



We just want to work to feed our families
and yet we become the scapegoats to a
system that is addicted to exploiting
the poor.

I love my undocumented people because the
way our spirits are toyed with you need
some unfathomable strength.

I love my undocumented people because we
have constantly have had to prove our
humanity and we have constantly done it
beautifully because to stay human under
these conditions you have had to have an
understanding of beauty.

UNDOCUMENTED DURING COVID-19 ESSENTIAL FOR THE ECONOMY BUT EXCLUDED FROM RELIEF

THE ECONOMIC CONTRIBUTIONS OF UNDOCUMENTED WORKERS & THEIR FAMILIES & THE COSTS OF
EXCLUDING THEM FROM STIMULUS BILLS IN LOS ANGELES COUNTY, CALIFORNIA, & THE UNITED STATES

RAÚL HINOJOSA OJEDA, SHERMAN ROBINSON, RODRIGO DOMÍNGUEZ-VILLEGAS,
EDWARD TELLES, ABEL VALENZUELA, & JULIE AGUILAR



their work in providing

relief and children, especially employment. We show in our report that undocumented workers also

Center. We show that undocumented workers contribute to GDP, and that their exclusion from relief programs would have significant economic benefits.

UNDOCUMENTED DURING COVID-19 ESSENTIAL FOR THE ECONOMY BUT EXCLUDED FROM RELIEF

THE ECONOMIC CONTRIBUTIONS OF UNDOCUMENTED WORKERS & THEIR FAMILIES & THE COSTS OF EXCLUDING THEM FROM STIMULUS BILLS IN LOS ANGELES COUNTY, CALIFORNIA, & THE UNITED STATES

¹Raúl Hinojosa Ojeda, Ph.D., ²Sherman Robinson, Ph.D., ³Rodrigo Domínguez-Villegas, Ph.D.,
⁴Edward Telles, Ph.D., ⁵Abel Valenzuela, Ph.D., and ³Julie Aguilar

¹North American Integration and Development (NAID) Center, Social Sciences at the University of California Los Angeles;

²Peterson Institute for International Economics;

³Latino Policy and Politics Initiative, Luskin School of Public of Affairs at the University of California Los Angeles;

⁴Department of Sociology, School of Social Sciences at the University of California Irvine;

⁵Institute for Research on Labor and Employment at the University of California Los Angeles



undocumented workers from relief programs is bad for the economy, bad for economic recovery, and bad for government budgets. Including undocumented workers in government relief measures would support economic recovery, generate much-needed jobs, and increase government revenue.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	04
INTRODUCTION	06
METHODOLOGY	08
CONTRIBUTIONS OF UNDOCUMENTED WORKERS TO THE ECONOMY	09
<i>Concentration of Undocumented Workers in Essential Sectors</i>	09
<i>Contributions of Undocumented Workers to GDP, Employment, and Tax Revenue</i>	09
IMPACT OF COVID-19 ON UNDOCUMENTED WORKERS	11
ECONOMIC BENEFITS FROM INTEGRATING UNDOCUMENTED WORKERS IN FEDERAL AND STATE STIMULUS POLICIES	14
<i>Economic Benefits of Including Undocumented Workers in the CARES Act and the HEROES Act</i>	14
<i>Economic Benefits of Extending State Relief Benefits to Undocumented Workers</i>	16
CONCLUSION AND POLICY RECOMMENDATIONS	18
<i>Include undocumented workers and their U.S. citizen children and spouses in all federal, state, and local economic relief and stimulus programs</i>	18
<i>Extend health and workplace benefits to all undocumented workers</i>	18
<i>Implement an immediate moratorium on deportations and provide legal status with a path to citizenship for all undocumented workers and their families</i>	18

EXECUTIVE SUMMARY

Undocumented workers and their families are at the frontline of the response to the Coronavirus pandemic. Their work in essential sectors of the economy, from agriculture to medical services, is sustaining the U.S. economy and providing all Americans with vital products and services to survive during today's health and economic crisis.¹

Despite their contributions to the economy and their central role as first responders to the pandemic, relief and economic stimulus programs, such as the CARES Act, have excluded undocumented workers and their U.S. citizen children and spouses, who need relief more than anyone. Before the pandemic, undocumented workers were already economically vulnerable since many of them received low wages and had no access to health insurance, paid sick leave, or unemployment benefits. The pandemic exacerbated that vulnerability, severely impacting their employment and income. As we show in this brief, by excluding them, policymakers are not only destroying the livelihoods of millions of people but also hurting the economy and slowing down job creation that would benefit everyone.

In this brief, based on a [technical report](#) published by the UCLA North American Integration and Development Center (NAID), we quantify the economic contributions of undocumented workers to GDP, employment, and tax revenues; we show the relative vulnerability of this group to the economic shocks caused by COVID-19; and we quantify the costs to GDP, employment, and tax revenue that result from excluding undocumented workers and their families from relief benefits.

Main Findings

- 1. Undocumented workers are essential to the U.S. and California economies.**
 - a. Undocumented workers contribute \$1 trillion to the country's GDP and more than \$263 billion to California's GDP. Mixed-status families, i.e., households with at least one undocumented immigrant and U.S. citizens, produce \$1.67 trillion in national GDP and \$425 billion to California's GDP. They are deeply embedded in the US economy. .
 - b. Undocumented workers generate economic activity that supports almost 20 million jobs in the country and 3.2 million jobs in California.
 - c. They generate \$190 billion in government revenue nationally and \$63 billion in California.
- 2. Undocumented workers' unemployment rates and total wages have been particularly affected by the economic effects of the pandemic.**
 - a. The unemployment rate for undocumented workers reached over 29% in the United States and more than 27% in California, the highest of any demographic group.
 - b. The total wage bill for undocumented workers fell by almost 25% across the country and by more than 18% in California.²

- 3. Including undocumented workers and their families in relief and stimulus bills would lessen the economic damage, support recovery, and benefit all Americans.**
 - a. Extending the CARES Act to undocumented taxpayers and their families would have added over \$10 billion to the U.S. economy creating enough economic activity to support over 82,000 jobs nationally and 17,000 in California.
 - b. Providing undocumented workers with tax credits under the HEROES Act would add almost \$14 billion to the economy and would support over 112,000 jobs nationally.
 - c. The economic benefits of providing relief to undocumented workers would outweigh the costs and would generate more government revenue than the total cost of the tax credits.

