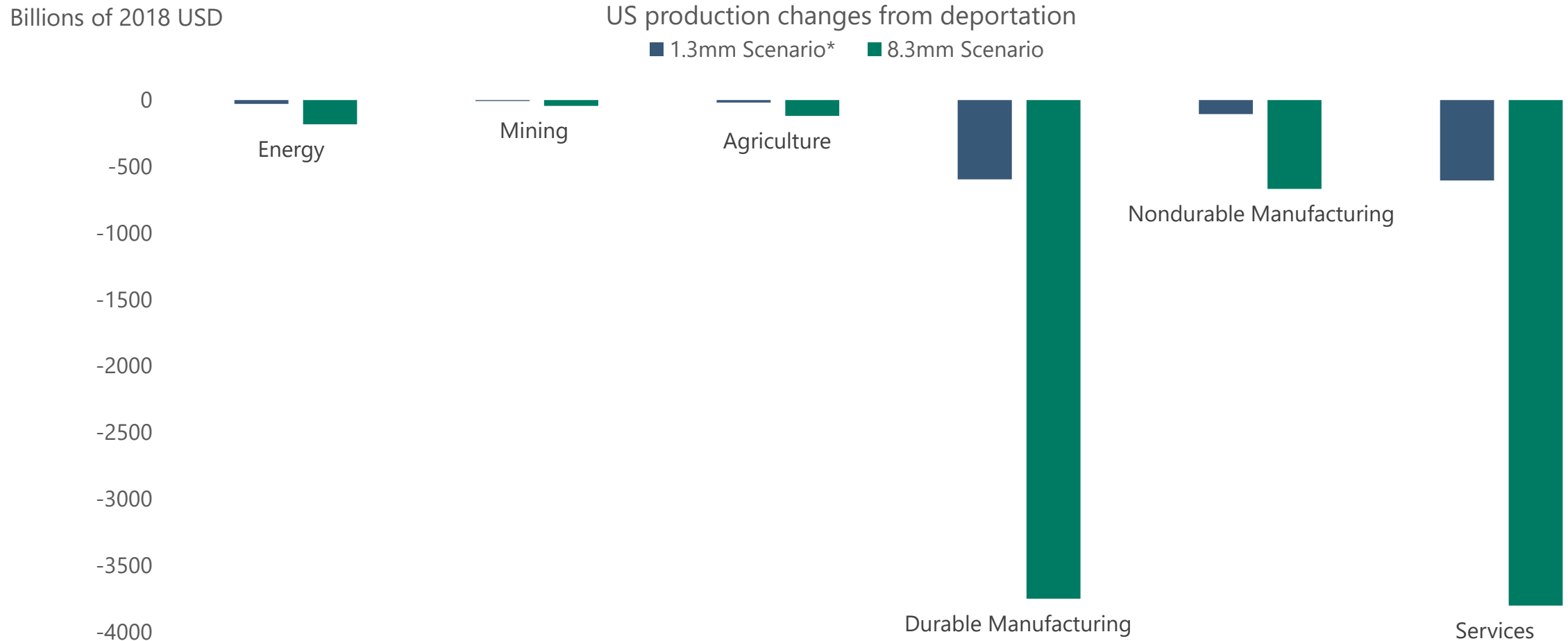
\*Both scenarios assume that the border-inflow component of unauthorized immigration will continue to near zero



# Deporting 1.3 mn workers would increase inflation while decreasing real GDP and employment, particularly manufacturing employment



# Model-based simulations show that large-scale deportations would have outsized effects on economy



Source: Working Paper 24-20 by Warwick McKibbin, Megan Hogan, and Marcus Noland, The international economic implications of a second Trump presidency

