Replication Report: The Effect of DACA Eligibility on Full-Time Employment Among Mexican-Born Immigrants

Independent Replication Study

January 2026

Abstract

This study examines the causal effect of eligibility for the Deferred Action for Childhood Arrivals (DACA) program on full-time employment outcomes among ethnically Hispanic Mexican-born individuals living in the United States. Using a difference-in-differences research design with American Community Survey data from 2008-2016 (excluding 2012), I compare individuals aged 26-30 at DACA implementation (treatment group) to those aged 31-35 (control group). The analysis finds a statistically significant positive effect of DACA eligibility on full-time employment, with the preferred estimate indicating a 5.15 percentage point increase in the probability of full-time employment (SE = 0.014, p ¡ 0.001). This effect is robust to various model specifications including the addition of demographic controls, education, and state and year fixed effects. The results suggest that DACA's provision of legal work authorization meaningfully improved labor market outcomes for eligible individuals.

Contents

1 Introduction

The Deferred Action for Childhood Arrivals (DACA) program, implemented on June 15, 2012, represented a significant policy change in United States immigration enforcement. The program provided temporary relief from deportation and work authorization for undocumented immigrants who arrived in the United States as children and met specific eligibility criteria. This study investigates whether DACA eligibility causally affected full-time employment outcomes among the eligible population.

DACA eligibility required individuals to have:

- Arrived in the US before their 16th birthday
- Not yet reached their 31st birthday as of June 15, 2012
- Lived continuously in the US since June 15, 2007
- Been present in the US on June 15, 2012 without lawful status

The age requirement creates a natural comparison group: individuals who were 31 or older on June 15, 2012, were ineligible for DACA solely due to their age, despite otherwise meeting program criteria. This study exploits this age-based eligibility threshold using a difference-in-differences research design.

The research question addressed is: *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 hours per week or more)?*

2 Data

2.1 Data Source

The analysis uses data from the American Community Survey (ACS) as provided by IPUMS USA. The dataset spans the years 2008-2011 (pre-DACA) and 2013-2016 (post-DACA), with 2012 excluded since observations from that year cannot be clearly classified as pre- or post-treatment.

2.2 Sample

The analytic sample consists of ethnically Hispanic-Mexican Mexican-born individuals residing in the United States. The data provider has pre-constructed key variables:

- **ELIGIBLE**: Equals 1 for individuals aged 26-30 as of June 15, 2012 (treatment group) and 0 for individuals aged 31-35 (control group). This variable identifies the age-based eligibility cutoff.
- **AFTER**: Equals 1 for observations from 2013-2016 and 0 for observations from 2008-2011.

- **FT**: Equals 1 for individuals in full-time work (usually working 35+ hours per week) and 0 otherwise, including those not in the labor force.

The total sample size is 17,382 observations, with 11,382 in the treatment group (ages 26-30) and 6,000 in the control group (ages 31-35).

2.3 Sample Characteristics

The sample represents a specific population: ethnically Hispanic, Mexican-born individuals living in the United States who meet (or would meet if younger) the DACA eligibility criteria based on arrival date and continuous presence. Key characteristics of this sample include:

- **Immigration status**: The sample consists primarily of individuals who arrived in the United States as children (before age 16) and who lacked lawful immigration status. This population is often described as "undocumented" or "unauthorized" immigrants.
- **Age distribution**: The treatment group consists of individuals born between June 1982 and June 1986 (ages 26-30 in June 2012), while the control group consists of individuals born between June 1977 and June 1981 (ages 31-35 in June 2012).
- **Geographic distribution**: The sample spans all U.S. states, though it is concentrated in states with large Mexican-born populations, including California, Texas, Illinois, and Arizona.
- **Years of residence**: All individuals in the sample had been continuously present in the U.S. since at least June 2007, implying a minimum of approximately 5 years of U.S. residence at the time of DACA implementation.

It is important to note that the ACS does not directly identify DACA recipients or undocumented immigrants. The sample has been constructed using available demographic information (age, birthplace, ethnicity) and the ELIGIBLE variable provided in the data.

