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How Trump's ICE Raids Are
Threatening Small Businesses
Across America

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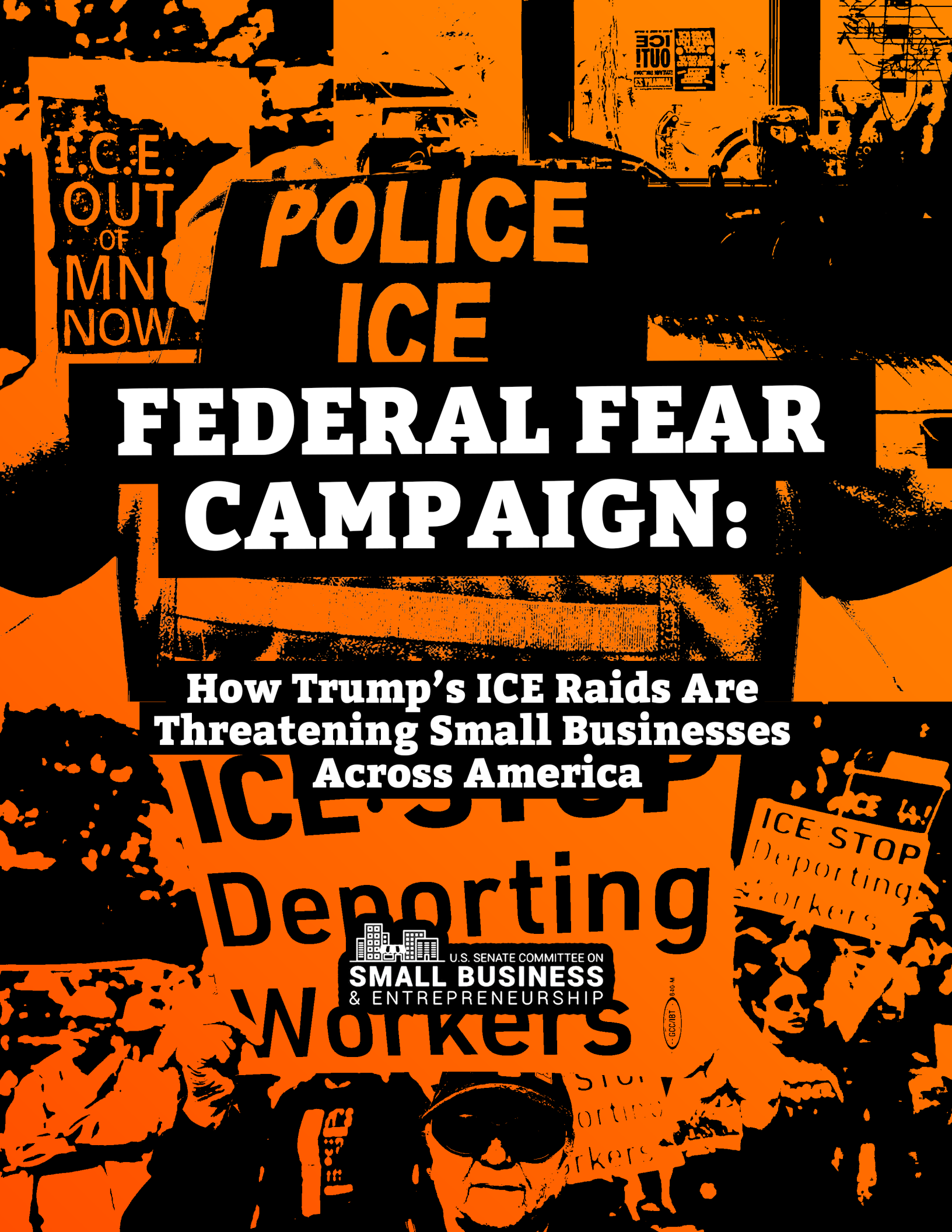


U.S. SENATE COMMITTEE ON
**SMALL BUSINESS
& ENTREPRENEURSHIP**

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FEDERAL FEAR CAMPAIGN:

How Trump’s ICE Raids Are Threatening Small Businesses Across America

Prepared by the
United States Senate Committee on Small Business and Entrepreneurship
Democratic Staff

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Senator Edward J. Markey (D-Mass.), Ranking Member

Executive Summary

The Trump administration’s escalating campaign of immigration enforcement is inflicting severe and measurable economic harm on small businesses across America. Since January 2025, U.S. Immigration and Customs Enforcement (ICE) agents—many of them masked and operating without judicial warrants—have swept through neighborhoods in Minneapolis, Chicago, Los Angeles, Boston, and dozens of other cities, arresting more than 328,000 individuals in 2025 alone.¹ These operations are not a distant abstraction. They are rupturing the day-to-day operations of the corner restaurant, the neighborhood salon, the family-owned grocery, and the small construction firm.

This report documents those harms in concrete, city-by-city detail—drawing on government data, economic analyses, and the firsthand accounts of small business owners who are watching their livelihoods disintegrate as customers and workers alike are too frightened to leave their homes. The consequences include: (1) plummeting sales and foot traffic; (2) severe workforce shortages; (3) the forced closure of immigrant-owned businesses; and (4) the spreading of fear that suppresses economic activity far beyond any single enforcement action.

