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S U M M A R Y

The Development, Relief, and Education for Alien Minors (DREAM) Act seeks to provide a path to legalization for eligible unauthorized youth and young adults.¹ It does not provide permanent legal status outright to potential beneficiaries. Rather, it allows individuals to apply for legal permanent resident status on a *conditional* basis if, upon enactment of the law, they are under the age of 35, arrived in the United States before the age of 16, have lived in the United States for at least the last five years, and have obtained a US high school diploma or equivalent.² The conditional basis of their status would be removed in six years if they successfully complete at least two years of post-secondary education or military service and if they maintain good moral character during that time period.³

According to our analysis, the law's enactment would immediately make 726,000 unauthorized young adults eligible for conditional legal status; of these roughly 114,000 would be eligible for permanent legal status after the six-year wait because they already have at least an associate's degree. Another 934,000 potential beneficiaries are children under 18 who will age into conditional-status eligibility in the future, provided that they earn a US high school diploma or obtain a General Education Development (GED) degree. An additional 489,000 persons ages 18 to 34 would be eligible for conditional status under the law's age and residency requirements, but they lack a high school diploma or GED and therefore do not currently qualify for this status.

While slightly more than 2.1 million youth and young adults could be eligible to apply for legal status under the legislation, historical trends indicate that far fewer are likely to actually gain permanent (or even conditional) status, due primarily to the bill's education attainment requirements. We estimate that roughly 38 percent of potential beneficiaries — 825,000 people — would likely obtain permanent legal status through the DREAM Act's education and military routes while as many as 62 percent would likely fail to do so.

DREAM vs. Reality: An Analysis of Potential DREAM Act Beneficiaries

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I. Introduction

Comprehensive immigration reform legislation has been the primary focus of federal immigration policy discussions in the past year. With prospects for such legislation increasingly uncertain, less expansive immigration measures are receiving increased attention. One such proposal is the Development, Relief, and Education for Alien Minors (DREAM) Act, which would provide a path to legalization for eligible unauthorized youth and young adults.⁴ Over much of the past decade, the DREAM Act has hovered at the edges of congressional debates on immigration policy, periodically being the subject of discussion or action. It was first introduced in 2001 by Senators Orrin Hatch (R-UT) and Richard Durbin (D-IL), and since then has been introduced regularly both as a stand-alone bill and as part of major comprehensive immigration reform bills, drawing bipartisan support each time in both the House and Senate. The legislation was reintroduced most recently in March 2009 by Durbin and Representative Howard Berman (D-CA).⁵

This report aims to provide policymakers and stakeholders with the information they need to: 1) assess the number and other key characteristics of individuals who could gain conditional legal status under DREAM legislation based on their age, date of arrival in the United States, and length of residency; and 2) understand the barriers to achieving permanent legal status under the DREAM Act due to factors such as low educational attainment, poverty, and English proficiency.

II. Key Provisions

The DREAM Act would extend conditional legal status to unauthorized youth who meet the following criteria:

- Entered the United States before age 16
- Have been continuously present in the United States for at least five years prior to the legislation's enactment
- Have obtained a high school diploma or its equivalent (i.e., a General Education Development diploma or GED)
- Are less than 35 years of age.

Conditional status would last for six years, and would permit recipients to work or go to school in the United States and to travel in and out of the country.

After the six-year period, immigrants with conditional status could apply for lawful permanent residence if they have a) obtained a degree⁶ from an institution of higher education, completed at least two years in a program for a bachelor's degree or higher, or honorably served at least two years in the US military; and b) have maintained good moral character while in conditional resident status. Immigrants who fail to meet these requirements would lose their conditional status and revert to being unauthorized.⁷ The DREAM Act also has a *retroactive benefits* provision that would allow certain unauthorized adults 35 and older to adjust to conditional and then (after six years) permanent

status if they have met all eligibility requirements for both conditional and permanent status on the date of enactment of the DREAM Act.

The legislation creates a powerful imperative for recipients of conditional status to either pursue a college education or join the military. It also provides a strong incentive for unauthorized children now enrolled in elementary or secondary school to obtain a high school diploma and further education. A legalization program that ties permanent legal status to a young adult's success in post-secondary education or military service is unprecedented in US immigration policy.

III. Key Categories of Potential DREAM Act Beneficiaries and Methodology

Our analysis is based on pooled March 2006-2008 Current Population Survey data that were augmented with legal status assignments to noncitizens.⁸ Using these data, we developed estimates of how many individuals would be eligible to apply for legal status based on their age, length of residency, how old they were when they arrived in the United States, and current educational attainment.⁹ We also used Census 2000 data to estimate and analyze the English language skills of potential beneficiaries.

We organized the analysis around four key age and education-attainment profiles that represent large groups of potential DREAM Act beneficiaries and the differing

challenges they will face in achieving permanent legal status should the legislation be enacted (see Table 1).

Table 1. Key Categories of Potential DREAM Act Beneficiaries

Age and Education Profile	Steps Needed to Gain Permanent Status
Young adults (18 to 34) with at least an associate's degree and Adults (35 and older) with at least an associate's degree (<i>eligible under the retroactive benefits provision</i>).	* Already have met the educational requirements for <i>both</i> conditional <i>and</i> permanent statuses. * Will have to wait for six years to apply to adjust to permanent status. * Must satisfy the good moral character requirement.
Young adults (18 to 34) with a high school diploma/GED	* Already have met the educational requirements for conditional status (i.e., already have a US high school diploma or GED). * Must within the six-year conditional status period complete either a qualifying higher education degree, at least two years towards a bachelor's degree, or two years of military service. * Must satisfy the good moral character requirement.
Children under 18	* Will need to earn a US high school diploma/GED in order to obtain conditional status. * Must within the six-year conditional status period complete either a qualifying higher education degree, two years towards a bachelor's degree, or two years of military service. * Must satisfy the good moral character requirement.
Young adults (18 to 34) without a high school degree	* Currently ineligible for conditional legal status. * Will need to obtain a high school diploma/GED or be admitted to an institution of higher education in order to obtain conditional status. * Must within the six-year conditional status period complete either a qualifying higher education degree, two years towards a bachelor's degree, or two years of military service. * Must satisfy the good moral character requirement.

