

[illegible]

IMPLICATIONS OF FEDERAL IMMIGRATION POLICY FOR MAINE'S WORKFORCE AND ECONOMY

Maine Office of New Americans

SEPTEMBER 2026

Dear Governor Mills:

On behalf of the Maine Office of New Americans, I am pleased to submit this report, “The Economic Contribution of Immigrants in Maine: Implications of Federal Immigration Policy Changes for Maine’s Workforce and Economy.”

Maine, like many other parts of the nation, has experienced persistent disruption this year to one of our most vital talent pools: our immigrant workforce. The Office of New Americans commissioned this report to help policymakers and the public understand the role Maine’s immigrants play in our economy and estimate the potential economic effects of a reduced labor force resulting from abrupt federal immigration policy changes and enforcement activity. It contemplates what our economy would look like without immigrants and the impacts of the current federal immigration policy agenda in Maine, if fully realized, through a range of scenarios.

The report finds that Maine’s foreign-born workforce, while a modest share of total employment, makes a substantial and growing contribution to the state’s economy. Directly, an estimated 33,079 foreign-born workers generated approximately \$2.25 billion in personal income and \$177 million in state income tax revenue in 2020–2024. Accounting for the broader economic activity that employment supports, the report’s modeling estimates that immigrant employment helps sustain nearly 74,000 jobs statewide and nearly \$15 billion in total economic output.

Immigrants participate in our workforce at a higher rate than those born in the U.S., and are particularly important in Maine’s health care, manufacturing, agriculture, and aquaculture sectors. Meanwhile, Maine’s working-age population is projected to decrease, and unemployment remains low, leaving Maine employers with few available workers to replace any departing employees, including immigrants.

This report also gives voice to key employers across our most critical industries, through firsthand accounts collected by our office. Their stories align with what the data, the Maine State Chamber of Commerce, and others tell us: without an immigrant workforce, employers can’t sustain their businesses. This reliable pool of year-round residents doesn’t only fulfill seasonal needs but is a lifeline for full-time operations. Without them, Maine’s most iconic and vital industries (and their supply chains), from wild blueberry raking and processing to our lobster industry, would suffer irreversible consequences. The domino effects of losing immigrants from our workforce are profound, from rising construction and housing costs to risking leaving some of our most vulnerable residents without needed health care.

It is my hope that this report helps inform the reality being lived by so many Mainers and captures the potential consequences of continued senseless federal immigration policy and enforcement changes for our people and economy.

Respectfully,



Julia Trujillo Luengo
Director, Maine Office of New Americans

ABOUT WALLACE ECONOMIC ADVISERS, LLC

Wallace Economic Advisers, LLC (WEA) provides economic research and advisory services to leading public and private sector organizations in support of economic development, workforce strategy, and infrastructure investment. WEA specializes in three core practice areas: workforce and labor market analysis, macroeconomic impact and benefit-cost analysis of energy and infrastructure projects, and economic advisory support for public policy and strategic communications.

The principal investigator for this analysis was Ryan Wallace, PhD, Founder and Principal of WEA. Prior to establishing WEA, Dr. Wallace served as Director of the Maine Center for Business and Economic Research at the University of Southern Maine and co-Director of the Maine EDA University Center for the University of Maine System, where he led applied economic research supporting statewide workforce and economic development initiatives. He previously served on Maine's Revenue Forecasting Committee and as a member of the Federal Reserve Bank of Boston's New England Public Policy Center, contributing to regional economic analysis and public policy research. This report was commissioned and funded by the Maine Office of New Americans.

PURPOSE

The State of Maine commissioned this analysis to quantify the economic contribution of Maine's immigrant workforce, and to estimate the potential economic effects of a reduced labor force and employment levels resulting from federal immigration enforcement activity in the state. This report is not intended as a comprehensive evaluation of immigration policy. Rather, it is intended to inform state leadership, employers, and community stakeholders with a shared, evidence-based reference point.



Contents

Summary 5

Introduction 6

 BACKGROUND..... 6

 SCOPE AND METHODS 7

Maine’s Immigrant Workforce 8

 DEMOGRAPHIC AND LABOR FORCE OVERVIEW..... 8

 INDUSTRY CONCENTRATION 9

The Economic Contribution of Maine’s Immigrant Workforce 11

 DIRECT LABOR FORCE CONTRIBUTION 11

 MODELED ECONOMIC IMPACTS 12

The Economic Impact of Immigration Enforcement 14

 SCENARIO DESIGN AND ASSUMPTIONS 15

 LABOR FORCE WITHDRAWAL SCENARIO RESULTS 16

 SECTOR-LEVEL IMPACTS 16

Conclusions and Economic Implications 21

 LIMITATIONS AND CONSIDERATIONS 23



Summary

Maine's immigrant workforce is a small but economically significant, and growing, share of the state's labor force. The foreign-born population reached an estimated 56,724 residents in 2020–2024 (4.1 percent of the state total, up from 3.5 percent in 2010–2014), and participates in the labor force at a higher rate than U.S.-born residents (70.2 percent among noncitizens versus 61.5 percent among U.S.-born residents). Foreign-born workers are concentrated in personal services, manufacturing, health care, and several other sectors central to Maine's economy.

Directly, an estimated 33,079 foreign-born workers — 4.8 percent of employment across the industries examined — generated approximately \$2.25 billion in personal income and an estimated \$177 million in state income tax revenue in 2020–2024. Accounting for the broader economic activity this employment and spending supports throughout the state economy, REMI PI+ modeling estimates that immigrant employment helps support approximately 73,780 total jobs statewide, \$3.7 billion in wages and salaries, nearly \$8.4 billion in state GDP, and nearly \$15 billion in total economic output.

This report also models the potential economic effects of federal immigration enforcement activity in Maine, using three illustrative Low/Mid/High scenarios that combine direct workforce removals with broader deterrence-related labor force withdrawal. Depending on the assumed scale of enforcement, these scenarios produce an initial labor force reduction of 840 to 7,050 workers, concentrated in health care, manufacturing, construction, accommodations and food services, and agriculture. Once broader economic linkages are incorporated, the modeled effects range from approximately 1,800 to 15,100 jobs statewide and \$395 million to \$3.3 billion in lost annual economic output.

These policy changes and enforcement scenarios are illustrative of a range of reasonable economic implications, not predictive: the direct-removal and deterrence assumptions that drive them are not yet grounded in documented enforcement figures, and actual outcomes will depend on the scale, duration, and nature of enforcement activity going forward. However, these scenarios represent the plausible range of impacts on the Maine economy that may result from the execution of federal policy objectives. This report is intended as an evidence-based reference for state leadership, employers, and community stakeholders; it does not take a position on immigration enforcement policy.



