Research

The Budgetary and Economic Costs of Ending DACA

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EXECUTIVE SUMMARY

This report builds on previous American Action Forum (AAF) research that found removing all 11 million undocumented immigrants from the United States and preventing all future unlawful entry would cost between $400 billion and $600 billion and reduce real gross domestic product (GDP) by over $1 trillion.[1] In this report, we estimate the budgetary and economic costs specifically associated with removing the 790,000 undocumented immigrants enrolled in Deferred Action for Childhood Arrivals (DACA). We also estimate the budgetary and economic costs of removing all 1.9 million undocumented immigrants who are eligible for DACA.

The federal government would have to spend $7 billion to $21 billion to remove the 790,000 undocumented immigrants currently enrolled in DACA. In order to remove these immigrants, each would have to be apprehended, detained, legally processed, and transported to his or her country of origin. In turn, this would shrink the labor force by 740,000 workers and reduce real GDP by $72 billion. The fiscal and economic costs of removing DACA enrollees are illustrated in Table 1.

Table 1: Fiscal and Economic Costs of Removing DACA Enrollees

Fiscal Costs ($ billions)[2]		
Category	**Lower Estimate**	**Upper Estimate**
Total	$7	$21

Apprehension	$3	$17
Detention	$3	$3
Legal Processing	$1	$1
Transportation	$1	$1
Economic Costs		
Category	**Percent Reduction**	**$ Billions & Workers**
Real GDP	0.4%	$72
Labor Force	0.5%	740,000

Rescinding DACA also means that any immigrant eligible for the program will no longer be able to seek its protections. Of the 11 million undocumented immigrants in the United States, an estimated 1.9 million are eligible for DACA (including the 790,000 already enrolled). To remove these 1.9 million undocumented immigrants the federal government would have to spend between $18 billion and $52 billion. We project that removing these immigrants would also shrink the labor force by 1.8 million workers and reduce real GDP by $176 billion. These fiscal and economic costs are illustrated in Table 2.

Table 2: Fiscal and Economic Costs of Removing All Immigrants Eligible for DACA

Fiscal Costs ($ billions)[3]		
Category	**Lower Estimate**	**Upper Estimate**
Total	$18	$52
Apprehension	$8	$42
Detention	$6	$6
Legal Processing	$2	$2
Transportation	$2	$2
Economic Costs		
Category	**Percent Reduction**	**$ Billions & Workers**
Real GDP	1.0%	$176

Labor Force	1.1%	1,800,000

The process of removing undocumented immigrants is long and burdensome. Even removing only those enrolled in or eligible for DACA — a small portion of the undocumented population — would require significant government resources and would place a substantial burden on the US economy.

INTRODUCTION

Recently, the Trump Administration announced that it has rescinded Deferred Action for Childhood Arrivals (DACA), an Obama Administration-era executive action that protects from removal undocumented immigrants who were brought to the United States as children. Estimates indicate that roughly 790,000 undocumented immigrants are enrolled in DACA[4],[5] and 1.9 million (in total) are eligible for the program.[6] The Trump Administration says that it will immediately stop processing new DACA applications and will only continue to renew DACA permits for the next six months.[7] This means that by 2020, assuming that Congress has not acted to otherwise address the DACA population in the meantime, no undocumented immigrant will be protected by DACA, and thus could be subject to removal.

Previously, AAF analyzed budgetary and economic costs of removing all undocumented immigrants, which was a prominent proposal in the 2016 presidential campaign. We found that this would be a major task that would severely hamper the US economy: fully enforcing current law towards all undocumented immigrants would take at least 20 years and cost the government $400 billion to $600 billion. Removing all undocumented immigrants in just two years, as then-candidate Trump proposed, would require drastic expansions in US immigration enforcement operations. The US economy would also shrink by over $1 trillion. More recently, we found that the dramatic loss of labor alone would cause production to fall between $382 billion and $623 billion.

