

# Economic Impacts of Immigration and Tariff Policy on Orange County Businesses

T. William Lester, PhD – UC Irvine School of Social Ecology, Dept. of Urban Planning and Public Policy

Raiven Greenberg, MBA – UC Irvine School of Social Ecology, Social Impact Hub

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# Survey Methodology

## **Creation**

- Joint effort between Supervisor Sarmiento's office and the UC Irvine Social Impact Hub, geared toward understanding the impacts of immigration and tariff policy on Orange County businesses
- Questions created and data tracked through Question Pro

## **Distribution**

- Open for responses 9/1/26 - 10/1/26, for business owners and executives in OC
- Supervisor Sarmiento's office distributed the survey via more than 25 local chambers of commerce, nonprofits, and trade groups

# Thank You to our Survey Distribution Partners

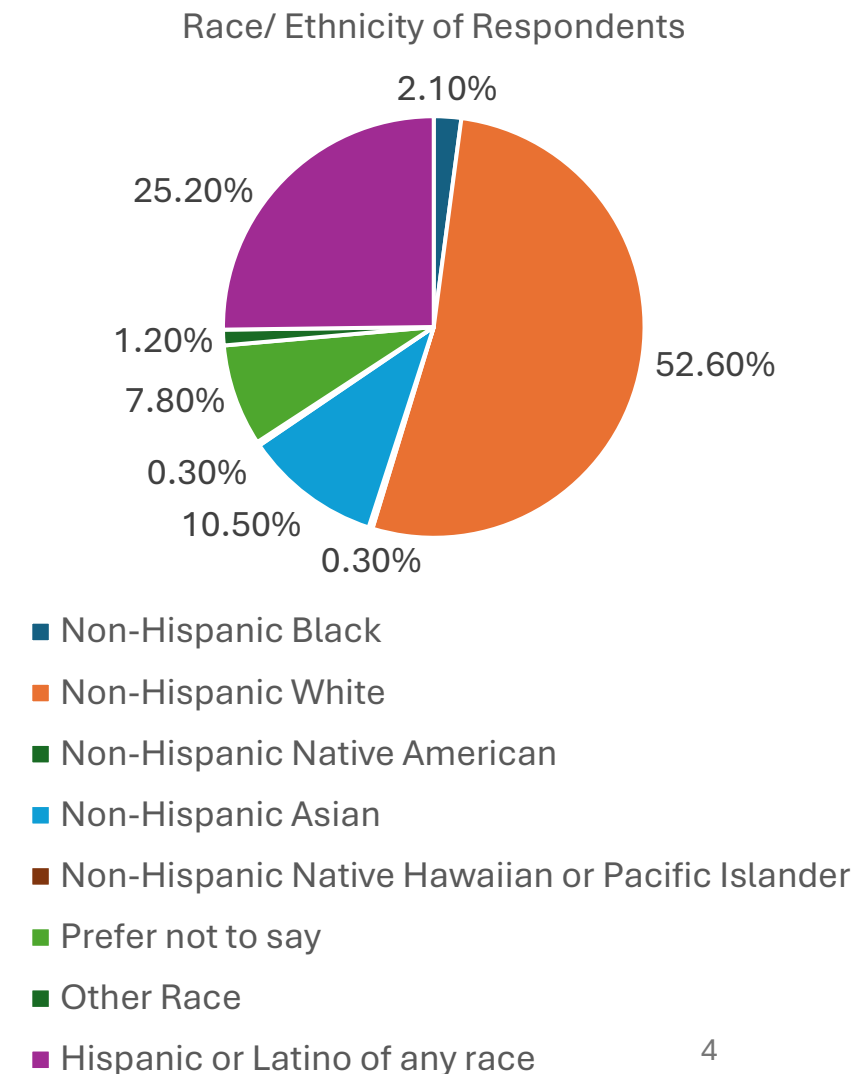
Afghan American Business Council  
Anaheim Chamber  
Arab American Business Council  
Black Chamber  
Building Trades Union  
CA Dealership Association  
CA Restaurant Association  
Carpenters Union  
CIELO  
Cities of Orange, Tustin, Santa Ana, Garden Grove  
and Anaheim  
Garden Grove Chamber  
OC Grantmakers

Irvine Chamber  
Mission Viejo Chamber of Commerce  
OC Business Association  
OC Hispanic Chamber of Commerce  
OCBC  
Orange Chamber  
RevHub OC  
Santa Ana Chamber  
Santa Ana Downtown Businesses  
Small Business Development Center  
Small Business Diversity Network  
Tustin Chamber  
Viet Chamber

# Survey Summary and Demographics

- 375 responses
- 56% Male, 40% Female
- 70% born in US, 25% not born in US
- All cities in OC represented, but Orange had the most responses

| Employment Size | N   | Share | Share from CBP |
|-----------------|-----|-------|----------------|
| 1 to 10         | 395 | 81%   | 75%            |
| 11 to 50        | 61  | 12%   | 20%            |
| 51-100          | 10  | 2%    | 3%             |
| 101-200         | 10  | 2%    | 2%             |
| 201-500         | 6   | 1%    | 1%             |
| >500            | 7   | 1%    | 0%             |



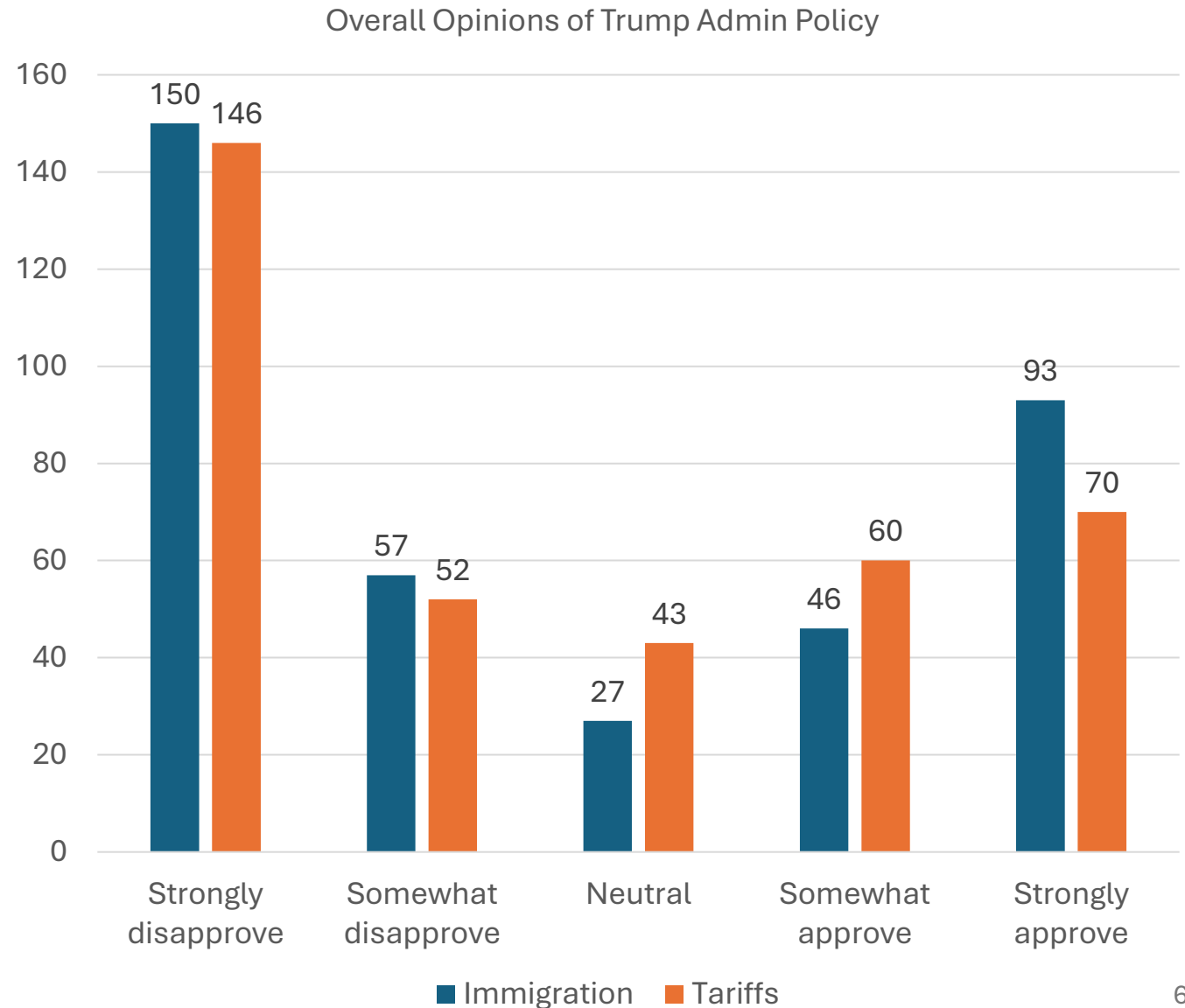
# Survey Summary and Demographics

| Industry  | N  | Share |
|---|----|-------|
| Retail and trade  | 86 | 17.2% |
| Professional, scientific and technical services         | 73 | 14.6% |
| Banking, finance, accounting, real estate, or insurance | 71 | 14.2% |
| Hospitality or service                                  | 65 | 13.0% |
| Health care and social assistance                       | 58 | 11.6% |
| Manufacturing, mining or construction                   | 56 | 11.2% |
| Arts, entertainment and recreation                      | 36 | 7.2%  |
| Education   | 16 | 3.2%  |
| Information/Technology                                  | 12 | 2.4%  |
| Government, public administration or military           | 8  | 1.6%  |
| Repair and Maintenance                                  | 8  | 1.6%  |
| Transportation, warehousing and logistics               | 6  | 1.2%  |
| Agriculture, forestry, fishing and hunting              | 4  | 0.8%  |