As these categories of potential beneficiaries indicate, individuals 18-34 and over 35 who already have obtained a degree from a post-secondary institution would be eligible immediately for conditional status and for permanent status after six years based on their existing educational attainments and assuming they can demonstrate good moral character. Individuals in the other three categories would be required to obtain additional education or skills to qualify for conditional and then permanent status.

In order to better understand the difficulties many of these individuals would face in meeting the law's higher education or military service requirements, we analyzed other factors pertinent to their ability to do so. These included English proficiency, income/poverty, parental status, and labor force participation.

Readers should use our estimates with caution for a number of reasons. First, there is the inherent difficulty in estimating the size of mobile populations such as unauthorized migrants. Second, our data are from 2006-2008; therefore, they do not take into account departures of immigrants since that time due to deportation or to the effects of the recession. Third, and perhaps most importantly, there is no precedent for the DREAM Act's prospective requirements for completion of higher education and/or military service. We provide parameters for estimating the number of those who are likely to succeed in meeting these requirements, but those estimates are

nevertheless speculative.

These caveats notwithstanding, this analysis is based on the best available data and represents the most informed estimates possible at this time of the potential immediate and future beneficiaries of conditional and permanent legal status under the DREAM Act's provisions.

IV. Findings

A. General Findings for Key Age and Education Profiles

According to our analysis, there are slightly more than 2.1 million unauthorized youth and young adults who meet the age, duration of US residency, and age at arrival requirements for conditional legalization under the DREAM Act (see Table 2).¹⁰ However, as we discuss below, many of these potential beneficiaries may have problems meeting the law's additional education requirements, and far fewer than 2.1 million people would be likely to actually progress to conditional, not to mention permanent, legal status.

Among those who would qualify under the legislation's age upon enactment, length of residency (i.e., at least five years in the United States), and age at arrival (i.e., arrived before age 16) provisions, we find that:

- About 5 percent (or 114,000) are young adults (18 to 34) and adults (35 or older) with

at least an associate's degree. Among them, slightly less than 66,000 already have a bachelor's degree or higher and 48,000 have an associate's degree. Even though these individuals have met all of the DREAM Act's age, length of residence, age at entry, and education-attainment requirements, they would still have to wait for six years before they could apply to adjust to permanent status.

- Another 28 percent (or 612,000) would immediately qualify for conditional status because they already have a US high

school diploma/GED or some (uncompleted) college coursework.

- More than 43 percent (or 934,000) are children under 18 who would become eligible for conditional status if they obtain a high school diploma or GED.
- Roughly 23 percent (489,000) are young adults who would have to obtain a GED *before* becoming eligible for conditional status and thus be eligible to pursue either the higher education or military service routes to permanent status.

Table 2. Estimates of Potential DREAM Act Beneficiaries (Total and by Gender) and the Share (%) of Women Among All Beneficiaries

	ALL		MEN		WOMEN		Share (%) women among all beneficiaries
	Number	Share (%)	Number	Share (%)	Number	Share (%)	
Eligible for permanent status							
18-34 with at least an associate's degree	96,000	4	46,000	4	50,000	5	52
35/older with at least an associate's degree (under retroactive benefits)	18,000	1	11,000	1	7,000	1	39
Eligible for conditional status							
18-34 with a high school diploma/GED	612,000	28	344,000	29	268,000	28	44
Eligible in the future if obtain a high school degree							
Children under age 18	934,000	43	499,000	42	436,000	46	47
Not eligible for conditional status unless obtain a GED							
18-34 with no high school degree	489,000	23	298,000	25	191,000	20	39
Total	2,150,000	100	1,198,000	100	952,000	100	44

Notes: Our estimates of the potential-beneficiary cohorts presented here take into account initial eligibility requirements such as length of residency in the United States and age on arrival.

Source: Migration Policy Institute (MPI) analysis of US Current Population Survey (CPS), 2006-2008 pooled, augmented with assignments of legal status to noncitizens by Jeffrey S. Passel, Pew Hispanic Center.

Gender

Men account for the majority of potential DREAM Act beneficiaries, at 1.2 million or 56 percent, while women number 952,000 or 44 percent of the overall total; however, gender distribution varies across the sub-groups we analyzed. Compared to their overall share, there are more women among young adults with at least an associate's degree (52 percent) and among the child population (47 percent). In contrast, women accounted for less than 40 percent among those young adults who are currently not eligible for conditional status and will have to overcome the barrier of not having a high school degree. For some women caring for dependents will be a barrier to meeting the legislation's education requirements. We discuss this point in more detail below.

Region of Origin

With regard to country/region of origin, we find that the overwhelming majority of the 2.1 million potential DREAM Act beneficiaries are from Mexico and other Latin American countries: 62 percent from Mexico, 11 percent from Central America, and 11 percent from the rest of Latin America. About one in ten are from Asia, and the remaining 7 percent are from Europe, Canada, Africa, and the rest of the world.¹¹

B. Other Pertinent Characteristics of Potential Beneficiaries

The preceding section describes the universe of unauthorized immigrants potentially eligible for legalization under the DREAM Act. Yet in order to

qualify for conditional legalization and eventually for legal permanent resident (LPR) status, DREAM beneficiaries also would be required to graduate from high school or earn a GED and complete two years of college or military service. We examined four additional characteristics of this population to develop estimates of how many individuals might meet these additional requirements:

- English language ability: to understand the number of potential beneficiaries who would require adult English instruction in order to take the military aptitude test (described below) or to transition to credit-bearing courses in community colleges¹²
- Income/poverty status: to understand the need for financial aid and tuition assistance for those who would pursue the higher education route to permanent legal status
- Presence of dependent children: to take into account competing time and financial demands on potential beneficiaries and likely need for child care
- Employment status: again, to understand the extent of competing time demands for these potential adult students.

