

## WASTED TALENT AND BROKEN DREAMS: The Lost Potential of Undocumented Students

by Roberto G. Gonzales\*

### EXECUTIVE SUMMARY

The current political debate over undocumented immigrants in the United States has largely ignored the plight of undocumented children. Yet children account for 1.8 million, or 15 percent, of the undocumented immigrants now living in this country. These children have, for the most part, grown up in the United States and received much of their primary and secondary educations here. But without a means to legalize their status, they are seldom able to go on to college and cannot work legally in this country. Moreover, at any time, they can be deported to countries they barely know. This wasted talent imposes economic and emotional costs on undocumented students themselves and on U.S. society as a whole. Denying undocumented students, most of whom are Hispanic, the opportunity to go to college and join the skilled workforce sends the wrong message to Hispanics about the value of a college education—and the value that U.S. society places on their education—at a time when raising the educational attainment of the Hispanic population is increasingly important to the nation's economic health.

Among the findings of this report:

- About 65,000 undocumented children who have lived in the United States for five years or longer graduate from high school each year. Although they can legally attend most colleges, they are not eligible for most forms of financial aid.
- Because of the barriers to their continued education and their exclusion from the legal workforce, only between 5 and 10 percent of undocumented high-school graduates go to college.
- Given the opportunity to receive additional education and move into better paying jobs, undocumented students would pay more in taxes and have more money to spend and invest in the U.S. economy.
- The ten states which, since 2001, have passed laws allowing undocumented students who graduate from in-state high schools to qualify for in-state college tuition have *not* experienced a large influx of new immigrant students that “displaces” native-born students or added financial burdens on their educational systems. In fact, these measures tend to *increase* school revenues by bringing in tuition from students who otherwise would not be in college.
- The bipartisan Development, Relief, and Education for Alien Minors (DREAM) Act, first introduced in Congress in 2001, would provide a solution to the current dilemma by allowing undocumented students to apply for legal permanent resident status and to qualify for in-state tuition at public universities.
- The DREAM Act would provide 360,000 undocumented high-school graduates with a legal means to work, and could provide incentives for another 715,000 youngsters between the ages of 5 and 17 to finish high school and pursue post-secondary education.

\* Roberto Gonzales is a Ph.D. candidate in the Department of Sociology at the University of California, Irvine. The author offers special thanks to Jeanne Batalova of the Migration Policy Institute for her assistance in writing this report. Thanks also to Josh Bernstein (National Immigration Law Center), Michael A. Olivas (University of Houston Law Center), Rubén G. Rumbaut (University of California, Irvine), Stella M. Flores (Vanderbilt University), and Walter Ewing (Immigration Policy Center) for their valuable insights and suggestions.

## INTRODUCTION

---

The current political debate over undocumented immigrants in the United States has largely ignored the plight of undocumented children. About 56 percent of all undocumented immigrants are from Mexico, 22 percent from other nations in Latin America, 13 percent from Asia, 6 percent from Europe and Canada, and 3 percent from Africa and other regions of the world.<sup>1</sup> The children who are part of this undocumented population have, for the most part, grown up in the United States and received much of their primary and secondary educations here as well. About 65,000 undocumented children who have lived in the United States for five years or longer graduate from high school each year.<sup>2</sup> But without a means to legalize their status, these children are seldom able to go on to college, cannot work legally in this country, and cannot put their educations and abilities to the best possible use. This wasted talent imposes financial and emotional costs not only on undocumented students themselves, but on the U.S. economy and U.S. society as a whole.

These children, born abroad yet brought at an early age to live in the United States by their parents, are among those youth referred to in academic literature as the 1.5 generation because they fit somewhere between the first and second generations.<sup>3</sup> They are not of the first generation since they did not choose to migrate, but neither do they belong to the second generation because they were born and spent part of their childhood outside of the United States. While they have some association with their countries of birth, their primary identification is affected by experiences growing up as Americans. They at times straddle two worlds and are often called upon to assist their parents in the acculturation and adaptation process. Members of the 1.5 generation tend to be bicultural and most are fluent in English. This gives them an advantage in the global economy since they are equipped with bilingual and bicultural skills, which are assets at any level.

However, the experiences of undocumented children belonging to the 1.5 generation represent dreams deferred. Many of them have been in this country almost their entire lives and attended most of their K-12 education here. They are honor roll students, athletes, class presidents, valedictorians, and aspiring teachers, engineers, and doctors. Yet, because of their immigration status, their day-to-day lives are severely restricted and their futures are uncertain. They cannot legally drive, vote, or work. Moreover, at any time, these young men and women can be, and sometimes are, deported to countries they barely know. They have high aspirations, yet live on the margins. What happens to them is a question fraught with political and economic significance.

This report draws on extensive interviews with Hispanic undocumented young adults in the Los Angeles area and places their experiences in the context of U.S. educational and economic trends and immigration policies. Based on this research, it is evident that—at a time when the supply of available workers in the United States, especially highly skilled workers, is not meeting the demands of the U.S. labor market—providing undocumented students with opportunities to pursue a higher education and to work legally in this country would benefit U.S. taxpayers and the U.S. economy as a whole. This is true not only for the Hispanic undocumented children who are the focus of this report, but also the undocumented children from Asia, Africa, and elsewhere whose talents and potential remain largely untapped as well.

