



BTC Brief

BUDGET & TAX CENTER

August 2017

ENJOY READING THESE REPORTS?

Please consider making a donation to support the Budget & Tax Center at www.ncjustice.org

MEDIA CONTACT:

ALEXANDRA SIROTA
919-861-1468
alexandra@ncjustice.org

BUDGET & TAX CENTER

a project of the

north carolina
JUSTICE CENTER

P.O. Box 28068
Raleigh, NC 27611-8068

www.ncjustice.org

The Impact of Deferred Action for Childhood Arrivals (DACA) in the Tarheel State

DACA has been an effective strategy for boosting beneficiaries' wages, employment opportunities, and education, while helping NC's economy.

By **VICTORIA CROUSE**

The Deferred Action for Childhood Arrivals (DACA) policy was initially introduced in 2012 by President Obama to address the needs of some undocumented immigrants who had arrived to the United States as minors — a subpopulation within the undocumented immigrant community. DACA provides temporary protection from deportation and work authorization (applicants must apply for renewal after two years), and has led to an increase in employment opportunities and participation in higher education among many beneficiaries.¹ Since its inception, approximately 1.5 million individuals have enrolled in the program.² In North Carolina, there are currently 49,712 DACA beneficiaries.³ In the five years since its inception, DACA has proven to be an effective strategy for boosting beneficiaries' wages, employment opportunities, and education. While there are several shortcomings to this policy, DACA has been a good first step in addressing our outdated immigration system.

Current Policy Approach

The Deferred Action for Childhood Arrivals (DACA) recently celebrated its fifth anniversary in June. Since its inception, the program has expanded opportunities for more than a million undocumented immigrants who arrived to the United States as children. Individuals whose applications are approved by the U.S. Citizenship and Immigration Services (USCIS) receive a two-year reprieve from deportation, and a renewable work permit. In almost every state, including North Carolina, DACA

Criteria for DACA

According to USCIS, individuals seeking to obtain DACA status must meet the following criteria:

1. Were under the age of 31 as of June 15, 2012;
2. Came to the United States before reaching your 16th birthday;
3. Have continuously resided in the United States since June 15, 2007, up to the present time;
4. Were physically present in the United States on June 15, 2012, and at the time of making your request for consideration of deferred action with USCIS;
5. Had no lawful status on June 15, 2012;
6. Are currently in school, have graduated or obtained a certificate of completion from high school, have obtained a general education development (GED) certificate, or are an honorably discharged veteran of the Coast Guard or Armed Forces of the United States; and
7. Have not been convicted of a felony, significant misdemeanor, or three or more other misdemeanors, and do not otherwise pose a threat to national security or public safety.

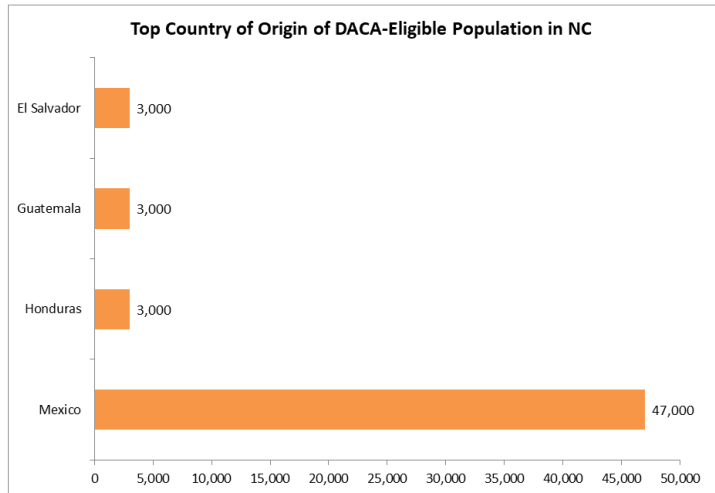
Source: "Consideration of Deferred Action for Childhood Arrivals (DACA)." USCIS. U.S. Citizenship and Immigration Services.

beneficiaries are eligible to apply for and receive a state driver's license.

When the program was first rolled out in North Carolina in 2012, many applicants leaned on the assistance of staff at community based organizations and statewide organizations to help them apply to the program. The North Carolina Justice Center was among those organizations that conducted dozens of legal clinics and workshops in various communities to educate potentially eligible community members about the process and the program.

