The Economic Implications of Trump's Mass Deportations

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Nicci Mattey of the National Immigration Forum defines mass deportations as the removal of "the entire undocumented population" from a nation.[1] Many Americans believe that immigrants have a negative impact on American culture, and consequently that the government should deport undocumented immigrants.[2] Authors from the Peterson Institute For International Economics (PIIE) report that in response to these public concerns, Trump's immigration plans attempt to "increase employment of native-born workers, boosting economic growth."[3] The PIIE states that the millions of undocumented immigrants are to be seized by military troops and sent to giant detention camps as part of the "largest domestic deportation in American history."[4] One aspect politicians may be overlooking is that deportations have significant economic ramifications in addition to ethical implications. Forcing large numbers of workers to leave the country disrupts labor markets, affects industries that rely primarily on immigrant labor, and reduces the nation's overall economic activity.

In the 1930's, the US initiated a wave of mass deportations to open up job opportunities for Americans; the opposite of the intended effect occurred:

> The repatriation of Mexicans, who were mostly laborers and farm workers, reduced demand for other jobs mainly held by natives, such as skilled craftsman and managerial, administrative and sales jobs. Moreover, [it] did not result in other immigrants gaining jobs.[5]

It is estimated that citizens' wages either remained the same or were reduced. The removal of Mexican workers in Detroit, a city with a population of fifteen

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1 Mattey, "Mass Deportation in the U.S.: Explainer."

2 Kafura, "Republican Concerns over Immigration Hit All-Time High."

3 Bhatt et.al, "Mass Deportations would Harm the US Economy."

4 Bhatt et.al, "Mass Deportations would Harm the US Economy."

5 Lee, Perry, and Yasanov, "The Employment Effects of Mexican Repatriations: Evidence From the 1930's."

Number of Latin American immigrants deported from the U.S. since January 20, 2025

Mexico	Colombia	Guatemala	Ecuador
4,094	306	265	80

As of Feb. 5, 2025

thousand Mexicans, contributed to economic damage due to a sudden absence of consumption. By the late 1930s, the US economy started to recover from the Great Depression. WWII created a labor shortage in the agricultural sector. To address this shortage, the federal government implemented the Bracero Program. This program brought Mexican workers into the US to aid the agricultural sector. WWII which was severely affected by labor shortages during the Second World War.[6] While the Bracero Project was still in effect, President Dwight Eisenhower paradoxically established Project Wetback, an operation that deported around 1.1 million Mexican workers from the US. The swift removal of farm workers caused an extreme labor deficit in numerous states' agricultural sectors. Thus, food prices increased sharply, which caused local food shortages and

high inflation.[7] Historically, mass deportations in the US have increased demand for cheaper labor, reduced wages, contracted local economies, and caused inflation. This contradicts the mission of creating more jobs and improving the economy that advocates for such deportations argue they support.[8]

Members of the Trump Administration argue that mass deportation will open up the labor market for American-born workers.[9] For example, Trump's immigration advisor Stephen Miller made the statement that "mass deportation will be a labor-market disruption celebrated by American workers, who will now be offered higher wages with better benefits to

