



The Lost Economic Impact of DACA Eligible Students in South Carolina

Prepared by:

Patricia Ng'ethe, MPA
Jenny Presgraves, Ph.D.
Rob Carey, Ph.D.



Table of Contents

At A Glance

The Issue

Understanding Immigration Classification

The Research: Economic Impact Summary

Background

A National Perspective

Who are DREAMers?

What is DACA?

What Does This Mean for South Carolina?

Current Impact on DACA Students in South Carolina

What is The Economic Benefit for SC if H. 3243 Becomes Law?

Important to Note:

As of March 2024, South Carolina House Bill 3243 has been refiled for the 2023 - 2024 Legislative Session. **Accordingly, this bill has been given a new number: H.3288.**

All references to legislation in this document remain as the original number. However, the verbiage in H.3243 is the same as H.3288.

At A Glance

THE ISSUE

Nearly **10.2 million undocumented immigrants live and work in the United States**, contributing approximately **3% to the U.S. Gross Domestic Product (GDP)**. Developing a structured path to citizenship for these individuals would yield a **\$1.7 trillion gain to GDP**, creating over **400,000 new jobs over the next 10 years** (Peri & Zaiour, 2021).



In 2001, the DREAM Act (Development, Relief, and Education for Alien Minors Act), was introduced as a mechanism to provide a pathway to citizenship for immigrants brought to the U.S. before the age of 16 (American Immigration Council, 2021; Barron, 2011). With the introduction of the DREAM Act, the term "DREAMers" was coined referring to young, undocumented persons who came to the United States before the age of 16 years. Despite efforts since 2001 to pass the DREAM Act, Congress has not approved any legislation to provide a pathway to citizenship for Dreamers.

To fill this gap in federal legislation, the U.S. Government established the Deferred Action for Childhood Arrivals (DACA) program in 2012 to provide deferred action for qualifying children and young adults (the "DREAMers"), protecting them from deportation and making it legal for them to work, get a driver's license, and pay taxes. Eligible individuals need to renew their DACA status every two years. This involves a \$495 filing fee, attorney fees, a criminal background check, and updating the government about any changes in their address or biographical information. For ten years, DACA has protected more than 600,000 immigrants nation-wide, who came to the U.S. as children. However, in 2017 the U.S. Government rescinded the program, allowing only DACA renewals but no new applicants (Zong & Batalova, 2019), and in 2022 at 5th Circuit Court of Appeals ruled that DACA is unlawful, yet allowed DACA to remain in place for current recipients and those processing renewals, as the case continues in the courts (Alvarez 2022).

2001

DREAM ACT (DEVELOPMENT, RELIEF, AND EDUCATION FOR ALIEN MINORS ACT)

CONGRESS HAS NOT APPROVED ANY LEGISLATION TO PROVIDE A PATHWAY TO CITIZENSHIP FOR IMMIGRANTS BROUGHT TO THE U.S. BEFORE THE AGE OF 16.

2012

THE FEDERAL GOVERNMENT ESTABLISHED THE DEFERRED ACTION FOR CHILDHOOD ARRIVALS (DACA) PROGRAM

DACA HAS PROTECTED MORE THAN 600,000 IMMIGRANTS NATION-WIDE, WHO CAME TO THE U.S. AS CHILDREN

2017

THE FEDERAL GOVERNMENT RESCINDED THE PROGRAM, ALLOWING ONLY DACA RENEWALS BUT NO NEW APPLICANTS

2022

5TH CIRCUIT COURT OF APPEALS RULED THAT DACA IS UNLAWFUL, YET ALLOWED DACA TO REMAIN IN PLACE FOR CURRENT RECIPIENTS AND THOSE PROCESSING RENEWALS

How this impacts SC

THE ISSUE

In addition to national policy challenges, there are additional challenges at the state level. DREAMers face a number of obstacles to accessing higher education and future job possibilities (Roth, 2017). South Carolina is one of only two states (Alabama is the other) that bans undocumented immigrant students from admission to all public higher education institutions (Zehr, 2008). A third state, Georgia, similarly prohibits undocumented immigrant students from enrolling in certain public higher education institutions (Higher Education Immigration Portal 2022). In South Carolina, students with DACA may enroll in higher education, but are required to pay out-of-state tuition, limiting their ability to afford higher education (Roth, 2017). This means a child could have lived in South Carolina since the age of 6 months, graduated high school in the state, worked in the state, but must go out of the state to attend college because of affordability. That may mean loss of potential workforce talent going to another state.

