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## The High Costs Of An Immediate Repeal Of DACA

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Denizens of Washington DC have been having a field day speculating about what sorts of action Donald Trump may take on the first day of his presidency. One possible Obama-era executive order some of his supporters have urged him to repeal is the Deferred Action for Childhood Arrivals, or DACA, which allows children of illegal immigrants brought to this country by their parents to receive temporary protection from deportation, work permits, and a path to citizenship if they have not committed any crimes.

There are approximately 700,000 people taking advantage of this program, which represents about five to seven percent of all illegal aliens currently living in the United States. While a repeal would certainly send a strong message to President Trump's supporters that he intends to make good on his promises to deal with illegal immigrants, doing such a thing would be incredibly costly to the economy while accomplishing little.

In a study published by the Cato Institute, Logan Albright and I analyze the impact that a repeal would have on the labor market. We estimated its fiscal and economic consequences by building upon work done by Thomas Church, a scholar at the Hoover Institute, that investigated the economic impact of expanding the H1-B visa program to include an additional 660,000 new immigrants over the next decade. He estimated that this would boost the nation's economy by \$450 billion over the ensuing decade while boosting government revenue by \$110 billion.

DACA beneficiaries resemble H1-B recipients to a surprising degree, although they are younger and—as a result—less educated than H1-B recipients. We adjusted Church's result by the difference in population size and relative wages and came up with an economic impact from repealing DACA of roughly \$200 billion in the next decade, which is just over one percent of 2016 GDP. The loss of tax revenue would be approximately \$60 billion. If we assume that the DACA beneficiaries do not leave the country upon its repeal but remain here and seek work illegally instead, the cost to the economy of repeal is smaller but still in the vicinity of \$100 billion.

But the problems with a simple repeal of DACA go beyond the economic cost. The issue that many people had with President Obama was their perception that his was an imperial presidency, eschewing legislation in favor of issuing executive orders, not all of which appeared to be legal in their eyes.

For Donald Trump to begin his administration by issuing an executive order of his own that imposes a significant cost of the economy while doing little to fix the underlying problems that

he identifies with illegal immigration would not only be self-defeating, but it would send a signal that the executive overreach of the Obama Administration has become the status quo.

The new president should encourage Congress to come up with a comprehensive immigration reform that reflects his preferences and that also reflects current economic realities. But to act unilaterally and repeal DACA would be a costly symbolic step that would do nothing to accomplish his overarching goals.

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