

The Economic Benefits of Expanding the Dream: DAPA and DACA Impacts on Illinois, Cook County and Chicago

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1. Executive Summary

Chicago is home to a large number of immigrant communities, and the city's history is inextricably linked to these communities. Over the years subsequent waves of immigration have shaped the culture of Chicago and the state of Illinois as a whole. Today, the state has over 1.7 million foreign-born residents, of which more than a million live in Cook County: the county in which Chicago sits.¹ Like their predecessors, immigrants in Illinois contribute as much to the state's economic life as they do to its culture. However, unlike their predecessors, a large number of these immigrants are undocumented. In Cook County, nearly thirty percent of the foreign-born population is in the United States illegally.² These immigrants' economic contributions are constrained by their legal status, and the subsequent requirement that they live and work in the shadows. President Obama's recent administrative actions on immigration has allowed, and will continue to allow, a great many of these undocumented immigrants to maximize what they contribute to the economies of Chicago, Cook County, the State of Illinois, and the nation as a whole. This will have a positive and significant impact on all of these economies.

In anticipation of the Deferred Action for Parental Accountability (DAPA) program's rollout, the UCLA NAID Center has projected the combined economic impact of DAPA, and its predecessor Deferred Action for Childhood Arrivals (DACA), in the city of Chicago, Cook County, and the state of Illinois as a whole. These projections are partially based upon two surveys of DACA beneficiaries conducted by the UCLA NAID Center. One of these surveys was conducted in partnership with the Coalition for Humane Immigrant Rights of Los Angeles (CHIRLA), while the other was conducted completely in-house. The key findings of our analyses are as follows:

¹ United States Census Bureau / American FactFinder, "B05006 : Place of Birth for the Foreign Born Population in the US: Foreign Born Population Excluding Population Born at Sea." *2013 American Community Survey 1 Year Estimates*. Web. Accessed 25 January 2015, <http://factfinder2.census.gov>.

² Migration Policy Institute (MPI) Data Hub, "Unauthorized Immigrant Population Profiles," accessed January 19, 2015, <http://www.migrationpolicy.org/programs/us-immigration-policy-program-data-hub/unauthorized-immigrant-population-profiles>.

1. 280,000 undocumented immigrants will be eligible for either DACA or DAPA in Illinois, 155,000 will be eligible in Cook County, while 80,300 will be eligible in Chicago.³
2. At full enrollment, the collective wages of these immigrants would grow by \$281 million in Chicago, \$543 million in Cook County and \$980 million statewide. Legalizing the work these immigrants do would formalize the value they already add to the economy: more than \$4.2 billion in GDP in Chicago, \$8.1 billion in Cook County and \$14.7 billion statewide.
3. The wage growth of undocumented DACA and DAPA beneficiaries in Chicago would generate more than \$193 million in total new tax revenue (personal, sales and business), while the wage growth in Cook County would generate more than \$372 million in new taxes (personal, sales and business). In the State of Illinois DACA and DAPA related wage growth will generate more than \$673 million in new tax revenue.
4. This wage growth would also support the creation of more than 6,600 jobs in Chicago, 12,700 jobs in Cook County, and 23,000 jobs statewide (including direct, indirect and induced employment).

This report is the third in a series of reports whose releases are timed to coincide with the White House's "States in the DACA/DAPA Spotlight" campaign, which will continue over the next 4 months in key states across the country.⁴ The UCLA NAID Center is releasing reports on all these key states in order to better inform local leaders and the general public on the significant economic benefits of fully implementing Presidents Obama's DAPA/DACA Executive Actions. These reports will also combat the ill-informed legal and policy challenges to these much needed initiatives through the provision of solid economic evidence.

