

## Fact Sheet: The Impact of the New York State Dream Act in New York City *October 2019*

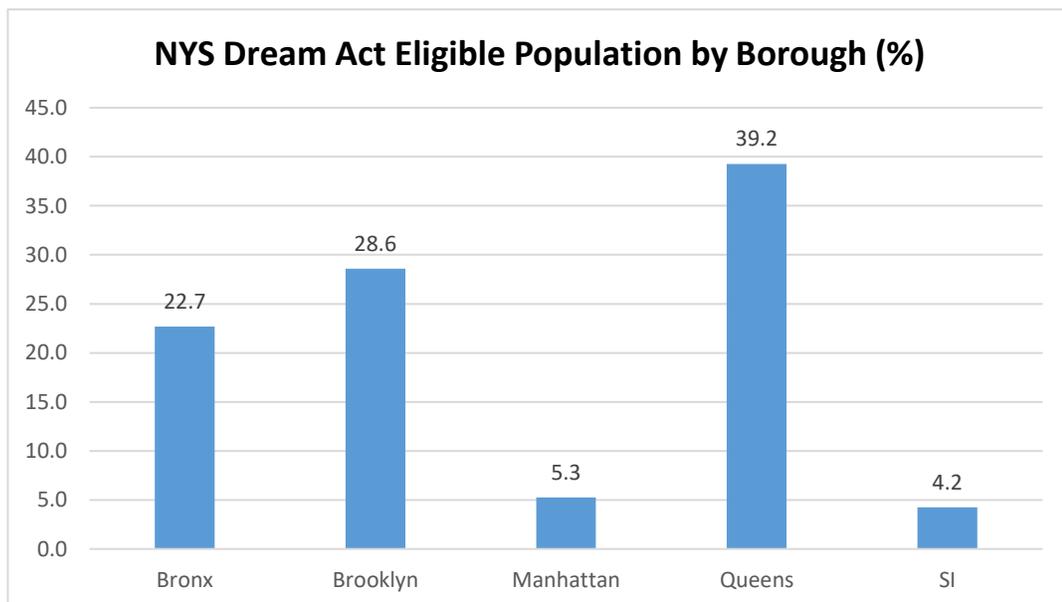
In April 2019, the José Peralta New York State DREAM Act was signed into law.<sup>1</sup> This new law allows undocumented students to receive NYS-administered financial aid. With applications now open for the 2019-2020 school year, this Fact Sheet presents MOIA's estimates of the potential impact that this law will have on New York City, including a demographic snapshot of the immigrants who would benefit. In NYC, we estimate that there are about 47,000 New York City residents eligible for the NYS Dream Act.<sup>2</sup>

### **The NYS Dream Act could benefit 47,000 New York City students**

- About 47,000 New York City residents stand to benefit from the NYS DREAM Act, which grants financial aid access to undocumented immigrants who have either graduated from a NYS high school or received a NYS high school equivalency diploma and are applying for undergraduate or graduate study at a New York college within 5-10 years of receiving their NYS high school diploma/equivalency diploma.
- **Low-Income.** About 42 percent of this population, or 19,500 people, is low-income falling at or below 200 percent of the federal poverty level (FPL).
- **TAP Eligibility.** About 62 percent, or 29,000 people, may be eligible for the Tuition Assistance Program (TAP) because they have household income of less than \$80,000.
- **Excelsior Eligibility.** About 83 percent, or 39,000 people, may be eligible for the Excelsior Scholarship because they live in households with household incomes less than \$125,000.
- The NYS Dream Act would benefit an additional 134,000 New Yorkers who live in households with these students, including children, parents, siblings, and other family members and non-family household members. About a third of these household members (61,000 or 45 percent) are U.S. citizens. Overall, the NYS Dream Act may help nearly 181,000 New Yorkers.