INTRODUCTION

BACKGROUND

Immigration to Maine has been comparatively modest but demographically consequential. A 2025 profile from the Migration Policy Institute (MPI) found Maine's foreign-born population has origins most concentrated in Africa, Asia, Europe, and Canada. The MPI analysis found that Maine's immigrants are disproportionately of prime working age relative to the U.S.-born population, and concluded that immigrants are positioned to help offset a projected decline in Maine's working-age population over the remainder of this decade, with a particular presence already established in health care, manufacturing, agriculture, and aquaculture.¹

Earlier state-level accounting from the American Immigration Council similarly found that immigrant-led households in Maine held substantial after-tax spending power and that immigrants were represented across the state's transportation, business, and service sectors². A 2024 analysis from the Institute on Taxation and Economic Policy estimated that *undocumented* immigrants in Maine contributed approximately \$15.6 million in state and local taxes in 2022, a figure frequently cited in state-level policy discussions about the fiscal role of immigrants regardless of legal status.³

National research on the economic effects of immigration enforcement provides additional context for Section 4 of this report. Research summarized by the Brookings Institution on the rollout of the Secure Communities program found that intensified interior enforcement reduced both the number of foreign-born workers in affected counties and the employment rate of U.S.-born workers in those same counties, and reduced state and local tax revenue through both channels.⁴ More recent Brookings analysis of 2025 enforcement

activity found that immigration raids were associated with short-run local job losses that were not offset by hiring of U.S.-born workers, with effects concentrated in industries that had historically been targeted by enforcement, and additional evidence that awareness of enforcement activity — not only arrests themselves — reduced labor force participation among likely-undocumented workers.⁵ Separately, macroeconomic estimates cited by the Federal Reserve Bank of Dallas⁶ and by Brookings⁷ put the national GDP effect of reduced net migration at roughly 0.4 percentage points of growth in 2025 under a low-immigration scenario, with a Peterson Institute working paper⁸ estimating a larger, multi-year GDP effect under a large-scale removal scenario.

Maine's overall labor market context reinforces these dynamics. The state's unemployment rate has remained near historic lows, registering approximately 3.1 percent through early-to-mid 2026 and running well below both the national rate (approximately 4.1 to 4.2 percent over the same period) and Maine's own long-term average, with unemployment below 4 percent for more than four consecutive years.⁹ While Maine's overall labor force participation rate trails the national rate, reflecting the state's older population, participation among prime working-age adults (25–54) is higher compared to the national rate for 2025.¹⁰ In this context of sustained low unemployment and a slow-growing working-age population, Maine employers have limited ability to draw on an existing pool of available workers to replace departing immigrant employees—a consideration relevant to interpreting both the direct economic contribution estimates in Section 3 and the enforcement scenarios presented in Section 4.

- 1 Lacarte, V., & Putzel-Kavanaugh, C. (2025, September). Maine's immigrant communities: Diverse origins, characteristics, and challenges. Migration Policy Institute.
- 2 American Immigration Council. (2020). Immigrants in Maine [Fact sheet].
- 3 Institute on Taxation and Economic Policy. (2024, July 30). Tax payments by undocumented immigrants.
- 4 Brookings Institution. (2024, September 18). The labor market impact of deportations.
- 5 East, C., Cox, A., & Sojourner, A. (2026, September 3). Beyond arrests: How ICE enforcement depressed local employment in 2025. Brookings Institution.
- 6 Orrenius, P. M., & Zhou, X. (2025, July 8). Declining immigration weighs on GDP growth, with little impact on inflation. Federal Reserve Bank of Dallas.
- 7 Edelberg, W., & Watson, T. (2024, December 3). Immigration and the macroeconomy in the second Trump administration. Brookings Institution.
- 8 McKibbin, W. J., Hogan, M., & Noland, M. (2024, September). The international economic implications of a second Trump presidency (Working Paper No. 24-20). Peterson Institute for International Economics.
- 9 Maine Bureau of Labor Center for Workforce Research and Information.
- 10 10 Ibid.



SCOPE AND METHODS

This brief utilizes Maine statewide data from the US Census American Community Survey (ACS) obtained through the Integrated Public Use Microdata Series (IPUMS)¹¹ to estimate the count and share of the Maine immigrant population and relevant labor force and demographic characteristics. These data are then used to:

1. Quantify the economic role of immigrants in Maine including labor force participation;
2. Estimate the economic contribution supported by the immigrant workforce, including key industries; and
3. Estimate workforce and economic impacts of recent enforcement activity.

As an operational proxy for immigrants, the analysis estimates immigrants as the foreign-born population distinguishing between “naturalized citizen” and “not a citizen”. Respondents with unreported citizenship status are folded conservatively into “not a citizen.”

Descriptive statistics are pooled across three IPUMS ACS periods (2010–2014, 2015–2019, 2020–2024), with

2020–2024 as the primary reference period. IPUMS¹² ACS microdata are pooled with person-level survey weights and design-based 95 percent confidence intervals. Modeled economic contribution and enforcement-scenario figures are produced with the REMI PI+ Maine statewide model,¹³ calibrated using the foreign-born workforce shares by industry. Employment and labor force reductions by industry are simulated to estimate the economic implications of federal immigration enforcement in the state.

The analysis does not estimate individual legal outcomes, does not identify or estimate undocumented status directly, and does not evaluate the merits of specific enforcement policies. This report is intended as an evidence-based reference document. It presents what the available data show about the economic role of Maine’s immigrant workforce and models a range of illustrative economic scenarios; it does not recommend for or against any specific enforcement policy or posture, and it explicitly does not address the legal, humanitarian, or public-safety dimensions of immigration enforcement, which fall outside its scope.

11 Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Grace Cooper, Julia A. Rivera Drew, Stephanie Richards, Renae Rogers, Jonathan Schroeder, and Kari C.W. Williams. IPUMS USA: Version 16.0 [dataset]. Minneapolis, MN: IPUMS, 2025.

12 Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Grace Cooper, Julia A. Rivera Drew, Stephanie Richards, Renae Rogers, Jonathan Schroeder, and Kari C.W. Williams. IPUMS USA: Version 16.0 [dataset]. Minneapolis, MN: IPUMS, 2025. <https://doi.org/10.18128/D010.V16.0>.

13 REMI PI+ Version 3.3.1. built August 15, 2025. Model includes 23 sectors and reflects a state level region.

MAINE'S IMMIGRANT WORKFORCE

DEMOGRAPHIC AND LABOR FORCE OVERVIEW

Maine's foreign-born population has grown steadily across the three pooled ACS periods, both in absolute numbers and as a share of the state's total population (Table 1).