## LEGAL CONTRADICTIONS AND WASTED TALENT

---

Currently, education and immigration policies send mixed signals to undocumented students. As the law now stands, undocumented students can legally go to high

1 Jeffrey S. Passel, *The Size and Characteristics of the Unauthorized Migrant Population in the U.S.: Estimates Based on the March 2005 Current Population Survey*. Washington, DC: Pew Hispanic Center, March 7, 2006, p. 5, 7.

2 Jeffrey S. Passel, *Further Demographic Information Relating to the DREAM Act*. Washington, DC: The Urban Institute, October 21, 2003, p. 1.

3 See Rubén G. Rumbaut, "Ages, Life Stages, and Generational Cohorts: Decomposing the Immigrant First and Second Generations in the United States," *International Migration Review* 38(3), September 2004: 1160-1205.

school and can legally attend most colleges.<sup>4</sup> The Supreme Court ruled in *Plyler v. Doe* (1982) that, because these children are “persons” under the Constitution and thus entitled to equal protection under the law according to the 14<sup>th</sup> Amendment, they can not be denied access to public elementary and secondary education on the basis of their legal status.<sup>5</sup> This decision has enabled thousands of undocumented students to graduate from high school each year.

Nevertheless, once undocumented students graduate from high school and attempt to go to college, the limitations of their legal status become more acute and barriers multiply. Without financial aid, it is extremely difficult to afford a public university. There are a limited number of available scholarships and some aid at a handful of private colleges, but scholarships are too few and tuition at private schools is often much higher than at public universities. Given the numerous barriers to their continued education, and their exclusion from the legal workforce, many undocumented students are discouraged from applying to college. It is estimated that only between 5 and 10 percent of undocumented high-school graduates go to college.<sup>6</sup>

This growing pool of young adults who lack adequate educational access or the legal right to work in the United States presents serious problems not only for themselves but for U.S. society as a whole. Whether it is fair or not to make special legal concessions to children who did not have much (or any) say in the decision their parents made to come to or stay in this country without authorization depends on one’s philosophical stance. What does not belong to the ephemeral realm of polemics is the fact that the initial investment in their education pays relatively few

economic dividends as long as they are limited in their ability to continue on to college and obtain higher-skilled (and higher paying) jobs that require more than a high-school diploma.

## LEGAL STATUS PAYS ECONOMIC DIVIDENDS

Research indicates that when given an opportunity to regularize their status, undocumented immigrants experience substantial upward mobility. For instance, studies of undocumented immigrants who received legal status under the 1986 Immigration Reform and Control Act (IRCA) have found that, over time, legalized immigrants moved on to significantly better jobs.<sup>7</sup> Similarly, the U.S. Department of Labor found that the wages of immigrants legalized under IRCA had increased by roughly 15 percent five years later.<sup>8</sup> It is therefore likely that if currently undocumented students were granted legal status, they would not only improve their own circumstances but, in turn, make greater contributions to the U.S. economy. Given the opportunity to receive additional education and training, and move into better paying jobs, legalized immigrants pay more in taxes and have more money to spend and invest.

Concurrently, as a result of long-term structural trends in the U.S. economy, having post-secondary education is no longer a luxury but a must for anyone who wishes to successfully compete in today’s labor market and command a living wage.<sup>9</sup> With every step up the degree ladder, workers gain in salary and employment opportunities. According to the Bureau of Labor Statistics (BLS), workers who lacked a high-school diploma in 2006 earned an average of only \$419 per week and had an unemployment

4 Federal law does not expressly prohibit the admission of undocumented immigrants to U.S. colleges and universities. In contrast to employment law, no federal statutes require disclosure and proof of immigration status and citizenship in order for students to enter higher education. However, the University of Connecticut and some Virginia schools have attempted to deny undocumented students admission based on their immigration status. Furthermore, in 2007, Missouri and Virginia introduced, but have not yet passed, laws to prohibit undocumented students from college attendance.

5 See Michael A. Olivas, “*Plyler v. Doe*, The Education of Undocumented Children, and the Polity,” in David A. Martin & Peter H. Schuck, eds., *Immigration Stories*. New York, NY: Foundation Press, 2005, pp. 197-220.

6 Jeffrey S. Passel, *Further Demographic Information Relating to the DREAM Act*, October 21, 2003. Note: Because of increased enrollments in states which offer in-state tuition to undocumented students, these numbers may now be slightly higher.

7 See Mary G. Powers, Ellen Percy Kraly & William Seltzer, “IRCA: Lessons of the Last U.S. Legalization Program,” *Migration Information Source*, July 2004; Sherrie A. Kossoudji & Deborah A. Cobb-Clark, “IRCA’s Impact on the Occupational Concentration and Mobility of Newly-Legalized Mexican Men,” *Journal of Population Economics* 13(1), 2000: 81-98.

8 Shirley Smith, Roger G. Kramer & Audrey Singer, *Effects of the Immigration Reform and Control Act: Characteristics and Labor Market Behavior of the Legalized Population Five Years Following Legalization*. Washington, DC: Bureau of International Labor Affairs, U.S. Department of Labor, May 1996.