Immigrants are not peripheral to America’s small business economy. They are central to it. Immigrants start businesses at higher rates than native-born Americans, represent nearly 24 percent

¹ Will Craft & Andrew Witherspoon, *Number of people in ICE detention hits record high, data shows*, The Guardian (Dec. 22, 2025), <https://www.theguardian.com/us-news/2025/dec/22/ice-detentions-record-immigration>.

of all U.S. entrepreneurs, and own businesses in every sector of the economy.² In 2023 alone, immigrants contributed nearly \$652 billion in taxes.³ Undocumented immigrant entrepreneurs alone generated \$27.1 billion in business income in 2022.⁴ The mass deportation campaign that the Trump administration is waging is not only a moral and humanitarian crisis; it is a direct economic assault on Main Street America.

The evidence is stark. In Minneapolis, where the Trump administration deployed approximately 3,000 federal agents in a surge called “Operation Metro Surge,” the city estimated that small businesses lost as much as \$81 million in January 2026 alone.⁵ In Chicago, “Operation Midway Blitz” caused dine-in sales at neighborhood restaurants to fall by as much as 60 percent, and forced at least one restaurant to permanently close.⁶ In Los Angeles County, a formal government study found that 82 percent of surveyed businesses reported negative impacts from enforcement, with 44 percent losing more than half their revenue.⁷ In Orange County, California, a university study found that businesses lost \$58.9 million in just eight weeks following ICE raids.⁸

The minority staff of the Committee publishes this report to document these impacts and to share the stories of small business owners bearing the brunt of the Administration’s policies. We also release a companion “Know Your Rights” resource to help businesses and their employees navigate this unprecedented enforcement environment. The findings in this report make clear that the Trump administration’s immigration policies are not just cruel—they are economically destructive. America cannot sustain a thriving small business economy when its entrepreneurs, workers, and customers are living in fear.

² See Sari Pekkala Kerr, William R. Kerr & Tina Xu, *Immigrant Entrepreneurship in the United States*, Nat’l Bureau of Econ. Rsch., Working Paper No. 22385, at 2 (2016), <https://www.nber.org/papers/w22385>; Robert W. Fairlie, *Immigrant Entrepreneurs and Small Business Owners and Their Access to Financial Capital*, U.S. Small Bus. Admin., Off. of Advocacy 6-7 (2012), <https://advocacy.sba.gov/wp-content/uploads/2012/05/Immigrant-Entrepreneurs-Financial-Capital-Full-Report.pdf>; Ira Gotliboym, *Small Business Facts: An Overview of Immigrant Business Ownership*, U.S. Small Bus. Admin. Off. of Advoc. (Oct. 2022), https://advocacy.sba.gov/wp-content/uploads/2022/10/Small-Business-Facts-Immigrant-Business-Ownership_508c.pdf.

³ New Americans in The United States, Am. Immigr. Council (2023), <https://map.americanimmigrationcouncil.org/locations/national/>.

⁴ Mass Deportation: Devastating Costs to America, Its Budget and Economy, Am. Immigr. Council (Oct. 2024), https://www.americanimmigrationcouncil.org/wp-content/uploads/2025/01/mass_deportation_report_2024.pdf.

⁵ Renée Cooper, *How Minneapolis is Tallying the Cost of ICE; Report Says Small Businesses Lost Up to \$81M in January*, KSTP 5 (Feb. 15, 2026), <https://kstp.com/kstp-news/top-news/how-minneapolis-is-tallying-the-cost-of-ice-report-says-small-businesses-lost-up-to-81m-in-january/>.

⁶ Anna Savchenko and Michael Puente, *Small businesses still reeling from Operation Midway Blitz: ‘It almost destroyed us,’* WBEZ Chicago (Nov. 21, 2025), <https://www.wbez.org/immigration/2025/11/21/small-businesses-still-reeling-from-operation-midway-blitz>.

⁷ Shannon M. Sedgwick et al., *Economic Impacts of Federal Immigration Enforcement in Los Angeles County*, L.A. Cty. Dep’t of Econ. Opportunity & L.A. Cty. Econ. Dev. Corp. (Feb. 9, 2026), <https://opportunity.lacounty.gov/wp-content/uploads/2026/02/LAEDCxDEO-Immigration-Enforcement-Report-2026.02.01.pdf>.

⁸ *OC businesses lose \$59M following immigration enforcement*, UC Irvine Sch. of Soc. Ecology (Jan. 21, 2026), <https://socialecology.uci.edu/news/oc-businesses-lose-59m-following-immigration-enforcement>.

Introduction: Immigrants and America’s Small Business Economy

Before the raids began—before the masked agents and the armored vehicles and the empty storefronts—there was a simple, enduring truth about immigrant entrepreneurs in America: they are among the most essential contributors to this nation’s economic vitality.

America’s 36.2 million small businesses generate trillions of dollars in economic activity and employ more than 62 million individuals—nearly half of all U.S. workers.⁹ Immigrants are a critical part of this ecosystem. They play an outsized role in American entrepreneurship: immigrants account for roughly one-quarter of U.S. entrepreneurs and start businesses at more than twice the monthly rate of native-born workers.¹⁰

These are not abstract statistics. Immigrant entrepreneurs are the owners of the taqueria on Chicago’s 26th Street, the nail salon on Lake Street in Minneapolis, the Haitian-owned home care agency in Philadelphia, the construction company in Milwaukee, and the family restaurant in New Bedford, Massachusetts. They have built their businesses year by year, invested their savings, hired American workers, and paid taxes. They have, in the truest sense, lived the American Dream.

