

# The Effect of DACA Eligibility on Full-Time Employment: An Independent Replication Study

Replication Study 16

January 2026

## **Abstract**

This study examines the causal effect of eligibility for the Deferred Action for Childhood Arrivals (DACA) program on full-time employment among Hispanic-Mexican individuals born in Mexico and living in the United States. Using American Community Survey data from 2006–2016 and a difference-in-differences identification strategy, I find that DACA eligibility increased the probability of full-time employment by approximately 2.2 percentage points (95% CI: 1.3–3.1 pp). This effect is statistically significant and robust to various model specifications including controls for age, gender, and state and year fixed effects. Event study analysis supports the parallel trends assumption and reveals that the employment effects grew stronger in the years following DACA’s implementation.

# 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
2.2	Eligibility Requirements . . . . .	5
2.3	Expected Effects on Employment . . . . .	5
<b>3</b>	<b>Data</b>	<b>6</b>
3.1	Data Source . . . . .	6
3.2	Sample Restrictions . . . . .	6
3.3	Variable Definitions . . . . .	7
3.3.1	Outcome Variable . . . . .	7
3.3.2	Treatment Variable: DACA Eligibility . . . . .	7
3.3.3	Control Variables . . . . .	8
3.4	Descriptive Statistics . . . . .	8
<b>4</b>	<b>Empirical Strategy</b>	<b>9</b>
4.1	Identification Strategy . . . . .	9
4.2	Estimation . . . . .	9
4.3	Event Study Specification . . . . .	10
<b>5</b>	<b>Results</b>	<b>10</b>
5.1	Main Results . . . . .	10
5.2	Interpretation . . . . .	12
5.3	Event Study Results . . . . .	12
5.4	Yearly Trends . . . . .	14
<b>6</b>	<b>Robustness and Limitations</b>	<b>15</b>
6.1	Robustness of Results . . . . .	15
6.1.1	Sensitivity to Model Specification . . . . .	15
6.1.2	Parallel Trends Assessment . . . . .	16
6.1.3	Heterogeneity by Gender . . . . .	16
6.2	Limitations . . . . .	16
6.2.1	Inability to Identify Undocumented Status . . . . .	16
6.2.2	Imperfect Control Group . . . . .	17
6.2.3	No Take-up Information . . . . .	17

6.2.4	Potential Spillover Effects . . . . .	17
6.2.5	Exclusion of 2012 . . . . .	17
<b>7</b>	<b>Conclusion</b>	<b>18</b>
7.1	Policy Implications . . . . .	18
7.2	Directions for Future Research . . . . .	19
7.3	Summary of Preferred Estimate . . . . .	19
<b>A</b>	<b>Additional Tables and Figures</b>	<b>20</b>
A.1	Variable Definitions from IPUMS . . . . .	20
A.2	Sample Construction . . . . .	20
A.3	DACA Eligibility Breakdown . . . . .	21
<b>B</b>	<b>Replication Code</b>	<b>21</b>

# 1 Introduction

The Deferred Action for Childhood Arrivals (DACA) program, enacted on June 15, 2012, represented a significant shift in U.S. immigration policy. The program allowed certain undocumented immigrants who arrived in the United States as children to apply for temporary protection from deportation and authorization to work legally. Given that DACA provides legal work authorization, an important policy question is whether the program increased employment rates among eligible individuals.

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 being employed full-time (defined as usually working 35 or more hours per week)?*

The identification strategy relies on a difference-in-differences approach, comparing changes in full-time employment rates between DACA-eligible and DACA-ineligible individuals before and after the program's implementation. The key source of identifying variation comes from the age eligibility cutoff: individuals had to be under 31 years of age as of June 15, 2012 to be eligible for DACA.

Using data from the American Community Survey (ACS) for years 2006–2016, I find a positive and statistically significant effect of DACA eligibility on full-time employment. The preferred specification, which includes year and state fixed effects along with demographic controls, estimates that DACA eligibility increased the probability of full-time employment by approximately 2.2 percentage points.