### **Demographic Profile of Those Eligible for the DREAM Act**

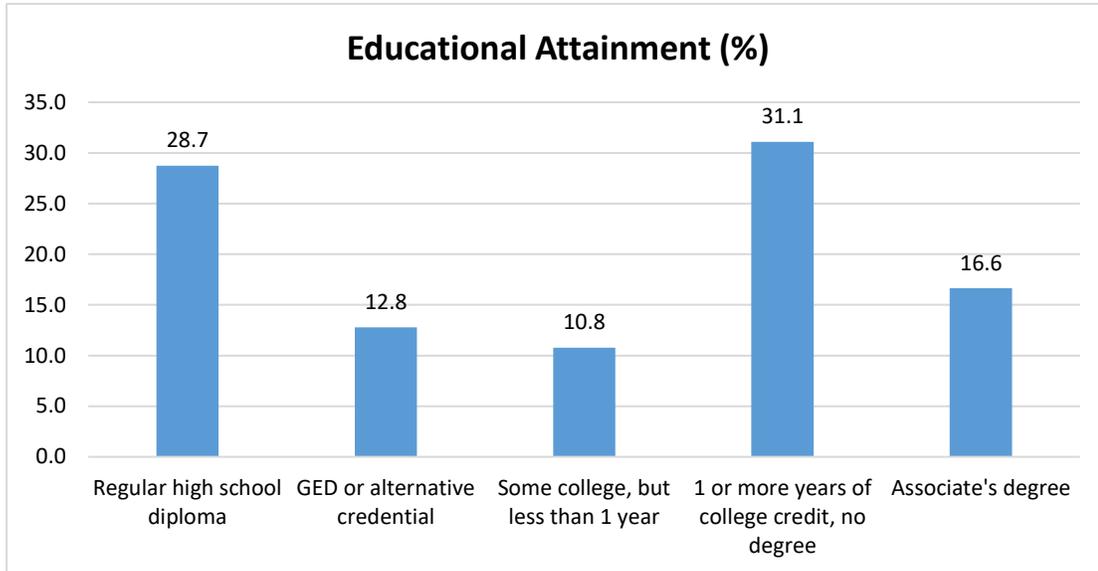
- **Age at entry:** average of 12 years old.
- **Current age:** average of 25 years old.
- **Years in the U.S.:** average of 12 years.
- **Borough of residence:**



<sup>1</sup> S1250 and A782

<sup>2</sup> All data are estimates from New York City-analyzed 2017 1-year American Community Survey Public Use Microdata, unless otherwise noted. The 2017 dataset is the most recent data available as of the publication of this fact sheet. Due to rounding, numbers presented throughout may not add up precisely. See <https://www1.nyc.gov/assets/opportunity/pdf/immigrant-poverty-report-2018.pdf>.

- **Educational Attainment:**



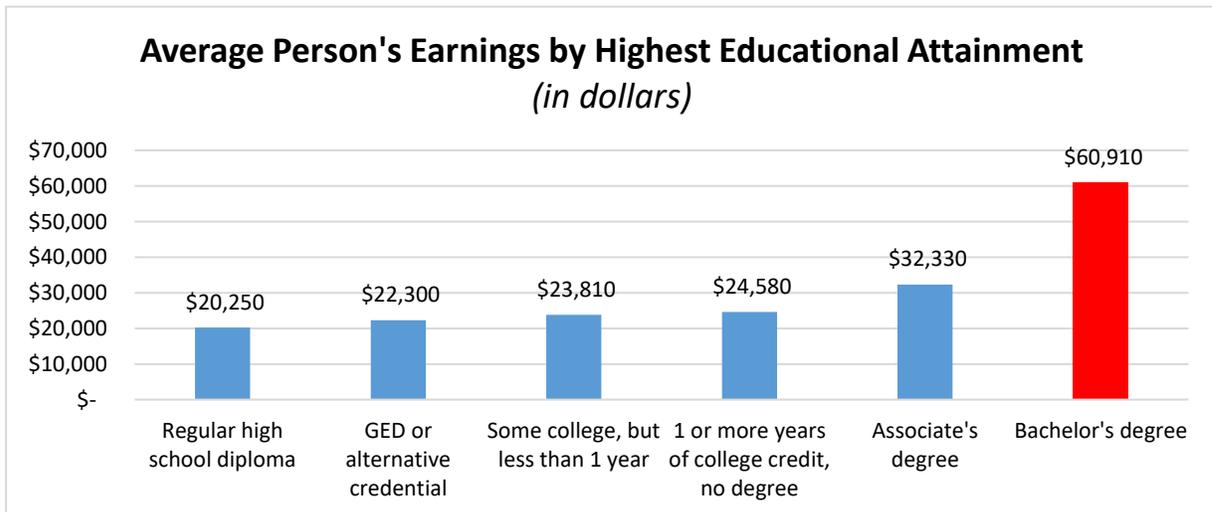
- **Additional population who could benefit for graduate studies:** In addition to this population, we estimate that there are another 6,000 New Yorkers who have a Bachelor's Degree and who may use the NYS Dream Act to apply for tuition assistance to enroll in graduate school programs.<sup>3</sup>

**These New Yorkers contribute billions to our city's economy**

- **City GDP:** In 2017, those eligible for the NYS DREAM Act contributed \$1.3 billion in city Gross Domestic Product (GDP) for New York City.<sup>4</sup>
- **Earnings:** those eligible for the NYS DREAM Act have average earnings of \$18,600. Every year, they account for over \$873 million in total earnings.
- **Labor force participation:** those eligible for the NYS DREAM Act in New York City have a high labor force participation rate<sup>5</sup> of 71 percent, compared to 65 percent for the general population.

