

# The Effect of DACA Eligibility on Full-Time Employment Among Mexican-Born Non-Citizens in the United States: A Difference-in-Differences Analysis

Replication Study

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## **Abstract**

This study examines the causal impact of eligibility for the Deferred Action for Childhood Arrivals (DACA) program on full-time employment among ethnically Hispanic-Mexican, Mexican-born non-citizens in the United States. Using data from the American Community Survey (2008–2016) and a difference-in-differences identification strategy, I find that DACA eligibility increased the probability of full-time employment by approximately 2.6 percentage points (95% CI: 1.7 to 3.5 percentage points). This effect is statistically significant and robust to various specifications including demographic controls, state fixed effects, and year fixed effects. Event study analysis confirms parallel pre-trends and shows effects emerging in 2013 and strengthening through 2016.

# Contents

<b>1</b>	<b>Introduction</b>	<b>4</b>
<b>2</b>	<b>Background</b>	<b>4</b>
2.1	The DACA Program . . . . .	4
2.1.1	Eligibility Criteria . . . . .	5
2.1.2	Program Implementation . . . . .	5
2.2	Theoretical Mechanisms . . . . .	5
2.3	Expected Effects . . . . .	6
<b>3</b>	<b>Data</b>	<b>7</b>
3.1	Data Source . . . . .	7
3.2	Sample Selection . . . . .	7
3.3	Key Variables . . . . .	7
3.3.1	Outcome Variable: Full-Time Employment . . . . .	7
3.3.2	Treatment Variable: DACA Eligibility . . . . .	8
3.3.3	Control Variables . . . . .	8
3.4	Sample Description . . . . .	8
<b>4</b>	<b>Empirical Strategy</b>	<b>9</b>
4.1	Difference-in-Differences Design . . . . .	9
4.2	Identification Assumption . . . . .	10
4.3	Event Study Design . . . . .	10
4.4	Threats to Identification . . . . .	11
4.4.1	Differential Trends by Age . . . . .	11
4.4.2	Selection into Non-Citizenship . . . . .	11
4.4.3	Measurement Error in Eligibility . . . . .	11
4.4.4	Spillover Effects . . . . .	11
4.5	Standard Error Estimation . . . . .	12
<b>5</b>	<b>Results</b>	<b>12</b>
5.1	Main Results . . . . .	12
5.2	Event Study Results . . . . .	14
5.3	Robustness Checks . . . . .	14
5.3.1	Alternative Outcome: Employment . . . . .	15
5.3.2	Restricted Age Range . . . . .	15
5.3.3	Heterogeneity by Gender . . . . .	15

<b>6 Discussion</b>	<b>16</b>
6.1 Summary of Findings . . . . .	16
6.2 Interpretation . . . . .	16
6.3 Limitations . . . . .	16
6.4 Comparison to Prior Literature . . . . .	17
6.5 Policy Implications . . . . .	18
<b>7 Conclusion</b>	<b>18</b>
7.1 Summary of Key Findings . . . . .	18
7.2 Policy Implications . . . . .	19
7.3 Future Research Directions . . . . .	20
<b>A Variable Definitions</b>	<b>21</b>
<b>B Full-Time Employment Trends by Year</b>	<b>21</b>
<b>C Regression Output Details</b>	<b>21</b>
C.1 Model 1: Basic DiD . . . . .	21
C.2 Model 4: DiD with Year and State FE (Preferred) . . . . .	22
<b>D Sample Selection Details</b>	<b>23</b>

# 1 Introduction

The Deferred Action for Childhood Arrivals (DACA) program, implemented on June 15, 2012, represents one of the most significant immigration policy changes in recent U.S. history. The program granted temporary relief from deportation and work authorization to undocumented immigrants who arrived in the United States as children and met specific eligibility criteria. Given that DACA provides recipients with legal work authorization, a natural question arises: did DACA eligibility increase employment outcomes among those eligible?

This study addresses the following research question: Among ethnically Hispanic-Mexican, Mexican-born people living in the United States, what was the causal impact of eligibility for DACA on the probability of full-time employment (defined as usually working 35 or more hours per week)? I focus on the effects during the years 2013–2016, the initial years following DACA implementation.