Economic impact

While economists have yet to reach consensus on the total cost to taxpayers that DACA imposes, it is a well-known fact that this cost is, at least in part, off-set by beneficiaries themselves. This is because individuals who apply for DACA status or apply for status renewal are required to pay a fee of \$495.⁴ This fee includes payment for the application, work permit application, and biometrics. Among those applicants who have been approved since the program's inception, the total revenue from fee applications is approximately \$366 million.⁵ North Carolina applicants who have been approved contributed approximately \$14 million.⁶



Source: MPI analysis of U.S. Census Bureau data from the 2014 American Community Survey and USCIS data.

Snapshot of N.C. DACA Applicants

Applications approved by USCIS as of March 2017: 49,712

Immediately eligible application rate: 72%

Potentially eligible application rate: 51%

Source: U.S. Citizenship and Immigration Services' Form I-821D data, and MPI analysis of U.S. Census Bureau data from the 2014 American Community Survey and USCIS data.

DACA's Impact on Beneficiaries

Impact on Employment and Wages

By providing beneficiaries with temporary work permits, DACA has opened the door for beneficiaries to access better paying jobs and pursue careers in their areas of interest.⁷ A 2016 study of DACA beneficiaries found that DACA increased the likelihood of beneficiaries' employment through expanded labor force participation, while also decreasing the rate of unemployment for individuals.⁸

Beneficiaries' wages have also improved as a result of having DACA status. A recent research study found that among beneficiaries who were sampled, the average hourly wages of beneficiaries increased by 45 percent after receiving DACA status.⁹ Sixty-nine percent of those surveyed obtained a job with better pay, and 57 percent of respondents were able to help their family financially as a result of receiving higher wages.

A Snapshot of the DACA Program Roll-out and Perceived Outcomes among N.C. Beneficiaries

UNC researchers Hannah Gill and Sara Peña recently released their findings from a statewide study of the 2012 implementation of the DACA policy across the state, and the perceived outcomes among DACA beneficiaries. Among their findings, the researchers found that community-based and statewide organizations played a critical role in leading the program's implementation across the state. In regards to applicant characteristics, Gill and Peña found that income and geographic proximity to organizations offering DACA services were two main factors affecting individuals' ability to apply to the program.

Gill and Peña's statewide survey of 94 DACA applicants revealed important findings about applicants' backgrounds and the perceived impact of the program. For starters, the majority of applicants to the program had at least a high school diploma or GED at the time of their application, and a quarter had a bachelor's degree. Furthermore, the majority of applicants (95%) listed Mexico as their country of birth. Survey respondents indicated their residence in 33 different towns across the state with a majority (64%) residing in the Piedmont. When asked about their reasons for applying to the program, the top responses were: "Desire to get a driver's license,"

"Pathway to legal status," and "Desire to get a job," among others. While beneficiaries are able to work and drive with their DACA status, only in limited circumstances does the program provide a pathway to legal status.

DACA applicants who participated in the survey also indicated their perceived impact of this policy on their lives. Among the 93 individuals who responded to the question, the majority of respondents indicated that DACA had: enabled them to obtain a driver's license, a job or internship position, and had influenced their decision to continue their educational careers. Of 89 respondents who answered follow-up questions on employment, almost half (40%) indicated that DACA had enabled them to find a higher paying job, while 36 percent stated that they were able to find a job with benefits. In regards to other perceived education outcomes, more than half of respondents (55%) indicated that DACA had motivated them to continue their degrees, while 31 percent said that DACA improved their post-graduation career opportunities.

Source: Gill, Hannah, and Sara Peña. The Deferred Action for Childhood Arrivals (DACA) Program in North Carolina Perspectives from Immigrants and Community-Based Organizations. Rep. University of North Carolina at Chapel Hill, Jan. 2017. Web.

Impact on Education

Research studies at the state and national level have found that, among samples of DACA beneficiaries, the majority of respondents indicate that DACA status enabled them to pursue educational opportunities that they could previously not achieve. In a 2015 study of more than 2,000 DACA beneficiaries, researchers found that among those who were sampled, 65 percent indicated that they were currently enrolled in school, and of those in school, 70 percent were also employed.¹⁰ The same study found that among those pursuing degrees, 83 percent were working toward an Associate's or Bachelor's degree, while 17 percent were working towards advanced degrees.

