

A PATH TO PROSPERITY

THE MACROECONOMIC BENEFITS OF FOUR IMMIGRANT REGULARIZATION SCENARIOS



**RAÚL HINOJOSA-OJEDA, PH.D., SHERMAN ROBINSON, PH.D.,
MARCELO PLEITEZ, M.B.A., KASSANDRA HERNÁNDEZ, M.P.P.,
RODRIGO DOMÍNGUEZ-VILLEGAS, PH.D., ABEL VALENZUELA JR., PH.D.¹**

March 23, 2021

¹ Raúl Hinojosa-Ojeda, Ph.D., Director, North American Integration and Development Center (NAID); Sherman Robinson, Ph.D., Nonresident Senior Fellow, Peterson Institute for International Economics (PIIE); Marcelo Pleitez, M.B.A., Research Fellow, North American Integration and Development Center (NAID); Kassandra Hernández, M.P.P., Research Analyst, UCLA Latino Policy and Politics Initiative (LPPI); Rodrigo Domínguez-Villegas, Ph.D., Director of Research, LPPI; Abel Valenzuela Jr., Ph.D., Director, Institute for Research on Labor & Employment (IRLE).

Acknowledgements

The Latino Policy and Politics Initiative (LPPI) is grateful to all our funders that make our core work possible. The authors are grateful for the research assistance provided by LPPI Policy Fellow Taemin Ahn. The authors would also like to thank Andrea Cannon for the report layout and design.

As a land grant institution, the Latino Policy and Politics Initiative at UCLA, the North American Integration and Development Center (NAID), and the Institute for Research on Labor and Employment (IRLE) acknowledge the Gabrielino and Tongva peoples as the traditional land caretakers of Tovaangar (Los Angeles basin, Southern Channel Islands) and that their displacement has enabled the flourishing of UCLA.

About Our Centers

The UCLA Latino Policy and Politics Initiative addresses the most critical domestic policy challenges facing Latinos and other communities of color through research, advocacy, mobilization, and leadership development to expand genuine opportunity for all Americans.

The UCLA North American Integration and Development (NAID) Center was founded in 1995 to conduct interdisciplinary research concerning the economic integration process between the United States, Mexico, Canada and Central America, and to assist communities and governments with projects and policies for sustainable and equitable development across borders.

The Institute for Research on Labor and Employment (IRLE) is a multidisciplinary research center dedicated to research, teaching, and service on labor and employment issues. For over 70 years, the Institute has conducted timely and impactful research on labor markets and how work impacts workers and their families. Through the work of its units – UCLA Labor Center, Human Resources Roundtable, and the Labor Occupational Safety and Health program – the Institute forms wide-ranging research agendas that carry UCLA into the Los Angeles community and beyond.

Disclaimer

The views expressed herein are those of the authors and not necessarily those of the University of California, Los Angeles. The authors alone are responsible for the content of this report.

Table of Contents

EXECUTIVE SUMMARY	04
INTRODUCTION	06
METHODOLOGY	07
RESULTS	08
TEN-YEAR CUMULATIVE INCREASE IN GDP	08
TEN-YEAR CUMULATIVE INCREASE IN TAX REVENUE	09
YEARLY INCREASE IN JOBS RESULTING FROM INCREASED WAGES AND PRODUCTIVITY	10
CONCLUSION	11
APPENDIX 1: IMMIGRATION LEGISLATION INTRODUCED IN THE 117TH CONGRESS, AS OF MARCH 17, 2021	12
APPENDIX 2: NUMBER OF WORKERS BY IMMIGRATION STATUS	14
APPENDIX 3: ESTIMATES OF ECONOMIC IMPACTS OF REGULARIZATION AND CITIZENSHIP FOR WORKERS BY CLASSIFICATION AND STATUS	15
ENDNOTES	17



EXECUTIVE SUMMARY

President Joe Biden's pledge to achieve a path to citizenship for the roughly 11 million unauthorized immigrants in the United States has revived a long-lasting debate about who should be granted a pathway to citizenship. Those who argue against immigrant regularization tend to dominate the discussion using unproven claims about the potential incentives for others to arrive without documentation, often overlooking the economic benefits of regularizing unauthorized immigrants. Providing legal status, and ultimately citizenship, to all immigrants is good for economic growth, tax collection, and job creation.

To provide empirical evidence that can inform the debate, this report provides estimates of the economic impacts of granting citizenship to different groups, assuming different pathways specified in stand-alone legislation currently being discussed in Congress. We estimate the economic impacts of regularization and citizenship under four possible scenarios currently being discussed in the House and Senate: (1) regularizing all unauthorized workers, (2) regularizing only unauthorized essential workers, (3) regularizing only unauthorized workers with Deferred Action for Childhood Arrivals (DACA), and (4) regularizing workers with Temporary Protected Status (TPS).

