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Home > Will DREAMers Crowd U.S.-Born Millennials Out of Jobs?

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# Will DREAMers Crowd U.S.-Born Millennials Out of Jobs?

By Jeanne Batalova and Michael Fix

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The well-worn debate over whether immigrants contribute to the nation's prosperity or compete with U.S.-born workers can be heard again in discussions on whether Congress should legalize unauthorized immigrants who came to the United States as children. The DREAM Act has been offered many times since its first introduction in 2001. But the stakes are higher now because nearly 700,000 young immigrants who received temporary protection from deportation and work authorization under the Deferred Action for Childhood Arrivals (DACA) initiative are slated to begin losing these benefits beginning March 6, 2018, the result of a decision by the Trump administration to terminate a program initiated by President Obama.

Five bills have been introduced in 2017 by Democrats and Republicans alike that would provide a pathway to permanent legal status for DREAM-eligible unauthorized immigrants, including DACA recipients, who meet a range of educational, professional, or military service requirements. (MPI's estimates of the populations that could potentially benefit under the various proposals are [here](#).) With the clock ticking towards DACA termination, the various DREAM proposals are drawing significant attention on Capitol Hill and beyond.

In order to assess the likelihood that DREAMers, once legalized, would more fully compete with American workers—particularly Black and other minority populations—it is important to look at the age cohort where the competition would most likely occur. In this case, that is millennials between the ages of 16 and 32, the same ages as current DACA recipients. Our analysis, which we will explain more fully below, demonstrates three salient facts about the DACA/DREAMer cohorts:

- They represent a tiny share of the millennial population and workforce
- Their state distribution differs significantly from that of millennials who are White or Black
- Their employment by industry differs from that of overall Black, White, Asian, and native Hispanic populations.

Taken together, these facts suggest that the claims of widespread negative competitive economic impacts being raised by DREAMer legalization critics are unfounded.

## 1. The DACA/DREAMer Cohort Represent a Very Small Share of All Millennials

The 690,000 unauthorized immigrants who currently have DACA make up about 1 percent of the 74.2 million millennials ages 16 to 32 (see Table 1). They also represent small shares of the overall populations in the five states in which they are most concentrated (California, Texas, New York, Illinois, and Florida). Further, the 382,000 DACA recipients who MPI estimates are either working or looking for a job represent less than 1 percent of the 54 million millennials who are in the labor force.

Table 1 also shows estimates of the unauthorized immigrant millennials who could qualify for the DREAM Act of 2017, a proposal advanced by Senators Lindsay Graham (R-SC) and Richard Durbin (D-IL), two of the lawmakers at the center of ongoing negotiations over legalization for DREAMers. The 1.3 million millennials who would qualify for work authorization and conditional legal status (an initial status that would become permanent once recipients meet a range of additional educational and work obligations) under the bill represent just 2 percent of millennials nationwide, with slightly higher shares in California (4 percent) and Texas (about 3 percent).

**Table 1. Estimates of Millennial Populations by Race/Ethnicity, State, and DACA or DREAM Act of 2017 Status**

	Millennials*					DACA Recipients**	Eligible for Conditional Status under the DREAM Act of 2017***	Share of
	White	Blacks	Asian	Hispanic	Total			DACA Recipients
<b>United States</b>	<b>41,285,000</b>	<b>11,049,000</b>	<b>5,332,000</b>	<b>15,656,000</b>	<b>74,221,000</b>	<b>690,000</b>	<b>1,348,000</b>	<b>0.9%</b>
California	3,014,000	655,000	1,514,000	4,301,000	9,551,000	198,000	378,000	2.1%
Florida	2,033,000	872,000	165,000	1,233,000	4,326,000	27,000	70,000	0.6%
Illinois	1,647,000	487,000	200,000	596,000	2,942,000	36,000	75,000	1.2%
New York	2,405,000	769,000	489,000	1,014,000	4,696,000	33,000	82,000	0.7%
Texas	2,495,000	912,000	367,000	2,932,000	6,743,000	113,000	186,000	1.7%
Other states	29,692,000	7,355,000	2,597,000	5,578,000	45,963,000	283,000	557,000	0.6%

*Notes:* This table displays estimates of the millennial population (ages 16 to 32) for all groups, regardless of nativity. "Total millennials" include also a small number of people who identified as American Indian. Whites, Blacks, and Asians refer to non-Hispanics.