Policy Limitations

Despite the benefits, there are still several shortcomings to DACA, and the consequences of these shortcomings are felt by beneficiaries. Researchers have found that many DACA beneficiaries still experience economic hardship despite their access to more job opportunities, and LGBTQ beneficiaries facing added barriers of discrimination due to their identities.¹¹ A 2014 research study of outcomes among 2,381 DACA beneficiaries found that, while in the short-term DACA helped reduce the challenges immigrant youth face in achieving economic and social incorporation, the benefits were stratified based on access to resources. Beneficiaries from families with greater family and community resources benefitted the most from the policy.¹²

In North Carolina, DACA beneficiaries also face significant barriers to higher education because they are required to pay out-of-state tuition rates and are not eligible for federal financial aid. Due to this barrier, many beneficiaries have a hard time covering the cost of tuition and have to lean on personal savings, private loans or private scholarships in order to afford their education.

A Threat to Immigrant Families and to Our State

The heightened policy backlash from elected officials against the undocumented immigrant community in recent months has led to both the permanent separation of families due to deportations and the threat of everyday harassment in public spaces. The wave of anti-immigrant sentiment among legislators and federal administrators threatens the continuation of the DACA program. The President of the United States has the ability to revoke the policy. This tenuous policy landscape in which the DACA program exists gives reason to examine the consequences of eliminating this policy, and what elimination would mean for North Carolina's future.

Ending DACA and introducing a mass deportation policy would not only be inhumane, it would also translate into significant economic losses for our state. If the program was eliminated and participants were removed from our labor market, North Carolina would experience a \$1.1 billion annual GDP loss.¹³ Over 10 years, our nation would lose \$433.4 billion in GDP if DACA were terminated. A loss in productivity at the state and national level impacts our ability to sustain a post-recession recovery.

The end of the DACA program would hurt our labor market. Research points to the central role that immigrants and children of immigrants will play in growing our labor force in the years to come. In fact, immigrants and their children are projected to be the primary drivers of growth in the working-age population through the year 2035. The number of working age immigrants in the United States is projected to rise from 33.9 million in 2015 to 38.5 million by 2035.¹⁴ Moreover, children of U.S.-born parents are projected to decline by 8.2 million between 2015 and 2035, thereby shrinking the working-age population. Given these projections, it is imperative that policymakers work toward integrating DACA beneficiaries into our communities to ensure that our skilled and educated labor force remains solvent for years to come.

North Carolina would not only lose a generation of thinkers, creators and doers, it would also lose opportunities to invest in all North Carolinians. Every year, DACA beneficiaries and their families join millions of Americans in filing their tax returns. Losing DACA beneficiaries as taxpayers would mean an annual loss of \$63 million in state and local tax revenue in North Carolina.¹⁵ Our state is already missing out on an opportunity to raise \$14 million in additional tax revenue each year because DACA does not provide a pathway to citizenship. Citizenship would enable beneficiaries to achieve better job and educational opportunities and higher earnings.¹⁶ Removing DACA beneficiaries who are also taxpayers would prevent our state from being financially able to make important investments in our schools, our hospitals, and our communities.

Policy Recommendations

Despite DACA's positive impact on the employment and education outcomes of North Carolina beneficiaries, the policy also has serious shortcomings that can be immediately addressed by policymakers. Here are some of the ways policymakers can strengthen outcomes among beneficiaries now:

1. In-State Tuition. The high cost of higher education continues to be a barrier to college for many DACA beneficiaries. Pursuant to state policy, undocumented students are considered "out-of-state" for tuition purposes and are therefore required to pay out-of-state tuition, despite the fact that many have lived in North Carolina long enough to otherwise qualify as state residents.

Additionally, beneficiaries are not eligible for federal financial aid and must instead lean on personal savings, private scholarships and high-interest private loans to cover tuition and college-related costs. Therefore, one policy change would be to increase DACA beneficiaries' access to higher education by recognizing their state residency for tuition purposes.