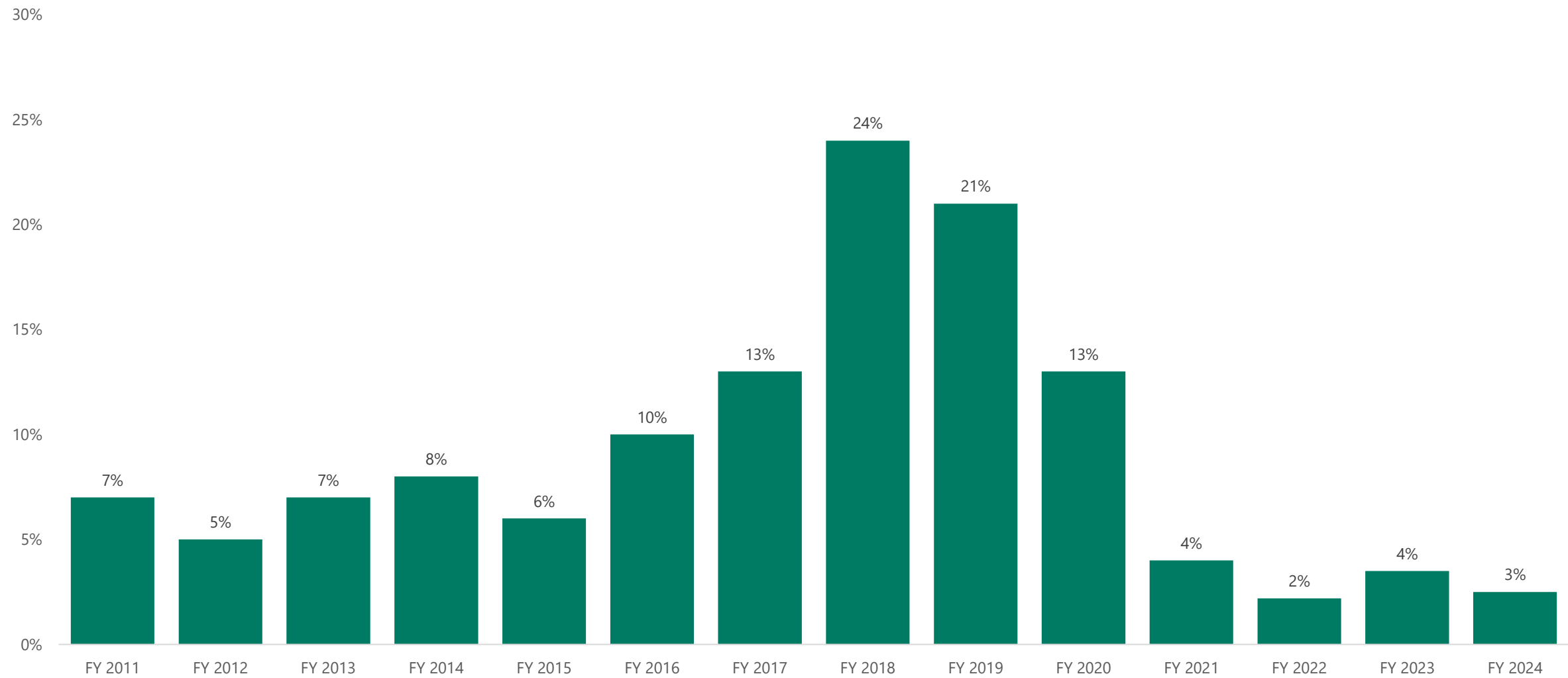
\*1.3 million is the amount deported in 1956 during the Eisenhower administration.

Note: Changes in production are calculated by applying the share of employees lost in a sector as well as additional jobs and production lost as a result

