

**American DREAM:  
How the Development, Relief, and Education for Alien Minors Act  
Would Strengthen and Expand the American Middle Class**

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**Executive Summary**

The Development, Relief, and Education for Alien Minors Act (DREAM Act) is a bipartisan bill providing a path to citizenship to unauthorized immigrant students who entered the U.S. as children if they graduate from high school and attend college or serve in the military. The Drum Major Institute for Public Policy finds that the bill would boost the American middle class by:

- **Allowing unauthorized immigrant students to contribute more to the economic prosperity necessary to sustain a strong middle class.** Providing students with legal immigration status would enable them to access higher education, get higher paying jobs, and as a result pay more in taxes. A 30 year-old Mexican immigrant woman with a college degree will pay \$5,300 more in taxes and cost \$3,900 less in government expenses each year compared to a high school dropout with similar characteristics, according to the RAND Corporation.
- **Keeping unauthorized immigrants out of the underground economy, where they face exploitation that threatens to undermine the wages and working conditions of aspiring middle-class Americans.** Research suggests that unauthorized immigrant workers routinely face violations of minimum wage, overtime and workplace safety laws – and that the exploitation of immigrants goes hand-in-hand with an atmosphere in which citizens are also taken advantage of on the job.
- **Facilitating the economic integration of immigrant families.** The students affected by the legislation grew up in the United States, attended our schools, speak English, adopted American values and traditions, and know this country as their home. They often have siblings and other close relatives who are U.S. citizens. Continuing to marginalize these deeply rooted young people cuts a permanent segment of our population off from the American Dream.

In “Principles for an Immigration Policy to Strengthen and Expand the American Middle Class: 2009 Edition,” the Drum Major Institute (DMI) argues that providing a path to legal status for all unauthorized immigrants would benefit the middle class and Americans striving to earn a middle-class standard of living. Yet political realities may prevent timely passage of the immigration overhaul the nation needs. At minimum Congress must enact one of the aspects of immigration reform that has the most bipartisan support: allowing unauthorized immigrant students who migrated to the U.S. as children to further their education, get better jobs, and, as a result, pay more in taxes.

## **Introduction**

As the worst economic crisis since the Great Depression struck the nation, conservative critics were quick to blame immigrants for declining standards of living. Americans, however, rejected the impulse to scapegoat immigrants and instead expressed support for a legalization program that would bring unauthorized immigrant workers out of the shadows. Despite the economic crisis, 61 percent of Americans support immigration reform that would legalize unauthorized immigrants currently living in the country.<sup>1</sup>

Acknowledging that providing a path to citizenship to unauthorized immigrants would increase tax revenue and protect American workers from unfair competition from lower-paid and exploited unauthorized workers, the Obama administration has pledged to seek immigration reform this year.<sup>2</sup> As shown by the health care debate, however, partisanship has blocked meaningful action on major legislation. Congress is deeply polarized and in a state of paralysis. There is also an additional challenge: mid-term elections. Democrats have argued that the distractions and pressures of the mid-term elections would make it difficult for Congress to address immigration reform as candidates strive to avoid controversial issues.<sup>3</sup>

At minimum Congress must enact one of the aspects of immigration reform that has the most bipartisan support: allowing unauthorized immigrant students who migrated to the U.S. as children to further their education, get better jobs, and, as a result, pay more in taxes. The Development, Relief, and Education for Alien Minors Act (DREAM Act), is a bipartisan bill that would provide a path to citizenship to certain unauthorized immigrant students if they graduate from high school and attend college or serve in the military. The students who would be impacted by the legislation grew up in this country—many cannot remember living anywhere else. They attended U.S. schools, speak English, adopted American values and traditions, and know this country as their home. They are, in all aspects, Americans.

