The Effect of DACA Eligibility on Full-Time Employment: A Difference-in-Differences Analysis

Replication Study

January 2026

Abstract

This study estimates the causal effect 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 (2006–2016) and a difference-in-differences research design, I compare individuals who were ages 26–30 at the time of DACA implementation (treatment group) to those who were ages 31–35 (control group, ineligible due to age). The analysis finds that DACA eligibility increased the probability of full-time employment by approximately 4.5 percentage points (95% CI: 2.4–6.6 pp, $p < 0.001$). This effect is robust to the inclusion of demographic controls, year fixed effects, and state fixed effects. The findings suggest that DACA had meaningful positive effects on labor market outcomes for eligible individuals.

Keywords: DACA, immigration policy, employment, difference-in-differences, labor market outcomes

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1 Introduction

The Deferred Action for Childhood Arrivals (DACA) program, implemented on June 15, 2012, represented a significant shift in U.S. immigration policy. The program offered temporary protection from deportation and work authorization to undocumented immigrants who arrived in the United States as children. Given that work authorization is a primary benefit of the program, understanding its effects on employment outcomes is of substantial policy interest.

This study addresses the following research question: Among ethnically Hispanic-Mexican, Mexican-born individuals living in the United States, what was the causal impact of DACA eligibility on the probability of full-time employment, defined as usually working 35 or more hours per week?

The identification strategy leverages the age-based eligibility cutoff for DACA. Individuals who had their 31st birthday before June 15, 2012 were ineligible for the program regardless of whether they met all other criteria. This creates a natural experiment where individuals just above the age threshold serve as a control group for those just below it. I implement a difference-in-differences (DiD) design comparing the change in full-time employment from before to after DACA implementation for the treatment group (ages 26–30) relative to the control group (ages 31–35).

The main finding is that DACA eligibility increased the probability of full-time employment by approximately 4.5 percentage points. This effect is statistically significant at the 1% level and robust across multiple specifications.

2 Background

2.1 The DACA Program

DACA was announced by the Obama administration on June 15, 2012, and began accepting applications on August 15, 2012. The program provided two main benefits: (1) deferred action, meaning a temporary protection from deportation, and (2) employment authorization, allowing recipients to work legally in the United States. The initial authorization was for two years, with the possibility of renewal.

To be eligible for DACA, individuals had to meet the following criteria:

1. Were under the age of 31 as of June 15, 2012
2. Came to the United States before reaching their 16th birthday
3. Continuously resided in the United States since June 15, 2007
4. Were physically present in the United States on June 15, 2012, and at the time of applying
5. Had no lawful status on June 15, 2012
6. Were currently in school, had graduated or obtained a GED, or were honorably discharged veterans

7. Had not been convicted of a felony, significant misdemeanor, or three or more other misdemeanors

In the first four years of the program, nearly 900,000 initial applications were received, with approximately 90% approved. The majority of DACA recipients were from Mexico, reflecting the structure of undocumented immigration to the United States.

2.2 Theoretical Mechanisms

The theoretical mechanism linking DACA to increased full-time employment operates through several channels:

Work Authorization: Prior to DACA, undocumented individuals could only work in the informal sector or using fraudulent documents. DACA provided legal work authorization, enabling recipients to seek formal employment with full-time hours and benefits.

Reduced Fear of Deportation: The deferred action component reduced the risk associated with employment, potentially encouraging more active labor force participation.

Access to Better Jobs: With legal work authorization, DACA recipients could access jobs that require documentation, which often provide more hours and better working conditions.

Driver's Licenses: In many states, DACA recipients became eligible for driver's licenses, expanding their geographic employment opportunities.

2.3 Prior Literature

Several studies have examined the labor market effects of DACA. This literature generally finds positive effects on employment, earnings, and labor force participation among DACA-eligible individuals. The present study contributes to this literature by providing an independent replication using a clearly specified research design and transparent analytical choices.

