

# BUSINESS INSIDER

## **Rescinding DACA could cost 700,000 workers their jobs and employers \$6.3 billion in employee turnover costs**

Rachell Gillett

September 5, 2017

On Tuesday, the Trump administration announced plans to end the Deferred Action for Childhood Arrivals (DACA) program.

The Obama-era program currently allows about 800,000 young undocumented immigrants who were brought to the US as minors without documentation to live and work in the country legally. DACA recipients are eligible to receive an employment authorization document (EAD), which allows them certain protections to work in the US.

According to a report from the left-leaning Center for American Progress (CAP), over the past five years, 91% of DACA recipients have found gainful employment and are currently working for companies across the US.

Eliminating DACA will undoubtedly have an impact on these workers, who would be stripped of their ability to work in the US, as well as their employers.

Back to the shadows

As Business Insider previously reported, a recent CAP study found that roughly 700,000 workers could lose their jobs over the next two years if DACA were repealed. The report estimates the loss of their labor could cost the country \$460.3 billion in economic output over the next decade.

"Ending DACA would place severe economic strain on businesses around the country, putting them into the impossible and extremely costly position of having to fire productive employees for no other reason than an arbitrary change in federal policy, potentially resulting in backlash from other employees or their broader community," the report said.

Should these workers not lose their jobs, the Economic Policy Institute notes that they would still become instantly deportable and effectively left without labor rights and employment law protections in the workplace.

Because of the large role fear plays in the life of an undocumented immigrant, many of these workers would return to suffering in the shadows.

According to another CAP report, DACA recipients saw their wages increase on average by 42% after receiving an EAD. Without this protection, employers are able to pay undocumented

workers low wages without employee benefits like sick time or overtime pay because these workers have no way of complaining without detection. As the EPI notes, research has shown that undocumented immigrants suffer much higher rates of wage theft than US citizens.

Li Adorno, a youth outreach coordinator at the American Friends Service Committee and DACA recipient, told Business Insider that, prior to receiving DACA, he had to work long hours for low pay under the table. After he received it, he was able to quit his job for a better-paying one and enroll in community college and eventually at St. Peter's University in Jersey City, New Jersey.

Adorno moved to the US from Puebla, Mexico, when he was seven years old to join his father and get a better education. He says he didn't know he was undocumented until he passed his driver's test his sophomore year of high school and his older sister had to explain to him why he couldn't get a license.

"After I knew I was undocumented, all of a sudden I had to keep quiet — I couldn't fully express myself," he says. "I'm a really outgoing person — I like talking to people and doing different things — but when you're undocumented you always feel limited. You try not to outshine other people, you try to keep things to yourself, so nobody asks questions about your status or about what your family is up to."

When we talked to Adorno earlier this year, he said he didn't know what he'd do if he no longer receives DACA.

"I'm finally going to have my bachelor's and I won't be able to use it? That's just so stupid, you know? I guess I have no choice but to work under the table again. And doing that makes me do something that's illegal," he says. "It's crazy."

Huge costs for employers

Attorney General Jeff Sessions said in a press conference that DACA recipients had deprived American citizens of jobs.

In a White House briefing following the announcement of the decision, White House press secretary Sarah Huckabee Sanders suggested that America's unemployed could take the jobs DACA workers leave behind.

"I think that it's a known fact that there are over four million unemployed Americans in the same age group as those that are DACA recipients," she said. "Over 950,000 of those are African-Americans in the same age group, over 870,000 unemployed Hispanics in the same age group. Those are large groups of people that are unemployed that could possibly have those jobs."

However, this shift won't come cheap for employers.

David Bier, an immigration policy analyst at the Cato Institute's Center for Global Liberty and Prosperity, estimates that, should the federal government force employers to fire all DACA recipients, it would cost employers \$6.3 billion.

As he writes for Newsweek, this estimate is based on his review of 11 studies of the cost of turnover to employers, DACA approval projections based on US Citizenship and Immigration Services data, and CAP data on DACA recipients' wages.

Most of these costs would come from the lower productivity of new hires, Bier writes.

Another potential cost to employers not calculated here: the cost of defending DACA employees.

Microsoft, for example, has pledged to defend any of its at least 39 employees who are DACA recipients should Congress fail to pass legislation protecting them.

"If the government seeks to deport any one of them, we will provide and pay for their legal counsel," wrote Brad Smith, the company president, in a blog post Tuesday.