# Overall Opinions

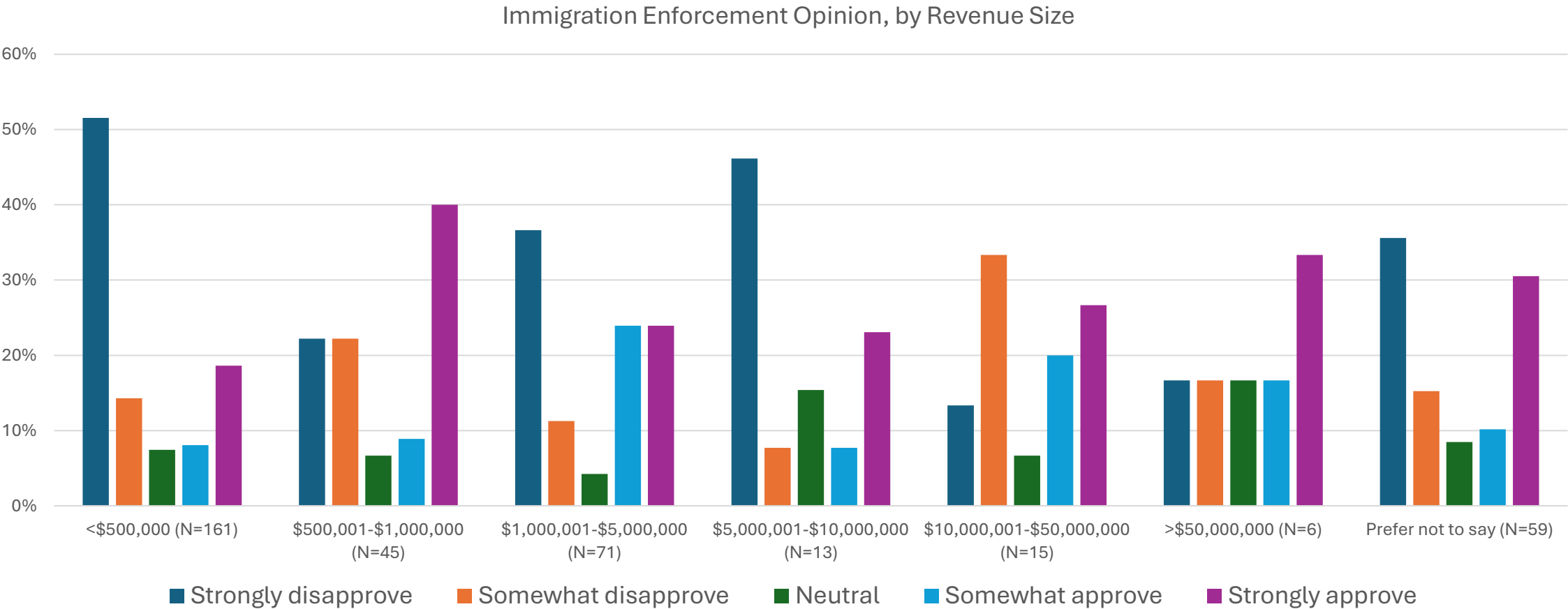
Share of disapproval:

- Immigration enforcement: 55.5%
- Tariff Policy: 53.4%



# Immigration Policy Opinion

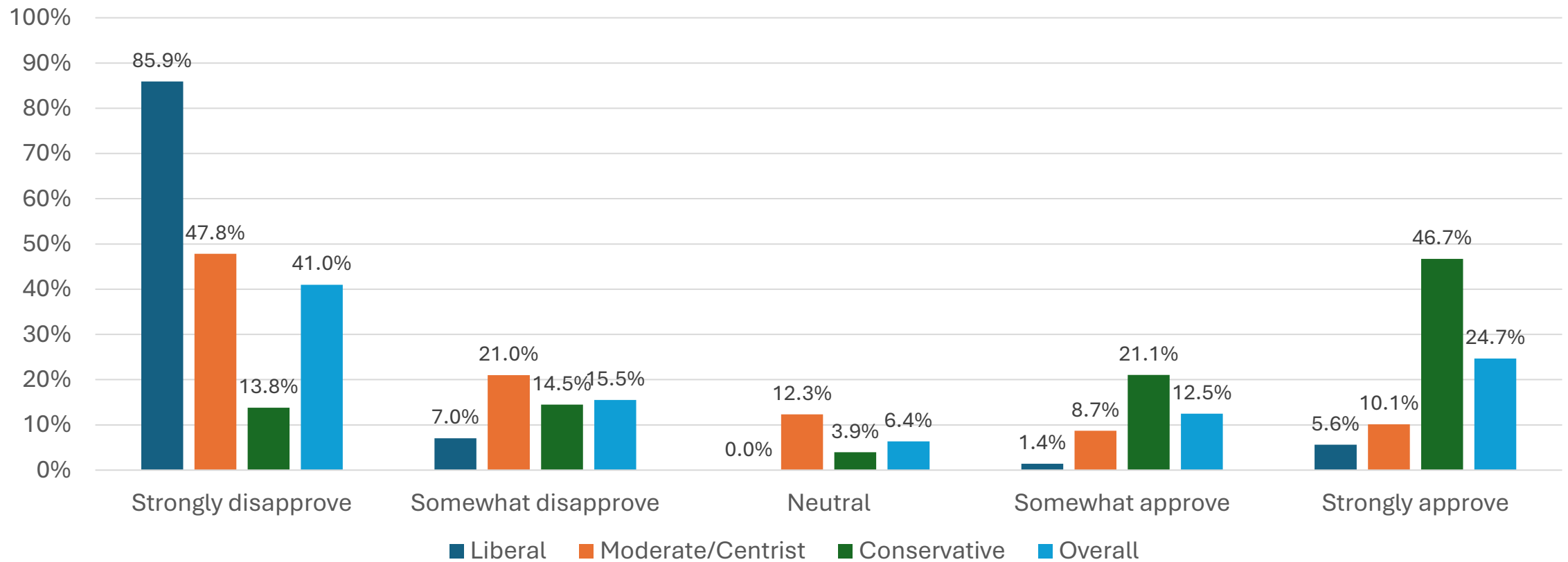
# By Revenue





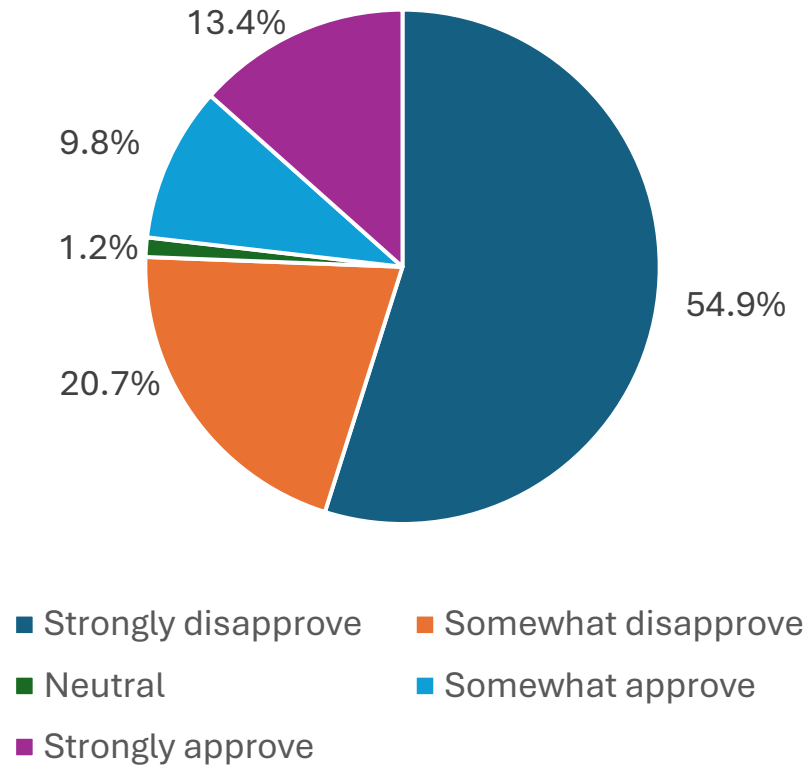
## By Political Orientation

Immigration Enforcement Opinion by Political Orientation

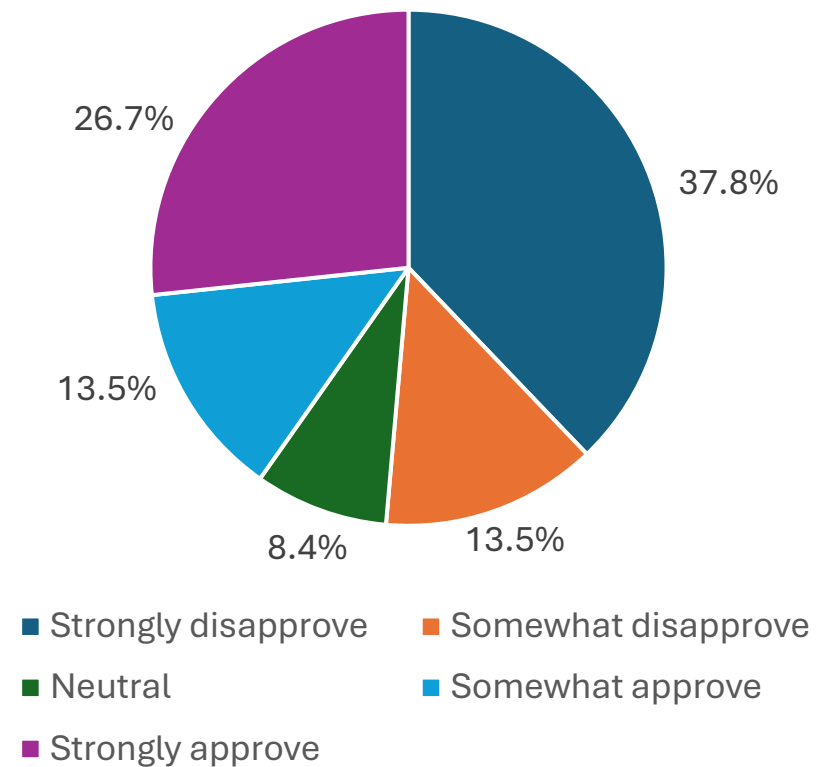


## By Ethnicity

Immigration Enforcement Opinion, Hispanic/Latino

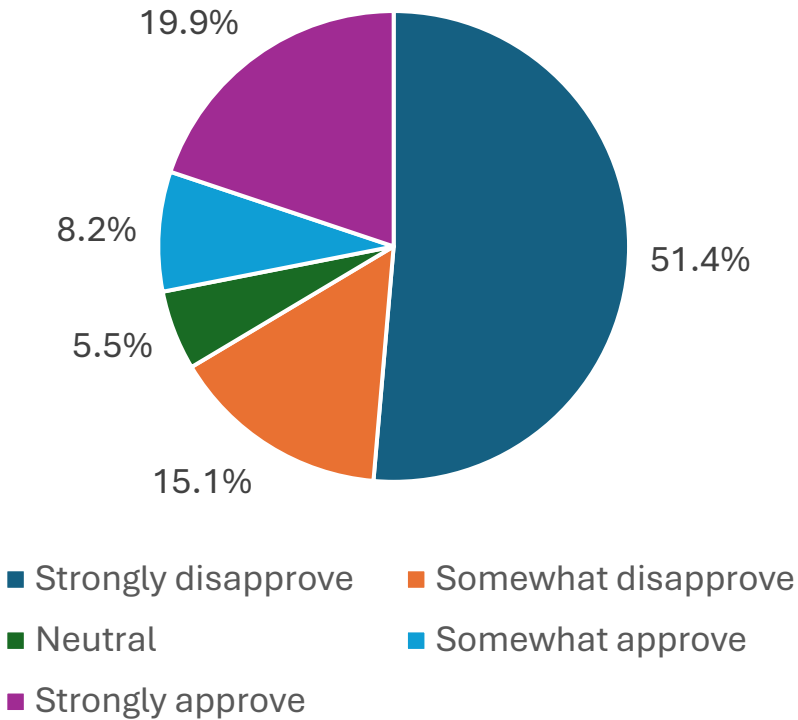


Immigration Enforcement Opinion, Non-Hispanic

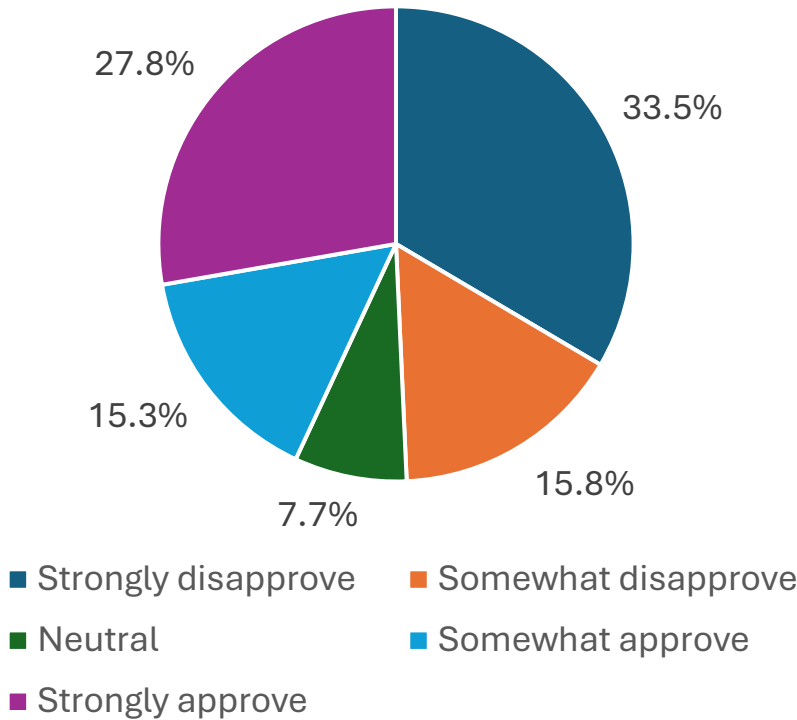


# By Gender

Immigration Enforcement Opinion, Female

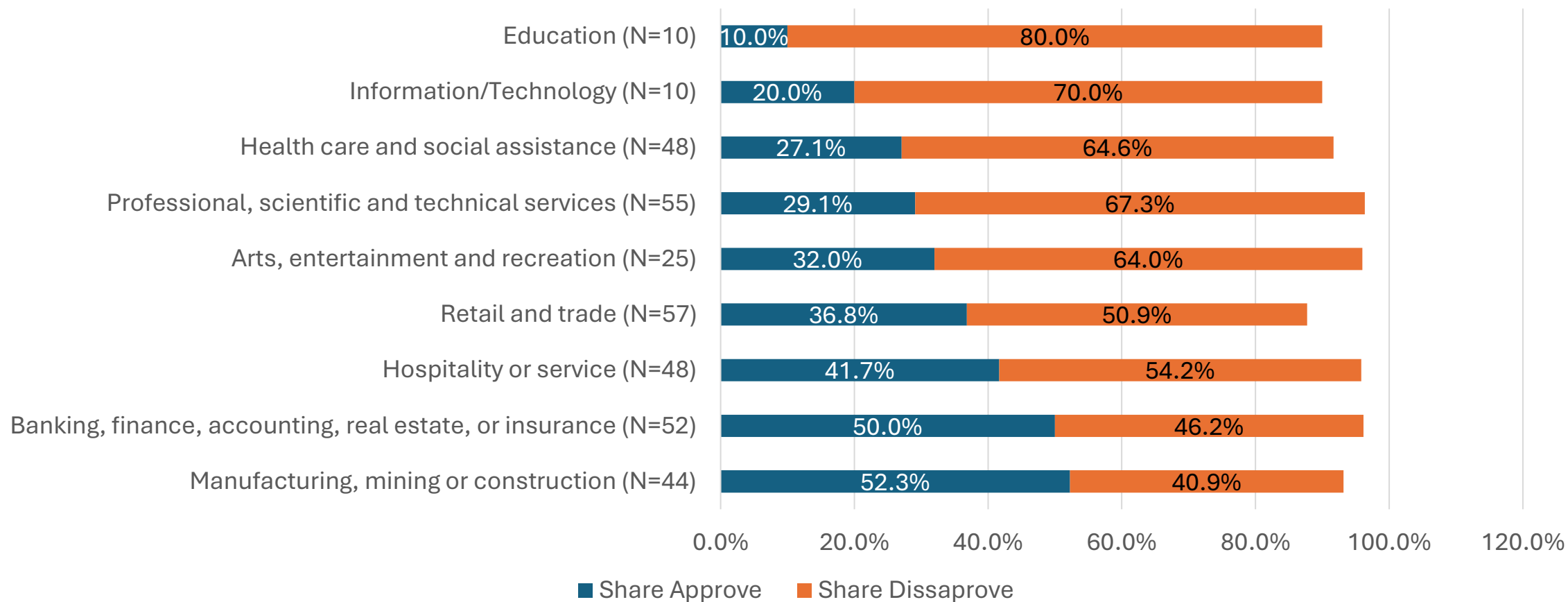


Immigration Enforcement Opinion, Male



## By Industry

Immigration Enforcement Opinion, by Industry



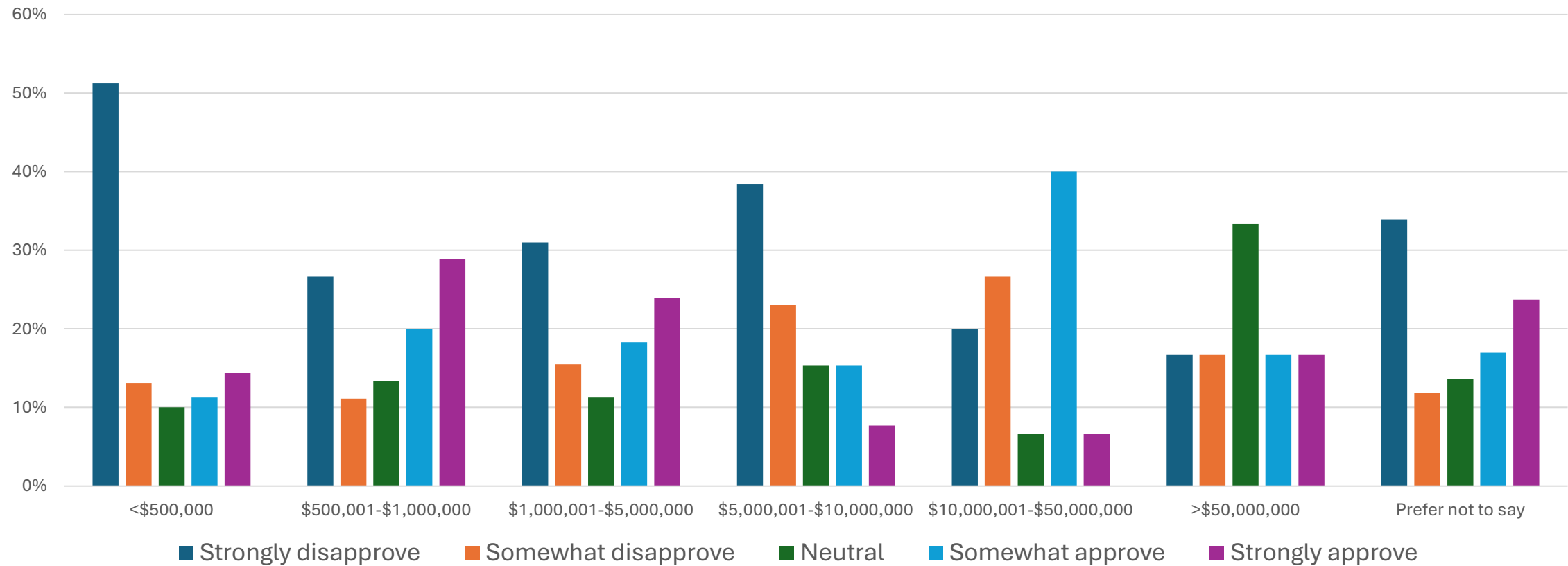
## Of Those who Strongly Disapproved or Somewhat Disapproved of Immigration Policy, How was their Business Impacted?

|  |       |     |
|--|-------|-----|
| Decreased employee morale                      | 65    | 31% |
| Decreased employee productivity                | 35    | 17% |
| Less businesses entering your industry         | 29    | 14% |
| Increased employee absenteeism                 | 28    | 14% |
| Reduced business hours                         | 26    | 13% |
| Your business has temporarily closed           | 6     | 3%  |
| Increased demand for your products or services | 4     | 2%  |
| Increased employee morale                      | 1     | 0%  |
| Increased employee productivity                | 0     | 0%  |
| More businesses entering your industry         | 0     | 0%  |
| Total  | 207   |     |
| Total Respondents                              | 373   |     |
| Share Disapprove Overall                       | 55.5% |     |