H1-B visas

# H-1B Visa denial rate is impacted by policy and subject to large changes

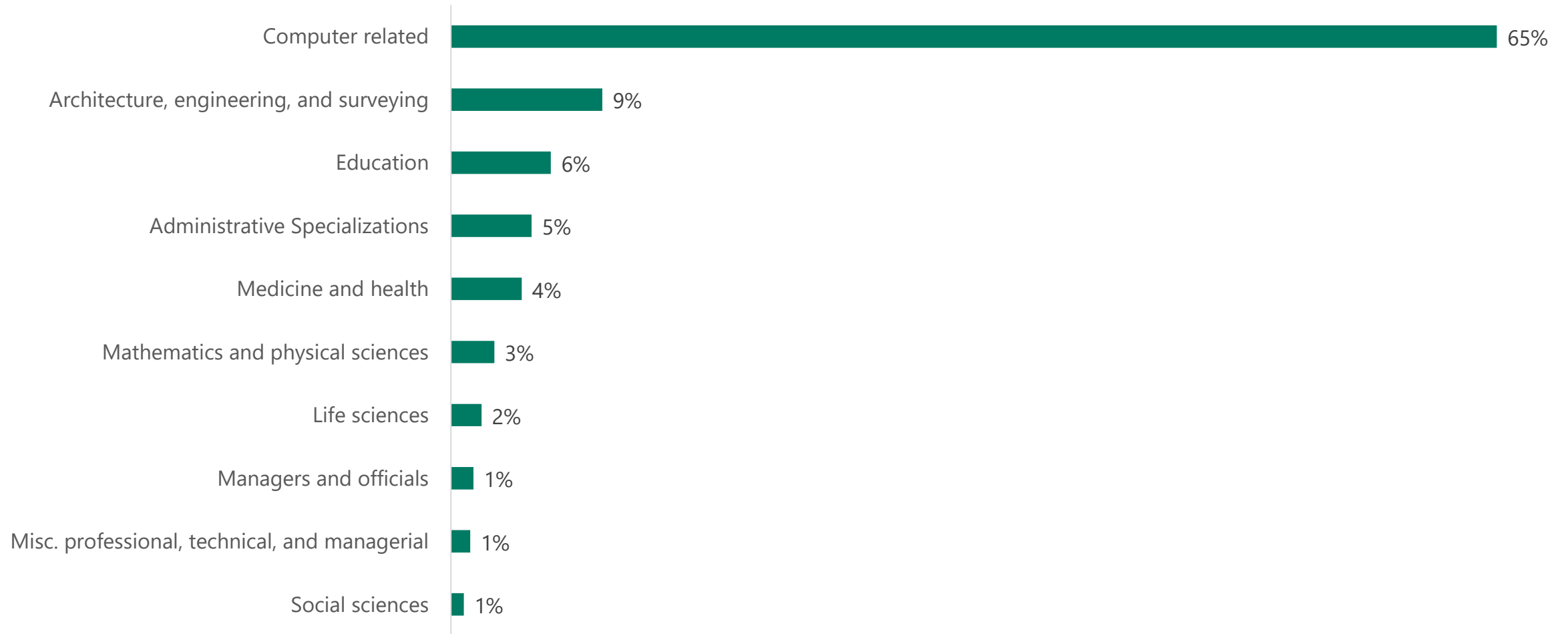
H1B Denial Rate for Initial (New) Employment



