

# Memorandum

**To:** City of St. Paul and Interested Parties  
**From:** Tom K. Wong  
**Date:** April 16, 2026  
**Re:** Impact of Operation Metro Surge on Businesses

## Executive Summary

- **Widespread negative impacts:** 61.0% of businesses report that Operation Metro Surge has had a negative impact on their operations, compared to 33.0% reporting no impact and 6.0% reporting positive impacts.
- **Demand-driven economic shock:** The most commonly reported impacts are decreased customer traffic (62.7%) and customers avoiding business areas (57.4%), indicating a broad reduction in commercial activity.
- **Substantial revenue losses:** Estimated revenue losses across sectors exceed **\$165.4 million**, with impacts concentrated in restaurants, retail, and service-based businesses.
- **Financial strain and debt:** 26.2% of businesses report taking on unexpected debt, and many report difficulty covering core expenses such as payroll, rent, and utilities.
- **Workforce disruptions:** 57.6% of businesses report negative workforce impacts, including employees missing work due to fear or safety concerns (61.8%) and reduced operating hours due to staffing shortages (26.3%).
- **Direct enforcement exposure:** 15.6% of businesses report that federal immigration enforcement agents entered their business during Operation Metro Surge.

## Surveying Businesses in St. Paul

This memo summarizes the results of a probability-based survey of businesses in St. Paul. The survey was conducted from March 17, 2026 to April 11, 2026 and includes 405 completed responses. The sampling frame was derived from a comprehensive business registry provided by the City of St. Paul. To ensure coverage across key dimensions of theoretical and policy importance, we implemented a stratified design based on a  $3 \times 5 \times 3$  matrix defined by: (1) immigration enforcement exposure (low, medium, high), (2) industry classification (restaurants, grocery stores, personal care, retail, and other businesses), and (3) business size (based on employee count). This design ensured representation across heterogeneous business environments and varying levels of potential exposure to immigration enforcement activity during Operation Metro Surge.

Businesses were recruited using an address-based sampling (ABS) approach. Initial contact was made via mailed invitations sent to business addresses in the sampling frame. Invitations were sent using City of St. Paul envelopes and the invitation was printed on official City of St. Paul letterhead. The invitation described the survey as a collaboration between the City of St. Paul and the University of California, San Diego. The invitation framed the survey as an effort to examine how Operation Metro Surge “may have affected businesses in Saint Paul,” a wording choice intended to minimize response bias. Moreover, to mitigate non-response bias, we employed a multi-mode follow-up strategy that included phone outreach and in-person, door-to-door canvassing. Canvassing efforts were concentrated in strata with lower response rates and in areas characterized by higher enforcement exposure.

Post-stratification weights were constructed using iterative proportional fitting (IPF) to align the sample with known population margins from the sampling frame across the stratification dimensions (exposure, industry, and business size).<sup>1</sup> The margin of error is +/- 4.8 percentage points.

## Impact on Business

To begin, businesses were asked if Operation Metro Surge had a positive, negative, or no impact on their business. A strong majority of businesses reported that Oper-

---

<sup>1</sup>The resulting weights were well-distributed (min = 0.14, max = 2.14) with limited variance inflation (design effect of 1.53), indicating minimal loss of precision due to weighting.

ation Metro Surge had a negative impact on their business. More specifically, 61.0% of businesses said “negative impact,” compared to 33.0% of businesses that said “no impact,” and 6.0% of businesses that said “positive impact.”

For businesses that reported negative impact, they were asked about the specific ways they were negatively impacted. For example, 62.7% reported decreased customer traffic; 57.4% reported customers avoiding the area of their business due to enforcement activity; 47.9% reported reduced sales or revenue; 42.8% reported reduced profits or owner income; 40.3% reported decreased demand for their products or services; 38.7% reported customers cancelling reservations or appointments; 25.2% reported reduced hours or days of operation; 14.9% reported having to temporarily close their business; 0.2% reported having to permanently close their business; 24.3% reported increased operating costs; 16.0% reported difficulty obtaining supplies or services from vendors; 11.8% reported supply shortages or disruptions; and 14.3% reported increased prices for business inputs.

