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DACA's Potential Demise Portends Labor Force Drop Across Economy

By Andrew Kreighbaum

- Nearly 600,000 would lose work authorization over time
- Employers would face more than \$6 billion in turnover costs
- [Employer Immigration Issues](#) (Bloomberg Law subscription)

Ten years after the start of the Deferred Action for Childhood Arrivals program, hundreds of thousands of DACA recipients face the prospect of losing the work authorization the program provides.

Both workers and employers are bracing for the outcome of the latest legal battle over the program, which allows undocumented young people brought to the US as children to apply for removal protections and work permits. A ruling that shuts down the program, which appears increasingly likely, would disrupt the lives of nearly 600,000 current DACA recipients and have ripple effects in the the labor force.

The situation has drawn the attention of corporations like Microsoft Corp., Apple Inc., and IBM Corp., which have weighed in on the need for Congress to enact permanent protections for Dreamers. Microsoft and LinkedIn employ 88 workers with DACA status, a spokeswoman for Microsoft said.

In total, employers could face an estimated \$6.3 billion in turnover costs related to the end of the DACA program.

Earlier this month, the US Court of Appeals for the Fifth Circuit kicked a lawsuit over the program back to a lower court to consider the legality of a recent Biden administration rule formalizing DACA. The rule was issued with the aim of bolstering the program's legal standing, but latest appeals court ruling suggested dim prospects for DACA's survival.

Amid an ongoing post-pandemic labor crunch, the economy needs more—not fewer—workers available, said Glenn Hamer, president and CEO of the Texas Association of Businesses. The state accounts for roughly a sixth of current DACA recipients.

"Taking 600,000 workers that are productively engaged in the US workforce out of it at this point in time would be economically damaging to say the least," Hamer said.

Filling Critical Roles

Maria Rocha's career path completely changed when the Obama administration first launched DACA in 2012.

Rocha, who worked as a nanny and housekeeper after earning a degree in education, immediately applied for DACA benefits and joined Teach for America to pursue a job in the classroom that she'd dreamed of since growing up in San Antonio. She's since taught students in Pre-K through sixth grade and earned a master's degree.

"I saw the lack of teachers that looked like me, that were from my community, that related to the students," said Rocha, who now teaches in a New York City charter school. "There's a science behind teaching. I'm fascinated with teaching kids how to say thank you, how to blow your nose, how to start reading."

DACA recipients, who are employed at higher rates than the general US population, fill thousands of jobs in critical occupations like education. More than 9,000 teachers are recipients of DACA protections—roughly the equivalent of the teaching workforce in Atlanta; Buffalo, N.Y.; and Tallahassee, Fla., combined, according to the Niskanen Center.

One recent academic analysis found that more than 36,000 teaching positions are currently unfilled in the US, a shortage that would be exacerbated with the loss of employment authorization for DACA recipients.

The biggest share of DACA recipients work in food preparation, office/administrative support, construction, and sales occupations. But their employment is spread out broadly across various industries; no occupation accounts for more than 15% of Dreamers.

That means the entire economy will feel the labor squeeze from workers losing employment authorization, said Cecilia Esterline, an immigration research analyst at the Niskanen Center.

"Maybe one industry won't be hit significantly harder than any other," she said. "But spread over the entire economy, it can still have a devastating effect."

Employers can't assume they'll be able to easily replace workers with DACA status should they lose work authorization "because many work in industries or occupations that are already short employees," said Phillip Connor, senior demographer at FWD.us, which advocates for immigration reform.

'Drip, Drip, Drip'

DACA recipients aren't likely to drop out of the workforce overnight. Instead, the shift would be gradual but steady, as individuals' two-year DACA status expires over a period of many months.

"It's not going to be a big tidal wave. It's going to be a drip, drip, drip for a two-year period," said Jon Baselice, vice president of immigration policy at the US Chamber of Commerce.

A coalition of major US employers, including Facebook parent Meta Platforms Inc., Target Corp., General Motors Co., and Starbucks Corp., warned congressional leaders this week that the US faces 1,000 job losses each day for two years if a permanent solution for DACA recipients isn't reached soon.

"Each DACA recipient will soon face the threat of losing their work authorization and protection from deportation, while our businesses face the threat of losing critical employees," the coalition said in a letter. "The worker shortage will get worse for the United States if hundreds of thousands of critical workers are stripped of their legal ability to support themselves and their families."

US District Court Judge Andrew Hanen, who is considering the legality of the new DACA regulations, said last week the program could continue, at least temporarily, for current recipients. But he blocked those regulations from taking effect at the end of the month.

In the wake of the latest legal developments, advocates have pressed for legislative action, underlining the threat to the status of nearly 600,000 DACA recipients.

"The DACA program is in grave danger," said Jess Hanson, a staff attorney at the National Immigration Law Center. "I can't emphasize enough the urgency for Congress to deliver a permanent solution."

If a final court ruling goes against DACA recipients without that solution in place, Rocha said she may have to look outside the US to continue her teaching career.

"Hopefully, I'll find a school that can sponsor me," she said. "Or I'll simply back my bags and use my human capital to my benefit."

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