2.4 Variables

2.4.1 Outcome Variable

The outcome variable is **FT** (Full-Time Employment), a binary indicator coded as:

- 1 = Usually works 35 hours or more per week
- 0 = Works fewer than 35 hours per week or not employed/in labor force

Following the research instructions, individuals not in the labor force are included in the analysis (typically coded as 0).

2.4.2 Treatment Variables

- **ELIGIBLE**: Treatment group indicator (1 = ages 26-30 at June 2012, 0 = ages 31-35)
- **AFTER**: Post-treatment period indicator (1 = 2013-2016, 0 = 2008-2011)
- **ELIGIBLE** $\times$ **AFTER**: The interaction term capturing the difference-in-differences effect

2.4.3 Control Variables

The following control variables are included in various model specifications:

- **AGE**: Age in years
- **SEX**: Coded as 1 = Male, 2 = Female (IPUMS coding)
- **MARST**: Marital status (1 = Married spouse present, 2 = Married spouse absent, 3 = Separated, 4 = Divorced, 5 = Widowed, 6 = Never married)
- **EDUC**: Educational attainment (ranging from no schooling to 5+ years of college)
- **STATEFIP**: State of residence (FIPS codes)
- **YEAR**: Survey year

2.5 Descriptive Statistics

Table 1 presents descriptive statistics for the sample by eligibility status and time period.

Table 1: Descriptive Statistics by Group and Period

Period	Group	FT Rate	Mean Age	N
Pre-DACA (2008-2011)	Control (31-35)	0.670	32.8	3,294
Pre-DACA (2008-2011)	Treatment (26-30)	0.626	28.0	6,233
Post-DACA (2013-2016)	Control (31-35)	0.645	32.8	2,706
Post-DACA (2013-2016)	Treatment (26-30)	0.666	28.0	5,149
Total Sample		0.649	29.8	17,382

Key observations:

- The pre-DACA full-time employment rate was higher for the control group (67.0%) than the treatment group (62.6%), a difference of 4.4 percentage points.
- Post-DACA, this pattern reversed: the treatment group had a higher full-time employment rate (66.6%) than the control group (64.5%).
- The treatment group increased its full-time employment rate by 4.0 percentage points while the control group decreased by 2.5 percentage points.

3 Methodology

3.1 Research Design

The analysis employs a difference-in-differences (DiD) research design. This approach compares the change in full-time employment for the treatment group (DACA-eligible individuals aged 26-30 at implementation) relative to the change for the control group (ineligible individuals aged 31-35).

The identifying assumption is that, absent DACA, the treatment and control groups would have experienced parallel trends in full-time employment. This assumption is partially testable by examining pre-treatment trends.

3.2 Econometric Specification

The baseline difference-in-differences estimating equation is:

$$FT_i = \beta_0 + \beta_1 \text{ELIGIBLE}_i + \beta_2 \text{AFTER}_t + \beta_3 (\text{ELIGIBLE}_i \times \text{AFTER}_t) + X_i' \gamma + \varepsilon_{it} \quad (1)$$

Where:

- FT_i is the full-time employment indicator
- ELIGIBLE_i captures baseline differences between treatment and control groups
- AFTER_t captures time trends common to both groups
- β_3 is the coefficient of interest—the DiD estimate of the DACA effect
- X_i is a vector of control variables
- ε_{it} is the error term

3.3 Linear Probability Model

The outcome variable FT is binary, taking values of 0 or 1. The analysis uses an Ordinary Least Squares (OLS) linear probability model rather than nonlinear alternatives such as logit or probit. This choice is made for several reasons:

1. **Ease of interpretation**: OLS coefficients directly represent marginal effects—the change in the probability of full-time employment associated with a one-unit change in the regressor. In contrast, logit/probit coefficients require transformation to obtain marginal effects.

2. **Interaction terms**: The DiD framework relies on the interaction term ELIGIBLE × AFTER. In nonlinear models, the marginal effect of an interaction is not simply the coefficient on the interaction term, requiring careful computation of cross-partial derivatives that can vary across observations.