Understanding the labor market effects of DACA is important for several reasons. First, DACA provided recipients with legal work authorization, potentially allowing them to transition from informal to formal employment and access better job opportunities. Second, the program may have affected employment through channels beyond direct authorization, such as increased human capital investment, reduced labor market discrimination, or changes in employer behavior. Third, policy debates about DACA and similar programs often center on their economic impacts, making rigorous empirical evidence essential.

I employ a difference-in-differences (DiD) identification strategy, comparing employment outcomes between DACA-eligible and non-eligible Mexican-born non-citizens before and after the program’s implementation. The key identifying assumption is that, absent DACA, employment trends would have evolved similarly for both groups. I assess this assumption through event study analysis examining pre-trends.

# 2 Background

## 2.1 The DACA Program

DACA was enacted by the U.S. federal government on June 15, 2012, through executive action. The program allowed qualifying undocumented immigrants to apply for and obtain authorization to work legally for two years without fear of deportation. After the initial two-year period, recipients could reapply for renewal.

### **2.1.1 Eligibility Criteria**

To qualify for DACA, individuals must have:

1. Arrived in the United States before their 16th birthday
2. Not yet had their 31st birthday as of June 15, 2012 (i.e., born after June 15, 1981)
3. Lived continuously in the United States since June 15, 2007
4. Been present in the United States on June 15, 2012 without lawful status (citizenship or legal residency)
5. Had no lawful immigration status at the time of application

### **2.1.2 Program Implementation**

Applications for DACA began to be accepted on August 15, 2012. In the first four years of the program, nearly 900,000 initial applications were received, with approximately 90% approved. While the program was not specific to any national origin, the structure of undocumented immigration to the United States meant that the great majority of eligible individuals were from Mexico.

## **2.2 Theoretical Mechanisms**

DACA eligibility could affect employment through several channels:

1. **Legal Work Authorization:** The most direct mechanism is that DACA provides recipients with Employment Authorization Documents (EADs), allowing them to work legally in the formal sector. Before DACA, undocumented workers were limited to informal sector employment or employers willing to hire workers without proper documentation. With an EAD, recipients can access jobs that require employment verification (I-9 forms), expanding their set of potential employers substantially.
2. **Reduced Employment Barriers:** Beyond legal authorization, DACA recipients can obtain driver's licenses and other identification in many states, reducing practical barriers to employment. Transportation access is particularly important for full-time employment, as it expands the geographic radius within which individuals can seek work and enables commuting to jobs that may not be accessible by public transit.

3. **Improved Job Matching:** With legal work authorization, DACA recipients may be able to pursue jobs better matched to their skills, potentially increasing hours worked. Before DACA, skilled individuals might have been confined to jobs below their qualification level due to documentation requirements. With legal status, they can pursue positions commensurate with their abilities.
4. **Reduced Exploitation:** Legal status may reduce vulnerability to exploitation and allow workers to negotiate for better working conditions, including full-time hours. Undocumented workers often lack recourse when employers violate labor laws, making them vulnerable to wage theft, unsafe conditions, and limited hours. DACA recipients can more effectively assert their rights.
5. **Human Capital Investment:** The security provided by DACA may encourage investments in education and training that improve labor market outcomes. The reduced threat of deportation and two-year renewable authorization creates a more stable planning horizon, potentially encouraging enrollment in degree programs or vocational training.
6. **Employer Behavior:** DACA may affect employer behavior as well. Employers who previously avoided hiring undocumented workers due to legal concerns may become more willing to hire DACA recipients who have work authorization. This expanded demand for their labor could increase employment opportunities.

### 2.3 Expected Effects

Based on these theoretical mechanisms, we would expect DACA eligibility to increase employment and particularly full-time employment among eligible individuals. The magnitude of effects might depend on several factors:

- The extent to which eligible individuals apply for and receive DACA
- Local labor market conditions and employer attitudes
- The baseline level of informal employment among the eligible population
- State-level policies regarding driver's licenses and other identification for immigrants

We might also expect effects to grow over time as more individuals receive DACA and as recipients accumulate formal sector experience.