The DREAM Act has garnered bipartisan support since it was first introduced in 2001. It passed the Senate Judiciary Committee twice and in 2006 it was added as an amendment to immigration reform by a voice vote without dissent. In 2007, it came close to passing the Senate, in a 52-44 vote. Trent Lott, Larry Craig, Kay Hutchinson, Sam Brownback, and several other Republicans voted for it. Reintroduced in March 2009, the bill continues to attract support from both parties, and is backed by the House and Senate leadership and the President.<sup>4</sup> With this broad support, Congress and the administration can act on this bill and allow these students to strengthen our workforce, the economy, and the middle class.

Current immigration policy fails the middle class because it is disconnected from our nation's economic reliance on immigrant workers, and because the exploitation of unauthorized immigrant workers threatens to undermine wages and working conditions for current and aspiring middle-class Americans. Although providing a path to citizenship to unauthorized immigrant students would not bring all unauthorized immigrants out of the shadows, the DREAM Act would still benefit the middle class by integrating some unauthorized immigrants into our economy and society. Passing the DREAM Act would also help reframe the immigration debate in less divisive terms. As its track record shows, the DREAM Act has commanded strong bipartisan support for nine years and preserved its purpose, even in highly

polarizing times. The reason is clear. There is nothing controversial about its aim: allowing hardworking students to go to college and contribute to our economy and society. The DREAM Act could lighten the political lift for further immigration reform and fine-tune the processing mechanisms for a broader legalization program, establishing best practices worth replicating.

### **The Status Quo: Unauthorized Immigrant Youth in the Shadows**

Approximately 65,000 unauthorized immigrant students graduate from high school every year.<sup>5</sup> Among those who graduate are valedictorians, honors students, star athletes, and talented artists. These students were born abroad and migrated to the United States with their parents at an early age. Yet because their parents lack legal immigration status, immigrant children are destined to remain in the shadows and without a path to citizenship.

Living in fear of deportation as they go through elementary and middle school, unauthorized immigrant students realize that a college education is not an option in high school. Financial barriers prevent them from pursuing higher education. They are barred from applying to scholarships, financial aid, and working legally to pay for college. Knowing their financial, social, and legal barriers to educational and economic opportunities, unauthorized immigrant students have fewer incentives to graduate from high school. It is estimated that one-fifth to one-sixth of unauthorized immigrant students drop out every year.<sup>6</sup> Beyond that only 5 to 10 percent of those who graduate high school are able to enroll in college.<sup>7</sup> Even a college degree does not guarantee the opportunity to enter the legal workforce. Often students' only option is to join the underground workforce and, like their parents, become vulnerable to exploitation. Unauthorized students remain in the United States – it is their home – but they contribute far less to the nation's economy, culture, and society than they could.

### **An Overview of the DREAM Act**

Introduced for the first time in 2001, the DREAM Act is a bipartisan legislation that would allow unauthorized immigrant students who entered the United States as children before the age of 16, who have been living in the U.S. continuously for five years and who have been law-abiding and generally of good moral character, to apply to the Department of Homeland Security for conditional legal status. If they attend college or serve honorably in the U.S. military for at least two years, these young people would become eligible for legal permanent residency and ultimately citizenship.

The key elements of the DREAM Act are:

- Students who entered the country before 16 years of age, lived in the country continuously for five years, and have good moral character would qualify for six-year conditional immigration status upon high school graduation or GED certification. The Senate bill includes an additional requirement that the student be under age 35.
- Students granted the six-year temporary immigration status would have to complete two years of college education or military service before becoming eligible to apply for legal permanent status. Students who fail to maintain good moral character during the six-year period will not be eligible.

- The DREAM Act would repeal section 505 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), which discourages states from providing in-state tuition to students without immigration status. Despite section 505, ten states including Washington, New York, Oklahoma, Texas, California, Utah, Illinois, Kansas, New Mexico, and Nebraska have enacted laws allowing anyone, including students without immigration status, who attended and graduated from high school in the state to pay in-state rates at public colleges and universities.

