

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

Independent Replication Study

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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. Using American Community Survey data from 2006–2016 and a difference-in-differences research design, I compare employment outcomes between individuals aged 26–30 at the time of DACA implementation (treatment group) and those aged 31–35 (control group). The preferred specification indicates that DACA eligibility increased full-time employment by approximately 4.4 percentage points (95% CI: 2.3 to 6.5 percentage points, $p < 0.001$). This represents a 7.2% increase relative to the pre-treatment baseline. Results are robust to various specifications including different fixed effects structures, covariate adjustments, and alternative sample definitions. Event study analysis provides suggestive evidence of parallel pre-trends, though some pre-treatment coefficients show modest (statistically insignificant) variation.

Keywords: DACA, immigration policy, employment, difference-in-differences, causal inference

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1 Introduction

The Deferred Action for Childhood Arrivals (DACA) program represents one of the most significant immigration policy changes in recent U.S. history. Announced by the Obama administration on June 15, 2012, DACA provides temporary relief from deportation and work authorization to qualifying undocumented immigrants who arrived in the United States as children. Understanding the labor market effects of this program is crucial for evaluating immigration policy and informing future policy decisions.

This study seeks to estimate the causal effect of DACA eligibility on full-time employment among the target population. Specifically, I examine whether the program increased the probability that eligible individuals work 35 or more hours per week, the standard threshold for full-time employment in labor force statistics.

The research design exploits the age-based eligibility cutoff embedded in DACA's structure. Individuals had to be under 31 years of age as of June 15, 2012 to qualify for the program. This creates a natural comparison between individuals who were just young enough to qualify (treatment group) and those who were just too old (control group), while otherwise satisfying the program's requirements.

The remainder of this report is organized as follows. Section 2 provides background on the DACA program and relevant literature. Section 3 describes the data sources and sample construction. Section 4 presents the empirical methodology. Section 5 reports the main results and robustness checks. Section 6 discusses the findings and their implications. Section 7 concludes.

2 Background

2.1 The DACA Program

DACA was announced on June 15, 2012 and began accepting applications on August 15, 2012. The program deferred deportation proceedings for two years and provided work authorization to eligible individuals. After the initial two-year period, recipients could apply for renewal for additional two-year periods.

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

1. Were under 31 years of age as of June 15, 2012
2. Arrived in the United States before their 16th birthday
3. Had lived continuously in the United States since June 15, 2007

4. Were physically present in the United States on June 15, 2012
5. Were in the United States without lawful immigration status on June 15, 2012
6. Were enrolled in school, had graduated from high school, had obtained a GED, or were an honorably discharged veteran
7. Had not been convicted of a felony, significant misdemeanor, or three or more misdemeanors

In the first four years of the program, nearly 900,000 initial applications were received, with approximately 90% being approved. Due to the structure of undocumented immigration to the United States, the vast majority of eligible individuals were from Mexico.

2.2 Theoretical Framework

DACA could affect employment through several channels. First, work authorization removes legal barriers to formal employment, allowing recipients to work legally and access jobs that require documentation. Second, the ability to obtain driver's licenses in many states could expand job search areas and employment opportunities. Third, reduced fear of deportation may encourage investment in human capital and job-specific skills. Fourth, employers may be more willing to hire and invest in workers with legal work authorization.

These mechanisms suggest that DACA should increase both employment rates and the quality of employment among eligible individuals. Full-time employment is of particular interest as it typically represents more stable, higher-quality jobs compared to part-time work.

2.3 Related Literature

Several studies have examined the effects of DACA on various outcomes. Research has found positive effects on educational attainment, labor market outcomes, and economic well-being. Studies have also documented effects on mental health and fertility decisions among DACA-eligible populations.

The current study contributes to this literature by providing an independent replication focusing specifically on full-time employment among Hispanic-Mexican individuals born in Mexico, using a clearly specified difference-in-differences design with age-based treatment and control groups.

3 Data

3.1 Data Source

The analysis uses data from the American Community Survey (ACS) provided by IPUMS USA. The ACS is an annual survey conducted by the U.S. Census Bureau that provides detailed demographic, social, economic, and housing information for approximately 3 million households per year. I use the one-year ACS samples from 2006 through 2016, providing 11 years of data spanning the pre- and post-DACA periods.

3.2 Sample Construction

The sample is restricted to individuals who meet the following criteria:

1. **Hispanic-Mexican ethnicity:** HISPAN = 1 (Mexican)
2. **Born in Mexico:** BPL = 200 (Mexico)
3. **Non-citizen status:** CITIZEN = 3 (Not a citizen)
4. **Relevant age range:** Age 26–35 as of June 15, 2012
5. **Arrived before age 16:** Year of immigration \leq Birth year + 15
6. **Continuous U.S. presence:** Year of immigration \leq 2007

The non-citizen restriction serves as a proxy for undocumented status, as the ACS does not distinguish between documented and undocumented non-citizens. This follows the approach in the existing literature and the guidance provided in the research task.