Within the 2020–2024 foreign-born population, 52.2 percent were naturalized U.S. citizens and 47.8 percent were not citizens (a category that combines lawful permanent residents, visa holders, asylum seekers, and undocumented immigrants). The naturalized-citizen share of the immigrant population has declined somewhat since 2010–2014 (55.5 percent), while the not-a-citizen share has risen correspondingly, consistent with a growing share of more recent arrivals: 21.2 percent of Maine's 2020–2024 immigrant population arrived within the prior five years, compared with 45.9 percent who have lived in the U.S. for 20 years or more.

Table 1: Immigrant (Foreign-born) Population in Maine

Period	Foreign-born (n)	95% CI	Share of total pop.
2010–2014	46,141	42,450 – 49,832	3.47%
2015–2019	47,648	43,965 – 51,331	3.57%
2020–2024	56,724	52,052 – 61,396	4.09%

Source: IPUMS ACS microdata, pooled 5-year periods; PERWT-weighted with Taylor-series linearized 95% CIs.

LABOR FORCE PARTICIPATION, EMPLOYMENT, AND INCOME

Noncitizen immigrants in Maine participate in the labor force, and are employed, at meaningfully higher rates than either U.S.-born residents or naturalized citizens — consistent with this group's younger age profile (median age 38, versus 44 for U.S.-born residents and 55 for naturalized citizens) and higher concentration in prime working ages (79.7 percent working-age, versus 61.4 percent for U.S.-born residents).

Table 2: Maine Immigrant Labor Force and Employment Statistics, (2020-24 five-year est.)

Group	LFPR	Employment Rate	Unemployment Rate
U.S.-born	61.5%	59.2%	2.3%
Naturalized citizen	60.4%	58.5%	1.8%
Not a citizen	70.2%	68.0%	2.2%

Source: Working-age population (16+), 2020–2024 pooled ACS.

Table 3: Income and Poverty of Immigrant Population, (2020-24 five-year est.)

Group	Mean Income	Median Income	Poverty Rate
U.S.-born	\$50,547	\$36,028	8.3%
Naturalized citizen	\$57,924	\$35,000	10.2%
Not a citizen	\$44,012	\$26,475	14.4%

Source: Working-age population, 2020–2024 pooled ACS. Median income is generally the more appropriate figure for report text given income skew; mean income is shown for consistency with the industry income-proxy tables in Section 3.

Noncitizen immigrants report lower median income and a higher poverty rate than U.S.-born residents, while naturalized citizens report higher mean income than either group (though this is sensitive to a small number of high earners, given wide confidence intervals on this subgroup). These patterns are broadly consistent with the arrival-cohort composition of Maine’s noncitizen population, which skews toward more recent arrivals.

INDUSTRY CONCENTRATION

By share of workforce, foreign-born representation is highest in personal services and manufacturing — both industries with a meaningful share of employment overall. By absolute headcount, the largest concentrations of foreign-born workers are in retail trade, health services, educational services, and manufacturing, simply because these are Maine’s largest employing sectors. Six sectors — accommodations and food services, manufacturing, health services, agriculture, construction, and tourism/recreation — are flagged in the underlying analysis as priority sectors for the REMI industry calibration combining relatively high foreign-born concentration with policy salience (health care and agriculture in particular are frequently cited in state workforce-shortage discussions).

Table 4: Immigrant Share of Employment by Sector

Industry Sector	Naturalized Citizen	Not a Citizen	Total Foreign-Born	Total Sector Employment
Accommodation & Food Services	3.6%	2.3%	5.8%	42,232
Agriculture, Forestry, Fishing	1.6%	1.7%	3.3%	22,986
Business & Repair Services	2.1%	3.9%	5.9%	35,997
Construction	1.1%	2.0%	3.1%	54,311
Educational Services	2.0%	3.1%	5.0%	76,163
Finance, Insurance, Real Estate	1.7%	1.8%	3.6%	43,745
Health Services	2.7%	2.8%	5.5%	91,474
Manufacturing	3.4%	2.6%	6.0%	66,005
Professional & Related Services	2.6%	1.2%	3.8%	64,777
Other/Not Classified	1.5%	—	1.5%	5,916
Personal Services	5.0%	5.2%	10.2%	13,012
Professional & Related Services	2.6%	1.2%	3.8%	22,986
Public Administration*	9.3%	0.3%	9.6%	1,486
Retail Trade	2.1%	1.6%	3.7%	87,421
Social Services	2.3%	3.2%	5.4%	25,254
Tourism/Recreation Related	2.4%	0.5%	2.9%	9,575
Transportation, Communications, Utilities	2.7%	2.9%	5.7%	40,110
Wholesale Trade	1.8%	1.9%	3.7%	12,386
Grand Total	2.4%	2.4%	4.8%	693,275

Source: IND1990-harmonized industry classification, 2020–2024 pooled ACS, working-age employed population.

^Personal Services includes personal care services such as hair, face, and nail care, death care services, laundry and drycleaning services, as well as other nonmedical personal services. *Indicates small sample which may skew results



EMPLOYER TESTIMONIAL

“The increased ICE enforcement this year has been damaging to us in a multitude of ways. Many of the employees we rely on most in various roles of our business are immigrants who have the legal right to live and work here in Maine. But because it became clear that ICE was detaining immigrants regardless of their legal status, there have been multiple occasions, not just during the surge, when it has seemed unsafe for our employees to leave their homes. That means that we have been very short-staffed or had to ask other employees to cover on short notice, and that we’ve also needed to take people away from their normal jobs to shop for and deliver basic necessities to our team members who have had to stay home for their own safety. This is costly in both time and money.

As a hospitality business, we were also harmed by a decrease in people going out during periods of highest enforcement, as many people, even white Maine-born citizens, did not feel safe given the killings committed by ICE around the country. The presence of ICE has also limited tourism to our state, which in turn harms revenue for our business.

Enforcement, as well as the nonsensical changes to policies on visas, work authorization, and temporary protected status, have created a huge administrative burden on our HR team as they continually have to off-board and re-onboard employees based on their fluctuating status, and devote time and resources to helping key employees navigate the changing regulations. Every time one of these employees can’t come to work because of a threat to their status, the company loses productivity, wastes money as other employees and infrastructure sit idle, and ultimately lead to a situation where it’s very difficult for even a well-established company to survive. There are no Maine-born workers waiting to take on these roles; without immigrants who can work in a safe and welcoming atmosphere, our business is under grave threat.”

