



MINNESOTA BUDGET PROJECT

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Deferred Action for Childhood Arrivals Important for Minnesota's Economy and Inclusive Communities

Deferred Action for Childhood Arrivals (DACA) has changed about 800,000 lives in the United States, and 6,300 in Minnesota.¹ It has allowed young folks across the country to have access to greater educational and work opportunities that they wouldn't have otherwise, which has also been good for our communities. However, President Donald Trump recently announced that he would eliminate DACA, harming both DACA recipients and the economies of communities across the nation.

Thousands of Young Minnesotans Have Enrolled in DACA

In 2012, President Barack Obama announced an executive action called Deferred Action for Childhood Arrivals that allowed undocumented immigrants who came into the country as children to request temporary relief from deportation and receive work permits. This DACA status would last for two years, and could be renewed.

In Minnesota, there are about 10,000 young people who are eligible for temporary relief from deportation and work permits through DACA.² So far, over half of those eligible, or 6,300 young immigrants, have signed up for and received DACA.

DACA Has Been Important for the State Economy

Our state faces a tightening job market and an upcoming labor shortage. U.S.-born Minnesotans are leaving the labor force at higher rates; as older Minnesotans are retiring, there aren't enough U.S.-born Minnesotans to take their place. Minnesota can't afford to leave qualified workers on the sidelines and will increasingly need to rely on immigrant workers to fill critical roles in the state's workforce.

DACA is important for building the future workforce Minnesota needs. DACA recipients have been able to pursue educational opportunities they otherwise wouldn't have had access to. One survey of DACA recipients showed almost one-third of respondents went back to school and were also better able to pay for their higher education because of DACA's work authorization component.³ DACA recipients can also find higher quality jobs that better match their skills, and can get to and from their jobs more reliably. One survey showed that over three-quarters of DACA recipients landed a new job after enrolling, and over half got a better paying job. It's estimated that immigrants receiving the benefits of DACA see a 5 to 10 percent increase in their wages.

This results in increased economic activity in our communities and increased tax revenues in Minnesota. DACA recipients contribute an estimated \$15 million in state and local taxes annually.⁴ But ending DACA would be a blow to our economy. Researchers have calculated that removing DACA recipients from our communities and our economy would wipe away \$280 billion to \$460 billion from the U.S. gross domestic product, or GDP, cumulatively over a decade.^{5,6} Minnesota could lose about \$377 million of economic activity annually.

DACA Ought to be Here to Stay

DACA takes important steps to allow immigrant residents to reach their full potential in contributing to vibrant and strong communities. While Trump has eliminated DACA, policymakers should act to protect DACA recipients and should take further steps to build a more inclusive society and stronger economy.

- At the federal level, this includes passing legislation such as the Dream Act, that would provide lawful permanent status for DACA recipients.
- Minnesota has already taken steps to ensure that DACA recipients can fully contribute to their communities and the state economy. The state allows DACA recipients to apply for and receive driver's licenses, but driver's licenses should be available to all Minnesotans, regardless of immigration status. This is especially critical as thousands of Minnesotans who have driver's licenses and state IDs will lose them as DACA expires.
- Another positive step Minnesota has taken is to provide in-state tuition rates at public colleges and universities, and state financial aid for young Minnesota students who are unauthorized and who meet certain requirements. However, changes to the state's financial aid formula are needed. It currently assumes all students receive federal Pell Grants, which DACA recipients are ineligible to receive. This means that these students receive much less financial aid than they need to afford college. Governor Mark Dayton's 2017 budget proposal would have allowed the state grant to "fill in" for this missing federal financial aid.

The Dream Act and additional policy steps acknowledge the investments our country and state have made in young people who have grown up here, allowing them to further their educations and careers. It also makes full use of their skills and increases their earnings, much of which is spent in local businesses in communities across Minnesota and the country. Policymakers should take the opportunity to build more inclusive communities and grow our economies by supporting our nation's immigrants.

By Clark Goldenrod

¹ U.S. Citizenship and Immigration Services, U.S. Department of Homeland Security, [Deferred Action for Childhood Arrivals Process \(Through Fiscal Year 2017, 3rd Qtr\)](#), 2017

² Migration Policy Institute, [Deferred Action for Childhood Arrivals \(DACA\) Data Tools](#), 2016.

³ Migration Policy Institute, [DACA at Four: Participation in the Deferred Action Program and Impacts on Recipients](#), August 2016.

⁴ Institute on Taxation and Economic Policy, [State & Local Tax Contributions of Young Undocumented Immigrants](#), April 2017.

⁵ Cato Institute, [The Economic and Fiscal Impact of Repealing DACA](#), January 2017.

⁶ Center for American Progress, [A New Threat to DACA Could Cost States Billions of Dollars](#), July 2017.