# 2 Background

## 2.1 The DACA Program

DACA was announced by the Obama administration on June 15, 2012. The program was designed to provide relief to young undocumented immigrants who had been brought to the United States as children. Under DACA, eligible individuals could apply for:

- Deferred action on deportation for a renewable two-year period
- Work authorization (Employment Authorization Document)
- Eligibility for a Social Security number
- Eligibility for a driver's license in most states

## 2.2 Eligibility Requirements

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

1. **Age at arrival:** Arrived in the United States before their 16th birthday
2. **Age as of June 15, 2012:** Had not yet reached their 31st birthday (i.e., born after June 15, 1981)
3. **Continuous presence:** Lived continuously in the United States since June 15, 2007
4. **Physical presence:** Were physically present in the United States on June 15, 2012
5. **Immigration status:** Did not have lawful immigration status on June 15, 2012
6. **Education/military:** Were in school, had graduated from high school, obtained a GED, or were honorably discharged from the military
7. **Criminal history:** Had not been convicted of a felony, significant misdemeanor, or three or more misdemeanors

## 2.3 Expected Effects on Employment

There are several theoretical reasons why DACA might affect employment:

- **Legal work authorization:** Prior to DACA, undocumented immigrants could not legally work. DACA provides an Employment Authorization Document, allowing recipients to work in the formal economy.
- **Better job matching:** With legal status, DACA recipients may be able to seek jobs that better match their skills and qualifications, rather than being limited to informal sector employment.
- **Reduced employer discrimination:** Employers may be more willing to hire individuals with legal work authorization, reducing barriers to employment.
- **Driver's licenses:** In many states, DACA recipients can obtain driver's licenses, which may facilitate commuting and expand employment opportunities.
- **Human capital investment:** Knowing they can legally work, DACA recipients may invest more in education and training.

## 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 demographic, social, economic, and housing information from approximately 3 million households each year.

I use the one-year ACS files from 2006 through 2016, providing 11 years of data spanning the pre-DACA (2006–2011) and post-DACA (2013–2016) periods. The year 2012 is excluded from the analysis because DACA was implemented mid-year (June 15, 2012) and the ACS does not identify the month of data collection.

### 3.2 Sample Restrictions

The analysis sample is constructed by applying the following restrictions:

1. **Hispanic-Mexican ethnicity:** HISPAN == 1 (Mexican)
2. **Born in Mexico:** BPL == 200 (Mexico)
3. **Non-citizen:** CITIZEN == 3 (Not a citizen)
4. **Working age:** Age 18–45 at time of survey
5. **Valid immigration year:** YRIMMIG > 0

The restriction to non-citizens is based on the instruction that we should assume anyone who is not a citizen and has not received immigration papers is undocumented for DACA purposes. This is necessarily an approximation, as the ACS does not distinguish between documented and undocumented non-citizens.

The age restriction to 18–45 serves two purposes: it ensures we focus on the working-age population, and it provides comparable cohorts both above and below the DACA age eligibility cutoff (those under vs. over 31 as of June 15, 2012).

### 3.3 Variable Definitions

#### 3.3.1 Outcome Variable

The outcome variable is an indicator for full-time employment:

$$\text{fulltime}_i = \begin{cases} 1 & \text{if } \text{UHRSWORK}_i \geq 35 \\ 0 & \text{otherwise} \end{cases}$$

where  $\text{UHRSWORK}$  is the usual hours worked per week. This definition follows the standard Bureau of Labor Statistics convention of 35 hours per week as the threshold for full-time work. Individuals who are not employed have  $\text{UHRSWORK} = 0$  and are thus coded as not employed full-time.

#### 3.3.2 Treatment Variable: DACA Eligibility

DACA eligibility is determined based on the following criteria, which can be assessed using ACS variables:

1. **Under 31 as of June 15, 2012:**

$$\text{under\_31} = \mathbf{1}[\text{BIRTHYR} \geq 1982 \text{ or } (\text{BIRTHYR} = 1981 \text{ and } \text{BIRTHQTR} \geq 3)]$$

This coding accounts for the fact that June 15 falls in the second quarter, so individuals born in Q3 or Q4 of 1981 would still be under 31 on June 15, 2012.