South Carolina law prohibits undocumented immigrants from working without valid work authorization (S. C. Code Ann. §59-101-430). While DREAMers with DACA protection can legally work, they are barred from obtaining professional licensure in the state (S.C. Code of Laws Section 8-29-10). The following report will analyze the economic impacts these policies have on both individuals and state and local economies.

SC POLICY BARRIERS

1

BANS UNDOCUMENTED IMMIGRANT STUDENTS FROM ADMISSION TO ALL PUBLIC HIGHER EDUCATION INSTITUTIONS



2

MANDATES THAT STUDENTS PROTECTED UNDER DACA MUST PAY HIGHER OUT-OF-STATE TUITION RATES



3

PROHIBITS UNDOCUMENTED IMMIGRANTS FROM WORKING WITHOUT VALID WORK AUTHORIZATION




















4

DREAMERS WITH DACA PROTECTION CAN LEGALLY WORK, HOWEVER THEY ARE BARRED FROM PROFESSIONAL LICENSURE IN THE STATE



DREAMERS

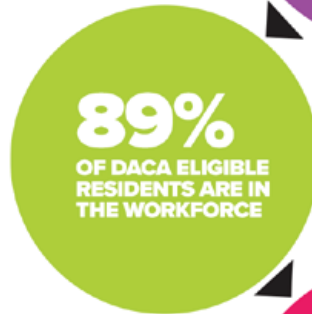
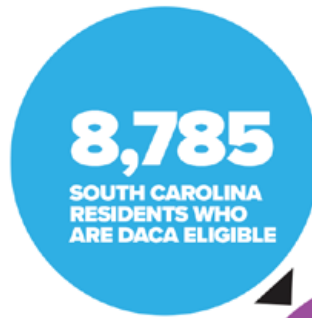
Understanding Immigration Status

	Undocumented Person	DREAMer without DACA Status	DREAMer with DACA Status
Definition	Someone who is foreign born and does not have a valid United States visa or other immigration documentation.	An undocumented person who came to the United States before their 16th birthday and has lived in the U.S. continuously since.	A DREAMer who meets the above criteria, who pays the \$495 fee and is accepted into the program. No new DACA applications are being accepted.
Legal Documentation Available	 None	 None	 Driver's License  Social Security No.  Work Permits renewable every 2 years
Higher Education Opportunities	 No Enrollment in SC Could potentially attend school in other states, depending on individual state law.	 No Enrollment in SC Could potentially attend school in other states, depending on individual state law.	 Eligible for Enrollment in SC
Higher Education Funding	 No Federal Funding Even if attending out of state school	 No Federal Funding Even if attending out of state school	 Out of State Tuition Not eligible for state financial aid
Work Opportunities	 Not Authorized to work	 Not Authorized to work	 Authorized to Work Not eligible for professional licensure
State/ Federal Benefits Available	 None (including Social Security, Food Stamps, etc.)	 None (including Social Security, Food Stamps, etc.)	 Eligible for State & Federal Benefits (including Social Security, Food Stamps, etc.)
Tax Burden	Pays all sales taxes Does not have a Social Security which to file taxes, but can apply for an Individual Taxpayer Identification Number which would allow them to pay income taxes.	Pays all sales taxes Does not have a Social Security number with which to file taxes, but can apply for an Individual Taxpayer Identification Number which would allow them to pay income taxes.	Pay all sales taxes Has a temporary Social Security number and is required to file income taxes.

The Research

ECONOMIC IMPACT SUMMARY

There are currently **8,785 South Carolina residents who are DACA eligible with over 5,500 of those who are currently active DACA recipients.** Eighty-nine percent of DACA eligible residents are in the workforce and contribute approximately \$31 million in local, state and federal taxes annually. However, many are in jobs below their skill level and earning capability due to policy barriers. Approximately **17% of the South Carolina workforce is currently employed in a licensed field,** however, DACA recipients are currently barred from obtaining licensure to work in these fields, including real estate, nursing, and education (Higher Education Immigration Portal 2022).