## 3 Data

### 3.1 Data Source

I use data from the American Community Survey (ACS) as provided by IPUMS USA. The ACS is a nationally representative survey conducted annually by the U.S. Census Bureau. I use the one-year ACS samples from 2006 through 2016, which provide detailed information on demographics, immigration status, and labor market outcomes.

For the main analysis, I focus on the years 2008–2016, excluding 2012 as it represents a transition year during which DACA was implemented mid-year. This yields a clean pre-period (2008–2011) and post-period (2013–2016) for the difference-in-differences analysis.

### 3.2 Sample Selection

The sample is restricted to individuals who are:

1. Ethnically Hispanic-Mexican (HISPAN = 1, indicating Mexican Hispanic origin)
2. Born in Mexico (BPL = 200)
3. Non-citizens (CITIZEN = 3)
4. Of working age (16–64 years old)

The focus on Mexican-born Hispanic non-citizens reflects both the research question's focus on this population and the empirical reality that the vast majority of DACA-eligible individuals come from Mexico.

The restriction to non-citizens is important for identification. Since the ACS does not distinguish between documented and undocumented non-citizens, I follow the common practice of assuming that Mexican-born non-citizens who have not received immigration papers are likely undocumented for DACA purposes. This introduces some measurement error, as some non-citizens may hold temporary legal status, but this conservative approach likely attenuates the estimated effects.

### 3.3 Key Variables

#### 3.3.1 Outcome Variable: Full-Time Employment

The primary outcome is full-time employment, defined as usually working 35 or more hours per week. This is constructed from the UHRSWORK variable, which reports usual hours worked per week. The outcome variable takes value 1 if  $\text{UHRSWORK} \geq 35$  and 0 otherwise.

I also examine overall employment ( $\text{EMPSTAT} = 1$ , indicating employed) as a secondary outcome.

### 3.3.2 Treatment Variable: DACA Eligibility

DACA eligibility is constructed based on the criteria described above:

1. **Age at arrival:** Using  $\text{YRIMMIG}$  (year of immigration) and  $\text{BIRTHYR}$  (birth year), I compute age at arrival and require arrival before age 16.
2. **Continuous presence:** I require  $\text{YRIMMIG} \leq 2007$  to satisfy the continuous presence requirement as of 2012.
3. **Age requirement:** I require birth after June 15, 1981. Since exact birth date is unavailable, I use  $\text{BIRTHYR} \geq 1982$  or ( $\text{BIRTHYR} = 1981$  and  $\text{BIRTHQTR} \in \{3, 4\}$ ), where birth quarters 3 and 4 correspond to July–September and October–December respectively.

An individual is coded as DACA-eligible if all three criteria are met.

### 3.3.3 Control Variables

I include the following control variables:

- Age and age squared (to capture nonlinear life-cycle effects)
- Sex (female indicator)
- Marital status (married indicator, based on  $\text{MARST}$ )
- State fixed effects (based on  $\text{STATEFIP}$ )
- Year fixed effects

## 3.4 Sample Description

Table 1 presents summary statistics for the analysis sample by DACA eligibility and time period.

Table 1: Summary Statistics by DACA Eligibility and Time Period

Variable	Pre-DACA (2008–2011)		Post-DACA (2013–2016)	
	Not Eligible	Eligible	Not Eligible	Eligible
Full-time employed	0.602	0.444	0.601	0.522
Employed	0.675	0.537	0.685	0.638
Age	38.0	21.8	41.1	24.4
Female	0.458	0.447	0.471	0.455
Married	0.616	0.238	0.625	0.292
Observations	198,905	32,221	179,407	36,271

Notes: Sample consists of Mexican-born, Hispanic-Mexican, non-citizen individuals aged 16–64 from the American Community Survey (2008–2011, 2013–2016). Full-time employed is defined as usually working 35+ hours per week. Statistics are weighted using person weights (PERWT).

Several patterns emerge from Table 1. First, DACA-eligible individuals are substantially younger than non-eligible individuals, reflecting the age-based eligibility criteria. Second, full-time employment rates are lower for DACA-eligible individuals in the pre-period (44.4% vs 60.2%), which largely reflects the age difference. Third, full-time employment increased more for DACA-eligible individuals between the pre- and post-periods (from 44.4% to 52.2%) compared to non-eligible individuals (essentially unchanged at 60.1–60.2%).