We estimate the direct and indirect impacts of regularization on gross domestic product (GDP), aggregate tax revenue, and job creation over a 10-year period from 2022 to 2031.

A Path to Prosperity: The Macroeconomic Benefits of Four Immigrant Regularization Scenarios

Our main findings are:

- 1. Providing citizenship to all unauthorized workers would generate an additional \$1.5 trillion in national Gross Domestic Product (GDP) cumulated over 10 years.¹**
 - a. In comparison, providing regularization and citizenship to only unauthorized essential workers would generate \$1.2 trillion, reducing the potential 10-year GDP gain by \$274 billion.
 - b. Limiting a path to citizenship only to DACA or TPS workers would drastically reduce the potential 10-year gain in GDP; legislation that included only DACA would lead to a \$112 billion gain in cumulative GDP, and legislation that included only TPS workers would lead to just over half of that (\$62 billion).

- 2. Providing citizenship to all unauthorized workers would result in \$367 billion in cumulative new tax revenues because of higher taxable incomes from regularization and citizenship.²**
 - a. In comparison, providing regularization and citizenship to only unauthorized essential workers would reduce the potential 10-year cumulative increase in tax revenue by almost 20 percent, producing instead a cumulative \$298 billion.
 - b. Similarly, limiting a path to citizenship to only DACA or TPS workers would drastically reduce the potential cumulative gain in tax revenue; legislation that included only DACA recipients would generate only \$28 billion in additional tax revenue, and legislation including only TPS workers would generate just half of that (\$16 billion).

- 3. Providing citizenship to all unauthorized workers would increase employment opportunities over the decade, creating 371,000 new jobs in 2031.**
 - a. In comparison, providing regularization and citizenship to only unauthorized essential workers would lead to 81,000 fewer new jobs added by 2031 (290,000 new jobs total).
 - b. Limiting a path to citizenship to only DACA or TPS workers would drastically reduce the potential for job creation over the decade. Legislation that includes only DACA would generate 27,000 new jobs in 2031 and 15,000 new jobs if only TPS workers are included.

The estimates of the economic gains of an inclusive immigration reform we present here are conservative and focus on the regularization of immigrant workers who currently reside in the United States; however, the U.S. Citizenship Act of 2021 and other legislative proposals would also provide a path for increased legal immigration, which would also improve economic efficiency and result in higher GDP growth, tax revenues, job creation, and international remittances.³ Therefore, a more complete estimate of the economic impact of the U.S. Citizenship Act would account for increased legal immigration. This increased immigration could produce additional GDP gains of \$957 billion over 10 years (assuming the arrival of 700,000 authorized immigrants per year). Remittances to Mexico and Central America are estimated to produce a total flow of \$1.2 trillion, resulting in increased U.S. exports to the region as well as increased savings which can be used to address root causes of outmigration as called for in the U.S. Citizenship Act of 2021. However, we do not address remittances or projected flows of new migration in this brief.

Even without considering the potential flow of new migrants, implementing policies that generate increased economic activity, increase tax revenue, and produce jobs is needed now more than ever. After experiencing the worst annual decline in GDP in more than 60 years due to the COVID-19 pandemic, providing citizenship to the millions of unauthorized workers that maintained the U.S. economy during the pandemic will generate long-lasting benefits for everyone.



INTRODUCTION

Following a campaign promise to prioritize immigration reform in the first 100 days, the Biden-Harris administration introduced an outline of their vision for a new immigration system shortly after the inauguration.⁴ The keystone of the Biden administration's immigration reform agenda is the U.S. Citizenship Act of 2021, a bicameral bill that seeks to establish an eight-year path to citizenship for all unauthorized immigrants and an expedited three-year path to citizenship for Deferred Action for Childhood Arrivals (DACA) recipients, Temporary Protected Status (TPS) recipients, and H-2A farm workers, among other measures.

Because of repeated failure to pass broad regularization efforts in the past, members of Congress have introduced multiple standalone bills, in both the House and the Senate, offering piecemeal reform opportunities for unauthorized essential workers and recipients of the DACA program and TPS, among others.⁵

In this report, we present findings on the economic impacts of regularization and citizenship for four groups that are singled out in the main bills under consideration in Congress. These groups include:

1. **All unauthorized** workers
2. Unauthorized **essential** workers
3. Workers who have **DACA**
4. Workers with **TPS**

Our analysis of the economic impact of regularizing each of these four groups is presented in three parts: the 10-year cumulative gain from 2022 to 2031 in (1) GDP and (2) tax revenue (both in billions of dollars), and (3) the annual increase in the number of jobs created. For each part, we compare the economic impacts of providing a path to citizenship for each of the four groups.

