

Hunkering Down: The Hidden Economic Cost of Immigration Enforcement in Cook County

Technical Appendix

June 2026

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Technical Appendix: Estimating the Dollar Value of Commercial Activity Lost to Immigration Enforcement in Cook County

This appendix documents how the brief's dollar figures are derived. The companion research paper presents the full difference-in-differences analysis of weekly origin-destination foot-traffic data. This appendix covers only the translation of those estimated foot-traffic effects into annualized dollar losses.

1. Summary of the calculation

The brief's headline figure estimates the dollar value of commercial activity that residents of high Latin America-born Cook County neighborhoods stopped sending to retail and restaurant businesses in low Latin America-born parts of the county after immigration enforcement intensified in January 2025.

The calculation proceeds in three steps:

1. Estimate lost visits.

The research paper estimates the contraction in cross-community customer flows, defined as trips from high Latin America-born neighborhoods to low Latin America-born business districts. We apply that estimated contraction to the pre-enforcement baseline volume of trips to estimate how many visitor-trips did not occur.

2. Convert visits to dollars.

We calculate the average commercial revenue associated with each recorded visit by combining published U.S. Economic Census sales totals with the same foot-traffic panel used in the analysis.

3. Estimate lost commercial activity.

We multiply lost visits by dollars per visit, sum across retail and restaurant businesses, project the observed weekly effect to a full year, and express the result in 2025 dollars.

This produces an estimated \$1.26 billion in foregone commercial activity on an annualized basis, with a 95 percent confidence interval of roughly \$0.83 billion to \$1.67 billion. Applying local sales-tax rates yields an estimated \$107 million in lost local tax revenue.

2. Step 1: Estimate lost cross-community visits

The effect appeared within weeks of the January enforcement surge and persisted through 46 weeks of observation with no detectable attenuation. The identification strategy, parallel-trends diagnostics, and robustness checks are described in the companion paper and are not repeated here. This appendix takes the estimated foot-traffic contraction as its starting point.

For each high Latin America-born origin neighborhood, we begin with its average weekly cross-community visit volume during the 14-week pre-enforcement period. We then apply the estimated dose-response contraction, which scales with the neighborhood's Latin America-born

population share. Summed across high Latin America–born neighborhoods and projected to 52 weeks, this yields approximately 25 million foregone cross-community visitor-trips per year:

Table A1. Estimated annualized lost visitor-trips from high Latin America–born to low Latin America–born Cook County destinations, by sector

Business group	Annualized lost visitor-trips
Retail trade, NAICS 44–45	≈ 18 million
Restaurants (food services and drinking places), NAICS 722	≈ 7 million
Total	≈ 25 million

Source: Authors' calculations from Advan Foot Traffic Plus data; foot-traffic contraction estimated by the difference-in-differences specifications in the companion paper.

3. Step 2: Convert recorded visits to dollars

To translate lost visits into lost commercial activity, we estimate the average amount of business revenue associated with each recorded visit in the foot-traffic panel.

The calculation is:

Real dollars per visit = Cook County sector sales ÷ Cook County recorded visitor-trips

The numerator is total Cook County business receipts from the 2022 U.S. Economic Census:

Table A2. Cook County business receipts in 2022 and inflated to 2025 dollars, by sector

Business group	2022 receipts	2025 dollars
Retail trade, NAICS 44–45	\$98.8 billion	\$108.9 billion
Restaurants (food services and drinking places), NAICS 722	\$16.8 billion	\$18.5 billion

Source: U.S. Census Bureau, 2022 Economic Census (tables EC2200BASIC and EC2272BASIC). 2025-dollar values use the BLS Consumer Price Index for the Chicago–Naperville–Elgin area, all items, annual averages for 2022 and 2025.

The 2022 Economic Census reports Cook County receipts at the two-digit NAICS level, so Cook County receipts for NAICS 722 (food services and drinking places) are not published separately from NAICS 721 (accommodation). We estimate Cook County NAICS-722 receipts as Cook County NAICS-72 receipts (\$22.3 billion) multiplied by the national NAICS-722 share of NAICS-72 receipts (75.3 percent, from the 2022 Economic Census, Table EC2272BASIC), yielding \$16.8 billion in 2022 dollars.

The 2022 receipts are inflated to 2025 dollars using the annual-average Chicago-area Consumer Price Index, with an inflation factor of 1.102.