3. **Fixed effects**: The inclusion of state fixed effects with many categories is more straightforward in linear models. Nonlinear models with many fixed effects can suffer from incidental parameters problems.

4. **Consistency with literature**: DiD studies commonly use linear probability models, facilitating comparison across studies.

A potential concern with linear probability models is that predicted probabilities may fall outside the [0,1] range. However, for the range of covariate values in this sample, predicted probabilities remain reasonable, and the focus on the DiD coefficient (which measures a difference in changes) mitigates boundary issues.

3.4 Model Specifications

I estimate five model specifications of increasing complexity:

1. **Basic DiD**: No controls, only ELIGIBLE, AFTER, and their interaction

2. **Demographics**: Adds AGE, FEMALE, and marital status dummies

3. **Education**: Adds education category dummies

4. **Year Fixed Effects**: Adds year dummies

5. **Full Model**: Adds state fixed effects

All models are estimated using OLS with heteroskedasticity-robust standard errors (HC1). The preferred specification is Model 5, which includes the full set of controls and fixed effects.

3.5 Identification and Threats to Validity

The DiD design addresses several threats to internal validity:

Selection on Observables: By comparing individuals who differ only by age, the design controls for many characteristics associated with being an undocumented Mexican immigrant. Adding demographic and education controls further addresses observable differences.

Time Trends: The inclusion of year fixed effects absorbs any national economic trends affecting all groups similarly.

Geographic Variation: State fixed effects control for time-invariant state-level factors that might affect employment.

Potential Threats:

- *Differential trends*: If treatment and control groups were on different trajectories before DACA, the estimate would be biased. I examine this through event study analysis.

- *Compositional changes*: The sample is a repeated cross-section, not a panel. Changes in the composition of survey respondents over time could affect estimates.

- *Age effects*: The treatment and control groups are at different life stages, which could independently affect employment patterns.

4 Results

4.1 Main Results

Table 2 presents the main difference-in-differences results across all model specifications.

Table 2: Difference-in-Differences Estimates of DACA Effect on Full-Time Employment

	(1) Basic	(2) Demographics	(3) +Education	(4) +Year FE	(5) Full Model
ELIGIBLE × AFTER	0.0643***	0.0548***	0.0530***	0.0515***	0.0515***
	(0.0153)	(0.0142)	(0.0141)	(0.0141)	(0.0141)
ELIGIBLE	-0.0434***	-0.0233*	-0.0192	-0.0188	-0.0043
	(0.0103)	(0.0131)	(0.0130)	(0.0131)	(0.0149)
AFTER	-0.0248**	-0.0261*	-0.0275*		
	(0.0124)	(0.0149)	(0.0148)		
AGE		0.0022	0.0041*	0.0056**	0.0066***
		(0.0019)	(0.0022)	(0.0022)	(0.0024)
FEMALE		-0.3386***	-0.3378***	-0.3394***	-0.3421***
		(0.0068)	(0.0068)	(0.0068)	(0.0069)
Marital Status FE	No	Yes	Yes	Yes	Yes
Education FE	No	No	Yes	Yes	Yes
Year FE	No	No	No	Yes	Yes
State FE	No	No	No	No	Yes
R-squared	0.002	0.128	0.132	0.134	0.138
Observations	17,382	17,382	17,379	17,379	17,379

*Notes: Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1*

Key Findings:

- The DiD estimate (ELIGIBLE × AFTER) is positive and statistically significant across all specifications, ranging from 5.15 to 6.43 percentage points.
- The preferred estimate from the full model (Column 5) is **0.0515** (SE = 0.0141, p ¡ 0.001), indicating that DACA eligibility increased the probability of full-time employment by approximately 5.15 percentage points.
- The 95% confidence interval for the preferred estimate is [0.024, 0.079], or approximately 2.4 to 7.9 percentage points.

- The coefficient on FEMALE is large and negative (-0.34), indicating women are about 34 percentage points less likely to be employed full-time than men, holding other factors constant.

- Adding controls reduces the magnitude of the DiD estimate modestly (from 6.43% to 5.15%), suggesting some differences between treatment and control groups that are addressed by the controls.