METHODOLOGY

In this report, we compare five hypothetical scenarios of economic growth: one baseline scenario without regularization, and four scenarios based on current legislative proposals that would grant regularization and citizenship to different segments of unauthorized workers.

To calculate the baseline economic growth without regularization of unauthorized workers, we use the Congressional Budget Office’s (CBO) economic projections for the next 10 years (2022-2031).⁶ To estimate the impact of regularizing unauthorized workers currently living in the U.S. on GDP, tax revenue, and job creation, we first estimate the direct macroeconomic impact of productivity gains from regularization of immigrant labor. Second, we estimate the direct and indirect impact of increasing the income of these workers on GDP, employment, and taxes. We provide separate estimates for four immigrant categories: all unauthorized workers, unauthorized essential workers, unauthorized workers with DACA, and unauthorized workers with TPS.

Previous studies on the economic impacts of regularization of unauthorized workers have found that providing legal status and citizenship to unauthorized workers raises their income by 15 percent after obtaining legal status and by 25 percent after acquiring citizenship.⁷ Using these income increases, we estimated the new aggregated personal income of these workers. Based on this, we calculated the direct impact of higher personal income on GDP as well as the indirect impact from the additional economic activity catalyzed by the increased spending of these workers. We used an indirect spending multiplier of 1.2, which is consistent with multipliers used by the Center for American Progress (CAP), the CBO, and Moody’s Analytics in studies conducted to analyze the economic benefit of the 2013 immigration reform.⁸

To estimate the impact on tax revenue, we used the ratio of total taxes to GDP for the U.S. (25 percent) provided by the Organization for Economic Cooperation and Development (OECD), which we apply to the increase in GDP associated with increased labor income.⁹ To estimate the impact on employment, we assumed the creation of one job per each \$115,000 increase in GDP, as assumed by CAP.¹⁰ Table 1 provides a summary of the baseline data and assumptions for our model.

Table 1: Baseline Indicators for Estimates

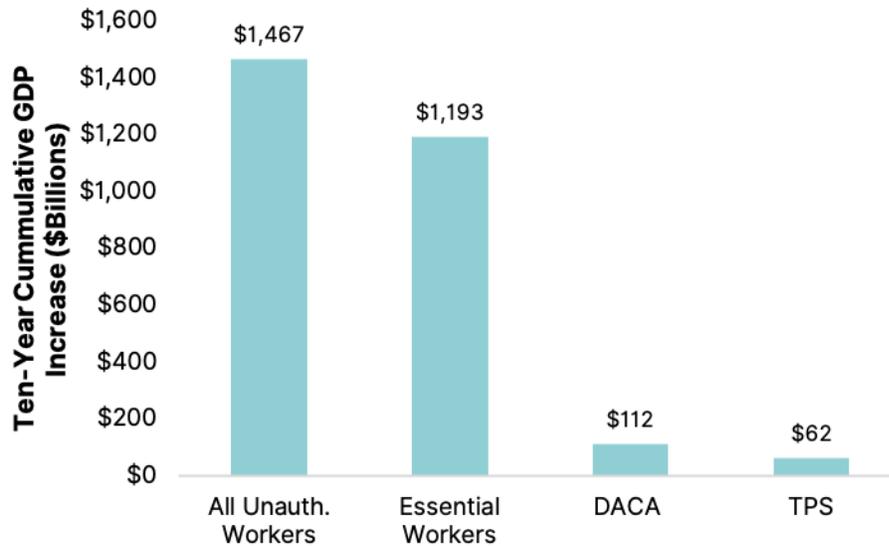
INDICATOR	VALUE
Nominal baseline GDP in 2020	\$20.9 trillion
Regularization income increase	15%
Citizenship income increase	25%
Indirect spending multiplier	1.2
Taxes as share of GDP	25%
Job creation	One per \$115,000 in GDP

RESULTS

TEN-YEAR CUMULATIVE INCREASE IN GDP

U.S. GDP would increase by a cumulative value of \$1.47 trillion over the next ten years if all the 7.8 million unauthorized workers currently living in the United States gain citizenship. Limiting regularization and a path to citizenship only to essential workers would generate a cumulative \$1.2 trillion increase in GDP over the first decade of implementation, which means foregoing \$274 billion in economic gains in this time span. Despite the important contributions DACA and TPS recipients make to the economy and their higher salaries compared to other unauthorized workers, limiting a path to citizenship only to these groups would forgo potential economic gains of full regularization (see figure 1).