In 2023 alone, immigrants contributed \$419.8 billion in federal taxes and \$232.1 billion in state and local taxes—a combined \$651.9 billion.¹¹ Undocumented immigrants, often derided as a burden, contributed \$55.8 billion in federal taxes and \$33.9 billion in state and local taxes that same year.¹² The Congressional Budget Office has projected that the immigration surge of recent years will increase gross domestic product by \$8.9 trillion between 2024 and 2034, and increase federal revenue by \$387 billion by 2034.¹³

Immigrants are also disproportionately represented in the industries that form the backbone of American small business. In transportation and warehousing—one of the sectors with the highest levels of immigrant entrepreneurship—immigrants own roughly 46 percent of businesses. Immigrant ownership is also especially common in accommodation and food services, where more than one-third of employer businesses are immigrant-owned, and immigrants maintain significant ownership shares in sectors such as construction and health care as well.¹⁴ And immigrant-owned businesses are more likely than their non-immigrant counterparts to create jobs, file patents, and

⁹ Small Business Profiles for the States, Territories, and Nation 2025, U.S. Small Bus. Admin. Off. of Advoc. (June 2025), https://advocacy.sba.gov/wp-content/uploads/2025/06/State_Profiles_2025_Technical-Notes.pdf.

¹⁰ Kerr et al., Fairlie, and Gotliboy, *supra* note 2.

¹¹ New Americans in The United States, *supra* note 3.

¹² *Id.*

¹³ Cong. Budget Off., Effects of the Immigration Surge on the Federal Budget and the Economy (Jul. 23, 2024), <https://www.cbo.gov/publication/60569>.

¹⁴ Gotliboy, *supra* note 2; see also USAFacts, *How Many U.S. Businesses Are Owned by Immigrants?* (May 9, 2025), <https://usafacts.org/articles/how-many-us-businesses-are-owned-by-immigrants/>.

export goods—contributing to innovation and economic growth at rates that exceed their share of the population.¹⁵

It is against this backdrop of indispensable economic contribution that the Trump administration has launched its unprecedented campaign of immigration enforcement—and it is against this backdrop that the damage wrought by that campaign must be understood.

The Trump Administration’s Enforcement Campaign

Since returning to office in January 2025, President Trump’s administration has launched the most aggressive domestic immigration enforcement campaign in modern American history. The Department of Homeland Security, led by Secretary Kristi Noem, has deployed thousands of masked federal agents into neighborhoods, workplaces, courthouses, and schools. In 2025 alone, more than 328,000 individuals were arrested for immigration enforcement purposes.¹⁶

The human toll has been severe and, in some cases, fatal. Since September 2025, ICE officers have shot at least 14 people, killing four of them.¹⁷ Last year marked ICE’s deadliest year in more than two decades, with 32 people dying in ICE custody in 2025.¹⁸ December 2025 alone was the deadliest single month on record for people in ICE custody, with seven deaths reported.¹⁹ The Trump administration also detained at least 3,800 children under the age of 18 last year, including at least 20 infants, and holds an average of 170 children per day in ICE custody.²⁰

Despite the administration’s claim to target only the “worst of the worst,” the data tells a very different story. Since October 2025, 73 percent of individuals taken into ICE custody lack a criminal conviction.²¹ In Massachusetts, only two percent of individuals arrested by ICE during the September 2025 enforcement surge had violent criminal convictions.²² ICE raids have ensnared visa holders, green card holders, DACA recipients, and U.S. citizens—the indiscriminate

¹⁵ Fairlie, *supra* note 2; Jennifer Hunt & Marjolaine Gauthier-Loiselle, *How much does immigration boost innovation?*, 2 Am. Econ. J.: Macroeconomics 31 (Apr. 2010), <https://pubs.aeaweb.org/doi/pdfplus/10.1257/mac.2.2.31>.

¹⁶ Will Craft & Andrew Witherspoon, *supra* note 1.

¹⁷ Jon Schuppe & Erik Ortiz, *Trump’s DHS has shot 11 people during immigration enforcement operations since September*, NBC News (Jan. 16, 2026), <https://www.nbcnews.com/news/us-news/ice-shootings-list-border-patrol-trump-immigration-operations-rcna254202>.

¹⁸ Maanvi Singh et al., *2025 was ICE’s deadliest year in two decades. Here are the 32 people who died in custody.*, The Guardian (Jan. 4, 2026), <https://www.theguardian.com/us-news/ng-interactive/2026/jan/04/ice-2025-deaths-timeline>.

¹⁹ *Id.*

²⁰ Anna Flagg & Shannon Heffernan, *‘Why Is This Happening to US?’ Daily Number of Kids in ICE Detention Jumps 6x Under Trump*, The Marshall Project (Jan. 29, 2026), <https://www.themarshallproject.org/2026/01/29/ice-kids-in-detention-numbers>.