THE ECONOMIC CONTRIBUTION OF MAINE'S IMMIGRANT WORKFORCE

Maine's immigrant workforce contributes to the state economy both through the work performed directly by foreign-born employees and through the broader economic activity supported by that employment. Businesses employing immigrant workers purchase goods and services from other Maine businesses, while workers spend a portion of their earnings on housing, food, transportation, health care, retail goods, and other household needs. These supply-chain and household-spending effects extend the economic contribution of immigrant employment beyond the industries in which those workers are directly employed.

This section first describes the direct labor force and income contribution of Maine's foreign-born workforce and then uses the REMI PI+ model to estimate its broader contribution to statewide employment, wages and salaries, gross domestic product, and economic output.

DIRECT LABOR FORCE CONTRIBUTION

Across the industries captured in the ACS industry extract, an estimated 33,079 foreign-born workers—including naturalized citizens and noncitizens—were employed in Maine during the 2020–2024 period. These workers represented approximately 4.8 percent of the 693,275 workers captured across the sectors examined.

Foreign-born workers also account for a meaningful share of income generated within Maine's economy. Using total personal income reported in the ACS as a broad proxy for the economic resources received by workers, foreign-born workers accounted for approximately \$2.25 billion of the \$45.9 billion in aggregate personal income represented in the data, or approximately 4.9 percent. Personal income is not equivalent to wages and salaries or business output and is therefore used here only as a general measure of the income associated with this population.

Table 5: Estimated Annual Labor Force and Tax Revenue Contribution

Measure	Not a Citizen	Naturalized	Foreign-born
Employed immigrant workers	16,388	16,691	33,079
Aggregate personal income	\$960 million	\$1.29 billion	\$2.25 billion
Tax revenue from income and effective rates	\$76 million	\$101 million	\$177 million

Source: IPUMS ACS, 2020–2024. Effective tax rates based on Maine Revenue Services, Maine Tax Expenditure Report 2026–2027, p. 258 (<https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inlinefiles/Tax%20Expenditure%20Report%2026-27%20.pdf>).

Applying effective income tax rates reported by Maine Revenue Services suggests that immigrant employment generates approximately \$177 million annually in state tax revenues resulting from personal income, including income, sales, excise, and property taxes (Table 5).

MODELED ECONOMIC IMPACTS

The direct employment and income measures above capture only a portion of the economic activity associated with Maine's immigrant workforce. To estimate the broader contribution, the analysis uses the REMI PI+ model to simulate economic activity supported by foreign-born workers throughout the Maine economy. The modeled results incorporate both the direct economic activity associated with immigrant employment and the additional activity generated through business-to-business purchases, household spending, and other interactions within the state economy.

As shown in Table 6, the approximately 33,079 foreign-born workers directly employed in Maine support an estimated 74,941 jobs statewide when these broader economic relationships are considered. This includes employment held by foreign-born workers themselves as well as additional employment supported elsewhere in the economy.

Table 6: The Annual Economic Contribution of Immigrants, by Foreign-Born (FB) Classification (in millions of \$)

Measure	Not a Citizen	Naturalized	Total FB
Employed immigrant workers	16,388	16,691	33,079
Total employment impacts	36,238	37,548	73,786
Wages and salaries (millions)	\$1,829	\$1,926	\$3,755
Gross domestic product (millions)	\$4,098	\$4,362	\$8,460
Total economic output (millions)	\$7,213	\$7,746	\$14,962

The economic contribution extends beyond employment: Maine's foreign-born workforce supports an estimated \$3.7 billion in annual wages and salaries, nearly \$8.4 billion in state GDP, and nearly \$15 billion in total economic output, split roughly evenly between noncitizen and naturalized-citizen workers (Table 6).

These estimates illustrate that the economic role of immigrant workers is larger than their direct employment share alone would suggest. Removing workers from an industry does not affect only the positions they occupy. Reduced production can affect suppliers, business revenues, household income and spending, and ultimately employment in other sectors. These same economic linkages are incorporated into the enforcement scenarios evaluated in Section 4.



EMPLOYER TESTIMONIAL

"The fear that has come across our group over this last year and a half has completely changed the organization. We have had multiple US citizens incorrectly detained and released, multiple interactions with ICE officials coming on site and demanding employees' details and schedules from HR. It's not the fear that the law is being enforced, it's the fact that none of these processes seem to be following any type of structure and the fear that people have about being detained illegally and incorrectly is not going away anytime soon."

SEAFOOD PROCESSOR
(PROVIDED TO THE OFFICE OF NEW AMERICANS)



EMPLOYER TESTIMONIAL

“Our operations were significantly disrupted following a concentrated increase in immigration enforcement activity across Greater Portland in January 2026. Southern Maine’s construction industry relies on a meaningful population of immigrant workers, particularly in trades such as carpentry, drywall and general labor.

During and immediately following this period, several of our subcontractors experienced significant difficulty maintaining adequate staffing. Based on conversations with our trade partners, many workers who were legally authorized to work were nevertheless afraid to travel to and from jobsites because of concerns about being stopped or detained. The resulting reduction in available labor affected productivity, contributed to schedule delays and ultimately increased project costs.

Although the concentrated enforcement operation lasted only a brief period, the resulting fear within the workforce and related staffing effects continued afterward. Staffing on our projects gradually returned to more typical levels over the following months. While challenging, the experience provided a very tangible illustration of how important immigrant workers have become to the construction workforce in Southern Maine.

As Maine considers the long term challenge of developing a sufficient workforce to support housing, infrastructure and economic growth, immigration needs to be part of that conversation. Workforce development strategies should include safe, efficient and legal pathways that allow immigrants who want to work to enter the workforce, contribute to our communities and help meet Maine’s growing demand for skilled labor.”

PROVIDED TO THE OFFICE OF NEW AMERICANS



CONSTRUCTION

INDUSTRY
SECTOR

THE ECONOMIC IMPACT OF IMMIGRATION ENFORCEMENT

Estimating the economic effects of immigration enforcement presents several methodological challenges. Publicly available information does not indicate the duration of individual workforce removals, the industries and occupations of all affected workers, or whether enforcement results in permanent departures or temporary disruptions, and the ACS cannot identify undocumented workers. The estimates that follow should therefore be read as illustrative economic scenarios, not as estimates of the actual number or legal status of workers affected by any specific enforcement action.