Source: US Citizenship and Immigration Services

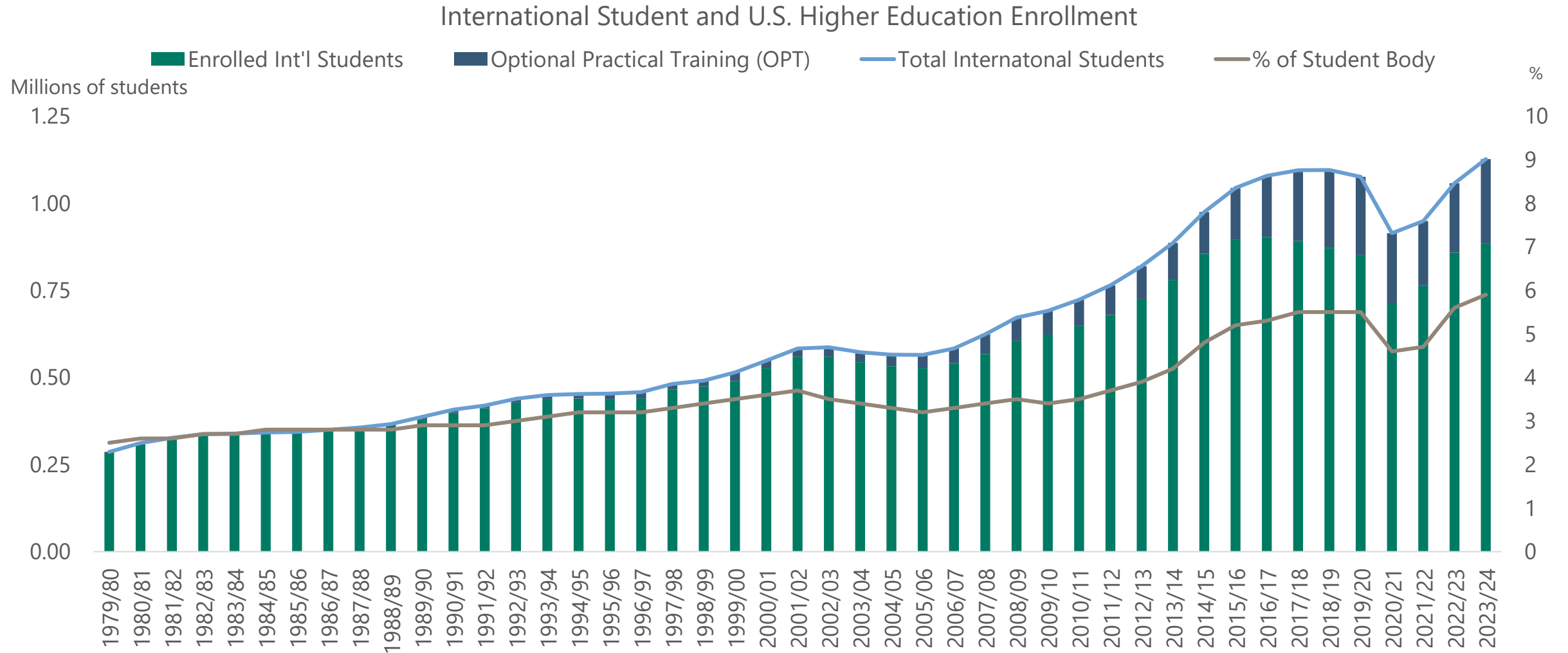
# The majority of approved H-1Bs work in computer related jobs