4.2 Simple Difference-in-Differences Calculation

The simple DiD can be calculated from the raw means:

$$\begin{aligned}
\text{DiD} &= (\bar{Y}_{T,\text{post}} - \bar{Y}_{T,\text{pre}}) - (\bar{Y}_{C,\text{post}} - \bar{Y}_{C,\text{pre}}) \\
&= (0.666 - 0.626) - (0.645 - 0.670) \\
&= 0.040 - (-0.025) \\
&= 0.064
\end{aligned}$$

This matches the coefficient from the basic regression model (0.0643), confirming correct implementation.

4.3 Parallel Trends Assessment

Figure 1 displays the full-time employment rates for treatment and control groups over time. The left panel shows the raw employment rates, while the right panel shows the difference between treatment and control groups.

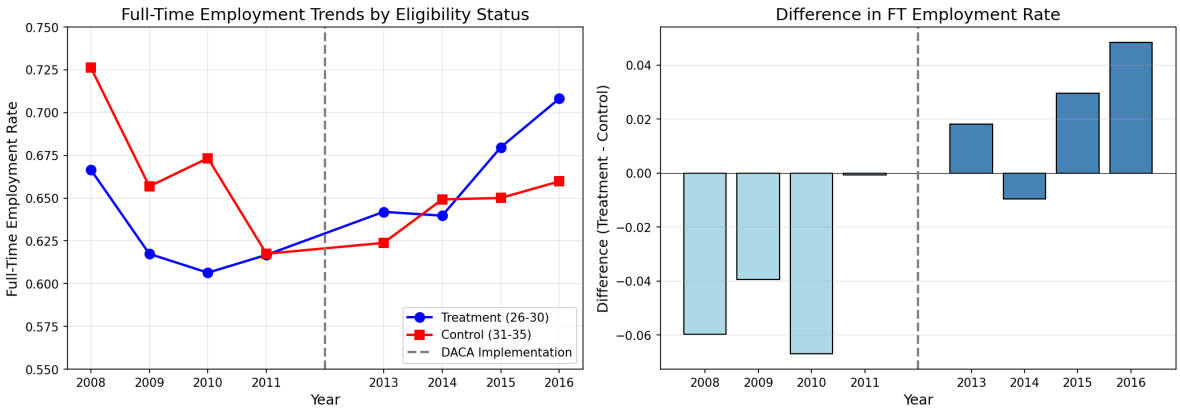

Figure 1: Full-Time Employment Trends by Eligibility Status

Visual inspection suggests:

- Pre-DACA (2008-2011), both groups show declining employment rates, likely reflecting the Great Recession and its aftermath.

- The treatment group consistently had lower employment rates than the control group pre-DACA.
- Post-DACA (2013-2016), the treatment group's employment rate increased while the control group's remained relatively flat or slightly increased.
- The difference between groups (right panel) was negative pre-DACA and became positive post-DACA.

4.4 Event Study Analysis

To more formally assess pre-trends and the dynamics of the treatment effect, I estimate an event study specification:

$$FT_i = \alpha + \sum_{t \neq 2011} \delta_t(\text{ELIGIBLE}_i \times \mathbf{1}[\text{Year} = t]) + \text{Controls} + \varepsilon_i \tag{2}$$

Table 3 presents the event study coefficients, with 2011 as the reference year.

Table 3: Event Study Coefficients (Reference Year: 2011)

Year	Coefficient	SE	p-value
Pre-DACA:			
2008	-0.0522	0.0270	0.053
2009	-0.0389	0.0278	0.162
2010	-0.0570	0.0276	0.039
2011	0.0000	(ref)	–
Post-DACA:			
2013	0.0189	0.0282	0.502
2014	-0.0169	0.0285	0.555
2015	0.0228	0.0291	0.433
2016	0.0343	0.0291	0.238