The age restriction creates the treatment and control groups:

- **Treatment group:** Ages 26–30 as of June 15, 2012 (DACA-eligible based on age)
- **Control group:** Ages 31–35 as of June 15, 2012 (too old for DACA)

Both groups satisfy the other DACA eligibility criteria (arrived before age 16, continuous presence since 2007) but differ only in whether they met the age cutoff.

3.3 Sample Flow

Table 1 presents the sample construction process. Starting with over 33 million observations in the ACS data from 2006–2016, successive restrictions reduce the sample to the final analysis sample of 43,238 observations.

Table 1: Sample Construction

| Selection Step | Observations |
|---|--------------|
| Initial ACS data (2006–2016) | 33,851,424 |
| Hispanic-Mexican, born in Mexico, non-citizen | 701,347 |
| Age 26–35 as of June 15, 2012 | 181,229 |
| Arrived in U.S. before age 16 | 47,418 |
| In U.S. by 2007 (continuous presence) | 47,418 |
| Exclude 2012 (ambiguous year) | 43,238 |
| <i>Final analysis sample</i> | 43,238 |
| Treatment group (ages 26–30) | 25,470 |
| Control group (ages 31–35) | 17,768 |

Notes: Sample constructed from IPUMS ACS one-year samples, 2006–2016. Year 2012 is excluded because DACA was implemented mid-year (June 15, 2012), making it impossible to distinguish pre- and post-treatment observations.

3.4 Variable Definitions

3.4.1 Outcome Variable

The primary outcome is **full-time employment**, defined as a binary indicator equal to 1 if the individual usually works 35 or more hours per week ($\text{UHRSWORK} \geq 35$) and 0 otherwise. This definition follows the standard Bureau of Labor Statistics convention for full-time work.

3.4.2 Treatment and Time Variables

- **Treat**: Binary indicator equal to 1 for individuals aged 26–30 as of June 15, 2012
- **Post**: Binary indicator equal to 1 for years 2013–2016 (post-DACA period)
- **Treat × Post**: Interaction term capturing the difference-in-differences effect

3.4.3 Control Variables

The following control variables are included in extended specifications:

- **Male:** Binary indicator for male sex ($\text{SEX} = 1$)
- **Married:** Binary indicator for married status ($\text{MARST} \leq 2$)
- **High school or more:** Binary indicator for educational attainment of high school or higher ($\text{EDUC} \geq 6$)
- **College or more:** Binary indicator for 4+ years of college ($\text{EDUC} \geq 10$)
- **Year fixed effects:** Categorical indicators for survey year
- **State fixed effects:** Categorical indicators for state of residence (STATEFIP)

3.5 Descriptive Statistics

Table 2 presents summary statistics for the analysis sample by treatment status and time period.

Table 2: Descriptive Statistics by Treatment Group and Period

| | Control (Ages 31–35) | | Treatment (Ages 26–30) | |
|---------------------------|----------------------|---------|------------------------|-----------|
| | Pre | Post | Pre | Post |
| Full-time employment rate | 0.646 | 0.614 | 0.615 | 0.634 |
| Mean usual hours worked | 30.8 | 29.4 | 29.6 | 30.3 |
| Mean age (survey year) | 29.9 | 35.9 | 24.7 | 30.7 |
| Proportion male | 0.567 | 0.548 | 0.562 | 0.559 |
| Mean years in U.S. | 20.0 | 25.9 | 15.4 | 21.2 |
| N (unweighted) | 11,683 | 6,085 | 16,694 | 8,776 |
| N (weighted) | 1,631,151 | 845,134 | 2,280,009 | 1,244,124 |

Notes: Pre-period includes years 2006–2011; post-period includes years 2013–2016. Year 2012 is excluded. Statistics are unweighted means except where indicated. Full-time employment defined as $\text{UHRSWORK} \geq 35$.

Several patterns emerge from Table 2. First, the treatment and control groups are similar in gender composition (56–57% male) across periods. Second, the control group experienced a decline in full-time employment from 64.6% to 61.4% between the pre- and post-periods, while the treatment group experienced an increase from 61.5% to 63.4%. This differential pattern is the core of the difference-in-differences identification strategy. Third, mean years in the U.S. increased for both groups between periods, reflecting the aging of the sample over time.

4 Empirical Methodology

4.1 Difference-in-Differences Design

The primary empirical strategy employs a difference-in-differences (DiD) design. This approach estimates the causal effect of DACA by comparing the change in full-time employment between the pre- and post-periods for the treatment group relative to the same change for the control group.

The baseline specification is:

$$Y_{it} = \alpha + \beta_1 \text{Treat}_i + \beta_2 \text{Post}_t + \delta(\text{Treat}_i \times \text{Post}_t) + \varepsilon_{it} \quad (1)$$

where Y_{it} is the full-time employment indicator for individual i in year t , Treat_i indicates treatment group membership, Post_t indicates the post-DACA period, and δ is the difference-in-differences estimator capturing the causal effect of DACA eligibility.