The denominator is the total number of recorded visitor-trips to Cook County destinations in each sector during calendar year 2024, drawn from the same Advan foot-traffic panel used in the analysis.

This produces the following conversion values:

Table A3. Estimated dollars per recorded visit in the Advan foot-traffic panel, by sector	
Business group	Estimated dollars per recorded visit
Retail trade, NAICS 44–45	≈ \$58
Restaurants (food services and drinking places), NAICS 722	≈ \$33

Source: Authors' calculations combining 2022 Economic Census receipts (Table A2) with Advan Foot Traffic Plus visitor-trip counts for calendar year 2024.

These values should not be interpreted as literal average receipts per customer. The foot-traffic panel observes a sample of all trips, not the universe of trips. The values are best understood as calibration constants that make the foot-traffic data consistent with published countywide sales totals.

This calibration is appropriate because the lost-visit count and the annual visit denominator come from the same foot-traffic panel. If the panel captures a stable share of trips, the sampling rate cancels out: the calculation does not require knowing what fraction of all visits the panel observes.

4. Step 3: Estimate lost commercial activity

The annualized dollar loss is calculated by multiplying estimated lost visits by the estimated dollars per recorded visit.

Table A4. Estimated annualized lost commercial activity from cross-community foot-traffic contractions, by sector (2025 dollars)

Business group	Annualized lost activity, 2025 dollars
Retail trade, NAICS 44–45	≈ \$1.04 billion
Restaurants (food services and drinking places), NAICS 722	≈ \$0.22 billion
Total	≈ \$1.26 billion

Source: Authors' calculations combining Tables A1 and A3.

Both components rest on specifications that pass the companion paper's joint pre-trend test — $p = 0.256$ for HL retail and $p = 0.505$ for HL restaurants.

5. Statistical uncertainty

The \$1.26 billion estimate is a point estimate. The brief's 95 percent confidence interval of roughly \$0.83 billion to \$1.67 billion is propagated from the underlying difference-in-differences coefficient through the same dollar-conversion calculation.

This range reflects statistical uncertainty in the estimated foot-traffic contraction. It does not include additional uncertainty from the calibration assumptions, including the Economic Census vintage or the inflation adjustment. For that reason, the figures should be read as order-of-magnitude estimates rather than precise dollar amounts.

6. Lost local sales-tax revenue

To estimate local fiscal exposure, we apply an effective blended sales-tax rate to the lost commercial activity. The statutory general-merchandise rate in Cook County runs from roughly 9.0 to 10.25 percent across jurisdictions, but a portion of the lost retail base includes food for home consumption, drugs, and medical appliances, which are taxed by Illinois at about 1 percent rather than the general rate. Using the 2022 Economic Census composition (grocery and convenience stores at 12.3 percent of retail receipts and health and personal care at 9.4 percent) to weight the high- and low-rate components, we obtain an effective blended rate of approximately 8.5 percent for the retail-plus-restaurant base. Applied to the annualized loss, this yields approximately \$107 million in foregone local sales-tax revenue.

Using a rate span of 8.0 to 9.0 percent produces a range of roughly \$101 million to \$113 million.

This is an order-of-magnitude estimate. The exact tax incidence depends on the within-retail composition of the foregone visits and on local-option additions (Chicago restaurant tax, suburban home-rule additions) that vary across jurisdictions.

7. Scope, assumptions, and limitations

Annualization.

The headline figure projects the observed weekly contraction to a full year. This is supported by the persistence finding in the companion paper, which shows no detectable attenuation through 46 weeks of observation. The final six weeks are therefore an extension of the observed pattern rather than direct observation. The observed 46-week loss is approximately \$1.11 billion.

Foregone activity versus redirected activity.

The companion paper finds that the withdrawn cross-community trips do not reappear in other observed commercial channels. The estimate should therefore be interpreted as foregone observed in-person commercial activity, rather than a transfer from one observed Cook County destination type to another. It does not rule out all possible substitution, including online purchases, delivery, consolidated trips, or informal commerce.

Excluded effects.

The estimate is gross of a small offsetting increase in visits to high Latin America–born area restaurants from outside Cook County, which is less than 4 percent of the headline estimate. It also excludes informal commerce, cash-based activity not captured in formal sales data, secondary employment effects, supplier impacts, and possible business closures. These exclusions mean the estimate is not a full general-equilibrium measure of economic harm.