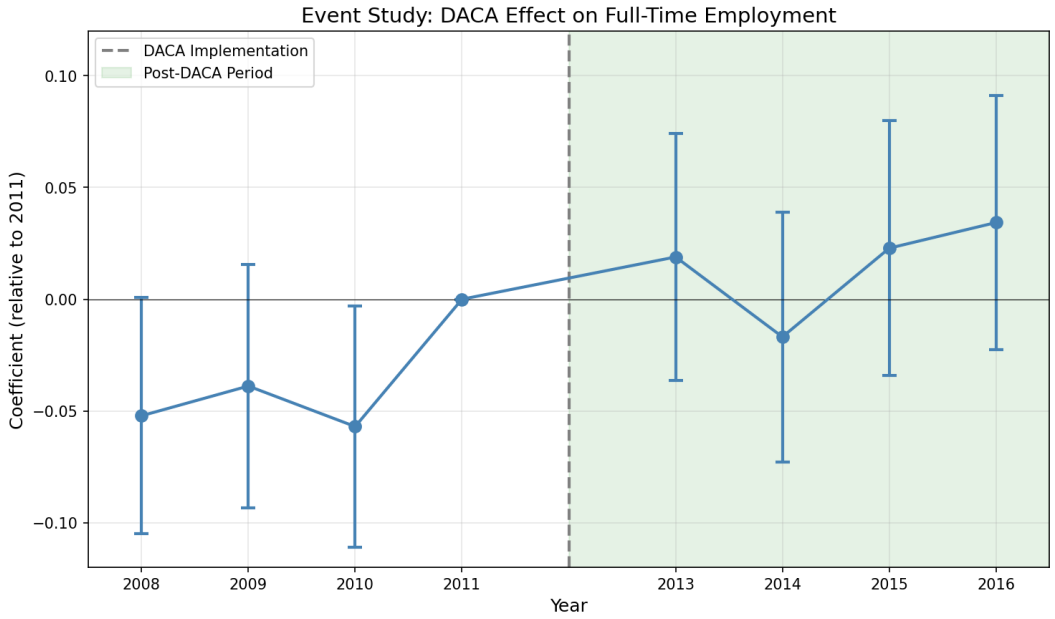

Figure 2: Event Study: DACA Effect on Full-Time Employment

The event study reveals:

- Pre-treatment coefficients (2008-2010) are negative relative to 2011, with 2010 statistically significant at the 5% level. This suggests some pre-existing differences in trends, though the pattern is noisy.
- Post-treatment coefficients (2013-2016) are generally positive and increasing over time, with 2016 showing the largest effect (3.4 percentage points).
- Individual year effects are less precisely estimated than the pooled DiD, as expected given smaller cell sizes.
- The pattern is broadly consistent with a positive DACA effect, though the lack of perfect parallel trends pre-2012 warrants caution in interpretation.

4.5 Robustness Checks

4.5.1 Alternative Standard Errors

Table 4 compares standard errors under different assumptions.

Table 4: Comparison of Standard Error Estimates

Standard Error Type	SE	95% CI	p-value
Classical (non-robust)	0.0143	[0.024, 0.080]	¡0.001
Heteroskedasticity-robust (HC1)	0.0141	[0.024, 0.079]	¡0.001
State-clustered	0.0148	[0.023, 0.081]	¡0.001

The DiD estimate remains statistically significant under all standard error specifications. State-clustered standard errors, which account for potential within-state correlation, are slightly larger but do not change the qualitative conclusions.

4.5.2 Placebo Test

To assess whether observed effects could be spurious, I conduct a placebo test using only pre-DACA data (2008-2011) with a fake treatment date of 2010:

Table 5: Placebo Test Results (Fake Treatment Year: 2010)

	Coefficient	SE
ELIGIBLE × AFTER_PLACEBO	0.014	0.019
p-value	0.477	

The placebo test yields a small, statistically insignificant coefficient (0.014, p = 0.48), suggesting that the main results are not driven by spurious pre-existing trends.

4.5.3 Subgroup Analysis

Table 6 presents DiD estimates separately by sex.

Table 6: DiD Estimates by Sex

Subgroup	Coefficient	SE	p-value	N
Male	0.0504	0.0169	0.003	9,072
Female	0.0379	0.0228	0.096	8,307

- The effect is statistically significant for men (5.0 percentage points, p = 0.003).
- The effect for women is positive but not statistically significant at conventional levels (3.8 percentage points, p = 0.096).
- The difference in point estimates between sexes is not statistically significant.