2. The Economic Impact of DAPA and DACA

On November 20th, 2014, the Obama Administration took executive action on immigration reform and initiated the DAPA program. The administration's bold action ignited a firestorm of partisan sniping. Republican's in congress have proposed repealing the temporary legal status offered by DACA and DAPA, and have threatened to withhold the Department of Homeland Security's funding.⁵ Meanwhile, a coalition of Republican governors, led by the governor-elect of Texas and current state Attorney General, Greg Abbot have filed a lawsuit seeking to block the implementation of DAPA. Abbott has claimed that DAPA's predecessor; DACA, has harmed the State of Texas' economy, and that this provides his suit with legal standing.⁶ In Texas, these

³ MPI, "Population Profiles."

⁴ Read the rest of the reports here: <http://www.naid.ucla.edu/publications>

⁵ Ed O'Keefe, "House votes to block Obama's immigration actions – but exposes new GOP Divisions" *The Washington Post: Post Politics blog*, January 14th, 2015, accessed January 19th, 2015, <http://www.washingtonpost.com/blogs/post-politics/wp/2015/01/14/house-votes-to-block-obamas-immigration-actions-but-exposes-new-gop-divisions/>

⁶ Meet the Press, "Meet the Press Transcript – December 7th, 2014" *NBC News*, Accessed January 19th, 2015, <http://www.nbcnews.com/meet-the-press/meet-press-transcript-december-7-2014-n263416>

claims are demonstrably false at the state and local level.⁷ As our weekly reports show, these claims are equally false in other states and at the national level.

Table 1

Valued Added by Undocumented Population

	City of Chicago	Cook County	State of Illinois	United States
DAPA and DACA Combined				
Potentially Eligible Population	80,302	155,000	280,000	5,201,000
Formalized Value Added (\$Millions)	\$4,243	\$8,190	\$14,795	\$274,821
All Undocumented				
Population	166,822	322,000	560,000	10,513,000
Formalized Value Added (\$Millions)	\$8,815	\$17,014	\$29,590	\$555,507

Source: Analysis by the UCLA NAID Center based on data from MPI’s “Unauthorized Immigrant Population Profiles.”

Table 2

Economic Impact of DACA and DAPA in Illinois

	State of Illinois
Potentially Eligible Applicants	280,000
Labor Income Increase (Millions \$)	\$981
Total New Tax Revenue (Millions \$)	\$673
Personal Taxes	\$160
Business Taxes	\$286
Sales Taxes	\$227
Total Employment Growth (Thousands)	23.0
Direct Employment Gain	12.7
Indirect Employment Gain	4.7
Induced Employment Gain	5.6

Source: Analysis by the UCLA NAID Center based on data from MPI’s “Unauthorized Immigrant Population Profiles.”

While Illinois is home to less undocumented immigrants than either Texas or California, administrative action has still had, and will continue to have, a positive affect on the state’s economy. There are 560,000 undocumented immigrants in Illinois, of which 280,000 will be

⁷ See earlier NAID Center Report on DACA and DAPA in Texas: http://www.naid.ucla.edu/uploads/4/2/1/9/4219226/tx_final_v1.pdf

eligible for either DACA or DAPA.⁸ At full enrollment these programs will impact the state economy in the following ways:

- DACA and DAPA beneficiaries will experience collective wage growth of more than \$981 million.
- This wage growth would bring in more than \$673 million dollars in new business, personal and sales tax revenue.
- These increased earnings would also directly generate almost 12,700 new jobs.
- The resulting increase in indirect employment---which is a change in employment in one industry being caused by a change in another, as a result of interaction between the two---would account for more than 4,700 new jobs.
- Induced employment---which is a change in employment based on changes in household spending---would increase by almost 5,600 jobs.
- In all we estimate that the increase in labor income would generate more than 23,000 new jobs.

Table 3

Economic Impact of DACA and DAPA in Cook County

	Cook County
Potentially Eligible Applicants	155,000
Labor Income Increase (Millions \$)	\$543
Total New Tax Revenue (Millions \$)	\$372
Personal Taxes	\$89
Business Taxes	\$158
Sales Taxes	\$126
Total Employment Growth (Thousands)	12.7
Direct Employment Gain	7.0
Indirect Employment Gain	2.6
Induced Employment Gain	3.1

Source: Analysis by the UCLA NAID Center based on data from MPI's "Unauthorized Immigrant Population Profiles."