English Ability

In addition to the barriers many potential beneficiaries would face as a result of low educational attainment, one of the most serious additional barriers to their educational attainment is lack of English proficiency. Our

estimates¹³ show that there are more than 350,000 potential beneficiaries (or 19 percent) who would need English language instruction because they have very low levels of English skills, that is they reported speaking English “not well” or “not at all.” Of them, almost 56 percent also have no high school degree, about 23 percent are still in the K-12 school system, and 20 percent already have a high school education. Each sub-group would need to improve their English skills to pursue either the post-secondary education or military routes to conditional and then permanent legal status.¹⁴

These potential beneficiaries vary in terms of type and extent of English language instruction that they would need (see Table 3). Children under 18 and adults eligible for conditional status would likely need English instruction at the intermediate and higher levels. However, many adults who currently

would be ineligible for conditional status face a double disadvantage — no high school education and very low English skills (40 percent reported speaking English either “not well” or “not at all”). These individuals would likely need both basic English and literacy instruction.

The combination of low English skills and no high school diploma would also be barriers to those seeking to pursue legal status through service in the military. All branches of the military allow only a small number of recruits with a GED to enlist (those without a high school diploma, with few exceptions, are not permitted entry), and GED-holders who are permitted to enlist must score higher on the Armed Services Vocational Aptitude Battery (ASVAB) than others — this is a test all military recruits are required to take and which is offered only in English.¹⁵

Table 3. Number of Potential DREAM Act Beneficiaries by English-Skill Level

	Number	% PROFICIENT (speak English very well or better)	% MEDIUM (speak English “well”)	% LOW (speak English “not well/not at all”)
Eligible for permanent status 18 and older with at least an associate’s degree	114,000	81	13	5
Eligible for conditional status 18-34 with a high school diploma/GED	612,000	65	23	12
Eligible in the future if obtain a high school degree Children under age 18	934,000	67	24	9
Not eligible for conditional status unless obtain a GED 18-34 with no high school degree	489,000	34	26	40
Total	2,150,000	57	24	19

Source: MPI analysis of CPS (2006-2008 pooled) and Census 2000 augmented with assignments of legal status to noncitizens by Jeffrey S. Passel, Pew Hispanic Center.

Income/Poverty Status

Another significant obstacle on the path to educational success is poverty. We find that while less than a third of more educated potential DREAM Act beneficiaries (i.e., those 18 and older with at least an associate's degree) are from low-income families,¹⁶ nearly two in three potential beneficiaries under 18 are (see Table 4). Almost one-third of unauthorized children who are still in school live below 100 percent of the federal poverty level.¹⁷ A quarter of

Extensive research demonstrates the negative impact of poverty on students' ability to concentrate, learn academic content, and perform in and graduate from school, and also on a family's capacity to provide educational opportunities for their children.¹⁸ In addition, the high proportion of potential DREAM beneficiaries who have low incomes means that many will have a hard time paying tuition, fees, transportation, living, and other expenses, which in 2009-2010 ranged

Table 4. Share of Potential DREAM Act Beneficiaries by Poverty Level

	Number	Below 100%	100 to 149%	150 to 199%	200% and higher
Eligible for permanent status 18 and older with at least an associate's degree	114,000	13	9	7	71
Eligible for conditional status 18-34 with a high school diploma/GED	612,000	17	13	17	53
Eligible in the future if obtain a high school degree Children under age 18	934,000	31	22	12	35
Not eligible for conditional status unless obtain a GED 18-34 with no high school degree	489,000	23	22	19	35
Total	2,150,000	24	19	15	42

Source: MPI analysis of CPS, 2006-2008 pooled, augmented with assignments of legal status to noncitizens by Jeffrey S. Passel, Pew Hispanic Center.

adults without a high school degree who are potential DREAM beneficiaries live below poverty and another fifth or so are in families with incomes just above the poverty line. Among those already with a high school or GED degree, the population arguably the most ready to take the next step toward higher education, nearly half (47 percent) are in low-income families.

from \$14,000 for those attending public two-year colleges to nearly \$40,000 to those attending private four-year colleges.^{19 20}

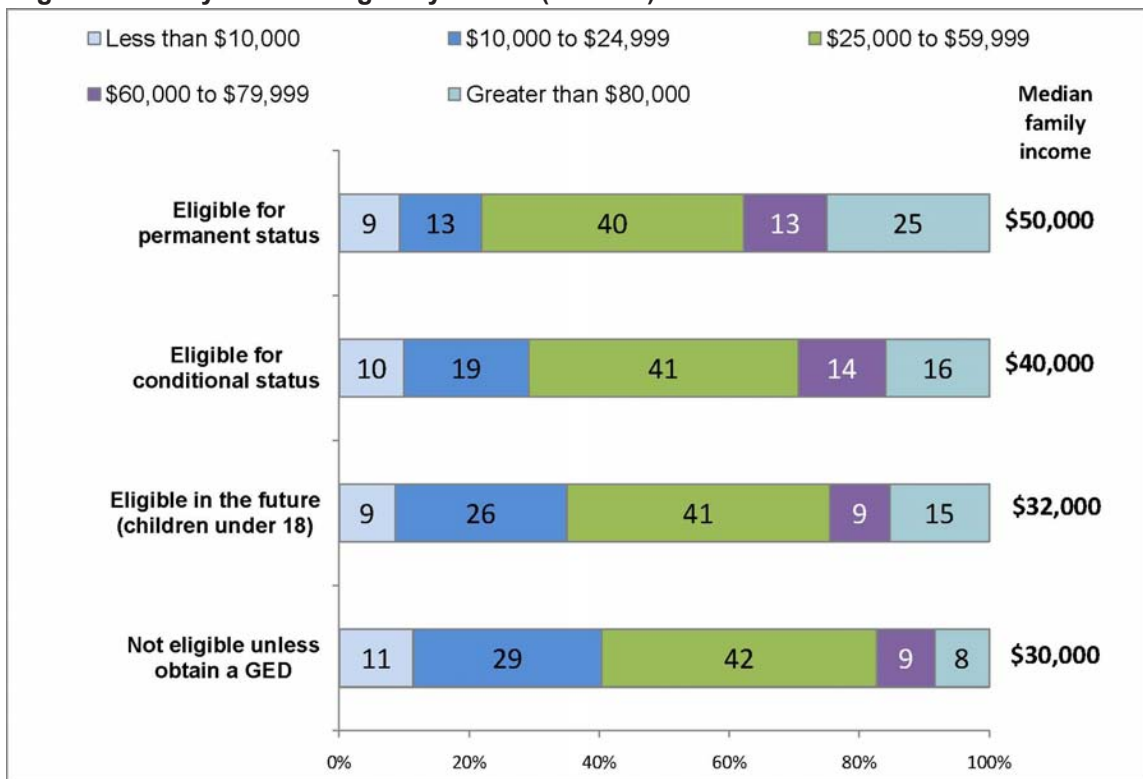
As Figure 1 indicates, half of potential beneficiaries who would be eligible for conditional status are in families with lower than \$40,000 median annual family income. Those without a high school degree and children under 18

are in families with even fewer financial resources.