Policy Recommendations

- 1. Include undocumented workers in federal, state, and local pandemic relief and economic stimulus programs to accelerate economic growth.**
- 2. Extend social welfare benefits including unemployment benefits, food, housing protections, health coverage, sick days, and other economic assistance to all undocumented essential workers.³**
- 3. Implement an immediate moratorium on deportations and provide deferred action protection and employment authorization to all undocumented essential workers.**
- 4. Enact immigration reform with a path to citizenship to address the systemic vulnerabilities undocumented workers and families face to enhance their full and productive participation in the economy.**

INTRODUCTION

The COVID-19 pandemic has caused an unprecedented health and economic crisis in the United States, leading the world in infections and deaths. The quick spread of the virus led state and local governments to issue business closures and stay-at-home lockdown orders, halting economic activity in many sectors of the economy and prompting a historic wave of layoffs and furloughs.

To avoid economic collapse and provide relief to struggling families, the U.S. Congress enacted a series of emergency support bills. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was the largest and most extensive. This law included \$300 billion in tax rebates, \$260 billion in increased unemployment payments, and \$350 billion in support for small businesses. State legislatures have also enacted a series of laws to stimulate their economies.

But the CARES Act and most state measures exclude 10.6 million undocumented workers and over 4.9 million of their U.S. citizen children and spouses, a group that not only has been severely impacted by the pandemic, but is also at the frontlines of the economic recovery.⁴ The coronavirus pandemic and the explicit exclusion of undocumented immigrants from relief is exposing the systemic disadvantages that undocumented workers have faced for decades because of an unjust and inhumane immigration system.

As the United States continues to break daily records of coronavirus cases, risking another economic shutdown, we present evidence that shows that extending relief benefits to all workers and their families, regardless of immigration status, is important for economic recovery.⁵ We provide data on three trends. First, we show the importance of undocumented workers for the economy. We provide estimates of the economic contributions of undocumented workers and their families to gross domestic product (GDP), employment, and taxes in the United States, California, and Los Angeles. Second, we show how the COVID-19 recession has disproportionately affected the employment and earnings of undocumented workers, leaving them in a particularly vulnerable position that would slow down economic recovery. Third, we provide estimates of the potential positive economic spillovers that would result from making undocumented workers and their U.S. citizen children and spouses eligible for relief policies at the federal and state level. We conclude by providing policy recommendations that would improve economic recovery and the livelihoods of millions of people.



METHODOLOGY

This brief is based on a [technical report](#) published by the UCLA North American Integration and Development Center (NAID). The data for the analysis of the distribution of workers by essential and non-essential sectors and of the economic contributions of undocumented workers to the economy came from the Current Population Survey (CPS) 2018 March supplement. The technical report identified undocumented immigrants in the CPS by identifying non-naturalized foreign-born individuals and imputing status using the proportions of undocumented individuals by industry estimated by Passel and Cohn (2016) from the Pew Research Center.⁶

The NAID report estimated the total (direct plus indirect) contribution of undocumented workers to GDP, employment, and government revenue using an economywide simulation model that captures complex linkages across industries, tracing the complete range of economic interactions between employment, household income, consumption, and production across all sectors of the economy. The model is based on a social accounting matrix (SAM) that integrates the national income and product accounts with data at the detailed sectoral level. SAM-based models have a long history and are widely used in policy analysis.⁷ Separate models were developed for the U.S., California, and Los Angeles County.

The NAID report presents model results for economic stimulus scenarios where undocumented workers and their U.S. citizen children and spouses are included in different government support policies, injecting disposable income to the economy.⁸



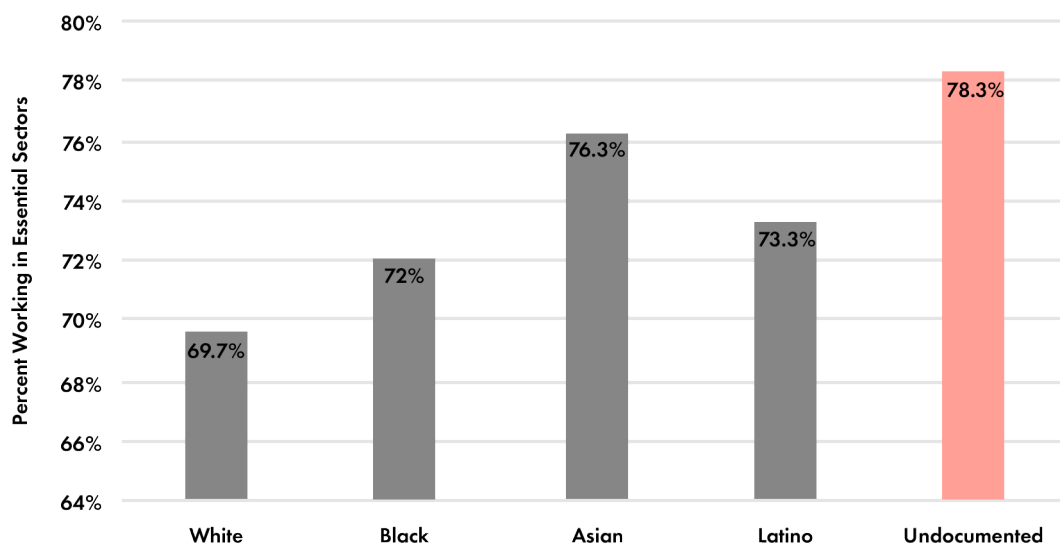
Over 78% of undocumented workers are employed in sectors deemed essential by the Department of Homeland Security (DHS).

CONTRIBUTIONS OF UNDOCUMENTED WORKERS TO THE ECONOMY

Concentration of Undocumented Workers in Essential Sectors

Undocumented workers are disproportionately employed in essential sectors relative to other demographic groups in the United States. As **Figure 1** shows, over 78% of undocumented workers are employed in sectors deemed essential by the Department of Homeland Security (DHS).⁹ The share of undocumented workers deemed essential is much higher than that of major racial and ethnic demographic groups in the country (see **Figure 1**). In California and Los Angeles, almost 79% and 71% of all undocumented workers are deemed essential, and, similar to the pattern seen in **Figure 1** for the whole country, undocumented workers are also overrepresented in essential sectors relative to other demographic groups.