In this paper, we use our previous research to estimate the fiscal and economic costs of removing the undocumented immigrants enrolled in DACA. While a much smaller group than the entire 11 million undocumented population, removing those currently protected by DACA would still require significant government resources. Overall, we find that removing the 790,000 undocumented immigrants currently enrolled in DACA would cost the federal government between $7 billion and $21 billion. Moreover, if the federal government removes all DACA enrollees by 2020, the labor force would lose 740,000 workers and the economy would shrink by $72 billion.

Since the Trump Administration is also denying any new applications for DACA, we also

estimate the cost of removing all 1.9 million immigrants eligible for DACA (which includes the 790,000 already enrolled). We estimate that the federal government would have to spend between $18 billion and $52 billion to remove these immigrants, the labor force would decline by 1.8 million workers, and the economy would shrink by $176 billion.

AAF'S PREVIOUS IMMIGRATION ENFORCEMENT RESEARCH

In March 2015, AAF estimated the budgetary and economic costs of fully enforcing current law toward undocumented immigrants.[8] We found that the federal government would have to spend $400 billion to $600 billion to remove all undocumented immigrants currently living in the United States and to prevent all future unlawful entry. Depending on how the government conducts its apprehensions, it would need to spend $100 billion to $300 billion arresting and removing all undocumented immigrants residing in the country, a process we estimated would take 20 years based on Immigration and Customs Enforcement's (ICE's) current removal capacity. In addition, to prevent the entry of any undocumented immigrants in the future, the government at a minimum would have to maintain current immigration enforcement levels. This would result in an additional $315 billion in continuing enforcement costs over that period.

In February 2016, we examined what it would take to fulfill then-candidate Trump's promise to remove all undocumented immigrants in just two years.[9] We detailed current immigration enforcement operations and estimated how large each component of the enforcement process would have to be in order to accomplish this task. We found that to remove all undocumented immigrants in two years, the federal government would have to increase federal immigration apprehension workers from 4,800 to 90,600, immigration detention personnel from 5,200 to 53,400, federal immigration attorneys from 1,400 to 32,400, and immigration courts from 58 to 1,300. In addition, the number of immigration detention beds would have to increase from 34,000 to 348,800. To physically transport all undocumented immigrants out of the country, the government would have to charter a minimum of 17,300 flights and 30,700 bus trips each year.

Perhaps most striking are the economic costs associated with removing all undocumented immigrants. Under both time frames, we found that removing all undocumented immigrants would cause the economy to decline by over $1 trillion.

In May 2016, we examined the direct economic cost of removing all undocumented immigrant workers by industry.[10] In 2012, roughly 6.8 million employed workers in the private sector were undocumented immigrants, making up 5.6 percent of the private sector workforce. We found that even if native and lawful foreign-born residents were to fill jobs

left by undocumented immigrants, there were not nearly enough unemployed workers in 2012 to offset a loss of 6.8 million employees. Consequently, private sector employment would fall by 4 million to 6.8 million workers, and this labor decline by itself would reduce private industry output by between $382 billion and $623 billion. The industries most strained by this policy would be agriculture, construction, and leisure and hospitality.

DACA AND THE TRUMP ADMINISTRATION

As of March 31, 2017, roughly 790,000 undocumented immigrants were enrolled in DACA and protected from removal.[11] As the Trump Administration has formally ended DACA, it will no longer accept new applications for the program and will only allow current enrollees to renew their permits over the next six months.[12] This means that enrollees will start losing their DACA protections in March 2018 unless Congress intervenes with a legislative change, and by March 2020 no undocumented immigrant will be protected by DACA. In addition, the Migration Policy Institute estimates that a total of 1.9 million undocumented immigrants are eligible for DACA.[13] Thus, more than half of the eligible population is currently not enrolled in the program and will no longer have the opportunity to seek its protections.