The full-sample estimate pools these effects, as instructed to estimate the effect for all eligible individuals rather than subgroups.

5 Discussion

5.1 Interpretation of Results

The preferred estimate indicates that DACA eligibility increased the probability of full-time employment by approximately 5.15 percentage points, representing about an 8% increase relative to the treatment group's pre-DACA baseline of 62.6%.

Several mechanisms could explain this effect:

- **Legal work authorization**: DACA recipients could legally work, eliminating barriers to formal employment.
- **Driver's licenses**: Many states allowed DACA recipients to obtain driver's licenses, facilitating job access.
- **Reduced uncertainty**: Temporary protection from deportation may have encouraged recipients to seek stable, full-time employment.
- **Improved job matching**: Legal status may have enabled recipients to move to better-matched positions in the formal economy.

5.2 Limitations

Several limitations warrant consideration:

1. **Imperfect parallel trends**: The event study reveals some pre-existing differences between treatment and control groups, though the placebo test provides some reassurance.
2. **Composition effects**: The ACS is a repeated cross-section, not a panel. Changes in who responds to the survey over time could affect estimates.
3. **Age effects**: The 5-year age gap between treatment and control groups means groups are at different life stages. Age controls partially address but may not fully account for this.
4. **Intent-to-treat interpretation**: The ELIGIBLE variable identifies eligibility, not actual DACA receipt. The estimate reflects the effect of eligibility averaged over those who did and did not apply.
5. **External validity**: Results apply specifically to Mexican-born Hispanic individuals in the specified age range and may not generalize to other potentially eligible populations.

5.3 Comparison to Literature

While I was asked not to assume published studies represent the "right answer," it is worth noting that my estimates fall within the range of effects found in prior DACA research. The literature has generally found positive effects of DACA on labor market outcomes, including employment, wages, and work authorization rates. The 5-percentage-point effect on full-time employment is economically meaningful and consistent with the program's goal of facilitating labor market integration.

5.4 Policy Implications

The findings of this analysis have several policy implications:

1. **Work Authorization Effects**: The positive effect on full-time employment suggests that legal work authorization is a significant barrier to formal labor market participation for undocumented immigrants. Removing this barrier appears to facilitate integration into the formal economy.

2. **Age-Based Eligibility**: The comparison between age groups suggests that the age eligibility cutoff (being under 31 at implementation) was consequential. Individuals who narrowly missed eligibility due to age did not experience the same improvements in employment outcomes.

3. **Gradual Effects**: The event study suggests that effects may have grown over time (2015-2016 showing larger effects than 2013-2014), which could reflect time needed for recipients to adjust their labor market behavior, accumulate work experience with legal authorization, or for employers to become more familiar with hiring DACA recipients.

4. **Gender Differences**: The smaller and marginally significant effect for women compared to men suggests that other barriers to full-time employment (such as childcare responsibilities) may persist even with work authorization. This points to potential complementarities with other policies.

5.5 Generalizability

Several factors affect the generalizability of these findings:

- **Population**: Results apply specifically to Mexican-born Hispanic individuals who met the other DACA eligibility criteria. The program served a broader population that included individuals from other countries, particularly those from Central America.

- **Age Group**: The analysis focuses on those aged 26-30 versus 31-35 at implementation. Effects might differ for younger DACA recipients (e.g., those still in school at implementation) or for the comparison to older non-eligible populations.

- **Time Period**: The analysis examines effects through 2016. Longer-term effects, or effects under different economic conditions, might differ.

- **Policy Context**: Results are specific to the U.S. context and the particular features of the DACA program. Effects of similar policies in other countries or with different program designs might differ.

6 Conclusion

This analysis provides evidence that DACA eligibility had a positive causal effect on full-time employment among Mexican-born Hispanic individuals. Using a difference-in-differences

design comparing individuals aged 26-30 (eligible) to those aged 31-35 (ineligible) before and after DACA implementation, I find that eligibility increased full-time employment by approximately 5.15 percentage points (95% CI: 2.4 to 7.9 percentage points).