Figure 1. Percent of Workers Employed in Essential Sectors by Demographic Group in the United States



Source: Current Population Survey (CPS) 2018 March Supplement.

Notes: The White, Black, and Asian racial categories do not include Hispanics. We identified undocumented immigrants in the CPS by identifying non-naturalized foreign-born individuals and imputing status using the proportions of undocumented by industry estimated by Passel and Cohn (2016) from the Pew Research Center.

Contributions of Undocumented Workers to GDP, Employment, and Tax Revenue

Undocumented workers are essential to the U.S. economy not only because they are highly concentrated in what DHS defines as essential sectors, but also because their work and consumption generates economic activity that indirectly benefits everyone.

Undocumented workers contribute over \$1 trillion to US GDP. The economic activity spurred by undocumented workers supports almost 20 million jobs and generates over \$190 billion in taxes (see **Table 1**). If we include their U.S. citizen children and spouses, undocumented workers and their families produce over \$1.6 trillion of U.S. GDP.



Undocumented workers and their families produce over \$1.6 trillion of U.S. GDP

Table 1. Contributions of Immigrant Workers to GDP, Jobs, and Tax Revenue in the United States

	POPULATION (MILLIONS)	PERCENT OF LABOR FORCE	GDP (TRILLIONS)	JOBS SUPPORTED (MILLIONS)	TOTAL TAXES (BILLIONS)
AUTHORIZED IMMIGRANTS	15.6	10%	\$2.10	40.1	\$448
UNDOCUMENTED IMMIGRANTS	7.8	5%	\$1	19.7	\$190
ALL IMMIGRANTS	23.4	15%	\$3.10	59.8	\$638

Source: Social Accounting Matrix developed by Hinojosa et al. [Link to technical report](#)

In California, undocumented workers produce over \$263 billion of the gross state product (GSP). Unauthorized workers' labor and consumption in California support more than 3.2 million jobs and generate over \$63 billion in taxes (see **Table 2**).

Table 2. Contributions of Immigrant Workers to GDP, Jobs, and Tax Revenue in California

	POPULATION (MILLIONS)	PERCENT OF LABOR FORCE	GDP (BILLIONS)	JOBS SUPPORTED (MILLIONS)	TOTAL TAXES (BILLIONS)
AUTHORIZED IMMIGRANTS	3.2	17%	\$510	6.4	\$144.40
UNDOCUMENTED IMMIGRANTS	1.6	9%	\$263	3.2	\$63.30
ALL IMMIGRANTS	4.8	26%	\$774	9.6	\$207.70

Source: Social Accounting Matrix developed by Hinojosa et al. [Link to technical report](#)

In Los Angeles County, undocumented workers contribute more than \$163 billion to the county's GDP. Additionally, the work and spending of undocumented workers support one million jobs and provide almost \$24 billion in tax revenue in Los Angeles (see **Table 3**).

Table 3. Contributions of Undocumented Workers to GDP, Employment, and Tax Revenue in Los Angeles County.

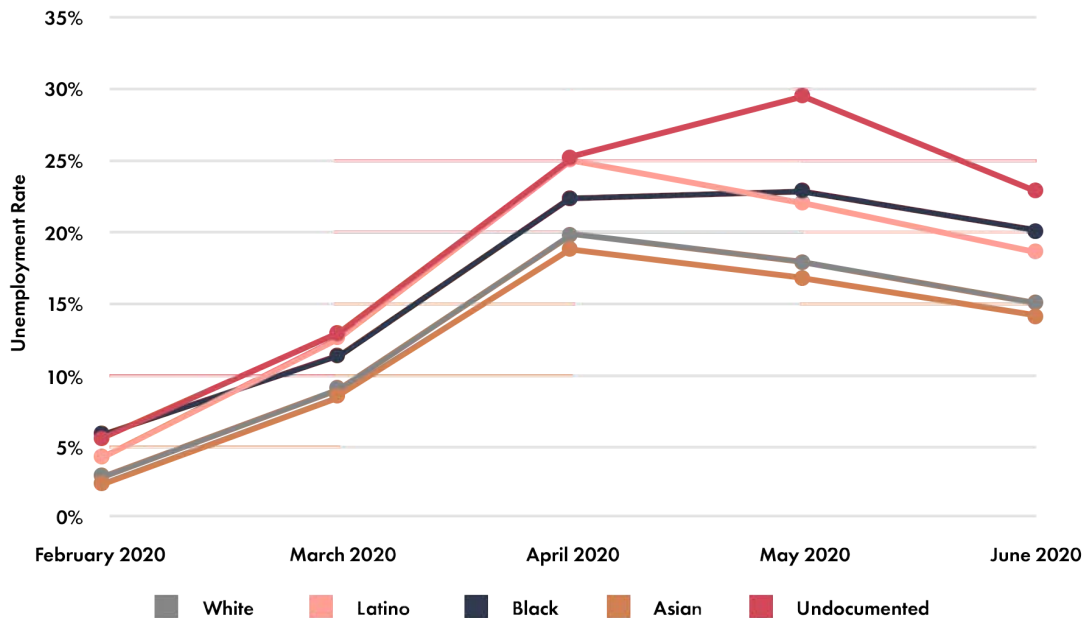
	POPULATION (MILLIONS)	PERCENT OF LABOR FORCE	GDP (BILLIONS)	JOBS SUPPORTED (MILLIONS)	TOTAL TAXES (BILLIONS)
AUTHORIZED IMMIGRANTS	1.1	21%	\$163	1.8	\$52.20
UNDOCUMENTED IMMIGRANTS	0.6	12%	\$87	0.9	\$23.60
ALL IMMIGRANTS	1.6	33%	\$251	2.8	\$75.80

Source: Social Accounting Matrix developed by Hinojosa et al. [Link to technical report](#)

IMPACT OF COVID-19 ON UNDOCUMENTED WORKERS

Paradoxically, despite their disproportionate concentration in industries deemed essential, undocumented workers suffer the highest rates of unemployment due to the collapse in demand for many construction and service sectors, where these workers are also highly concentrated. As illustrated in **Figure 2**, we find that undocumented workers in the United States had the steepest rise in unemployment between February and May of 2020 compared to all demographic groups. In May, the unemployment rate for undocumented workers was over 29%, by far the largest of any group. As states started to reopen at the end of May and in June, employment for undocumented workers improved but still remained the highest of all demographic groups.