Table 1: Negative Impacts on Business

	%
Decreased customer traffic	62.7%
Customers avoided area	57.4%
Reduced sales or revenues	47.9%
Reduced profits or owner income	42.8%
Decreased demand	40.3%
Cancelled reservations or appointments	38.7%
Reduced hours or days of operation	25.2%
Temporarily closed business	14.9%
Permanently closed business	0.2%
Increased operating costs	24.3%
Difficulty obtaining supplies or services	16.0%
Supply shortages or disruptions	11.8%
Increased prices for business inputs	14.3%

All businesses, regardless of whether they reported positive, negative, or no impact, were asked a series of additional questions about their business operations during Operation Metro Surge.

For example, we asked businesses whether Operation Metro Surge caused any

difficulties paying their rent or mortgage and 14.9% said yes; 11.3% said they had difficulty paying utilities; 4.6% said they had difficulty paying permitting or licensing fees; 12.8% said they delayed payments to suppliers or vendors; 17.3% said they had difficulty making payroll; 16.9% said they used personal savings to support their business; 16.1% said they had to use credit cards or loans to cover expenses; and 6.4% said they had spoiled or unsold inventory.

## **Economic Losses**

To estimate economic losses, businesses who reported that Operation Metro Surge had a negative impact were also asked about their daily revenue on a typical day before Operation Metro Surge, the number of days their business was negatively impacted, and the percentage of daily revenue lost.

Among the restaurants in our sample, the median daily revenue on a typical day before Operation Metro Surge was \$3,000. The median number of days that these restaurants were negatively affected was 30 days. The median percentage of daily revenue lost was approximately 25%. For the 65.6% of the 628 restaurants in our universe of businesses that reported that Operation Metro Surge had a negative impact, this translates into \$27,820,557 in lost revenue because of Operation Metro Surge.

Among the personal care businesses in our sample, the median daily revenue on a typical day before Operation Metro Surge was \$600. The median number of days that these personal care businesses were negatively affected was 50 days. The median percentage of daily revenue lost was approximately 65%. For the 75.7% of the 237 personal care businesses in our universe of businesses that reported that Operation Metro Surge had a negative impact, this translates into \$1,882,799 in lost revenue because of Operation Metro Surge.

Among the grocery stores in our sample, the median daily revenue on a typical day before Operation Metro Surge was \$3,000. The median number of days that these grocery stores were negatively affected was 40 days. The median percentage of daily revenue lost was approximately 45%. For the 79.9% of the 216 grocery stores in our universe of businesses that reported that Operation Metro Surge had a negative impact, this translates into \$11,397,672 in lost revenue because of Operation Metro Surge.

Among the retail stores in our sample, the median daily revenue on a typical day before Operation Metro Surge was \$2,000. The median number of days that these

retail stores were negatively affected was 30 days. The median percentage of daily revenue lost was approximately 25%. For the 79.7% of the 672 retail stores in our universe of businesses that reported that Operation Metro Surge had a negative impact, this means \$24,089,184 in lost revenue because of Operation Metro Surge.

Approximately 81.0% of businesses in St. Paul are categorized as “other.” These businesses range from bowling alleys and breweries to dental and law offices. These “other” businesses have not been fully captured in existing analyses of the economic impact of Operation Metro Surge, yet they account for the overwhelming majority of businesses in the city. Among the “other” businesses in our sample, the median daily revenue on a typical day before Operation Metro Surge was \$685. The median number of days that these “other” businesses were negatively affected was 45 days. The median percentage of daily revenue lost was approximately 25%. For the 57.9% of the 7,492 “other” businesses in our universe of businesses that reported that Operation Metro Surge had a negative impact, this translates into \$100,251,445 in lost revenue because of Operation Metro Surge.

Altogether, this amounts to \$165,441,657 in lost revenue because of Operation Metro Surge. Because the distribution of losses across sectors is right-skewed, median-based estimates should be interpreted as lower-bound estimates of revenue losses attributable to Operation Metro Surge.