6 Library of Congress, "A Latinx Resource Guide: Civil Rights Cases and Events in the United States."

7 Wilson, "Near Certain Cataclysmic Consequences of a Mass Deportation Program."
8 Britannica, "Bracero Program."
9 Bhatt et.al, "Mass Deportations would Harm the US Economy."
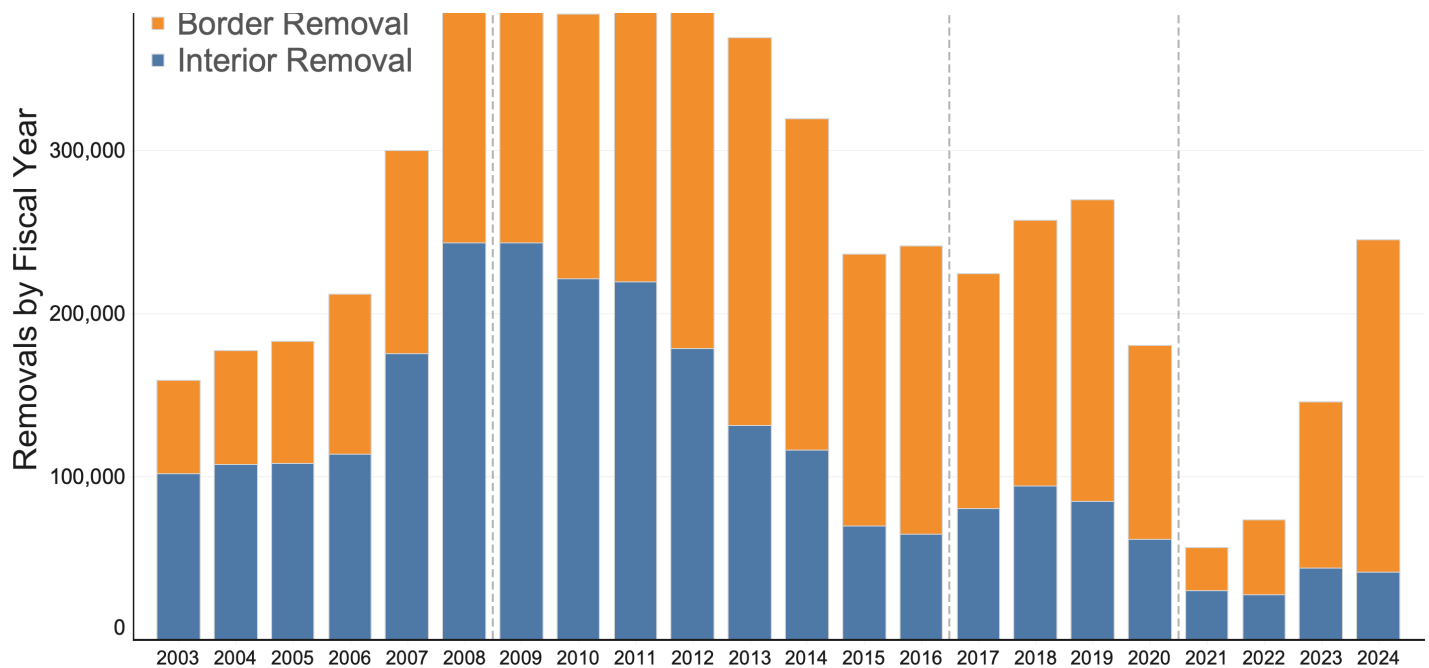
Source: The Transactional Records Access Clearinghouse (TRAC) at Syracuse University.
Notes: Includes only removals by US Immigration and Customs Enforcement (ICE), which account for the majority of removals. "Border" refers to removals initiated as arrests by Customs and Border Protection, usually near the border. "Interior" refers to removals initiated as ICE arrests, typically in the interior. Presidential administrations typically start during the fourth month of the fiscal year. Data for 2024 is extrapolated from the first five months of FY24.

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fill these jobs."[10] Unfortunately, instead of providing better wages and occupational opportunities for Americans, the sudden drop in demand for goods caused by mass deportations will in turn decrease demand for workers.[11] The resulting job displacement outweighs the jobs replaced, leaving an empty gap in the workforce, particularly within the agricultural and construction industries.[12] Additionally, the consequential loss of labor supply will create a ripple effect. With an empty gap in the workforce, business owners will be forced to invest less in new business formations, and instead invest more in industries and technologies that are less reliant on lower-skill labor. As a result, PIIE concludes that the demand for American workers will decrease, and while "few US workers might

benefit; most are worse off."[13]