Figure 1: Ten-Year Cumulative Gains in Gross Domestic Product (GDP) by Regularization Scenarios

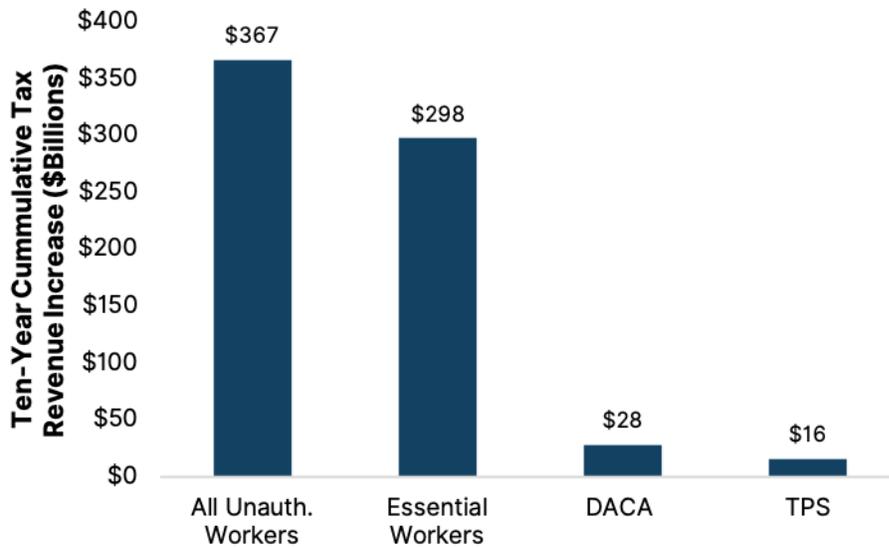


Notes: Models are run based on the following estimates of unauthorized workers: 7,804,000 unauthorized workers; 6,079,000 unauthorized essential workers; 414,000 Deferred Action for Childhood Arrivals (DACA) workers; and 256,000 Temporary Protected Status (TPS) workers. See appendix A2 for details on our estimates for each group. Sources: UCLA NAID Center estimates based on data from Current Population Survey (CPS), the Bureau of Economic Analysis, the Center for American Progress, and the Organization for Economic Cooperation and Development (OECD).

TEN-YEAR CUMULATIVE INCREASE IN TAX REVENUE

Providing a path to citizenship would also increase tax revenue. Increased earnings associated with regularization and citizenship would result in an additional \$367 billion in tax revenue cumulated over the first decade of implementation, if all unauthorized workers are included within the legislation. If immigration legislation limited earned citizenship only to essential workers, the U.S. government would forgo \$69 billion in 10-year cumulated tax revenue. Similar to the impact on cumulative GDP, focusing regularization only on DACA and TPS recipients severely decreases the opportunity to generate new tax revenue. Providing citizenship only to workers with DACA would generate only \$28 billion in extra tax revenue over 10 years, curtailing the tax gains of full regularization by \$339 billion. Focusing only on TPS workers would mean forgoing \$351 billion in potential tax revenue (see figure 2) over ten years, generating only \$16 billion.

Figure 2: Ten-Year Cumulative Gains in Tax Revenues by Regularization Scenarios



Notes: Models are run based on the following estimates of unauthorized workers: 7,804,000 unauthorized workers; 6,079,000 unauthorized essential workers; 414,000 Deferred Action for Childhood Arrivals (DACA) workers; and 256,000 Temporary Protected Status (TPS) workers. See appendix A2 for details on our estimates for each group. Sources: UCLA NAID Center estimates based on data from Current Population Survey (CPS), the Bureau of Economic Analysis, the Center for American Progress, and the Organization for Economic Cooperation and Development (OECD).

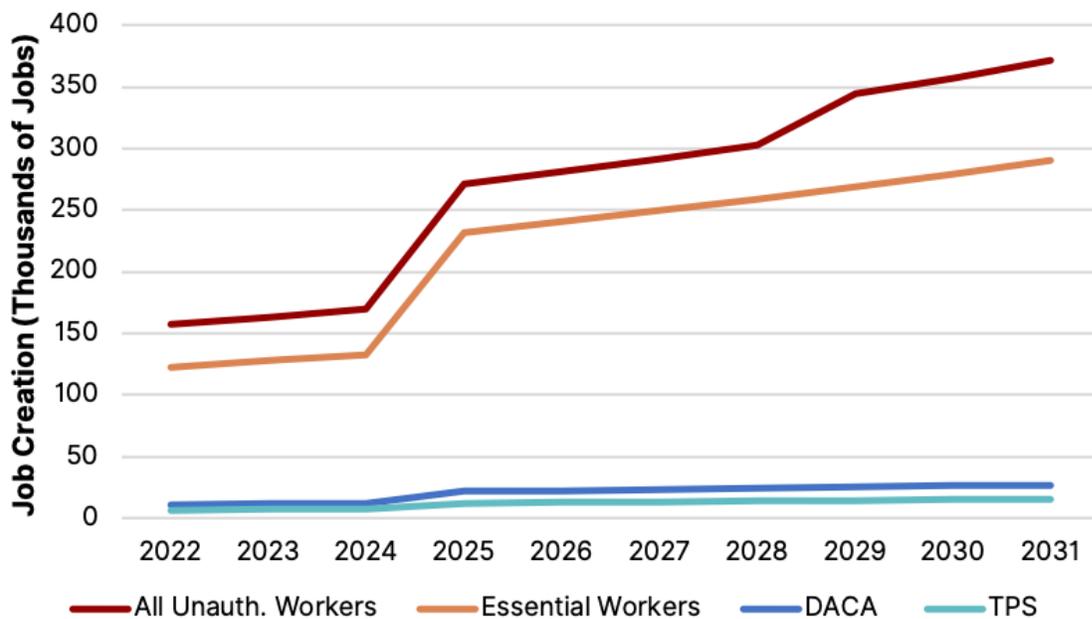
A Path to Prosperity: The Macroeconomic Benefits of Four Immigrant Regularization Scenarios