Figure 2. Impact of COVID-19 on Employment by Demographic Groups in the United States.

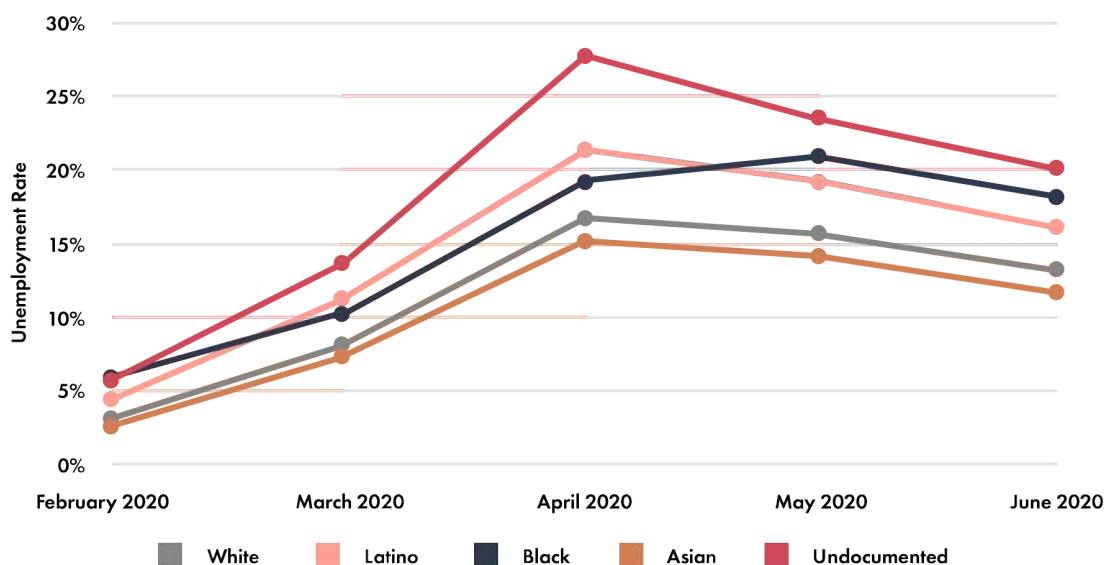


Source: Social Accounting Matrix developed by Hinojosa et al. [Link to technical report](#)

Undocumented During COVID-19

In California, undocumented workers also experienced the steepest increase in unemployment but a month earlier than the rest of the country, since California was the first state in the country that established a stay-at-home order.¹⁰ By April of 2020, almost 28% of all undocumented workers in California were unemployed. As businesses started reopening in May and June of 2020, some of those who lost their jobs in the early months of the pandemic were called back to work (see **Figure 3**). However, a second wave of Coronavirus cases forced Governor Newsom to shut down indoor businesses across the state, so unemployment for California's undocumented workers is likely to increase again in July and August.¹¹

Figure 3. Impact of COVID-19 on Employment by Demographic Groups in California



Source: Social Accounting Matrix developed by Hinojosa et al. [Link to technical report](#)

In Los Angeles, the unemployment trends of undocumented workers are very similar to the ones observed in California. Undocumented workers suffered the highest rates of job loss of any demographic group between February and April of 2020, and despite a slight recovery in May and June, they remain the group with the highest unemployment rates (see **Figure 4**).

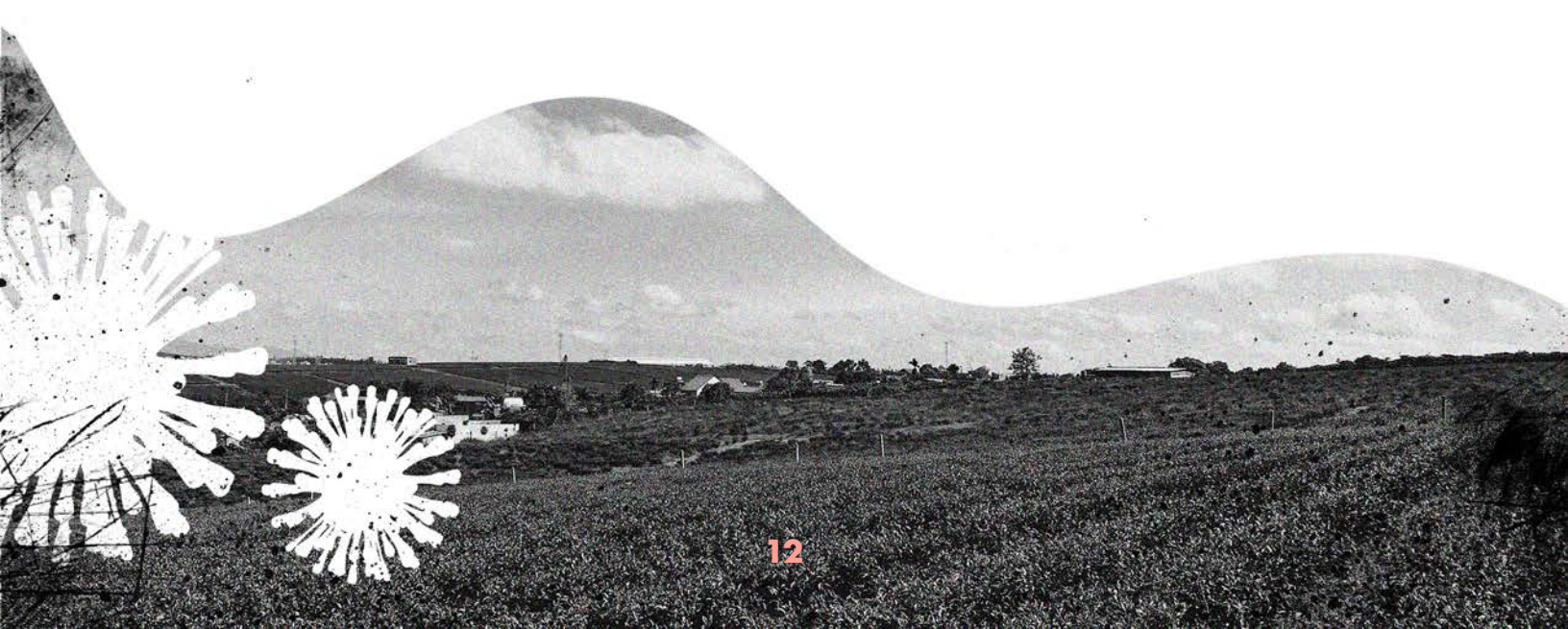
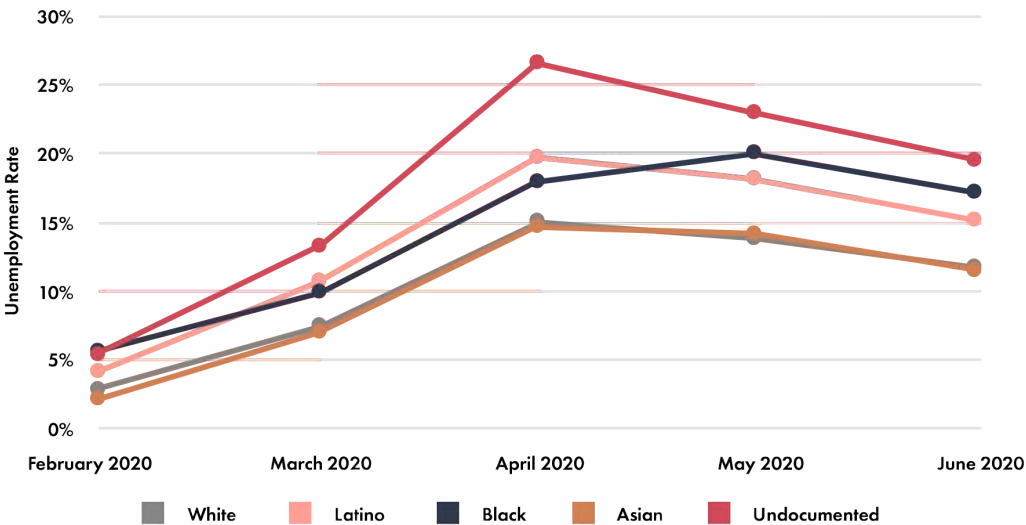