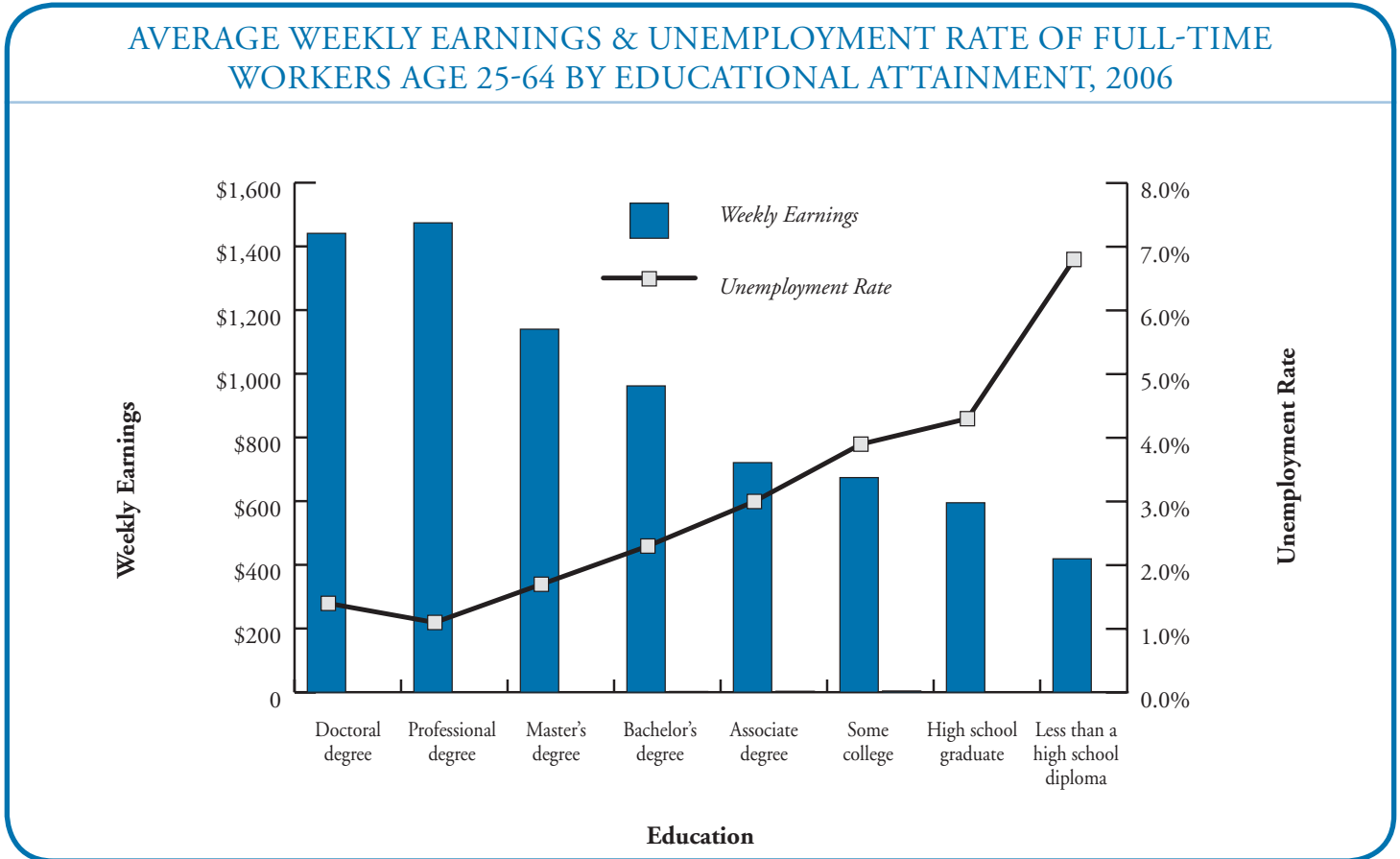
9 Jennifer Cheeseman Day & Eric C. Newburger, *The Big Pay Off: Educational Attainment & Synthetic Estimates of Work Life Earnings*. Washington, DC: U.S. Census Bureau, July 2002.

rate of 6.8 percent. In contrast, workers with a bachelor’s degree earned \$962 per week and had an unemployment rate of 2.3 percent, while those with a doctorate earned \$1,441 and had an unemployment rate of only 1.4 percent {Figure 1}.<sup>10</sup>

While the U.S. economy increasingly rewards those with higher education, disparities in the education levels and incomes of Americans persist along the lines of ethnicity and race, with Hispanics and blacks on the lower end and non-Hispanic whites and Asians on the upper end. This continuing trend represents a significant public-policy challenge. Consider the following: Hispanics contributed more than one-third of the increase in the population of 15-19 year-olds between 1990 and 2000 and accounted for one in five new entrants into the national labor force in 2000.

Barring unforeseen events, demographic trends—such as falling fertility rates among non-Hispanic women, higher fertility rates among Hispanic women, and continued immigration from Latin America—ensure that the health of the economy will depend on the skills and knowledge of both foreign-born and native-born Hispanic workers.<sup>11</sup> Giving undocumented students (most of whom are Hispanic) the opportunity to pursue a higher education and move up the career ladder would boost the economic potential of the Hispanic population as a whole, and thus the U.S. economy as well. Conversely, denying this opportunity to undocumented students would send precisely the wrong message to Hispanics about the value of a college education—and the value that U.S. society places on their education—at a time when raising the educational attain-

Figure 1:



Source: Bureau of Labor Statistics, *Spotlight on Statistics: Back to School*, August 2007 {[http://www.bls.gov/spotlight/2007/back\\_to\\_school/data.htm#table1](http://www.bls.gov/spotlight/2007/back_to_school/data.htm#table1)}.

10 Bureau of Labor Statistics, *Spotlight on Statistics: Back to School*, August 2007 ([http://www.bls.gov/spotlight/2007/back\\_to\\_school/data.htm#table1](http://www.bls.gov/spotlight/2007/back_to_school/data.htm#table1)).