YEARLY INCREASE IN JOBS RESULTING FROM INCREASED WAGES AND PRODUCTIVITY

The anticipated increase in wages post-regularization would fuel further economic activity. Therefore, we estimated regularization-induced labor. We did not change the size of the immigrant labor force under any of the regularization scenarios examined here, but rather estimated the number of new jobs created as a consequence of regularization's impact on GDP. As mentioned above, we estimate that one new job is added for each \$115,000 increase in GDP.

If all unauthorized workers were to gain regularization and citizenship, their future economic activity would generate up to 371,000 additional jobs in 2031. If legislation only focuses on essential workers, however, only 290,000 new jobs would be generated that year. Limiting regularization and a path to citizenship only to DACA or TPS workers would add only 27,000 and 15,000 jobs, respectively—at the end of a decade, we could expect to gain only seven percent or four percent of jobs that legislation providing a path to citizenship for all unauthorized workers has the potential to create (see figure 3).

Figure 3: Yearly Gains in Jobs Resulting from Different Regularization Scenarios



Notes: Models are run based on the following estimates of unauthorized workers: 7,804,000 unauthorized workers; 6,079,000 essential unauthorized workers; 414,000 Deferred Action for Childhood Arrivals (DACA) workers; and 256,000 Temporary Protected Status (TPS) workers. See appendix A2 for details on our estimates for each group.

Sources: UCLA NAID Center estimates based on data from Current Population Survey (CPS), the Bureau of Economic Analysis, the Center for American Progress, and the Organization for Economic Cooperation and Development (OECD).

Overall, it is important to note that our estimates are conservative and indicate the minimum potential economic growth that would result from wage increases. Our analysis assumes that workers will remain in their current occupation and industry. However, regularization and citizenship for all unauthorized workers would also allow them to invest in education and training, start their own businesses, and invest in real estate and other financial instruments, all of which would further improve economic efficiency and output.

Additionally, our estimates do not include the projected flow of new immigrants and the resulting increased economic activity that would result from implementation of the proposed U.S. Citizenship Act of 2021. We could expect an additional cumulative \$957 billion within the first decade of implementation from a projected 700,000 new immigrants expected to enter and work in the country each year. Our current estimates should be viewed as floors—the potential economic impacts of the bill are likely to be much higher.¹¹

CONCLUSION

Providing all unauthorized workers with a path to citizenship has economic implications. Our economic analysis shows that regularizing all workers would bring about almost \$1.5 trillion in additional GDP, \$367 billion in tax revenue cumulated over ten years, and 371,000 new jobs at the end of the decade. Granting citizenship to smaller groups of unauthorized workers jeopardizes potential economic growth that is particularly needed now as the U.S. economy recovers from various pandemic-related shocks.

Our findings estimate economic benefits additional to the already high contributions of all immigrants both authorized and unauthorized. In a past report, we estimated that immigrants contribute over \$3 trillion to U.S. GDP, \$1 trillion of which are produced by unauthorized immigrants.¹²

Our estimates of the economic gains from immigration reform in 2021 are similar to analyses conducted during the 2013 discussion of comprehensive immigration reform. They consistently show that granting citizenship will benefit every American. Congress should consider the widespread economic benefits of immigration reform rather than focus only on issues of protecting the border (i.e. national security) and potentially deporting productive workers.