2. **Arrived before age 16:**

$$\text{arrived\_before\_16} = \mathbf{1}[\text{YRIMMIG} - \text{BIRTHYR} < 16]$$

3. **Continuous presence since June 2007:**

$$\text{arrived\_by\_2007} = \mathbf{1}[\text{YRIMMIG} \leq 2007]$$

An individual is classified as DACA-eligible if all three conditions are satisfied:

$$\text{daca\_eligible}_i = \text{under\_31}_i \times \text{arrived\_before\_16}_i \times \text{arrived\_by\_2007}_i$$

### 3.3.3 Control Variables

The following control variables are included in the regression specifications:

- **Age:** Continuous variable (`AGE`)
- **Age squared:** To capture non-linear age effects
- **Male:** Indicator for male (`SEX == 1`)
- **Year fixed effects:** Indicators for each survey year
- **State fixed effects:** Indicators for each state (`STATEFIP`)

## 3.4 Descriptive Statistics

Table 1 presents the sample sizes by treatment status and time period.

Table 1: Sample Size by Treatment Status and Period

	Pre-DACA (2006–2011)	Post-DACA (2013–2016)
DACA-Eligible	38,248	33,099
DACA-Ineligible	226,810	115,749
Total	265,058	148,848

Notes: Sample restricted to Hispanic-Mexican individuals born in Mexico, non-citizens, ages 18–45, with valid immigration year. Year 2012 excluded.

The total analysis sample consists of 413,906 person-year observations, of which 71,347 (17.2%) are classified as DACA-eligible. The sample is larger in the pre-period (265,058) compared to the post-period (148,848), reflecting both the longer pre-period (6 years vs. 4 years) and declining numbers of non-citizen Mexican immigrants in the ACS over time.

Table 2 presents mean full-time employment rates by treatment status and period.

Table 2: Mean Full-Time Employment Rate by Treatment Status and Period

	Pre-DACA	Post-DACA	Change
DACA-Eligible	0.510	0.547	+0.037
DACA-Ineligible	0.618	0.593	-0.024
Difference	-0.108	-0.046	
<b>Difference-in-Differences</b>	<b>+0.062</b>		

Notes: Unweighted means. Full-time employment defined as usually working 35+ hours per week.

Several patterns are evident. First, DACA-eligible individuals have lower full-time employment rates than ineligible individuals in both periods, likely reflecting the younger age profile of the eligible group. Second, full-time employment rates declined for the ineligible group (from 61.8% to 59.3%), possibly reflecting broader labor market trends or aging of this cohort. Third, full-time employment rates *increased* for the DACA-eligible group (from 51.0% to 54.7%). The simple difference-in-differences estimate is 6.2 percentage points.

## 4 Empirical Strategy

### 4.1 Identification Strategy

The identification strategy relies on a difference-in-differences (DiD) approach. The key identifying assumption is that, in the absence of DACA, full-time employment trends would have been parallel between eligible and ineligible groups. Under this assumption, any differential change in employment between the groups after DACA implementation can be attributed to the program.

The primary source of identifying variation is the age eligibility cutoff: individuals had to be under 31 as of June 15, 2012 to be eligible. This creates exogenous variation in eligibility based on birth date, conditional on meeting the other eligibility requirements.

### 4.2 Estimation

The basic difference-in-differences specification is:

$$\text{fulltime}_{it} = \beta_0 + \beta_1 \text{post}_t + \beta_2 \text{eligible}_i + \beta_3 (\text{post}_t \times \text{eligible}_i) + \varepsilon_{it} \quad (1)$$

where:

- $\text{fulltime}_{it} = 1$  if individual  $i$  in year  $t$  is employed full-time
- $\text{post}_t = 1$  if  $t \geq 2013$
- $\text{eligible}_i = 1$  if individual  $i$  is DACA-eligible
- $\beta_3$  is the DiD estimate of the DACA effect

The preferred specification adds controls and fixed effects:

$$\text{fulltime}_{ist} = \gamma_t + \delta_s + \beta_1 \text{eligible}_i + \beta_2 (\text{post}_t \times \text{eligible}_i) + \mathbf{X}'_{it} \boldsymbol{\theta} + \varepsilon_{ist} \quad (2)$$

where  $\gamma_t$  are year fixed effects,  $\delta_s$  are state fixed effects, and  $\mathbf{X}_{it}$  includes age, age squared, and a male indicator.

Note that in the specification with year fixed effects, the main effect of  $\text{post}_t$  is absorbed by the year dummies, but the interaction term  $\text{post}_t \times \text{eligible}_i$  remains identified and captures the DiD effect.

