Testimony of Tom K. Wong Before the U.S. Senate Judiciary Committee "Dream Deferred: The Urgent Need to Protect Immigrant Youth" May 8, 2024

My name is Tom K. Wong and I'm an associate professor of political science and founding director of the U.S. Immigration Policy Center (USIPC) at UC San Diego. I am an expert on immigration politics and policies and have published multiple books and dozens of articles and policy reports on these topics. I have researched the impact of DACA since its creation. This includes an annual survey of DACA recipients that I do in partnership with the Center for American Progress (CAP), the National Immigration Law Center (NILC), and United We Dream (UWD). I have surveyed DACA recipients every year for the past decade.

A pathway to citizenship for dreamers will significantly improve the American economy.

Undocumented young people already contribute to the U.S. economy by paying taxes that help pay for schools, infrastructure, and other important public services. Indeed, everyone living and working in the U.S. pays taxes regardless of their immigration status.¹ According to one estimate, dreamers contribute an estimated \$45 billion to the U.S. economy each year through their wages and pay \$13 billion annually in combined federal, state, and local taxes.²

A pathway to citizenship would allow undocumented young people to participate more fully and more productively in the labor force. More specifically, a pathway to citizenship would increase employment among undocumented young people from an estimated 48 percent to

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<sup>2</sup> Fwd.US. (2023). "Dreamers: By the Numbers," Fwd.US. Online:
<u>https://www.fwd.us/news/dreamers-by-the-numbers/</u>. Last accessed: May 5, 2024.
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¹ For example, everyone pays sales taxes when we purchase goods. Everyone also pays property taxes, either directly as homeowners, or indirectly as renters.

approximately 94 percent.³ These employment gains would also be met with wage gains, which accrue to undocumented young people as they are able to adjust their immigration status. Altogether, these employment and wage gains suggest that a pathway to citizenship for dreamers would add \$2.5 billion per year in additional state and local tax revenue.⁴ This is a conservative estimate, as new research on DACA recipients, including my own, shows that the economic impact of DACA has outperformed most economic models. More specifically, whereas the estimate of \$2.5 billion per year in additional state and local tax revenue assumes a just over 8 percent increase in wages because of legal status, evidence from DACA recipients shows that the wage gain for undocumented young people can be as high as 164 percent.⁵

Another estimate shows that a pathway to citizenship for undocumented young people could lead to an estimated \$799 billion increase in gross domestic product (GDP) over a decade.⁶ A derivative benefit of this increase would be the creation of an estimated 285,400 new jobs because of providing a pathway to citizenship for undocumented young people.

³ Wong, et al. (2023). "2023 Survey of DACA Recipients Highlights Economic Advancement, Continued Uncertainty Amid Legal Limbo," Center for American Progress. Online: <u>https://www.americanprogress.org/wp-content/uploads/sites/2/2024/03/New-DACA-Survey-2023-Toplines14.pdf</u>. Last accessed: May 5, 2024.

⁴ Wiehe, Meg and Misha Hill. (2018). "State and Local Tax Contributions of Undocumented Young People," Institute on Taxation and Economic Policy. Online: <u>https://itep.org/state-local-tax-contributions-of-young-undocumented-immigrants/</u>. Last accessed: May 4, 2024.

⁵ Wong, et al. (2023). "2023 Survey of DACA Recipients Highlights Economic Advancement, Continued Uncertainty Amid Legal Limbo," Center for American Progress.

⁶ Peri, Giovanni and Reem Zaiour. (2021). "Citizenship for Undocumented Immigrants Would Boost U.S. Economic Growth," Center for American Progress and UC Davis Global Migration Center. Online: <u>https://www.americanprogress.org/wp-</u>

<u>content/uploads/sites/2/2021/06/EconImmigration-scenario3.pdf</u>. Last accessed: May 5, 2024. A previous estimate suggests that a pathway to citizenship for undocumented young people could lead to an estimated \$1 trillion increase in GDP over a decade due to an "education bump" that accrues to undocumented young people as they adjust their immigration status and pursue educational opportunities that were previously closed to them.

More generally, a recent Congressional Budget Office (CBO) estimate projects that immigrant workers will add an extra \$7 trillion to the U.S. economy over the next decade and an extra \$1 trillion in federal tax revenue.⁷ Indeed, in its economic outlook, the CBO points to immigration as a primary reason that the labor force will expand over the next decade, which will lead to increased economic output.⁸ More specifically, the CBO estimates that immigration will add an average of 0.2 percentage points to the annual growth rate of real GDP over the 2024 to 2034 period, "leaving real GDP roughly 2 percent larger in 2034 than it would be otherwise."⁹ This affirms a National Academies of Sciences (NAS) conclusion that immigration has an overall positive impact on long-run economic growth in the U.S.¹⁰

DACA shows how providing a pathway to citizenship for dreamers can benefit

American society and the economy more generally.