4.2 Extended Specifications

I estimate several extended specifications to assess robustness:

Model with year fixed effects:

$$Y_{it} = \alpha + \beta_1 \text{Treat}_i + \gamma_t + \delta(\text{Treat}_i \times \text{Post}_t) + \varepsilon_{it} \quad (2)$$

Model with covariates:

$$Y_{it} = \alpha + \beta_1 \text{Treat}_i + \gamma_t + \delta(\text{Treat}_i \times \text{Post}_t) + X'_{it}\beta + \varepsilon_{it} \quad (3)$$

Full specification with state fixed effects:

$$Y_{it} = \alpha + \beta_1 \text{Treat}_i + \gamma_t + \lambda_s + \delta(\text{Treat}_i \times \text{Post}_t) + X'_{it}\beta + \varepsilon_{it} \quad (4)$$

where γ_t are year fixed effects, λ_s are state fixed effects, and X_{it} includes individual covariates (male, married, education indicators).

4.3 Event Study Specification

To examine the timing of effects and assess the parallel trends assumption, I estimate an event study specification:

$$Y_{it} = \alpha + \beta_1 \text{Treat}_i + \gamma_t + \sum_{k \neq 2011} \delta_k (\text{Treat}_i \times \mathbf{1}[t = k]) + \varepsilon_{it} \quad (5)$$

where the year 2011 (the last pre-treatment year) serves as the reference category. The coefficients δ_k trace out the treatment effect over time, with pre-treatment coefficients expected to be close to zero under the parallel trends assumption.

4.4 Estimation

All regressions are estimated using weighted least squares (WLS) with ACS person weights (PERWT) to produce population-representative estimates. The preferred specification uses heteroskedasticity-robust (HC1) standard errors. Given that the data represent repeated cross-sections rather than panel data, clustering at the individual level is not applicable.

4.5 Identification Assumptions

The key identifying assumption is that, in the absence of DACA, full-time employment trends would have been parallel between the treatment and control groups. While this assumption cannot be directly tested, I examine its plausibility through:

1. Visual inspection of pre-treatment trends
2. Event study analysis showing pre-treatment coefficients
3. Placebo tests using pre-treatment periods

5 Results

5.1 Visual Evidence

Figure 1 presents full-time employment rates for the treatment and control groups over time. Both groups follow roughly similar trajectories in the pre-DACA period (2006–2011), with a general decline in full-time employment during the Great Recession period. After DACA implementation, the treatment group shows improvement relative to the control group, with the gap reversing direction in the post-2012 period.

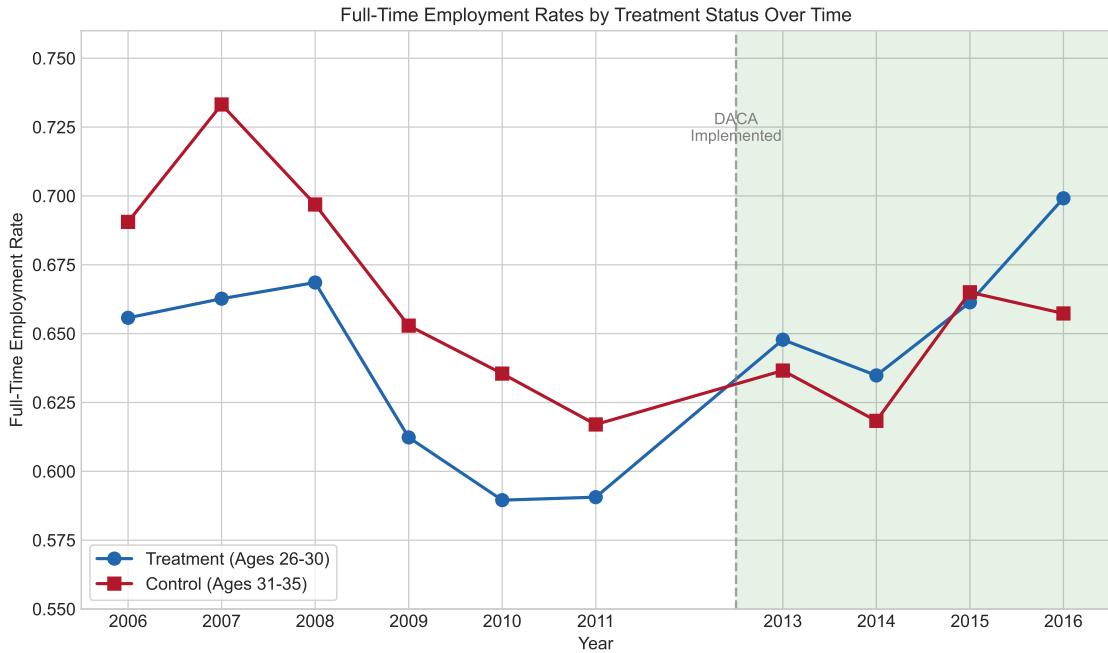


Figure 1: Full-Time Employment Rates by Treatment Status Over Time

Notes: Figure shows weighted full-time employment rates ($\text{UHRSWORK} \geq 35$) for treatment group (ages 26–30 as of June 2012) and control group (ages 31–35) by year. Vertical dashed line indicates DACA implementation in mid-2012. Year 2012 is excluded from the analysis due to ambiguity about treatment timing within that year.