FISCAL AND ECONOMIC COSTS OF REMOVING DACA IMMIGRANTS

We estimate the budgetary and economic implications of applying current law toward the 790,000 undocumented immigrants who are currently enrolled in DACA and all 1.9 million undocumented immigrants who are eligible for the program (which includes the 790,000 who are currently enrolled). To calculate the cost of removing these groups of undocumented immigrants, we rely on our previous estimates of the costs of removing all 11 million undocumented immigrants. Specifically, we assume the same per-immigrant cost associated with each stage in the removal process (apprehension, detention, legal processing, and transportation) that we estimated for removing all 11 million undocumented immigrants. While not perfect, this method provides a solid feel for the magnitude of such a task.

As in our previous reports, this analysis assumes that 20 percent of the DACA population will depart the United States voluntarily.[14] This means that the United States would have to forcibly remove 630,000 of the immigrants who are enrolled in DACA and 1.5 million of all those who are eligible for the program. Also, consistent with our previous reports, this analysis assumes that after being apprehended, detained, and legally processed, 9.6 percent of the DACA population will be given voluntary departure orders and be able to return on

their own, which matches the rate at which voluntary departure orders were issued in 2013.[15] Consequently, the United States would be responsible for transporting 600,000 of those enrolled in DACA and 1.4 million of those eligible for the program to their countries of origin.

DACA Enrolled

Applying current law towards the 790,000 undocumented immigrants currently enrolled in DACA would cost the federal government between $7 billion and $21 billion. Table 3 contains the estimated costs for each stage of the removal process.

Table 3: The Fiscal Costs of Removing DACA Recipients ($ billions)[16]

Category	Lower Estimate	Upper Estimate
Total	$7	$21
Apprehension	$3	$17
Detention	$3	$3
Legal Processing	$1	$1
Transportation	$1	$1

First, the federal government would spend between $3 billion and $17 billion investigating and apprehending DACA enrollees. The cost of apprehension depends entirely on how the government conducts these arrests. ICE makes two types of apprehensions, administrative arrests and criminal arrests. Administrative arrests frequently occur when state and local law enforcement officers arrest immigrants for another (often traffic) violation.[17] If the local or state officers suspect the arrested persons are inside the United States unlawfully, they contact ICE. If ICE determines the suspects are indeed undocumented immigrants, they conduct an administrative arrest in which custody of the prisoners change from the local officers to federal ICE agents.[18],[19] Administrative arrests account for the vast majority of apprehensions.[20] If ICE continued to rely on administrative arrests, it would cost the federal government $3 billion to apprehend DACA enrollees. Criminal arrests occur when federal ICE agents investigate undocumented immigrants, pursue them, and arrest them. The cost of apprehending DACA enrollees would be much larger if arresting officers are primarily federal ICE agents. If ICE were to solely use its own agents to perform arrests, it would cost $17 billion to apprehend all DACA enrollees.

In addition to apprehending DACA enrollees, the federal government would have to spend $3 billion detaining them, $1 billion legally processing them, and $1 billion transporting them to their countries of origin. Each stage requires significant government resources, including prison bed spaces, judges, lawyers, court rooms, and chartered planes.

Additionally, 91 percent of DACA enrollees are employed[21] and removing these workers would impose a substantial drag on economic growth. Table 4 contains the projected economic implications of removing DACA enrollees.

Table 4: The Economic Costs of Removing DACA Enrollees

Category	Percent Reduction	$ Billions & Workers
Real GDP	0.4%	$72
Labor Force	0.5%	740,000

The Bipartisan Policy Center (BPC) previously estimated that removing all 11 million undocumented immigrants would reduce the US labor force by 6.4 percent and, as a result, real GDP would decline by 5.7 percent.[22] After applying those projections, we estimate that removing 790,000 DACA enrollees would shrink the labor force by 0.5 percent and real GDP by 0.4 percent. While this may seem insignificant, it still results in a substantial price tag. For instance, if the federal government removed all DACA enrollees from the United States by 2020, the labor force and real GDP would be 0.5 percent and 0.4 percent smaller, respectively, than if the government did not remove those immigrants. Compared to the Congressional Budget Office's (CBO) baseline projections, in 2020 the labor force would decrease by 740,000 workers and real GDP would decline by $72 billion.[23]