2.4 Historical Context

Understanding the context in which DACA was implemented is important for interpreting its effects. Prior to 2012, undocumented immigrants faced significant barriers to formal employment. Without work authorization, many worked in the informal sector, where wages tend to be lower, hours more unstable, and working conditions poorer. The constant risk of deportation also affected employment decisions, as undocumented individuals might avoid jobs that required documentation or that would expose them to scrutiny.

The announcement of DACA in June 2012 represented a significant policy shift. While it did not provide a path to permanent residency or citizenship, it offered a two-year reprieve from deportation and crucially, employment authorization. This allowed recipients to pursue formal sector employment, potentially leading to better job matches, higher wages, and more stable hours.

The economic context is also relevant. DACA was implemented during the recovery from the Great Recession. Employment rates had declined significantly during 2008–2010

and were gradually recovering during the post-DACA period. This makes the difference-in-differences design particularly important, as it allows us to control for these general economic trends that affected both treatment and control groups.

2.5 Population Characteristics

The population potentially eligible for DACA consists primarily of young adults who arrived in the United States as children. Many grew up in the U.S., attended American schools, and have limited connections to their country of origin. This population, often referred to as "Dreamers," represents a unique group within the undocumented population.

Mexican-born individuals make up the largest share of the DACA-eligible population due to historical patterns of unauthorized migration from Mexico. These individuals are concentrated in states with large Hispanic populations, including California, Texas, Arizona, and Illinois. Many work in industries such as construction, agriculture, food service, and manufacturing.

3 Data

3.1 Data Source

The analysis uses data from the American Community Survey (ACS), obtained through IPUMS USA. The ACS is an annual survey conducted by the U.S. Census Bureau that collects detailed demographic, social, economic, and housing information from a representative sample of the U.S. population.

I use the one-year ACS files from 2006 through 2016, excluding the 2012 file because DACA was implemented mid-year, making it impossible to distinguish between pre- and post-implementation observations in that year. This provides six years of pre-treatment data (2006–2011) and four years of post-treatment data (2013–2016).

3.2 Sample Construction

The sample is constructed through the following selection criteria:

1. **Hispanic-Mexican ethnicity:** I restrict to individuals with HISPAN = 1, indicating Mexican origin.

2. **Born in Mexico:** I restrict to individuals with BPL = 200 (birthplace Mexico), as the instructions specify Mexican-born individuals.

3. **Non-citizen status:** I restrict to individuals with CITIZEN = 3, indicating non-citizens who have not received immigration papers. This serves as a proxy for undocumented status.

4. **Age on June 15, 2012:** I calculate each individual's age on June 15, 2012 using their birth year and birth quarter. I then restrict to those ages 26–30 (treatment group) or 31–35 (control group).

5. **Arrived before age 16:** I calculate age at immigration as YRIMMIG - BIRTHYR and restrict to those who arrived before turning 16.

6. **Continuous residence since 2007:** I restrict to individuals who immigrated by 2006, ensuring they were continuously in the U.S. since before June 15, 2007.

3.3 Variables

3.3.1 Outcome Variable

The outcome variable is **full-time employment**, defined as an indicator equal to 1 if the individual usually works 35 or more hours per week (UHRSWORK $\geq$ 35). This follows the standard U.S. definition of full-time work.

3.3.2 Treatment Variables

The key independent variables are:

- **TREATED**: An indicator equal to 1 for individuals ages 26–30 on June 15, 2012 (DACA age-eligible), and 0 for those ages 31–35 (too old for DACA).
- **POST**: An indicator equal to 1 for observations from 2013–2016 (after DACA), and 0 for observations from 2006–2011 (before DACA).
- **TREATED** $\times$ **POST**: The interaction term, which captures the difference-in-differences effect.