**MANY ARE IN
JOBS BELOW
THEIR SKILL
LEVEL AND
EARNING
CAPABILITY
DUE TO POLICY BARRIERS**



17%
OF THE SOUTH CAROLINA
WORKFORCE IS CURRENTLY
EMPLOYED IN A LICENSED FIELD



**DACA RECIPIENTS
ARE CURRENTLY BARRED FROM
OBTAINING LICENSURE TO WORK IN
THESE FIELDS, INCLUDING REAL
ESTATE, NURSING, AND EDUCATION**

The South Carolina House of Representatives passed H.3243 in April 2022 with bipartisan support. This bill would have allowed individuals protected under DACA to obtain professional licensure. However, the bill was not considered by the SC Senate in time for full passage. The bill must be refiled for the 2023-2024 Legislative Session (Eisner & Larson, 2022; Higher Ed Immigration Portal, 2022). Therefore, this bill has not been signed into law.

Researchers from Clemson University used the REMI PI+ model to analyze all potential economic effects of passing H.3243. Potential outcomes are stated in terms of employment (additional jobs created), compensation (aggregated wage income), and output (total sales or the dollar value of additional goods and services produced in SC).

This research analysis suggests that signing H.3243 into law in South Carolina would open up eligibility for another 947 workers to fill higher-wage jobs statewide, after taking into account all direct, indirect, and induced effects.

Filling these critical roles with resident, qualified, and licensed professionals would provide South Carolina with an additional annual economic output of up to \$67.7 million, an added state income tax revenue of up to \$749,000, and up to \$833,000 in additional state sales tax revenue.

Because this research data excludes teachers from the analysis of licensed professionals, overall economic impact of passing H.3243 would likely be even higher across the State.



APRIL 2022
THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES PASSED H.3243



THE BILL WAS NOT CONSIDERED IN TIME FOR FULL PASSAGE BY THE SOUTH CAROLINA SENATE



BILL MUST BE REFILED FOR THE 2023-2024 LEGISLATIVE SESSION



REMI PI+ MODEL
USED TO ANALYZE ALL POTENTIAL ECONOMIC EFFECTS OF PASSING H.3243



POTENTIAL OUTCOMES ARE STATED IN TERMS OF:
EMPLOYMENT (ADDITIONAL JOBS CREATED)
COMPENSATION (AGGREGATED WAGE INCOME)
OUTPUT (TOTAL SALES OR THE DOLLAR VALUE OF ADDITIONAL GOODS AND SERVICES PRODUCED IN SC).



RESEARCH ANALYSIS SUGGESTS THAT SIGNING H.3243 INTO LAW IN SOUTH CAROLINA
WOULD OPEN UP ELIGIBILITY FOR ANOTHER 947 WORKERS TO FILL HIGHER-WAGE JOBS STATEWIDE, AFTER TAKING INTO ACCOUNT ALL DIRECT, INDIRECT, AND INDUCED EFFECTS.