APPENDIX 1: IMMIGRATION LEGISLATION INTRODUCED IN THE 117TH CONGRESS, AS OF MARCH 17, 2021

TABLE A1: SUMMARY OF MAJOR IMMIGRATION LEGISLATION IN THE 117TH CONGRESS

LEGISLATION	POPULATION OF BENEFIT	DATE INTRODUCED	REGULARIZATION TIMELINE
<p><i>H.R. 1177 - U.S. Citizenship Act of 2021¹³</i></p>	<p>All unauthorized immigrants</p>	<p>Introduced in the House on February 18, 2021.</p>	<p>This bill would establish an eight-year path to citizenship for unauthorized immigrants. Unauthorized immigrants who arrived in the United States before January 1, 2021 would be able to apply for temporary legal status, with the ability to apply for green card status after five years. After three years, all green card holders could apply to become U.S. citizens. This bill would allow DREAMers, TPS recipients, and migrant farm workers to skip five years of provisional status and move directly into green card eligibility and seek citizenship after three years. It would also raise the per-country cap on legal family and employment immigration, while eliminating the three- and 10-year bars that prevent unauthorized immigrants from returning to the U.S. after deportation. The bill also eliminates the one-year deadline to file asylum claims. Finally, the U.S. Citizenship Act would expand anti-drug task force and southern border enforcement technology funding.</p> <p>Furthermore, this bill is expected to provide a method for authorized entrance to an estimated seven million new immigrants within the first decade of implementation and includes provisions intended to address the “root causes” of migration through foreign assistance to traditional sending countries (e.g. countries in Latin America) funded by U.S. taxpayers.¹⁴ Though these two topics are outside of the scope of this paper, a deep analysis of these components is provided within the technical report.¹⁵</p>
<p><i>S. 747 - Citizenship for Essential Workers Act¹⁶</i></p>	<p>Unauthorized essential workers</p>	<p>Introduced in the Senate on March 15, 2021.</p>	<p>Under this legislation, the following individuals would be eligible to adjust their immigration status and become permanent residents: all unauthorized people who work in a field deemed essential by the Department of Homeland Security, all unauthorized people who were working in essential fields but lost their employment as a result of the COVID-19 pandemic, and unauthorized relatives of an essential worker who lost their life due to COVID-19. This legislation would also remove the three- and 10-year bars to family reentry.</p>

APPENDIX 1: IMMIGRATION LEGISLATION INTRODUCED IN THE 117TH CONGRESS, AS OF MARCH 17, 2021

TABLE A1: SUMMARY OF MAJOR IMMIGRATION LEGISLATION IN THE 117TH CONGRESS

LEGISLATION	POPULATION OF BENEFIT	DATE INTRODUCED	REGULARIZATION TIMELINE
<i>S.264 - Dream Act of 2021¹⁷</i>	DACA recipients	Introduced in the Senate on February 4, 2021.	This bill establishes a pathway to citizenship for DREAMers by granting them conditional permanent resident status for eight years. After completing eight years, DACA recipients would be able to apply for a green card and citizenship. ¹⁸
<i>H.R. 6 - American Dream and Promise Act¹⁹</i>	DACA, TPS, and DED recipients	Passed the House on June 4, 2019 and was reintroduced in the Senate on March 3, 2021.	This bill grants 10-year conditional permanent resident status to TPS and Deferred Enforced Departure (DED) recipients who entered the United States as minors and establishes an expedited eight-year path to citizenship for DREAMers. However, unlike the Durbin-Graham DREAM Act, H.R.6 disqualifies immigrants who committed certain criminal offenses as children, such as alleged or actual gang affiliation or disposition in juvenile court matters. ²⁰

OTHER IMMIGRATION LEGISLATION INTRODUCED IN 117TH CONGRESS

<i>H.R. 1603 - Farm Workforce Modernization Act of 2021²¹</i>	Immigrant agricultural workers, their spouses, and minor children enrolled in the H-2A visa program	Reintroduced in the House on March 3, 2021.	Agricultural workers who have shown at least 180 days of agricultural employment over the last two years would become eligible for five-year renewable agriculture visas. Visa holders who work in agriculture at least 100 days each year would be eligible for visa renewal. Visa holders who have worked in agriculture in the U.S. for at least 10 years before enactment can apply for legal permanent resident (LPR) status if they work for an additional four years. Visa holders who have worked in agriculture for less than 10 years must work an additional eight years in agriculture before reaching LPR eligibility.
--	---	---	---

APPENDIX 2: NUMBER OF WORKERS BY IMMIGRATION STATUS

TABLE A2: NUMBER OF WORKERS BY IMMIGRATION STATUS

CLASSIFICATION AND STATUS	TOTAL WORKERS
All unauthorized	7,804,000
Unauthorized essential	6,079,000
DACA recipients	414,000
TPS recipients	256,000

Sources: NAID center analysis of 184 sector data for foreign born non-naturalized immigrants.