As these figures indicate, paying tuition for a two-year college appears well beyond the means of most potential beneficiaries who would need to pursue higher education to be eligible for conditional status. Yet while these data

indicate a substantial need for financial support among potential DREAM beneficiaries, the DREAM Act explicitly bars beneficiaries in conditional *and* permanent status from accessing Pell Grants, the main federal grant program for higher education that provides support to low-income students.

Figure 1. Family Income Eligibility Profile (Percent)



Source: MPI analysis of CPS, 2006-2008 pooled, augmented with assignments of legal status to noncitizens by Jeffrey S. Passel, Pew Hispanic Center.

Presence of Dependent Children

Given the youthful age structure of the potential beneficiary population, it is not surprising that many have children. About 45 percent of women eligible for permanent status are parents, and so are 38 percent of women eligible for conditional status; the share is greater — 57 percent — among women without a high school degree, though only 20 percent of all potential female beneficiaries are in this cohort. Between a fifth and a quarter of men in the different cohorts are parents. This means that for many prospective beneficiaries, especially women, family demands will compete with time available for education pursuits.

Labor Force Participation

With regard to labor force participation, we find that potential male beneficiaries are more likely to be in the labor force than females, and those with more education (regardless of gender) were more likely to be either working or actively looking for a job. Women with less than a high school degree were the least likely to be in the labor force (45 percent), while more than four out of five of their male counterparts were in the labor force (85 percent). Nearly two-thirds of women (62 percent) and 85 percent of men with high school credentials were in the labor force. These high rates of labor force attachment indicate that without additional support many prospective beneficiaries will face a hard choice between pursuing the additional education they need to obtain conditional and/or permanent legal

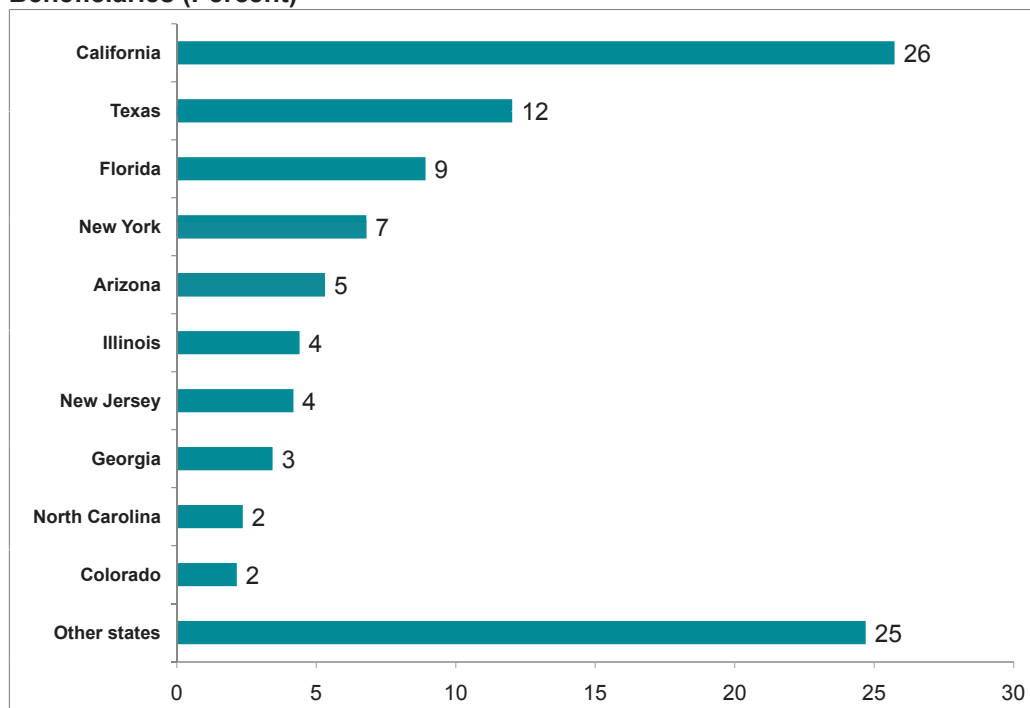
status and working to provide for their families and themselves.

C. State Estimates

Implementation of the DREAM Act would affect some states more than others given large differences in the size of their potential beneficiary population. In addition, given significant differences in state-level college enrollment practices and tuition policies, access to educational opportunities for DREAM Act beneficiaries would vary significantly from state to state. Here we examine the top states with high concentrations of potential DREAM Act beneficiaries (see Figure 2).

California has by far the largest number of potential beneficiaries, with 553,000 or 26 percent, while the next state, Texas, has nearly half that amount with roughly 258,000 or 12 percent of possible beneficiaries. Florida, New York, and Arizona are the states of residence for another 21 percent of potential beneficiaries. The remaining five states — Illinois, New Jersey, Georgia, North Carolina, and Colorado — have fewer than 5 percent each. Altogether, about 1.6 million or 75 percent of the potential DREAM Act beneficiaries (including children under 18), reside in ten states. (See Appendix 1 for a listing of numbers of potential DREAM Act beneficiaries for the top 16 states where estimates could be calculated.)

Figure 2. Top Ten States with the Largest Number of Potential DREAM Act Beneficiaries (Percent)



Source: MPI analysis of CPS, 2006-2008 pooled, augmented with assignments of legal status to noncitizens by Jeffrey S. Passel, Pew Hispanic Center.

States in which *Hispanic* beneficiaries reside are similar to those of the overall DREAM population. California, Texas, Florida, Arizona, and New York are the top five, accounting for 62 percent of the 1.7 million Hispanic youth and young adults who might benefit from the legislation (see Table 5). However, it is also interesting to note that Nevada, Oregon, Maryland, Georgia, and North Carolina lead the list of states with the highest share of potential DREAM Act beneficiaries among their Hispanic population between ages 5 and 34.