Enforcement can also affect workers who are not themselves detained or removed: research summarized earlier in this report finds that heightened enforcement produces a broader deterrence, or “chilling,” effect, in which other workers reduce work activity, relocate, or withdraw from the labor market out of perceived risk, so that workforce disruptions can exceed the number of workers directly removed. This analysis develops three illustrative Low/Mid/High scenarios combining direct workforce removals with this broader deterrence-related withdrawal, calibrated to five sectors with particular relevance to recent enforcement activity in Maine: manufacturing, construction, accommodation and food services, health services, and agriculture. The resulting labor supply changes are modeled using REMI PI+ to estimate effects on the broader Maine economy.



SCENARIO DESIGN AND ASSUMPTIONS

The analysis identifies an initial enforcement-exposed population consisting of working-age, employed noncitizens in the five enforcement-associated industries. This population is estimated at approximately 6,700 workers, including 1,729 in manufacturing, 1,070 in construction, 954 in accommodation and food service, 399 in agriculture, forestry, and fishing, and approximately 2,560 in health care and related services.

This population should not be interpreted as an estimate of undocumented workers. The ACS does not identify documentation status, and non citizen category includes all foreign born residents who are not yet naturalized citizens. These range from lawful permanent residents, asylum seekers to refugees.

The direct removal assumptions shown in Table 7 are applied to this five-industry enforcement-exposed population. The deterrence assumptions are conceptually broader. Whereas direct removal represents workers assumed to leave employment as a direct result of enforcement activity, deterrence represents additional labor force withdrawal that may occur among Maine's broader noncitizen workforce of approximately 16,400 employed workers, including workers outside the five industries initially associated with enforcement activity.

Three scenarios are evaluated to reflect uncertainty regarding both the scale of direct enforcement and the magnitude of broader behavioral responses. The Low scenario assumes a relatively limited direct employment effect and modest additional withdrawal. The Mid scenario represents a more substantial and persistent enforcement environment, while the High scenario represents a stress case in which direct enforcement is accompanied by a considerably larger behavioral response among the broader noncitizen workforce. These scenarios are intended to establish a reasonable range of potential economic exposure and should not be interpreted as forecasts of future enforcement activity.

These percentages and multipliers are analyst-constructed illustrative assumptions rather than statistical estimates derived from a study of Maine or from documented, geographically specific data on the current federal enforcement campaign. Publicly available enforcement statistics for Maine's current enforcement environment are limited in scope and do not provide the sustained, state- or county-level detail needed to estimate direct-removal or deterrence rates empirically. Instead, the scenarios are informed by the direction and general magnitude of effects identified in the national enforcement research summarized in Section 1.2, including evidence that awareness of enforcement activity—not only arrests—reduces labor force participation among likely-undocumented workers, and that resulting behavioral withdrawal can exceed the number of workers directly removed. The Low, Mid, and High scenarios are designed to span a plausible range, from a limited and narrowly targeted enforcement posture to a sustained and broadly perceived enforcement environment, rather than to represent specific probability-weighted outcomes. Additional detail on the construction of these scenarios is provided in Appendix A.



Table 7: Enforcement Scenario Removal Rate Assumptions

Scenario	Direct removal rate	Deterrence multiplier
Low	5%	1.5×
Mid	15%	2.0×
High	30%	2.5×

LABOR FORCE WITHDRAWAL SCENARIO RESULTS

Applying these assumptions produces estimated labor force reductions ranging from approximately 840 workers in the Low scenario to 7,050 workers in the High scenario, with a Mid scenario estimate of approximately 5,037 workers. Table 8 below shows the direct-removal and deterrence components of this total for each scenario. Because deterrence reflects a behavioral response rather than a directly observed outcome, its magnitude is more uncertain than the direct-removal component, and affected workers need not be confined to the five calibration industries; the scenarios illustrate a range of potential labor force disruption, not a prediction of the precise number of workers who would leave employment.

The confidence intervals shown in Table 8 reflect sampling uncertainty associated with the underlying ACS population estimates. They do not capture the additional uncertainty associated with future enforcement intensity, worker behavior, or the deterrence assumptions themselves.

Table 8: Direct Labor Force Enforcement Impact Scenarios

Scenario	Direct removed	Deterred additional	Total labor impact	95% CI (total)
Low	336	504	840	653 – 1,026
Mid	1,007	2,015	3,022	2,351– 3,693
High	2,015	5,037	7,052	5,486 – 8,618

Source: Statewide labor impact = direct removal + deterred additional withdrawal, applied to the enforcement-exposed proxy population.

SECTOR-LEVEL IMPACTS

For purposes of economic modeling, the estimated labor force reductions are allocated among the five enforcement-associated industries in proportion to their representation within the enforcement-exposed workforce. This provides a consistent basis for translating the labor force scenarios into industry-level economic shocks within REMI PI+. It does not imply that all workers responding to deterrence would necessarily be employed in these industries; rather, the industry allocation provides an analytical mechanism for estimating the potential statewide economic consequences of the assumed workforce reductions.

As shown in Table 9, health services experiences the largest estimated reduction in available workers, ranging from approximately 321 workers in the Low scenario to 2,692 in the High scenario, reflecting both its share of the enforcement-exposed noncitizen workforce and its overall size within the Maine economy. Manufacturing follows, ranging from 216 to 1,815 workers, then construction (134 to 1,124 workers) and accommodation and food services (119 to 1,002 workers). Agriculture experiences the smallest absolute labor reduction of the five sectors, ranging from 50 to 419 workers.

Table 9: Direct Labor Force Impact Scenarios by Enforcement Associated Industry Sector

Sector	Low (est.)	Mid (est.)	High (est.)
Health Services	321	1,154	2,692
Manufacturing	216	778	1,815
Construction	134	482	1,124
Accommodations & Food Services	119	469	1,002
Agriculture, Forestry, Fishing	50	180	419

Source: Total labor force reduction (direct + deterred), allocated proportional to each industry's share of the enforcement-exposed proxy population. 95% CIs are available in the underlying workbook.



INDUSTRY
SECTOR

AGRICULTURE

EMPLOYER TESTIMONIAL

“While we operate in one of Maine’s most iconic heritage industries, the wild blueberry harvest, most of our U.S. born local talent does not seek to continue farming. Due to our year-round and seasonal operation demands, for years, we have relied on immigrant feeder programs/talent to sustain our business demands. About 38% of our year-round full-time employees are part of Maine’s immigrant population (not H2A workers). They not only bring a wide range of professional and occupational expertise across multiple roles, from food quality inspectors to tractor operators, but they bring a passion and love for farming that stems from growing up in the fields, whether sugar cane fields or raising mango trees. These unique set of qualities make them extremely valuable to us.