2. Access to Occupational and Professional Licenses. Another way policymakers can strengthen outcomes among beneficiaries is by making them eligible for occupational and professional licenses. In North Carolina, no state law has been passed that specifies DACA beneficiaries as a category of non-citizens eligible for obtaining occupational and professional licenses. Their ineligibility means that some cannot put their education and training into action despite their investment in their education. Despite receiving training to aid those in need, professionals such as nurses and doctors who have DACA cannot put their much needed skills into practice. The absence of this policy can also be a deterrent to enrollment in programs that require licensure, and it contributes to a shortage of skilled labor in our state.

3. A Pathway to Citizenship. The DACA program as it stands today does not provide a pathway to citizenship for most beneficiaries. The policy provides only temporary relief from deportation for most participants (though there has already been one reported case of a DACA beneficiary deported to their country of birth).¹⁷ The temporary nature of the policy can therefore be a barrier to long-term successes for beneficiaries. For this reason, policymakers should expand eligibility for residency and citizenship in a way that includes all DACA beneficiaries.

Endnotes

1. Wong, T. K., A. S. Garcia, M. Abrajano, D. Fitzgerald, K. Ramakrishnan, and S. Le. *Undocumented No More: A Nationwide Analysis of Deferred Action for Childhood Arrivals, or DACA*. Rep. Washington D.C.: Center for American Progress, 2013. Print.
2. Number of Form I-821D, Consideration of Deferred Action for Childhood Arrivals, by Fiscal Year, Quarter, Intake, Biometrics and Case Status Fiscal Year 2012-2017. Rep. U.S. Citizenship and Immigration Services, Mar. 2017. Web. Aug. 2017.
3. "Deferred Action for Childhood Arrivals (DACA) Data Tools." Migrationpolicy.org. Migration Policy Institute, 09 June 2017. Web. 12 July 2017.
4. "Consideration of Deferred Action for Childhood Arrivals (DACA)." USCIS. U.S. Citizenship and Immigration Services, n.d. Web. 12 July 2017.
5. Data analysis using MPI data on applications approved by USCIS
6. Number of Form I-821D, Consideration of Deferred Action for Childhood Arrivals, by Fiscal Year, Quarter, Intake, Biometrics and Case Status Fiscal Year 2012-2017. Rep. U.S. Citizenship and Immigration Services, Mar. 2017. Web. Aug. 2017.
7. Wong, T. K., A. S. Garcia, M. Abrajano, D. Fitzgerald, K. Ramakrishnan, and S. Le. *Undocumented No More: A Nationwide Analysis of Deferred Action for Childhood Arrivals, or DACA*. Rep. Washington D.C.: Center for American Progress, 2013. Print.
8. Pope, N. G. "The Effects of DACAmentation: The Impact of Deferred Action for Childhood Arrivals on Unauthorized Immigrants." *Journal of Public Economics*(2016): 98-114. Web.
9. Wong, T. K., A. S. Garcia, M. Abrajano, D. Fitzgerald, K. Ramakrishnan, and S. Le. *Undocumented No More: A Nationwide Analysis of Deferred Action for Childhood Arrivals, or DACA*. Rep. Washington D.C.: Center for American Progress, 2013. Print.
10. Ibid
11. Ibid
12. Gonzales, R. G., Terriquez, V., & Ruszczyk, S. P. (2014, December). *Becoming DACAmented Assessing the Short-Term Benefits of Deferred Action for Childhood Arrivals (DACA)*. *American Behavioral Scientist*, 58(14), 1852-1872. doi: 10.1177/0002764214550288
13. "Deferred Action for Childhood Arrivals (DACA) Data Tools." Migrationpolicy.org. Migration Policy Institute, 09 June 2017. Web. 12 July 2017.
14. Passel, Jeffrey S., and D'Vera Cohn. "Immigration Projected to Drive Growth in U.S. Working-age Population through at Least 2035." Pew Research Center. Pew Research Center, 08 Mar. 2017. Web. 12 July 2017.
15. Hill, Misha E., and Meg Wiehe. *State & Local Tax Contributions of Young Undocumented Immigrants*. Rep. Institute on Taxation and Economic Policy, Apr. 2017. Web. 12 July 2017.
16. Ibid
17. Gonzales, Richard. "DREAMer Deportation Case Raises Questions On Trump's Deferred Action Policy." NPR. NPR, 18 Apr. 2017. Web. 12 July 2017.