While a national lens is helpful when thinking about the general framework of the legislation and its requirements,

state-level adult basic education, adult literacy, and community college systems would be the primary venues through which beneficiaries work to meet the law's requirements. There is a high degree of variation among the states in policies, practices, and fees as they relate to these systems and the extent and quality of services they provide to immigrant and limited English proficient (LEP) youth. Some of these differences could have an impact on the ability of potential beneficiaries to succeed in legalizing under the legislation.

For example, states vary widely in the proportion of adults who are served by English classes. Among the top five

Table 5. State Rankings for Hispanic DREAM Act Potential Beneficiaries (Ages 5 to 34)

States Ranked by the Their Share of Total Hispanic DREAM Beneficiaries (ages 5 to 34)		States Ranked by the Share of All Hispanics in the State Who Are DREAM Beneficiaries (ages 5 to 34)	
All Hispanic DREAM Beneficiaries (Ages 5 to 34) 1,693,000			
Percentage residing in:		Percentage Hispanics who are DREAM beneficiaries by state:	
California	28.7	Nevada	11.6
Texas	13.7	Oregon	11.4
Florida	8.7	Maryland	11.2
Arizona	6.3	Georgia	10.8
New York	4.1	North Carolina	10.4
Illinois	4.0	Arizona	9.9
New Jersey	3.7	Virginia	9.9
Georgia	2.9	Utah	9.5
Colorado	2.5	New Jersey	8.3
North Carolina	2.3	Colorado	8.3
Nevada	2.3	Florida	8.1
Virginia	1.8	Illinois	7.4
Maryland	1.5	California	7.0
Oregon	1.5	Texas	5.0
Utah	1.0	New York	4.4

Notes: Only 15 states with sufficient sample sizes of their estimated Hispanic potential DREAM beneficiaries (ages 5 to 34) are presented in the above table.

Source: MPI analysis of CPS, 2006-2008 pooled, augmented with assignments of legal status to noncitizens by Jeffrey S. Passel, Pew Hispanic Center.

potential DREAM-impact states, in 2009 the California and Florida adult education systems served roughly 7 percent of those who needed adult ESL instruction (409,000 and 124,500 respectively); New York's system served 74,000 or 3 percent; and Texas and Arizona served 2 and 1 percent respectively (53,000 and 6,600).²¹ The number of individuals served by GED programs is also quite low — nationally only slightly more than one in 100

individuals who lack a high school diploma pass the exam annually.²²

These numbers raise concerns not just of disparities across states, but also the very limited capacity of these important programs relative to need. And, the recession's effects on state budgets is taking a further toll on these programs — for example, adult education capacity in California is growing dramatically weaker as a result of budget cuts there over the past two years.²³

D. Permanent Legal Status Prospects for the Four Potential-Beneficiary Cohorts

DREAM Act sponsors argue that children who were brought to the United States at a young age should not be punished for their parents' migration decisions, that the United States is the only home these young people know, and that providing them a path to legalization would allow many hard-working young adults entering their prime to pursue their dreams and contribute fully to US communities and the economy for many years to come.²⁴

Our analysis indicates that were the DREAM Act to become law, a significant number of young immigrants would indeed have a meaningful chance to achieve lawful permanent resident status under its provisions. The law would allow some to make the most of higher education degrees they have already earned, and would give many others a powerful incentive to invest in their education and skills in order to achieve permanent legal residence and improve their career and earning prospects as they look ahead to many productive years in the US workforce.

As our analysis shows, some categories of potential beneficiaries are much better positioned than others to take advantage of the legislation's provisions. While we can project with some confidence that roughly 2.1 million individuals overall meet the legislation's basic age upon enactment, length of residence, and age of arrival requirements, it is much harder to

estimate with any precision the number of individuals who would be likely to progress to permanent resident status due to the many factors that could affect their success. We have attempted to do so primarily by looking to historical data on educational progress for individuals with shared sociodemographic traits and levels of educational attainment.

Following is a brief discussion of how we expect the key sub-groups of potential beneficiaries to fare should the legislation be enacted.

1) Age 18-34 with at Least an Associate's Degree (plus Retroactively Eligible Adults)

Almost 96,000 individuals already meet all of the legislation's major requirements including age upon enactment, length of residency, age at entry, and post-secondary education attainment. An additional 18,000 individuals are over age 35 and possess at least an associate's degree and would qualify under the DREAM Act's retroactive

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provisions. Both of these sub-groups would simply need to apply for and obtain conditional status, maintain that status and good moral character for six years, and then apply at that time for removal of the condition and a grant of permanent legal residence. This well-educated group appears to face the least arduous path to legalization, facing few if any significant challenges

in progressing to permanent legal residence.

2) Age 18-34 with Only a High School Diploma/GED

An estimated 612,000 individuals meet the legislation's requirements to obtain conditional legal status, but within six years of doing so would need to obtain a qualifying higher education degree, complete two years towards a bachelor's or higher degree, or serve at least two years in the uniformed services. They would then qualify for permanent resident status; if they do not succeed in completing the required education or military service they would revert to their prior (unauthorized) status.

Our analysis indicates that many of these young people would find the path to permanent status an arduous one. Close to half of this cohort (47 percent) is in families with incomes less than 200 percent of the poverty level; 62 percent of the women and 85 percent of the men are in the labor force; almost 38 percent of the women and 21 percent of the men are parents; and 35 percent have limited English proficiency (i.e., speak English less than "very well"). Work and family responsibilities would make completion and success in post-secondary education far more difficult for the great majority of these individuals,²⁵ and the more than a third who are LEP would need to invest substantial additional time and energy in learning English in order to pursue either the higher education or military service routes to permanent status.

The average cost of attending a two-year college would be beyond the means of many.

As serious as these challenges would be, perhaps the most difficult hurdle for this group to surmount would be the cost of pursuing post-secondary education. The average cost of attending a two-year college would be beyond the means of many in this cohort, making access to loans and other forms of tuition assistance critical. However, the legislation in its current form denies beneficiaries access to Pell Grants — the major federal post-secondary grant program — until after they have become US citizens.