DACA has been one of the most successful immigrant integration policies that the U.S. has ever seen. Despite the legal uncertainty surrounding the program, DACA has allowed recipients to become more deeply interwoven into the fabric of American society. DACA

⁷ Campbell, Alexia Fernández. (2024). "New Data Shows Why the U.S. Needs More Immigrants," Center for Public Integrity. Online: <u>https://publicintegrity.org/inequality-poverty-opportunity/immigration/new-data-shows-why-the-u-s-needs-more-immigrants/</u>. Last accessed: May 5, 2024.

⁸ Increased economic output includes increased consumer spending, as well as growth in the housing market, as immigration "will continue to stimulate construction of new homes during the second half of the 2020s, in CBOs estimation."

⁹ Congressional Budget Office. (2024). *The Budget and Economic Outlook: 2024-2034*, Congressional Budget Office. Online: <u>https://www.cbo.gov/system/files/2024-02/59710-</u> <u>Outlook-2024.pdf</u>. Last accessed: May 5, 2024.

¹⁰ National Academies of Sciences, Engineering, and Medicine. (2017). *The Economic and Fiscal Consequences of Immigration*, National Academies of Sciences, Engineering, and Medicine. Online: <u>https://www.nationalacademies.org/our-work/economic-and-fiscal-impact-of-immigration</u>. Last accessed: May 5, 2024.

recipients, and undocumented young people, need permanent protections so that their integration success stories can continue.

Most DACA recipients have only ever known the U.S. as their home. The median DACA recipient was initially brought to the U.S. at just six years old.¹¹ To put this into perspective, the median DACA recipient was initially brought to the U.S. between the end of kindergarten and the start of first grade. To further illustrate just how deeply interwoven DACA recipients are into the fabric of American society, just under one-third of DACA recipients are parents to U.S. citizen children.¹² Not only have most DACA recipients only ever known the U.S. as their home, but for many DACA recipients, their futures are inextricably tied to the U.S. through their U.S. citizen children.

DACA recipients are one of the most highly educated subsets of American society. Nearly three-quarters of the DACA recipients that we recently surveyed currently have a bachelor's degree or higher.¹³ Moreover, just over 96 percent of DACA recipients are currently employed or are enrolled in school.¹⁴

Work authorization has allowed DACA recipients to participate more fully and more productively in the labor force. For example, just over 59 percent of the DACA recipients that we recently surveyed reported moving to a job with better pay because of DACA; just over 47 percent reported moving to a job with better working conditions; just under 48 percent reported moving to a job that "better fits [their] education and training"; just under 50 percent reported moving to a job that "better fits [their] long-term career goals"; just under 20 percent reported

¹¹ Wong, et al. (2023). "2023 Survey of DACA Recipients Highlights Economic Advancement, Continued Uncertainty Amid Legal Limbo," Center for American Progress.

¹² *Ibid*.

¹³ *Ibid*.

¹⁴ Ibid.

that they obtained professional licenses; and just under 10 percent reported that DACA allowed them to start their own businesses.¹⁵

Importantly, as the country grappled with a global pandemic, an estimated 343,000 DACA recipients worked in jobs that were deemed essential by the Department of Homeland Security, including an estimated 45,000 healthcare providers and those who work in healthcare settings.¹⁶

Moreover, nearly a decade of surveying DACA recipients has shown that DACA has had a significant and positive effect on wages. Because of DACA, average hourly wages have more than doubled from \$11.92 to \$31.52 per hour.¹⁷ Average annual earnings total approximately \$67,050 and median annual earnings total \$58,240.¹⁸

Increased wages are beneficial for recipients, their families, and the U.S. economy. With higher earnings, DACA recipients pay more in taxes. In 2022, DACA recipients earned an estimated \$27.9 billion in wages and contributed nearly \$2.1 billion to Social Security and Medicare.¹⁹ Moreover, in 2021, DACA recipients paid an estimated \$6.2 billion in federal taxes and \$3.3 billion in state and local taxes.²⁰ With higher earnings, DACA recipients can also spend

¹⁶ Svajlenka, Nicole Prchal and Trinh Q. Truong. (2021). "Economic Impacts of DACA Recipients: Fall 2021 Edition," Center for American Progress. Online: <u>https://www.americanprogress.org/article/the-demographic-and-economic-impacts-of-daca-</u> recipients-fall-2021-edition/. Last accessed: May 5, 2024.

