

Temporary Legal Protection as a Buffer against Immigration Enforcement: Employment, Income, and Poverty under DACA*

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March 26, 2026

Abstract

This paper examines how overlapping immigration policies interact by studying whether temporary legal protection mitigates the economic effects of interior enforcement. Using American Community Survey data, we study the interaction between Deferred Action for Childhood Arrivals (DACA), a U.S. federal program that provides temporary protection from deportation and work authorization to over 800,000 recipients, and local enforcement intensity. Using a difference-in-differences-in-differences framework, we compare likely undocumented Hispanic immigrants who are eligible for DACA with those who are narrowly ineligible. We show that enforcement significantly worsens income and poverty outcomes among ineligible immigrants, while DACA eligibility largely offsets these adverse effects, with weaker effects on labor supply. We find no similar effects in falsification tests using naturalized Hispanic citizens. We further show that these mitigating effects weaken during the period of increased policy uncertainty following December 2017. Our findings highlight the buffering role of temporary legal protection and demonstrate how overlapping immigration policies shape immigrants' economic outcomes.

Keywords: Immigration enforcement, DACA, labor market, poverty

JEL Codes: J15, J61, K37

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