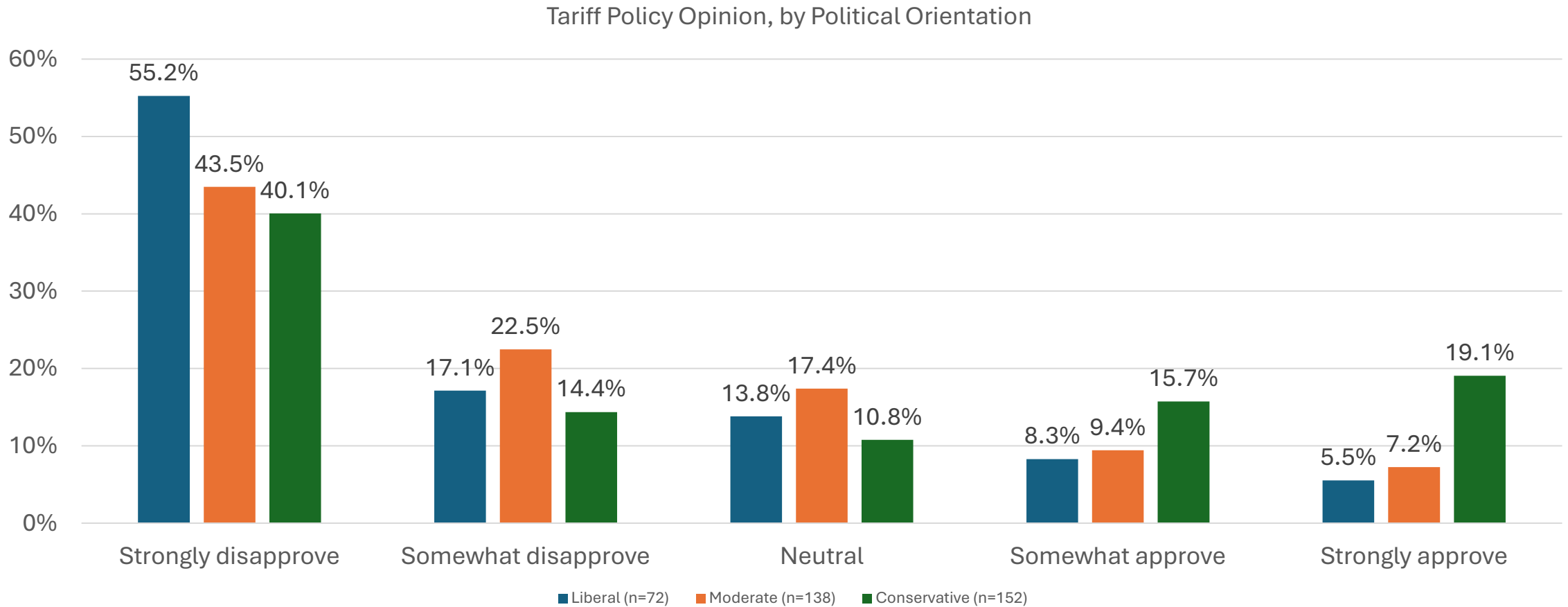
# Tariff Policy Opinion

# By Revenue

Tarrif Policy Opinion, by Revenue



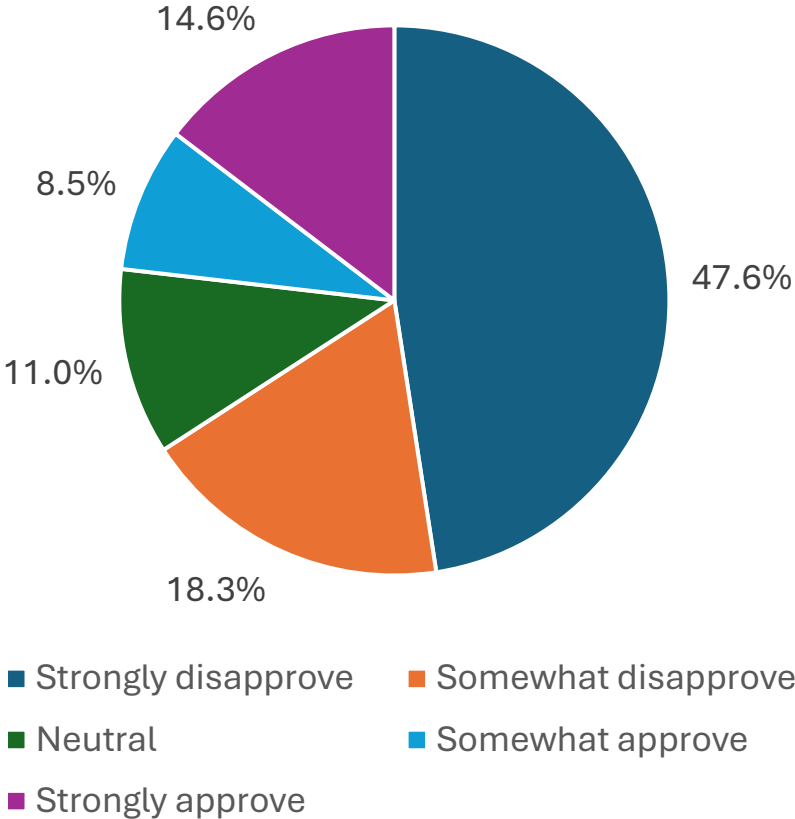
# By Political Orientation



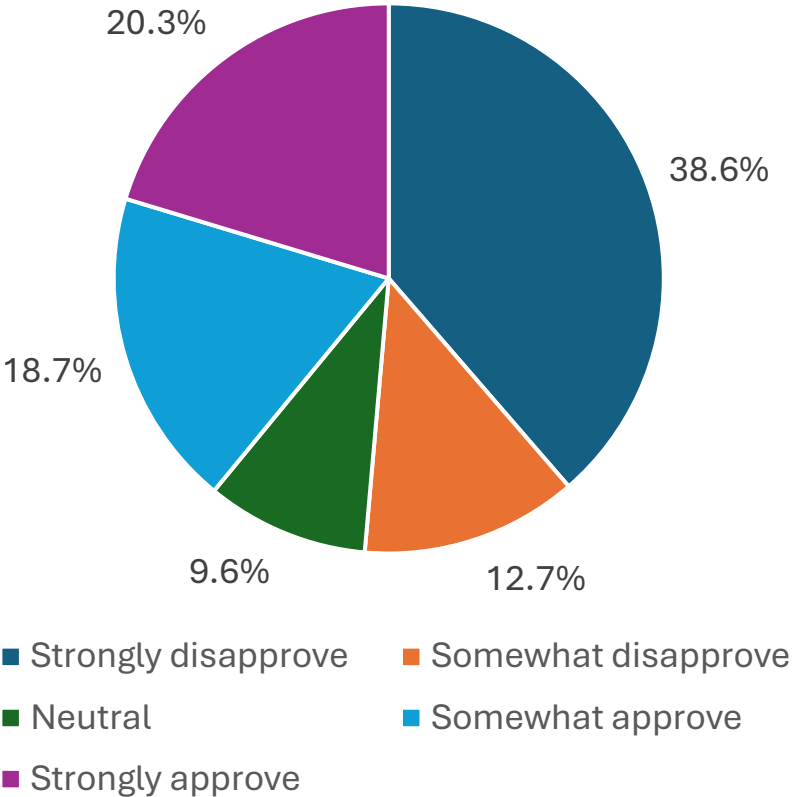


# By Ethnicity

Tariff Policy Opinion, Hispanic or Latino (N=82)

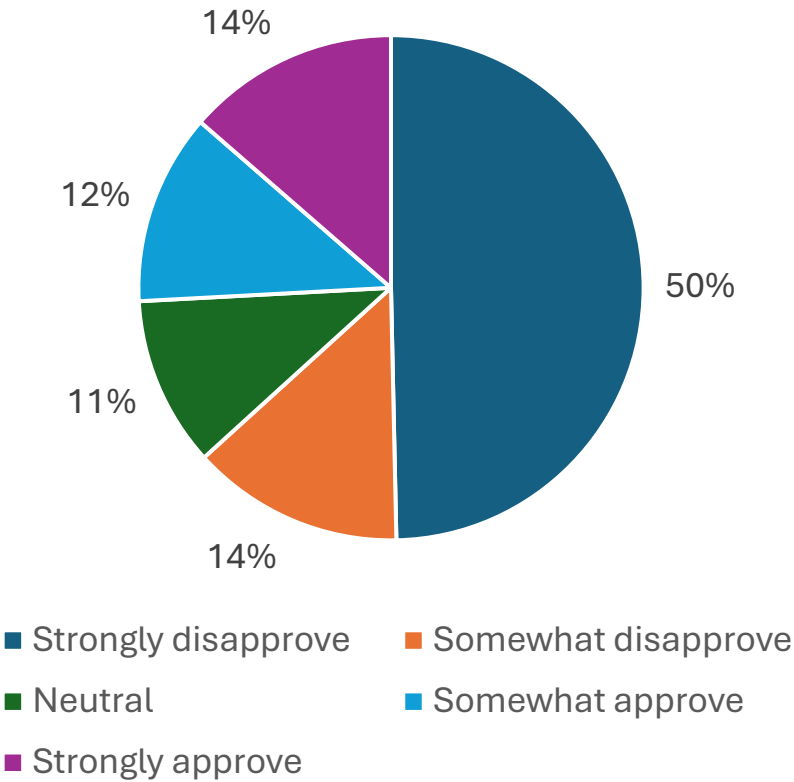


Tariff Policy Opinion, Non-Hispanic or Latino (N=251)