3.3.3 Control Variables

I include the following control variables:

- **Female**: An indicator for female respondents (SEX = 2)
- **Married**: An indicator for married individuals (MARST = 1)
- **High School or More**: An indicator for having at least a high school education (EDUC $\geq$ 6)
- **Year Fixed Effects**: Indicator variables for each survey year (except reference year)
- **State Fixed Effects**: Indicator variables for each state (except reference state)

3.3.4 Survey Weights

All analyses use the person weights (PERWT) provided by IPUMS to ensure results are representative of the target population.

3.4 Sample Description

Table 1 shows how the sample size changes with each restriction applied.

Table 1: Sample Construction

Step	N	Reduction
Total records in ACS (2006–2016)	33,851,424	–
After year restriction (excl. 2012)	30,738,394	3,113,030
Hispanic-Mexican only	2,663,503	28,074,891
Born in Mexico	898,879	1,764,624
Non-citizen (CITIZEN = 3)	636,722	262,157
Ages 26–35 on June 15, 2012	164,874	471,848
Arrived before age 16	43,238	121,636

Note: The final analytic sample contains 43,238 observations representing approximately 6 million person-years when weighted.

The final sample contains 43,238 observations, with 25,470 in the treatment group (ages 26–30) and 17,768 in the control group (ages 31–35). When weighted, this represents approximately 6 million person-years.

4 Empirical Strategy

4.1 Identification

The identification strategy relies on the difference-in-differences (DiD) design. The key assumption is that, in the absence of DACA, the treatment and control groups would have experienced parallel trends in full-time employment.

The age cutoff for DACA eligibility provides a natural experiment: individuals ages 26–30 on June 15, 2012 were potentially eligible (if they met other criteria), while those ages 31–35 were ineligible solely due to their age. By comparing how these groups' employment changed from before to after DACA, we can isolate the causal effect of eligibility.

4.2 Estimation

The basic DiD model is:

$$Y_{it} = \alpha + \beta_1 \text{TREATED}_i + \beta_2 \text{POST}_t + \beta_3 (\text{TREATED}_i \times \text{POST}_t) + \varepsilon_{it} \tag{1}$$

where Y_{it} is an indicator for full-time employment, TREATED indicates membership in the age 26–30 group, POST indicates the post-DACA period (2013–2016), and the coefficient of interest is β_3, which captures the causal effect of DACA eligibility.

The extended model with controls is:

$$Y_{it} = \alpha + \beta_1 \text{TREATED}_i + \beta_3(\text{TREATED}_i \times \text{POST}_t) + X_{it}'\gamma + \mu_t + \delta_s + \varepsilon_{it} \quad (2)$$

where X_{it} includes individual-level controls (female, married, high school education), μ_t represents year fixed effects, and δ_s represents state fixed effects. Note that the POST indicator is absorbed by the year fixed effects.

All regressions are estimated using weighted least squares with person weights (PERWT) and heteroskedasticity-robust standard errors.

4.3 Assumptions and Threats to Validity

The validity of the difference-in-differences design relies on several key assumptions. In this section, I discuss these assumptions and potential threats to the validity of the causal interpretation.

4.3.1 Parallel Trends Assumption

The key identifying assumption is that, absent DACA, the treatment and control groups would have followed parallel trends in full-time employment. This assumption cannot be directly tested because we cannot observe the counterfactual—what would have happened to the treatment group in the absence of DACA. However, we can examine whether the groups followed parallel trends before DACA was implemented.

I examine this assumption through an event study that estimates year-specific treatment effects. If the pre-treatment coefficients are close to zero and do not show a clear trend, this provides suggestive evidence in favor of parallel trends. Section 6.3 presents the event study results, which support the parallel trends assumption.

It is worth noting that the treatment and control groups differ in age, and lifecycle patterns in employment could potentially violate parallel trends. However, the age difference is relatively small (roughly 5 years), and I am comparing changes over time rather than levels. Both groups are in their prime working years, where employment patterns are relatively stable.

4.3.2 No Spillover Effects

The estimation assumes no spillover effects from the treatment to the control group. This could be violated if, for example, increased labor supply from DACA recipients displaced older workers in the control group. In a competitive labor market, an increase in labor supply could reduce wages or employment for substitute workers.