FILLING THESE CRITICAL ROLES
WITH RESIDENT, QUALIFIED, AND LICENSED PROFESSIONALS COULD GENERATE UP TO

\$67.7 MILLION
IN ADDITIONAL ANNUAL ECONOMIC OUTPUT

\$749,000
ADDED STATE INCOME TAX REVENUE

\$833,000
ADDITIONAL STATE SALES TAX REVENUE

Background

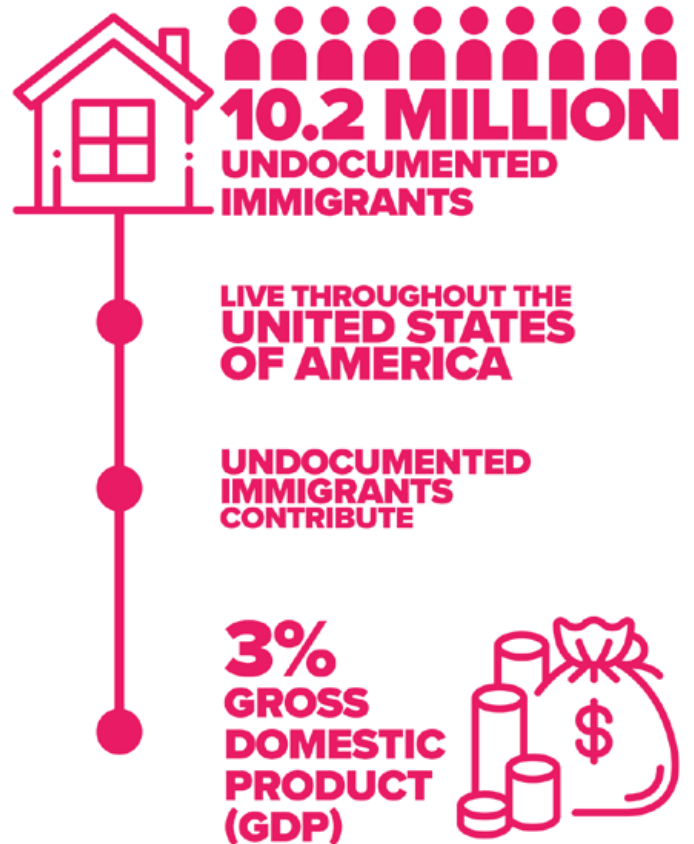
THE NATIONAL PERSPECTIVE

According to a 2021 report by the Center for American Progress (Peri & Zaiour, 2021), nearly 10.2 million undocumented immigrants currently live throughout the United States of America.

Undocumented immigrants contribute approximately three percent to the U.S Gross Domestic Product (GDP) (Ortega et al., 2019).

Furthermore, a 2021 Center for American Progress report found that developing a structured pathway to citizenship for all undocumented immigrants in the country would yield a \$ 1.7 trillion gain in the national GDP and create over 400,000 new jobs in the next ten years (Peri & Zaiour, 2021).

Despite multiple attempts in past years to establish a more permanent legislative solution to this issue, no federal bill has been passed by Congress to date.



DEVELOPING A STRUCTURED PATHWAY TO CITIZENSHIP FOR ALL UNDOCUMENTED IMMIGRANTS IN THE COUNTRY WOULD YIELD:



\$1.7 TRILLION
GAIN TO GDP

400,000
NEW JOBS

IN THE
NEXT
10
YEARS





**NO FEDERAL BILL
HAS SUCCESSFULLY
PASSED THROUGH
CONGRESS**

**TO PROVIDE A MORE
PERMANENT POLICY
SOLUTION TO THIS ISSUE**

Who Are the DREAMers?

"DREAMers" is a term referring to young, undocumented persons who came to the United States before the age of 16 years. It was coined after the DREAM Act, also known as the Development, Relief, and Education for Alien Minors Act, which was first introduced in 2001 (American Immigration Council, 2021).

The aim of this legislation was to provide a pathway to citizenship for undocumented immigrants brought to the United States as children (Barron, 2011).

Since then, 11 versions of this legislation have been introduced in Congress, but none have become law. The DREAM Act came closest to being passed in 2010 but fell short by five votes needed to progress to the Senate (American Immigration Council, 2021).

While opponents argue that this legislation would incentivize illegal activities, supporters of the bill posit that the DREAM Act would provide necessary protection for children brought into the U.S before the age of sixteen, who should bear no lifelong legal consequences of adult decisions (Barron, 2011).

Additionally, passing legislation to provide documentation to DREAMers would lead to an increase in highly educated and qualified young people who would positively contribute to U.S. productivity and the economy (Barron, 2011).



**DREAMERS
WOULD LEAD TO
AN INCREASE IN
HIGHLY EDUCATED
AND QUALIFIED
YOUNG PEOPLE**

What is DACA?

DACA also known as Deferred Action for Childhood Arrivals is an immigration policy created on June 15, 2012, through executive action by then President Barack Obama (Zong & Batalova, 2019).

It was created in response to the failure of the DREAM Act to pass Congress and consequently the lack of a federal legislation to address the issue of undocumented immigrants.

The purpose of the DACA program is to provide temporary relief for qualifying undocumented children and youth from deportation by allowing them to receive functional documentation. Through DACA, qualified individuals can obtain Social Security numbers and work permits renewable every two years (Zong & Batalova, 2019).

