CITIES AND CITIZENSHIP: NEW RESEARCH ANALYZES ECONOMIC BENEFITS OF INCREASED NATURALIZATION ON CITIES AND IMMIGRANT COMMUNITIES

New research from the Urban Institute, supported by NYC’s Mayor’s Office of Immigrant Affairs and Citi Community Development, gives quantifiable evidence of citizenship as an economic catalyst.

Study is the first to prove the return on investment cities generate through lower government expenditures when they encourage citizenship.

NEW YORK—Today, NYC’s Mayor’s Office of Immigrant Affairs (MOIA) and Citi Community Development announced research findings on the powerful economic effects of naturalization on eligible individual immigrants as well as on their communities and local economies. New research, conducted by the Urban Institute and supported by MOIA and Citi Community Development, analyzes the potential cost savings and economic benefit cities can experience as more residents become citizens. While previous studies have indicated that increasing citizenship leads to higher wages and produces additional tax revenues, this study reveals for the first time why cities directly benefit when they work to increase rates of naturalization.

The study, The Economic Impact of Naturalization on Immigrants and Cities, examines the economic impact of naturalization across a diverse range of cities, representing variety in terms of regional location, and the size and history of their immigrant populations. Using rigorous econometric models and a sample of 21 cities, the study identifies the benefits of naturalization, and finds that:

- In New York City, if all eligible immigrants were to naturalize, city, state, and federal tax revenue would rise by $789 million in one year and public benefits costs would decrease by $34 million in one year, for a net benefit of $823 million.
- Total individual earnings increase by an average of 8.9 percent or an average of $3,200 in one year. The earnings increase would translate into $5.7 billion in one year in new earnings in the 21 cities combined if all the eligible immigrants were to naturalize.
- Employment rates rise by 2.2 percentage points, if all eligible immigrants were to naturalize.
- Home ownership increases by 6.3 percentage points, if all eligible immigrants were to naturalize.

Nationwide there are 8.7 million immigrants who are eligible to naturalize but have yet to do so. Less than ten percent naturalize per year. The naturalization
rate, the ratio of the number of naturalized citizens to the sum of naturalized and eligible to naturalize, in the 21 focus cities is 64 percent. The study reveals why city-based initiatives that facilitate the naturalization process for immigrants are sound policy as they increase tax revenues and can also lead to fewer government expenditures.

“Mayors across America can attest: naturalization is a key mechanism for empowering immigrant families. These families make significant contributions to a city’s economy and cultural landscape, and when they succeed, we all succeed,” said New York City Mayor Bill de Blasio. “This study demonstrates the need for every city to further cultivate programs and policies that ensure more immigrants can naturalize and continue to grow as an economic force.”

“Programs that help immigrants become citizens are a must-have for America’s cities. Today New York City makes the clear case that investing in naturalization directly reduces city expenditures. This study quantifies what citizenship advocates have long believed. For cities, increasing rates of citizenship is a win-win,” said Commissioner Nisha Agarwal of NYC’s Mayor’s Office of Immigrant Affairs. “We have long touted the benefits immigrants gain after naturalization, whether it is voting rights or an increased feeling of security. Now cities can be loud and clear, increasing citizenship strengthens the financial standing of immigrants and directly benefits the health and vitality of all cities, no matter the region or size.”

"The findings of this report show that citizenship is an asset not just for eligible immigrants, but for cities and the economy as a whole" said Bob Annibale, Global Director, Citi Community Development and Inclusive Finance. "Across the country through Cities for Citizenship, municipalities and their community partners are developing innovative naturalization programs to realize this untapped economic opportunity that will result in more inclusive and prosperous urban economies."

“Naturalization brings economic benefits to immigrants and their communities. Cities should consider the payoffs of naturalization-promoting programs as they grapple with how to help immigrants become full-fledged members of their adopted countries,” said Maria Enchautegui, senior fellow in the Income and Benefits Policy Center at the Urban Institute.

“Naturalization provides concrete measurable benefits not only to immigrants but also to the cities they call home,” said Shena Elrington, Director of Immigrant Rights & Racial Justice Policy at the Center for Popular
Democracy. “This groundbreaking report illustrates the very real impact of naturalization and helps make the case for greater investment in citizenship promotion in cities across the country.”

“Creating pathways to economic success and quality of life for all immigrants is essential,” said Adrienne Pon, Executive Director of the San Francisco Office of Civic Engagement & Immigrant Affairs. “Immigrants contribute significantly to the economy and workforce, and as naturalized citizens, provide even greater contributions to our overall success as cities and a nation.”

The study estimates the economic impact of naturalization on a sample of 21 cities, including Atlanta, GA; Baltimore, MD; Boston, MA; Chattanooga, TN; Chicago, IL; Dallas, TX; Denver, CO; Houston, TX; Jersey City, NJ; Los Angeles, CA; Miami, FL; Milwaukee, WI; Nashville, TN; New York, NY; Philadelphia, PA; Pittsburgh, PA; Reading, PA; San Francisco, CA; San Jose, CA; Seattle, WA and Washington, D.C. As of August 2015, these cities were all members of Cities for Citizenship; except for Dallas, Houston, and Miami (Miami-Dade County joined Cities for Citizenship in Fall 2015), which are included in this study because of their large immigrant populations. The analysis conducted in this study is based on Census Bureau data and City-level administrative data. The Cities for Citizenship Initiative is a major national initiative which was founded by the mayors of Chicago, Los Angeles, New York City, Citi Community Development, Center for Popular Democracy and National Partnership for New Americans is aimed at increasing citizenship and encouraging municipalities to invest in citizenship and financial inclusion programs.

Cities across the country continue to develop and implement methods to assist immigrants in gaining citizenship. A new program announced by Mayor de Blasio this fall will provide free citizenship application assistance services at key library branches around the city starting in 2016. The new program is a public-private partnership between the Mayor’s Office of Immigrant Affairs, New York Public Library, Brooklyn Public Library, Queens Library, Citi Community Development, and the Carnegie Corporation of New York. It will build on ‘New American Corners’ created in all NYC library branches, to share citizenship-related information, and will also integrate financial empowerment resources so that individuals receiving free citizenship services will have access to free financial empowerment services.

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