There are roughly 322,000 undocumented immigrants in Cook County, of which 155,000 will be eligible for either DACA or DAPA. At full enrollment these programs will impact the county economy in the following ways:

- DACA and DAPA beneficiaries will experience collective wage growth of more than \$543 million.

⁸ MPI, "Population Profiles."

- This wage growth would bring in more than \$372 million dollars in new business, personal and sales tax revenue.
- These increased earnings would also directly generate almost 7,000 new jobs.
- It would also account for more than 2,600 new indirect jobs.
- As well as 3,100 new induced jobs.
- In all we estimate that the increase in labor income would generate more than 3,100 new jobs.

Table 4

Economic Impact of DACA and DAPA in Chicago	
Potentially Eligible Applicants	80,302
Labor Income Increase (Millions \$)	\$281
Total New Tax Revenue (Millions \$)	\$193
Personal Taxes	\$46
Business Taxes	\$82
Sales Taxes	\$65
Total Employment Growth (Thousands)	6.6
Direct Employment Gain	3.6
Indirect Employment Gain	1.3
Induced Employment Gain	1.6

Source: Analysis by the UCLA NAID Center based on data from the U.S. Census' "2013 American Community Survey 1-Year Estimates" and MPI's "Unauthorized Immigrant Population Profiles."

There are just fewer than 169,000 undocumented immigrants in Chicago, of which more than 80,000 will be eligible for either DACA or DAPA. At full enrollment these programs will impact the city's economy in the following ways:

- DACA and DAPA beneficiaries will experience collective wage growth of more than \$281 million.
- This wage growth would bring in more than \$193 million dollars in new business, personal and sales tax revenue.
- These increased earnings would also directly generate almost 3,600 new jobs.
- It would also account for more than 1,300 new indirect jobs.
- As well as 1,600 new induced jobs.
- In all we estimate that the increase in labor income would generate more than 6,600 new jobs.

Table 5

Economic Impact of DACA and DAPA Nationally

	United States
Potentially Eligible Applicants	5,201,000
Labor Income Increase (Millions \$)	\$18,219
Total New Tax Revenue (Millions \$)	\$12,497
Personal Taxes	\$2,970
Business Taxes	\$5,313
Sales Taxes	\$4,214
Total Employment Growth (Thousands)	427.6
Direct Employment Gain	236.1
Indirect Employment Gain	86.6
Induced Employment Gain	104.9

Source: Analysis by the UCLA NAID Center based on data from MPI's "Unauthorized Immigrant Population Profiles."

Nationally, the impacts of DACA and DAPA are striking. The 5.2 million potential applicants would experience a collective wage increase of over \$18.2 billion dollars, which would generate just under \$12.5 billion in new taxes and more than 427,000 new jobs.

3. Economic Impact of DACA and DAPA by Country of Origin

The cohort of undocumented immigrants eligible for DACA and DAPA are not a monolith. They come from many different nations, each of which has a unique set of migratory patterns. The result is that while immigrants of Mexican origin constitute a plurality in most cities' undocumented populations, each of these populations has a unique composition. Because of this, the economic impact of DACA and DAPA is dispersed among national communities differently in different places. It is important to accurately describe the national origin of the potentially eligible population in order to adequately prepare for the challenges posed by the DAPA rollout, and to predict the regional economic impact of DACA and DAPA. This is especially important in Illinois where the second and third most populous undocumented populations do not speak Spanish. In this environment, it is very important to tailor enrollment and outreach programs to the populations that will be accessing them.

Table 5

Economic Impact of DACA and DAPA on Undocumented Mexicans

	Cook County	State of Illinois	United States
Potentially Eligible Applicants	116,120	204,000	3,016,699
Labor Income Increase (Millions \$)	\$407	\$715	\$10,567
Total New Tax Revenue (Millions \$)	\$279	\$490	\$7,249
Personal Taxes	\$66	\$117	\$1,723
Business Taxes	\$119	\$208	\$3,082
Sales Taxes	\$94	\$165	\$2,444
Total Employment Growth (Thousands)	9.5	16.8	248.0
Direct Employment Gain	5.3	9.3	136.9
Indirect Employment Gain	1.9	3.4	50.2
Induced Employment Gain	2.3	4.1	60.8

Source: Analysis by the UCLA NAID Center based on data from MPI’s “Unauthorized Immigrant Population Profiles.”