DACA recipients are able to get a temporary stay against deportation and work authorization which must be renewed every two years. They can apply for a driver's license and are required to pay federal income taxes. DACA does not provide amnesty or a path to citizenship, and DACA recipients cannot vote, receive any federal benefits such as Social Security, food stamps, or federal financial aid for college.

The program was rescinded under the Trump administration in September 2017, thereafter allowing only renewals for existing DACA holders and blocking any new applications for initial DACA applicants (Ortega et al., 2019) (Zong & Batalova, 2019).

IN ORDER TO QUALIFY FOR DACA, AN INDIVIDUAL MUST:

- 1 BE BORN ON OR AFTER JUNE 16, 1981,**
- 2 HAVE ENTERED THE UNITED STATES BEFORE THEIR 16TH BIRTHDAY,**
- 3 HAVE CONTINUOUSLY RESIDED IN THE U.S. SINCE JUNE 2007,**
- 4 BE PHYSICALLY PRESENT IN THE U.S. AT THE TIME OF APPLICATION,**
- 5 ARE EITHER CURRENTLY ENROLLED IN SCHOOL, HAVE GRADUATED OR OBTAINED A GED, OR BEEN HONORABLY DISCHARGED FROM THE MILITARY, AND**
- 6 HAVE NOT BEEN CONVICTED OF A FELONY, SIGNIFICANT MISDEMEANOR, OR THREE OR MORE MISDEMEANORS (USCIS.GOV/DACA)**

What Does This Mean for South Carolina?

CURRENT IMPACT ON DACA STUDENTS IN SC

South Carolina is one of a few states that does not allow the admission of undocumented students into public higher education institutions. Three additional states, Arizona, Georgia, and Indiana, allow admission for undocumented students but prohibit in-state tuition rates (NCSL 2021). This policy goes back to the year 2008 when South Carolina Governor Mark Sanford signed into law the stringent immigration bill (H. 4400, 2008) prohibiting undocumented students from enrolling in public colleges and universities in the State and from receiving state financial aid (Zehr, 2008).

Students in South Carolina who have DACA status are allowed to enroll in state public colleges and universities, yet they are subjected to paying the same tuition rates as out-of-state students, irrespective of their residency in South Carolina. DACA students are thus left with limited post-secondary education options within the State, other than attending private schools, which are usually significantly more expensive than public postsecondary schools, paying full out of state tuition, or leaving South Carolina to pursue their education in other states with more favorable policies, albeit likely still paying out of state tuition rates (Roth, 2017).

Even if these students complete degree programs, DACA recipients are not able to receive a professional license in South Carolina (S.C. Code of Laws Section 8-29-10). These licenses include those for accountants, contractors, engineers, real estate agents, nurses, and teachers, among others.

In April 2022, South Carolina House of Representatives passed a bipartisan bill H.3243 that would allow persons protected under DACA to receive profession/occupational licensure. However, it still needs to be deliberated and passed by the Senate before it is signed into law by the Governor (Eisner & Larson, 2022) (Higher Ed Immigration portal, 2022).



REMI PI+ MODEL

What is the economic benefit for SC if H. 3243 becomes law?

Approximately fifteen percent of the state workforce is currently employed in a licensed field, excluding teachers. The Clemson REMI PI Model assumes that an equivalent proportion of DREAMers would enter these licensed fields. Note that this estimate is likely somewhat conservative given that this percentage did not include teachers.

The analysis was carried out using the REMI PI+ model.* Results are stated in terms of employment (additional jobs created), compensation (aggregated wage income), and output (total sales, or the dollar value of additional goods and services produced in the state).

Impacts include direct, indirect, and induced effects. Direct effects are the impacts resulting directly from the modeled jobs; indirect are the impacts from first and second tier suppliers, and induced effects are the impact of consumer spending of wage income.

Impacts in the following are net of lower-pay jobs left by these individuals in favor of higher-paying jobs:

- The projected net impact on employment resulting from DACA recipients having access to higher-wage jobs would be as high as 947 jobs statewide, including direct, indirect, and induced effects.
- The impact on annual compensation is projected to be as high as \$40.7 million.
- Annual output is projected to be impacted by as much as \$67.7 million.
- The total impact on annual state income tax is projected to be as high as \$749,000 and as much as \$833,000 in state sales tax. Note this includes revenue generated through direct, indirect, and induced effects.