DACA Eligible

Rescinding the DACA program also means that anyone eligible for the program can no longer seek its protections. Applying current law towards all 1.9 million undocumented immigrants who are eligible for DACA would cost the federal government between $18 billion and $52 billion. Table 5 contains the estimated costs for each stage of the removal process.

Table 5: The Fiscal Costs of Removing All Undocumented Immigrants Eligible for DACA ($ billions)[24]

Category	Lower Estimate	Upper Estimate

Total	$18	$52
Apprehension	$8	$42
Detention	$6	$6
Legal Processing	$2	$2
Transportation	$2	$2

Depending on how ICE conducts its arrests, the federal government would spend between $8 billion and $42 billion apprehending all the undocumented immigrants who are eligible for DACA. In addition, it would cost the federal government $6 billion to detain DACA-eligible immigrants, $2 billion to legally process them, and $2 billion to transport them to their countries of origin.

Removing all immigrants eligible for DACA would also significantly impede economic growth. Table 6 contains the economic implications of removing the entire DACA-eligible population.

Table 6: The Economic Costs of Removing All Undocumented Immigrants Eligible for DACA

Category	Percent Reduction	$ Billions & Workers
Real GDP	1.0%	$176
Labor Force	1.1%	1,800,000

Using the BPC projection, we estimate that removing the entire population of immigrants eligible for DACA by 2020 would reduce the labor force by 1.1 percent and real GDP by 1 percent. This means that in 2020, relative to the CBO's baseline projections, the labor force would decline by 1.8 million workers and real GDP would decrease by $176 billion.

CONCLUSION

Many undocumented immigrants arrive to the United States as dependent children. The DACA policy shields those undocumented immigrants from current immigration law and prevents the government from removing them from the United States. The Trump Administration's recent announcement that it is rescinding the program means that within the next few years, the roughly 790,000 DACA enrollees will be subject to removal, barring legislative intervention. It also means that the entire population of those eligible for DACA,

1.9 million undocumented immigrants, can no longer seek its protections. We estimate that the federal government would have to spend between $7 billion and $21 billion removing the 790,000 immigrants who have DACA permits. To remove all 1.9 million eligible for DACA, the government would have to spend between $18 billion and $52 billion. Removing only those enrolled in DACA would also shrink the labor force by 740,000 workers and reduce real GDP by $72 billion. Removing all those eligible for DACA (including those currently enrolled) would shrink the labor force by 1.8 million workers and reduce the economy by $176 billion.

[1] Ben Gitis & Laura Collins, "The Budgetary and Economic Costs of Addressing Unauthorized Immigration: Alternative Strategies," American Action Forum, March 6, 2015, https://www.americanactionforum.org/research/the-budgetary-and-economic-costs-of-addressing-unauthorized-immigration-alt.

[2] Figures may not add to total due to rounding.

[3] Figures may not add to total due to rounding.

[4] Jens Manuel Krogstad, "DACA has shielded nearly 790,000 young unauthorized immigrants from deportation," Pew Research Center, September 1, 2017, http://www.pewresearch.org/fact-tank/2017/09/01/unauthorized-immigrants-covered-by-daca-face-uncertain-future/.

[5] "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," U.S. Citizenship and Immigration Services, March 31, 2017, https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/Immigration%20Forms%20Data/All%20Form%20Types/DACA/daca_performancedata_fy2017_qtr2.pdf.

[6] "Deferred Action for Childhood Arrivals (DACA) Data Tools," Migration Policy Institute, http://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles.