However, the magnitude of any such effects is likely to be small. The DACA-eligible population represents a small share of the total labor force, and the control group (ages 31–35) may not be close substitutes for the treatment group in all labor markets.

4.3.3 Composition Changes

The ACS is a repeated cross-sectional survey, not a panel. This means that the samples in each year contain different individuals. I assume that the composition of the treatment and

control groups does not change differentially over time in ways that would affect employment outcomes.

One potential concern is selective migration or survey response. If DACA caused some individuals to change their behavior in ways that affected whether they appeared in the survey (for example, by being more willing to report their immigration status), this could bias the results. However, there is no strong reason to expect such changes to differentially affect the treatment and control groups.

4.3.4 Stable Unit Treatment Value Assumption (SUTVA)

The analysis assumes that each individual's outcome depends only on their own treatment status, not on the treatment status of others. This could be violated if there are social network effects or household-level responses to DACA. For example, if one family member obtaining DACA status affects the employment of other family members, this could complicate the interpretation of results.

4.3.5 Intent-to-Treat Interpretation

It is important to note that I estimate an intent-to-treat (ITT) effect, not a treatment-on-the-treated (TOT) effect. Not all individuals in the treatment group actually applied for or received DACA. The estimates therefore reflect the average effect of eligibility, which includes both those who received DACA and those who were eligible but did not apply. If we could identify actual DACA recipients, the effect among recipients would likely be larger than the ITT estimate.

5 Results

5.1 Descriptive Statistics

Table 2 presents descriptive statistics for the treatment and control groups.

Table 2: Descriptive Statistics by Treatment Status

	Control (31–35)		Treatment (26–30)	
Variable	Mean	SD	Mean	SD
Full-time employed	0.635	0.481	0.621	0.485
Female	0.440	0.496	0.439	0.496
Married	0.507	0.500	0.386	0.487
HS or more education	0.536	0.499	0.615	0.487
Age	31.92	1.42	26.78	1.42
N (unweighted)	17,768		25,470	
N (weighted)	2,476,285		3,524,133	

Note: Statistics are calculated over the pooled 2006–2016 sample (excluding 2012).

The groups are similar on key demographics. The treatment group has higher educational attainment, which is consistent with the pattern of DACA eligibility depending on arriving in the U.S. at a young age. The treatment group also has lower marriage rates, likely reflecting their younger age.

5.2 Raw Difference-in-Differences

Table 3 presents the 2×2 table of full-time employment rates.

Table 3: Full-Time Employment Rates by Group and Period (Weighted)

	Pre (2006–2011)	Post (2013–2016)	Difference
Control (31–35)	0.6731	0.6433	−0.0299
Treatment (26–30)	0.6305	0.6597	+0.0292
Difference	−0.0426	+0.0164	
DiD Estimate			**0.0590**

Note: Raw difference-in-differences calculation using weighted means. The DiD estimate is $(0.6597 - 0.6305) - (0.6433 - 0.6731) = 0.0590$.

The raw DiD estimate suggests that DACA eligibility increased full-time employment by approximately 5.9 percentage points. The treatment group's full-time employment rate increased from 63.1% to 66.0%, while the control group's rate decreased from 67.3% to 64.3%.

5.3 Regression Results

Table 4 presents the results from the difference-in-differences regressions across multiple specifications.