References

The American Immigration Council. New Americans in South Carolina Report download retrieved (2023) from <https://map.americanimmigrationcouncil.org/locations/south-carolina/#>.

Barron. (2011). The Development, Relief, and Education for Alien Minors (DREAM) Act. *Harvard Journal on Legislation*, 48(2), 623–655.

The Dream Act, DACA, and Other Policies Designed to Protect DREAMers. American Immigration Council. (2021). Retrieved 5 June 2022 .

Higher Ed Immigration Portal: South Carolina. (2022). Retrieved 2 June 2022, from <https://www.higheredimmigrationportal.org/states/>.

H.R. 4400, 117th Leg. 2nd Sess. (2008) . Direct House Bill: <https://www.scstatehouse.gov/billsearch.php?billnumbers=4400&session=117&summary=B>

Alvarez, B. (2022). National Education Association, NEA Today: DACA Ruled Unlawful by the Fifth Circuit. Here's What Happens Next., Retrieved 12/2022 from <https://www.nea.org/advocating-for-change/new-from-nea/daca-ruled-unlawful-fifth-circuit-heres-what-happens-next>.

New American Economy. (2022). Take A Look: How immigrants drive the economy in South Carolina. Retrieved 4 June 2022 .

Ortega, F., Edwards, R., & Hsin, A. (2019). The Economic Effects of Providing Legal Status to DREAMers. *Sciendocom*. Retrieved 4 June 2022.

Peri, G., & Zaiour, R. (2021). Citizenship for Undocumented Immigrants Would Boost U.S. Economic Growth. *Center for American Progress*. Retrieved 4 June 2022.

Plyler v. Doe, 457 U.S. 202 (1982).

Suárez-Orozco, C., Katsiaficas, D., Birchall, O., Alcantar, C. M., Hernandez, E., Garcia, Y., Teranishi, R. T. (2015). Undocumented undergraduates on college campuses: Understanding their challenges and assets and what it takes to make an undocumented friendly campus. *Harvard Educational Review*, 85(3), 427-463,526-530.

Roth, B. (2017). When College is Illegal: Undocumented Latino/a Youth and Mobilizing Social Support for Educational Attainment in South Carolina. *Journal of the Society for Social Work and Research*, 8(4), 539–561.

Zehr, M. A. (2008, June 11). S.C. to Ban Higher Ed. Services for Undocumented Students. *Education Week*, 27(41), 4.

Zong, J., & Batalova, J. (2019). How Many Unauthorized Immigrants Graduate from U.S High Schools Annually?. *Migrationpolicy.org*. Retrieved 2 June 2022.

*The REMI model is a dynamic forecasting and policy analysis tool that can be variously referred to as an econometric model, an input-output model, or even a computable general equilibrium model. The model forecasts the future of a regional economy, and it predicts the effects on that same economy when the user implements a change.



The mission of the Hispanic Alliance is to foster collaboration and connectivity among people, resources, and cultures to build thriving communities.

The Hispanic Alliance unites the largest network of agencies and individuals working collaboratively to advance Hispanic communities in the Upstate region. It builds trust with Hispanic communities by speaking their languages, promoting their culture, and understanding and addressing their needs. It helps its partner agencies serve the local Hispanic population in a culturally, linguistically and socially appropriate way. The Hispanic Alliance is a nonpartisan organization that faithfully advocates for diversity, equality, acceptance, understanding, and embracing the American dream.



Clemson Regional Economic Analysis (CU-REAL) performs public policy, economic and fiscal analysis for public, private, and nonprofit sector clients around the Palmetto State.



Clemson's Policy Studies Program provides educational and research opportunities for a diverse and inclusive population of students who seek to develop their leadership capacity in public policy analysis, design and evaluation for careers in the private, public, or nonprofit sectors. The program conducts policy-relevant research to support and develop communities in support of Clemson's land grant university mission, while adhering to the highest standards of academic rigor, objectivity, and independence.

**Connect
with Us!**

PO Box 17934
Greenville, SC 29606

www.HispanicAllianceSC.com