For the last couple of years, we have experienced considerable disruption in this talent pool, particularly most recently, during our 2026 summer harvest. About 40% of our seasonal workforce comes from the immigrant population. We are one of the only wild blueberry growers that still uses manual rakers. We wanted to hire 50 workers this past summer, only 25 came. The year prior we secured 60 with ease.

The bottom line is that this is not a partisan issue. Sustaining agriculture in Maine truly does hinge on having enough employees who want to farm and process our wild blueberries. This is reality. Our immigrant workers are among our very best workers because they understand farming. And with our aging workforce, coupled with the lack of interest in farming from younger generations, we don’t stand a chance. If these labor disruptions continue, there is no doubt that our food supply chains will be severely interrupted for all.”

PROVIDED BY WYMAN’S TO THE OFFICE OF NEW AMERICANS

Health services and manufacturing account for the largest absolute workforce impacts because of their relatively large shares of the enforcement-exposed population, with construction not far behind. Accommodation and Food Services, by contrast, has the highest overall foreign-born workforce concentration among the major sectors examined earlier in this report, even though its absolute exposure is smaller. Agriculture presents a somewhat different form of exposure. Although the number of affected workers is smaller, disruptions can be particularly consequential where production is seasonal, time-sensitive, or dependent on a relatively small labor pool. The ACS-based estimates also may not fully capture seasonal, temporary, or highly mobile agricultural employment. The modeled effects for agriculture therefore should be interpreted cautiously and may understate the potential effects of enforcement during periods of peak seasonal labor demand.

The REMI results show these initial labor force reductions generate employment losses extending well beyond the workers assumed to leave the labor force: an estimated 1,798 jobs statewide under the Low scenario, 6,475 under Mid, and 15,114 under High (Table 10).

These broader employment effects occur because reductions in labor availability constrain production within directly affected industries and reduce purchases from suppliers, income received by households, and consumer spending elsewhere in the economy. Consequently, some of the employment losses occur outside the five industries in which the initial labor force shocks are modeled.

Health care and construction show the largest modeled employment effects, followed by manufacturing and, at a smaller scale, other services and agriculture (Table 10).

Table 10: Economic Impacts of Enforcement on Employment by Key Sectors

Sector	Low	Mid	High
Health care and related services	-424	-1,526	-3,561
Manufacturing	-277	-998	-2,329
Construction	-366	-1,316	-3,072
Accommodation & Food Services	-178	-640	-1,495
Agriculture / Farming	-50	-180	-419
All Industries	-1,798	-6,475	-15,114

A similar pattern holds for economic output: the estimated statewide reduction ranges from approximately \$395 million annually under the Low scenario to \$3.3 billion under the High scenario, with a Mid-scenario estimate of approximately \$1.42 billion (Table 11). Manufacturing accounts for the largest direct industry output effect, reflecting both its size and production intensity, followed by health care, construction, accommodation and food, and agriculture. This differs from the employment ranking in Table 10, where health care shows the largest job effect; health care and other labor-intensive service industries tend to generate larger employment effects per dollar of output than manufacturing, which is more capital- and production-intensive.

Table 11: Economic Impacts of Enforcement on Economic Output by Key Sectors

Sector	Low (millions)	Mid (millions)	High (millions)
Construction	-\$45	-\$160	-\$373
Manufacturing	-\$136	-\$489	-\$1,141
Health care and related services	-\$74	-\$265	-\$618
Accommodation & Food Services	-\$27	-\$96	-\$224
Agriculture / Farming	-\$6	-\$21	-\$49
All Industries	-\$395	-\$1,422	-\$3,320

The statewide totals are larger than the sum of the effects shown for the five directly modeled sectors because work-force disruptions propagate through the broader economy. Businesses in affected industries purchase fewer inputs, affected workers and households receive less income, and spending declines in industries that may have little direct exposure to immigration enforcement. The modeled results therefore illustrate how a labor supply disruption concentrated initially within several industries can generate considerably broader economic effects.

The relationship between the initial labor force reduction and the broader statewide employment and output effects reflects REMI PI+’s modeling of business-to-business purchasing, household spending, and other linkages throughout the Maine economy, rather than a single fixed multiplier applied uniformly across scenarios. Industry composition contributes meaningfully to the size of this relationship: manufacturing, which accounts for the largest share of the enforcement-exposed workforce in this analysis, has above-average local supply-chain linkages and higher average compensation than several of the other enforcement-associated industries, both of which tend to generate larger downstream employment and output effects per worker removed than industries with more limited local backward linkages, such as accommodations and food services.. Additional detail on the REMI PI+ modeling structure used to construct these estimates is provided in Appendix A.

EMPLOYER TESTIMONIAL

“New Americans play a vital role in the health care workforce by filling critical staffing shortages in patient care, hospitals, nursing homes, and rural communities. Their diverse linguistic skills and cultural perspectives bridge communication gaps, directly improving patient trust and health outcomes for a rapidly diversifying population. The unique skills brought by immigrant workers helps ensure the entire medical system remains resilient and accessible to everyone.”

HEALTH CARE EMPLOYER
(PROVIDED TO THE OFFICE
OF NEW AMERICANS)





WORKERS' TESTIMONIAL

"Since January 2026, fear has taken over our lives. Despite it, we continue to work every day. We can't afford not to, as everything is more costly today than a year ago. As working moms, supporting our kids' sense of safety – while we continue to work and live – has been very challenging. During January and February, our kids were too afraid to leave our side, so they did not go to school for a few weeks. Since then, they still don't want us to leave them with anyone else to care for them except us. We are grateful to our employer, who has helped us by adapting our work schedule so that we can be present with our kids when they are not in school. However, these overall circumstances make it very difficult to continue our regular lives. From doing groceries to going to established appointments – nothing feels safe anymore. All of this has taken a real mental and emotional toll on all of us. We would like to go back to the productive and meaningful lives we had a year ago."

PROVIDED TO THE OFFICE OF NEW AMERICANS BY FOUR FOOD SERVICE WORKERS

CONCLUSIONS AND ECONOMIC IMPLICATIONS

Immigrants represent a relatively small but increasingly important component of Maine's population and workforce. Maine's foreign-born population reached an estimated 56,724 residents during 2020–2024, or approximately 4.1 percent of the state's population, compared with approximately 3.5 percent during 2010–2014. The economic significance of this population is amplified by its age and labor force characteristics. Noncitizen immigrants participate in Maine's labor force at a rate of approximately 70.2 percent, substantially above the 61.5 percent rate among the U.S.-born population, reflecting in part their greater concentration in working ages.

