



## Shutting Down the U.S.-Mexico Border Would Cause Economic Harm

The President has threatened to close the border between the United States and Mexico this week. As with the President's trade war with China, an abrupt halt to commerce at the Mexican border would cause substantial harm to both countries. In the United States, a closure would disrupt supply chains, drive up consumer prices and lower business profits. One study found that completely stopping trade with Mexico could cost five million Americans their jobs in the long run.<sup>1</sup>

Below are facts about the U.S.-Mexico border that highlight how a shutdown would hurt American workers, consumers and businesses, and threaten the overall economy.

- Mexico is America's third largest trading partner, with \$612 billion in trade between the two countries in 2018. This translates to \$1.7 billion in trade each day.<sup>2</sup>
- It has been estimated that halting trade with Mexico could cost almost five million Americans their jobs in the long run.<sup>3</sup>
- After Canada, Mexico is the second largest destination for American exports. In 2018, U.S. businesses exported \$265 billion in goods and \$34 billion in services to Mexico. This means an average of \$819 million worth of goods and services is exported to Mexico every day.<sup>4</sup>
- The top five states exporting to Mexico are Texas (\$110 billion in 2018), California (\$31 billion), Michigan (\$12 billion), Illinois (\$10 billion) and Louisiana (\$9 billion).<sup>5</sup>
- The top five exports to Mexico are petroleum and coal products (\$29 billion in 2018), motor vehicle parts (\$20 billion), computer equipment (\$17 billion), semiconductors and other electronic components (\$13 billion) and basic chemicals (\$10 billion).<sup>6</sup>
- After Canada, Mexico is the second largest importer of American agricultural products, with \$19 billion in American agricultural goods shipped to the country in 2018.<sup>7</sup>
- Beer, vegetables and fruit make up about 70 percent of the agricultural products imported from Mexico, including everything from strawberries to tomatoes to peppers.<sup>8</sup> The United States would run out of avocados in three weeks if the border shuts down, according to one estimate.<sup>9</sup>
- Mexico is the third largest country of origin for intermediate goods imported into the United States, accounting for 7 percent of the total amount imported.<sup>10</sup> Imported intermediate goods lower consumer prices and make American businesses more globally competitive.<sup>11</sup>
- In 2018, 1.4 million nonimmigrant visas were issued to Mexican citizens, including one million border crossing cards.<sup>12</sup> These visitors come over to conduct business, shop, sightsee, compete in sporting events and visit with family, among other reasons.<sup>13</sup>
- Tourists and other visitors from Mexico spent \$21 billion in the United States in 2017, the second highest amount of any nationality.<sup>14</sup>
- In 2018, 211,000 cars, 17,000 trucks, 449 buses, and 31 trains (carrying 1,400 full containers) crossed into the United States from Mexico each day, on average.<sup>15</sup>

State	Goods exports to Mexico	Share of total exports from state	Jobs supported by trade with Mexico (2014)
United States	\$ 265,010,357,329	15.9%	4,853,000
Alabama	\$ 2,575,620,812	12.1%	67,000
Alaska	\$ 32,852,661	0.7%	11,000
Arizona	\$ 7,649,762,363	34.2%	89,000
Arkansas	\$ 869,536,119	13.4%	42,000
California	\$ 30,738,728,011	17.2%	566,000
Colorado	\$ 1,252,815,283	15.1%	88,000
Connecticut	\$ 948,479,594	5.5%	61,000
Delaware	\$ 156,103,490	3.3%	15,000
District of Columbia	\$ 22,732,678	0.8%	24,000
Florida	\$ 3,335,060,512	5.8%	290,000
Georgia	\$ 3,909,025,266	9.6%	153,000
Hawaii	\$ 1,112,446	0.2%	27,000
Idaho	\$ 230,105,083	5.7%	23,000
Illinois	\$ 10,187,998,965	15.6%	200,000
Indiana	\$ 5,416,444,188	13.8%	96,000
Iowa	\$ 2,336,375,924	16.3%	53,000
Kansas	\$ 2,118,536,828	18.3%	48,000
Kentucky	\$ 2,272,655,152	7.2%	61,000
Louisiana	\$ 8,848,663,673	13.4%	65,000
Maine	\$ 52,842,907	1.9%	22,000
Maryland	\$ 416,687,304	3.5%	97,000
Massachusetts	\$ 2,510,610,717	9.3%	119,000
Michigan	\$ 12,298,215,587	21.2%	138,000
Minnesota	\$ 2,361,756,128	10.4%	93,000
Mississippi	\$ 1,181,498,989	10.0%	41,000
Missouri	\$ 2,610,975,389	18.0%	97,000
Montana	\$ 39,166,405	2.4%	17,000
Nebraska	\$ 1,774,412,444	22.3%	33,000
Nevada	\$ 588,752,122	5.3%	44,000
New Hampshire	\$ 419,958,637	7.9%	22,000
New Jersey	\$ 2,956,557,550	8.3%	141,000
New Mexico	\$ 1,419,379,594	38.8%	27,000
New York	\$ 3,515,782,186	4.3%	322,000
North Carolina	\$ 3,779,226,416	11.5%	152,000
North Dakota	\$ 231,124,549	3.4%	14,000
Ohio	\$ 6,862,423,048	12.6%	178,000
Oklahoma	\$ 783,308,110	12.8%	51,000
Oregon	\$ 464,253,935	2.1%	57,000
Pennsylvania	\$ 4,215,900,338	10.3%	200,000
Rhode Island	\$ 198,904,363	8.3%	17,000
South Carolina	\$ 2,762,386,886	8.0%	70,000
South Dakota	\$ 338,241,517	23.5%	15,000
Tennessee	\$ 4,868,038,992	14.9%	100,000
Texas	\$ 109,748,555,198	34.8%	382,000
Utah	\$ 725,485,153	5.0%	47,000
Vermont	\$ 45,560,938	1.6%	11,000
Virginia	\$ 1,109,969,261	6.0%	134,000
Washington	\$ 2,139,861,197	2.8%	107,000
West Virginia	\$ 225,696,945	2.8%	23,000
Wisconsin	\$ 3,452,912,444	15.2%	96,000
Wyoming	\$ 35,482,985	2.6%	9,000