²¹ David J. Bier, *5% of People Detained By ICE Have Violent Convictions, 73% No Convictions*, CATO Institute (Nov. 24, 2025), <https://www.cato.org/blog/5-ice-detainees-have-violent-convictions-73-no-convictions>.

²² Albert Sun, *Most Immigrants Arrested in City Crackdowns Have No Criminal Record*, N.Y. Times (Dec. 4, 2025), <https://www.nytimes.com/interactive/2025/12/04/us/ice-arrests-criminal-records-data.html>.

nature of these operations amplifying terror throughout entire communities, regardless of legal status.

At the same time, agents have increasingly concealed their identities by wearing masks and refusing to show credentials—creating conditions that enable abuse and impersonation. The Trump administration’s One Big Beautiful Bill Act has compounded the financial burden on immigrant communities, imposing fees of at least \$5,000 per immigration arrest.²³ These conditions have created a pervasive climate of fear that is hollowing out the small business economy in city after city.

ICE Raids and Their Impact on the Small Business Economy

The economic consequences of the Trump administration’s immigration enforcement campaign are staggering—not only for individuals and families, but for entire local economies. The Administration’s mass deportation agenda is projected to reduce U.S. gross domestic product by more than 7 percent over the next three years—nearly double the economic damage inflicted during the Great Recession of 2007 to 2009.²⁴ The campaign is estimated to cost taxpayers \$88 billion per year.²⁵

For small businesses, the harms are immediate and compounding. When immigrant owners are arrested or deported, their businesses lose leadership overnight, often closing permanently. When workers are afraid to report to work, industries already facing labor shortages are pushed toward crisis. When customers are too frightened to leave their homes, sales evaporate. And these effects do not remain confined to immigrant communities, they ripple outward, affecting suppliers, landlords, and the broader commercial ecosystems of neighborhoods across America.

The Economic Policy Institute estimates that by the end of President Trump’s second term, his mass deportation goals would result in 2.6 million fewer employed U.S.-born workers and wage decreases for all American workers, immigrant and native-born alike.²⁶ Research has consistently shown that immigrants do not displace American workers; they complement and grow the labor market. During the early 2020s, as immigration reached historic highs, U.S.-born worker unemployment reached record lows.²⁷

²³ One Big Beautiful Bill Act, Pub. L. No. 119-21, § 100017 (2025), <https://www.congress.gov/119/plaws/publ21/PLAW-119publ21.pdf>.

²⁴ Sarah Krieger, *The Price of Cruelty: How Trump’s Mass Deportation Agenda Endangers Us All*, Nat’l Immigr. Law Ctr. (Oct. 3, 2025), <https://www.nilc.org/articles/the-price-of-cruelty-how-trumps-mass-deportation-agenda-endangers-us-all/>.

²⁵ *Mass Deportation: Devastating Costs to America, Its Budget and Economy*, *supra* note 4.

²⁶ Ben Zipperer, *Trump’s deportation agenda will destroy millions of jobs*, Econ. Pol’y Inst. (July 10, 2025), <https://www.epi.org/publication/trumps-deportation-agenda-will-destroy-millions-of-jobs-both-immigrants-and-u-s-born-workers-would-suffer-job-losses-particularly-in-construction-and-child-care/>.

²⁷ Daniel Costa & Heidi Shierholz, *Immigrants are not hurting U.S.-born workers*, Econ. Pol’y Inst. (Feb. 20, 2024), <https://www.epi.org/blog/immigrants-are-not-hurting-u-s-born-workers-six-facts-to-set-the-record-straight>.

One small business owner in the Philadelphia area, who trains Haitian immigrants for healthcare careers, put the consequences plainly: “No amount of support [we provide] can undo the fear and uncertainty created by harsh immigration policy shifts. It’s not just bad for our workers—it’s hurting the entire care industry. Nursing homes are short-staffed and elders go without stable caregivers.”

Main Street Under Siege: City-by-City Case Studies

The national statistics are sobering. But the human reality of the Trump administration’s enforcement campaign is best understood through the specific experiences of the communities it has struck hardest. The following case studies—from Minneapolis to Chicago to Los Angeles to Massachusetts—document, in concrete detail, what it means for a small business economy to be subjected to sustained, aggressive, and indiscriminate federal immigration enforcement.

Minneapolis, Minnesota: “Operation Metro Surge”

No American city has felt the economic trauma of the Trump administration’s immigration enforcement more acutely than Minneapolis. And no corridor experienced it more visibly than Lake Street, a once-bustling, mile-long stretch in south Minneapolis that is home to hundreds of immigrant-owned businesses serving the city’s diverse Latino, East African, and Southeast Asian communities.

In early January 2026, the Trump administration deployed approximately 3,000 federal immigration agents to Minnesota under a targeted surge that would come to be known as “Operation Metro Surge.” The effects were almost immediate. Immigrant customers stopped leaving their homes. Workers stopped showing up for shifts. Restaurant dining rooms emptied. Shops locked their doors. One neighborhood salon kept its door locked and admitted customers only by knock, checking first to make sure visitors were not federal agents.²⁸

“Yesterday, I didn’t make a single dollar. I’ve lived a long time in this country, but I’ve never seen anything like this.”²⁹

— A small business owner on Lake Street, Minneapolis, Minnesota

²⁸ Rana Roudi & Meghnad Bose, *Immigrant-run businesses struggle as ICE terrorizes Minneapolis*, Prism Reports (Jan. 22, 2026), <https://prismreports.org/2026/01/22/minneapolis-immigrant-businesses-ice/>.