% of approved H-1B workers, by occupation

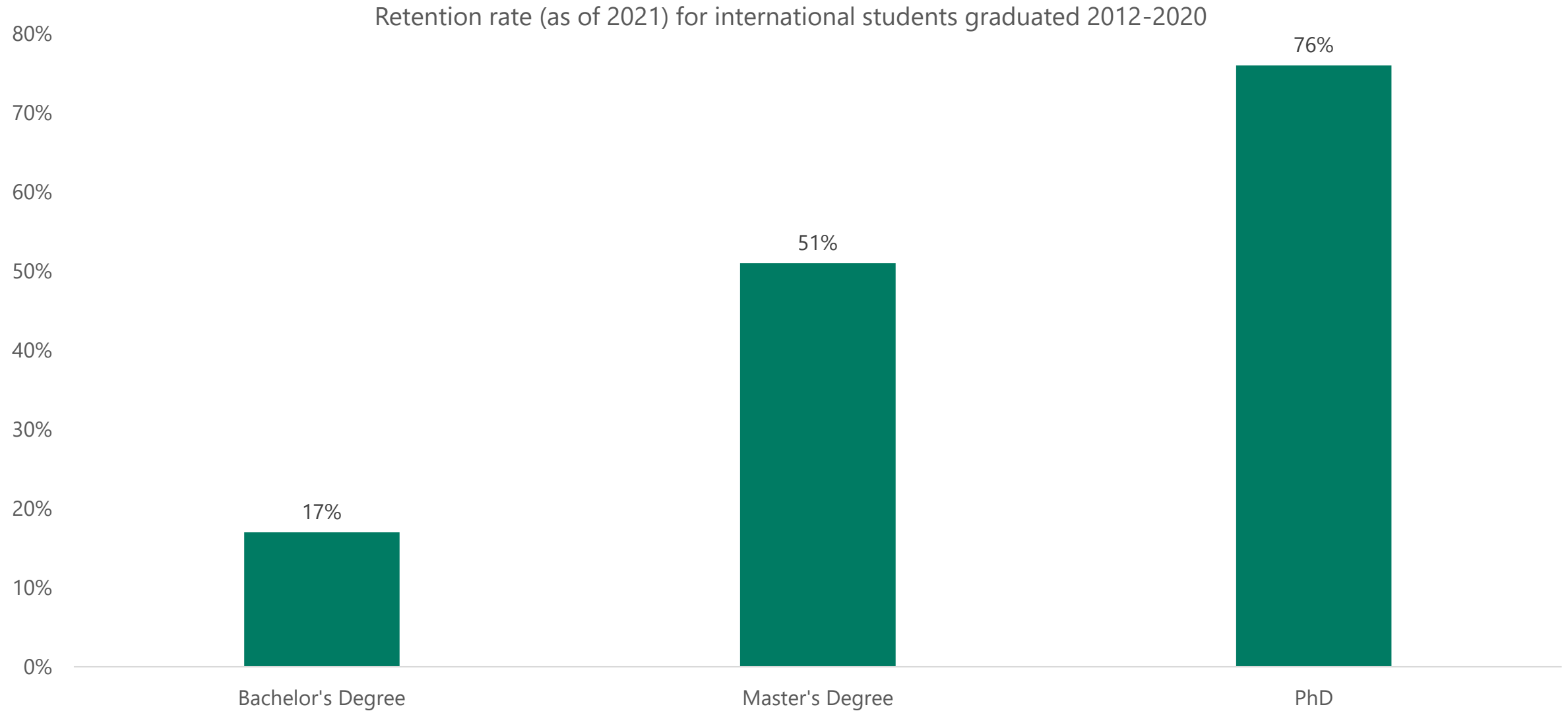


International students

# International students make up a growing share of the total US student body



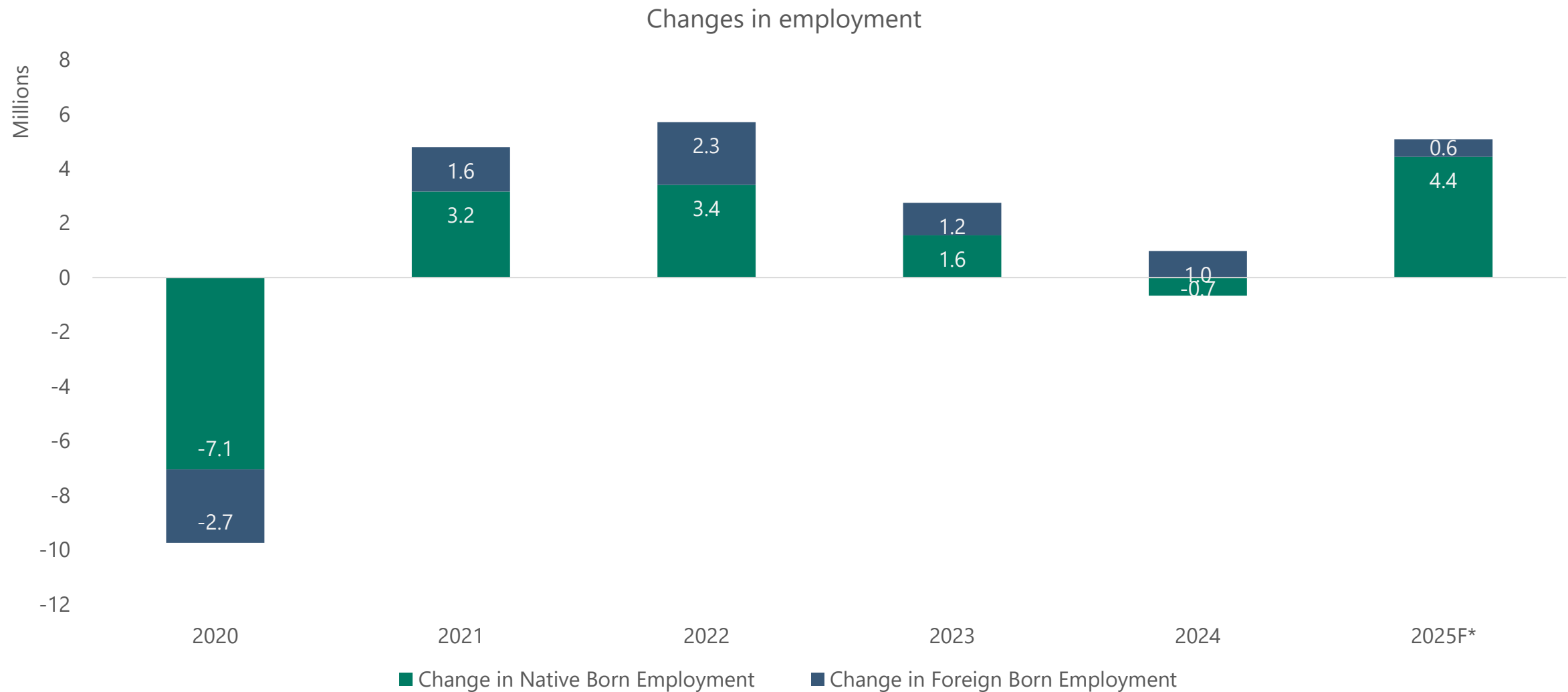
# Most undergraduate international students do not stay in the US