Mexicans in Illinois, like in most other states, constitute the largest segment of the undocumented population. In fact, Mexicans make up a larger share of the undocumented population in Illinois than they do in the nation as a whole: 72.8 percent compared to 58 percent. This is also true in Cook County where undocumented Mexicans make up just under 75 percent of the undocumented population.⁹ As such, immigrants of Mexican origin will earn the lion’s share of the wage growth that DACA and DAPA catalyze, and will subsequently make the greatest contribution to Illinois’ economic health. In Cook County, 116,000 undocumented Mexicans will be eligible for either DACA or DAPA, while 204,000 would be eligible statewide. In the US as a whole, more than 3,016,000 undocumented Mexicans will be eligible for one of the two programs. At full enrollment, this population would:

- Experience a collective labor income increase of \$407 million in Cook County, \$715 million in Illinois and \$10.5 billion nationwide.
- This wage growth would bring in \$66 million in new personal, business and sales tax revenue in Cook County, \$490 million in Illinois and \$7.2 billion nationwide.
- This wage growth would also create 9,500 new direct, indirect and induced jobs in Cook County, 16,800 jobs in Illinois, and 248,000 jobs nationwide.

⁹ MPI, “Population Profiles.”

Table 6

Economic Impact of DACA and DAPA on Undocumented Indians

	Cook County	State of Illinois	United States
Potentially Eligible Applicants	5184	9000	109466
Labor Income Increase (Millions \$)	\$18	\$32	\$383
Total New Tax Revenue (Millions \$)	\$12	\$22	\$263
Personal Taxes	\$3	\$5	\$63
Business Taxes	\$5	\$9	\$112
Sales Taxes	\$4	\$7	\$89
Total Employment Growth (Thousands)	0.4	0.7	9.0
Direct Employment Gain	0.2	0.4	5.0
Indirect Employment Gain	0.1	0.1	1.8
Induced Employment Gain	0.1	0.2	2.2

Source: Analysis by the UCLA NAID Center based on data from MPI's "Unauthorized Immigrant Population Profiles" and MPI's "Indian Immigrants in the United States"

Unlike in most other states, undocumented immigrants from India make up the second largest segment of the undocumented population. However, this segment is still a relatively small one. Illinois' 18,000 undocumented Indians make up three percent of the state's total undocumented population.¹⁰ Of this population, 9,000 undocumented Indians will be eligible for either DACA or DAPA. In Cook County, undocumented Indians are the third largest undocumented population. Cook County's 10,000 undocumented Indians make up three percent of the county's undocumented population.¹¹ Just fewer than 5,200 of these immigrants will be eligible for either DACA or DAPA. If all eligible undocumented Indians were to enroll in one of these two programs, they would:

- Experience a collective labor income increase of \$18 million in Cook County, \$32 million in Illinois and \$383 million nationwide.
- This wage growth would bring in \$12 million in new personal, business and sales tax revenue in Cook County, \$22 million in Illinois and \$263 million nationwide.
- This wage growth would also create 400 new direct, indirect and induced jobs in Cook County, 700 jobs in Illinois, and 9,000 jobs nationwide.

¹⁰ MPI, "Population Profiles."

¹¹ MPI, "Population Profiles."

Table 7

Economic Impact of DACA and DAPA on Undocumented Poles

	Cook County	State of Illinois
Potentially Eligible Applicants	6739	8000
Labor Income Increase (Millions \$)	\$24	\$28
Total New Tax Revenue (Millions \$)	\$16	\$19
Personal Taxes	\$4	\$5
Business Taxes	\$7	\$8
Sales Taxes	\$5	\$6
Total Employment Growth (Thousands)	0.6	0.7
Direct Employment Gain	0.3	0.4
Indirect Employment Gain	0.1	0.1
Induced Employment Gain	0.1	0.2

Source: Analysis by the UCLA NAID Center based on data from MPI’s “Unauthorized Immigrant Population Profiles.”