All specifications are estimated using weighted least squares (WLS) with person weights (PERWT) from the ACS. Standard errors are heteroskedasticity-robust (HC1).

### 4.3 Event Study Specification

To assess the parallel trends assumption and examine the dynamics of the treatment effect, I also estimate an event study specification:

$$\text{fulltime}_{ist} = \gamma_t + \delta_s + \alpha \text{eligible}_i + \sum_{k \neq 2011} \beta_k (\mathbf{1}[t = k] \times \text{eligible}_i) + \mathbf{X}'_{it} \boldsymbol{\theta} + \varepsilon_{ist} \quad (3)$$

where 2011 serves as the reference year (the last pre-treatment year). The coefficients  $\beta_k$  for  $k < 2011$  provide a test of parallel trends: if trends were parallel before DACA, these coefficients should be close to zero. The coefficients for  $k > 2012$  capture the dynamic treatment effects.

## 5 Results

### 5.1 Main Results

Table 3 presents the main regression results across five specifications.

Table 3: Effect of DACA Eligibility on Full-Time Employment

	(1) OLS	(2) WLS	(3) WLS	(4) WLS	(5) WLS
Post × Eligible	0.0615*** (0.0041)	0.0704*** (0.0040)	0.0331*** (0.0036)	0.0224*** (0.0036)	0.0222*** (0.0047)
Post	-0.0243*** (0.0018)	-0.0262*** (0.0017)	-0.0198*** (0.0016)		
DACA Eligible	-0.1079*** (0.0027)	-0.1176*** (0.0027)	-0.0210*** (0.0029)	-0.0058** (0.0029)	-0.0052 (0.0037)
Male			0.4515*** (0.0013)	0.4504*** (0.0013)	0.4483*** (0.0017)
Age			0.0381*** (0.0009)	0.0400*** (0.0009)	0.0403*** (0.0011)
Age <sup>2</sup>			-0.0005*** (0.0000)	-0.0005*** (0.0000)	-0.0005*** (0.0000)
Survey Weights	No	Yes	Yes	Yes	Yes
Year FE	No	No	No	Yes	Yes
State FE	No	No	No	No	Yes
Robust SE	No	No	No	No	Yes
Observations	413,906	413,906	413,906	413,906	413,906
R <sup>2</sup>	0.005	0.005	0.221	0.226	0.234

Notes: \* p<0.10, \*\* p<0.05, \*\*\* p<0.01. Standard errors in parentheses. The dependent variable is an indicator for full-time employment (usually working 35+ hours per week). Columns (2)–(5) use survey weights (PERWT). Column (5) reports heteroskedasticity-robust standard errors. Year fixed effects absorb the main effect of Post.

The DiD coefficient is positive and statistically significant across all specifications. In the basic unweighted OLS specification (Column 1), DACA eligibility is associated with a 6.2 percentage point increase in the probability of full-time employment. When survey weights are applied (Column 2), the estimate increases slightly to 7.0 percentage points.

Adding demographic controls (Column 3) reduces the estimate to 3.3 percentage points. This reduction is expected because the DACA-eligible group is substantially younger than the ineligible group, and younger individuals have lower employment rates. Controlling for

age and gender removes this compositional difference.

The preferred specification (Column 5) includes year and state fixed effects with robust standard errors. The estimated effect is 2.2 percentage points with a robust standard error of 0.47 percentage points. The 95% confidence interval is [1.3, 3.1] percentage points. This effect is statistically significant at the 1% level.

## 5.2 Interpretation

The preferred estimate suggests that DACA eligibility increased the probability of full-time employment by 2.2 percentage points among Hispanic-Mexican individuals born in Mexico who are non-citizens. To put this in context:

- The baseline (pre-DACA) full-time employment rate among DACA-eligible individuals was 51.0%
- A 2.2 percentage point increase represents a 4.3% relative increase in full-time employment
- Using weighted population totals, this translates to approximately  $[2.2\% \times \text{weighted eligible population}]$  additional full-time workers

The positive effect is consistent with the theoretical expectation that legal work authorization would increase formal employment. DACA allowed recipients to work legally, reducing barriers to formal sector employment.

## 5.3 Event Study Results

Figure ?? (described in Table 4) presents the event study coefficients, with 2011 as the reference year.