²⁹ Joe Barrett, *The \$0 day: Small Minneapolis Businesses Ride Out ICE Surge*, WSJ (Jan. 20, 2026)(Javier Dias to Joe Barrett) <https://www.wsj.com/us-news/on-lake-street-in-minneapolis-taco-shops-try-to-ride-out-the-ice-surge>.



Eat Street's Glam Doll Donuts in Minneapolis, Minnesota, near the location where Alex Pretti was murdered by DHS officers on January 24, 2026. Bring Me The News

Paul Wu, owner of Jade Dynasty on West Lake Street, described a typical Friday night before the surge: his restaurant normally did \$20,000 to \$25,000 in sales. During Operation Metro Surge, he made \$8,000—and, as he noted: “That’s lucky.”³⁰

At Plaza Mexico, a popular shopping mall at the heart of the community, Margarita—a Mexican-born U.S. citizen who spent ten years saving to open her dream restaurant—watched her business collapse. A few doors down, Gladys began packing up her beloved toy store in tears.³¹

The economic damage is staggering. The City of Minneapolis estimated that January 2026 revenue losses for small, consumer-facing businesses in the city could reach as high as \$81 million.³² The Lake Street Council estimated that the corridor alone lost approximately \$30 million in a single month.³³ In the Twin Cities metro area, researchers from the W.E. Upjohn Institute and North Star

³⁰ Cooper, *supra* note 5.

³¹ Roudi & Bose, *supra* note 28.

³² Cooper, *supra* note 5.

³³ Alyssa Chen, *Measuring the economic damage of Minnesota’s ICE surge is hard*, Minnesota Reformer (Mar. 2, 2026), <https://minnesotareformer.com/2026/03/02/measuring-the-economic-damage-of-minnesotas-ice-surge-is-hard/>.

Policy Action estimated \$106.1 million to \$143.2 million in lost wages between early January and mid-February 2026, and found that the number of open business locations declined by 1.7 percent.³⁴ At the neighborhood level, North Star Policy Action found that roughly 80 percent of immigrant-owned businesses along key corridors in Minneapolis and St. Paul closed in a single week, with many reporting sales declines of 50 to 100 percent.³⁵

“ICE is using my business as a hunting ground. They’re swirling around the block waiting for people.”

— A small business owner in St. Paul, Minnesota

The surge also disrupted the broader labor market. Construction workers stopped showing up to jobsites. Restaurants shifted to delivery-only models. Healthcare and child care workers, terrified of leaving their homes, left facilities understaffed. One child care business owner in Edina, Minnesota described the human stakes directly: “We have had to close [child care] rooms due to having no staff. I am not going to force people to come to work to be scared all day, because we work with children. This is not safe for anyone.”

The enforcement actions were also marked by documented violence: federal agents shot three people during Operation Metro Surge, killing two of them—including Renee Nicole Good, a Minneapolis woman killed by an ICE agent in late January 2026. The killings intensified community fear and further depressed economic activity.

In response to the economic collapse, the Minneapolis Foundation activated \$3.5 million in emergency grants for affected small businesses.³⁶ Governor Tim Walz proposed \$10 million in forgivable loans.³⁷ The Lake Street Council launched weekly “cash mob” events, organizing groups of 200 or more community members to visit different struggling restaurants each week.³⁸ These efforts reflect the determination of Minneapolis residents to sustain their Main Street economy in the face of federal assault, but they cannot fully compensate for the damage done.

³⁴ *Id.*; Aaron Rosenthal & Aaron Sojourner, *Economic Impacts of Operation Metro Surge*, W.E. Upjohn Inst. & North Star Policy Action (Feb. 2026), <https://northstarpolicy.org/impact-metro-surge/>.

³⁵ Jake Schwitzer, *Fact Sheet: ICE Enforcement is Disrupting Minnesota’s Economy*, North Star Policy Action (Jan. 14, 2026), <https://northstarpolicy.org/business-impacts/>.

³⁶ Press Release, Minneapolis Foundation, *Minnesota Companies Mobilize \$3.5M For Immediate Small Business Support* (Jan. 26, 2026), <https://www.minneapolisfoundation.org/stories/community-issues/minnesota-companies-mobilize-3-5-million-for-immediate-small-business-support/>.

³⁷ Press Release, Office of Governor Tim Walz & Lt. Governor Peggy Flanagan, *As Federal Surge Ends, Governor Walz Proposes \$10 Million Relief Package for Minnesota Small Businesses Impacted by Federal Surge* (Feb. 17, 2026), <https://mn.gov/governor/newsroom/press-releases/?id=1055-724810>.

³⁸ *Weekly Cash Mobs Help Lake Street Businesses Recover from ICE Raids*, Minneapolis Today (Feb. 22, 2026), <https://nationaltoday.com/us/mn/minneapolis/news/2026/02/22/weekly-cash-mobs-help-lake-street-businesses-recover-from-ice-raids/>.

