

# Pathways or Pitfalls? The Policy Crisis of Undocumented Labor Participation

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## Abstract

This brief will explain the main pathways for immigrants that do not have citizenship to obtain work. It will also address the current stakes and stakeholders, as well as why it is a pressing issue in this day.

## Keywords

Undocumented Immigrants,  
Work Authorization, Immigration  
Reform, Economic Impact,  
Labor Market Integration

## I. Executive Summary

This brief will cover the strategies, programs, or policies that help undocumented immigrants find and participate in legal, safe, and effective employment—irrespective of immigration status. Overall, it will cover why this issue is crucial in the present, the history of opportunities undocumented migrants have received in the workforce, as well as how it is impacted in the current day. Additionally, this will cover past policies implemented surrounding the topic as well as potential options for the future. Lastly, this brief is intended to provide insight to the systemic barriers that come along with implementation and how both Republican and Democratic parties in the US have tried to influence it.

## II. Overview

### Pointed Summary

- **Issue:** Undocumented immigrants work in the U.S. but lack legal pathways for formal employment and protections due to numerous reasons.
- **Stances:** Supporters push for legal work status, but is often met with resistance because of fear it encourages “illegal immigration.”
- **Past Policies:** DACA (2012), IRCA (1986), and failed attempts like the DREAM Act.

## Relevance

Currently, this subject has become increasingly important to both social equity and economic growth. Undocumented workers make enormous percentages of critical sectors, such as 25% of farm labor and 17% of construction labor. They also contribute nearly \$90 billion in tax revenues and \$299 billion in consumer spending annually. Legalizing their status through orderly channels helps minimize exploitation, improves labor protections, and locks in fair tax contributions. It would also significantly grow the U.S. economy—including an estimated up to \$1.7 trillion in GDP within ten years, and producing hundreds of thousands of jobs. With greater entrepreneurship by immigrants and increased labor shortages, these channels are extremely relevant for the economy of our nation as a whole.

## III. History

### Current Stances

During the 118th session of Congress, the New Democrat Coalition Immigration and Border Security Task Force introduced its Framework for Commonsense Immigration Reform. This policy proposal aims to strengthen America's economic and technological competitiveness by streamlining immigration for high-skilled workers, recent college graduates, and entrepreneurs. It proposes increasing the number of employment-based immigration visas to meet the rapidly rising demand for workers in the U.S. Additionally, the framework seeks to establish a pathway for H-2A temporary farmworkers to obtain legal status, permanently authorize the Conrad 30 waiver program—which allows physicians studying in the U.S. on a J-1 visa—and create expanded temporary non-immigrant visa categories for work in industries experiencing employee shortages.

Despite this effort and numerous others to help integrate immigrants into the U.S. workforce, there have been multiple responses from both the left and the right. Democrats were in strong support, with representatives such as Nikki Budzinski calling for a vote on the Senate's bipartisan bill and urging House Republican leaders to prioritize solutions to improve the U.S. economy and reduce the crisis at the border, rather than focusing on political lines. However, there was strong opposition among Republicans, who blocked the vote and instead supported stricter border policies by expanding the U.S.-Mexico border wall, increasing Border Patrol, and imposing fees on asylum seekers and immigration applicants.

#### Tried Policy

Despite the current gridlock on U.S. border policy and the implementation of successful workforce integration policies, numerous efforts have been made to help employ immigrants. For example, the U.S. Refugee Admissions Program (USRAP) and the Office of Refugee Resettlement (ORR) provide job placement, English language training, and employment support. These programs have significantly helped refugees attain self-sufficiency within months of arrival. In fact, in 2022, 62% of refugees were employed within their first year of entry.

Additionally, the Deferred Action for Childhood Arrivals (DACA) is a program that permits immigrant children to remain in the U.S., helping integrate them into the U.S. economy. Currently, 93% of DACA recipients are employed or enrolled in school, enabling economic participation and stability for over 500,000 individuals.

## **IV. Policy Problem**

### Stakeholders

There are approximately 22.4 million non-citizen immigrants residing in the United States, including asylum seekers, refugees, DACA recipients, and a variety of undocumented individuals, the most prominent of which being visa overstays. Of these immigrants, it is estimated that 2.3 million are eligible and looking for work, but they must navigate inconsistent legal systems in order to find and maintain employment. Given that the immigrant GDP contributions total about 2.1 trillion USD annually, every company and community that relies on their labor is a stakeholder in the immigrant employment crisis. Companies stand to lose millions due to labor shortages—ICE raids in 2010 saw American Apparel's stock price dropping by 41% in a single quarter—while smaller businesses fare much worse, being unable to pay the heavy fines imposed by immigration authorities for employing undocumented workers. These losses ripple outward by depriving surrounding communities of goods, services, and income.

