



The Perryman Group

Supreme Court DACA Ruling Preserves Millions of Jobs June 2020

The US Supreme Court recently ruled to preserve DACA, the Deferred Action for Childhood Arrivals program. DACA allows individuals who came to the US as children to remain under certain conditions and was implemented in 2012. Since that time, about 800,000 people have received protection under the act, which requires that recipients either be in school or be employed. Although the decision does not permanently secure the program, it provides critical near-term security to the affected group.

Given underlying changes in the US workforce, immigrants, both documented and undocumented, will become a more crucial source of labor over time. Moreover, many of the DACA recipients are highly educated and possess skills that are in high demand.

Apart from the obvious social and human issues associated with removing the DACA recipients if the program were disallowed, there are very real economic losses that would occur without DACA. The Perryman Group recently quantified the direct economic benefits of DACA

recipients, sometimes called “Dreamers” in reference to proposed legislation, known as the “DREAM” Act (Development, Relief, and Education for Alien Minors Act), which has yet to be enacted. The firm’s impact assessment system was then used to estimate the total gains in business activity including multiplier effects.

For the United States, direct benefits of DACA recipients each year include an estimated \$98.8 billion in output (gross product) and almost 662,100 jobs. When multiplier effects are considered, the total benefits rise to \$350.2 billion in output and over 2.3 million jobs.

About 45% of DACA recipients are located in either California or Texas. For California, the direct gains in business activity associated with these individuals include an estimated \$20.5 billion in output (gross product) and almost 167,000 jobs. When multiplier effects are included, the total increases to \$62.4 billion in annual output and over 508,000 jobs. For Texas, direct benefits include an estimated \$12.8 billion in output and more than 104,100

Direct and Total Economic Benefits of DACA Recipients

Economic Indicator	Texas Direct	Texas Total	California Direct	California Total	United States Direct	United States Total
Expenditures	\$28.754 b	\$86.155 b	\$46.255 b	\$140.749 b	\$222.592 b	\$789.372 b
Gross Product	\$12.757 b	\$38.222 b	\$20.521 b	\$62.443 b	\$98.752 b	\$350.202 b
Personal Income	\$8.348 b	\$25.012 b	\$8.371 b	\$41.192 b	\$40.285 b	\$221.211 b
Wages & Salaries	\$5.204 b	\$15.593 b	\$0.000 b	\$25.680 b	\$0.001 b	\$137.906 b
Employment	104,110	311,939	166,949	508,011	662,070	2,347,880

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Notes: Monetary values given in billions of 2020 US dollars per year. Direct effects are current annual benefits based on numbers of DACA recipients; total benefits include The Perryman Group's estimates of associated multiplier effects.

jobs, with total benefits of \$38.2 billion in output and 311,900 jobs when multiplier effects are included.

Although the issues related to immigration are complex, economic benefits of this magnitude should not be ignored in the conversation regarding immigration reform. The immigrant workforce is critical to long-term prosperity, particularly given the aging of the population and slowing of

workforce growth. While the COVID-19 pandemic has created a temporary spike in unemployment, it has not altered the fundamental underlying demographic patterns. For a number of industries, such as construction, worker shortages have been a notable problem. As the economy recovers from the COVID-19 slowing, such shortages will resurface.

The Supreme Court ruling is good news on many levels. Even so, it is crucial that

Congress pass meaningful immigration reform. The Supreme Court did not rule that DACA was a legally sound policy, but rather that the case to end it now had not been adequately made. Immigration reform could not only ensure that DACA recipients are protected, but also improve outcomes in other ways. The ruling is a positive step, but the long-term issue is not yet resolved.

METHODS AND ASSUMPTIONS

Estimates of the direct benefits of the DACA program based on current numbers of recipients were used as inputs to The Perryman Group's dynamic impact assessment system to determine total economic benefits of the program. Results are provided for several measures of business activity including (1) total expenditures, which measures the dollars changing hands as a result of the economic stimulus associated with DACA recipients; (2) gross product

(or output), a subset of total expenditures which is production of goods and services that will come about in each area as a result of the program and is parallel to the gross domestic product numbers commonly reported by various media outlets; (3) personal income, which is dollars that end up in the hands of people in each area and is largely the earnings of employees; and (4) jobs, which is full-time equivalent employment.

The US Multi-Regional Impact Assessment

System was developed by The Perryman Group and has been maintained and expanded over the past four decades. It has been used in thousands of applications, including numerous assessments of immigration policy and patterns, workforce issues, and social concerns (such as hunger, child maltreatment, homelessness, and indigent health care). The approach facilitates evaluation of extensive detail across hundreds of industrial sectors.

THE PERRYMAN GROUP



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M. RAY PERRYMAN, PH.D.

Dr. Perryman is the President and CEO of the Perryman Group and Distinguished Professor of Economic Theory and Method at the International Institute for Advanced Studies. Over the past 40 years, Dr. Perryman has helped recruit corporations providing tens of thousands of jobs through economic development work, resolved billion-dollar legal issues, and revamped public policy through impact assessments and other studies. His firm has measured economic impacts for corporate locations and expansions involving billions in investments, and his economic forecasts are used by corporations and government agencies alike.

He has provided economic analysis and expert testimony for civil litigation across a wide range of practice areas including antitrust and competition, patent infringement and other intellectual property disputes, securities, and commercial and complex litigation. His work combines strong expertise in economic damages calculation, asset valuation, market analysis, and statistical methods and econometrics.



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