



## Dream Act Would Boost Wisconsin Economy and Tax Revenues Revoking DACA Hurts Both

The Trump Administration has announced that it is ending DACA (Deferred Action for Childhood Arrivals), the program for immigrants who were brought to the United States as children. DACA grants immigrant youth temporary relief from deportation and gives them authorization to work lawfully in this country. The president has asked Congress to provide a fix to the problem he created — presumably with something like the Dream Act, a pathway to citizenship for immigrants who were brought to the United States as children.

Passing the Dream Act would allow young immigrants to contribute fully to Wisconsin's economy and their local communities.

### DREAM ACT COULD EXPAND WISCONSIN'S ECONOMY

If the Dream Act is passed, it will allow immigrant youth to work in jobs that best match their skills, and will give them an incentive to invest in further education and training. In contrast, if immigrants eligible for DACA are deported, the value of their work is lost to the Wisconsin economy and to the businesses for which they work.

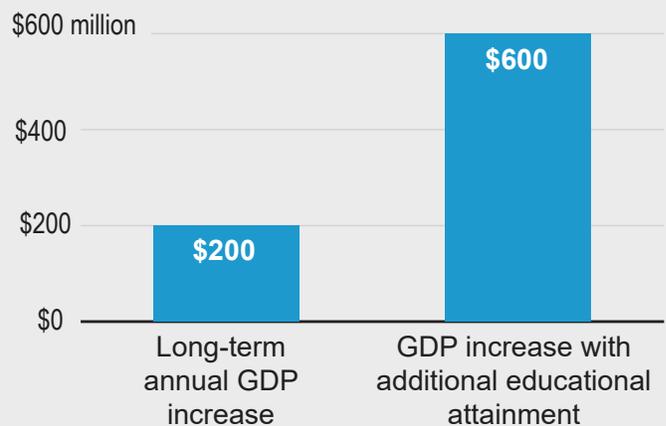
Wisconsin's dairies could be particularly hard hit by the loss of labor if young immigrants are forced to leave the state. A complete loss of immigrant labor is expected to cause the loss of 1 out of 8 dairy farms nationwide and increase retail milk prices by 90%, according to a survey by the National Milk Producers Federation. Those figures do not distinguish between documented and undocumented immigrants, but 71% of the survey respondents said they had either low or medium level of confidence in the employment documents of their immigrant workers.

If Congress does pass the Dream Act, Wisconsin's \$273 billion dollar state Gross Domestic Product would see a long-term annual increase of \$200 million, according to estimates from the Center for American Progress.

The increase in Wisconsin's GDP would be substantially larger if the Dream Act encourages more people to invest in their own education, as is likely. Under the Dream Act, young immigrants may be more likely to advance their education because they know they will be able to stay to finish their degree, and afterwards

### Dream Act Would Allow Immigrants to Work in Jobs that Match Their Skills, Boosting WI GDP

Estimated long-term annual gain to Wisconsin Gross Domestic Product, in millions. One pathway to legal permanent residency is to gain a college degree, which would further increase GDP.



Source: Center for American Progress

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be more likely to find a job that fits their skills. In addition, obtaining a degree is one way of meeting the requirements set out by the Dream Act for obtaining lawful permanent resident status. If half of the people eligible to obtain lawful permanent residence did so by getting either a two-year or four-year college degree, their economic productivity and individual earnings would also go up, and their contributions would increase Wisconsin's annual GDP by an estimated \$600 million.

## FULLER PARTICIPATION IN ECONOMY WOULD INCREASE TAX REVENUES

Unless Congress acts, the termination of DACA will result in a loss to Wisconsin's social fabric and a disruption of its economy. It will also result in losses of the taxes paid by these young immigrants.

There are 10,000 young immigrants potentially eligible for DACA who call Wisconsin home. They currently contribute a total of \$16 million to local and state taxes annually through sales and excise taxes, property taxes, and income tax.

Without the Dream Act, Wisconsin can expect to lose at least \$8 million in tax revenue. That's the projected loss if DACA recipients stay in the state after losing work authorization, earning lower wages and becoming less likely to file income tax returns.

Wisconsin loses even more if those eligible for DACA are all deported. In that case, the tax losses would amount to \$16 million, not counting the additional costs to businesses and communities.

On the other hand, if Congress passes a Dream Act, these young immigrants would be granted work authorization and a pathway to citizenship. In that case, rather than a decrease in state and local tax revenue, Wisconsin public revenues would increase by an estimated \$4 million. If allowed a pathway to citizenship, immigrant youth would be more likely to advance in a real career, buy a home, or start a business. At stake is \$20 million in tax revenue, the difference between a \$16 million loss and a \$4 million gain.

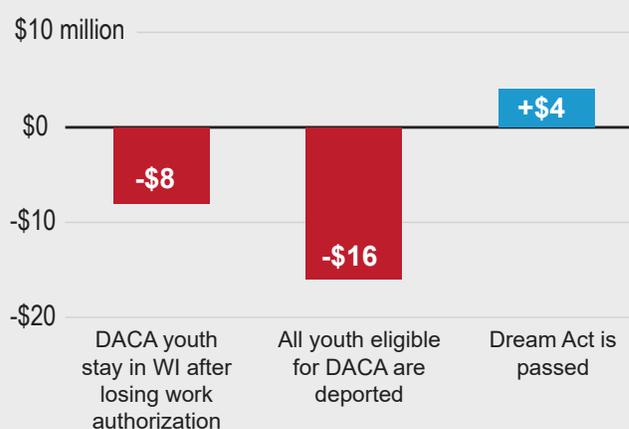
## COST OF INVESTMENTS WOULD BE OFFSET BY ADDITIONAL REVENUE

The Dream Act would also increase public spending, but the additional tax revenues would help offset costs at the state and local level. Many of the additional costs, it is worth noting, are in fact long-term investments. For example, the cost of aid for college today is returned in higher economic output and tax revenue contributions by those college students when they graduate and enter the labor force. Health care coverage is an investment in public health and a healthy labor force.

The Dream Act will put these young immigrants on the same footing as all other Wisconsin residents, paying their fair share of taxes and getting their fair share of public services. Dreamers have attended American high schools, and have friends and family in the United States. They have high rates of labor force participation, and have worked hard to establish their lives in this country. The Dream Act would make it possible for these young immigrants to continue with what they've learned in our schools, work to realize their potential, and contribute fully to Wisconsin's communities and to the local economy.

### Failure to Pass Dream Act Would Hurt Wisconsin Tax Revenues

Estimated annual change in state and local tax revenue in Wisconsin under three different scenarios, in millions.



Source: Institute for Taxation and Economic Policy  
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