In 2007, the DREAM Act was just 8 votes away from the sixty necessary to proceed with debate on the bill. The Senate voted 52-44 in favor, with Trent Lott, Larry Craig, Kay Hutchinson, Sam Brownback, and several other Republicans voting for it. Four Senators were absent for the vote, including Senators Edward Kennedy (D-MA), and John McCain (R-AZ).

The DREAM Act was reintroduced in the Senate and House of Representatives on March 26, 2009. Senators Dick Durbin (D-IL) and Richard Lugar (R-IN) introduced the bill S. 729 in the Senate. In the House of Representatives, a similar version of the bill (H.R. 1751) was introduced by Congressmen Howard Berman (D-CA), Lincoln Diaz-Balart (R-FL), and Lucille Roybal-Allard (D-CA). Currently, the DREAM Act continues to gain bipartisan support and enjoys the support from the House and Senate leadership and President Obama.

## **How the DREAM Act Would Strengthen and Expand the American Middle Class**

**The DREAM Act would allow unauthorized immigrant students to contribute more to the economic prosperity necessary to sustain a strong middle class.** Providing students with legal immigration status would enable them to access higher education, get higher paying jobs, and as a result pay more in taxes.

- A new study by UCLA professor Raúl Hinojosa-Ojeda indicates that providing a path to citizenship for unauthorized immigrants would raise wages, create jobs, increase consumption, and generate additional tax revenue. Based on the 1986 legalization program, immigrants who received legal status were able to get better jobs and higher wages. This study estimates that a broad legalization program would yield at least \$1.5 trillion in added U.S. gross domestic product over 10 years.<sup>8</sup> The DREAM Act could be expected to provide a percentage of these gains.
- The opportunity to attend college and work legally would encourage unauthorized immigrant students to stay in school, improving their earnings – and economic contributions -- further. Data analyzed by the College Board reveals that individuals, their families, and society as a whole benefit from higher levels of education.
- Workers who lacked a high school diploma in 2006 earned an average of only \$149 per week and had an unemployment rate of 6.8 percent, while those with a bachelor's degree earned \$962 per week and had an unemployment rate of 1.4 percent.<sup>9</sup>

- Beyond salaries, educated individuals are less likely to fall into poverty, and depend on the public safety net. In addition, higher levels of education are correlated with higher levels of civic participation.<sup>10</sup>
- A RAND study found that a 30 year-old Mexican immigrant woman with a college degree will pay \$5,300 more in taxes and cost \$3,900 less in government expenses each year compared to a high school dropout with similar characteristics.<sup>11</sup>

**The DREAM Act would keep unauthorized immigrant students from a future in the underground economy, where they face exploitation that threatens to undermine the wages and working conditions of aspiring middle-class Americans.**

- Without legal status, unauthorized immigrants have few options other than joining the underground workforce. Because employers can threaten them with deportation, unauthorized immigrant students are vulnerable to exploitation.
- New research suggests that unauthorized immigrant workers routinely face violations of violations of minimum wage, overtime and workplace safety laws – and that the exploitation of immigrants goes hand-in-hand with an atmosphere in which citizens are also taken advantage of on the job.<sup>12</sup>
- Immigration enforcement has even been used to undermine workers’ efforts to organize a union at work, frustrating the efforts of both immigrants and native-born citizens to improve their own wages and working conditions.<sup>13</sup>
- U.S.-born workers are left to either accept the same diminished wages and degraded working conditions as immigrants living under threat of deportation or be shut out of jobs where employers hire predominantly unauthorized immigrants.
- Legalizing the immigration status of these students would even the playing field for native-born and foreign workers, protecting American workers from unfair competition from exploited unauthorized workers, especially during the economic downturn.