Table 4: Difference-in-Differences Regression Results

	(1) Basic	(2) + Demographics	(3) + Year FE	(4) + State FE
TREATED	−0.0426***	−0.0412***	−0.0397***	−0.0413***
	(0.0068)	(0.0063)	(0.0063)	(0.0063)
POST	−0.0299***	−0.0162**	–	–
	(0.0090)	(0.0082)		
TREATED × POST	0.0590***	0.0475***	0.0459***	0.0452***
	(0.0117)	(0.0107)	(0.0107)	(0.0107)
Female		−0.3729***	−0.3722***	−0.3709***
		(0.0052)	(0.0052)	(0.0052)
Married		−0.0073	−0.0056	−0.0078
		(0.0050)	(0.0050)	(0.0051)
HS+ Education		0.0594***	0.0585***	0.0598***
		(0.0051)	(0.0050)	(0.0051)
Year FE	No	No	Yes	Yes
State FE	No	No	No	Yes
N	43,238	43,238	43,238	43,238
R^2	0.003	0.117	0.119	0.127

Note: Robust standard errors in parentheses. All regressions weighted by person weights (PERWT). * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Across all specifications, the DiD coefficient (TREATED × POST) is positive and statistically significant at the 1% level. The preferred specification (column 4), which includes demographic controls, year fixed effects, and state fixed effects, yields a coefficient of 0.0452, indicating that DACA eligibility increased the probability of full-time employment by approximately 4.5 percentage points.

Key observations:

- The effect is robust to the inclusion of controls and fixed effects.
- Being female is associated with a 37 percentage point lower probability of full-time employment, reflecting traditional labor force participation patterns.
- Higher education is positively associated with full-time employment.
- Marriage is not significantly associated with full-time employment after controlling for other factors.

5.4 Event Study

Figure **??** and Table 5 present the event study results, showing year-by-year treatment effects relative to 2011 (the year before DACA implementation).

Table 5: Event Study: Year-by-Year Treatment Effects

Year	Coefficient	SE	95% CI	
2006	0.0067	0.0227	[−0.038, 0.051]	
2007	−0.0290	0.0223	[−0.073, 0.015]	
2008	0.0081	0.0228	[−0.037, 0.053]	
2009	−0.0076	0.0235	[−0.054, 0.038]	
2010	−0.0145	0.0233	[−0.060, 0.031]	
2011 (Reference)	*0*	–	–	
2013	0.0347	0.0242	[−0.013, 0.082]	
2014	0.0354	0.0246	[−0.013, 0.084]	
2015	0.0209	0.0248	[−0.028, 0.070]	
2016	0.0680	0.0247	[0.020, 0.116]	***

Note: Coefficients represent the interaction between treatment status and year indicators. 2011 is the reference year. Standard errors are robust. *** $p < 0.01$.

The event study results support the parallel trends assumption. The pre-treatment coefficients (2006–2010) are all small in magnitude, statistically insignificant, and fluctuate around zero without a clear trend. This suggests that the treatment and control groups were on similar trajectories before DACA implementation.

After DACA, the coefficients become positive, indicating that the treatment group experienced larger increases in full-time employment than the control group. The effect appears to grow over time, with the largest and most significant effect observed in 2016 (6.8 percentage points). This pattern is consistent with DACA's gradual rollout and the accumulation of benefits over time as more individuals received work authorization.

5.5 Robustness Checks

Table 6 presents results from several robustness checks.

Table 6: Robustness Checks

Specification	Coefficient	SE	N
Main Result (Full Sample)	**0.0452*** **	**(0.0107)**	**43,238**
By Gender:			
Males only	0.0309**	(0.0124)	24,243
Females only	0.0490***	(0.0181)	18,995
Alternative Outcomes:			
Labor force participation	0.0359***	(0.0092)	43,238
Employed (any hours)	0.0431***	(0.0101)	43,238

Note: All specifications include demographic controls, year fixed effects, and state fixed effects. Robust standard errors in parentheses. ** $p < 0.05$, *** $p < 0.01$.

By Gender: The effect is positive and significant for both males (3.1 pp) and females (4.9 pp). The larger effect for females may reflect that women faced greater barriers to formal employment prior to DACA, or that they were more responsive to the policy.

Alternative Outcomes: The effect is also positive and significant for labor force participation (3.6 pp) and any employment (4.3 pp). This suggests that DACA affected not only hours worked but also the decision to participate in the labor market.

5.6 Trends Over Time

Table 7 shows full-time employment rates by year for the full sample.

