

The Economic Impact of DACA



**Houston Hispanic
Chamber of Commerce**

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Economic Impact of Deferred Action for Childhood Arrivals

This report offers a detailed look at the economic impact of the Deferred Action for Childhood Arrivals (DACA) program and its recipients. As of early September 2017, the Trump administration has announced its intention to end the program after a six month grace period. According to studies conducted by the Migration Policy Institute and the Center for American Progress, ending this program could result in a **\$460 billion loss in annual US GDP, a more than \$6 billion loss in annual GDP for the State of Texas, and a loss of more than \$2 billion of annual economic activity in the Greater Houston region.**

Deferred Action for Childhood Arrivals (DACA)

Deferred Action for Childhood Arrivals (DACA) is a policy established by the Obama administration in 2012 that allows some individuals who entered the country illegally as minors to receive a renewable two-year period of deferred action from deportation and eligibility for a work permit. As of 2017, more than 800,000 individuals are enrolled in the program created by DACA nationwide, including more than 120,000 in the State of Texas and 80,000 in the Greater Houston region.

To be eligible for DACA, applicants must meet the following requirements:

- Came to the United States before their 16th birthday
- Have lived continuously in the United States since June 15, 2007
- Were under the age 31 on June 15, 2012
- Were physically present in the United States on June 15, 2012 and at the time of their request
- Had no lawful status on June 15, 2012
- Have completed high school or a GED, have been honorably discharged from the armed forces, or are enrolled in school
- Have not been convicted of a felony or serious misdemeanor, or three or more misdemeanors, and do not otherwise pose a threat to national security or public safety

In other words, DACA recipients came to the United States as children, have established a physical presence in the country, have pursued some higher education or service, and have kept a clean criminal record. To demonstrate proof of qualification, applicants must undergo background checks and submit supporting documentation. Applicants may renew their status after a two year period, assuming all of the above qualifications are still met.

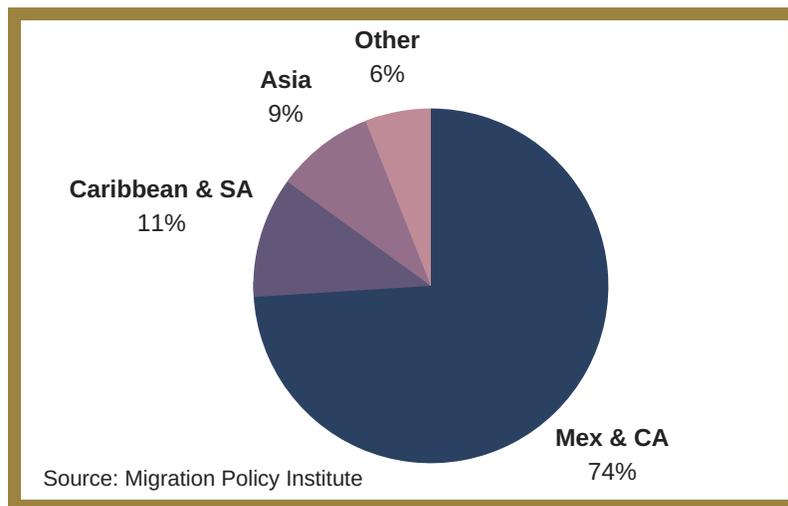


Who are the DREAMers?

As of 2017, there are 1.76 million potential beneficiaries of DACA - or DREAMers, as they are otherwise known. Of those 1.76 million, 1.26 million meet the minimum age criteria now, while around 500,000 could be eligible in the future as they meet age, educational, residency, and other requirements.

Prospective DACA recipients come from all over the world and represent one of the youngest and most rapidly growing population segments in the United States.

Fig 1.1: Place of Birth



Of the 1.76 million potential DACA beneficiaries, more than 1.3 million were born in Mexico or Central America, 193,600 were born in the Caribbean or South America, close to 160,000 are from Asia, and more than 105,000 are from other parts of the world. These demographics not only represent a diverse subset of the world - they also represent the future demographics of the United States, the State of Texas, and the City of Houston.

Fig 1.2: Age

Most DREAMers (72%) currently meet the 15 and older age requirement for qualification now, while 28% are under the age of 15 and will be able to qualify for DACA in the future. Either way, this demographic is significantly younger than the average age of the American population at large.

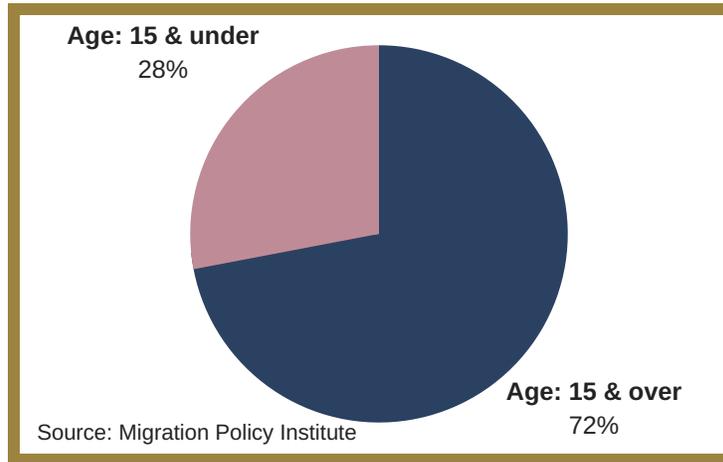
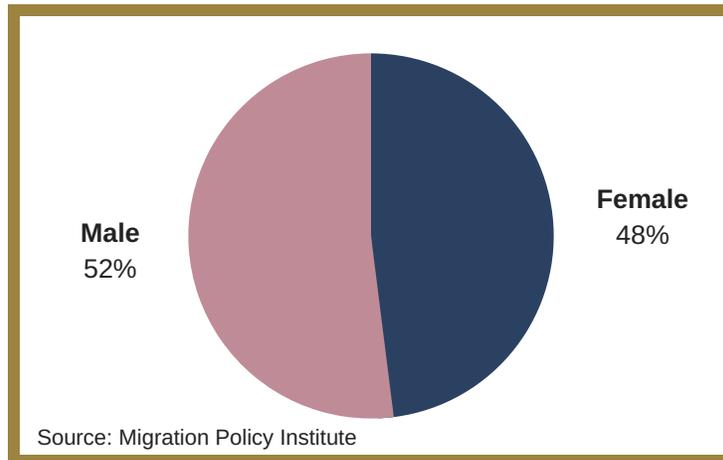