11 Georges Vernez & Lee Mizell, *Goal: To Double the Rate of Hispanics Earning a Bachelor Degree*. Santa Monica, CA: RAND Education, 2001.

ment of the Hispanic population is increasingly important to the nation's economic health.

A 1999 RAND study found that, although raising the college graduation rate of Hispanics to the same level as that of non-Hispanic whites would increase spending on public education (by about 10 percent nationwide and 20 percent in California), these costs would be more than offset

by savings in public health and welfare expenditures and increased tax revenues resulting from higher incomes. For instance, a 30-year old Mexican immigrant woman with a college degree will pay \$5,300 more in taxes and cost \$3,900 less in government expenses each year compared to a high-school dropout with similar characteristics.<sup>12</sup>

### *Rosalba*

We can learn a great deal about the potential benefits of the DREAM Act for undocumented students themselves and U.S. society as a whole from the experiences of immigrant families in which parents who were legalized under IRCA subsequently sponsored their own children for legal status. The “IRCA children” interviewed for this report include social workers, accountants, engineers, and nurses. The story of one such “IRCA child” in particular, Rosalba, is illustrative of how talent and hard work combined with opportunity is a win-win situation for both individuals and society.

Despite her undocumented status, Rosalba had managed to successfully navigate the educational system and find scholarships available to immigrant students at the community college and university levels. Meanwhile, in-state tuition allowances had made it possible for her to finish her education. Her resolve to not take “no” for an answer, coupled with an impressive network of supportive community members and school officials, had opened up numerous doors along her way through post-baccalaureate education. As a result, by the time she was 26 years old, Rosalba already had more education than most of her U.S.-born peers, with a B.S. in Mathematics, all of the requirements for the California teaching credential, and only one semester remaining for an M.S. in Mathematics. She was tutoring as a means of earning money and, more importantly, to do something related to her dream job as a teacher. However, because of her undocumented status, her future was uncertain and out of her hands.

On February 14, 2007, Rosalba received a Valentine's gift that would change her life for good. Her father, who received his green card as a result of the IRCA legalization, had initiated the process to sponsor Rosalba and her sister for legal status years before. While her sister had been able to obtain legal residency by her fourth year of college, Rosalba turned 21 during the process, “aged out” of eligibility to be sponsored for legal status by her father, and had to start over. She waited for twelve long years, accumulating degrees in the process. On Valentine's Day Rosalba's work permit arrived in the mail and she immediately took action (she obtained her residency shortly thereafter). She sent off for her teaching credential and let her friends and supporters know. Because Rosalba had prepared herself with education and volunteer experience, she was more than qualified once able to work. By the end of the week, she had three separate job offers from three schools to teach math. Because of teacher shortages in California, good, qualified teachers are at a premium. By the spring, Rosalba was teaching in the classroom at a school not far from her home. She used her valuable education to give back to those who supported her and to help prepare those who are in the shoes she was once in. Moreover, she is now a vital, contributing member of her community and U.S. society. To top it off, Rosalba is doing something she loves.

<sup>12</sup> Georges Vernez, Richard A. Krop & C. Peter Rydell, *Closing the Education Gap: Benefits and Costs*. Santa Monica, CA: RAND Education, 1999.

As the RAND study suggests, spending money on the education of Hispanic and immigrant children represents an investment that is recouped by taxpayers. Conversely, the scale of population growth among the Hispanic and immigrant populations compounds the economic importance of their educational attainment. According to the U.S. Census Bureau, for example, Hispanics accounted for half of U.S. population growth between 2000 and 2004, although they comprised 14 percent of the population. By contrast, non-Hispanic whites made up only 18 percent of the increase in population over the same period, though they comprised more than two-thirds of the total population. While the expansion of the Hispanic population was due primarily to immigration in the 1980s and 1990s, births are now outpacing immigration and will increasingly become the most important component of their growth. Between 2000 and 2004, Hispanics accounted for 3.7 million births and net immigration of 2.7 million.<sup>13</sup> Given such growth, an undereducated Hispanic population has implications not only for their own collective mobility, but also for that of the entire country.

## FILLING JOB NEEDS

The economic importance of immigrant workers is magnified further by long-term demographic trends in the United States. According to BLS projections, the U.S. labor force is expected to grow by 13 percent between 2004 and 2014, from 145.6 million to 164.5 million.<sup>14</sup> However, despite an absolute increase, the rate of labor-force growth has been declining over the last two decades as fewer native-born workers become available to join the labor force

with every birth cohort. Immigration helps the economy to overcome this demographic challenge.<sup>15</sup> In fact, the immigrant share of the nation's labor force has tripled from 5 percent in 1970 to nearly 15 percent in 2005.<sup>16</sup> Moreover, immigrant workers accounted for 49 percent of total labor-force growth between 1996 and 2000, and as much as 60 percent between 2000 and 2004. According to some estimates, immigrants and their children together will account for the entire growth of the U.S. labor force between 2010 and 2030.<sup>17</sup>

The U.S. economy faces another challenge: a mismatch between the demand for educated workers and the available supply. BLS estimates that many of the occupations that will be most in demand in years to come will rely on educated workers. Of the 15 occupations projected to grow at least twice as fast as the national average (13 percent), nine require an Associate degree or higher. In four of these higher-skilled occupations, immigrants accounted for a greater share of workers than in the U.S. labor force as a whole in 2005: medical scientists (46 percent), computer software engineers (35 percent), database administrators (21 percent), and postsecondary teachers (20 percent) {Figure 2}.<sup>18</sup>

California, which is home to 27 percent of all immigrants and 12 percent of all workers, is experiencing similar economic trends. Twelve of the 15 occupations projected to grow the fastest between 2004 and 2014 require workers with at least an Associate degree. Immigrants are already a large share of workers in these occupations, especially among medical scientists, computer software engineers, database administrators, and registered nurses {Figure 3}.<sup>19</sup>

13 Carl Haub, *Hispanics Account for Almost One-Half of U.S. Population Growth*. Washington DC: Population Reference Bureau, 2007; Marta Tienda & Faith Mitchell, eds., *Hispanics and the Future of America*. Washington DC: National Research Council, National Academies Press, 2006.