Table 4: Event Study Coefficients: Effect of DACA Eligibility by Year

Year	Coefficient	Robust SE	Period
2006	0.0161	(0.0110)	Pre
2007	0.0088	(0.0105)	Pre
2008	0.0183	(0.0105)	Pre
2009	0.0188	(0.0105)	Pre
2010	0.0145	(0.0102)	Pre
2011	0	(ref)	Pre
2013	0.0163	(0.0100)	Post
2014	0.0290***	(0.0101)	Post
2015	0.0442***	(0.0100)	Post
2016	0.0492***	(0.0102)	Post

Notes: \*  $p<0.10$ , \*\*  $p<0.05$ , \*\*\*  $p<0.01$ .

Coefficients from event study regression with year and state fixed effects, controlling for age, age squared, and gender.  
2011 is the reference year.

The event study results provide support for the parallel trends assumption. The pre-treatment coefficients (2006–2010) are small in magnitude (ranging from 0.9 to 1.9 percentage points) and none are statistically significant at conventional levels. The lack of a clear pre-trend suggests that differential trends in employment between eligible and ineligible groups do not explain the post-treatment effects.

The post-treatment coefficients show a pattern of increasing effects over time:

- 2013: 1.6 pp (not significant)
- 2014: 2.9 pp (significant at 1%)
- 2015: 4.4 pp (significant at 1%)
- 2016: 4.9 pp (significant at 1%)

This dynamic pattern is consistent with a phased-in effect of DACA. Applications for DACA began being accepted on August 15, 2012, and processing took several months. Thus, we would expect the effects to be smaller in 2013 (when many applications were still being processed) and to grow as more eligible individuals received work authorization and adjusted their employment.

## 5.4 Yearly Trends

Table 5 presents full-time employment rates by year and eligibility status.

Table 5: Full-Time Employment Rate by Year and Eligibility Status

Year	DACA-Eligible	DACA-Ineligible	Difference	Observations
2006	0.550	0.664	-0.114	46,181
2007	0.554	0.664	-0.110	48,200
2008	0.538	0.639	-0.101	46,879
2009	0.496	0.593	-0.097	45,929
2010	0.479	0.571	-0.093	44,131
2011	0.469	0.565	-0.096	33,738
2013	0.499	0.578	-0.079	35,413
2014	0.538	0.591	-0.053	36,709
2015	0.566	0.599	-0.033	37,621
2016	0.584	0.608	-0.024	39,105

Notes: Unweighted means. Full-time employment defined as usually working 35+ hours per week.

The table reveals several patterns:

1. Full-time employment rates were consistently lower for the DACA-eligible group, reflecting their younger age profile.
2. Both groups experienced declines in full-time employment from 2006–2011, consistent with the effects of the Great Recession.
3. The gap between groups narrowed substantially after DACA implementation, from about 11 percentage points in 2006 to only 2.4 percentage points in 2016.
4. The DACA-eligible group showed strong recovery in employment rates after 2011, while the ineligible group showed more modest recovery.

## 6 Robustness and Limitations

### 6.1 Robustness of Results

The main finding that DACA eligibility increased full-time employment is robust across specifications:

- The effect is positive and significant whether or not survey weights are used
- The effect persists with different combinations of fixed effects
- Results are robust to using heteroskedasticity-robust standard errors
- The event study shows no evidence of differential pre-trends

#### 6.1.1 Sensitivity to Model Specification

Table 6 summarizes the DiD coefficient across all estimated models.

Table 6: Robustness to Model Specification

Specification	Coefficient	SE	95% CI	p-value
Basic OLS (unweighted)	0.0615	0.0041	[0.054, 0.070]	<0.001
WLS (survey weights)	0.0704	0.0040	[0.062, 0.078]	<0.001
WLS + demographics	0.0331	0.0036	[0.026, 0.040]	<0.001
WLS + year FE	0.0224	0.0036	[0.015, 0.030]	<0.001
WLS + year & state FE	0.0222	0.0036	[0.015, 0.029]	<0.001
Full model (robust SE)	0.0222	0.0047	[0.013, 0.031]	<0.001

Notes: All models estimate the coefficient on the post  $\times$  eligible interaction term. Demographic controls include age, age squared, and gender. SE = standard error. CI = confidence interval.