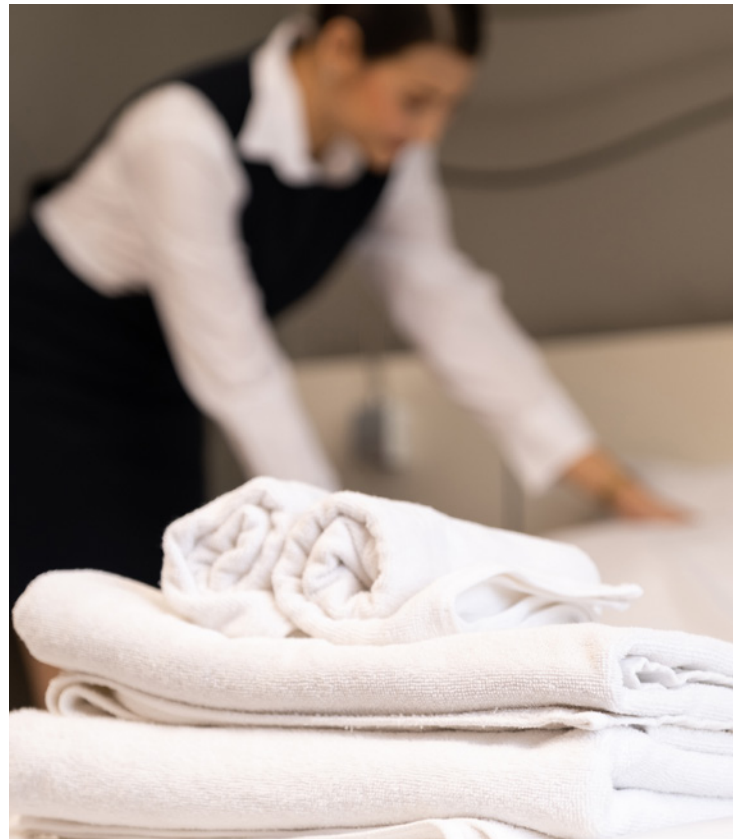
Approximately 33,100 foreign-born workers are employed across the Maine industries examined in this analysis, representing approximately 4.8 percent of employment. These workers receive an estimated \$2.25 billion in aggregate personal income, approximately 4.9 percent of the total personal income represented in the ACS industry data, and the analysis estimates approximately \$177 million in annual state income tax revenue associated with that income. Foreign-born employment is particularly concentrated in personal services, manufacturing, business and repair services, transportation and utilities, health care, and social services.

The broader economic contribution of these workers extends beyond their direct employment. The REMI analysis estimates that immigrant employment supports approximately 73,780 jobs, \$3.7 billion in wages and salaries, nearly \$8.4 billion in gross domestic product, and nearly \$15 billion in total economic output across Maine. These results reflect the relationships between workers, employers, suppliers, and household spending throughout the state economy.

The enforcement scenarios examined in this report illustrate the economic exposure associated with potential reductions in this workforce. Depending on the assumed scale of direct enforcement and broader deterrence effects, the scenarios produce initial labor force reductions ranging from approximately 840 to 7,050 workers. Once broader economic effects are incorporated, the modeled employment impact ranges from approximately 1,800 to 15,100 jobs statewide, and the corresponding reduction in annual economic output ranges from approximately \$395 million to \$3.3 billion.

These results also illustrate an important distinction between the number of people directly affected by an enforcement action and the ultimate economic effect. Direct removal represents only one mechanism through which enforcement may affect the economy. Changes in labor force participation among other non-citizen workers, disruptions to employers, reduced business-to-business purchases, and lower household spending can increase the overall economic effect. For this reason, the economic consequences of heightened enforcement cannot necessarily be inferred from the number of arrests or removals alone.

Furthermore, the manner in which enforcement occurs carries implications for employers that are distinct from the scale of workforce loss itself. Because enforcement actions are inherently unpredictable in timing and targeting, employers in enforcement-exposed sectors face not only the possibility of losing workers but also genuine uncertainty about which workers, and how many, may be affected at any given time. This unpredictability complicates workforce



planning in ways that ordinary turnover does not: unlike voluntary separations or retirements, enforcement-related workforce loss typically occurs abruptly, with little or no transition period during which employers can recruit, train, or otherwise prepare replacement labor. In sectors where enforcement activity has already had a visible effect, there is also evidence that immigrant workers—including those with lawful status—may become less willing to apply for open positions, reflecting concerns about workplace visibility or increased scrutiny. Where this occurs, the effect compounds direct workforce losses by constraining the available applicant pool even before any enforcement action takes place.

The effects are also unlikely to be uniform across industries. Health services and manufacturing have the largest absolute workforce exposure within the scenarios examined, followed by construction, while personal services has the highest foreign-born workforce concentration among the major sectors analyzed. Agriculture employs fewer immigrant workers in absolute terms but may be particularly sensitive to labor disruptions because of seasonal production cycles and the time-sensitive nature of agricultural output.

The analysis also indicates that economic exposure is not limited to the five industries modeled in Section 4. Retail trade, educational services, and tourism and recreation, for example, also employ meaningful numbers of foreign-born workers but are not included among the enforcement-associated sectors used to construct the scenarios in this report. Their exclusion reflects a judgment about relative enforcement relevance rather than an assessment of vulnerability, and the true economic exposure associated with a broad or sustained enforcement environment could extend beyond the five sectors modeled here.

For a state facing long-term demographic constraints and a relatively slow-growing working-age population, changes in immigrant labor supply have implications beyond the workers and businesses immediately affected. To the extent that employers are unable to replace departing workers quickly, reductions in labor availability can constrain production, increase vacancies, delay business activity, and reduce economic activity elsewhere in the state through supply-chain and household-spending relationships. The magnitude and duration of these effects will depend on the scale and persistence of enforcement activity, the response of workers and employers, and the availability of substitute labor.

Accordingly, the scenarios presented here are best understood as measures of economic exposure rather than forecasts. They demonstrate the range of potential workforce and economic effects associated with different levels of enforcement-related labor disruption and provide a framework for evaluating those effects as additional information on enforcement activity becomes available.



LIMITATIONS AND CONSIDERATIONS

Several limitations are important when interpreting the findings in this report. Most fundamentally, the ACS does not identify immigration documentation status. The “not a citizen” population used in the analysis includes a wide range of immigration statuses, from legal permanent residents to asylum seekers and refugees. The enforcement scenarios therefore do not represent estimates or predictions regarding which individuals may be subject to federal enforcement.