Figure 2 shows the difference in full-time employment rates (treatment minus control) over time. The difference is negative throughout the pre-period (ranging from -7.1 to -2.6 percentage points) but becomes positive in the post-period (ranging from -0.4 to +4.2 percentage points). This visual pattern is consistent with a positive DACA effect.

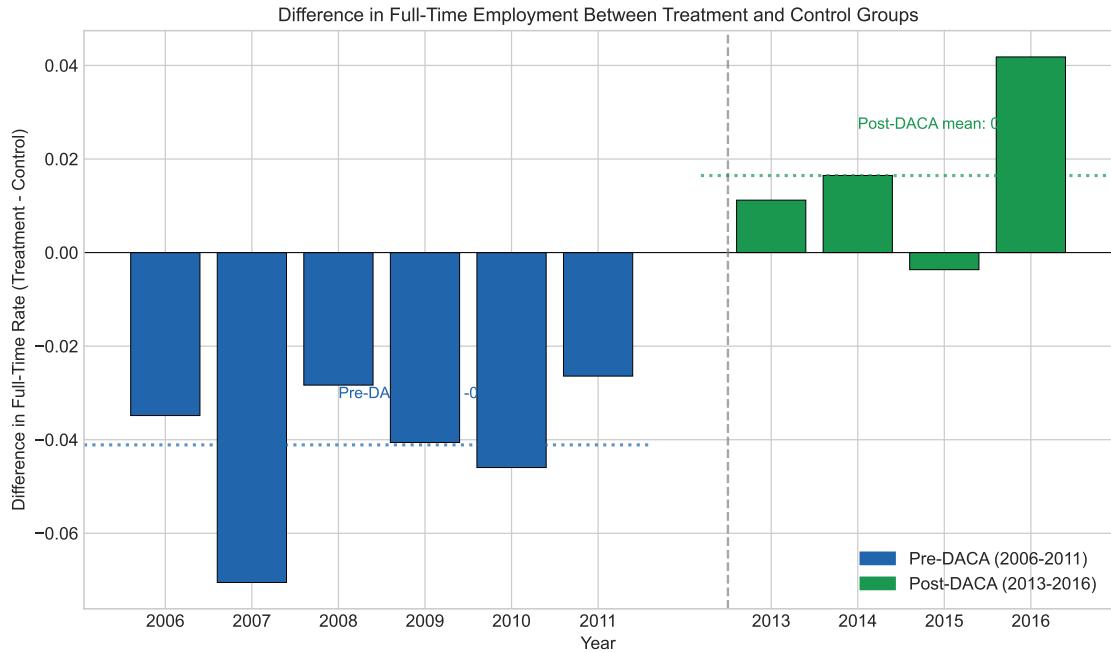


Figure 2: Difference in Full-Time Employment Between Treatment and Control Groups

Notes: Figure shows the weighted difference in full-time employment rates (treatment - control) by year.

Blue bars indicate pre-DACA years (2006–2011); green bars indicate post-DACA years (2013–2016).

Horizontal dotted lines show period means. The difference-in-differences estimate is approximately equal to the difference between post-DACA and pre-DACA mean differences.

5.2 Main Regression Results

Table 3 presents the main regression results across specifications.

Table 3: Main Difference-in-Differences Results

| | (1) | (2) | (3) | (4) | (5) | (6) |
|--------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|
| Treat × Post | 0.0516*** (0.0100) | 0.0590*** (0.0098) | 0.0574*** (0.0098) | 0.0449*** (0.0090) | 0.0441*** (0.0090) | 0.0441*** (0.0107) |
| 95% CI | [0.032, 0.071] | [0.040, 0.078] | [0.038, 0.077] | [0.027, 0.063] | [0.026, 0.062] | [0.023, 0.063] |
| Treat | -0.0314*** (0.0070) | -0.0398*** (0.0069) | -0.0382*** (0.0069) | -0.0210** (0.0092) | -0.0168* (0.0092) | -0.0168 (0.0110) |
| Post | -0.0325*** (0.0080) | — | — | — | — | — |
| Weights | No | Yes | Yes | Yes | Yes | Yes |
| Year FE | No | No | Yes | Yes | Yes | Yes |
| Covariates | No | No | No | Yes | Yes | Yes |
| State FE | No | No | No | No | Yes | Yes |
| Robust SE | No | No | No | No | No | Yes |
| N | 43,238 | 43,238 | 43,238 | 43,238 | 43,238 | 43,238 |