The total analysis sample includes 446,804 person-year observations, with 68,492 observations for DACA-eligible individuals and 378,312 for non-eligible individuals.

## 4 Empirical Strategy

### 4.1 Difference-in-Differences Design

I employ a difference-in-differences (DiD) identification strategy to estimate the causal effect of DACA eligibility on full-time employment. The basic DiD model is:

$$Y_{ist} = \alpha + \beta_1 \text{Eligible}_i + \beta_2 \text{Post}_t + \beta_3 (\text{Eligible}_i \times \text{Post}_t) + \epsilon_{ist} \quad (1)$$

where  $Y_{ist}$  is the full-time employment indicator for individual  $i$  in state  $s$  at time  $t$ ,  $\text{Eligible}_i$  indicates DACA eligibility, and  $\text{Post}_t$  indicates the post-DACA period (2013–2016). The coefficient of interest is  $\beta_3$ , which captures the differential change in full-time employment for DACA-eligible individuals relative to non-eligible individuals after DACA implementation.

The preferred specification includes demographic controls and fixed effects:

$$Y_{ist} = \alpha + \beta_3(\text{Eligible}_i \times \text{Post}_t) + X'_i \gamma + \lambda_s + \theta_t + \epsilon_{ist} \quad (2)$$

where  $X_i$  includes age, age squared, gender, and marital status;  $\lambda_s$  are state fixed effects; and  $\theta_t$  are year fixed effects. Note that with year fixed effects, the main  $\text{Post}_t$  effect is absorbed, and with the DACA eligibility criteria being time-invariant conditional on age, the main  $\text{Eligible}_i$  effect captures the average eligibility difference controlling for age.

All regressions use survey weights (PERWT) and heteroskedasticity-robust standard errors.

## 4.2 Identification Assumption

The key identifying assumption is the parallel trends assumption: absent DACA, full-time employment trends would have evolved similarly for DACA-eligible and non-eligible individuals. This assumption is not directly testable, but I assess its plausibility by:

1. Examining pre-period trends through an event study design
2. Controlling for demographic characteristics that might differentially affect trends
3. Including state and year fixed effects to account for location-specific and time-varying factors

## 4.3 Event Study Design

To examine pre-trends and the dynamic effects of DACA, I estimate an event study specification:

$$Y_{ist} = \alpha + \sum_{k \neq 2011} \gamma_k (\text{Eligible}_i \times \mathbf{1}[\text{Year}_t = k]) + X'_i \beta + \lambda_s + \theta_t + \epsilon_{ist} \quad (3)$$

where the  $\gamma_k$  coefficients capture the differential employment for DACA-eligible individuals in each year relative to 2011, the last pre-treatment year. Under the parallel trends assumption, we expect  $\gamma_k \approx 0$  for pre-treatment years (2008–2010) and potentially non-zero for post-treatment years (2013–2016).

The event study design serves two important purposes. First, it provides a direct test of the parallel trends assumption by examining whether treatment and control groups exhibited similar trends in the pre-period. If the pre-treatment  $\gamma_k$  coefficients are close to zero and statistically insignificant, this supports the identifying assumption. Second, the event study

reveals the dynamic pattern of treatment effects, showing how effects evolve over time after policy implementation.

## 4.4 Threats to Identification

Several potential threats to identification should be considered:

### 4.4.1 Differential Trends by Age

Since DACA eligibility is partly determined by age, treatment and control groups differ systematically in age composition. If employment trends differ by age cohort—for example, due to the Great Recession affecting younger workers differently—this could bias the DiD estimate. I address this by controlling flexibly for age (including age and age squared) and by examining pre-trends in the event study.

### 4.4.2 Selection into Non-Citizenship

The control group consists of non-citizen Mexican-born individuals who are not DACA-eligible, primarily because they arrived at older ages or after 2007. If selection into continued non-citizenship differs between treatment and control groups, this could confound the analysis. For example, individuals who arrived at younger ages may be more likely to naturalize, leaving those who remain non-citizens as a potentially different population.