It is impossible to account for the many barriers likely to affect the ability of individuals in this cohort to achieve

permanent resident status through the legislation's education or military routes. However, if we apply the "college completion rate"²⁶ of legal immigrants (i.e., Hispanic and non-Hispanic naturalized citizens and legal permanent residents) from low-income families, we find a useful parameter for this discussion.²⁷ Based on college completion rates for 18-to-24 and 25-to-34-year-old Hispanic and non-Hispanic adults from low-income families,²⁸ roughly 260,000 (or 42 percent) of the 612,000 potential beneficiaries in this cohort would be expected to progress from conditional to permanent legal status via the educational route.

Estimating the number of those who could adjust to permanent legal status by serving in the military is much more difficult. One would expect that the

military service path to permanent legal status would be appealing to many potential DREAM beneficiaries, particularly those who do not have the financial resources to pursue post-secondary education. However, military enlistment has been on the rise due to the effects of the economic downturn, expanded education benefits for those who serve, and stepped-up marketing campaigns.²⁹ As a result, recruitment targets have been reduced, at the same time that eligibility criteria have been tightened.

Obviously, enlistment trends and the strength of the candidate pool may be quite different at the time potential DREAM Act beneficiaries would be seeking to serve in the military. However, relying on the recent past as a guide, we find that less than 1 percent of age-eligible Hispanics (18 to 44) were active enlisted military members in 2008.³⁰ Given the powerful incentive of permanent legal status, for purposes of this analysis we make a generous assumption that 5 percent of potential beneficiaries would follow the military service path. This would mean that slightly less than 31,000 of the 612,000 would adjust to permanent legal status via military service.

Taken together, we estimate that about 290,000 young adults or 47 percent of this cohort would progress to permanent legal status through the legislation's education and military routes, whereas the remaining 322,000 would not be likely to do so.

3) Children Under 18

Students who are still elementary and secondary school age are the largest cohort by far of potential DREAM Act beneficiaries: they number roughly 934,000 and account for 43 percent of all potential beneficiaries. Their path to permanent legal status would include two essential steps: obtaining a high school diploma or GED in order to qualify for conditional legal status; and then fulfilling the legislation's post-secondary education or military service requirements in order to obtain permanent legal status.

Children in this cohort would appear to enjoy some advantages as they progress towards high school graduation and the ability to apply for conditional status. Most notably, the prospects of a path to legal status and future career opportunities in the United States should provide powerful new incentives for many of these children to succeed in school and earn their high school diplomas. In addition, given the "captive" nature of this

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sizeable group in schools around the country, teachers, administrators, and counselors would have time and ready access to ensure that these young people understand their options under the DREAM Act and how to take advantage of its benefits, if the legislation is enacted. And furthermore, their levels of English proficiency are high — while one-third are classified as LEP, many

can be expected to transition out of this status as they spend more time in US elementary and secondary schools.

Nevertheless, this cohort faces serious challenges on the path to permanent and even conditional legal status. For one, many are already in danger of not obtaining a high school diploma: overall dropout rates for Hispanic youth, while declining over time, are still stubbornly high (roughly 20 percent versus 5 percent of non-Hispanic whites) and graduation rates for those who fail to transition out of LEP status are as low as 40 percent in immigrant-dense states such as Texas and New York.³¹ Using the most conservative calculation of dropout rates,³² we estimate that roughly 796,000 children in this cohort are likely to complete high school and thus would be eligible to apply for conditional status, while about 140,000 children would not be in a position to apply for conditional legal status when they turn 18.

Once children in this cohort obtain conditional status, the greatest barrier they would face in progressing to permanent status using the higher education route is poverty and its effect on their ability to pay for college. We find that 65 percent of children in this cohort live below 200 percent of the poverty line; again, applying “college completion” rates of low-income legal immigrant 18-to-24-year-old youth to this cohort, we find that only 360,000 of these children would be likely to

obtain a two-year associate’s degree or higher.³³ And as before, in applying a rate of military enrollment of 5 percent, we estimate that an additional 40,000 of the 796,000 children might meet the requirements to adjust to permanent status via military service.

Thus, if historical trends were to hold, we project that roughly 43 percent or 400,000 of the original cohort of 934,000 appear likely to progress to permanent legal status, while the remaining 534,000 do not.

4) Age 18-34 Without a High School Diploma or GED

Though they meet the DREAM legislation’s age upon enactment, length of residence, and age at arrival requirements, this cohort of almost

490,000 individuals does not have the high school degree or GED required to obtain conditional status. Given the chance to earn legal permanent status however, many in this group might try to obtain the education and skills required by the legislation.

Overall dropout rates for Hispanic youth, while declining over time, are still stubbornly high (roughly 20 percent versus 5 percent of non-Hispanic whites).

They would face more significant challenges than any other cohort as they attempt to do so. Sixty-six percent have limited English proficiency; 65 percent are in households below 200 percent of the poverty line; 57 percent of women in the cohort are parents; and 85 percent of men are working. Each of these characteristics represents a serious barrier to further educational

attainment for a group in which every member must successfully complete a GED program simply to gain conditional status. And in their case, the military route would be no easier to pursue than the post-secondary route, since the military aptitude test can be taken only in English and those with a GED must score higher and compete for a limited number of openings in each branch of the military.³⁴

Again, if historical trends hold, the confluence of these challenges would make it extremely unlikely that a significant number of individuals from this cohort could be successful in acquiring lawful permanent residence as a result of the legislation. However, many community colleges are working to improve transitions for low-educated and LEP individuals into their credit-bearing courses, and the reward of legal status is incalculably valuable to many unauthorized immigrants. To estimate how many individuals in this cohort might progress to conditional status, we used the share of Hispanic and non-Hispanic white dropouts who obtain a GED (9 percent and 29 percent, respectively)³⁵ to estimate the number of young adults who could progress to conditional status. Then, using the college completion rates described earlier,³⁶ past experience suggests that only 22,000 adults would progress to permanent status. These trends would mean that of the 489,000 young adults in this cohort, 468,000 or 96 percent, would *not* progress to permanent status under DREAM legislation.

Taken together, these estimates suggest that as many as 62 percent — or 1.3 million potential beneficiaries — would be unlikely to progress to permanent legal status under the DREAM Act.

V. Conclusion

The DREAM Act responds to calls for a process that would allow unauthorized young adults who were brought to the United States when they were dependent children to earn permanent resident status.