Fig. 1.3: Gender

Of the 1.76 million potential beneficiaries, 844,800 (48%) are Female and 915,200 (52%) are Male.



The Economics of DACA

In 2017, DACA recipients represent one of the most well-educated, highly-employed, and economically impactful population subsets in the United States. In the categories of workforce participation rate, purchasing power, and educational attainment, DACA recipients outpace the national average. Removing this relatively young, upwardly mobile population from the United States will not just wreak havoc on the lives of 800,000 young people and their families; it will also have crippling effects on the local, state, and national economies.



Employment & Workforce Participation

DACA recipients participate in the labor force at a higher-than-average rate when compared to the population of the United States as a whole. As an example, DACA eligible males participate in the American labor force at a rate of 83%, as compared to the 79% of all other males in the United States.

As a defense of the decision to end the program, the Trump administration has stated that beneficiaries of the program deny jobs "to hundreds of thousands of Americans by allowing those same illegal aliens to take those jobs." This is an unproven assertion and, in fact, the well-educated, highly-employed beneficiaries of this program serve as an economic engine that provides opportunities for all workers. Moreover, because of their high levels of educational attainment, DACA recipients tend to be employed in higher-skilled jobs, thus posing little to no tangible threat to the blue collar workers who have seen losses in employment in recent years.

Purchasing Power

According to a 2017 study conducted by the Center for American Progress, the purchasing power of DACA beneficiaries continues to grow. In the most recent study, 65% of respondents reported purchasing their first car, with an average cost paid of \$16,469. These purchases impact not just the bottom lines for car manufacturers, but the amount of revenue the State of Texas is able to collect in sales tax, as well.

The same report also demonstrates that 16% of respondents purchased their first home after receiving DACA. For recipients 25 years and older, the percentage purchasing their first home climbs to 24%. In fact, DACA recipients are demonstrating one of the fastest-growing homeownership rates in all of the United States.

Finally, the same study demonstrates that 72% of the top 25 Fortune 500 companies employ DACA recipients. These employers include international corporations like Apple, General Motors, Amazon, Wells Fargo, Chase, and Wal-Mart, to name a few. These companies account for more than \$2.8 trillion in annual revenue.

In short, DACA recipients are having an impact on the bottom lines of the world's largest companies and will continue to play a growing role in the future of these organizations and the economy of the United States.

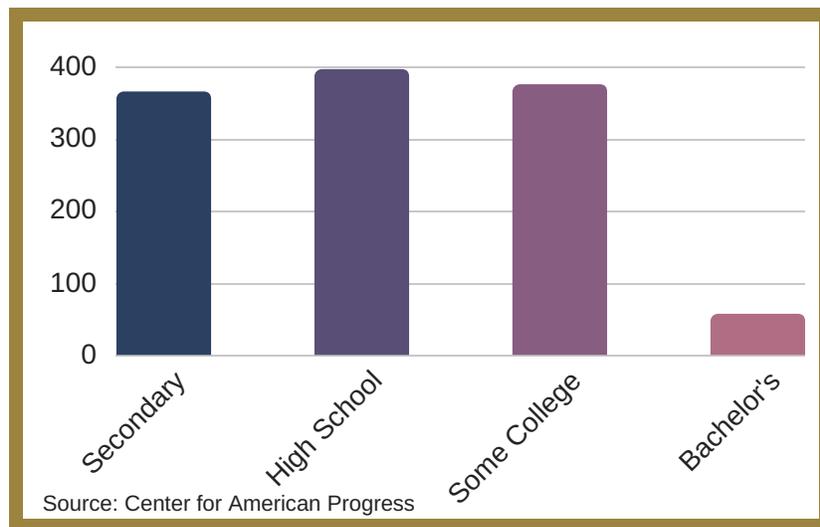


Educational Attainment

Finally, educational attainment levels for DACA recipients are in line with the national average of all Americans. This is an expected statistic, as one of the requirements for DACA qualification is some level of educational attainment, but the figure is still demonstrative.

As of 2014, 31% of the 1.2 million immediately eligible DACA recipients were enrolled in secondary school, 33% had completed high school, 31% were enrolled in college or completed some college, and 5% had received their bachelor's degree.

Fig. 1.4: Educational Attainment (in hundred thousands)



Conclusion

The positive impacts that the DACA program and its recipients are having on the economy are clear. Despite the political rhetoric regarding DACA, the reality is that beneficiaries of this program represent one of the most well-educated, economically influential subsets of this country's population. Add to that the young average age of these DREAMers, and their influence on the future of our national, state, and local economies is almost without equal.

The Houston Hispanic Chamber of Commerce stands in opposition to the administration's decision to rescind the DACA program and will do everything in its power to fight against it in every hall of power and at every decision-making table. The organization now calls on Congress to act to protect these young Americans. The future of our city, state, and country depends on it.



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