### 4.4.3 Measurement Error in Eligibility

Since DACA status is not directly observed in the ACS, I construct eligibility based on observable criteria. This introduces measurement error in two directions: some individuals coded as eligible may not have applied for or received DACA, and some individuals coded as non-eligible may have actually received DACA (e.g., if immigration year is misreported). This measurement error likely attenuates the estimated effects toward zero, making the estimates conservative.

### 4.4.4 Spillover Effects

If DACA affects the labor market opportunities of non-eligible individuals (e.g., through competition or employer substitution), this could bias the DiD estimate. The direction of bias is ambiguous: if DACA recipients compete with non-eligible workers, control group employment might decrease, inflating the DiD estimate; if complementarities exist, the opposite could occur.

## **4.5 Standard Error Estimation**

I estimate heteroskedasticity-robust standard errors (Huber-White HC1 standard errors) for all regressions. This addresses potential heteroskedasticity in the error term. An alternative approach would be to cluster standard errors at the state level to account for within-state correlation; however, given the large sample sizes within each state, robust standard errors should provide adequate inference.

# **5 Results**

## **5.1 Main Results**

Table 2 presents the main difference-in-differences results for the effect of DACA eligibility on full-time employment.

Table 2: Effect of DACA Eligibility on Full-Time Employment

	(1) Basic DiD	(2) + Controls	(3) + State FE	(4) + Year FE
DACA Eligible × Post	0.0788*** (0.0050)	0.0299*** (0.0046)	0.0296*** (0.0046)	0.0258*** (0.0046)
DACA Eligible	-0.1575*** (0.0036)	-0.0102** (0.0040)	-0.0123*** (0.0040)	-0.0124*** (0.0040)
Post	-0.0009 (0.0019)	0.0038** (0.0017)	0.0039** (0.0017)	-
Age		0.0467*** (0.0005)	0.0464*** (0.0005)	0.0464*** (0.0005)
Age <sup>2</sup>		-0.0006*** (0.0000)	-0.0006*** (0.0000)	-0.0006*** (0.0000)
Female		-0.4244*** (0.0016)	-0.4241*** (0.0016)	-0.4241*** (0.0016)
Married		-0.0346*** (0.0017)	-0.0373*** (0.0017)	-0.0375*** (0.0017)
State Fixed Effects	No	No	Yes	Yes
Year Fixed Effects	No	No	No	Yes
Observations	446,804	446,804	446,804	446,804

Notes: Robust standard errors in parentheses. All regressions weighted by person weights (PERWT). \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Sample consists of Mexican-born, Hispanic-Mexican, non-citizen individuals aged 16–64 from the ACS (2008–2011, 2013–2016), excluding 2012.

Column (1) presents the basic DiD estimate without controls. The coefficient of 0.079 suggests that DACA eligibility increased full-time employment by about 7.9 percentage points. However, this estimate does not account for the substantial age differences between eligible and non-eligible groups.

Column (2) adds demographic controls (age, age squared, gender, and marital status). The DiD coefficient drops to 0.030, indicating that much of the raw differential change was driven by age-related differences in employment trends. This controlled estimate suggests a 3.0 percentage point increase in full-time employment.

Column (3) adds state fixed effects, with essentially unchanged results (0.030). Column (4), the preferred specification, adds year fixed effects. The estimated effect is 2.6 percentage points (SE = 0.0046, 95% CI: [0.017, 0.035]), which is statistically significant at the 1% level.

**Interpretation:** The preferred estimate indicates that DACA eligibility increased the probability of full-time employment by 2.6 percentage points among Mexican-born, Hispanic-

Mexican non-citizens. Relative to the pre-period mean full-time employment rate of 44.4% for DACA-eligible individuals, this represents a 5.8% increase. This effect is economically meaningful and statistically robust.

## 5.2 Event Study Results

Figure ?? presents the event study results, plotting the coefficients on the interaction between DACA eligibility and year indicators (relative to 2011).

Table 3: Event Study Estimates

Year (relative to 2011)	Coefficient	Standard Error
2008	-0.0002	(0.0095)
2009	0.0074	(0.0094)
2010	0.0100	(0.0092)
2011	[Reference]	-
2013	0.0132	(0.0091)
2014	0.0245***	(0.0092)
2015	0.0409***	(0.0091)
2016	0.0428***	(0.0093)

Notes: Coefficients from event study regression including age, age squared, female, married, state fixed effects, and year fixed effects. Robust standard errors in parentheses. \*\*\* p<0.01.

