

DREAM Act youths might be worth billions to Texas

By Beth Brown

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The hundreds of thousands of illegal U.S. immigrants who would be eligible for the DREAM Act could generate billions of dollars.

A study this month by the [Center for American Progress](#) and the Partnership for a [New American Economy](#) — a bipartisan group of U.S. mayors and business leaders — estimates the passage of the DREAM Act would generate \$329 billion nationally through 2030. That's an average of more than \$18 billion per year — about 0.5 percent of what the federal government spent during the 2012 fiscal year

That's just a drop in the bucket, but the Center for American Progress, a group critical of conservative policy, says some economic growth is better than none. “These are big numbers, but they are big numbers in a universe of really big budgets,” said [Marshall Fitz](#), director of Immigration Reform at the Center for American Progress. Despite the relatively small amount, he said \$329 billion on its own is a significant economic effect.

“Regardless, the question is: are we helping grow the economy or are we continuing to keep potentially important economic actors on the sidelines? That's the lens it has to be looked at through,” Fitz said. “Is this going to solve the nation's budget deficit problems? No. Is it going to radically help the state budget problems? No. Is it going to help? Yes.”

The Development, Relief, and Education for Alien Minors Act, or DREAM Act, would grant legal status for certain young immigrants and establish a path to citizenship through military experience or higher education. It has come up every congressional session since it was first introduced in 2001 but has fallen short of passage each time.

In Texas, the total estimated economic effect would be slightly more than \$66 billion by 2030 — second behind California's \$97 billion expected effect — through increased spending, wages, taxes and access to better jobs through education for the estimated 325,000 people in Texas who are eligible for the DREAM Act. The study estimates the DREAM Act would have had an economic effect of \$2 billion annually between 2010 and 2020 in Texas.

That output represents about 2 percent of the state's current \$80.6 billion budget for 2012-13.

But the \$66 billion for Texas might not be a net gain as the cost of implementing a DREAM Act remains largely unknown.

The study does not include any of the costs of operating the program, which Pia Orrenius, assistant vice president and senior economist at the [Federal Reserve Bank of Dallas](#), said will

stem from the “cumbersome paperwork process that's going to employ plenty of bureaucrats” while verifying the eligibility of individual immigrants.

Some San Antonio high schools have reported a large number of requests for grade transcripts, used as documentation for those seeking work permits under President [Barack Obama's Deferred Action for Childhood Arrivals](#) program. One high school in the Rio Grande Valley hired a part-time staffer to deal with the requests.

But Fitz said the DREAM Act would actually be a revenue-generating program since applicants would have to pay fees to apply for lawful permanent status. In December 2010, the [Congressional Budget Office](#) analyzed the estimated costs for the act and determined that “because (the Department for [Homeland Security](#)) costs for implementing the bill would be covered by those fees, CBO estimates that implementation by DHS would have no significant impact on spending.”

The Center for American Progress released a separate study in August stating that if 15 percent of Texas' illegal immigrants were to be deported, the state would lose \$11.7 billion in diminished earnings, consumption and demand.

“In general, immigrants have a positive economic impact, especially when immigration is employment based,” Orrenius said. “Deportations are definitely hurtful in the sense that you're losing people who are not only contributing to the economy, but that are also consuming housing services, driving cars, holding bank loans, credit cards and consuming other retail goods.”

Critics of the DREAM Act say it takes jobs from legal residents and gives them to those who came the country illegally. The study contends that a DREAM Act passage might make it easier for native-born Americans to find jobs through the ripple effect of DREAMers spending more money.

The study estimates that receiving legal status and pursuing higher education will result in a 19 percent increase in income by 2030, which DREAMers would then invest in the economy by buying goods and services. That increased demand would help create 1.4 million jobs nationwide, including 282,470 in Texas through 2030.

“They're pouring money into the economy, then that economic activity is going to create 1.4 million new jobs,” Fitz said. “This is how our economy grows. This is what it's built on.”

The study estimates that a DREAM Act passage would generate almost \$2 billion in combined income and business taxes through 2030. The effect would increase over time as DREAMers receive education and secure jobs, increasing to \$4 billion annually between 2020 and 2025 and be more than \$5 billion per year between 2025 and 2030, according to the study.

While the fate of the DREAM Act looms in Congress, some hopeful immigrants in San Antonio are beginning to see what it is like to work legally through DACA. It provides no path for legal citizenship, but allows individuals who have completed high school or gained military experience to apply for work.

“We are seeing a glimpse of the DREAM Act through (DACA), and for many, it's a godsend,” said immigration lawyer [Kathleen Walker](#) of San Antonio's [Cox Smith](#) firm. “(Immigrants) are able to get work authorization, and that means (they) can actually present (themselves) to an employer. And we're trying to level the playing field for those who may use undocumented workers intentionally. There's a ripple effect of having more and more people with true eligibility because it reduces the level of unfair competition among companies.”

San Antonio resident and DREAM Act activist [Benita Veliz](#) is among those stuck in limbo. The 27-year-old [St. Mary's University](#) graduate's deportation case was administratively closed last year. She can't get an employment permit, so she volunteers at her church, works as a photographer and gives piano lessons.

Veliz spoke at the 2012 Democratic National Convention and said a DREAM Act passage would be “humongous” for San Antonio.

“We (DREAMers) speak English very well and with San Antonio having a diverse culture, there's a need for educated, bilingual workers,” Veliz said. “DREAMers know the needs of the community, and there's a big difference between having someone (who grew up in) that place and someone who literally just arrived.”

Read more: <http://www.mysanantonio.com/business/article/DREAM-Act-youths-might-be-worth-billions-to-Texas-3994197.php#ixzz2AzU8DNsc>