Table 2: Lost Revenue

	%
Restaurants	\$27,820,557
Personal care	\$1,882,799
Grocery stores	\$11,397,672
Retail	\$24,089,184
“Other”	\$100,251,445
	\$165,441,657

I note here that even among businesses that reported “positive impact” or “no impact,” 30.5% reported that they expected their annual gross revenue to be lower this fiscal year compared to last fiscal year.

## Debt

In addition to lost revenue, the data also show that many businesses in St. Paul also took on debt as a result of Operation Metro Surge.

More specifically, 26.2% of businesses said “yes” to taking on “unexpected debt because of the disruptions caused by Operation Metro Surge.” Among the businesses that reported taking on unexpected debt, 58.6% reported taking on under \$25,000 in unexpected debt, 35.4% reported taking on \$25,000 to \$99,999 in unexpected debt, 5.5% reported taking on \$100,000 to \$249,999 in unexpected debt, and 0.5% reported taking on \$250,000 to \$499,999 in unexpected debt.

## Workforce

We also asked businesses whether Operation Metro Surge had a positive, negative, or no impact on their workforce. A strong majority of businesses reported that Operation Metro Surge had a negative impact on their workforce. More specifically, 57.6% of businesses said “negative impact,” compared to 38.8% of businesses that said “no impact,” and 3.6% of businesses that said “positive impact.”

For businesses that reported negative impact, they were asked about the specific ways that their workforce was impacted. For example, 61.8% reported that employees missed work due to fear, safety concerns, or enforcement activity; 14.6% reported that employees left their jobs or resigned; 13.1% reported difficulty hiring new employees; 14.1% reported fewer workers applying for jobs; 33.5% reported employees requesting fewer hours or schedule changes; 7.1% reported increased employee turnover; 11.3% reported increased labor costs; 6.5% reported increased reliance on temporary workers, contractors, or staffing agencies; 26.3% reported reduced operating hours due to staffing shortages; 22.0% reported delaying expansion; and 5.6% reported hiring security to keep their business safe.

Table 3: Negative Impacts on Workforce

	%
Missed work due to fear, safety concerns, or enforcement	61.8%
Employees left their jobs or resigned	14.6%
Difficulty hiring new employees	13.1%
Fewer workers applying for jobs	14.1%
Employees requesting fewer hours or schedule changes	33.5%
Increased employee turnover	7.1%
Increased labor costs	11.3%
Increased reliance on temporary workers, contractors, or staffing agencies	6.5%
Reduced operating hours due to staffing shortages	26.3%
Delayed expansion	22.0%
Hiring security	5.6%

Businesses were also asked whether they agreed or disagreed with the following statement: “Because of workforce disruptions caused by Operation Metro Surge, my business has incurred additional costs for recruiting, training, and onboarding employees, and these additional costs have negatively affected our ability to stay in business.” Just over two-in-ten, or 21.7%, said “somewhat agree” or “strongly agree” with that statement.

## Immigration Enforcement

Businesses were also asked whether federal immigration enforcement agents entered their business during Operation Metro Surge. Approximately 15.6% of businesses said that federal immigration enforcement agents entered their business during Operation Metro Surge.

Among the businesses that said that federal immigration enforcement agents entered their business during Operation Metro Surge, 12.8% said that federal immigration enforcement agents entered a non-public area of their business without consent; 7.4% said that federal immigration enforcement agents questioned their workers about their immigration status; 3.6% said that federal immigration enforcement agents detained or arrested workers inside the business; 19.1% said that federal immigration enforcement agents questioned customers about their immigration status; 0.9% said

that federal immigration enforcement agents detained or arrested customers inside the business; 2.3% said that federal immigration enforcement agents presented an administrative warrant; no business said that federal immigration enforcement agents presented a judicial warrant signed by a judge; and 3.6% said that federal immigration enforcement agents displayed weapons inside the business.

Table 4: Federal Immigration Enforcement

	%
Agents entered a non-public area of their business without consent	12.8%
Agents questioned their workers about their immigration status	7.4%
Agents detained or arrested workers inside the business	3.6%
Agents questioned customers about their immigration status	19.1%
Agents detained or arrested customers inside the business	0.9%
Agents presented an administrative warrant	2.3%
Agents presented a judicial warrant signed by a judge	0.0%
Agents displayed weapons inside the business	3.6%