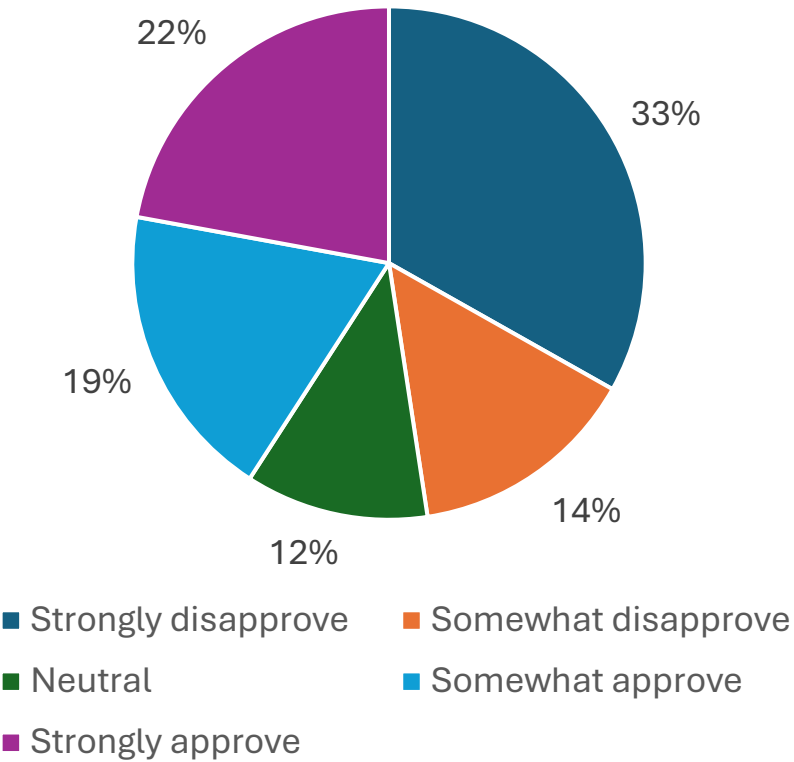


# By Gender

Tariff Policy Opinion, Females

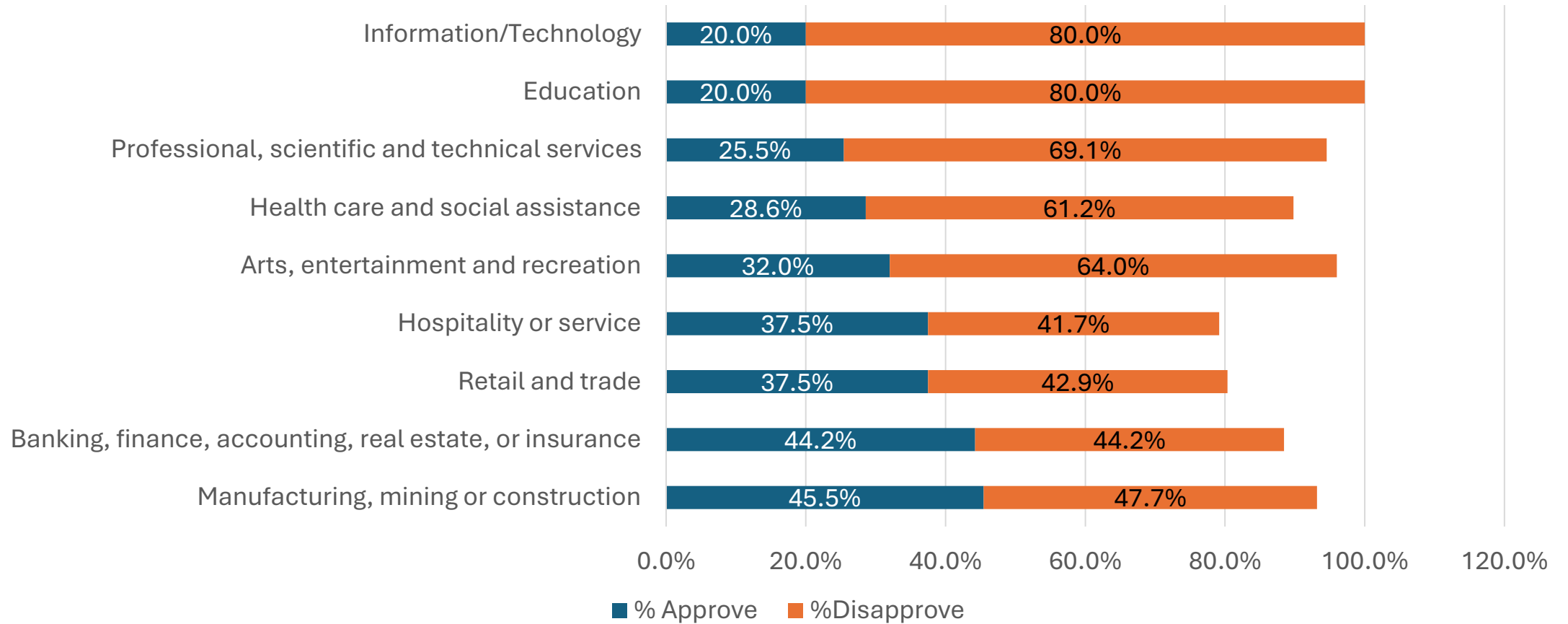


Tariff Policy Opinion, Males



## By Industry

Tariff Policy Opinion, by Industry



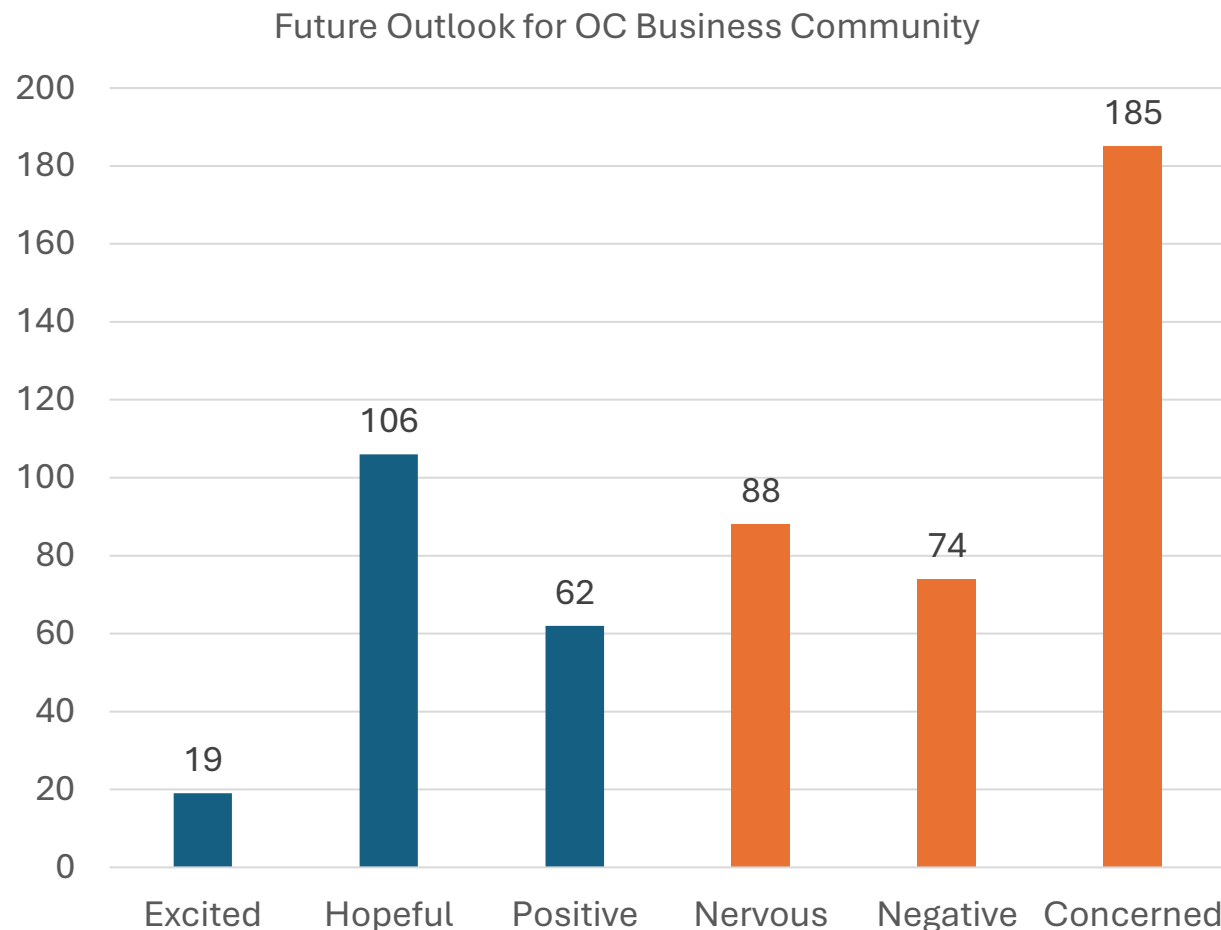
## Of Those who Strongly Disapproved or Somewhat Disapproved of Tariff Policy, How was their Business Impacted?

|  |       |     |
|--|-------|-----|
| Increased price of business inputs                       | 106   | 54% |
| Decreased demand for your products or services           | 77    | 39% |
| Reluctance to make hiring, investment due to uncertainty | 75    | 38% |
| Supply chain shortages                                   | 58    | 29% |
| Less businesses entering your industry                   | 21    | 11% |
| Increased demand for your products or services           | 6     | 3%  |
| More businesses entering your industry                   | 3     | 2%  |
| Decreased price of business inputs                       | 2     | 1%  |
| Total Dissapproved                                       | 198   |     |
| Total Responses  | 371   |     |
| Share Disapproval Overall                                | 53.4% |     |

# OC Business Outlook Opinion

# General Opinion on OC Business Climate

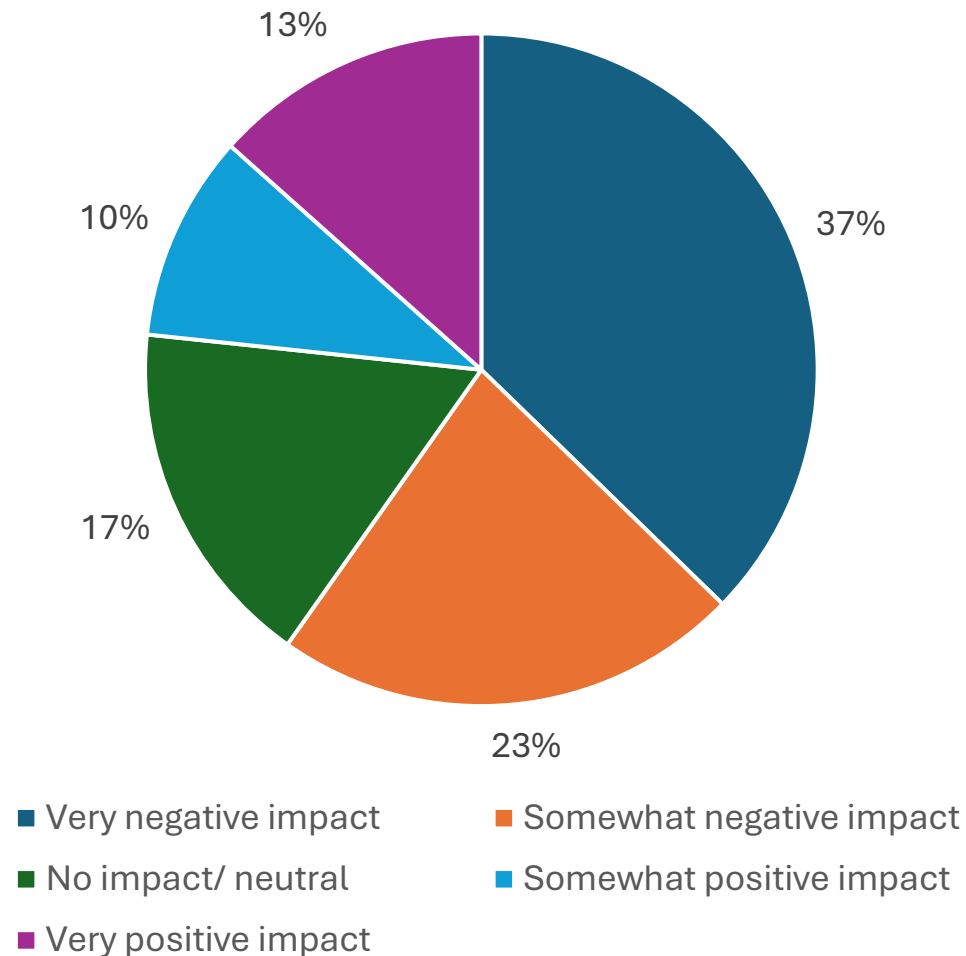
- How would you describe your feelings regarding the future of business in Orange County in the next year? Select all that apply.
- 65% have **negative** outlook vs. 35% **positive**