A study performed by Chloe East, a professor of economics at University of Colorado, found that for every one million losses in the immigrant workforce through deportation, 88,000 American workers lost their jobs.[14] Presuming that the Trump Administration manages to follow through on its intent to deport the entire undocumented population of the US, which totals to over eight million immigrants, it will lead to the loss of over half a million other jobs for Americans and cost the nation over 700 billion USD.[15]

Furthermore, persistent labor shortages in the agricultural sector from the gap in immigrant workers will affect the prices of and accessibility to food. Experts predict that American farms will likely

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10 Clemens, "Trump's Proposed Mass Deportations would Backfire on US Workers."
11 Bhatt et.al, "Mass Deportations would Harm the US Economy."
12 Dorn, "Everything To Know About Trump's 'Mass Deportation' Plans–ICE Chief Removed Amid Push For More Arrests."

13 Clemens, "Trump's Proposed Mass Deportations would Backfire on US Workers."
14 Clemens, "Trump's Proposed Mass Deportations would Backfire on US Workers."
15 Garcia, "Trump's Mass Deportation Plans have Echoes of a 1950s Federal Crackdown that Swept through Texas."

struggle to maintain a similar level of production output as in the past. Barbara Guignard, head of European operations at Efficio, a consulting company that specializes in supply chains, states that "a reduced harvest means less food for processing, which affects supply chains and logistics. Ultimately, this could push up food prices and impact consumers nationwide." Guignard also comments that "plans to crack down on illegal immigration in the US strongly remind [her] of what happened with Brexit."[16] New immigration rules and pandemic-related disruptions in the UK at the time encouraged undocumented workers to leave, an attempt to restrict labor market access to foreigners. However, the UK instead observed an immediate hit on the labor market, "leading to workforce shortages and even empty supermarket shelves in fresh produce aisles."[17] Guignard concludes that a similar loss of immigrant labor in the US could lead to the same damage on the agriculture and food processing sectors, which would have a ripple effect across the broader economy.[18]

Undocumented individuals also comprise almost 30% of the workforce in the construction industry. A sudden loss of laborers from deportations, combined with the amount of retiring workers, would heavily outweigh those entering the industry, creating numerous issues. This could result in construction project delays, cost increases, and even safety risks for both workers and future occupants alike.[19] Other industries, such as hospitality,

manufacturing, and transportation, will also see massive worker losses and in turn, increased prices and delays.[20]

Overall, the undocumented population, which comprises 5% of the total American workforce and amounts to 7.5 million people, provides vital support for high-risk industries that Americans are unwilling to work in and for critical supply industries, such as agriculture.[21] An alternative for the Trump Administration would be to create proper migration laws, which will raise production and create sufficient job opportunities for both US natives and foreign workers.

Shortage in 2025."

20 American Immigration Council, "Mass Deportation Devastating Costs to America, Its Budget and Economy."

21 American Immigration Council, "Mass Deportation Devastating Costs to America, Its Budget and Economy."

16 Mahoney, "Mass Deportations Could Disrupt US Food Supply Chain, Experts Say."

17 Mahoney, "Mass Deportations Could Disrupt US Food Supply Chain, Experts Say."

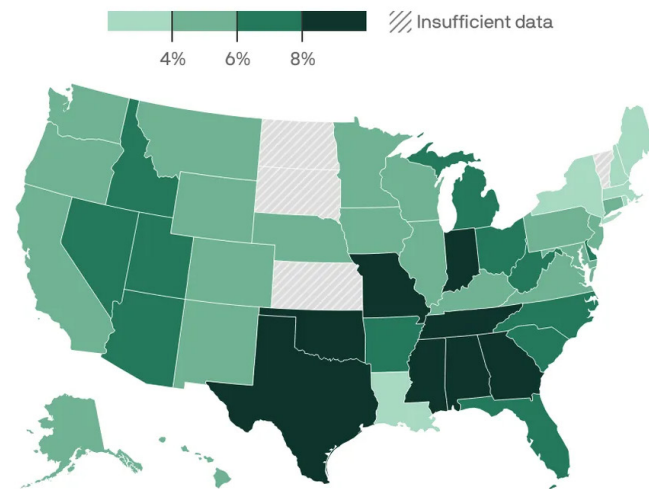18 Mahoney, "Mass Deportations Could Disrupt US Food Supply Chain, Experts Say."