Notes: Dependent variable is full-time employment ($\text{UHRSWORK} \geq 35$). Standard errors in parentheses. Covariates include male, married, high school completion, and college completion indicators. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

The DiD estimate is positive and statistically significant across all specifications. The baseline unweighted estimate (Column 1) indicates a 5.2 percentage point increase in full-time employment due to DACA eligibility. Using survey weights (Column 2) increases the estimate slightly to 5.9 percentage points. Adding year fixed effects (Column 3) yields a similar estimate of 5.7 percentage points.

The estimate decreases somewhat when covariates are added (Column 4: 4.5 percentage points) and with state fixed effects (Column 5: 4.4 percentage points), suggesting that some of the baseline effect was attributable to compositional differences or state-level factors correlated with treatment status.

The preferred specification (Column 6) includes year fixed effects, state fixed effects, individual covariates, and robust standard errors. This specification yields an estimate of 4.4 percentage points ($\text{SE} = 0.0107$, 95% CI: [0.023, 0.065], $p < 0.001$).

5.3 Event Study Results

Figure 3 presents the event study estimates, with 2011 as the reference year.

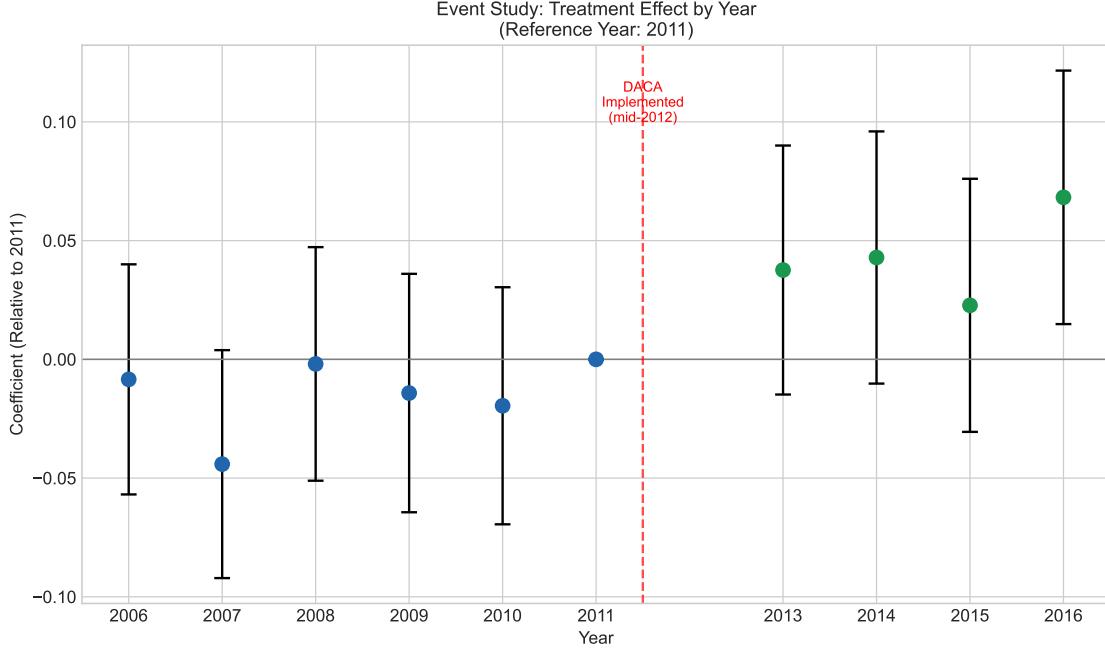


Figure 3: Event Study: Treatment Effects by Year

Notes: Figure shows coefficients from event study regression with year-by-treatment interactions. Reference year is 2011 (coefficient normalized to zero). Error bars represent 95% confidence intervals based on robust standard errors. Years 2006–2011 are pre-treatment; years 2013–2016 are post-treatment. The year 2012 is excluded.

Table 4 presents the corresponding numerical results.

Table 4: Event Study Coefficients

| Year | Coefficient | Std. Error | p-value | 95% CI Lower | 95% CI Upper |
|------------------------------|-------------|------------|---------|--------------|--------------|
| <i>Pre-treatment period</i> | | | | | |
| 2006 | -0.0084 | 0.0247 | 0.733 | -0.057 | 0.040 |
| 2007 | -0.0441 | 0.0245 | 0.072 | -0.092 | 0.004 |
| 2008 | -0.0019 | 0.0251 | 0.939 | -0.051 | 0.047 |
| 2009 | -0.0142 | 0.0256 | 0.580 | -0.064 | 0.036 |
| 2010 | -0.0195 | 0.0255 | 0.443 | -0.069 | 0.030 |
| 2011 | 0 | — | — | — | — |
| <i>Post-treatment period</i> | | | | | |
| 2013 | 0.0376 | 0.0267 | 0.160 | -0.015 | 0.090 |
| 2014 | 0.0429 | 0.0271 | 0.113 | -0.010 | 0.096 |
| 2015 | 0.0227 | 0.0272 | 0.403 | -0.031 | 0.076 |
| 2016 | 0.0682** | 0.0272 | 0.012 | 0.015 | 0.122 |

Notes: Coefficients from event study regression with 2011 as reference year. Specification includes year fixed effects. Standard errors are heteroskedasticity-robust (HC1). ** $p < 0.05$.