# Impact of Immigration Enforcement

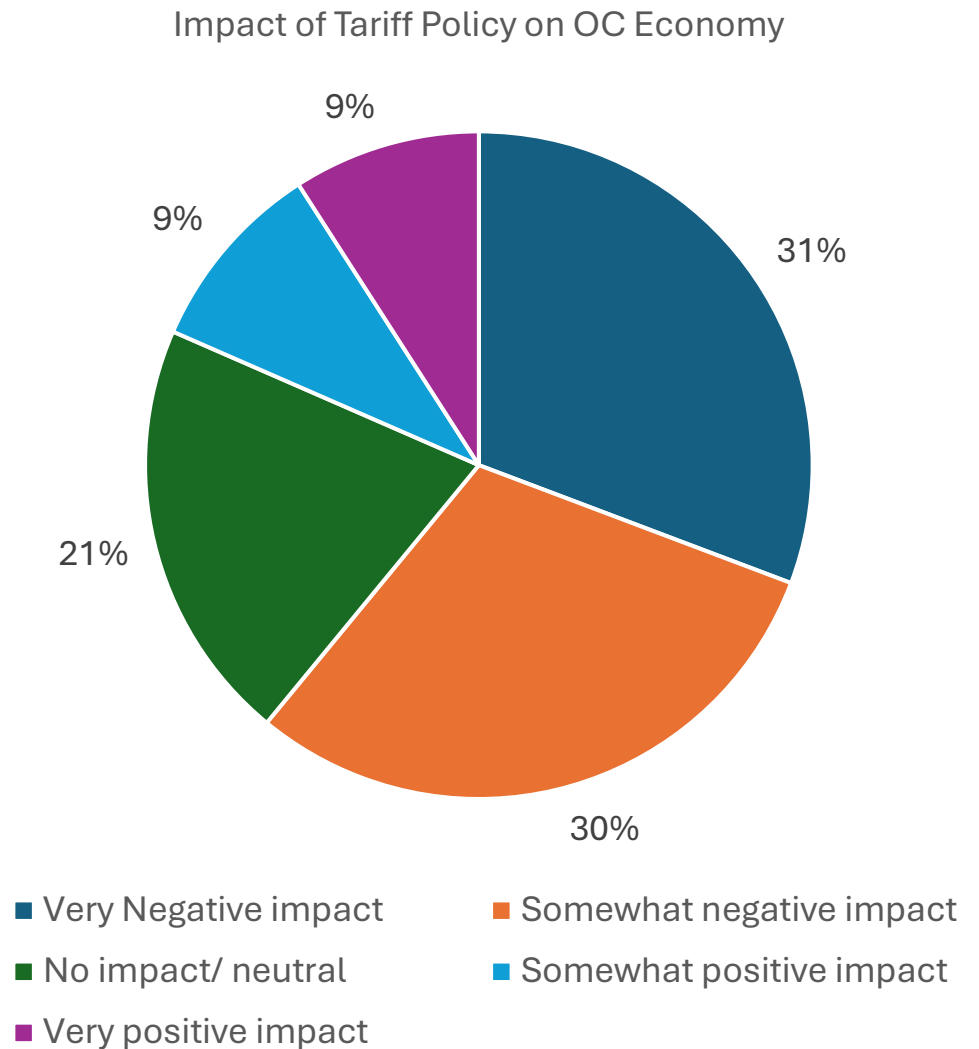
In your opinion, what do you believe has been the impact of recent immigration policy and enforcement actions from the US federal government on the overall business community in Orange County in 2025?

Impact of Immigration Enforcement on OC Economy



# Impact of Tariffs

In your opinion, what do you believe has been the impact of the recent tariff proposals from the US federal government on the overall business community in Orange County in 2025?





# Recurring Themes from Respondents

# Impact of Immigration Policy

## Recurrent Themes:

1. Fear and Anxiety Across Communities
2. Economic Decline and Business Disruptions
3. Labor Shortages and Workforce Instability
4. Operational and Administrative Burden
5. Polarization and Community Division

“Customers are afraid to come out and spend money due to ICE raids.” - Hospitality or service industry, Orange

“It has impacted my mental health and well being. I do not feel safe living, let alone operating my small business.” - Health care and social assistance industry, Anaheim

“Our downtown is extremely slow, and less people visiting because they are afraid.” - Hospitality or service industry, Santa Ana

“Business has declined by 40%.” - Banking, finance, accounting, real estate, or insurance industry, Orange

“Deported subcontractor.” - Manufacturing, mining or construction industry, Orange

“It is about time we enforced the laws of our land. Illegal immigration is illegal. Laws should be equally enforced for all or change the laws.” - Banking, finance, accounting, real estate, or insurance industry, Orange

“Hate the policy, very inhumane and bad for the country. Stop the ICE raids immediately.” - Professional, scientific and technical services industry, Dana Point

# Impact of Immigration Policy

## Possible improvements and recommended solutions:

1. Reduce fear and promote safety
2. Immigration reform and legal pathways
3. Support for small businesses and workers
4. Legal aid, education, and rights awareness
5. Communication and multilingual outreach

“Quit this fear mongering in the streets. Have due process for people. [We need] Support from government officials speaking out against these inhuman practices.” - Professional, scientific and technical services industry, Orange

“Provide hardworking people a path for citizenship.” - Manufacturing, mining or construction industry, operating in 17 communities across OC

“Help small businesses with loans or grants.” - Retail and trade industry, Orange

“Help us provide red cards, advocacy material and know your rights workshops at our location for our community. Also, relief funds and grant opportunities.” - Arts, entertainment and recreation industry, Santa Ana

“Provide updates to small business community in Spanish and Vietnamese.” - Education industry, serving 4 cities

# Impact of Tariffs

## Recurrent Themes:

1. Uncertainty and unpredictability are the core of the crisis
2. Overwhelming economic pain and business decline
3. Deep political division

“Tariffs are a problem that is manageable, but the main impact is the economic uncertainty caused by undecisive tariff policies, retail customers have stopped purchases that can wait, suppliers have not replenished warehouses due to varying tariffs month to month.” -Retail and trade, Orange

“I don't think tariffs are the primary reasons for economic downturn. Suppliers' prices (COGS) and wages have been rising continuously since the end of COVID and haven't slowed down. Tariffs will compound the pain but are not the primary reason.” - Hospitality or service, Orange

“I had to close. This is worse than Covid and at least there was some stimulation programs. These decisions are going to be the end of small business like mine that source ethically and pay labor.” - Retail and trade, Orange

“We have 80% less foot traffic in our area. Some cost items have tripled... I cannot raise my prices enough to cover what it costs me to make the food in my restaurant. If I raise my prices, I will lose even more customers.” - Hospitality or service, Santa Ana

“Support Trump initiatives all the ways to harvest the trillion dollars we are investing in American factories and business” -Banking, finance, accounting, Costa Mesa

# Impact of Tariffs

## Possible improvements and recommended solutions:

1. Remove or significantly reduce tariffs
2. Financial relief programs/ tax relief
3. Stability and long-term policy consistency
4. "Buy local" campaigns and marketing support

“Lobby for the continuation of USMCA to make sure that we continue smooth trade between the Americas and act to work on policies that are conducive to the wellbeing of a partnership among US, Canada and Mexico.” - Manufacturing, mining, or construction, Orange

“Grants specifically, NOT loans.” - Retail and trade, Santa Ana

“Although my sales decreased due to the tariff proposals, I am in favor of the tariffs and am willing to work around the impact the tariffs have on my business. I am exploring alternative products and solutions that focus on US based products.” - Retail and trade, Orange

“Just fix the roads and police the streets. My building is getting tagged nonstop... Increase the budgets for the sheriff to do more patrols and fix the streets.” - Manufacturing, mining, or construction, Buena Park

# Outlook on the Future of Business in OC

## Recurrent Themes:

1. Widespread Worry About Closures
2. Frustration with State and Local Policies
3. High Costs
4. Workforce and Immigration Concerns
5. Inequality and Uneven Impact
6. A Small Spark of Optimism

“We might face closure by the end of this year. We will have to make a hard decision at the end of this month.” - Arts, entertainment and recreation industry, Santa Ana

“My business is being damaged by state, not federal policies.” - Hospitality or service industry, Orange