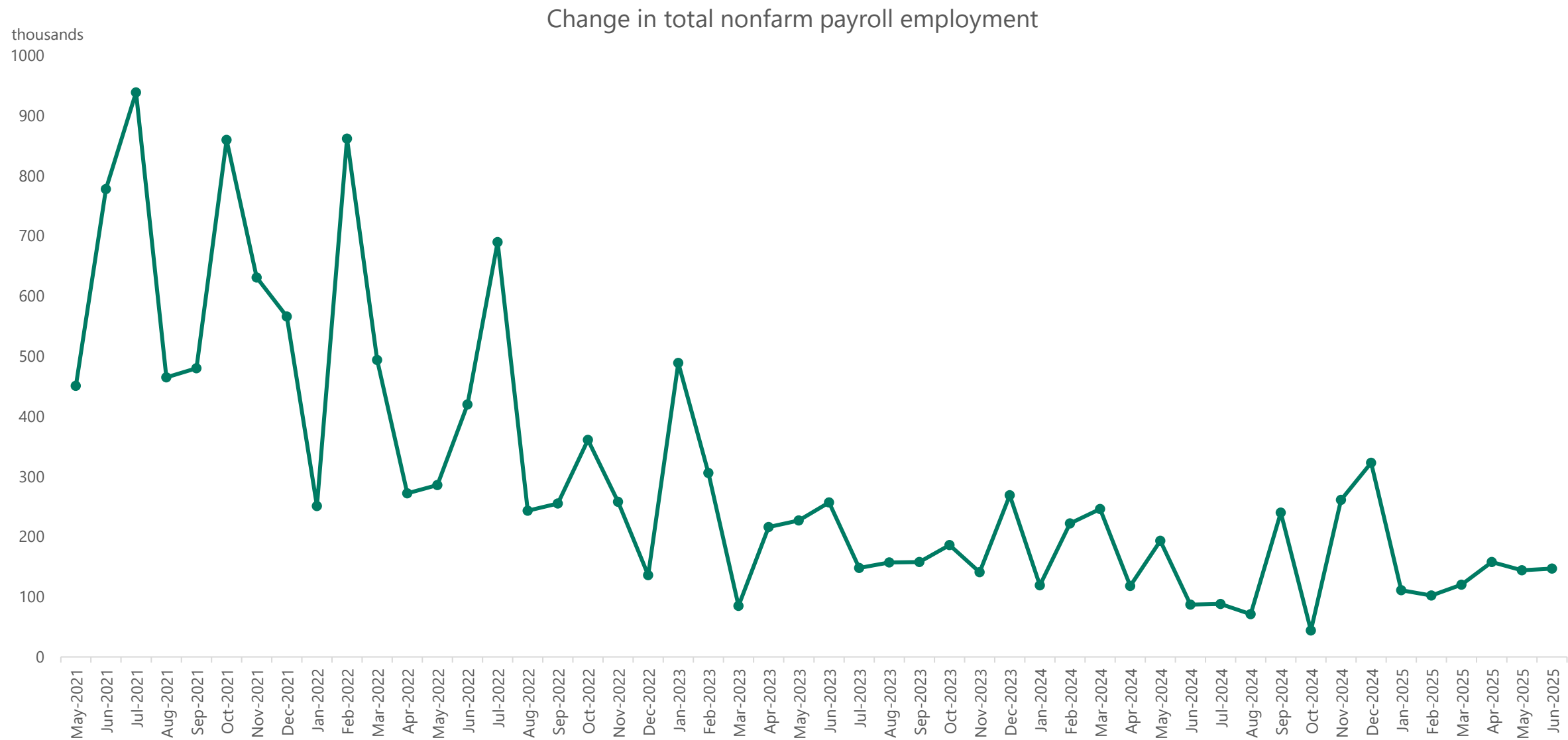
Impact of immigration  
restrictions on non-farm payrolls