14 Daniel E. Hecker, "Occupational Employment Projections to 2014," *Monthly Labor Review* 128(11), November 2005: 70.

15 Immigration Policy Center, *Economic Growth & Immigration: Bridging the Demographic Divide*. Washington, DC: American Immigration Law Foundation, November 2005.

16 MPI Data Hub, Migration Policy Institute, <http://www.migrationinformation.org/datahub/charts/laborforce.2.shtml>.

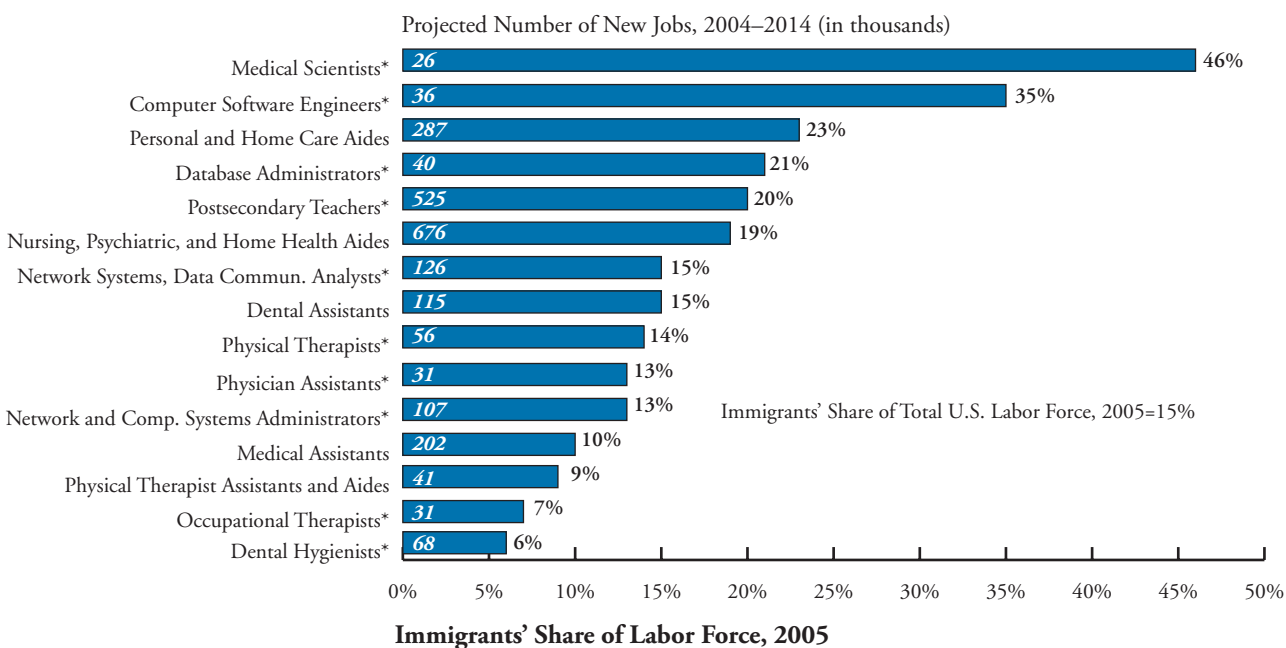
17 B. Lindsay Lowell, Julia Gelatt & Jeanne Batalova, *Immigrants and Labor Force Trends: The Future, Past, and Present*. Washington, DC: Migration Policy Institute, July 2006.

18 2005 American Community Survey & Bureau of Labor Statistics occupational projections. Adapted from B. Lindsay Lowell, et al., *Immigrants and Labor Force Trends*, July 2006.

19 *ibid.*

Figure 2:

### IMMIGRANTS' SHARE OF U.S. LABOR FORCE IN 2005 IN THE 15 OCCUPATIONS PROJECTED TO GROW FASTEST DURING 2004-2014

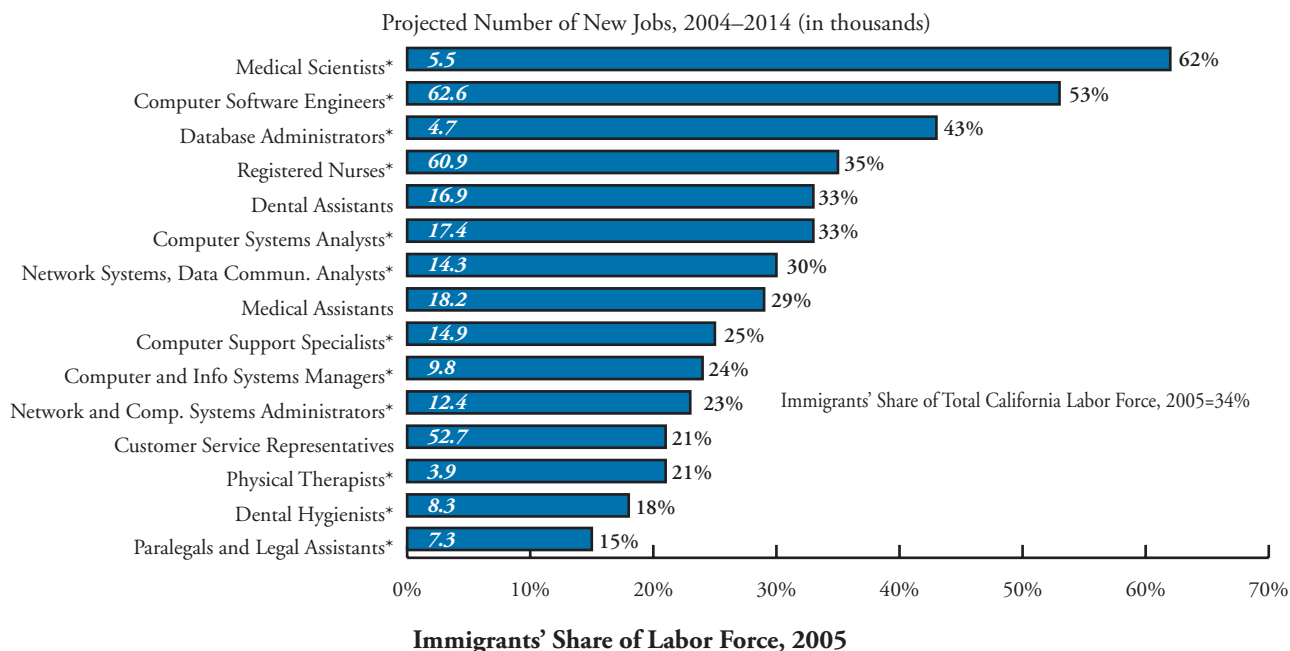


(\* Requires an Associate degree or higher)

Source: 2005 American Community Survey & Bureau of Labor Statistics occupational projections.

Figure 3:

### IMMIGRANTS' SHARE OF CALIFORNIA LABOR FORCE IN 2005 IN THE 15 OCCUPATIONS PROJECTED TO GROW FASTEST DURING 2004-2014



(\* Requires an Associate degree or higher)

Source: 2005 American Community Survey & Bureau of Labor Statistics occupational projections.

Like other states, California is experiencing labor shortages in some of these key growth areas. A recent report by the Public Policy Institute of California (PPIC) points out a mismatch between the level of skills the California population is likely to possess in coming years and the level of skills required to meet the needs of the state economy.<sup>20</sup> Currently, there are not enough eligible college graduates in California to meet demand, and there are not enough coming from other states. PPIC projects that, by 2025, 41 percent of the state's jobs will require a college education, but only 32 percent of workers in the state will have the necessary education. To bridge the gap between supply and demand, the report argues, California—and the United States overall—will need to educate more native-born youngsters and bring in more high-skilled workers from other countries. While the PPIC report does not deny the need for less-skilled workers as well, it makes a strong argument for a mismatch between the creation of high-skilled jobs and the supply of high-skilled workers.

## THE DREAM ACT

Undocumented students represent an untapped potential source of the high-skilled workers who are in such demand in California and the nation as a whole. Unfortunately, Congress has yet to unlock the economic potential of these largely U.S.-educated youngsters by allowing them to apply for legal status. However, a bipartisan solution to the current dilemma has been repeatedly introduced and debated in Congress since 2001—so far, without success: the Development, Relief, and Education for Alien Minors (DREAM) Act. The DREAM Act not only would allow undocumented students to pay in-state tuition at public universities, but also includes provisions enabling them to obtain legal permanent resident status. According to current immigration law, immigrant children derive their legal status from that of their parents and have no right to legal permanent residency through any other mechanism.

In contrast, the DREAM Act would authorize cancellation of removal and adjustment of status for undocumented children if they satisfy the following conditions: (1) entered the United States before age 16; (2) have been continuously present in the country for five years prior to the bill's enactment; (3) have obtained a high-school diploma or its equivalent; and (4) demonstrated good moral character.

Undocumented students who satisfy the above conditions would be able to apply for a six-year “conditional” legal permanent status that would allow them to work, go to school, and join the military (provided that they also pass a background security check). If, within this six-year period, the DREAM Act beneficiaries complete at least two years toward a four-year college degree, graduate from a two-year college, or serve at least two years in the U.S. armed forces, they would be able to adjust from conditional to permanent status. The DREAM Act would help to move a million undocumented students out of the shadows and onto a pathway towards legal status and eventual U.S. citizenship. Estimates suggest that the DREAM Act would provide 360,000 undocumented high-school graduates with a legal means to work, and could provide incentives for another 715,000 youngsters between the ages of 5 and 17 to finish high school (in order to fulfill the Act's eligibility requirements) and pursue post-secondary education.<sup>21</sup>

## THE DREAM ACT WOULD NOT DISADVANTAGE NATIVE-BORN STUDENTS

One particular concern that has been voiced about the DREAM Act is that it could take away seats in colleges and universities, as well as financial aid, from native-born students who want to pursue post-secondary education.<sup>22</sup> However, this fear is not borne out by the experiences of the ten states which, since 2001, have passed laws allowing undocumented students who attend and graduate

20 Hans P. Johnson & Deborah Reed, “Can California Import Enough College Graduates to Meet Workforce Needs?” *California Counts: Population Trends and Profiles* 8(4), May 2007.

21 Jeanne Batalova & Michael Fix, *New Estimates of Unauthorized Youth Eligible for Legal Status under the DREAM Act*. Washington, DC: Migration Policy Institute, October 2006.

