



The Insane Economic Cost of Ending DACA

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President Donald Trump won election on a promise to restore America's economic prosperity. But experts of different political stripes say one key Trump policy -- his plan to end the DACA program for undocumented immigrants -- will do the reverse, wiping hundreds of billions from U.S. economic output over the next 10 years.

As recently as last week, speaking in Missouri to stump for his proposed tax overhaul, President Trump called on the nation to "join me in unleashing America's full potential." However, on Tuesday, the Trump Administration announced a different priority: ending the Deferred Action for Childhood Arrivals program (DACA), which it plans to phase out over the next six months. Created by the Obama Administration in 2012, DACA allows roughly 800,000 undocumented immigrants who were brought to the U.S. as children to apply for renewable two-year permits that allow them to live and work legally in the U.S.

Research from both the right-leaning Cato Institute and left-leaning Center for American Progress suggests Trump's economic and immigration goals may be diametrically opposed. Their research indicates that ending DACA -- and deporting the workers who will no longer enjoy legal status -- could reduce the size of the U.S. economy by anywhere from \$280 billion to \$430 billion over the next decade.

Of course, it's difficult to predict the precise economic effect of pushing hundreds and thousands of workers out of their jobs and -- depending on how far the Trump Administration takes its threats -- actually forcing them to leave the country. Cato says DACA recipients, whose average age is 22 and who earn about \$17 an hour on average, "tend to be younger, better educated, and more highly paid than the typical immigrant." This suggests that, as a group, they contribute more to the broader economy than the average immigrant worker.

Cato compared DACA recipients to another group of highly educated immigrants which has been more closely studied, holders of H-1B visas for skilled workers. "In short, they appear to be a close reflection of what DACA recipients will look like a few years from now as they complete their educations," Cato said.

After adjusting for age and experience, Cato estimated removing the DACA immigrants from the economy would cost the U.S. \$215 billion in lost economic output over 10 years, plus another

\$60 billion in lost taxes. Deporting them would cost another \$7.5 billion, and when that's added up the cost of ending the DACA program comes to a total of minus \$283 billion.

The Center For American Progress arrived at its estimate in a different way. The organization used figures it had previously calculated to gauge the lost economic output if the government attempted to remove up to 7 million undocumented workers from workforce, then adjusting on a state-by-state basis for the portion of these workers in the DACA program.

Among its findings: California, which would lose more than 23,000 DACA workers, would be hit the hardest with \$11.2 billion in lost GDP per year. Texas would lose about \$6 billion in output per year, and New York would be down \$2.4 billion. Nationally, over the next decade, lost GDP would amount to \$433 billion, the group estimated.