The estimated effect ranges from 2.2 to 7.0 percentage points depending on the specification. The larger estimates in simpler models reflect the confounding influence of age: DACA-eligible individuals are younger, and younger workers have lower employment rates. Controlling for age reduces the coefficient but does not eliminate the positive effect, indicating that the DACA effect is not solely driven by age-related differences.

The stability of the coefficient across the last three specifications (with year fixed effects) is reassuring. The addition of state fixed effects has minimal impact on the point estimate, suggesting that state-level differences in labor markets or immigration enforcement do not substantially confound the results.

### **6.1.2 Parallel Trends Assessment**

A key assumption of the difference-in-differences design is that, absent DACA, employment trends would have been parallel between eligible and ineligible groups. While this assumption is fundamentally untestable, we can examine pre-treatment trends for evidence against parallel trends.

The event study results (Table 4) show that the pre-treatment coefficients for 2006–2010 (relative to 2011) are all small in magnitude (0.9–1.9 percentage points) and none are statistically significant at the 5% level. This suggests that employment trends were similar between groups in the years leading up to DACA.

Moreover, the pre-treatment coefficients do not show a clear trend—they fluctuate around zero rather than showing a systematic increase or decrease. If there were differential trends, we would expect to see a monotonic pattern in these coefficients. The absence of such a pattern provides further support for the parallel trends assumption.

### **6.1.3 Heterogeneity by Gender**

The analysis pools men and women, controlling for gender in the regression. To explore potential heterogeneity, I note that men have substantially higher full-time employment rates (approximately 45 percentage points higher, as indicated by the male coefficient of 0.45). This large gender gap in full-time employment is well-documented in the labor economics literature and may reflect both labor supply differences (e.g., childcare responsibilities) and labor demand factors (e.g., occupational segregation).

The pooled analysis assumes that the DACA effect is similar for men and women. Future research could explore whether the employment effects differ by gender, which might provide insights into the mechanisms through which DACA affects employment.

## **6.2 Limitations**

Several limitations should be acknowledged:

### **6.2.1 Inability to Identify Undocumented Status**

The ACS does not distinguish between documented and undocumented non-citizens. Following the research instructions, I assume all non-citizens who have not received immigration papers are undocumented. However, this likely includes some legal permanent residents and visa holders who would not be eligible for DACA. This measurement error in the treatment

variable would bias the estimated effect toward zero (attenuation bias), suggesting the true effect may be larger than estimated.

### **6.2.2 Imperfect Control Group**

The control group (DACA-ineligible individuals) differs from the treatment group in ways beyond DACA eligibility. Most notably:

- They are older (31+ as of June 2012 vs. under 31)
- They may have immigrated at older ages or more recently

While the DiD design controls for time-invariant differences between groups and common time trends, it cannot account for group-specific trends. The parallel trends assumption requires that employment trends would have been similar in the absence of DACA.

### **6.2.3 No Take-up Information**

The ACS does not indicate whether eligible individuals actually applied for and received DACA. The analysis estimates the “intent-to-treat” effect of eligibility, not the effect of actual DACA receipt. Given that approximately 90% of initial applications were approved, and many eligible individuals did apply, the intent-to-treat effect is likely close to the treatment-on-treated effect.

### **6.2.4 Potential Spillover Effects**

DACA may have affected the employment of ineligible individuals through labor market competition or household spillovers. If DACA-ineligible individuals were negatively affected by increased competition from newly authorized workers, this would inflate the DiD estimate. Conversely, positive household spillovers could bias the estimate toward zero.

### **6.2.5 Exclusion of 2012**

Because DACA was implemented mid-year in 2012, this year is excluded from the analysis. This is necessary because the ACS does not identify the month of data collection. However, this means some post-DACA observations in 2012 are lost.

## 7 Conclusion

This study provides evidence that DACA eligibility increased full-time employment among Hispanic-Mexican individuals born in Mexico. Using a difference-in-differences research design and American Community Survey data from 2006–2016, I estimate that DACA eligibility increased the probability of full-time employment by approximately 2.2 percentage points. This effect is statistically significant and robust to various specifications.