*Sources:* \*Data on millennials by race/ethnicity and by state are from the authors' tabulation of the U.S. Census Bureau's 2016 American Community Survey (ACS). \*\*Data on Deferred Action for Childhood Arrivals (DACA) recipients by state are from U.S. Citizenship and Immigration Services (USCIS), "DACA Datasets: Population Data (as of September 4, 2017)," accessed November 1, 2017, **available online**.

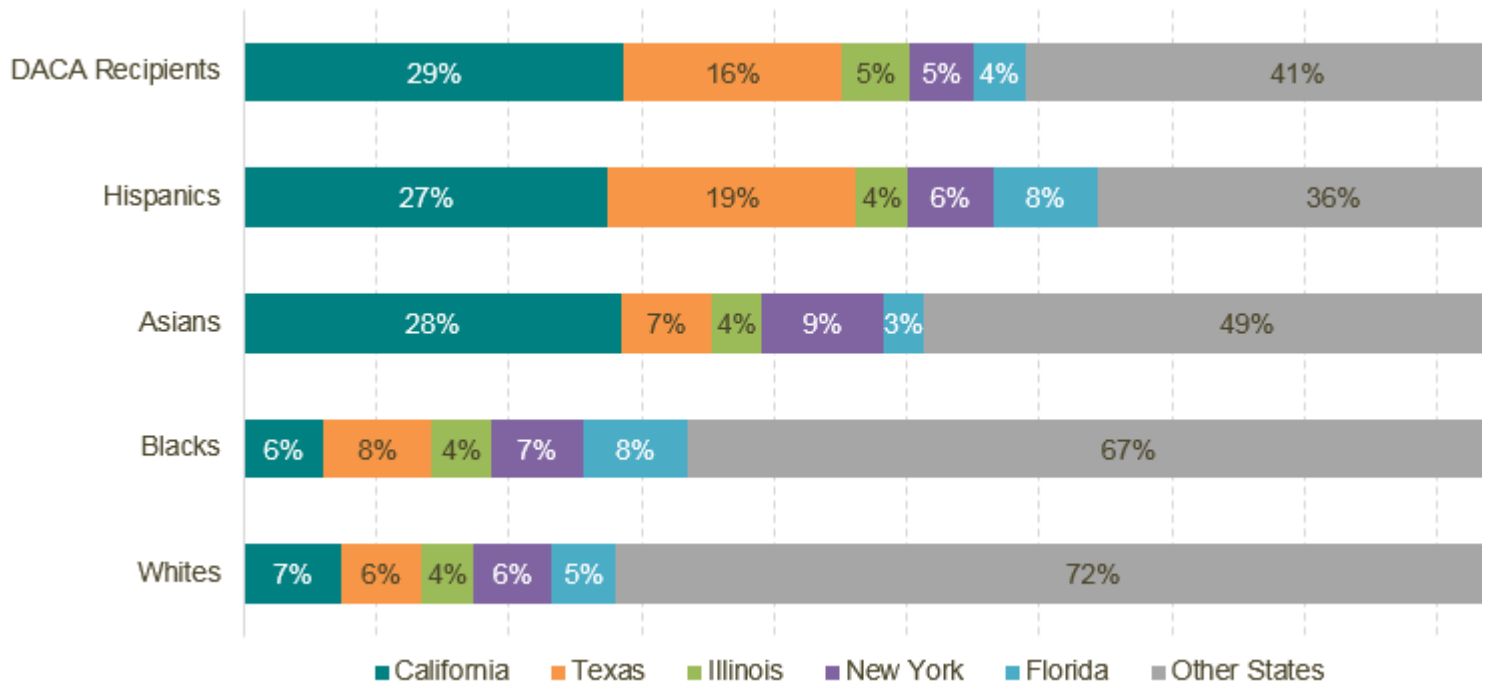
\*\*\*Data on the number of people eligible for conditional legal status under the DREAM Act of 2017 are unpublished Migration Policy Institute (MPI) estimates based on the analysis of data from the 2014 ACS and the 2008 Survey of Income and Program Participation (SIPP), with legal-status assignments by James Bachmeier of Temple University and Jennifer Van Hook of The Pennsylvania State University, Population Research Institute.