Table 7: Full-Time Employment Rates by Year

Year	Full-Time Rate	Weighted N
2006	0.671	717,018
2007	0.692	675,035
2008	0.681	641,402
2009	0.630	630,048
2010	0.608	629,666
2011	0.601	617,991
2013	0.643	561,839
2014	0.628	546,227
2015	0.663	498,232
2016	0.683	482,960

The full-time employment rate declined during the Great Recession (2008–2011) and then recovered during the post-DACA period (2013–2016). This overall pattern affects both treatment and control groups, which is why the DiD design is essential for isolating the DACA-specific effect.

6 Discussion

6.1 Interpretation of Results

The main finding is that DACA eligibility increased full-time employment by approximately 4.5 percentage points among Hispanic-Mexican, Mexican-born non-citizens ages 26–30 compared to those ages 31–35. This represents a roughly 7% increase relative to the pre-treatment mean of about 63%.

This effect is economically meaningful. With approximately 3.5 million person-years of treated individuals in the weighted sample, the estimate implies that DACA enabled roughly 160,000 additional person-years of full-time employment among this population during 2013–2016.

The effect is consistent with the theoretical mechanisms: legal work authorization allowed individuals to pursue formal employment, which typically offers more hours than informal work. The growing effect over time (evident in the event study) is consistent with the gradual uptake of DACA and the accumulation of experience in the formal labor market.

6.2 Understanding the Magnitude

The 4.5 percentage point effect can be contextualized in several ways:

Relative to baseline: The pre-treatment full-time employment rate for the treatment group was approximately 63%. A 4.5 percentage point increase represents a 7.1% improvement relative to this baseline.

Comparison across specifications: The effect is remarkably stable across different model specifications. The basic DiD estimate is 5.9 percentage points, which decreases slightly to 4.5 percentage points when adding controls and fixed effects. This stability suggests that the result is not driven by observable differences between the treatment and control groups.

Economic interpretation: The estimate implies a meaningful improvement in labor market outcomes. Full-time employment is associated with higher earnings, access to employer-sponsored benefits, and greater financial stability. The shift from part-time or informal work to full-time formal employment represents a significant upgrade in labor market status.

Intent-to-treat vs. treatment effect on the treated: The estimate reflects the average effect among all individuals in the treatment group, regardless of whether they actually obtained DACA. Since not everyone eligible applied for or received DACA, the effect among actual recipients is likely larger than 4.5 percentage points.

6.3 Heterogeneity in Effects

The robustness checks reveal interesting heterogeneity in the effects of DACA:

Gender differences: The effect is larger for women (4.9 pp) than for men (3.1 pp). This may reflect that women faced greater barriers to formal employment prior to DACA. Alternatively, women may have been more responsive to the opportunity for legal work

authorization, perhaps because they were more likely to have been out of the labor force or working part-time before DACA.

Consistency across outcomes: The positive effect extends to labor force participation (3.6 pp) and overall employment (4.3 pp). This suggests that DACA affected not only the intensive margin (hours worked) but also the extensive margin (whether to work at all). Some individuals who were previously out of the labor force may have entered formal employment after receiving work authorization.

6.4 Time Dynamics

The event study reveals an interesting pattern in the time dynamics of the effect:

Pre-trends: The pre-treatment coefficients (2006–2010) are all statistically insignificant and fluctuate around zero without a clear pattern. This supports the parallel trends assumption and suggests that the treatment and control groups were on similar trajectories before DACA.

Gradual increase: The post-treatment coefficients show a pattern of gradual increase over time. The effect is modest in 2013–2014 (around 3.5 pp) and grows larger by 2016 (6.8 pp). This pattern is consistent with several mechanisms:

- **Gradual uptake:** Not all eligible individuals applied for DACA immediately. Applications were processed over time, and some individuals may have waited to see how the program developed before applying.
- **Accumulation of benefits:** The benefits of DACA may compound over time. Recipients can build experience in formal employment, develop professional networks, and establish employment histories that facilitate further advancement.
- **Renewals and stability:** After the initial two-year authorization, recipients could renew for additional periods. As renewals occurred, recipients may have felt more secure in their status and more willing to invest in their careers.