The event study analysis reveals that: (1) there is no evidence of differential pre-trends between eligible and ineligible groups, supporting the identifying assumption; and (2) the employment effects grew over time, from 1.6 percentage points in 2013 to 4.9 percentage points in 2016. This pattern is consistent with the gradual rollout of DACA and the time required for recipients to obtain work authorization and adjust their employment.

These findings are consistent with the expectation that providing legal work authorization increases formal sector employment. DACA allowed eligible individuals to work legally, reducing barriers to employment that undocumented workers face.

### 7.1 Policy Implications

The findings have several policy implications:

1. **Work authorization matters:** The positive employment effects suggest that legal work authorization is an effective tool for increasing formal sector employment among immigrants. This supports policies that provide pathways to legal work status.
2. **Gradual effects:** The event study shows that employment effects grew over time, from 1.6 percentage points in 2013 to 4.9 percentage points in 2016. This suggests that immigrants need time to adjust to their new legal status and find suitable employment. Policy evaluations should account for these dynamic adjustment processes.
3. **Youth focus:** DACA targeted young immigrants who arrived as children. The positive employment effects for this group suggest that early legal status may be particularly beneficial, perhaps because it allows immigrants to invest in education and job training during critical developmental periods.
4. **Economic integration:** Increased full-time employment implies greater economic integration of DACA-eligible immigrants into the formal economy. This has implications for tax revenue, Social Security contributions, and reduced reliance on informal employment arrangements.

## 7.2 Directions for Future Research

Several extensions of this analysis would be valuable:

- **Mechanisms:** This study documents the effect of DACA on employment but does not identify the specific mechanisms. Future research could examine whether the effects operate through legal work authorization, driver's license access, educational investments, or reduced employer discrimination.
- **Heterogeneity:** The effects may vary by gender, education level, state of residence, or other characteristics. Exploring heterogeneity could provide insights into which subgroups benefit most from DACA.
- **Longer-term outcomes:** This analysis examines employment through 2016. With additional years of data, researchers could examine whether the employment effects persist and whether they translate into wage gains, occupational upgrading, or other labor market outcomes.
- **Spillover effects:** DACA may affect not only recipients but also their family members and communities. Future research could examine these spillover effects.

## 7.3 Summary of Preferred Estimate

Table 7: Preferred Estimate Summary

Effect Size	0.0222 (2.22 percentage points)
Standard Error (Robust)	0.0047
95% Confidence Interval	[0.0131, 0.0314]
p-value	< 0.001
Sample Size	413,906

## A Additional Tables and Figures

### A.1 Variable Definitions from IPUMS

Table 8: Key Variables Used in Analysis

Variable	Definition
YEAR	Survey year
PERWT	Person weight for the sample
AGE	Age in years
SEX	Sex (1=Male, 2=Female)
BIRTHYR	Year of birth
BIRTHQTR	Quarter of birth (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 to the US
UHRSWORK	Usual hours worked per week
STATEFIP	State FIPS code

### A.2 Sample Construction

Table 9: Sample Construction

Step	Observations
All ACS 2006–2016 observations	33,851,425
Hispanic-Mexican (HISPAN = 1)	—
Born in Mexico (BPL = 200)	—
Non-citizen (CITIZEN = 3)	701,347
Exclude 2012	636,722
Age 18–45	413,906
Valid immigration year (YRIMMIG > 0)	413,906
<b>Final analysis sample</b>	<b>413,906</b>

### A.3 DACA Eligibility Breakdown

Table 10: DACA Eligibility Criteria (Analysis Sample)

Criterion	N Meeting Criterion
Under 31 as of June 15, 2012	178,432
Arrived before age 16	198,653
Arrived by 2007	295,744
All three criteria (DACA-eligible)	71,347
Not all criteria (DACA-ineligible)	342,559

## B Replication Code

The analysis was conducted using Python 3.x with the following packages:

- pandas (data manipulation)
- numpy (numerical operations)
- statsmodels (regression analysis)

The main analysis script (`analysis.py`) performs the following steps:

1. Load ACS data and filter to Hispanic-Mexican, Mexican-born, non-citizens
2. Exclude year 2012
3. Create DACA eligibility indicator based on birth year/quarter, age at immigration, and immigration year
4. Restrict to ages 18–45
5. Estimate difference-in-differences models with various specifications
6. Estimate event study specification
7. Output results to CSV files

All code and output files are available in the replication package.