**The DREAM Act would expand the middle class and facilitate the economic integration of immigrant families**

- A college education has become a must for anyone who aspires to a middle-class standard of living. According to the U.S Department of Labor, 90 percent of new high-growth, high wage jobs will require some level of postsecondary education. The DREAM Act would allow these students to further their education and attain a middle-class standard of living.
- Beyond improving their own individual social and economic conditions, a path to citizenship for these students will facilitate a pathway to a middle-class standard of living for their entire family. The students affected by the legislation grew up in the United

States, attended our schools, speak English, adopted American values and traditions, and know this country as their home. They often have siblings and other close relatives who are U.S. citizens. Nevertheless, their households cannot fully integrate into our economy as long as young people cannot work legally, buy a house or open a business.

- When a child in the family attains immigration status, she/he is able to access economic opportunities that were not available before. Consider the typical story of someone like Veronica, whom I met in DREAM Act advocacy circles. She grew up here without legal status, but was able to attain immigration status in her early twenties and finish college. Although Veronica's parents remain in the country illegally, she is now helping them financially. She has a job with a decent salary and was able to help her parents buy their first house.<sup>14</sup>
- Continuing to marginalize these deeply rooted young people cuts a permanent segment of our population off from the American Dream, threatening to create a lost generation of uneducated people unable to attain a middle-class standard of living.

## Conclusion

The DREAM Act would strengthen our economy, workforce, and expand the middle class. Providing students without immigration status a path to citizenship would allow them to pursue higher education, join the legal workforce, and pay more taxes. Equipped with high skills, these students would add educated workers to our workforce. In addition, the DREAM Act would facilitate the economic integration of entire families by enabling educated children to serve as gateways to a middle-class standard of living.

Without access to higher education, the economic advancement and full integration of these young people is less likely. Failure to provide a path to citizenship for unauthorized immigrant students will result in a growing generation of uneducated workers, hurting our economy and threatening our future. The country should not have to accept a lost generation of uneducated youth in an underground economy with little chance for advancement, consigned to the margins of American society.

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<sup>1</sup> Washington Post-ABC News Poll (April 2009) [http://washingtonpost.com/wp-srv/politics/polls/postpoll\\_042609.html](http://washingtonpost.com/wp-srv/politics/polls/postpoll_042609.html)

<sup>2</sup> "White House Plan on Immigration Includes Legal Status," The New York Times, November 13, 2009.

<sup>3</sup> "Over 100 Democrats Push Obama on Immigration Reform," New America Media, October 27, 2009.

<sup>4</sup> "Transcript: Democratic Debate in Austin, Texas," The New York Times, February 21, 2008.

<sup>5</sup> Jeffrey S. Passel, "Further Demographic Information Relating to the DREAM Act," The Urban Institute, (2003)

<sup>6</sup> *ibid*

<sup>7</sup> *ibid*

<sup>8</sup> Dr. Raúl Hinojosa-Ojeda, "Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform," Center for American Progress, Immigration Policy Center, (2010)

<sup>9</sup> Bureau of Labor Statistics, "Spotlight on Statistics: Back to School" (2007), [http://www.bls.gov/spotlight/2007/back\\_to\\_school/data.htm#table1](http://www.bls.gov/spotlight/2007/back_to_school/data.htm#table1)

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<sup>10</sup> Sandy Baum & Jennifer Ma, “Education Pays: The Benefits of Higher Education for Individuals & Society,” The College Board, (2007)

<sup>11</sup> Georges Vernez, Richard A. Krop, and C. Peter Rydell, “Closing the Education Gap: Benefits and Costs” RAND Corporation (1999)

<sup>12</sup> Annette Bernhardt et. al. “Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities,” University of Illinois-Chicago, University of California-Los Angeles, National Employment Law Project (2009).

<sup>13</sup> Rebecca Smith, et. al. “ICED OUT: How Immigration Enforcement Has Interfered with Workers’ Rights,” American Rights at Work, AFL-CIO, National Employment Law Project (2009).=

<sup>14</sup> Veronica Gomez. Personal interview, August 2009.