Our analysis finds that slightly more than 2.1 million individuals could attempt to pursue permanent legal status should the legislation be enacted, though three of the four cohorts of potential beneficiaries we identified would face serious — and in a very large number of cases insurmountable — challenges to achieving permanent status. If future behavior mirrors past trends, we project that approximately 38 percent — or 825,000 — of the potential beneficiaries would actually achieve lawful permanent status under the legislation.

The DREAM Act would create an unprecedented opportunity for many young people to step onto a path to permanent legal status, a path that would require them to demonstrate either a significant investment in their human capital or service to the United States through membership in the armed forces. Though for many the goal of legal status would not become

a reality, enactment of the DREAM Act would allow a very significant number of youth with already substantial ties to the United States to become full Americans.

In an age when human capital is the ultimate resource both for individuals and societies, the legislation would provide stability and opportunity to these young all-but-Americans whose education and career prospects are

otherwise extremely limited. Many potential beneficiaries would, no doubt, be highly motivated by the prospect of obtaining legal status, and the DREAM Act's requirements would help ensure that those who do would be well integrated into the fabric of US life and solidly on course for future economic success.

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ENDNOTES

1. US Senate, *Development, Relief, and Education for Alien Minors Act of 2009*, S. 729. 111th Cong, 1st session. <http://thomas.loc.gov/cgi-bin/query/z?111:S.729>; US House of Representatives, *American Dream Act*, H.R. 1751. 111th Cong, 1st session, <http://thomas.loc.gov/cgi-bin/query/z?c111:H.R.1751>. Both bills were introduced on March 26, 2009.
2. In addition, under a *retroactive benefits* provision, the legislation would allow individuals older than 35 to qualify for permanent legal status after six years if they had already satisfied the legislation's requirements for both conditional and permanent statuses at the time it was enacted.
3. For the remainder of this report we will distinguish between the two types of legal status by referring to them as conditional legal status and permanent legal (or resident) status given that this is how they are popularly understood.
4. The DREAM Act would repeal a section of the 1996 Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) that penalized states offering in-state tuition rates to unauthorized youth unless they also extend in-state tuition to all other US citizens and nationals regardless of whether they were residents of that state.
5. The current Senate version has 40 co-sponsors; the House version has 124 co-sponsors.
6. In conducting our analysis we defined "degree" to mean an award conferred by an institution of higher education (e.g., a community college) that requires at least 60 credits or about two years of coursework.
7. The DREAM Act stipulates that under certain circumstances the legislation's beneficiaries in conditional legal status could obtain an extension of that status beyond the six-year period or obtain an exceptional case waiver.
8. We thank Jeffrey S. Passel of the Pew Hispanic Center for providing the 2006-2008 March Current Population Survey (CPS) and Census 2000 legal status imputations. The Current Population Survey is a monthly survey of about 55,000 households conducted by the Bureau of Labor Statistics and the Census Bureau; the sample size of the March supplement is expanded to about 80,000 households. Since none of the surveys conducted by the Census Bureau includes a question on respondents' legal status in the United States, researchers have developed various methodologies to estimate the foreign-born respondents' legal status. For a brief description of the methodology applied to the 2006-2008 CPS March data used in this report, see Jeffrey S. Passel and D'Vera Cohen, *A Portrait of Unauthorized Immigrants in the United States* (Washington, DC: Pew Hispanic Center, 2009: Appendix A), <http://pewhispanic.org/files/reports/107.pdf>.
9. To the best of our knowledge, there is no reliable means to quantify how many DREAM beneficiaries might not satisfy the good moral character criterion. Our estimates assume that all potential beneficiaries would be able to satisfy it, although in reality some would not.
10. Our estimate of potential beneficiaries under the 2009 DREAM Act provisions is larger than that for the 2006 DREAM Act. See our 2006 DREAM Act Backgrounder at www.migrationpolicy.org/pubs/Backgrounder1_Dream_Act.pdf. There are two primary reasons for the difference: 1) the earlier estimate focused only on those ages 5 to 24, whereas the current estimate is based on beneficiaries between ages 5 and 34 plus those above 35 who would qualify under a retroactive benefits provision; and 2) the earlier estimate did *not* include prospective beneficiaries with no high school or GED diploma, whereas the current estimate includes 489,000 adult beneficiaries who would need to obtain a high school degree or GED before they would be eligible for conditional status.
11. Due to its small sample size, the "rest of the world" group combines eligible youth born in Europe, Canada, Africa, Oceania, and unspecified countries of birth.
12. While some post-secondary institutions offer credit for English for Speakers of Other Languages (ESOL) courses and/or provide credit-bearing courses in languages other than English, these are generally not the norm.
13. Since the CPS does not include a question on English ability, we used Census 2000 data (with legal status assignments) to estimate the English-speaking abilities of each of our four profile groups. In creating these estimates, we used the same characteristics (i.e., the time of arrival, years in the United