# Foreign-born labor has historically driven employment growth despite making up just 18% of the labor force



Source: Bureau of Labor Statistics  
Note: 2025 forecasts are based on annualized numbers as of June 2025

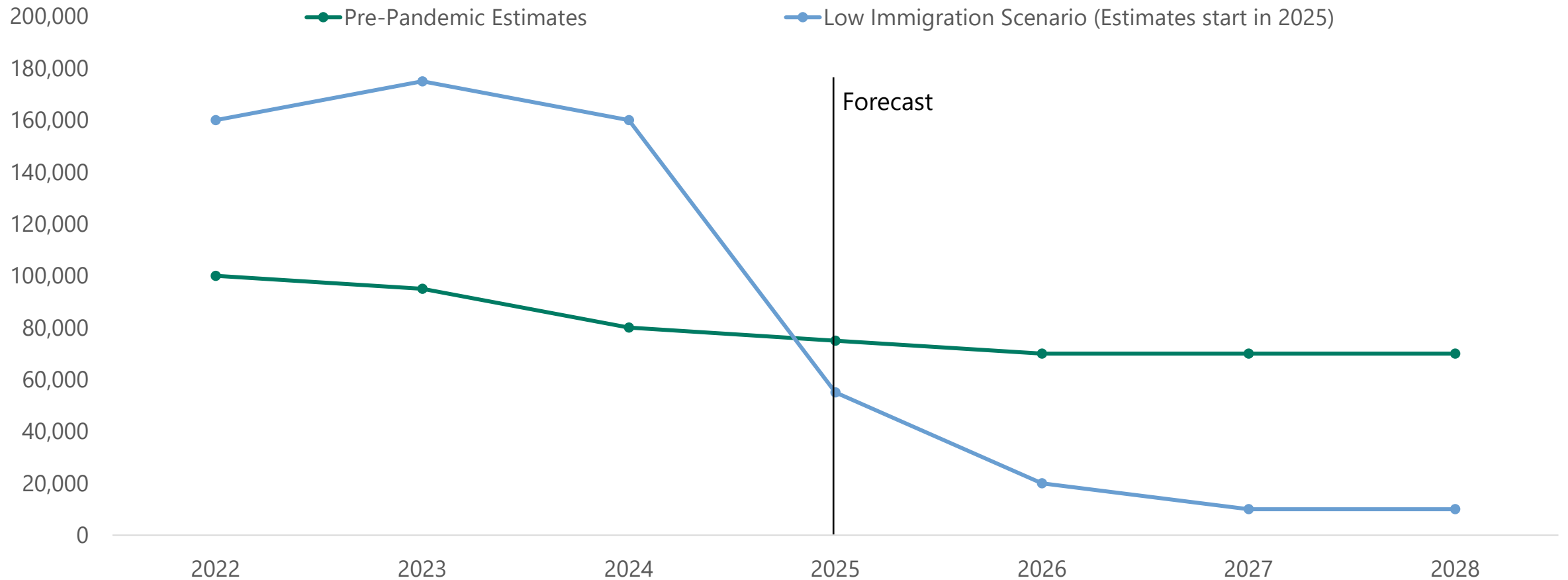
# Nonfarm payrolls have been growing, but at a slowing pace