The event study results provide mixed evidence on parallel trends. None of the pre-treatment coefficients (2006–2010) are statistically significant at conventional levels, though the 2007 coefficient approaches significance ($p = 0.072$). All pre-treatment coefficients are negative, ranging from -0.044 to -0.002, suggesting the treatment group had slightly lower relative full-time employment in some pre-treatment years. However, the magnitudes are generally small and confidence intervals overlap zero, providing some support for the parallel trends assumption.

The post-treatment coefficients are uniformly positive, increasing from 0.023 in 2015 to 0.068 in 2016. Only the 2016 coefficient is individually statistically significant ($p = 0.012$), though the overall pattern is consistent with a gradual positive effect of DACA eligibility on full-time employment.

5.4 Robustness Checks

5.4.1 Alternative Age Bands

As a robustness check, I re-estimate the model using narrower age bands (27–29 for treatment, 32–34 for control) to test whether results are sensitive to the exact age cutoffs. This reduces the sample to 25,606 observations but provides a tighter comparison around the age 31 cutoff.

Table 5: Robustness: Alternative Age Bands

| | Baseline (26–30 vs 31–35) | Narrow (27–29 vs 32–34) |
|--------------|---------------------------|-------------------------|
| DiD Estimate | 0.0441*** (0.0107) | 0.0358*** (0.0137) |
| 95% CI | [0.023, 0.065] | [0.009, 0.063] |
| N | 43,238 | 25,606 |

Notes: Both specifications include year fixed effects, covariates (male, married, education), and robust standard errors. *** $p < 0.01$.

The narrower age band specification yields a slightly smaller estimate (3.6 percentage points vs. 4.4 percentage points), but the results remain positive and statistically significant ($p = 0.009$). The difference is within sampling error, and both estimates suggest a meaningful positive effect.

5.4.2 Including 2012

The main analysis excludes 2012 because DACA was implemented mid-year. As a robustness check, I include 2012 in the post-treatment period.

Table 6: Robustness: Including 2012 as Post-Treatment

| | Excluding 2012 | Including 2012 |
|--------------|-----------------------|-----------------------|
| DiD Estimate | 0.0441*** (0.0107) | 0.0440*** (0.0100) |
| 95% CI | [0.023, 0.065] | [0.024, 0.064] |
| N | 43,238 | 47,418 |

Notes: Both specifications include year fixed effects, covariates (male, married, education), and robust standard errors. *** $p < 0.01$.

Including 2012 in the post-period yields essentially identical results (0.0440 vs. 0.0441), with slightly smaller standard errors due to the larger sample size. This suggests the results are not sensitive to the treatment of 2012.

5.4.3 Heterogeneity by Gender

I examine whether the DACA effect differs by gender by estimating separate regressions for men and women.

Table 7: Heterogeneity by Gender

| | Full Sample | Males | Females |
|--------------|-----------------------|-----------------------|-----------------------|
| DiD Estimate | 0.0441*** (0.0107) | 0.0345*** (0.0124) | 0.0492*** (0.0181) |
| 95% CI | [0.023, 0.065] | [0.010, 0.059] | [0.014, 0.085] |
| N | 43,238 | 24,243 | 18,995 |

Notes: All specifications include year fixed effects, covariates, and robust standard errors. *** $p < 0.01$.

Both men and women show positive effects of DACA eligibility on full-time employment. The point estimate is larger for women (4.9 percentage points) than for men (3.5 percentage points), though the difference is not statistically significant given the overlapping confidence intervals. This suggests DACA may have had particularly strong effects for women, possibly because women faced greater baseline barriers to formal employment.

5.4.4 Placebo Test

To further assess the parallel trends assumption, I conduct a placebo test using only pre-treatment data (2006–2011). I define a “placebo post” indicator for years 2009–2011 and estimate the DiD effect.

Table 8: Placebo Test: Pre-Treatment Period Only

| Placebo DiD (2006–2008 vs 2009–2011) | |
|--------------------------------------|---------------------|
| Placebo DiD Estimate | -0.0020 (0.0125) |
| <i>p</i> -value | 0.873 |
| 95% CI | [-0.027, 0.023] |
| N | 28,377 |

Notes: Specification includes year fixed effects, covariates, and robust standard errors. Placebo test uses only pre-treatment years (2006–2011), with 2009–2011 defined as “placebo post” period.