Illinois, and specifically Cook County, is unique in that it is home to relatively large undocumented Polish population. This may have to do with the city’s history as a hub for Polish immigration. Regardless, it presents a challenge when implementing DACA and DAPA since it is a population that few immigrant advocacy groups have experience working with. The population is also concentrated in Cook County: 13,000 of the state’s 16,000 undocumented Poles live within the county lines. Statewide, 8,000 Poles will be eligible for either DACA or DAPA, of which more than 6,700 live in Cook County. If all eligible undocumented Poles were to enroll in one of these two programs, they would:

- Experience a collective labor income increase of \$24 million in Cook County and \$28 statewide.
- This wage growth would bring in \$16 million in new personal, business and sales tax revenue in Cook County and \$19 million statewide.
- This wage growth would also create 600 new direct, indirect and induced jobs in Cook County and 700 jobs statewide.

4. Methodology

Our projections for the economic impact of DACA and DAPA are based on a methodological tool known as input output modeling (IMPLAN).¹² IMPLAN allows us to analyze the short-term

¹² For more information on our methodology, specifically as it relates to IMPLAN, see the NAID Center Report, *From the Shadows to the Mainstream: Estimating the Economic Impact of Presidential Administrative Action and*

impact of a labor market policy shift---such as the work permits granted by DACA and DAPA---within the current structure of the economy. It therefore allows us to quantify the labor income, tax contributions and productivity of undocumented immigrants and to illustrate the economic impact of formalizing their role in the economy. In addition, we can map the relationship between variables and observe how a change in one variable affects the others.

As new data has become available, this aspect of the IMPLAN model has allowed us to fluidly adjust our projections in a couple of important ways:

1. The Migration Policy Institute (MPI) has recently published a detailed county-by-county and state-by-state profile of the undocumented population in the US. Included in this data set are their estimates of the DACA and DAPA eligible population for each of these geographic units. We have revised our economic impact projections based on these new population estimates.
2. Two recent surveys of DACA beneficiaries conducted by the NAID Center--one of which was conducted in collaboration with CHIRLA using application data from their DACA clinic---have presented new data on the wage impact of DACA in Los Angeles County. Using IMPLAN modeling we were able to observe how changes in predicted wage growth has impacted projected tax revenue and job creation.

Researchers at the NAID Center conducted these two surveys using a unique methodology for each. One was conducted in partnership with CHIRLA and used data collected by their DACA clinic. Staff and volunteers at CHIRLA assisted DACA beneficiaries with the renewal process and collected data from the I-821 and I-765 forms that they submitted to USCIS; the agency tasked with processing DACA applications. This data included renewal applicants' income before and after becoming DACA beneficiaries. Because this clinic is located in LA County the vast majority of respondents also resided in the county.

The NAID Center analyzed the wage information provided by 308 respondents, dividing this cohort into those that had reported an income before applying to DACA and those who had not. We then independently calculated the wage growth of the total cohort, as well as those who had an income before and after being granted DACA.

The other survey conducted by the NAID center leveraged existing grassroots "DREAMER" networks in order to provide a nationwide snapshot of DACA beneficiaries. This survey was conducted online and quantified DACA's impact on respondents' finances, insurance coverage, employment, access to credit and education among other topics. In total, we polled 216 respondents. We again divided this cohort into those had employment before and after DACA, and those that did not, before calculating the wage growth of the total cohort as well as the cohort who were employed before and after becoming a DACA beneficiary.

Comprehensive Immigration Reform. Download it here:
http://www.naid.ucla.edu/uploads/4/2/1/9/4219226/ucla_naid_center_report_-_estimating_the_economic_impact_of_presidential_administrative_action_and_comprehensive_immigration_reform.pdf

The White House Council of Economic Advisors (CEA) has recently published their estimates for the economic effects of executive action on immigration.¹³ Like the NAID Center's report on the same topic,¹⁴ the CEA believes DAPA will have a positive macro-economic impact, as well as a positive affect on the wages of both foreign-born and native-born workers.