The event study results support the parallel trends assumption. The pre-treatment coefficients for 2008, 2009, and 2010 are all small in magnitude and statistically indistinguishable from zero, suggesting that full-time employment trends were similar for DACA-eligible and non-eligible individuals before the program.

The post-treatment coefficients show a pattern of increasing effects over time. The coefficient is small and not statistically significant in 2013 (0.013), but becomes larger and statistically significant in 2014 (0.025), 2015 (0.041), and 2016 (0.043). This pattern is consistent with a treatment effect that builds over time as more DACA-eligible individuals apply for and receive work authorization.

## 5.3 Robustness Checks

Table 4 presents results from several robustness checks.

Table 4: Robustness Checks

Specification	DiD Coefficient	Standard Error
<i>Main specification (full-time employment)</i>	0.0258***	(0.0046)
<i>Alternative outcomes:</i>		
Employment (any)	0.0406***	(0.0046)
<i>Sample restrictions:</i>		
Ages 18–45 only	0.0180***	(0.0051)
<i>Subgroup analysis:</i>		
Males only	0.0169***	(0.0061)
Females only	0.0290***	(0.0069)

Notes: All specifications include age, age squared, female (where applicable), married, state fixed effects, and year fixed effects. Robust standard errors in parentheses. \*\*\* p<0.01.

### 5.3.1 Alternative Outcome: Employment

When using employment (any work) as the outcome instead of full-time employment, the estimated effect is 4.1 percentage points, larger than the full-time employment effect. This suggests that DACA eligibility increased both extensive margin (whether working at all) and intensive margin (hours worked) outcomes.

### 5.3.2 Restricted Age Range

Restricting the sample to ages 18–45 (to improve comparability between treatment and control groups) yields an estimate of 1.8 percentage points. While smaller than the main estimate, this remains statistically significant and suggests robust effects.

### 5.3.3 Heterogeneity by Gender

The effect is positive and significant for both males (1.7 percentage points) and females (2.9 percentage points). The larger effect for females may reflect that women faced greater barriers to formal employment that DACA helped overcome, or may reflect compositional differences in the types of jobs held.

## 6 Discussion

### 6.1 Summary of Findings

This study provides evidence that DACA eligibility causally increased full-time employment among Mexican-born, Hispanic-Mexican non-citizens in the United States. The preferred estimate indicates an increase of approximately 2.6 percentage points in the probability of full-time employment. This effect is statistically significant, robust to various specifications, and supported by event study evidence showing parallel pre-trends and effects that emerge after DACA implementation.

### 6.2 Interpretation

The estimated 2.6 percentage point increase in full-time employment represents a meaningful effect. Relative to the pre-period full-time employment rate of 44.4% for DACA-eligible individuals, this corresponds to a 5.8% increase. The effect on overall employment (4.1 percentage points) is even larger, suggesting that DACA increased both whether individuals worked and how much they worked.

The increasing magnitude of effects over time (from 1.3 pp in 2013 to 4.3 pp in 2016) is consistent with several mechanisms:

- Gradual take-up of DACA as more eligible individuals applied
- Time needed for recipients to transition from informal to formal employment
- Accumulating benefits as DACA recipients gained experience in formal sector jobs

### 6.3 Limitations

Several limitations should be noted:

1. **Measurement of eligibility:** I cannot directly observe DACA status in the ACS, only eligibility based on observable criteria. Some individuals coded as eligible may not have applied for or received DACA, leading to an intent-to-treat interpretation of the estimates. According to external data, DACA take-up rates were approximately 50-60% among eligible individuals, suggesting that the treatment-on-treated effect could be roughly twice as large as the intent-to-treat effect estimated here.
2. **Measurement of documentation status:** The ACS does not distinguish documented from undocumented non-citizens. My assumption that non-citizen Mexican-born individuals without naturalization are undocumented may include some with

temporary legal status (such as H-1B or student visas). Including documented non-citizens in the sample would attenuate estimated effects if these individuals have better baseline employment outcomes.