“What’s affecting all businesses is the cost of living is high, so clients are cutting back on services which is affecting our industry.” - Hospitality or service industry, Orange

“Instability in the workforce due to immigration actions will harm OC businesses. In Santa Ana, the lack of economic activity due to people being afraid to go out is a real concern for stores and restaurants.” - Professional, scientific and technical services, Santa Ana

“Small business will suffer, especially the informal economy who have little to no support” - Health care and social assistance industry, Anaheim

“This is an exciting time to be a business owner in Orange County” - Retail and trade industry, Anaheim,

“The outlook for business in Orange County next year is optimistic, supported by a strong local economy, active entrepreneurs, and ongoing investments in innovation and infrastructure...Orange County’s diverse market provides a solid foundation for continued positive growth and development.” - Professional, scientific and technical services, Laguna Hills and Santa Ana

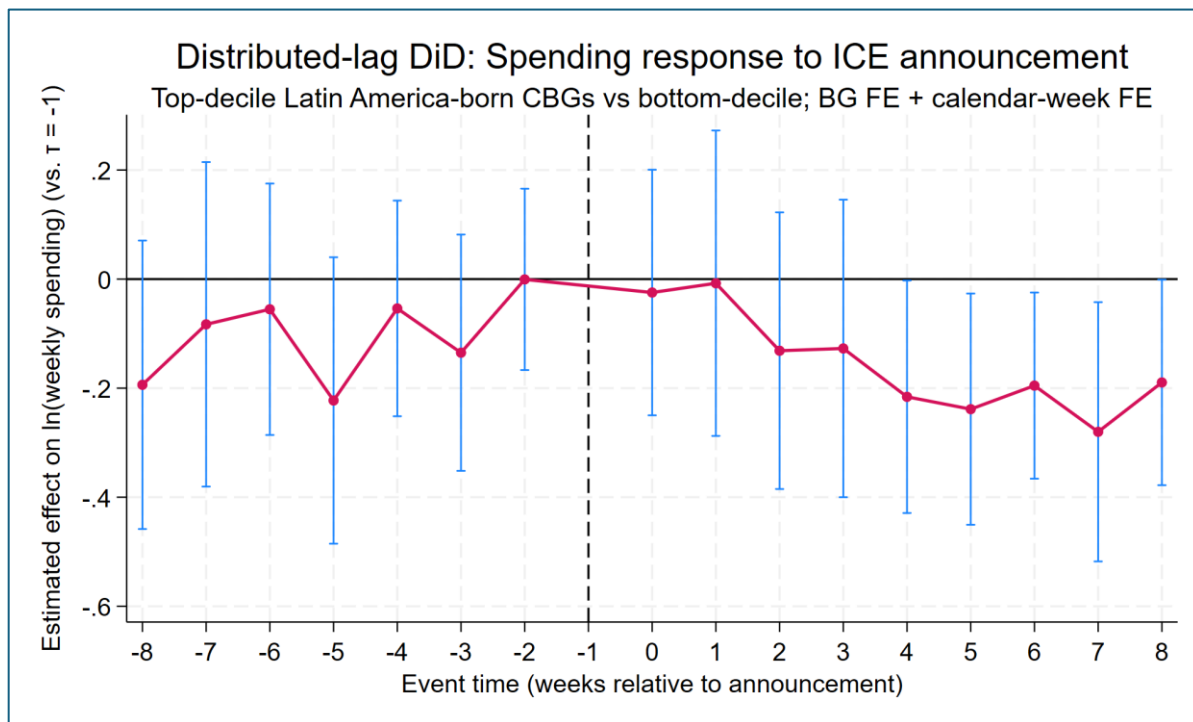
# Preliminary Follow-on Research Findings

# Research Methods to Quantify the Impacts of ICE Presence

- Can we quantify the impact of the “chilling effect” of enhanced ICE enforcement activities?
- We use detailed cell-phone based mobility data (Advan) and spending data (SpendGraph) to estimate % change in business foot-traffic and retail spending
- Compared neighborhoods with top decile of foreign-born residents from Latin America to bottom decile
- Used May 14<sup>th</sup> 2025 as “treatment date.” ICE announced major arrests followed by weeks of protests.

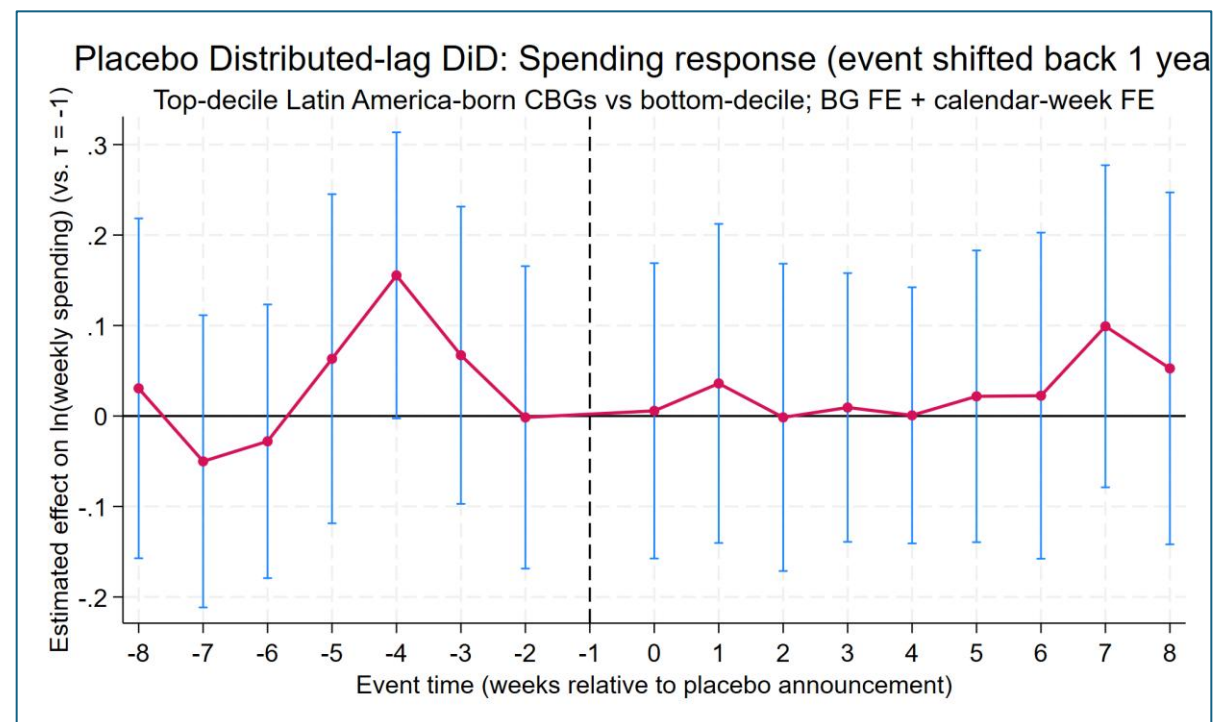


# Spending Decreased ~20-25% After May 15, 2025 ICE Raids



Comparing spending 8 weeks pre- and post- May 15, 2025 raids

Comparing the same 8 weeks in  
2024 vs. 2025



## Economic Impacts

- Orange County economic output **down \$58.9 million** over 8-week period
- \$4.5 million less in sales taxes collected** (includes state share)

Table 1: Estimated Economic and Fiscal Impacts of ICE Enforcement in Treated Retail Block Groups

|  | Los Angeles County | Orange County  | Metro Area      |
|--|--------------------|----------------|-----------------|
| <i>Pre-enforcement baseline</i>                      |                    |                |                 |
| Average weekly spending per treated BG               | \$2,304,594        | \$2,130,428    | \$2,217,511     |
| Average weekly spending per POI                      | 100,198            | 92,626         | 96,412          |
| <i>Eight-week post-enforcement losses (per unit)</i> |                    |                |                 |
| Average loss per treated BG                          | (\$2,878,437)      | (\$2,660,905)  | (\$2,769,671)   |
| Average loss per POI                                 | (125,147)          | (115,690)      | (120,419)       |
| <i>Treated retail universe</i>                       |                    |                |                 |
| Number of treated retail BGs                         | 197                | 22             | 219             |
| <i>Aggregate impacts over eight weeks</i>            |                    |                |                 |
| Total lost sales                                     | (\$567,052,179)    | (\$58,539,905) | (\$625,592,085) |
| Lost sales tax revenue                               | (\$55,287,588)     | (\$4,536,843)  | (\$59,824,430)  |

*Note:* Author's analysis of SafeGraph Spend Patterns data and county-level taxable sales data from the California Department of Tax and Fee Administration (CDTFA), <https://cdtfa.ca.gov/DataPortal/dataset.htm?url=TaxSalesByCounty>. Dollar values reflect inflation-adjusted scaling from SpendGraph panel totals to countywide taxable sales using county-specific inflation factors.