

DREAM Act Economic Impact Fact Sheet

The DREAM Act will Provide Needed Workers, Increase U.S. Competitiveness and Alleviate the Military Recruitment Crisis

The DREAM Act would help alleviate a labor shortage in the United States.

- ⇒ Experts estimate that **America will need 5%, or 15.6 million, more workers by 2015** to maintain the current ratio of workers to the total population.
- ⇒ The DREAM Act would **reduce the cost of recruiting foreign professionals**, as processing times for visas range from one to three years, not including the time spent for acculturation and learning the language.

"Not only in high-tech and in the farm area but throughout the country, aggregate demand is putting pressure on an ever decreasing supply of unemployed labor."

-Alan Greenspan Former Federal Reserve Chairman

The DREAM Act will increase global competitiveness by utilizing skilled US trained professionals already in this country instead of competing for skilled workers with other countries

- ⇒ President Bush has called for training 70,000 math and science teachers to improve US competitiveness.ⁱ The DREAM Act will help the US to be more globally competitive by resulting in an increase of graduates in the math and science sectors.
- ⇒ H-1Bs are visas with a limited yearly quota of 65,000 that are provided to highly skilled foreign nationals. Many US companies recruit engineers, computer programmers and other professionals from around the globe because of the lack of professionals in these fields in the US. For example, Silicon Valley companies are among the main supporters of H-1B visa reform (higher quotas). Due to the lack of available H-1Bs, companies say they are experiencing a reverse brain drain as skilled workers flock to the booming economies of China and India. Data suggests that companies that engage in offshoring work to India submitted H-1B visa applications in heavy volume.ⁱⁱ

The DREAM Act would increase the tax base for state, federal, and local governments.

- ⇒ According to the US Department of Commerce, a high school graduate earns \$1.2 million in a 40-year span compared to **\$2.1 million for a person with a Bachelor's degree. A person with a master's degree has an average earning of \$2.5 million in a 40-year span.** ⁱⁱⁱ
- ⇒ Therefore, a single person with a bachelor's degree who earns an average \$60,000 of taxable income will contribute **\$11,564 to taxes and welfare annually; in a 40-year span he/she will have contributed \$462,560.** ^{iv}

Full-time civilian workers: Median annual earnings United States, June 2006 ^v & Annual Tax Paid ^{vi}

Profession	National Median earnings	Annual Tax Paid	40-year span
Teacher	45,805	8,014	320,560
Manager	74,616	15,227	609,080
Registered Nurse	55,390	10,401	416,040
Accountants & Auditors	52,749	9,739	389,560
Chief Executives	140,013	33,534	1,341,360
Marketing & Sales Managers	92,040	20,099	803,960
Lawyers	101,695	22,805	912,200
Human resources, training, & labor relations specialists	59,155	11,351	454,040
Computer software engineers	85,005	18,139	725,560
Computer systems analyst	73,701	14,989	599,560
Physicians and surgeons	127,999	30,170	1,206,800
Construction Managers	71,425	14,414	576,560
Police and Sheriff's patrol officers	50,627	9,214	368,560

Social Workers	37,611	5,964	238,560
----------------	--------	-------	---------

The DREAM Act will improve national security by alleviating the recruitment shortages to the armed forces.

⇒ In April 2005 the **Army Reserve and the National Guard failed to meet their recruitment quota**. Only **51 percent** of Inactive Ready Reserve troops **reported for duty**.

⇒ The army expects to reverse the recruiting shortfall **by lowering standards** (which will increase training costs), and by **adding more recruiters and spending more money on advertising**. The army is also offering larger bonuses (up to \$90,000, in one lump sum) to get existing troops to re-enlist. These methods **will increase personnel costs as much as ten percent**.^{vii}

⇒ As of 2006, 30,000 foreign-born individuals are currently serving in the armed forces. Every year, 7,200 of the 180,000 new recruits are non-citizens. Immigrants account for 20 percent of recipients of the Congressional Medal of Honor.^{viii}

ⁱ “A stiff learning curve,” Asia Times February 14, 2006

ⁱⁱ Prithiv Patel, *Infosys, Wipro and TCS under investigation for misuse of H1B visas*, India Daily, May 15, 2007

ⁱⁱⁱ Economics and Statistics Administration, Census Bureau. (2002) Available: <http://www.census.gov/prod/2002pubs/p23-210.pdf>

^{iv} 2006 Tax Table. Available at <http://www.irs.gov/pub/irs-pdf/i1040tt.pdf>

^v U.S. Department of Labor, U.S. Bureau of Labor Statistics. (2007) National Compensation Survey: Occupational Wages in the United States, June 2006.

^{vi} 2006 Tax Table. Available at <http://www.irs.gov/pub/irs-pdf/i1040tt.pdf>

^{vii} www.strategypage.com, April 2005

^{viii} American Immigration Law Foundation. (2006) *Defending America: Immigrants Fight for Our Nation*. Available at <http://www.aifl.org/pubed/defendingamerica.shtml>