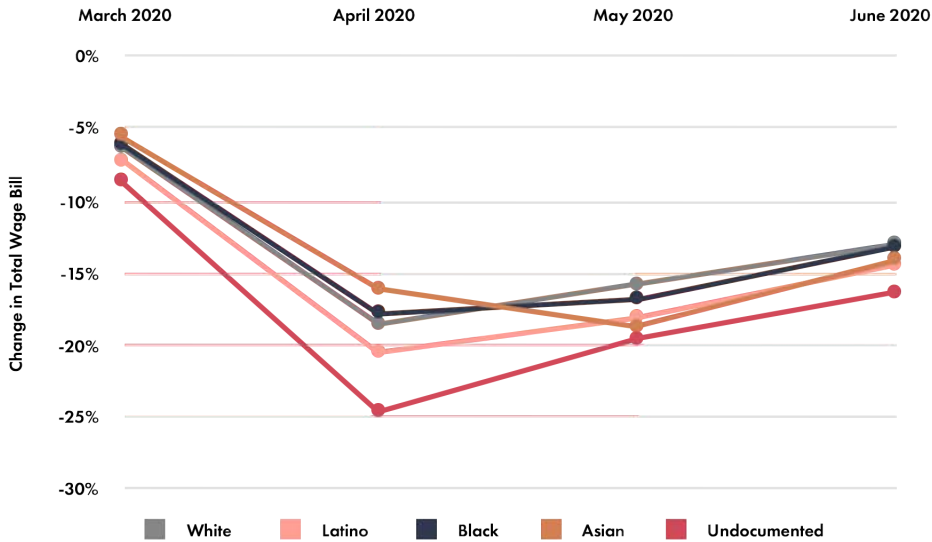
Figure 4. Impact of COVID-19 on Employment by Demographic Groups in Los Angeles



Source: Social Accounting Matrix developed by Hinojosa et al. [Link to technical report](#)

COVID-19 has also had a disproportionate impact on the total wage bill of undocumented workers. Between February and April of 2020, undocumented workers lost almost 25% of their income, on average. This reduction in total wage bill is much higher than that experienced by other demographic groups including Latinos (-20.5%), Whites (-18.6%), Blacks (-17.9%) and Asians (-16.2%). Even though total wage bill for undocumented workers recovered faster than those for other groups between April and May, they remain being the ones with the biggest losses (see **Figure 5**).

Figure 5. Impact of COVID-19 on Total Wage Bill by Demographic Group in the United States

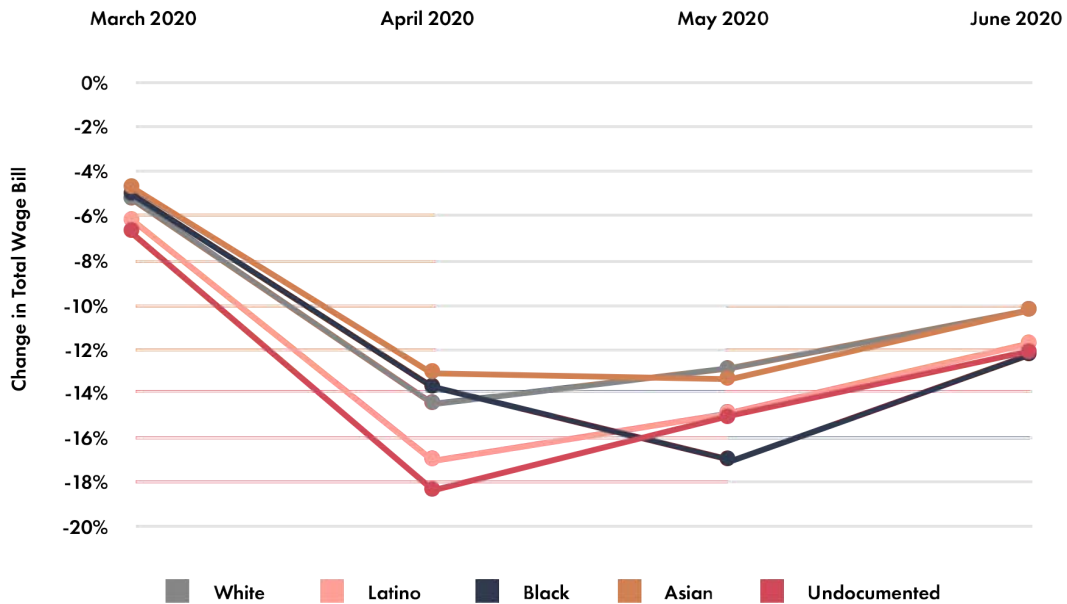


Source: Social Accounting Matrix developed by Hinojosa et al. using February 2020 wages as baseline. [Link to technical report](#)

Undocumented During COVID-19

In California, undocumented workers' total wage bill also saw the largest decline of any demographic group between March and April, but unlike the rest of the country where the total wage bill for all groups recovered in May, in California, the total wage bill of Black workers continued to decline. In May of 2020, Black workers in California had the largest reduction in their total wage bill relative to what they made in February (see **Figure 6**).