Chicago, Illinois: “Operation Midway Blitz”

Chicago became a focus of the Trump administration’s enforcement campaign in September 2025, when the Administration launched “Operation Midway Blitz.” Over the weeks that followed, federal immigration agents conducted sweeping operations throughout Chicago’s predominantly Latino neighborhoods—Little Village, Belmont Cragin, Pilsen, Logan Square, and Hermosa—making more than 3,000 arrests throughout the Chicago area and northwest Indiana.³⁹

The economic impact was severe and immediate. In Little Village—one of Chicago’s most economically vibrant commercial districts—longtime 26th Street retailers reported their first sustained sales declines in decades.⁴⁰ Quinceañera boutiques saw business fall by up to 90 percent as families canceled celebrations.⁴¹ In Belmont Cragin, restaurants reported significant sales drops and shifted to delivery-only operations to survive.⁴²

The story of El Mercadito in Belmont Cragin is emblematic. “Before ICE, it was full every day,” said Neri Guzman, an employee of the Mexican restaurant. When the raids intensified, “nobody wanted to come in. Just pick-up and delivery orders.”⁴³ Around the corner, Pozoleria El Mexicano co-owner Ricardo Rodriguez watched foot traffic crater so sharply that he began considering closing the restaurant entirely.⁴⁴

The owner of a 14-year-old restaurant in Belmont Cragin put the long-term stakes plainly: “This is not sustainable. I guarantee you, if you have another six months of this, you’ll see a lot, a lot of businesses close.”⁴⁵

The Hermosa Belmont Cragin Chamber of Commerce reported that months of low foot traffic forced at least one restaurant to permanently close and others to lay off workers. Just days before this report was finalized, a local grocery store in the neighborhood laid off seven employees, a direct casualty of the enforcement surge.⁴⁶

³⁹ Melissa Sanchez et al., “I Lost Everything”: Venezuelans Were Rounded Up in a Dramatic Midnight Raid but Never Charged With a Crime, ProPublica (Nov. 13, 2025), <https://www.propublica.org/article/chicago-venezuela-immigration-ice-fbi-raids-no-criminal-charges>; Blake Thor, *From Businesses to Churches, How ‘Operation Midway Blitz’ Has Impacted Daily Life for Chicagoans*, WTTW Chicago Tonight (Dec. 15, 2025), <https://news.wttw.com/2025/12/15/businesses-churches-how-operation-midway-blitz-has-impacted-daily-life-chicagoans>.

⁴⁰ Savchenko & Puente, *supra* note 6.

⁴¹ Daniel Cole et al., ‘Not a life here.’ Immigration raids hollow out Chicago neighborhood, Reuters (2025), <https://www.reuters.com/investigates/special-report/usa-trump-immigration-chicago/>.

⁴² Maggie Hennessey, *Trump’s deportation blitz is hurting Belmont Cragin’s restaurants: Can neighbors save them?*, Chicago Sun Times (Oct. 27, 2025), <https://blockclubchicago.org/2025/10/27/chicagoans-flock-to-belmont-cragin-restaurants-after-ice-fears-slowed-sales-truly-grateful/>; Tonantzin Carmona & Luis Gutiérrez, *The economic fallout of immigration enforcement—and what Chicago can do about it*, Chicago Tribune (Nov. 5, 2025), <https://www.chicagotribune.com/2025/11/05/opinion-immigration-raids-economic-impact-chicago/>.

⁴³ Savchenko & Puente, *supra* note 6.

⁴⁴ *Id.*

⁴⁵ Victor Jacobo, *Two months into Operation Midway Blitz, some Chicago area businesses struggling to stay afloat*, CBS Chicago (Nov. 7, 2025), <https://www.cbsnews.com/chicago/news/operation-midway-blitz-two-months-business-impact/>.

⁴⁶ Savchenko & Puente, *supra* note 6.

“ICE raids have “scared people away from restaurants, cultural events, retail corridors and our Downtown—the heart of Chicago’s economic engine.””

— Jack Lavin, CEO of the Chicagoland Chamber of Commerce

The business community’s alarm extended well beyond immigrant neighborhoods. Jack Lavin, CEO of the Chicagoland Chamber of Commerce, warned at a press conference: “The economic repercussions of ICE’s continued onslaught, if left unchecked, will be significant. Workers and customers alike are afraid for their safety and are staying at home rather than risking arrest.”⁴⁷



A law enforcement officer confronts a demonstrator, as another one is detained, during a standoff with ICE and federal officers in Chicago, Illinois, October 4, 2025. REUTERS/Jim Vondruska



Federal agents chase a man through a parking lot in the Avondale neighborhood following a confrontation during immigration raids in Chicago, Illinois, October 25, 2025. REUTERS/Jim Vondruska]

⁴⁷ Amy Yee, *Business and civic leaders say ICE actions harming Chicago’s economy*, Chicago Sun-Times (Nov. 7, 2025), <https://chicago.suntimes.com/immigration/2025/11/07/chicago-business-civic-leaders-ice-economy>.

Los Angeles, California: A Statewide Economic Emergency

In Los Angeles County—home to one of the largest and most economically vital immigrant communities in the nation—the Trump administration’s enforcement campaign has produced documented and severe economic damage at a scale that prompted Los Angeles County to commission a formal economic impact study.