The fact that DREAMers represent a tiny share of the overall young adult labor force suggests that they are unlikely to have widespread displacement effects on U.S.-born millennials in the labor market.

## 2. DACA Recipients Have Different State Settlement Patterns

The state distributions of the nation's Black and White millennials differ significantly from that of DACA recipients, reducing potential labor market competition. While California, Texas, Illinois, New York, and Florida are home to 59 percent of DACA beneficiaries, these states account for just 33 percent of Black and 28 percent of White millennials (see Figure 1). Both Asian and Hispanic populations are more heavily concentrated in these five states.

**Figure 1. State of Residence of DACA Recipients and All Millennials by Race/Ethnicity**



Sources: Data on DACA recipients by state (as of September 4, 2017) are from USCIS, "DACA Datasets;" data on millennials by race/ethnicity and by state are from the authors' analysis of the 2016 ACS.

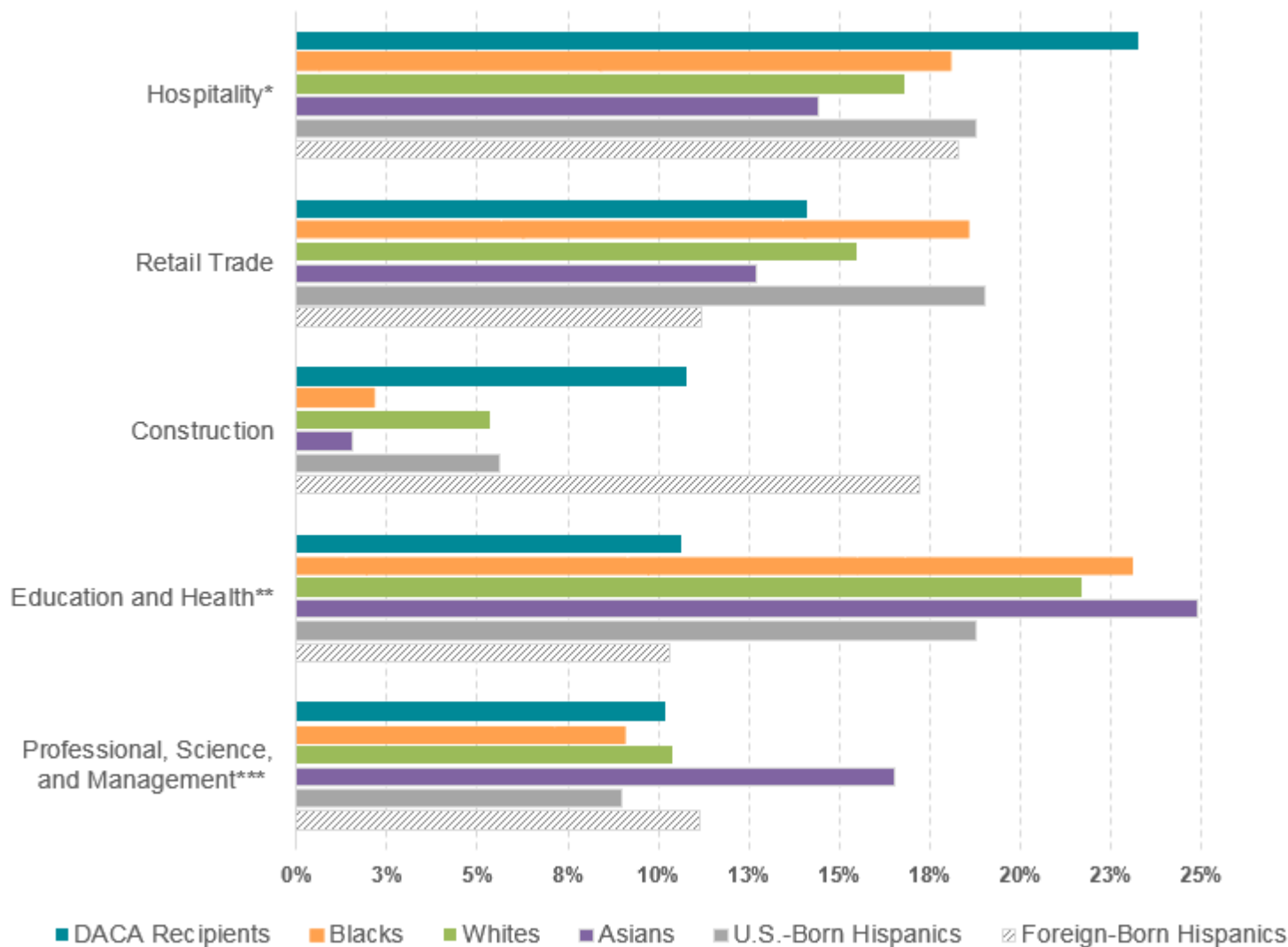
### 3. Differing Industries of Employment for DACA Holders