19 ABC Rocky Mountain, "Navigating the Construction Worker

Opinion: Wall Street Should Not Be Allowed to Buy Single-Family

Helen Barrosse '28

March 2025

Share of homes sold to institutional investors, 2024

Insufficient data

4%   6%   8%

Millions of Americans lost their homes in the 2008 financial crisis.[1] While this crisis devastated millions of Americans, it created an investment opportunity for firms on Wall Street. These firms recognized the increasingly available real estate and quickly took over, intending to lease it back to families and make a profit. This potential for breaking into the housing market sparked more advancements for private equity firms, such as financing rental companies and creating new properties to lease. Wall Street's work in the housing market has only increased over the last decade, including a notable spike during the COVID-19 pandemic due to low interest rates and rising real estate prices.[2] The impacts of Wall Street firms taking over the housing market include increased fees, decreased opportunities for <u>homeowner</u>ship, higher housing prices, and bad landlordship; because of these adverse effects, Wall Street should not be allowed to buy single-family homes.

Large firms outbid first-time home buyers and families. It is easy for firms to outbid individuals looking to buy these homes because they have more capital.[3] These firms then jack up the rent prices on the same families who they outbid. This real estate hoarding drastically decreases the chances of many Americans being homeowners, as the fees they pay to these Wall Street-funded rental companies are often much higher than those of the average landlord. In fact, since the peak in this activity, rent increase has spiked as high as 44% in some cities, primarily affecting southern states.[4] Skeptics claim that these <u>institutions</u> do not control enough of the

1 Max Zahn, "Advocates Forecasted Financial Crisis."
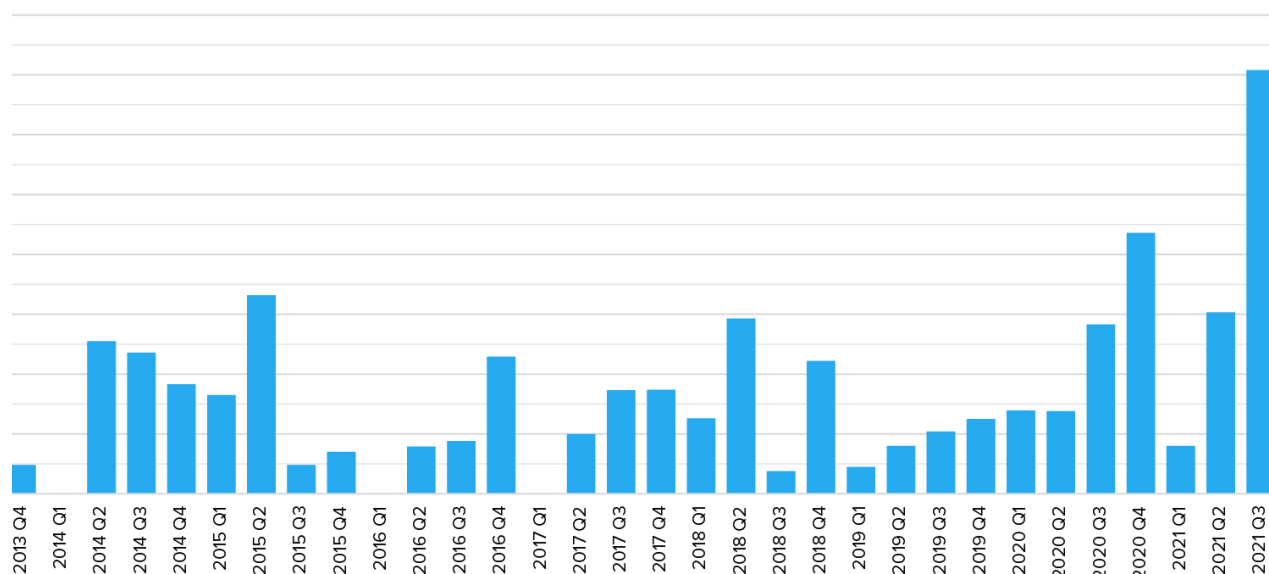2 Katya Schwenk, "Wall Street Buying Neighborhoods."
3 Roger Valdez, "Housing Out of Reach."
4 Carlos Waters, "Purchased Single Family Homes."