Source: Census Bureau, USA Trade Online; job estimates from Wilson Center (2016)

Note: Based on origin of movement; sum of states does not equal national total due to exports from territories and unknown origin for some exports; jobs represent the net jobs directly and indirectly dependent on trade with Mexico.

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<sup>1</sup> Estimate is based on 2014 data; includes both jobs directly affected by trade and indirectly supported by lower costs of goods resulting from trade; Wilson, Christopher. "How Trade with Mexico Impacts Employment in the United States." The Wilson Center. November 2016.

[https://www.wilsoncenter.org/sites/default/files/growing\\_together\\_how\\_trade\\_with\\_mexico\\_impacts\\_employment\\_in\\_the\\_united\\_states\\_2.pdf](https://www.wilsoncenter.org/sites/default/files/growing_together_how_trade_with_mexico_impacts_employment_in_the_united_states_2.pdf)

<sup>2</sup> Census Bureau. U.S. International Trade Data. March 27, 2019. <https://www.census.gov/foreign-trade/data/index.html>

<sup>3</sup> Estimate is based on 2014 data; includes both jobs directly affected by trade and indirectly supported by lower costs of goods resulting from trade; Wilson, Christopher. "How Trade with Mexico Impacts Employment in the United States." The Wilson Center. November 2016.

[https://www.wilsoncenter.org/sites/default/files/growing\\_together\\_how\\_trade\\_with\\_mexico\\_impacts\\_employment\\_in\\_the\\_united\\_states\\_2.pdf](https://www.wilsoncenter.org/sites/default/files/growing_together_how_trade_with_mexico_impacts_employment_in_the_united_states_2.pdf)

<sup>4</sup> Census Bureau. Monthly U.S. International Trade in Goods and Services. Press Release. March 27, 2019.

[https://www.census.gov/foreign-trade/Press-Release/current\\_press\\_release/ft900.pdf](https://www.census.gov/foreign-trade/Press-Release/current_press_release/ft900.pdf)

<sup>5</sup> JEC analysis of USA Trade Online data, based on origin of movement.

<sup>6</sup> JEC analysis of USA Trade Online data, based on four digit NAICS codes.

<sup>7</sup> USDA Foreign Agricultural Service. "Mexico." Accessed April 1, 2019. <https://www.fas.usda.gov/regions/mexico>; USDA Foreign Agricultural Service. "Canada." Accessed April 1, 2019. <https://www.fas.usda.gov/regions/canada>

<sup>8</sup> USDA Economic Research Service. "Mexico Trade & FDI." July 12, 2018. <https://www.ers.usda.gov/topics/international-markets-us-trade/countries-regions/nafta-canada-mexico/mexico-trade-fdi/>

<sup>9</sup> Reuters. "America would run out of avocados in three weeks if Trump shuts down the U.S.-Mexico border." NBC News. April 1, 2019. <https://www.nbcnews.com/business/business-news/america-would-run-out-avocados-three-weeks-if-trump-shuts-n989421>

<sup>10</sup> Torsekar, Mihir. "Intermediate Goods Imports in Key U.S. Manufacturing Sectors." United States International Trade Commission. Accessed April 1, 2019. [https://www.usitc.gov/research\\_and\\_analysis/trade\\_shifts\\_2017/specialtopic.htm](https://www.usitc.gov/research_and_analysis/trade_shifts_2017/specialtopic.htm)

<sup>11</sup> Parilla, Joseph. "How U.S. states rely on the NAFTA supply chain." Brookings. March 30, 2017.

<https://www.brookings.edu/blog/the-avenue/2017/03/30/how-u-s-states-rely-on-the-nafta-supply-chain/>

<sup>12</sup> State Department. "Table XVIII. Nonimmigrant Visas Issued by Nationality." Accessed April 1, 2019.

<https://travel.state.gov/content/dam/visas/Statistics/AnnualReports/FY2018AnnualReport/FY18AnnualReport%20-%20TableXVIII.pdf>; State Department. "Table XVII. Nonimmigrant Visas Issued." Accessed April 1, 2019.

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<sup>13</sup> State Department. "Visitor Visa." Accessed April 1, 2019. <https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visitor.html>

<sup>14</sup> International Trade Administration. "Fast Facts: United States Travel and Tourism Industry, 2017." October 2018.

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<sup>15</sup> Department of Transportation. "Border Crossing/Entry Data." Accessed April 1, 2019.

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