Both the NAID Center and CEA relied on the work of Kossoudji and Cobb-Clark who, by studying the impact of IRCA on its beneficiaries, estimate that those affected experience a six to ten percent increase in wages on average. The NAID Center report then projected how this wage growth influenced tax revenue and job creation (for more info see: [From the Shadows to the Mainstream](#)). However, the surveys conducted by the NAID center suggest that DACA has had a much stronger impact on wages than Kossoudji and Cobb-Clark had observed in IRCA's aftermath. This presents an important avenue for future research and suggests that both the CEA and NAID Center reports may have underestimated the potential economic impact of DACA and DAPA.

5. UCLA NAID Center Survey Results

The results of our surveys have revealed a number of interesting trends regarding the impact of DACA on the finances of its beneficiaries.

1. In both surveys, the average wage growth reported by the cohort that had an income before and after DACA was near 75%. This is roughly ten times the wage growth that Kossoudji and Cobb-Clark had observed.¹⁵
2. In the CHIRLA/NAID survey, the cohort that had an income before and after DACA experienced almost the same average income growth as did the cohort comprised of all respondents: \$7,980 and \$7,949 respectively.
3. In the online NAID survey the wage growth of both cohorts was also just above 75%. The cohort with an income before and after DACA experienced an average wage growth of 76.6%, while all respondents experienced an average income increase of 82.6%.

¹³ Executive Office of the President of the United States, Council of Economic Advisors, *The Economic Effects of Administrative Action on Immigration*. (Washington D.C.: 2014)
http://www.whitehouse.gov/sites/default/files/docs/cea_2014_economic_effects_of_immigration_executive_action.pdf (accessed January 19, 2013).

¹⁴ Raul Hinojosa with Maksim Wynn, *From the Shadows to the Mainstream: Estimating the Economic Impact of Presidential Administrative Action and Comprehensive Immigration Reform*, (Los Angeles, CA: North American Integration and Development Center, UCLA, November, 2014)
http://www.naid.ucla.edu/uploads/4/2/1/9/4219226/ucla_naid_center_report_-_estimating_the_economic_impact_of_presidential_administrative_action_and_comprehensive_immigration_reform.pdf

¹⁵ Sherrie A. Kossoudji and Deborah A. Cobb-Clark, "Coming out of the Shadows: Learning about Legal Status and Wages from the Legalized Population," *Journal of Labor Economics* 20, no. 3 (July 2002): 598–628, doi:10.1086/339611.

Table 8

The Impact of DACA on Beneficiaries' Income (NAID/CHIRLA)

	All Respondents	Only Respondents With Income Before and After DACA
Average Income Before DACA	\$4,493	\$10,561
Average Income After DACA	\$12,442	\$18,542
Average Income Increase	\$7,949	\$7,980
Percentage Increase in Income	176.9%	75.6%

Table 9

The Impact of DACA on Beneficiaries' Income (NAID)

	All Respondents	Only Respondents With Income Before and After DACA
Average Hourly Wage Before DACA	\$7.07	\$9.14
Average Hourly Wage After DACA	\$12.91	\$16.13
Average Hourly Wage Increase	\$5.84	\$7.00
Percentage Increase in Income	82.6%	76.6%

The results of these surveys suggest that earlier attempts at projecting the macro-economic impact of DACA may be understated. In our previous report we suggested that DACA's education requirement meant that the program would have a greater economic impact than DAPA, even though the latter affected more immigrants. However, the wage growth that we predicted in that report was nowhere near 75%. In light of these findings, it is very possible that DAPA may have a far stronger impact on wages than the 7% that has been used to project its impact in this report.¹⁶ As such, the estimated impacts described in this report should be considered a conservative lower bound.

¹⁶ For more info on the choice of a 7% wage boost refer to the methodology section in *From the Shadows to the Mainstream*.