market (about 5% in 2022) to impact rent. Still, by 2030, Wall Street firms are expected to control roughly 40% of the rental housing market, showcasing the possibility for a much higher increase in rent than already being demonstrated.[5]

 The landlord practices by these big corporations are often detrimental to renters. In the case of Invitation Homes, California's largest corporate rental company, the high prices on which the business model is built turned criminal. The government sanctioned the organization for $2 million after charging renters rates deemed as illegally high.[6] FirstKey Homes, a rental company owned by private equity firm Cerberus Capital Management, has leased homes with severe water damage, flooding, and decay.[7] Naturally, tenants experiencing such poor living conditions often attempt to withhold rent, which in turn causes these firms to evict them, making it more difficult for these families to find housing in the future.

 Additionally, bills have been drawn up by Congress with the intention of limiting Wall Street's control over the housing market, demonstrating the serious issue that it is and the threat it poses to American homebuyers. In December 2023, Congresswoman Nikema Williams introduced the End Hedge Fund Control of American Homes Act. This act would ban hedge funds from owning single-family homes and set up a repayment system in which they would sell 10% of the residential property they own each year over 10 years.[8] The hope is that this act will protect the rights of families and homeowners and not force them into paying high fees for the rest of their lives. costs are likely to remain inflated for a long time. Burning these Nikema Williams, "Ban Hedge Fund Ownership." bridges with Europe will harm Russia's economic future as it loses influence in Europe and is denied access to Western financial markets. On the other hand, some oil exporters, such as those in the Middle East and Africa, may benefit from an increased demand for energy sources in the global market.

5 Carlos Waters, "Purchased Single Family Homes."
6 Katya Schwenk, "Wall Street Buying Neighborhoods."
7 Katya Schwenk, "Wall Street Buying Neighborhoods."

8 Nikema Williams, "Ban Hedge Fund Ownership."

$Trump: The Memecoin From the Guy Who Lives Down the Street

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March 2025

TRUMP MEMECOIN SOARS ABOVE $30 AS AMERICANS AWAKE TO NEWS OF THE LAUNCH

Since the introduction of the world's first cryptocurrency, Bitcoin, this new system of currency has appealed to the masses, as it provides a decentralized, efficient, and discrete alternative to traditional currency systems.[1] In recent years, meme cryptocurrencies that stem from trending memes have skyrocketed in popularity by receiving endorsements from different celebrities. President Trump joined this trend and launched his own memecoin, $Trump, on January 17, 2025, three days before his inauguration. Immediately following the launch of the memecoin, Trump posted about his new cryptocurrency on several social media platforms, including X and Truth Social. Within the first few hours of his posts, $Trump became one of the top 20 global cryptocurrencies, reaching a market value of nearly $14 billion.[2] On Inauguration Day, First Lady Melania Trump also launched a memecoin, called $Melania. However, both of the memecoins have drawn concerns from around the world regarding their questionable ethics and ambiguous intentions, prompting the creation of new legislation.