3. **Control group selection:** Using non-eligible Mexican-born non-citizens as the control group means comparing individuals of quite different ages. While I control for age flexibly, there may be residual concerns about differential trends by age cohort. The Great Recession of 2008-2009 may have affected different age groups differently, potentially confounding pre-trends.
4. **Generalizability:** The focus on Mexican-born individuals, while representing the majority of DACA-eligible population, may not generalize to DACA-eligible individuals from other countries. Mexican-born individuals may face different labor market conditions, discrimination patterns, or have different occupational distributions than immigrants from other regions.
5. **Cross-sectional data:** The ACS is a repeated cross-section, not a panel, so I cannot track the same individuals over time. This means I cannot account for individual fixed effects or observe individual-level transitions in employment status.
6. **Outcome measurement:** The UHRSWORK variable measures “usual” hours worked, which may differ from actual hours in a given week. Additionally, this measure includes both formal and informal employment, so some effects may come from transitions within employment rather than into employment.

## 6.4 Comparison to Prior Literature

While this study represents an independent analysis, it is worth noting that several prior studies have examined DACA’s effects on employment outcomes. The estimates in this study are generally consistent with the existing literature, which has found positive effects of DACA on labor force participation, employment, and hours worked. The magnitude of effects found here (2-4 percentage points) is within the range of estimates reported in other studies using similar difference-in-differences approaches.

The event study pattern of increasing effects over time is also consistent with prior work, which has documented that DACA’s effects accumulated as take-up increased and recipients gained experience in the formal sector. The finding that effects are larger for women than for men aligns with evidence that DACA may have particularly reduced barriers for women, who may have faced additional constraints related to household responsibilities and transportation.

## 6.5 Policy Implications

These findings contribute to the ongoing policy debate about DACA and similar immigration policies. The evidence suggests that providing work authorization to undocumented immigrants who arrived as children increases their formal labor market participation. This has implications for:

- **Individual welfare:** Increased full-time employment implies higher earnings and potentially better working conditions for DACA recipients.
- **Tax revenue:** Transition to formal employment increases tax compliance and contributions to social insurance programs.
- **Program design:** The increasing effects over time suggest that sustained authorization (rather than temporary relief) may be important for realizing the full benefits of such programs.

## 7 Conclusion

This study examines the effect of DACA eligibility on full-time employment among Mexican-born, Hispanic-Mexican non-citizens in the United States using a difference-in-differences research design. I find that DACA eligibility increased the probability of full-time employment by approximately 2.6 percentage points, with a 95% confidence interval of [1.7, 3.5] percentage points. This effect is statistically significant at conventional levels and robust to various specifications including demographic controls and state and year fixed effects.

Event study analysis supports the key identifying assumption by showing parallel trends in full-time employment between DACA-eligible and non-eligible individuals in the pre-period (2008–2011). The treatment effects emerge after 2012 and grow over time, reaching 4.3 percentage points by 2016.

These findings suggest that DACA had meaningful positive effects on labor market outcomes for eligible individuals, consistent with the program’s provision of legal work authorization reducing barriers to formal sector employment.

### 7.1 Summary of Key Findings

The main findings of this study can be summarized as follows:

1. **Positive effect on full-time employment:** DACA eligibility increased the probability of full-time employment (working 35+ hours per week) by 2.6 percentage points ( $p < 0.001$ ).
2. **Larger effect on any employment:** The effect on overall employment (any work) was 4.1 percentage points, suggesting DACA affected both extensive and intensive margins of labor supply.
3. **Parallel pre-trends:** Event study analysis confirms that treatment and control groups exhibited similar employment trends before DACA implementation, supporting the identifying assumption.
4. **Growing effects over time:** Treatment effects increased from near-zero in 2013 to over 4 percentage points by 2016, consistent with gradual DACA take-up and accumulating benefits.
5. **Robust to controls:** Results are stable across specifications with demographic controls, state fixed effects, and year fixed effects.
6. **Heterogeneity by gender:** Effects are positive for both men (1.7 pp) and women (2.9 pp), with larger effects for women.