22 See Kris W. Kobach, *The Senate Immigration Bill Rewards Lawbreaking: Why the DREAM Act is a Nightmare*. Washington, DC: Heritage Foundation, August 14, 2006.



from in-state high schools to qualify for in-state college tuition. These states (Texas, California, Utah, Washington, New York, Oklahoma, Illinois, Kansas, New Mexico, and Nebraska) are home to about half of the nation's undocumented immigrants. Two of these—New Mexico and Texas—also allow undocumented students to compete for college financial aid, providing a small but significant minority of them with the opportunity to move on to post-secondary education. Such legislation has not precipitated a large influx of new immigrant students, displaced native-born students, or been a financial drain on the educational system. In fact, these measures tend to *increase* school revenues by bringing in tuition from students who otherwise would not be in college.<sup>23</sup>

Texas and California, which host the largest undocumented populations in the United States and were among the first states to provide in-state tuition to qualified undocumented students, illustrate how small the number of DREAM Act beneficiaries likely would be compared to the total number of students pursuing postsecondary education. In California, rough estimates suggest that about 1,620 undocumented students were enrolled in 2005 in the University of California and California State University systems and took advantage of the tuition break provided by California's Assembly Bill 540.<sup>24</sup> While this number does not include community colleges, where the majority of undocumented students attend,<sup>25</sup> it is only a drop in the

bucket compared with the 2.5 million students enrolled in California higher education institutions—208,000 in the University of California system alone.

In Texas, the state's Higher Education Coordinating Board conducted a study of the undocumented student population three years after enacting its own in-state tuition legislation, House Bill (HB) 1403, in 2001.<sup>26</sup> The study showed a significant increase in postsecondary enrollment of undocumented students—nearly 10 times greater from 2001 to 2004, with most enrolling at community colleges. Of the 393 HB 1403 students who were attending public colleges in Texas in fall of 2001, 300 were enrolled in community colleges. By fall 2004, there were 3,792 HB 1403 students, 75 percent of whom were attending community college. Nevertheless, the total number of students paying in-state tuition under the new law amounted to only 0.36 percent of the 1,054,586 students attending public colleges and universities in Texas.<sup>27</sup>

In other states, the numbers are similar. In the fall of 2005, 221 undocumented students used an in-state tuition provision to enroll in Kansas public colleges. The University of New Mexico system saw 41 undocumented students enroll that semester. Twenty-seven were admitted to the University of Washington system, while at the University of Utah, 22 were attending.<sup>28</sup> Numbers are not available for Illinois, New York, and Oklahoma, but are suspected to be comparable.

23 National Immigration Law Center, *Basic Facts About In-State Tuition for Undocumented Immigrant Students*. Washington, DC: April 2006.

24 Jeanne Batalova & Michael Fix, *New Estimates of Unauthorized Youth Eligible for Legal Status under the DREAM Act*, October 2006.

25 There is currently no systematic way to gauge the numbers of undocumented students in U.S. community colleges and universities. Some institutions have tracked students qualifying for in-state tuition under the legislation, but without reporting these numbers to the state. However, estimates of undocumented students in Texas and California indicate that nearly three-fourths are in community colleges.

26 HB 1403 provides for an individual to be classified as a Texas resident if that individual resided with a parent, guardian, or conservator while attending a public or private high school in Texas and 1) graduated from a public or private high school or received the equivalent of a high-school diploma in Texas; 2) resided in Texas for at least three years as of the date the person graduated from high school or received the equivalent of a high-school diploma; 3) registered as an entering student in an institution of higher education as of Fall 2001 or thereafter; and 4) provides to the institution an affidavit stating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so. It should be noted that these numbers are for all students who established residency for in-state rates under Section 54.052(j) of the Texas Education Code, regardless of their immigration status. In other words, not all were undocumented immigrants.

27 Carole Keeton Strayhorn, *Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy*, Special Report of the Texas Comptroller, December 2006, p. 5.

28 Raphael Lewis, "In-State Tuition Not a Draw for Many Immigrants," *The Boston Globe*, November 9, 2005.

In 2006, the Massachusetts Taxpayers Foundation estimated that 100 undocumented students would have taken advantage of in-state tuition allowances had such a bill been passed. This is only a tiny fraction of the 160,000 students in the state's public colleges and universities. In addition, the study projected that the state would eventually gain millions of dollars in new revenue if undocumented immigrants were allowed to attend these schools at in-

state rates. Massachusetts colleges and universities would immediately receive several hundred thousand dollars in additional tuition, and that amount would increase to \$2.5 million by 2009.<sup>29</sup>

It should also be noted that, with very few exceptions, undocumented students currently do not receive state or federally sponsored financial aid. Many opponents of the

### *César*

The interviews conducted for this report illustrate the many barriers that undocumented students confront as they attempt to finance their educations. Without access to financial aid, most of these students start out in community college and often earn their post-secondary educations in fits and starts due to economic constraints. César's story sheds light not only on the enormity of these obstacles, but also the determination that so many undocumented students possess in seeking to overcome them.

Ever since he was young, science has been César's passion. During his senior year of high school, he was accepted to the University of California, Berkeley. His excitement was short-lived, however, after receiving a phone call from the office of admissions asking for his Social Security number. At that time, there was not an allowance for undocumented students to pay in-state tuition, and César's family could not afford to send him to Berkeley. Instead, he enrolled in a community college, finishing with a 3.8 grade point average and honors. Meanwhile, his parents took extra jobs and saved enough money to pay for his tuition at UCLA at nearly \$25,000 a year.