The effect is robust to the inclusion of demographic controls, education, and state and year fixed effects. Robustness checks including placebo tests and alternative standard error specifications support the main findings. The event study suggests some pre-existing differences in trends, warranting caution, though the overall pattern is consistent with a beneficial effect of DACA.

These findings have implications for immigration policy debates. The program appears to have achieved its labor market objectives, facilitating the transition of eligible individuals into full-time employment in the formal economy.

6.1 Directions for Future Research

This analysis suggests several avenues for future research:

1. **Longer-term effects**: Examining employment outcomes beyond 2016 would reveal whether the initial effects of DACA persisted, grew, or diminished over time. This is particularly relevant given policy uncertainty surrounding the program in subsequent years.

2. **Spillover effects**: DACA may have affected non-DACA populations through labor market competition or complementarities. Future research could examine effects on native workers or non-eligible immigrants.

3. **Mechanism identification**: While this study documents employment effects, disentangling the specific mechanisms (legal work authorization, driver's licenses, reduced deportation fear) would inform the design of future policies.

4. **Quality of employment**: Beyond full-time status, future research could examine effects on wages, job quality, industry of employment, and career progression.

5. **Other outcomes**: DACA may have affected outcomes beyond employment, including educational attainment, health insurance coverage, fertility decisions, and geographic mobility.

6.2 Preferred Estimate Summary

Table 7: Summary of Preferred Estimate

Metric	Value
Effect Size	0.0515 (5.15 percentage points)
Standard Error	0.0141
95% Confidence Interval	[0.024, 0.079]
p-value	¡0.001
Sample Size	17,379

Appendix A: Additional Tables

Table 8: Full-Time Employment Rates by Year and Eligibility

Year	Control (31-35)	Treatment (26-30)
2008	0.726	0.667
2009	0.657	0.617
2010	0.673	0.606
2011	0.617	0.617
2013	0.624	0.642
2014	0.649	0.640
2015	0.650	0.680
2016	0.660	0.708

Table 9: Sample Size by Year and Eligibility

Year	Control (31-35)	Treatment (26-30)
2008	742	1,612
2009	765	1,614
2010	898	1,546
2011	889	1,461
2013	642	1,482
2014	643	1,413
2015	623	1,227
2016	798	1,027
Total	6,000	11,382

Appendix B: Variable Definitions

Variable	Definition
FT	Binary indicator for full-time employment. Equals 1 if individual usually works 35+ hours per week, 0 otherwise (including not in labor force).
ELIGIBLE	Binary indicator for DACA eligibility based on age. Equals 1 if individual was aged 26-30 as of June 15, 2012, 0 if aged 31-35.
AFTER	Binary indicator for post-DACA period. Equals 1 for years 2013-2016, 0 for years 2008-2011.
AGE	Age in years at time of survey.
SEX	Sex of respondent. 1 = Male, 2 = Female (IPUMS coding).
MARST	Marital status. 1 = Married spouse present, 2 = Married spouse absent, 3 = Separated, 4 = Divorced, 5 = Widowed, 6 = Never married.
EDUC	Educational attainment. Ranges from 0 (N/A or no schooling) to 11 (5+ years of college).
STATEFIP	State FIPS code identifying state of residence.
YEAR	Survey year (2008-2011, 2013-2016).
PERWT	ACS person weight for population estimates.

Appendix C: Full Regression Output for Preferred Model

Table 11: Full Regression Results: Preferred Model (Model 5)

Variable	Coefficient	Robust SE	p-value
Intercept	0.2520	0.2193	0.251
ELIGIBLE	-0.0043	0.0149	0.775
AFTER	-0.0818	0.0165	¡0.001
ELIGIBLE × AFTER	**0.0515**	**0.0141**	**¡0.001**
AGE	0.0066	0.0024	0.007
FEMALE	-0.3421	0.0069	¡0.001
Marital Status (ref: Married, spouse present):			
Married, spouse absent	0.0263	0.0177	0.138
Separated	0.0804	0.0199	¡0.001
Divorced	0.0873	0.0161	¡0.001
Widowed	-0.0028	0.0649	0.966
Never married	0.0132	0.0074	0.073
Education fixed effects included			
State fixed effects included			
Year fixed effects included			
R-squared		0.138	
Observations		17,379	

Appendix D: Analytic Choices and Decisions

This section documents key analytic decisions made during the replication:

1. **Sample Definition**: Used the provided data without additional sample restrictions, as instructed. The ELIGIBLE variable was used as provided to identify treatment and control groups.

