



What ending DACA could cost the U.S. economy

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While **the Supreme Court's arguments** on Tuesday hinged on whether the Trump administration's attempts to end DACA were lawful, those watching the case are considering what the economic losses of terminating the program might be.

Those in favor of continuing the Deferred Action for Childhood Arrivals program say it has already had a positive impact on the U.S. economy, with potential to keep growing.

President Barack Obama instituted the DACA program in 2012 through executive action after the Senate failed to pass legislation that would have given legal status to undocumented immigrants who came to the U.S. as children. Under DACA, those people were able to apply for work authorization and receive temporary protection from deportation.

The decision has allowed hundreds of thousands of young immigrants to study and work freely in the U.S.

There are currently 1.2 million DACA-eligible residents living in the U.S., although only about 703,890 are enrolled in the program. Many eligible for the program did not apply because they **couldn't pay for the application fee** or **were afraid** that giving the federal government their identifying information would make them more likely to be deported if DACA were later repealed.

DACA recipients paid \$4 billion in taxes to the U.S. government in 2017, according to figures from the New American Economy, a bipartisan group dedicated to immigration reform.

"The vast majority of [the DACA-eligible individuals] —93 percent—are working, if they're not in school. Together, every year, they earn more than \$23.4 billion," said Andrew Lim, director of quantitative research at the New American Economy.

The Trump administration announced two years ago that it would end the program, with **then-Attorney General Jeff Sessions arguing** that rather than serving as a boon to the U.S. economy, DACA had "denied jobs to hundreds of thousands of Americans by allowing those same illegal aliens to take those jobs."

The Trump administration has also **proposed increasing the application and renewal fees** for DACA from \$495 to \$765 in order to account for "operational fees" of an "already over-extended system," according to **a statement** from U.S. Citizenship and Immigration Services

Acting Director Ken Cuccinelli. Critics say the hike could deter DACA recipients from applying for renewal.

President Donald Trump has long been against the program, but on Tuesday tweeted a claim that some of these young people **are “very tough, hardened criminals.”**

Advocates in favor of DACA say the economic argument against it is ill-advised. Here’s what is known about the contributions DACA recipients make to the U.S. economy, and how a Supreme Court ruling ending the program could impact the U.S. financially.

What the loss of DACA would mean for the country’s financial health

The CATO Institute, a libertarian think tank, has estimated that the federal government could lose \$60 billion should DACA recipients be deported, and U.S. economic growth **could shrink by \$280 billion.**

“DACA has proven itself to be a really beneficial program at every level, for individuals...our economy and society overall,” said Allison Davenport, a staff attorney at the Immigrant Legal Resource Center, said.

The Trump administration has long argued that DACA recipients take jobs that could otherwise be filled by other unemployed American workers. When the decision to rescind DACA was first announced in September of 2017, **then-White House Press Secretary Sarah Sanders said,** “I think that it’s a known fact that there are over 4 million unemployed Americans in the same age group as those that are DACA recipients... Those are large groups of people that are unemployed that could possibly have those jobs.”

While **there is evidence** that some low-skilled workers in the U.S. have lost jobs to foreign workers with H1-B visas, DACA recipients are more likely to seek jobs their American-born counterparts do not seek.

More than 90 percent of the DACA recipients are employed in sectors such as restaurants, construction and hospitals, often filling positions in states with a tight labor market, such as California, New York and Texas.

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Economists say immigrants are needed to fill jobs in an economy with an unemployment rate of only 3.6 percent. Plus, the share of immigrants that receive DACA represents less than **1 percent of the Millennial workforce,** according to the Migration Policy institute.

“These zero-sum arguments don’t really play out in reality,” said Roberto Gonzales, who directs **Harvard University’s Immigration Initiative** and has spent more than a decade studying the issue. “DACA beneficiaries are earning their way toward these careers. These are new-growth areas in our economy; job centers that are in need of a bigger, motivated workforce.”

As of 2017, about 43,000 DACA-eligible people were also entrepreneurs who own businesses and in turn, employ other workers, according to **New American Economy data.**

Jaime Leiva, a Des Moines, Iowa resident who came to the U.S. from El Salvador when he was ten years old, was able to find work as an insurance agent because of his DACA status. He also helped found a soccer club called **United Futbol Academy**, based in Iowa, which employs four other DACA recipients as coaches.

“I’ve always had an entrepreneurial spirit, but having the opportunity to have a work permit and do everything the right way...I’m happy to be able to work and make a bigger difference in the community,” said Leiva. He said the termination of DACA would have a big impact on his family and community. His parents have been able to stay in the country through the **Temporary Protected Status Program**. As the owners of a restaurant, said Leiva, “they’re not taking jobs; they’re trying to create more jobs.”

“These people have only known life in the U.S.” Lim said. “This affects people who were never undocumented, as well as the employees of the businesses they run...To handcuff their productivity does put a damper on their prospects for the U.S. economy.”

How DACA recipients contribute to the U.S. economy

Although DACA recipients are just a small portion of the nation’s entire immigrant population, many make significant contributions to the U.S. economy.

Without legal status, immigrants often have a difficult time enrolling in college and getting jobs. Now, around **81 percent** of the DACA-eligible population has graduated from high school and taken a college course, according to the New American Economy.

DACA “has allowed young people to seek higher education, which has allowed them to not only gain skills but also increase their earning potential,” Lim said.

The \$4 billion DACA recipients paid in taxes in 2017 accounted for about a tenth of what the entire U.S. immigrant population contributed.

Many undocumented immigrants pay at least some federal and local taxes, but Lim said DACA recipients have more accountability.

“If you’re under DACA, you’re going to have to pay taxes, otherwise you’d lose your DACA status,” Lim said.

The fact that DACA recipients have been able to study and work under this program has also increased their spending power over time, said Gonzales, of Harvard University’s Immigration Initiative. A national study on the long-term impact of DACA released by the Immigration Initiative this week found that the program had enabled many beneficiaries to obtain a job and increase their earnings, and generally contributed to upward social mobility.

“They’ve been able to move themselves and their families into better living arrangements; they’re taking on car payments, putting their children into daycare programs,” Gonzales said. “They’re contributing every day to local economies and to the national economy.”

The New American Economy estimates that **the spending power** of the DACA-eligible population is close to \$20 billion. The center-right American Action Forum estimated last year that DACA recipients **contribute \$42 billion** to the annual U.S. GDP.

The costs of maintaining DACA protections

While DACA recipients are able to work and study legally in the U.S., there are costs associated with this program, too. The U.S. government **requires DACA applicants to pay \$495** for an application fee, work permit and biometric data, and the same fee is required of recipients that wish to renew their DACA enrollment every two years.

The Trump administration argues, that fee is not high enough.

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U.S. Citizenship and Immigration Services **said in a statement** last week that current fees would leave the agency underfunded by \$1.3 billion a year, and that the proposed fee increase for DACA and other programs would account for increased costs “to deter and detect immigration fraud” as well as “thoroughly vet applicants, petitioners and beneficiaries.”

While the Trump administration is not currently accepting new applications from individuals seeking DACA, it is considering renewal requests.

Davenport, with the Immigrant Legal Resource Center, said a fee hike could make it even more complicated for DACA recipients to remain in the country.

Even though DACA recipients are able to have better jobs after they obtain legal status, they still, on average, only make about **\$35,000 a year**, compared to **\$50,000 for the average American worker**.

“If you think \$495 has created a barrier, \$765 would be a huge, huge blow, especially for families with multiple people registering for DACA,” she said.