Sources: Bureau of Labor Statistics

# Potential employment growth will decline significantly in 2025 and beyond because of immigration restrictions and deportations

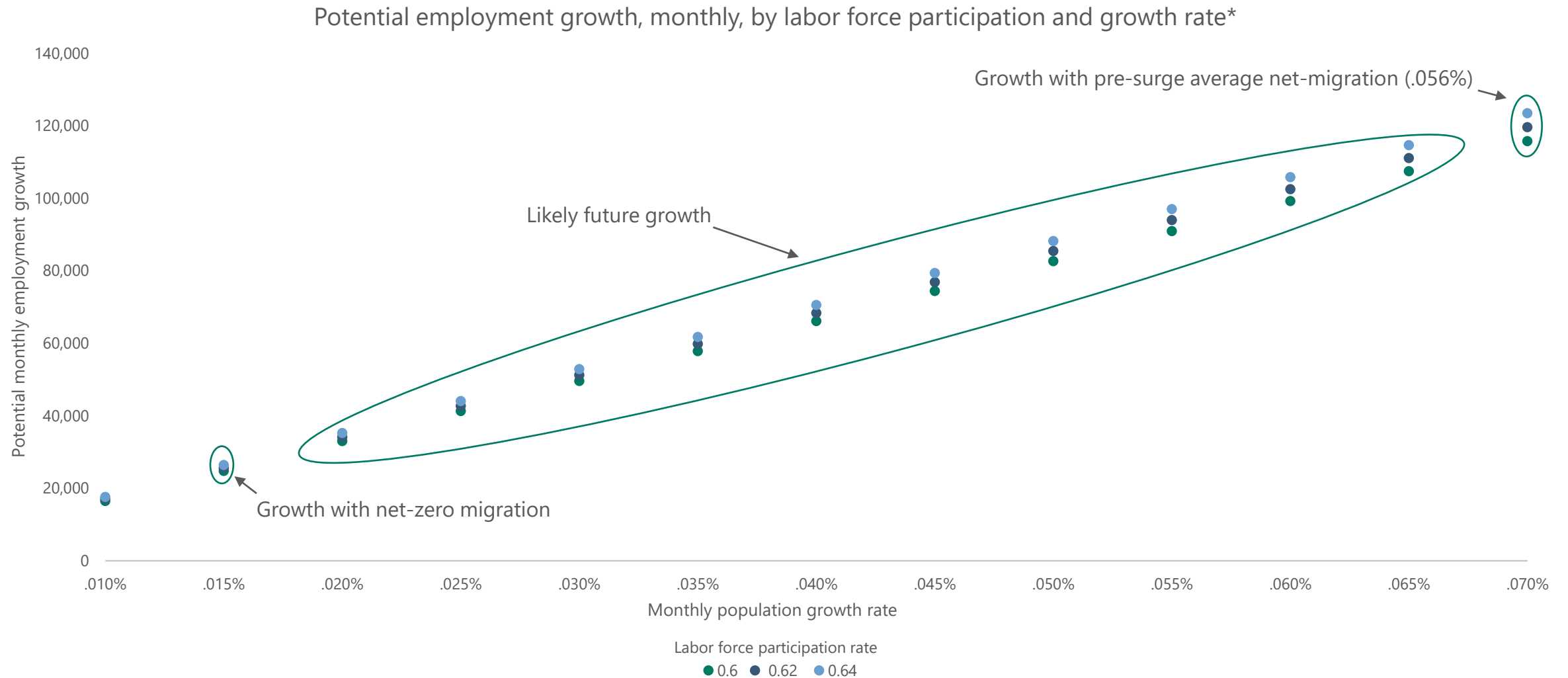
Potential employment growth, monthly



Sources: The Hamilton Project (Edelberg & Watson, 2024) ; American Enterprise Institute (Edelberg, Veuger, & Watson, 2025)

Note: Both papers allow for significant margins of error in their predictions

# Future employment growth is a function of the population growth rate and the labor force participation rate



Source: Congressional Budget Office: The Demographic Outlook

\* Based on a Non-Institutionalized 16+ Population of 275.7 million from the CBO 2025 report

# Conclusions

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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.