César graduated two years later with a B.A. in molecular, cell, and developmental biology. He was offered a job in a cytogenetics lab, analyzing chromosomes under a microscope, but lost out because of his undocumented status. He took an internship in a similar lab, albeit without pay. This past spring, César finished a Master's program in public health at a California State University campus and has recently been accepted to a one-year post-baccalaureate program in medicine at a nearby University of California campus. He continues to pursue education, while waiting for a door to open to medical school. Given his education and valuable experience, César has what he needs to be competitive with other medical school applicants. Because he is undocumented, however, he does not have access to grants, loans, and other crucially needed sources of financial aid. César refuses to give up, but is facing the frustration of blocked opportunities.

However, at every step along his post-secondary educational journey, he has successfully navigated obstacles. To his advantage, César has a strong network of support and resources among his family, school personnel, and community members. This social capital has enabled him to actively pursue education. However, in the eyes of the federal government, talented students like César are not entitled to work legally in this country despite having advanced degrees. In turn, while César and others like him wait, the United States loses out on the opportunity to benefit from his education, talent, and drive.

<sup>29</sup> Massachusetts Taxpayers Foundation, "News Release: Massachusetts Public Colleges Would Gain Millions of Dollars from Undocumented Immigrants." Boston, MA: January 5, 2006.

## CONCLUSION

Undocumented students in the United States are currently trapped in a legal paradox. They have the right to a primary and secondary education and are generally allowed to go on to college. But their economic and social mobility is severely restricted due to their undocumented status. The DREAM Act, which would provide a path to legal residence for undocumented youth, is one way out of this legal tight-spot. There is compelling evidence that Congress needs to address the uncertain situation of these hundreds of thousands of young people who are hostages of a confusing and contradictory system. Besides the moral and humanitarian reasons for doing so, there are also strong economic considerations such as ensuring that the investment already made in the schooling of these students is not wasted and that the country is not deprived of productive, educated, and U.S.-trained workers.

Numerous studies demonstrate that legal status brings fiscal, economic, and labor-market benefits to individual immigrants, their families, and U.S. society in general. Over time, given a chance, young men and women who are now undocumented will improve their educations, get better jobs, and pay more in taxes. Given their relatively small numbers, they will make up only a tiny fraction of the total college population and the U.S. workforce as a whole and will not “displace” other students or workers. Yet they could contribute significantly to the growth of the higher-skilled labor force in the years to come. In school we encourage our students to aspire, yet we deny undocumented students the opportunity to share in the “American Dream.” Can we really afford to waste such a valuable national resource?

DREAM Act therefore argue that these students will take money away from U.S.-citizen students if they are granted legal status. However, according to the College Board, there is more financial aid available than ever: more than \$134 billion in 2006. Nearly 62 percent of all full-time college students receive grant aid. In 2005-2006, aid in the form of grants and tax benefits averaged about \$2,200 per student at two-year public colleges, over \$3,100 at public four-year colleges, and about \$9,000 per student at private four-year colleges.<sup>30</sup> This is good news for U.S. students and their families. At a time when college tuition is on the rise, there is more financial aid available to cover such increases. When you consider that a very large proportion of students in the United States receive some form of financial aid, it is troubling to know that some of the neediest, those who are undocumented, cannot receive similar assistance because of contradictory policies.

Undocumented students who qualify for legal status under the conditions of the DREAM Act must successfully compete with their peers in high school to earn recognition as top students. They also must successfully compete in the college application process to earn their spots in school. These students are not being given any special allowances to get into college. In fact, many have already done so in spite of very unfavorable conditions and a great many legal and financial barriers. Finally, those who do get into college must compete for financial aid, be it need-based or merit-based, along with all other students. In other words, the DREAM Act would simply provide undocumented students with the legal right to pursue opportunities they have already earned for themselves. It also would represent an acknowledgement of the fact that encouraging more Hispanics to attend college and join the skilled workforce is an investment in the future of the U.S. economy.

30 The College Board, *Trends in College Pricing 2006*; *Trends in Student Aid 2006*; and *Education Pays 2007*.



IMMIGRATION POLICY CENTER  
918 F Street, NW, 6th Floor  
Washington, DC 20004

## WASTED TALENT AND BROKEN DREAMS:

### The Lost Potential of Undocumented Students

by Roberto G. Gonzales

The current political debate over undocumented immigrants in the United States has largely ignored the plight of undocumented children. Yet children account for 1.8 million, or 15 percent, of the undocumented immigrants now living in this country. These children have, for the most part, grown up in the United States and received much of their primary and secondary educations here. But without a means to legalize their status, they are seldom able to go on to college and cannot work legally in this country. Moreover, at any time, they can be deported to countries they barely know. This wasted talent imposes economic and emotional costs on undocumented students themselves and on U.S. society as a whole. Denying undocumented students, most of whom are Hispanic, the opportunity to go to college and join the skilled workforce sends the wrong message to Hispanics about the value of a college education—and the value that U.S. society places on their education—at a time when raising the educational attainment of the Hispanic population is increasingly important to the nation's economic health.



#### IMMIGRATION POLICY CENTER

*A Division of the American Immigration Law Foundation*

918 F Street, NW, 6th Floor; Washington, DC 20004

P: (202) 742-5600 . F: (202) 742-5619

email: [ipc@aifl.org](mailto:ipc@aifl.org) . website: [www.immigrationpolicy.org](http://www.immigrationpolicy.org)