The sectoral distribution of employed DACA recipients differs in significant ways from the millennial workforce in general, and White, Black, Asian, and U.S.-born Hispanic workers, in particular. These differentiated employment patterns likely reduce direct competition.

For example, DACA recipients were more likely than millennials overall to work in hospitality (23 percent versus 16 percent) and construction (11 percent versus 6 percent). Shares of Blacks, Asians, U.S.-born Hispanics, and Whites were all lower than the share of DACA workers in these industries (see Figure 2).

DACA participants were less likely than all other millennials, regardless of their race/ethnicity, to work in education, health, and social services. At the same time, Black and U.S.-born Hispanic millennials were more likely to work in retail trade than DACA recipients (19 percent versus 14 percent). In this case, we focus on DACA recipients rather than on DREAM-eligible young adults because the former already have work permits. DACA recipients represent the core of the DREAM-eligible millennial population, and their industries of employment provide a reasonable prediction of future sectoral distribution of other DREAMers.

Figure 2. Top Five Industries of Employment for DACA Recipients and Millennials Overall, by Race/Ethnicity



\* Arts, entertainment, recreation, accommodations, and food services

\*\* Educational, health, and social services

\*\*\* Professional, scientific, management, administrative, and waste management services.

Sources: Data on DACA recipients by industry are from Jie Zong, Ariel G. Ruiz Soto, Jeanne Batalova, Julia Gelatt, and Randy Capps, *A Profile of Current DACA Recipients by Education, Industry, and Occupation* (Washington, DC: Migration Policy Institute, 2017), available online; data on millennials by race/ethnicity and industry are from the authors’ analysis of the 2016 ACS.

The industry distribution of DACA recipients falls between that of U.S.-born and foreign-born Hispanics, many of whom are unauthorized immigrants. On the one hand, compared to *foreign-born* Hispanics, DACA recipients are less likely to be found in “outdoor” jobs such as construction and are more likely to be found in “indoor” jobs such as hospitality and retail. But DACA recipients, like all foreign-born Hispanics, are significantly less likely to be employed in education, health, and social services than are U.S.-born Hispanics.

Our findings tell a story that is consistent with a 2015 report from the **National Academies of Sciences** that found little evidence that immigration, legal and unauthorized, significantly affects the overall employment prospects of native-born workers. The report, drawing on two years of analysis by a blue-ribbon task force, determined that in most instances immigrants generate—rather than eliminate—jobs for the native population by contributing to consumer demand and spurring long-term economic growth. To the extent that job or wage competition exists, recent immigrants are more likely to compete with earlier-arriving immigrants than with U.S.-born workers.

The current debate over the future of DACA participants and the passage of legislation to legalize them and a broader cohort of DREAMers features a number of arguments pro and con. Opposition centers in

part on the premise of widespread labor market competition between DREAMers and the U.S. born. But as our data and analysis show, that case is a weak one.

## Links

- **Press Release**
- **MPI DACA/DREAM resources**

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