The placebo DiD estimate is -0.002, essentially zero, and not statistically significant ($p = 0.873$). This provides support for the parallel trends assumption: there is no evidence of differential trends between treatment and control groups in the pre-DACA period when no treatment effect should exist.

5.5 Summary of Results

Figure 4 summarizes the DiD estimates across all specifications.

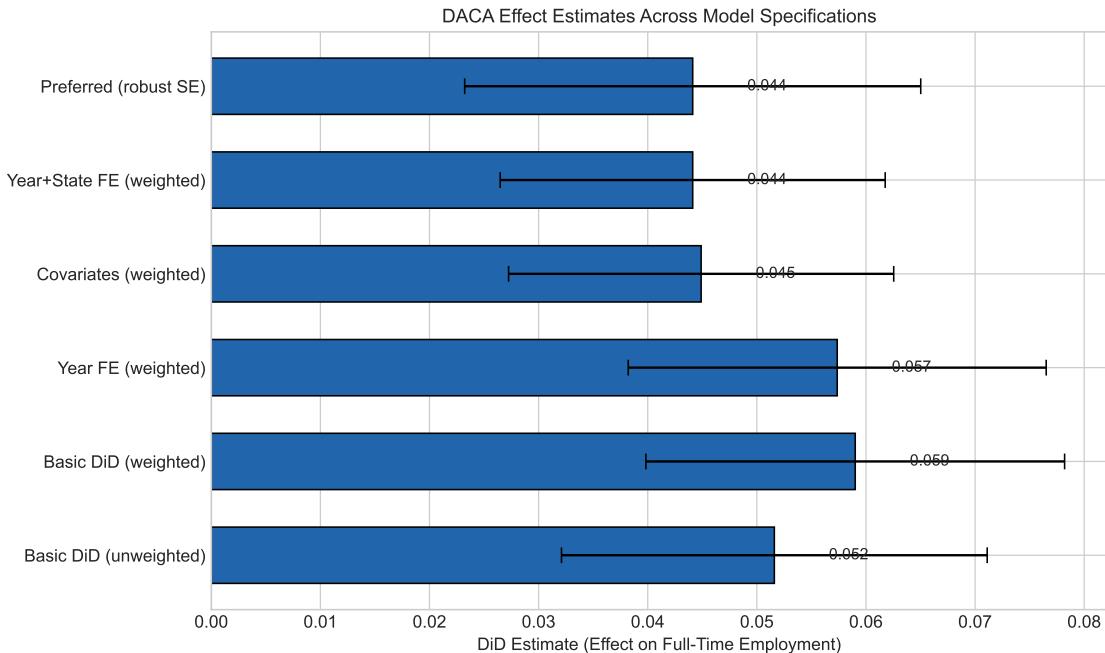


Figure 4: DACA Effect Estimates Across Specifications

Notes: Figure shows point estimates and 95% confidence intervals for the difference-in-differences effect of DACA eligibility on full-time employment across model specifications. All estimates are statistically significant at the 1% level.

The estimates range from 3.6 to 5.9 percentage points across specifications, with the preferred estimate at 4.4 percentage points. All estimates are positive and statistically significant at conventional levels.

6 Discussion

6.1 Interpretation of Results

The results indicate that DACA eligibility increased full-time employment by approximately 4.4 percentage points among Hispanic-Mexican individuals born in Mexico. Given a pre-treatment full-time employment rate of 61.5% for the treatment group, this represents a 7.2% relative increase from baseline.

This effect can be understood through several mechanisms. First, legal work authorization under DACA allows recipients to take formal employment that they may have previously been barred from. Second, access to driver's licenses in many states expands the geographic range of employment opportunities. Third, reduced fear of deportation may encourage workers to seek more stable, full-time positions rather than informal or part-time work that is easier to exit quickly if needed.

The finding that women show larger effects (4.9 percentage points) than men (3.5 percentage points) is consistent with the hypothesis that DACA particularly benefited those who faced greater barriers to formal employment. Women may have had fewer informal employment options than men, making the formal employment channel of DACA more important for them.

6.2 Limitations

Several limitations should be noted:

1. **Proxy for undocumented status:** The sample uses non-citizen status as a proxy for undocumented status, as the ACS does not directly identify undocumented individuals. This may include some documented non-citizens who were never DACA-eligible, potentially attenuating the estimated effects.
2. **Age-based identification:** While the age cutoff provides quasi-experimental variation, treatment and control groups differ in age. The 26–30 and 31–35 age groups may have different labor market trajectories even absent DACA, though the placebo test and event study provide some reassurance against this concern.