APPENDIX 3: ESTIMATES OF ECONOMIC IMPACTS OF REGULARIZATION AND CITIZENSHIP FOR WORKERS BY CLASSIFICATION AND STATUS

The tables presented below correspond to the one-, five- and 10-year economic impacts of regularizing each worker group currently in the United States. The one-year impact corresponds to 2022, the five-year impact corresponds to the expected cumulative increase in GDP and tax revenue and linear job growth from 2022 to 2026, and the 10-year impact corresponds to the expected cumulative increase in GDP and tax revenue and linear job growth from 2022 to 2031.

TABLE A3.1: ONE-, FIVE- AND 10-YEAR ECONOMIC IMPACT OF REGULARIZING ALL UNAUTHORIZED WORKERS CURRENTLY IN THE UNITED STATES

	ONE YEAR	FIVE YEARS	10 YEARS
Nominal GDP without regularization (\$ billions)	23,342	27,517	33,158
GDP gain by year (\$ billions)	85	152	201
Cumulative gain in GDP (\$ billions)	85	564	1,467
Cumulative tax revenue increase (\$ billions)	21	141	367
Additional jobs created by year (thousands)	157	281	371

Sources: Nominal GDP without regularization is estimated based on “An Overview of the Economic Outlook: 2021 to 2031,” from the Congressional Budget Office. Other values come from UCLA NAID Center estimates based on data from Current Population Survey (CPS).

TABLE A3.2: ONE-, FIVE- AND 10-YEAR ECONOMIC IMPACT OF REGULARIZING UNAUTHORIZED ESSENTIAL WORKERS CURRENTLY IN THE UNITED STATES

	ONE YEAR	FIVE YEARS	10 YEARS
Average wage per worker (\$)	32,161	37,914	45,686
GDP gain by year (\$ billions)	66	130	157
Cumulative gain in GDP (\$ billions)	66	463	1,193
Cumulative tax revenue increase (\$ billions)	17	116	298
Additional jobs created by year (thousands)	122	241	290

Sources: Nominal GDP without regularization is estimated based on “An Overview of the Economic Outlook: 2021 to 2031,” from the Congressional Budget Office. Other values come from UCLA NAID Center estimates based on data from Current Population Survey (CPS).

A Path to Prosperity: The Macroeconomic Benefits of Four Immigrant Regularization Scenarios

TABLE A3.3: ONE-, FIVE- AND 10-YEAR ECONOMIC IMPACT OF REGULARIZING WORKERS WITH DACA CURRENTLY IN THE UNITED STATES

TOTAL DACA	ONE YEAR	FIVE YEARS	10 YEARS
Average wage per worker (\$)	44,153	52,051	62,721
GDP gain by year (\$ billions)	6	12	15
Cumulative gain in GDP (\$ billions)	6	43	112
Cumulative tax revenue increase (\$ billions)	2	11	28
Additional jobs created by year (thousands)	11	22	27

Sources: Nominal GDP without regularization is estimated based on "An Overview of the Economic Outlook: 2021 to 2031," from the Congressional Budget Office. Other values come from UCLA NAID Center estimates based on data from Current Population Survey (CPS).

TABLE A3.4: ONE-, FIVE- AND 10-YEAR ECONOMIC IMPACT OF REGULARIZING WORKERS WITH TPS CURRENTLY IN THE UNITED STATES

TOTAL TPS	ONE YEAR	FIVE YEARS	10 YEARS
Average wage per worker (\$)	39,821	46,944	56,567
GDP gain by year (\$ billions)	3	7	8
Cumulative gain in GDP (\$ billions)	3	24	62
Cumulative tax revenue increase (\$ billions)	1	6	16
Additional jobs created by year (thousands)	6	13	15

Sources: Nominal GDP without regularization is estimated based on "An Overview of the Economic Outlook: 2021 to 2031," from the Congressional Budget Office. Other values come from UCLA NAID Center estimates based on data from Current Population Survey (CPS).

ENDNOTES

¹ In the executive summary, we round our estimates to the nearest decimal. For more exact estimates, see Appendix A3.

² For this report, we apply the U.S. average tax rate of 25% based on OECD estimates, [available online](#). Other studies have estimated a higher effective tax rate for undocumented workers based on total direct, indirect and induced taxes at the federal, state and local levels.

See: Raul Hinojosa-Ojeda, Sherman Robinson, Jaihui Zhang, Marcelo Pleitez, Julie Aguilar, Valentin Solis, Edward Telles, and Abel Valenzuela, *Essential but Disposable: Undocumented Workers and Their Mixed-Status Families* (Los Angeles: UCLA Latino Policy & Politics Initiative, North American Integration & Development Center, and Institute for Research on Labor and Employment, 2020), [available online](#).

