Dream Act Would Boost Wisconsin Economy

Passing the Dream Act would allow young immigrants to contribute more fully to Wisconsin’s economy, increasing public tax revenues and the state’s Gross Domestic Product, according to a new analysis released by the Wisconsin Budget Project.

In September, President Trump announced he was ending DACA (Deferred Action for Childhood Arrivals), a policy that granted immigrant youth temporary permission to stay in the U.S. and to work lawfully. These youth will be subject to deportation when their protections expire unless Congress takes action. A bipartisan group of U.S. Senators, including Senators Lindsey Graham (R-SC), Jeff Flake (R-AZ), Dick Durbin (D-IL), and Chuck Schumer (D-NY), have introduced the Dream Act of 2017, which would provide a pathway to citizenship for people protected by DACA and other individuals.

Ten thousand young immigrants potentially eligible for DACA call Wisconsin home, according to the analysis from the Wisconsin Budget Project. They currently contribute a total of $16 million annually in state and local taxes, an amount that would be lost to state and local governments if they are deported. On the other hand, passing the Dream Act and granting young immigrants work authorization and a pathway to citizenship would increase public revenues in Wisconsin by an estimated $4 million annually over current levels.

“Passing the Dream Act would put young immigrants on the same footing as other Wisconsin residents, allowing them to maximize their contributions to Wisconsin’s economy and communities,” said Tamarine Cornelius, an analyst at the Wisconsin Budget Project.

If Congress does pass the Dream Act, Wisconsin’s $273 billion dollar Gross Domestic Product would get a long-term annual increase of $200 to $600 million annually, depending on the extent to which immigrants affected by the Dream Act increase their educational attainment. The Dream Act offers obtaining a degree as one pathway to receiving legal permanent resident status.

“The Dream Act would help immigrants already in Wisconsin find jobs that better match their skill level, boosting their salaries and the labor pool for Wisconsin employers,” said Cornelius. “Wisconsin’s dairy industry, in particular, would benefit from the Dream Act offering many of their employees a chance for a stable future.”

“The Dream Act would entail increased costs as well as increased revenues,” said Cornelius. “The costs represent investments in future economic growth and in the health of our population. And it is worth noting that the increased costs are a fraction of the cost of rolling back the estate tax for wealthy heirs, which Congress is doing as part of the federal tax package.”
For more information, see Dream Act Would Boost Wisconsin Economy and Tax Revenues: Revoking DACA Hurts Both.

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The Wisconsin Budget Project, an initiative of Kids Forward, is an independent Madison-based research group that focuses on tax and budget policy.