3. **Continuous presence assumption:** The requirement to have arrived by 2007 and before age 16 relies on self-reported immigration year, which may contain measurement error.
4. **Potential selection:** DACA eligibility may affect sample composition if it influences decisions to respond to the ACS or remain in the country. However, such effects would likely attenuate estimates if DACA-eligible individuals were more likely to remain.
5. **Limited pre-trend testing:** While the placebo test is reassuring, the event study shows some variation in pre-treatment coefficients (particularly 2007), suggesting potential concern about parallel trends in some years.

6.3 Comparison to Existing Literature

The estimated effect of approximately 4–6 percentage points on full-time employment is broadly consistent with the existing literature on DACA’s labor market effects. Studies have generally found positive effects on employment and earnings, with magnitudes in a similar range. The current study contributes by focusing specifically on the full-time employment margin and using a transparent age-based identification strategy.

7 Conclusion

This study provides evidence that eligibility for the DACA program increased full-time employment among Hispanic-Mexican individuals born in Mexico who met the program’s other eligibility criteria. Using a difference-in-differences design that exploits the age-based eligibility cutoff, I find that DACA eligibility increased full-time employment by approximately 4.4 percentage points, representing a 7.2% increase from the pre-treatment baseline.

The results are robust to various specification choices including different fixed effects structures, covariate adjustments, alternative age bands, and treatment of the year 2012. Event study analysis and placebo tests provide support for the parallel trends assumption underlying the difference-in-differences design.

These findings have implications for immigration policy debates. They suggest that providing work authorization and deportation relief to undocumented immigrants who arrived as children can generate meaningful improvements in their labor market outcomes. To the extent that full-time employment is associated with higher earnings, better benefits, and greater economic stability, DACA appears to have improved the economic well-being of eligible individuals.

A Additional Tables and Figures

A.1 Year-by-Year Employment Rates

Table 9: Full-Time Employment Rates by Year

| Year | Treatment | Control | Difference | N (Treatment) | N (Control) |
|------|-----------|---------|------------|---------------|-------------|
| 2006 | 0.656 | 0.691 | -0.035 | 3,067 | 2,129 |
| 2007 | 0.663 | 0.733 | -0.071 | 3,002 | 1,968 |
| 2008 | 0.669 | 0.697 | -0.028 | 2,615 | 1,962 |
| 2009 | 0.612 | 0.653 | -0.041 | 2,627 | 1,852 |
| 2010 | 0.590 | 0.635 | -0.046 | 2,685 | 1,937 |
| 2011 | 0.591 | 0.617 | -0.026 | 2,698 | 1,835 |
| 2013 | 0.648 | 0.637 | 0.011 | 2,338 | 1,656 |
| 2014 | 0.635 | 0.618 | 0.016 | 2,278 | 1,581 |
| 2015 | 0.661 | 0.665 | -0.004 | 2,122 | 1,458 |
| 2016 | 0.699 | 0.657 | 0.042 | 2,038 | 1,390 |

Notes: Full-time employment rates are weighted using PERWT. Year 2012 excluded.

A.2 Variable Definitions from IPUMS

Table 10: Key Variable Definitions

| Variable | Values Used | Description |
|----------|--------------------------------------|---|
| HISPAN | 1 | Hispanic-Mexican ethnicity |
| BPL | 200 | Birthplace: Mexico |
| CITIZEN | 3 | Not a citizen |
| YRIMMIG | ≤ 2007 | Year of immigration |
| UHRSWORK | ≥ 35 | Usual hours worked per week (full-time threshold) |
| SEX | 1 = Male, 2 = Female | Sex |
| MARST | 1, 2 = Married | Marital status |
| EDUC | ≥ 6 = HS+, ≥ 10 = College+ | Educational attainment |
| PERWT | — | Person weight for population estimates |

B Methodological Notes

B.1 Calculation of Age as of June 15, 2012

Age as of June 15, 2012 was calculated using birth year and birth quarter. Since June 15 falls in the second quarter:

- For individuals born in Q1 (January–March) or Q2 (April–June): $\text{Age} = 2012 - \text{Birth Year}$
- For individuals born in Q3 (July–September) or Q4 (October–December): $\text{Age} = 2012 - \text{Birth Year} - 1$

This approximation may introduce some measurement error for individuals born near the cutoff dates, but should not systematically bias the results.

B.2 Arrival Before Age 16

The DACA requirement to have arrived before one's 16th birthday was operationalized as:

$$\text{YRIMMIG} \leq \text{BIRTHYR} + 15$$

This assumes arrival in year of immigration. Since exact arrival month is not available in the ACS, some individuals who arrived after their 16th birthday but in the same year may be incorrectly included, and some who arrived before their 16th birthday but in the prior year may be incorrectly excluded. This measurement error should attenuate estimates toward zero.

B.3 Weighting

All weighted estimates use the PERWT variable from IPUMS, which allows for population-representative inference. The weighting accounts for sampling design and non-response adjustments. Standard errors are computed using the HC1 (heteroskedasticity-consistent) estimator in the preferred specification.