### Risks of Indifference

Immigration employment, in its current state, presents clear economic, political, and moral risks. Without access to legal employment channels, migrant workers will turn to underground labor markets where wage theft, exploitation, and working conditions are underregulated. These risks extend beyond the underground labor markets by depressing wages and undermining labor safety standards in related industries. Because long waiting periods for work visas leave workers unable to contribute legally, social services and law enforcement systems are also strained. Outside of productivity drops, local businesses can also struggle to find talent. All in all, indifference will contribute to cycles of poverty, labor exploitation, and economic stagnation.

## Nonpartisan Reasoning

Although immigration employment is extremely politically divisive, both major US parties agree that reform is critical—their disagreements center on the nature and goals of such policy reform. Conservatives prioritize border security, employer accountability, and immigration enforcement—favoring expanded e-verify protocols and other security measures. Their reasoning is that reducing undocumented employment discourages undocumented entry, illegal crossings, and visa overstay; protects American jobs; and ensures that working conditions and wages are not depressed by underground labor markets. Whereas conservatives often frame immigrant employment primarily in terms of national and economic security, progressives view immigration primarily as an issue of human rights and thus favor civil protections, access to social services and employment, and streamlined pathways to citizenship, especially for undocumented workers who are already contributing via taxation. They argue that instead of enforcement, policymakers should prioritize reform to asylum, refugee, [DACA](#), and [TPS policies](#), allowing immigrants to nationalize more efficiently, which should leave them less vulnerable to exploitation. Whereas conservatives often frame immigrant employment primarily in terms of national and economic security.

## **V. Policy Options**

### **1. Sector-specific work permits**

This approach would provide temporary work authorizations aimed at industries facing labor shortages, such as agriculture, construction, and eldercare. The permits could be time-limited and renewable, contingent upon employer sponsorship, and monitored through enforcement of labor standards. This strategy would effectively address urgent workforce gaps and could be tailored to meet economic demands. As a result, it may receive bipartisan support due to the needs of businesses. However, this policy option carries the risk of creating a secondary tier of workers with fewer rights and may not offer long-term stability.

### **2. Pathways to legal status through employment**

This policy proposal suggests establishing conditional pathways to legal work authorization or permanent residency for undocumented immigrants who fulfill specific employment and residency requirements. It includes elements reminiscent of the previously unsuccessful DREAM Act and would enable individuals to participate in the formal economy, minimize exploitation, and enhance tax compliance, ultimately allowing them to normalize their status over time. To gain bipartisan support, the intent of this policy would focus on economic integration and labor policy rather than the humanitarian or developmental approach of the DREAM Act. This shift in focus could be achieved by broadening the target group from just young immigrants to encompass the wider population of undocumented workers. However, there may still be political resistance, as opponents often categorize this approach as "amnesty," which they argue might encourage unauthorized immigration.

### 3. Expansion of programs like DACA and TPS

Expanding or formalizing programs such as Deferred Action for Childhood Arrivals (DACA) and Temporary Protected Status (TPS) into permanent legal pathways could offer relief and access to the labor market for many undocumented residents already living and working in the U.S. This approach would make use of existing infrastructure and target populations that are already integrated into communities. However, this solution has a limited scope; it does not address newly arrived undocumented workers or those who have overstayed their visas.

### 4. Decreased barriers to legalization

Currently, Senator Padilla (D-Calif.) has proposed an immigration bill that would allow for undocumented immigrants to become eligible for lawful permanent resident status if they have no criminal record, have lived in the United States continuously for seven years, and meet all other requirements for a green card. Through permanent residency, it would eliminate the need for any employment authorization document as this legal status implies legal employment. This proposal would provide over 8 million undocumented immigrants with a pathway to legalization for Dreamers under DACA and forcibly displaced citizens with TPS. Furthermore, [FWD.US](https://www.fwd.us) estimates that if the undocumented migrants who benefit through this bill eventually become citizens, they would contribute approximately \$121 billion to the US economy annually and nearly \$35 billion in taxes. In spite of this, this solution does not extend to recently arrived undocumented immigrants nor accommodate for those with criminal records.

## **VI. Conclusions**

Undocumented immigrants securing work authorization in the U.S. remains a contentious and pressing policy matter. Through decades of shifting legislation, bipartisan debates, and shifting economic demand, America still fails to balance security, equity, and growth. Whether by previous programs like IRCA and DACA to current legislation from both parties, America can witness that legal avenues of work are not merely an immigration matter — with serious ramifications to America's sustainable and healthy workforce. The future will be dependent upon how successfully any remedy addresses realities within labor markets, maintains humanity, and crosses political partisanship. The political stakes are significant, but so are substantive reforms.