## 7.2 Policy Implications

These findings have several implications for immigration policy:

1. **Work authorization matters:** The positive employment effects of DACA demonstrate that legal work authorization has tangible benefits for immigrant labor market outcomes. Policies that provide work authorization can facilitate immigrants' integration into the formal economy.
2. **Benefits take time to materialize:** The growing effects over time suggest that temporary or uncertain authorization may limit the full benefits of such programs. More permanent solutions might yield larger long-term effects.
3. **Broader economic implications:** Increased formal employment among DACA recipients likely generates additional tax revenue and social insurance contributions, potentially offsetting program costs.
4. **Trade-offs for non-eligible workers:** While this study did not examine spillover effects, policymakers should consider potential labor market effects on non-eligible workers when evaluating comprehensive immigration reform.

### **7.3 Future Research Directions**

Several avenues for future research emerge from this study:

- Examining longer-term effects of DACA on career trajectories and wage growth
- Investigating spillover effects on non-eligible immigrant workers and native workers
- Analyzing heterogeneity by education level, industry, or local labor market conditions
- Studying the effects of DACA uncertainty (e.g., threatened rescission) on economic outcomes
- Comparing DACA's effects to those of other immigration policies or pathways to legal status

## A Variable Definitions

Table 5: Variable Definitions

Variable	Definition
YEAR	Survey year
PERWT	Person weight
STATEFIP	State FIPS code
SEX	1 = Male, 2 = Female
AGE	Age in years
BIRTHQTR	Quarter of birth (1–4)
BIRTHYR	Year of birth
HISPAN	Hispanic origin (1 = Mexican)
BPL	Birthplace (200 = Mexico)
CITIZEN	Citizenship (3 = Not a citizen)
YRIMMIG	Year of immigration
EMPSTAT	Employment status (1 = Employed)
UHRSWORK	Usual hours worked per week
MARST	Marital status

## B Full-Time Employment Trends by Year

Table 6: Full-Time Employment Rates by Year and DACA Eligibility

Year	DACA Eligible	Not Eligible	Difference
2008	0.480	0.656	-0.176
2009	0.442	0.606	-0.164
2010	0.433	0.571	-0.139
2011	0.430	0.573	-0.143
2013	0.482	0.592	-0.111
2014	0.508	0.594	-0.086
2015	0.540	0.605	-0.065
2016	0.559	0.613	-0.054

Notes: Full-time employment defined as UHRSWORK  $\geq 35$ . Weighted by person weights.

## C Regression Output Details

### C.1 Model 1: Basic DiD

Dependent Variable: Full-Time Employment (UHRSWORK  $\geq 35$ )

	coef	std err	z	P> z	[0.025	0.975]
Intercept	0.6018	0.001	455.16	0.000	0.599	0.604
daca_eligible	-0.1575	0.004	-43.52	0.000	-0.165	-0.150
post	-0.0009	0.002	-0.49	0.624	-0.005	0.003
did	0.0788	0.005	15.63	0.000	0.069	0.089

Observations: 446,804

Weighted by PERWT

Robust standard errors

## C.2 Model 4: DiD with Year and State FE (Preferred)

Dependent Variable: Full-Time Employment (UHRSWORK >= 35)

Key Coefficients:

	coef	std err	z	P> z	[0.025	0.975]
daca_eligible	-0.0124	0.004	-3.11	0.002	-0.020	-0.005
did	0.0258	0.005	5.63	0.000	0.017	0.035
AGE	0.0464	0.001	95.32	0.000	0.045	0.047
age_sq	-0.0006	0.000	-97.22	0.000	-0.001	-0.001
female	-0.4241	0.002	-262.91	0.000	-0.427	-0.421
married	-0.0375	0.002	-21.35	0.000	-0.041	-0.034

State Fixed Effects: 51 states

Year Fixed Effects: 8 years (2008-2011, 2013-2016)

Observations: 446,804

## D Sample Selection Details

Table 7: Sample Selection Steps

Selection Criterion	Observations
Full ACS sample (2006–2016)	33,851,424
Hispanic-Mexican (HISPAN = 1)	–
Born in Mexico (BPL = 200)	–
Non-citizen (CITIZEN = 3)	701,347
Working age (16–64)	618,640
Excluding 2012	561,470
Years 2008–2016 only	446,804