Higher tax rates have also been calculated by New American Economy in “Immigrants and the economy in America” (2021), [available online](#).

³ Assuming the arrival of 700,000 authorized immigrants per year, we estimate the gains in GDP of new immigration to be \$957 billion accumulated over 10 years.

Raúl Hinojosa Ojeda, Sherman Robinson, Marcelo Pleitez, and Abel Valenzuela, *Research Technical Report on Pathways to Citizenship: The Economic Impact of Comprehensive and Inclusive Immigration Reform* (Los Angeles: North American Integration & Development Center, 2021), [available online](#).

⁴ The White House: Statements and Releases (Jan. 2021), “Fact Sheet: President Biden Sends Immigration Bill to Congress as Part of His Commitment to Modernize our Immigration System,” [available online](#).

⁵ For a detailed description of the major pieces of legislation introduced in Congress, see Appendix 1.

⁶ Congressional Budget Office (2021). “An Overview of the Economic Outlook: 2021 to 2031,” [available online](#).

⁷ Robert Lynch and Patrick Oakford (2013). “The Economic Effects of Granting Legal Status and Citizenship to Undocumented Immigrants,” Center for American Progress, [available online](#).

⁸ Raúl Hinojosa Ojeda, Sherman Robinson, Marcelo Pleitez, and Abel Valenzuela, *Research Technical Report on Pathways to Citizenship: The Economic Impact of Comprehensive and Inclusive Immigration Reform* (Los Angeles: North American Integration & Development Center, 2021), [available online](#).

⁹ OECD data (2020), “Tax revenue,” [available online](#).

¹⁰ Ibid.

¹¹ A deeper analysis of projected migration into the country, and resulting economic impacts is provided within our longer report.

¹² Raul Hinojosa Ojeda, Sherman Robinson, Rodrigo Domínguez-Villegas, Edward Telles, Abel Valenzuela, and Julie Aguilar, *Undocumented During COVID-19: Essential for the Economy but Excluded from Relief* (Los Angeles: UCLA Latino Policy & Politics Initiative, North American Integration & Development Center, and Institute for Research on Labor and Employment, 2020), [available online](#).

¹³ *U.S. Citizenship Act of 2021*, introduced in the House of Representatives, 117th Cong., 1st sess. (Feb. 18, 2021), [available online](#).

See also: *U.S. Citizenship Act of 2021*, introduced in the Senate, 117th Congress, 1st sess., [available online](#).

¹⁴ The White House: Statements and Releases (Jan. 2021), “Fact Sheet: President Biden Sends Immigration Bill to Congress as Part of His Commitment to Modernize our Immigration System,” [available online](#).

See also: Hannah Miao (Feb. 2021). “Democrats introduce sweeping immigration bill with 8-year pathway to citizenship,” CNBC, [available online](#).

A Path to Prosperity: The Macroeconomic Benefits of Four Immigrant Regularization Scenarios

¹⁵ Raúl Hinojosa Ojeda, Sherman Robinson, Marcelo Pleitez, and Abel Valenzuela, *Research Technical Report on Pathways to Citizenship: The Economic Impact of Comprehensive and Inclusive Immigration Reform* (Los Angeles: North American Integration & Development Center, 2021), [available online](#).

¹⁶ *Citizenship for Essential Workers Act*, S.747, 117th Cong., 1st sess. (March 15, 2021), [available online](#).
“The Citizenship for Essential Workers Act” (2021). Factsheet, [available online](#).

¹⁷ *Dream Act of 2021*, S. 264, 117th Cong., 1st sess. (Feb. 4, 2021), [available online](#).

¹⁸ “Dream Act of 2021: Priority Bill Spotlight” (Feb. 2021), fwd.us., [available online](#).

¹⁹ *American Dream and Promise Act of 2019*, H.R. 6, 116th Cong., 1st sess. (June 5, 2019), [available online](#).

²⁰ “US: ‘New’ Dream Act Not Full Reform: Omit Provisions Denying Benefits Based on Youth Offenses” (March 2021), Human Rights Watch, [available online](#).

²¹ *Farm Workforce Modernization Act of 2021*, H.R. 1603, 117th Congress, 1st sess., [available online](#).

See also: “Farm Workforce Modernization Act: Ensuring a Legal and Reliable Workforce for America’s Agriculture Industry,” United Fresh Produce Association, [available online](#).

UCLA

**Latino Policy &
Politics Initiative**

 **UCLAlatino**

 **UCLAlatino**

latino@luskin.ucla.edu

UCLA

**College | Social Sciences
Institute for Research
on Labor & Employment**



**NORTH AMERICAN INTEGRATION
& DEVELOPMENT CENTER**
UNIVERSITY OF CALIFORNIA LOS ANGELES