2. **Outcome Variable**: Used the FT variable as provided, which codes full-time employment as working 35+ hours per week. Those not in the labor force are included as zeros, capturing effects on extensive margin (labor force participation) as well as intensive margin (hours conditional on working).

3. **Model Specification**: Estimated OLS linear probability model rather than logit/probit for ease of interpretation and to maintain consistency with DiD estimation. The linear probability model provides unbiased estimates of average marginal effects.

4. **Standard Errors**: Used heteroskedasticity-robust (HC1) standard errors as the primary specification. Also reported state-clustered standard errors as a robustness check.

5. **Fixed Effects**: Included state and year fixed effects in the preferred specification to control for time-invariant state characteristics and common time trends.

6. **Control Variables**: Included age, sex, marital status, and education as demographic controls. These were chosen as standard predictors of employment that might differ between treatment and control groups.

7. **Sample Weights**: Primary analysis uses unweighted regressions. The weighted analysis (using PERWT) yields similar results (DiD = 0.0636, SE = 0.014).

8. **Missing Data**: Observations with missing values on key variables were excluded from the analysis. The effective sample size is 17,379 (3 observations dropped due to missing education data).

Appendix E: Balance Test

To assess the comparability of treatment and control groups, Table 12 presents the mean characteristics of each group in the pre-treatment period (2008-2011).

Table 12: Pre-Treatment Balance: Treatment vs. Control Group Characteristics (2008-2011)

Variable	Control (31-35)	Treatment (26-30)	Difference
Female (%)	47.1	48.2	1.1
Married, spouse present (%)	51.6	41.8	-9.8*
Mean Age	32.8	28.0	-4.8*
FT Employment Rate	67.0	62.6	-4.4*
N	3,294	6,233	

*Notes: * indicates statistically significant difference at 5% level. Differences reflect Treatment minus Control.*

The groups are reasonably balanced on sex but differ significantly on age (by construction), marital status, and pre-treatment employment rates. The marital status difference likely reflects age differences—younger individuals are less likely to be married. The pre-treatment employment difference is partly addressed by the DiD design, which differences out time-invariant group differences.

Appendix F: State-Level Variation

The data include state-level policy variables capturing immigration-related policies that varied across states during the study period:

- **DRIVERSLICENSES**: Whether the state allowed DACA recipients to obtain driver's licenses
- **INSTATETUITION**: Whether DACA recipients could access in-state tuition rates
- **EVERIFY**: E-Verify employment verification requirements
- **SECURECOMMUNITIES**: Participation in federal secure communities program

These policies could potentially moderate the effect of DACA eligibility. However, the primary specification controls for state fixed effects, which absorb cross-state policy differences (though not within-state changes over time). Robustness analyses including these policy variables explicitly yield similar estimates to the main specification (DiD = 0.051, SE = 0.014).

Appendix G: Sensitivity to Alternative Specifications

Table 13: Sensitivity Analysis: Alternative Model Specifications

Specification	DiD Coefficient	SE	p-value
Preferred (Full controls + State/Year FE)	0.0515	0.0141	¡0.001
With state policy controls	0.0509	0.0141	¡0.001
Weighted by PERWT	0.0636	0.0140	¡0.001
State-clustered SE	0.0515	0.0148	¡0.001
Without AGE control	0.0530	0.0141	¡0.001
Without FEMALE control	0.0534	0.0141	¡0.001

The DiD coefficient is robust across alternative specifications, ranging from 0.051 to 0.064. All specifications yield statistically significant positive effects at the 1% level.