6.5 Comparison with Prior Literature

The finding of a positive employment effect is consistent with prior studies of DACA. The magnitude of the effect (4–5 percentage points) is within the range of estimates found in other research, though direct comparisons are complicated by differences in sample definitions, outcome measures, and empirical strategies.

6.6 Limitations

Several limitations should be noted:

1. **Imperfect proxy for undocumented status:** The data do not directly identify undocumented immigrants. Using non-citizen status (CITIZEN = 3) as a proxy likely includes some legal non-citizens and excludes some undocumented individuals who misreport their status.

2. **Approximate age calculation:** Age on June 15, 2012 is approximated using birth year and quarter, introducing some measurement error near the cutoff.

3. **Cannot verify all eligibility criteria:** The analysis cannot verify the education/military requirement for DACA eligibility, nor criminal history.

4. **Repeated cross-sections:** The ACS is not a panel, so the same individuals are not tracked over time. Composition changes could affect the estimates.

5. **General equilibrium effects:** The analysis does not account for potential spillover effects on the control group or broader labor market impacts.

6.7 Policy Implications

The results suggest that providing work authorization to undocumented immigrants who arrived as children has meaningful positive effects on their labor market outcomes. The 4.5 percentage point increase in full-time employment represents a substantial improvement in economic integration.

These findings are relevant to ongoing debates about DACA and broader immigration policy. They suggest that pathways to legal work status can improve employment outcomes for affected populations.

7 Conclusion

This study uses a difference-in-differences design to estimate the effect of DACA eligibility on full-time employment among Hispanic-Mexican, Mexican-born non-citizens. Comparing individuals who were ages 26–30 at the time of DACA implementation (eligible) to those ages 31–35 (ineligible due to age), I find that DACA eligibility increased full-time employment by approximately 4.5 percentage points.

The effect is statistically significant, robust to various specifications, and supported by event study evidence showing parallel pre-trends. The results suggest that DACA has had meaningful positive effects on labor market outcomes for eligible individuals.

7.1 Summary of Findings

The key findings of this replication study can be summarized as follows:

1. **Positive employment effect:** DACA eligibility increased the probability of full-time employment by 4.5 percentage points (95% CI: 2.4–6.6 pp, $p < 0.001$). This effect is statistically significant at the 1% level.

2. **Robust across specifications:** The effect ranges from 4.5 to 5.9 percentage points across different model specifications, demonstrating robustness to the inclusion of demographic controls, year fixed effects, and state fixed effects.

3. **Parallel pre-trends:** The event study analysis shows that the treatment and control groups had similar trends in full-time employment before DACA, supporting the identifying assumption.

4. **Growing effect over time:** The effect appears to increase over time, from approximately 3.5 percentage points in 2013–2014 to 6.8 percentage points in 2016.

5. **Larger effect for women:** The effect is larger for women (4.9 pp) than for men (3.1 pp), suggesting gender heterogeneity in the response to DACA.

6. **Consistent across outcomes:** Similar positive effects are found for labor force participation and overall employment, suggesting effects on both the intensive and extensive margins of labor supply.

7.2 Contributions

This study contributes to the literature in several ways:

First, it provides an independent replication of prior findings on DACA's labor market effects using a clearly specified research design. The transparency of the analytical choices allows for easy comparison with other studies.

Second, the study examines a specific population—Hispanic-Mexican, Mexican-born noncitizens who arrived before age 16—that represents the core of the DACA-eligible population. This focus allows for precise estimation of effects on the most directly affected group.

Third, the event study analysis provides evidence on the time dynamics of the effect, showing that benefits accumulated over time as the program matured.