**The NYS Dream Act will help NYC students contribute even more to the city's economy**

- The average earned income of a NYC worker with a bachelor's degree is \$36,300 higher per year than for a worker with either a high school diploma or equivalency, some college, or an Associate's degree – across all immigration statuses.<sup>6</sup>



<sup>3</sup> Based on the percent difference between (1) the rate that non-citizens in NYC with a bachelor's degree obtain a master's degree (57%) and (2) the rate that undocumented immigrants in NYC with a bachelor's degree obtain a master's degree (46%), we apply this percent difference to the total undocumented population whose highest educational attainment is a bachelor's degree.

<sup>4</sup> NYC OMB calculations based on April 2019 Executive Budget Forecast. City GDP measures the value of the goods and services produced by the New York City economy in a given time period. Employment counts, and average earnings from the 2017 1-Year ACS microdata (via NYC Opportunity).

<sup>5</sup> The U.S. Census Bureau officially defines the labor force participation rate as "the proportion of the total 16 years old and over population that is in the labor force." See <https://www.census.gov/topics/employment/labor-force/about/glossary.html>.

<sup>6</sup> Based on 2017 1-year ACS Public Microdata Sample estimates.

- If all 47,000 of those eligible for the NYS DREAM Act were to enroll and graduate with a Bachelor's degree through the financial aid obtained through the NYS Dream Act, then this would result in an increase of \$1.7 million in increased earnings in the City.

### **Methodology, Data Limitations, and Assumptions**

- We use 2017 One-Year American Community Survey (ACS) Public Use Microdata Sample that has been augmented by the NYC Office of Economic Opportunity to estimate the number of New York City residents who meet one or more of the following criteria.
- These criteria are based on the eligibility requirements that the Higher Education Services Corporation (HESC)<sup>7</sup> has outlined for the NYS DREAM Act.
- We model New York City residents who are undocumented and whose highest educational attainment is either:
  - A regular high school diploma and:
    - Who have arrived here before high school age of 18 since the NYS DREAM Act requires that the individual must have attended/graduated from a NYS high school (we assume here that if an individual arrived here before the age that most people typically graduate high school (18), then that individual is more likely to have graduated from a U.S. institution rather than to have obtained their high school degree abroad), and
    - Who have a maximum age of 26, based on the maximum age that someone can be enrolled in NYC public school (21) plus five years to account for the NYS DREAM Act eligibility rules;
  - A GED or alternative credential and:
    - Who have a maximum age of 34 based on average GED achievement age in NYS<sup>8</sup> plus 5 years to account for the NYS DREAM Act eligibility rules;
  - Some college, but less than 1 year, and:
    - Who have arrived here before high school age of 18 since the NYS DREAM Act requires that the individual must have attended/graduated from a NYS high school;
  - 1 or more years of college credit but no degree, and:
    - Who have arrived here before high school age of 18 since the NYS DREAM Act requires that the individual must have attended/graduated from a NYS high school;
  - Associate's degree, and:
    - Who have a maximum age of 34 on the based on 2018 U.S. Bureau of Labor Statistics<sup>9</sup> that find 83 percent of Associate's degree recipients are age 20-29, plus an additional 5 years to account for the NYS DREAM Act eligibility rules; or
  - Currently enrolled in undergraduate (freshman to senior) but who has not yet obtained a bachelor's degree, and:
    - Who have arrived here before high school age of 18 since the NYS DREAM Act requires that the individual must have attended/graduated from a NYS high school.
- This represents a point in time analysis. Due to data limitations within the American Community Survey (ACS), we cannot model exactly where these New York City residents obtained their high school or college educations, when they received their degrees, and/or whether they will be attending New York State higher educational institutions.

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<sup>7</sup> See <https://www.hesc.ny.gov/dream/>.

<sup>8</sup> See [https://www.iccb.org/iccb/wp-content/pdfs/ged/GEDTS\\_Report\\_2013.pdf](https://www.iccb.org/iccb/wp-content/pdfs/ged/GEDTS_Report_2013.pdf).

<sup>9</sup> See <https://www.bls.gov/news.release/hsgec.t03.htm>.