The ambiguous intentions behind the memecoin have resulted in concerns about how Trump could use $Trump for personal gain. 80% of $Trump is owned by Trump's organizations and their affiliates, which has raised questions about Trump possibly using the money from $Trump to fund himself and his political campaigns.[3] The opaque nature of cryptocurrency allows for corruption and price manipula-

1 Emir Hrnjic, "Trump meme coin: Promoting or destabilising the cryptocurrency space?," National University of Singapore, Business School.

2 David Krause, "The $Trump Meme Coin: Genius, Greed, or Grift?."

3 Hrnjic.

tion. With these new investments, Trump could increase his profits. Representative Liccardo argued that around 800,000 investors lost at least $2 billion due to insider trading. These people used private information to sell their shares of $Trump before the coin plummeted in price.[4] Additionally, Democratic members of Congress are concerned that $Trump could influence his future decisions in office.[5]

Recently, members of Congress wrote an extensive letter expressing their concerns about the ethics surrounding the memecoin. In this letter, the members emphasized the likelihood that foreign governments would invest in $Trump as a way to curry favor with the president. Specifically, the direct funneling of money to President Trump through the memecoin raises questions about both "uninhibited and untraceable" bribery.[6] This would be a clear violation of the Constitution's Foreign Emolument Clause, which states that no current U.S. president should receive personal gifts from foreign leaders without the approval of Congress.[7] The letter also highlighted the possibility of fraud, through methods such as rug pulling – a tactic where a memecoin is abandoned out of the blue, devaluing the coin and leaving the investors with worthless tokens. The memecoin's terms and conditions also raise concerns about fraud. They are often worded to avoid any lawsuits and fraud-related claims against it.[8] Furthermore, the Securities and Exchange Commission (SEC) declared that memecoins do not fall

under federal law. This policy change has created another issue by removing memecoins from federal jurisdiction.[9] This exemption allows $Trump to avoid legal scrutiny, as the lack of legislation on memecoins means that there are no grounds for lawsuits against them.

As a response to $Trump's launch, Democrats proposed legislation to combat the potential for personal benefits through memecoins, titled the Modern Emoluments and Malfeasance Enforcement (MEME) Act. The goal of this legislation is to prohibit any political entities and their immediate family from issuing and endorsing cryptocurrency for their own gain.[10] This legislation targets insider trading, foreign influence, and lack of transparency, which are all relevant concerns for $Trump.

As of March 2, 2025, the $Trump

4 Azul Dahlstrom-Eckman, "Trump Meme Coin Spurs Silicon Valley Democrat's Bill to 'Make Corruption Criminal Again,'" KQED.
5 Hrnjic.
6 Elizabeth Warren and Jake Auchincloss, "Memecoin Letter," Congress of the United States.
7 Constitution, Article I, Section 9, Clause 8, "Foreign Emoluments Clause."
8 Warren and Auchincloss.
9 Aaron Katersky, Peter Charalambous, and John Parkinson, "SEC says meme coins not subject to securities regulations," ABC News.
10 Dahlstrom-Eckman.

The Environmental and Economic Perspective on AI

Julie Pitt '28 and Norah Chang '28

While artificial intelligence (AI) will bring many benefits to society, it also comes with many negative externalities. AI companies and the government must focus on long-term sustainability to ensure that its benefits outweigh its harms. AI requires large amounts of computation power. These models have only increased in complexity, which forces companies to use more energy. This energy often comes from non-renewable sources like fossil fuels, contributing to AI's massive carbon footprint. Since 2012, the amount of computing power required to train AI models has doubled every three and a half months, showing a steady and significant increase in energy usage.[1] Even producing the hardware that powers AI harms the environment. For example, the mining and manufacturing of metals to build GPUs can lead to soil erosion and pollution.[2] Soil damage leads to biodiversity loss and unbalanced ecosystems, highlighting the long-lasting effects of AI.[3] According to MIT Technology Review, if the adoption rate of generative AI continues to increase as it is expected to, the technology could add 1.2 million to 5 million metric tons of E-waste, discarded electronic devices, by 2030.[4] Currently, only about 17%

of E-waste is properly collected and recycled across the globe.[5] Companies and the government need to take more steps to curb the energy usage of AI and the harmful effects of producing it on the environment.