7.3 Implications for Policy

The findings have several implications for immigration policy:

First, providing work authorization to undocumented immigrants who arrived as children can improve their labor market outcomes. The 4.5 percentage point increase in full-time employment represents a meaningful improvement in economic integration.

Second, the gradual increase in effects over time suggests that policy stability and duration matter. Recipients may be more willing to invest in their careers when they have confidence in the continuation of their legal status.

Third, the heterogeneity in effects by gender suggests that immigration policy may have differential impacts across demographic groups, which could inform targeted support programs.

7.4 Future Research

Several directions for future research emerge from this study:

- Examining effects on wages and earnings, which may be larger than effects on hours worked

- Investigating effects on educational attainment and human capital investment

- Exploring geographic heterogeneity in effects, which may depend on local labor market conditions and state policies
- Analyzing the long-term effects of DACA as recipients accumulate more experience in the formal labor market
- Investigating spillover effects on family members and communities

7.5 Final Remarks

In conclusion, this replication study finds robust evidence that DACA eligibility increased full-time employment among the targeted population. The estimated effect of 4.5 percentage points is economically meaningful and statistically significant. These findings contribute to our understanding of how immigration policy affects labor market outcomes and provide evidence relevant to ongoing policy debates about the future of DACA and related programs.

Appendix A: Technical Details

A.1 Variable Definitions

Table 8: IPUMS Variable Definitions

Variable	Definition
YEAR	Survey year
PERWT	Person weight
SEX	Sex (1 = Male, 2 = Female)
AGE	Age at time of survey
BIRTHYR	Birth year
BIRTHQTR	Birth quarter (1 = Jan–Mar, 2 = Apr–Jun, 3 = Jul–Sep, 4 = Oct–Dec)
HISPAN	Hispanic origin (1 = Mexican)
BPL	Birthplace (200 = Mexico)
CITIZEN	Citizenship status (3 = Not a citizen)
YRIMMIG	Year of immigration
EDUC	Educational attainment
EMPSTAT	Employment status
LABFORCE	Labor force status
UHRSWORK	Usual hours worked per week
MARST	Marital status (1 = Married, spouse present)
STATEFIP	State FIPS code

A.2 Age Calculation

Age on June 15, 2012 is calculated as follows:

- If BIRTHQTR $\in \{1, 2\}$ (born January–June): Age = 2012 − BIRTHYR
- If BIRTHQTR $\in \{3, 4\}$ (born July–December): Age = 2012 − BIRTHYR − 1

This approximation assumes individuals born in Q1–Q2 have had their birthday by June 15.

A.3 DACA Eligibility Criteria Implementation

1. Under age 31 on June 15, 2012: Calculated age ≤ 30
2. Arrived before age 16: YRIMMIG − BIRTHYR < 16
3. Continuous residence since June 15, 2007: YRIMMIG ≤ 2006
4. Not a citizen: CITIZEN = 3
5. Hispanic-Mexican: HISPAN = 1
6. Born in Mexico: BPL = 200

Appendix B: Full Regression Output

Table 9: Model 4 Full Results (Preferred Specification)

Variable	Coefficient	Std. Error	95% CI	
Constant	0.8682	0.0436	[0.783, 0.954]	***
TREATED	−0.0413	0.0063	[−0.054, −0.029]	***
TREATED × POST	0.0452	0.0107	[0.024, 0.066]	***
Female	−0.3709	0.0052	[−0.381, −0.361]	***
Married	−0.0078	0.0051	[−0.018, 0.002]	
HS+ Education	0.0598	0.0051	[0.050, 0.070]	***
Year Fixed Effects	Yes (9 indicators)			
State Fixed Effects	Yes (50 indicators)			
Observations	43,238			
Weighted N	6,000,418			
R^2	0.127			

Note: WLS estimates with person weights. Robust standard errors. Year and state fixed effects not shown. *** $p < 0.01$.

References

1. IPUMS USA, University of Minnesota. American Community Survey data, 2006–2016. `https://usa.ipums.org/`

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