The resulting report, released in February 2026 by the Los Angeles County Department of Economic Opportunity and the LA County Economic Development Corporation, found that undocumented workers contribute an estimated \$253.9 billion in total economic output to the county—approximately 17 percent of LA County’s gross domestic product—and support more than 1.06 million jobs.⁴⁸ The report drew on surveys of 311 business respondents and found that 82 percent of surveyed businesses reported negative impacts from immigration enforcement, with 44 percent losing more than half of their revenue.⁴⁹ An additional 52 percent experienced reduced daily sales, and 51 percent reported decreased customer traffic.

In neighboring Orange County, a study by the UC Irvine School of Social Ecology found that businesses lost \$58.9 million over just eight weeks following ICE raids in May 2025, with neighborhoods of high foreign-born concentration from Latin America experiencing spending declines of 20 to 25 percent.⁵⁰ One retail business owner in Orange, California captured the moment: “I had to close. This is worse than Covid when at least there were some stimulus programs. These decisions are going to be the end of small businesses like mine that source ethically and pay labor.”

In response to the economic crisis, Los Angeles County awarded \$1.53 million in emergency grants to 367 small businesses through its Small Business Resiliency Fund.⁵¹ As Supervisor Janice Hahn stated: “These ICE raids aren’t targeting dangerous criminals—they are sweeping up workers. On top of the harm they have caused families, they have been devastating to the small businesses that have lost the employees they rely on and whose customers are afraid to leave their homes.”

⁴⁸ L.A. Cty. Dep’t of Econ. Opportunity, *supra* note 7.

⁴⁹ Los Angeles County reports that ICE raids result in \$3.7 million in business losses, Daily Breeze (Feb. 10, 2026), <https://www.dailybreeze.com/2026/02/10/los-angeles-county-reports-that-ice-raids-result-in-3-7-million-in-business-losses/>.

⁵⁰ *OC businesses lose \$59M following immigration enforcement*, *supra* note 8.

⁵¹ Hailey Gomez, *LA County Hands Out \$1.5M To Small Businesses Economically Impacted By ICE*, Daily Caller (Jan. 2, 2026), <https://dailycaller.com/2026/01/02/la-county-millions-hand-outs-ice-deportations-immigration-foreigners-migrants/>.

Massachusetts: From Boston to New Bedford

Massachusetts has been the site of some of the most visible and disturbing workplace raids in the country. In November 2025, on Election Day, approximately 22 federal immigration agents descended in force on Allston Car Wash, a family-owned business on Cambridge Street in Boston’s Allston-Brighton neighborhood that had operated for nearly 50 years. The agents—many of them masked—blocked the entrances to the business, ordered customers to leave, and detained nine employees, many of whom held valid work permits but were not permitted to retrieve their documentation from their lockers before being taken away.⁵²

The business manager, a U.S. citizen, was left stunned. “Why bring in an armored vehicle?” he asked reporters. “What are we, terrorists?”⁵³ The car wash, which described its employees as “good, hardworking individuals who come to work each day to provide for themselves and their families,” responded publicly to the raid, noting that it had operated “an honest family business” in the community for almost five decades.⁵⁴ Boston City Councilor Liz Breadon condemned the operation, calling it “kidnapping—plain and simple.”⁵⁵

In New Bedford—a coastal Massachusetts city with a large immigrant community—a small business owner who operates a food business described how the raids transformed her neighborhood: “Immigration [agents] are everywhere in the streets. People aren’t leaving their homes because they’re scared. . . . Before, every weekend, families would come and make orders for their parties, but not anymore. Now, on the weekends, very few people come.”⁵⁶

In Framingham, home to a large Brazilian immigrant community, one small business owner—a baker—described the toll on her operations: “This past week I had to drive and deliver many cases [of frozen baked products] by myself because none of those who work for me wants to drive. I don’t blame them.” She also noted that many teachers had lost their jobs because immigrant students had returned to their home countries—an economic ripple effect reaching well beyond Main Street.

A small business owner in Sandwich, Massachusetts, who relies on seasonal immigrant labor, described what many employers are experiencing across the state: “Everyone knows someone or multiple people affected by ICE raids. These people are following all of the instructions given to

⁵² Molly Farrar, ‘Reckless and distressing’: Allston Car Wash responds to BU student taking credit for ICE raid, Boston.com (Nov. 16, 2025), <https://www.boston.com/news/local-news/2025/11/16/reckless-and-distressing-allston-car-wash-responds-to-bu-student-taking-credit-for-ice-raid/>.

⁵³ Camilo Fonseca, *Immigration agents raid Allston car wash and detain several workers*, Boston Globe (Nov. 4, 2025), <https://www.bostonglobe.com/2025/11/04/metro/immigration-raid-allston-car-wash/>.

⁵⁴ ‘Reckless and distressing’: Allston Car Wash responds to BU student taking credit for ICE raid, *supra* note 52.

⁵⁵ Darin Zullo, ‘This is kidnapping — plain and simple’: ICE arrests 9 employees at Allston car wash, Boston.com (Nov. 4, 2025), <https://www.boston.com/news/local-news/2025/11/04/this-is-kidnapping-plain-and-simple-ice-arrests-9-employees-in-raid-at-allston-car-wash/>.