In contrast to the negative effects of AI, scientists have used it to protect the environment. Scientists at the Makerere University in Uganda learned how to use AI to monitor meteorological phenomena more effectively.[6] These weather tracking systems are able to alert populations to evacuate particular areas due to fires, tornados, and hurricanes, thereby saving numerous lives. Currently, in South Africa and other regions in Africa, AI predicts weather patterns, offering information to residents on how to relocate or adapt accordingly.[7] Furthermore, AI can play a crucial role in identifying the causes and impacts of human actions, providing essential data to environmental activists and scientists regarding human activities that are detrimental to the planet. For example, AI can analyze satellite imagery to monitor deforestation, pollution and

1 Dario Amodei, "The True Cost of Innovation," Scientific Computing World

2 Dario Amodei, "The True Cost of Innovation," Scientific Computing World

3 Dario Amodei, "The True Cost of Innovation," Scientific Computing World

4 Casey Crownhart, "AI will add to the e-waste problem," MIT Technology Review

5 Casey Crownhart, "AI will add to the e-waste problem," MIT Technology Review

6 Isaac Rutenberg, "Use and Impact of Artificial Intelligence on Climate Change Adaptation in Africa, Springer Nature Link

7 Isaac Rutenberg, "Use and Impact of Artificial Intelligence on Climate Change Adaptation in Africa, Springer Nature Link

other environmental changes. These accurate predictions of climate change impacts provide vital information on what needs to be done to improve the environment.

Additionally, AI can help reduce energy consumption in multiple industries. Companies have started to apply AI technologies to make agriculture, transportation and manufacturing more efficient. AI analyzes traffic patterns in real time to provide quick and accurate information on the most efficient routes. This system reduces unnecessary energy usage and carbon emissions. In terms of the manufacturing industry, AI can detect human error in products, which thereby enhances product quality and efficiency, minimizing unnecessary energy usage. AI also enables monitoring of crop conditions, soil health, and unwanted infestations, allowing farmers to take quick and smart actions to ensure the protection and growth of their crops. Agriculture already takes up 70% of global water demand. The World Economic Forum predicts that this share will increase another 15% to meet the demand of a growing population.[8] AI-powered irrigation systems are one of the new ways farmers are decreasing their water usage. While training AI takes up a lot of energy, people can use it to significantly reduce emissions.

AI also brings benefits to the world economy. The use of AI in business operations has increased productivity, as AI can automate up to 40% of the average work day.[9] Furthermore, AI facilitates growth in revenue for companies. For instance, after receiving data on human patterns in demand, organizations such as Amazon and other e-commerce platforms use targeted advertisements and promotional strategies that generate higher revenue for the company. The recommendation systems implemented by many of these firms allow consumers to make better informed decisions, enhancing sales and the overall consumer experience. While increased productivity may be positive, machines will replace many human jobs, decreasing the size of the labor market. Thus, AI poses uncertainty for the future in terms of an economic view and needs steady monitoring to ensure overall positive outcomes.

AI crucially impacts the environment and economic landscape, both positively and negatively. It is important to gauge whether the positive impacts of AI outweigh the negatives, and how we can use AI for sustainability for generations to come. Governments and companies must approach the development of AI with a mindset to ensure long-term sustainability and viability. It's important to consider the details in AI development, such as whether E-waste is being properly recycled or whether AI centers and models can be powered solely on renewable energy. Important components such as these can make the difference between an overall negative impact and an overall positive one, but what's most important is being able to establish a balanced approach to AI, such that the overall positive outcomes greatly outweigh the environmental and economic risks of AI.

8 Jon Smieja, "The enormous opportunity of e-waste recycling," World Economic Forum
9 Vala Afshar, "AI has the potential to automate 40% of the average work day," ZDNET