¹⁵ *Ibid*.

 ¹⁷ Wong, et al. (2023). "2023 Survey of DACA Recipients Highlights Economic Advancement, Continued Uncertainty Amid Legal Limbo," Center for American Progress.
 ¹⁸ *Ibid*.

¹⁹ Truong, Trinh Q. and Silva Mathema. (2024). "DACA Recipients Bolster Social Security and Medicare," Center for American Progress. Online:

https://www.americanprogress.org/article/daca-recipients-bolster-social-security-and-medicare/. Last accessed: May 5, 2024.

²⁰ Svajlenka, Nicole Prchal and Trinh Q. Truong. (2021). "Economic Impacts of DACA Recipients: Fall 2021 Edition," Center for American Progress.

more and become financially independent. Just under 31 percent of DACA recipients are firsttime homeowners and pay mortgages.²¹ Moreover, just under 82 percent of the DACA recipients that we recently surveyed reported that their increased earnings have "helped [them] become financially independent"; just under 79 percent reported that their increased earnings have helped [their] family financially"; and just over 38 percent reported that their increased earnings have "helped [them] take care of an elderly parent or relative."²²

If DACA recipients can access a pathway to citizenship, their earnings and contributions could increase even further. Conversely, stripping away their legal status would decrease their tax contributions and deprive our country of a productive and dedicated cohort of young workers.

But the legal attacks against DACA mean that the futures and livelihoods of hundreds of thousands of people are uncertain.

Among the approximately one-third of DACA recipients who are parents, just under 71 percent reported that they think about "being separated from [their] children because of deportation" at least once per day or more and just under 68 percent reported thinking about "not being able to see [their] children grow up because of deportation" at least once per day or more.²³

Moreover, just over 88 percent of the DACA recipients we recently surveyed reported concerns about their own or their family's physical safety, ability to access health care or

²¹ Wong, et al. (2023). "2023 Survey of DACA Recipients Highlights Economic Advancement, Continued Uncertainty Amid Legal Limbo," Center for American Progress.

²² *Ibid.*

²³ *Ibid*.

education, the risk of food insecurity, or the risk of homelessness if they no longer had DACA and were deported.²⁴

How would losing DACA impact the lives of DACA recipients? I conducted a survey experiment wherein half of the DACA recipients we recently surveyed received the control prompt, "How likely are you to do the following?" while the other respondents received the treatment prompt, "If you no longer had DACA, how likely are you to do the following?" By comparing the differences between the control and treatment groups, it is possible to quantify how much DACA recipients anticipate their lives would change if they no longer had DACA. For example, when asked how likely they were to "participate in public events where police may be present," just over 72 percent in the control group responded "likely" or "very likely." However, in the treatment group, just over 35 percent responded "likely" or "very likely." This means that DACA recipients would be 37 percent less likely to participate in public events where police may be present if they no longer had DACA.

When it comes to education, just over 58 percent of the DACA recipients that we recently surveyed reported that they would be less likely to continue their education if they no longer had DACA and just over 63 percent reported that they would be less likely to pursue new educational opportunities.²⁵ Regarding employment, just over 43 percent of the DACA recipients we recently surveyed reported that they would be less likely to look for a new job if they no longer had DACA; 42 percent reported that they would be less likely to report wage theft or other abuses by their employer; and just under two-thirds reported that they would be less likely to pursue an occupational license.²⁶ Moreover, just under 41 percent of the DACA recipients we recently

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

surveyed reported that they would be less likely to report a crime they witnessed if they no longer had DACA and 31 percent reported that they would be less likely to report a crime of which they themselves were the victim.²⁷

A new generation of undocumented young people need legal protections.

While the lives of DACA recipients remain uncertain, there is a new generation of dreamers who do not have any legal protections. Last year, the overwhelming majority of the estimated 120,000 undocumented high-school graduates were ineligible for DACA because they arrived in the U.S. after the DACA-required arrival year of 2007.²⁸ By 2025, no undocumented high-school graduate will be eligible for DACA under current rules.²⁹ This adds to the urgency of passing permanent protections for undocumented young people.

Dreamers need permanent protections so that their integration success stories can continue.

Without permanent protections, not only will their American dreams end, but American society and the economy would be worse off if we turned our backs on this cohort of young people who are American in every sense of the word, except on paper.

 ²⁸ Fwd.US. (2023). "The Post-DACA Generation is Here," Fwd.US. Online: <u>https://www.fwd.us/news/undocumented-high-school-graduates/</u>. Last accessed: May 5, 2024.
 ²⁹ *Ibid*.

²⁷ *Ibid*.