[7] Tal Kopan, "Trump ends DACA, but gives Congress window to save it," CNN, September 5, 2017, http://www.cnn.com/2017/09/05/politics/daca-trump-congress/index.html.

[8] Ben Gitis & Laura Collins, "The Budgetary and Economic Costs of Addressing Unauthorized Immigration: Alternative Strategies," American Action Forum, March 6, 2015, https://www.americanactionforum.org/research/the-budgetary-and-economic-costs-of-addressing-unauthorized-immigration-alt.

[9] Ben Gitis, "The Personnel and Infrastructure Needed To Remove All Undocumented Immigrants In Two Years," American Action Forum, February 28, 2016, https://www.americanactionforum.org/research/the-personnel-and-infrastructure-needed-to-remove-all-undocumented-immigrants-in-two-years/.

[10] Ben Gitis & Jacqueline Varas, "The Labor and Output Declines from Removing All Undocumented Immigrants," American Action Forum, May 5, 2016, https://www.americanactionforum.org/research/labor-output-declines-removing-undocumented-immigrants/.

[11] "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," U.S. Citizenship and Immigration Services, March 31, 2017, https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/Immigration%20Forms%20Data/All%20Form%20Types/DACA/daca_performancedata_fy2017_qtr2.pdf.

[12] Tal Kopan, "Trump ends DACA, but gives Congress window to save it," CNN, September 5, 2017, http://www.cnn.com/2017/09/05/politics/daca-trump-congress/index.html.

[13] "Deferred Action for Childhood Arrivals (DACA) Data Tools," Migration Policy Institute, http://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles.

[14] For more detail about our methodologies, please see Ben Gitis & Laura Collins, "The Budgetary and Economic Costs of Addressing Unauthorized Immigration: Alternative Strategies," American Action Forum, March 6, 2015, https://www.americanactionforum.org/research/the-budgetary-and-economic-costs-of-addressing-unauthorized-immigration-alt and Ben Gitis, "The Personnel and Infrastructure Needed To Remove All Undocumented Immigrants In Two Years," American Action Forum, February 28, 2016, https://www.americanactionforum.org/research/the-personnel-and-infrastructure-needed-to-remove-all-undocumented-immigrants-in-two-years/.

[15] Ibid.

[16] Figures may not add to total due to rounding.

[17] "Secure Communities: Criminal Alien Removals Increased, but Technology Planning Improvements Needed," Report to the Ranking Member, Committee on Homeland Security,

House of Representatives, Government Accountability Office, July 2012, pp. 8 & 14, http://gao.gov/assets/600/592415.pdf.

[18] For more detail on arresting process, see Marc R. Rosenblum & William A. Kandel, "Interior Immigration Enforcement: Programs Targeting Criminal Aliens," Congressional Research Service, December 2012, http://fas.org/sgp/crs/homesec/R42057.pdf.

[19] Our estimates focus on federal budget costs, and do not incorporate any burdens on state and local budgets.

[20] Number of arrests derived from John F. Simanski, "Immigration Enforcement Actions: 2013," Office of Immigration Statistics, Department of Homeland Security, September 2014, http://www.dhs.gov/sites/default/files/publications/ois_enforcement_ar_2013.pdf.

[21] Tom K. Wong et al., "DACA Recipients' Economic and Educational Gains Continue to Grow," Center for American Progress, August 28, 2017, https://www.americanprogress.org/issues/immigration/news/2017/08/28/437956/daca-recipients-economic-educational-gains-continue-grow/.

[22] "Immigration Reform: Implications for Growth, Budgets, and Housing," Immigration Task Force, Bipartisan Policy Center, October 2013, http://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC_Immigration_Economic_Impact.pdf.

[23] "An Update to the Budget and Economic Outlook: 2017 to 2027," data supplement, Congressional Budget Office, June 2017, https://www.cbo.gov/about/products/budget-economic-data#4.

[24] Figures may not add to total due to rounding.