Survey data may also underrepresent some immigrant populations. Individuals with uncertain immigration status or concerns regarding government institutions may be less likely to participate in household surveys or may not report certain information. To the extent that this occurs, the ACS estimates used here could understate the number of non-citizen or immigrant workers in Maine and, correspondingly, their economic contribution.

The analysis also does not estimate individual outcomes associated with Operation “Catch of the Day” or any other specific enforcement action. Available information is insufficient to establish the duration of workforce separation, industry and occupational characteristics of all affected individuals, subsequent migration, or whether workers ultimately return to employment.

The deterrence assumptions introduce an additional source of uncertainty. Unlike direct removals, deterrence cannot be observed directly from enforcement statistics and may affect workers outside the industries in which enforcement activity occurs. The multipliers used in this analysis are therefore scenario assumptions intended to illustrate a range of potential labor market responses rather than point estimates of actual behavior.

Geographic variance is an additional limitation of the statewide approach used in this analysis. Federal immigration enforcement activity historically has not been evenly distributed across Maine, and available information about the current enforcement environment suggests activity is more likely to be concentrated in particular communities, including urban and other population centers with larger immigrant populations, than spread evenly across the state. The statewide estimates presented in this report represent an average across Maine and do not capture the potentially more concentrated economic effects that could occur in specific counties, local labor markets, or communities where enforcement activity—and the affected workforce—is disproportionately concentrated. Employers and communities in areas of concentrated enforcement activity could experience effects considerably larger than the statewide figures would suggest, while other areas of the state may experience comparatively modest effects.

The modeling approach also has a limited ability to capture labor substitution effects—that is, the extent to which employers might fill vacated positions with other available workers, adjust wages or scheduling to attract workers from outside the immediate labor market, or otherwise offset departures through non-immigrant hiring. REMI PI+ incorporates general labor market adjustment mechanisms, including wage and price responses, but does not model employer-specific hiring behavior or the availability of qualified replacement workers in a given local labor market. Given Maine’s current labor market conditions—a historically tight labor market, unemployment near 3 percent, and a slow-growing working-age population, as described in Section 1.2—the pool of workers available to fill positions vacated by enforcement-related departures is limited, and substitution possibilities may be more constrained in Maine than the statewide averages embedded in the model would suggest, particularly where affected employment is geographically concentrated (see above) or requires specific skills or experience. In other words, even where the modeled economic effects appear modest in statewide terms, employers experiencing enforcement-related departures may still face material difficulty filling those positions from the existing labor force. As a result, actual outcomes could differ from the modeled scenarios in either direction depending on the degree to which affected employers are able to identify and hire replacement labor.

Finally, the analysis is intentionally limited to economic and workforce effects within Maine. It does not evaluate the legal, humanitarian, public-safety, health, educational, or other community effects of immigration enforcement. It also does not estimate spillover effects arising from enforcement activity in neighboring states or nationally, including changes in interstate migration, regional supply chains, or the national availability of workers.

Wallace Economic Advisors and the Maine Office of New Americans thank Amanda Rector, Maine State Economist, and Mark McInerney, Director of the Center for Workforce Research and Information at the Maine Department of Labor, for their review of this report.

APPENDIX A:

MODELING METHODOLOGY DETAIL

This appendix provides additional detail on the REMI PI+ modeling approach used to estimate the direct economic contribution of Maine's immigrant workforce (Section 3.2) and the potential economic effects of immigration enforcement (Section 4).

MODEL AND BASELINE

The analysis uses the REMI PI+ Maine statewide model, Version 3.3.1 (built August 15, 2025), a 23-sector model reflecting a state-level region for Maine, calibrated to REMI's most recent baseline economic and demographic forecast for Maine. All modeled results reflect changes relative to this baseline forecast, not to current economic conditions alone.

DIRECT CONTRIBUTION MODELING (SECTION 3.2)

Foreign-born employment shares and associated compensation, by industry, were used to construct an Employment shock in REMI PI+ reflecting the labor force and income directly attributable to foreign-born workers. REMI's dynamic, regional input-output structure then estimates the additional employment, GDP, and output supported elsewhere in the Maine economy through business-to-business purchasing (backward linkages) and household spending associated with this employment and income.



ENFORCEMENT SCENARIO MODELING (SECTION 4)

The enforcement scenarios combine two REMI PI+ shock structures: industry-level Employment shocks (Blocks 1 and 2) representing the direct- and deterrence-related labor force withdrawal within the five enforcement-associated industries health services, manufacturing, construction, accommodations and food services, and agriculture, and a regional Population out-migration shock (Block 3) representing the associated reduction in household spending, housing demand, and local tax base to the extent that affected workers and their households leave the Maine economy rather than simply exiting employment.

Several modeling parameters affect the scale of the estimated economic effects and remain under discussion with the project team as of this draft:

- Time profile and persistence: the assumed duration and phasing of the labor force shock over the REMI simulation window (e.g., an immediate and sustained reduction versus a phased-in or partially recovering shock).
- Baseline replacement migration: whether, and to what extent, REMI's baseline forecast already assumes a degree of replacement in-migration that would offset part of the modeled labor force reduction.
- Household-size multiplier: the factor used to scale the estimated number of workers removed to an estimate of total household population removed, for purposes of constructing the Block 3 population shock.



MULTIPLIER EFFECTS

Across the three scenarios, the ratio of total statewide employment and output effects to the initial labor force reduction is approximately 2.1 (including indirect and induced effects)—that is, the modeled statewide employment loss is roughly double the initial number of workers assumed to leave employment. This reflects REMI’s dynamic regional multiplier process rather than a static input-output multiplier applied directly to affected workers, and is consistent with the broader supply-chain and household-spending linkages described above. Industry composition is the primary driver of the multiplier’s magnitude in this analysis: manufacturing, which accounts for the largest share of the enforcement-exposed workforce, has above-average local supply-chain linkages and higher average compensation than several of the other enforcement-associated industries. Both factors tend to generate larger downstream employment and output effects per worker removed than industries such as personal services, which have comparatively limited local backward linkages. Because manufacturing carries the largest weight in the enforcement-exposed population, it contributes disproportionately to the overall multiplier observed in the scenario results.

Health care illustrates the reverse pattern: it now accounts for the largest employment effect of any modeled sector (Table 10) but a comparatively smaller output effect (Table 11), consistent with health care’s labor-intensive, comparatively lower-output-per-worker profile relative to manufacturing. Together, the two sectors illustrate that which industry drives the largest reported effect in this analysis depends on whether the metric of interest is jobs or dollars.



Prepared by Wallace Economic Advisers for

GOVERNOR'S OFFICE OF
Policy Innovation
and the Future



maine.gov/future