Figure 6. Impact of COVID-19 on Total Wage Bill by Demographic Group in California



Source: Social Accounting Matrix developed by Hinojosa et al. using February 2020 wages as baseline. [Link to technical report](#)

ECONOMIC BENEFITS FROM INTEGRATING UNDOCUMENTED WORKERS IN FEDERAL AND STATE STIMULUS POLICIES

Governments across the country have implemented emergency relief programs that explicitly excluded undocumented workers despite the deep impact that the economic downturn has had on them and their families. Policymakers have also ignored the disproportionate contributions of undocumented workers to the economy and tax revenue. By excluding undocumented workers from relief, governments not only deprived millions of people from basic needs, but also inflicted damage to economic recovery. In this section we present data on the costs of leaving out undocumented individuals from relief measures and the economic spillovers that would result from extending benefits to undocumented workers in federal and state stimulus packages.

Economic Benefits of Including Undocumented Workers in the CARES Act and the HEROES Act

To reduce the impact of the economic shutdown caused by the COVID-19 pandemic, the U.S. Congress passed the \$2 trillion economic relief bill known as the CARES Act. This bill included \$300 billion in tax rebates, \$260 billion in increased unemployment payments, and \$350 billion in support for small businesses.¹²

Even though most taxpayers received a \$1,200 tax credit, the bill left out undocumented workers by providing the tax rebate to taxpayers with a valid Social Security Number (SSN). Undocumented workers usually pay their taxes with either an invalid SSN or through an Individual Taxpayer Identification Number (ITIN), making them ineligible for the tax rebate.¹³ The bill also left out millions of U.S. citizens in mixed-status families, making whole families ineligible for relief even if only one member of the household filed their taxes with an ITIN or an invalid SSN.

Exclusion from the CARES Act left many unauthorized immigrants and their U.S. citizen family members in a dire situation since, as we showed in part V, a disproportionate number of them worked in jobs with the lowest wages, leaving them with little room to save and no support to face a shock as big as the pandemic-cause recession. To add insult to injury, legislation also excludes unauthorized immigrants from most social safety-net programs including food stamps and unemployment benefits, exacerbating their financial vulnerability.¹⁴

But besides harming undocumented workers, leaving them out of the CARES Act tax credit has cost the economy thousands of jobs, billions in value added, and billions in tax revenue. As seen in **Table 4**, extending financial relief to undocumented workers would have supported an additional 82,000 jobs in the country, 17,000 jobs in California, and 1,600 jobs in Los Angeles. This relief would have also generated over \$10 billion in value added to the U.S. economy, \$2 billion for California, and almost \$1 billion for Los Angeles. And despite the cost of sending \$1,200 to more people, total tax revenues would have also increased nationally by \$2.8 billion, including over \$700 million in California, and \$200 million in Los Angeles, from the economic activity generated by this relief. The overall multiplier effect of extending relief would result in increased economic activity and related tax revenues such that the net fiscal cost of the program is reduced by 41% of the total expenditure. (See net cost of programs in **Table 4**).

Table 4. Economic Benefits of Extending Tax Rebates Under the CARES Act to Undocumented Immigrants

	UNITED STATES	CALIFORNIA	LOS ANGELES
JOBS SUPPORTED (COUNT)	82,000	17,000	1,600
TOTAL VALUE ADDED (BILLIONS)	\$10.10	\$2	\$0.70
TOTAL TAX REVENUE (BILLIONS)	\$2.80	\$0.70	\$0.20
TOTAL COST OF THE PROGRAM (BILLIONS)	\$6.90	\$2.10	\$0.70
NET COST OF THE PROGRAM (BILLIONS)	\$4.10	\$1.40	\$0.37

Source: SAM models designed by Hinojosa et al. [Link to technical report](#)

Notes: Government revenue includes income obtained by government through service payments, direct taxes, and indirect taxes. Total costs of the program are estimated by multiplying \$1,200 by the number of adults who filed taxes with an Individual Tax Identification Number (ITIN) and met the income qualification requirements to receive the CARES Act tax credit plus \$500 per child in households with at least one person who filed taxes with an ITIN. Net costs are the total direct costs of the program minus government revenue arising from economic activity indirectly generated by the program.

If implemented, the HEROES Act –a stimulus package passed by the U.S. House of Representatives in May of 2020 – would provide a second \$1,200 tax rebate to all low-income taxpayers, including those who filed using an ITIN. Furthermore, it would issue backpay to everyone who was excluded by the CARES Act. This means that every adult in households with at least one ITIN filer would receive a total of \$2,400 and households would receive an additional \$1,000 for each dependent child.



Including undocumented workers and mixed-status families in the HEROES Act would support 112,000 jobs in the U.S., 22,000 in California, and 2,000 in LA County.



The indirect spillover benefits of extending relief to undocumented workers through the HEROES Act would be even higher than those of the CARES Act. Including ITIN filers in this measure would support 112,000 jobs in the U.S., 22,000 in California, and 2,000 in LA County (see **Table 5**). This relief would also result in almost \$14 billion in value added to the national economy including \$2.6 billion in California and \$870 million in Los Angeles. The economic activity generated by extending HEROES relief would generate enough total tax revenue to reduce the net total cost of the program by 41% (See net costs in **Table 5**).