⁵⁶ Kevin G. Andrade, *Impact of Trump policies worsens for immigrant businesses*, New Bedford Light (Sept. 29, 2025), <https://newbedfordlight.org/new-bedford-immigrant-businesses-negatively-impacted-by-trump-policies/>.

them, only to have the rug ripped out from under them. Kids aren't going to school and people aren't going to work because of their fears.”

ICE Devastates the Small Business Workforce

The Trump administration's enforcement campaign is not only suppressing consumer demand—it is decimating the workforce upon which small businesses depend. Since January 2025, the labor force has already shrunk by more than 1.2 million immigrant workers.⁵⁷ In industries heavily dependent on immigrant labor—construction, food service, agriculture, child care, health care—the effects are particularly acute.

Worksite raids have occurred at businesses large and small, from car washes to poultry processing plants to O'Hare International Airport's rideshare lot. In the wake of these operations, immigrant workers across industries have been forced into an impossible choice: risk deportation by showing up to work or stay home and forfeit their wages. Many have chosen to stay home—and their employers are scrambling to replace them.⁵⁸

Many small business owners have responded with extraordinary humanity. Alfredo, owner of a meat shop in Minneapolis, began delivering groceries directly to immigrant customers' homes so they would not have to leave during the surge. A restaurant owner in Minnesota told his workers: “I'm not telling anyone they have to work. If they want to, I will give them as safe a route as I can give them. If they don't want to come in, I understand, and no one will get fired.”⁵⁹

In Milwaukee, a small business owner who provides support services to entrepreneurs described what she has witnessed among her clients: “I hear from the small business owners we serve—especially in construction and the restaurant industry—who are struggling to retain staff. Workers are being targeted while driving, often pulled over and asked for identification. Transportation has become a major issue, and business owners are having to get creative just to keep their operations running.” She added: “I witnessed one of our clients go to what was supposed to be a routine immigration appointment, only to be deported shortly after. His wife and two daughters have now relocated to Mexico. It was devastating.”

The workforce crisis extends into care industries that serve the entire community, not just immigrants. One Philadelphia-area business owner who trains Certified Nursing Assistants—many of them Haitian immigrants who had entered through the legal Cuba, Haiti, Nicaragua, and Venezuela (CHNV) parole program—described watching her trainees become “scared to leave

⁵⁷ Krieger, *supra* note 24.

⁵⁸ Sarah Lazare, *Visible and Invisible: How ICE Is Terrorizing Chicago's Working Class*, In *These Times* (Nov. 25, 2025), <https://inthesetimes.com/article/undocumented-workers-ice-raids-chicago-trump-administration-hiding-midway-blitz-operation-resistance-education>.

⁵⁹ Maria Cardona et al., *Small Minneapolis businesses hit hard by ICE crackdown, while corporations stay silent*, Reuters (Jan. 16, 2026), <https://www.reuters.com/business/retail-consumer/small-minneapolis-businesses-hit-hard-by-ice-crackdown-while-corporations-stay-2026-01-16/>.

their homes,” leaving nursing homes short-staffed and elders without stable caregivers. “It’s not just bad for our workers,” she said. “It’s hurting the entire care industry.”

Despite the Trump administration’s claim that mass deportations will free up jobs for U.S.-born workers, research contradicts this assertion. An Economic Policy Institute analysis found that President Trump’s deportation goals would, by the end of his second term, produce 2.6 million fewer employed U.S.-born workers and wage decreases for all workers.⁶⁰ When 500,000 undocumented workers were deported under the Secure Communities program between 2008 and 2014, the result was 44,000 fewer jobs held by U.S.-born workers, not more.⁶¹

Conclusion: The Cost of Cruelty

America’s small businesses are the backbone of its economy. They are also among the most direct casualties of the Trump administration’s immigration enforcement campaign. From the emptied dining rooms of Lake Street in Minneapolis to the shuttered storefronts of Belmont Cragin in Chicago, from the surveyed business owners of Los Angeles County to the family-owned car wash in Allston, Boston, the evidence is clear, consistent, and damning: ICE raids are devastating Main Street America.

This is not a necessary cost of legitimate law enforcement. The data shows that the vast majority of those being arrested have no criminal convictions. The administration is not targeting dangerous criminals; it is targeting workers, entrepreneurs, parents, and community members. And in doing so, it is dismantling the very communities and economies it claims to protect.

As the Chicagoland Chamber of Commerce warned: “The needless unpredictability discourages consumer activity, especially hurting small, neighborhood businesses that depend on steady foot traffic.” As a Minneapolis business owner said, simply and devastatingly: “I don’t know whether we’ll open again.” As a small business owner in Orange, California said: “This is worse than Covid.”

The Senate Committee on Small Business and Entrepreneurship Minority calls on the Trump administration to end indiscriminate, warrantless enforcement operations that terrorize immigrant communities and devastate local economies. And we call on the Administration to invest, rather than squander, the resources it is directing toward mass deportation, toward small business lending, workforce development, and the economic programs that actually strengthen Main Street America.

Immigrant entrepreneurs have built this nation alongside native-born Americans. They have opened their businesses, hired their neighbors, paid their taxes, and contributed to the communities that all Americans share. They deserve a government that honors their contributions, not one that sends armored vehicles to their workplaces at dawn.

⁶⁰ Zipperer, *supra* note 26.

⁶¹ Mass Deportation: Devastating Costs to America, Its Budget and Economy, *supra* note 4.