- States, age, and educational attainment) as in the CPS-based profiles.
14. The remaining 2 percent are young adults who already have at least an associate's degree.
 15. See Armed Services Vocational Aptitude Battery Commonly Asked Questions, www.military.com/ASVAB/0,,ASVAB_Explained2.html.
 16. Defined here as families with income less than 200 percent of the federal poverty level.
 17. Poverty thresholds provide an estimate of the number and share of people in poverty. Whether a family is considered below the poverty threshold depends on the family's total income before taxes, not including any capital gains or non-cash benefits, such as food stamps or housing subsidies. The Census Bureau's poverty threshold varies depending on the number of adults and children in a family. To give a general idea of poverty levels, as defined by the Office of Management and Budget, the average poverty threshold for a family of four in 2008 was \$22,025; for a family of three, \$17,163; for a family of two, \$14,051; and for unrelated individual, \$10,991. Poverty thresholds are the same across the United States, despite differences in the cost of living in different communities.
 18. Jennifer E. Glick and Michael J. White, "The Academic Trajectories of Immigrant Youths: Analysis Within and Across Cohorts," *Demography* 40, no. 4 (2003): 759-83; Kevin Thomas, "Parental Characteristics and the Schooling Progress of the Children of Immigrant and US-Born Blacks," *Demography* 46, no. 3 (2009): 513-34; Jennifer Macomber, et al, "Vulnerable Youth and the Transition to Adulthood" (Washington, DC: US Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 2009), www.urban.org/publications/411948.html.
 19. College Board, *Trends in College Pricing*, Figure 1. Average Estimated Undergraduate Budgets, 2009-10, www.trends-collegeboard.com/college_pricing/pdf/2009_Trends_College_Pricing.pdf.
 20. At the same time, the overall cost of college attendance goes up every year. For instance, it increased by about 6 percent between 2008-2009 and 2009-2010.
 21. National Council of State Adult Education Directors, "Legislator's Resource Book on Adult Education Services: The Success, the Impact, and the Need" (Washington, DC: National Council of State Adult Education Directors, 2009), www.ncsdae.org/Final%20Blue%20-%207-1-09.pdf; US Census Bureau, 2008 American Community Survey.
 22. American Council on Education, General Educational Development Testing Service, *2007 GED Testing Program Statistical Report*, Table 2 (Washington, DC: GED Testing Service, 2008), www.acenet.edu/Content/NavigationMenu/ged/pubs/2007ASRfullreport.pdf.
 23. Randy Capps and Margie McHugh (with Monica Arciga, Michael Fix, and Laureen Laglagaron), *Patchwork Policies and Piecemeal Programs: The Impact of the Economic Crisis on Funding for U.S. Immigrant Integration Services and Programs* (Washington, DC: Migration Policy Institute, forthcoming).
 24. Senator Richard Durbin, "Durbin Introduces Bipartisan Dream Act to Help Students Earn a Path to Legal Residency" (press release, March 26, 2009), <http://durbin.senate.gov/showRelease.cfm?releaseId=310718>.
 25. Mark Hugo Lopez, *Latinos and Education: Explaining the Attainment Gap* (Washington, DC: Pew Hispanic Center, 2009), <http://pewhispanic.org/files/reports/115.pdf>; Susan Choy, *Access and Persistence: Findings From 10 Years of Longitudinal Research on Students* (Washington, DC: American Council on Education, 2002), <http://nces.ed.gov/pubs2007/2007161.pdf>.
 26. This definition encompasses those who have some college, two- and four-year degrees, and higher among high school graduates ages 18 to 34. Since those with "some college" are included in the definition, calculations are likely to overestimate the number of those who would actually fulfill the DREAM legislation's educational requirements.
 27. Laura Knapp, Janice Kelly-Reid, and Scott Ginder, *Enrollment in Postsecondary Institutions, Fall 2008; Graduation Rates, 2002 & 2005 Cohorts; and Financial Statistics, Fiscal Year 2008*, Table 5 (Washington, DC: US Department of Education, National Center for Education Statistics, 2010), <http://nces.ed.gov/pubs2010/2010152rev.pdf>.
 28. According to our calculations based on 2006-2008 CPS data, the college completion rates by Hispanic

origin and age group of low-income high school graduates were as follows: Hispanics ages 18 to 24, 37 percent; non-Hispanics 18 to 24, 67 percent; Hispanics 25 to 34, 34 percent; non-Hispanics 25 to 34, 63 percent.

29. Ann Scott Tyson, "A Historic Success In Military Recruiting: In Midst of Downturn, All Targets Are Met," *Washington Post*, October 14, 2009, www.washingtonpost.com/wp-dyn/content/article/2009/10/13/AR2009101303539.html.
30. There were 135,030 active enlisted members who were Hispanic in fiscal year 2008, or slightly less than 1 percent of the 15.7 million Hispanics between 18 and 44 in the civilian labor force; see Department of Defense, Office of the Under Secretary of Defense, Personnel and Readiness, *Population Representation in the Military, Fiscal Year 2008*, <http://prhome.defense.gov/MPP/ACCESSION%20POLICY/PopRep2008/contents/contents.html>.
31. US Department of Education, *SY2007-2008 Consolidated State Performance Reports*, www2.ed.gov/admins/lead/account/consolidated/sy07-08part1/ny.pdf, www2.ed.gov/admins/lead/account/consolidated/sy07-08part1/tx.pdf.
32. According to National Center on Education Statistics data there is an 18 percent status dropout rate for Hispanic students and 5 percent dropout rate for non-Hispanic students: US Department of Commerce, Census Bureau, "Table 108 Percentage of High School Dropouts Among Persons 16 Through 24 Years Old (Status Dropout Rate), by Sex and Race/Ethnicity: Selected Years, 1960 through 2008," http://nces.ed.gov/programs/digest/d09/tables/dt09_108.asp.
33. Calculations are based on 2006-2008 CPS data accounting for Hispanic origin.
34. Rod Powers, "US Military Enlistment Standards: Education," <http://usmilitary.about.com/od/joiningthemilitary/a/enleducation.htm>.
35. Richard Fry, *Hispanics, High School Dropouts and the GED*. (Washington, DC: Pew Hispanic Center, 2010), <http://pewhispanic.org/files/reports/122.pdf>.
36. These take into account Hispanic origin, age groups, and low-income status.

Appendix

Appendix 1. Top 16 States of Residence of Potential DREAM Act Beneficiaries

State	Estimate	% of total
United States	2,150,000	100
California	553,000	26
Texas	258,000	12
Florida	192,000	9
New York	146,000	7
Arizona	114,000	5
Illinois	95,000	4
New Jersey	90,000	4
Georgia	74,000	3
North Carolina	51,000	2
Colorado	46,000	2
Virginia	45,000	2
Nevada	41,000	2
Maryland	39,000	2
Oregon	31,000	1
Utah	23,000	1
Nebraska	11,000	1

Notes: Only 16 states with sufficient sample sizes of their estimated DREAM beneficiaries are presented in the above table.

Source: MPI analysis of CPS, 2006-2008 pooled, augmented with assignments of legal status to noncitizens by Jeffrey S. Passel, Pew Hispanic Center.

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The Migration Policy Institute (MPI) is an independent, nonpartisan, nonprofit think tank dedicated to the study of the movement of people worldwide. The institute provides analysis, development, and evaluation of migration and refugee policies at the local, national, and international levels. It aims to meet the rising demand for pragmatic responses to the challenges and opportunities that migration presents in an ever more integrated world. MPI produces the Migration Information Source, at www.migrationinformation.org.

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