Table 5. Economic Benefits of Extending Tax Rebates Under the HEROES Act to Undocumented Immigrants

	UNITED STATES	CALIFORNIA	LOS ANGELES
EMPLOYMENT (NUMBER OF JOBS)	112,000	22,000	2,000
TOTAL VALUE ADDED (BILLIONS)	\$14	\$2.60	\$0.87
TOTAL COST OF THE PROGRAM (BILLIONS)	\$9.50	\$2.70	\$0.91
TOTAL TAX REVENUE (BILLIONS)	\$3.90	\$0.90	\$0.30
NET COST OF THE PROGRAM (BILLIONS)	\$5.60	\$1.80	\$0.61

Source: SAM models designed by Hinojosa et al. [Link to technical report](#)

Economic Benefits of Extending State Relief Benefits to Undocumented Workers

In the absence of federal relief for all workers, states can implement measures that include everyone who is impacted by the pandemic, regardless of immigration status. In California, ITIN tax filers with a child younger than six are now eligible for the California Earned Income Tax Credit (CalEITC).¹⁵ But even with this expansion, thousands of undocumented workers without children are still left out of the benefits of this tax credit, harming them and California’s economy.

Providing CalEITC to undocumented workers would produce economic benefits at very low costs. Investing \$113 million would add \$108 million in value added to the state's economy \$35 million of which would be in Los Angeles—and \$37 million in tax revenue reducing the net cost of the program to \$76 million (see **Table 6**).

Table 6. Economic Benefits of Extending CalEITC to Undocumented Workers

	CALIFORNIA	LOS ANGELES
TOTAL VALUE ADDED (MILLIONS)	\$108	\$35
TOTAL COST OF THE PROGRAM (MILLIONS)	\$113	\$36
TOTAL TAX REVENUE (MILLIONS)	\$37	\$12
NET COST OF THE PROGRAM (MILLIONS)	\$76	\$24

Source: SAM models in Hinojosa et al, 2020. [Link to technical report](#)

Extending unemployment benefits to undocumented residents in California would generate even greater positive spillovers than those resulting from the CalEITC. By spending unemployment benefits, undocumented residents in California would add \$268 million in value added and increase government revenue by \$92 million, reducing net program expenditures by 32% (see Table 7).

Table 7. Economic Benefits of Extending Unemployment Benefits to Undocumented Workers

	CALIFORNIA	LOS ANGELES
TOTAL VALUE ADDED (MILLIONS)	\$268	\$74
TOTAL COST OF THE PROGRAM (MILLIONS)	\$279	\$77
GOVERNMENT REVENUE (MILLIONS)	\$92	\$25
NET COST OF THE PROGRAM (MILLIONS)	\$187	\$52

Source: SAM models in Hinojosa et al, 2020. [Link to technical report](#)

The large economic benefits of extending relief benefits to undocumented workers shown in **tables 4, 5, 6, and 7**, stem from their fundamental contributions to the economy. Because undocumented workers' spending is so important to many industries, providing them with disposable income generates what economists term "multiplier effects", ultimately generating higher benefits to the broader economy than the original amount spent on these benefits.

CONCLUSION AND POLICY RECOMMENDATIONS

The findings in this report reveal how fundamental undocumented workers are to the economy, how the pandemic has disproportionately affected them, and how excluding them from emergency relief programs has not only harmed them but the whole economy.

As the analysis presented in this brief shows, excluding undocumented workers from relief programs is bad for the workers, bad for economic recovery, and bad for government budgets. Including undocumented workers in government relief measures would support economic recovery, generate much-needed jobs, and increase government revenue. To improve the well-being of undocumented workers, their families, and the U.S. economy, we recommend the following policies:

- 1. *Include undocumented workers and their U.S. citizen children and spouses in all federal, state, and local economic relief and stimulus programs.***
 - a. Pass the HEROES Act in Congress, which eliminates requirements that exclude undocumented workers from relief and provides backpay for tax rebates they should have received under the CARES Act.
 - b. Include all undocumented workers in tax rebates, cash transfers, business development loans, rent allowances and other emergency measures passed to overcome the effects of COVID-19.
- 2. *Extend health and workplace benefits to all essential workers, including undocumented workers.***
 - a. Integrate all undocumented workers into all federal and state social safety net programs, such as food, housing, and economic assistance, regardless of immigration status.
 - b. Design safety net policies to address historical and structural inequalities that have disadvantaged undocumented workers.
- 3. *Implement an immediate moratorium on deportations and provide legal status with a path to citizenship for all undocumented workers and their families.***
 - a. Stop all deportations, since deporting undocumented workers will result in the destruction of livelihoods for millions of people and will deepen the economic crisis across the country.
 - b. Provide immediate deferred action protection and employment authorization to all undocumented essential workers.¹⁶
 - c. Institute a long-term legalization program with a path to citizenship to provide long-term protection and address some of the systemic vulnerabilities undocumented people and their families face that prevent their full and productive participation in the economy.

ENDNOTES

¹ We use the Department of Homeland Security's definition of essential sectors. See Christopher Krebs, "Advisory Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response," U.S. Department of Homeland Security, April 17, 2020, https://www.cisa.gov/sites/default/files/publications/Version_3_O_CISA_Guidance_on_Essential_Critical_Infrastructure_Workers_3.pdf.

² The total wage bill is the total aggregation of all the wages of one demographic group.

³ Section 191203 of the HEROES Act, introduced by House Democrats, grants deferred action and employment authorization to undocumented immigrants who are removable from the United States and who were working on January 27, 2020 (and continue to work) in "essential critical infrastructure labor or services." Italy has already implemented a version of this policy approach. See Chris Livesay, "Coronavirus Crisis Sees Italy Plan to Grant 500,000 Undocumented Migrants Work Permits," CBS News, May 14, 2020, <https://www.cbsnews.com/news/coronavirus-italy-giving-work-permits-undocumented-migrant-farm-care-workers/>. Senator Marco Rubio of Florida is considering a similar initiative. See Joseph Zelballos-Roig, "A New GOP Bill Unveiled by Marco Rubio Would Give Stimulus Checks to Families with Unauthorized Immigrants That Were Left Out of the Initial Wave," Business Insider, June 26, 2020, <https://www.businessinsider.com/gop-bill-marco-rubio-stimulus-checks-families-unauthorized-immigrants-2020-6>.

⁴ The Migration Policy Institute estimated that 15.4 million people are excluded from the CARES Act. Of the 15.4 million, 9.9 million are unauthorized immigrants, and 5.5 million are U.S. citizens or green-card holders who are children or spouses of an unauthorized immigrant. See "Mixed-Status Families Ineligible for CARES Act Federal Pandemic Stimulus Checks", Migration Policy Institute, May 2020, <https://www.migrationpolicy.org/content/mixed-status-families-ineligible-pandemic-stimulus-checks>.

⁵ Sarah Lynch Baldwin and David Begnaud, "For Fourth Time in 8 Days, U.S. Breaks Record for New Coronavirus Cases," CBS News, July 15, 2020, <https://www.cbsnews.com/news/coronavirus-usa-record-cases-4th-time-8-days/>.

⁶ Jeffrey Passel and D'vera Cohn, "Appendix D: Detailed Tables," Pew Research Center, November 3, 2016, <https://www.pewresearch.org/hispanic/2016/11/03/appendix-d-detailed-tables/>.

⁷ Ronald E. Miller and Peter D. Blair. "Social Accounting Matrices," in *Input-Output Analysis: Foundations and Extensions*, 2nd ed., (Cambridge: Cambridge University Press, 2009), Chapter 11.

⁸ For a detailed description of the methodology see Raul Hinojosa-Ojeda, Sherman Robinson, Jaihui Zhang, Marcelo Pleitez, Julie Aguilar, Valentin Solis, Edward Telles, and Abel Valenzuela, "Essential but Disposable: Undocumented Workers and their Mixed-Status Families Modeling COVID-19 Economic Impacts and Government Relief Policies by Race and Immigration Status in Los Angeles County, California, and the United States", UCLA North American Integration and Development, August 10, 2020, <https://irle.ucla.edu/2020/07/24/essentialworkers/>.

⁹ On April 17, 2020, the Department of Homeland Security (DHS), wrote an advisory memorandum on identification of essential and critical infrastructure workers during COVID-19. DHS proclaimed the following sectors as essential: healthcare and public health, law enforcement and public safety, food and agriculture, energy, water and wastewater, transportation and logistics, public works and infrastructure support services, communications and information technology, other community or government-based operations and essential functions,

Undocumented During COVID-19

critical manufacturing, hazardous materials, financial services, chemical, defense industrial base, commercial facilities, residential and shelter facilities and services, and hygiene products and services. See Christopher Krebs, "Advisory Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response," U.S. Department of Homeland Security, April 17, 2020, https://www.cisa.gov/sites/default/files/publications/Version_3.0_CISA_Guidance_on_Essential_Critical_Infrastructure_Workers_3.pdf.

¹⁰ Jiachun Wu, Savannah Smith, Mansee Khurana, Corky Siemasko, and Brianna DeJesus-Banos, "Stay-at-home Orders Across the Country," NBC News, Last Modified April 29, 2020, <https://www.nbcnews.com/health/health-news/here-are-stay-home-orders-across-country-n1168736>.

¹¹ Jeremy White, "California Rolls Back Reopening Plans as New Outbreaks Force Major Reversal," Politico, July 13, 2020, <https://www.politico.com/states/california/story/2020/07/13/newsom-orders-statewide-shutdown-of-california-indoor-businesses-1300309>.

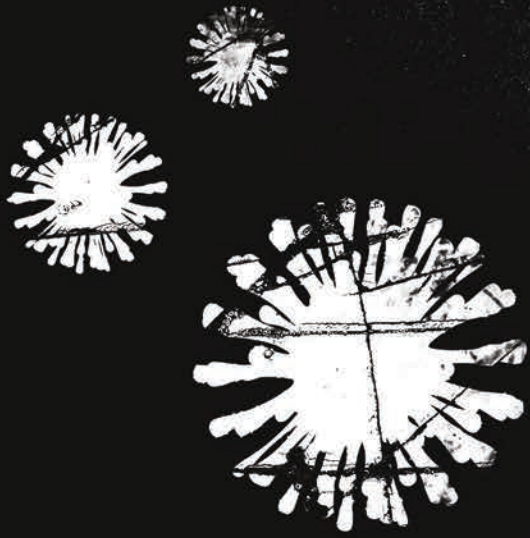
¹² Kelsey Snell, "What's Inside the Senate's \$2 Trillion Coronavirus Aid Package," NPR, March 26, 2020, <https://www.npr.org/2020/03/26/821457551/whats-inside-the-senate-s-2-trillion-coronavirus-aid-package>. In addition, the U.S. Congress increased the amount invested in small businesses to a total of \$669 billion through the Paycheck Protection Program and Health Care Enhancement Act. See U.S. Congress, House, Paycheck Protection Program and Healthcare Enhancement Act, H.R.266, 116th Congress, Public Law No: 116-139, Congressional Research Service, April 24, 2020, <https://www.congress.gov/bill/116th-congress/house-bill/266>.

¹³ Hunter Hallman, "How do Undocumented Immigrants Pay Federal Taxes? An explainer," Bipartisan Policy Center, March 28, 2018, <https://bipartisanpolicy.org/blog/how-do-undocumented-immigrants-pay-federal-taxes-an-explainer/>.

¹⁴ Abigail Folker, "Unauthorized Immigrants' Eligibility for COVID-19 Relief Benefits: In Brief", Congressional Research Service, May 7, 2020, <https://crsreports.congress.gov/product/pdf/R/R46339>.

¹⁵ Kim Bojorquez, "It's a Game Changer': California Budget Includes Tax Breaks for Undocumented Families," The Sacramento Bee, June 27, 2020, <https://www.sacbee.com/news/politics-government/capitol-alert/article243742367.html>.

¹⁶ Section 191203 of the HEROES Act, introduced by House Democrats, grants deferred action and employment authorization to undocumented immigrants who are removable from the United States and who were working on January 27, 2020 (and continue to work) in "essential critical infrastructure labor or services."



UCLA

**Latino Policy &
Politics Initiative**



UCLALatino

latino.ucla.edu



**NORTH AMERICAN INTEGRATION
& DEVELOPMENT CENTER**
UNIVERSITY OF CALIFORNIA LOS ANGELES



uclanaidcenter

naid.ucla.edu

UCLA

College | Social Sciences
**Institute for Research
on Labor & Employment**



uclairle

irle.ucla.edu