



America is Home:

How Individuals, Families, Cities & Counties Benefit by Investing in Citizenship



Statement from Executive Committee of Cities for Citizenship

ABOUT THE CONTRIBUTORS



Cities for Citizenship is a major national initiative aimed at increasing citizenship among eligible US permanent residents and encouraging cities across the country to invest in citizenship programs. It is chaired by New York City Mayor Bill de Blasio, Chicago Mayor Rahm Emanuel, and Los Angeles Mayor Eric Garcetti, with support from the Center for Popular Democracy and the National Partnership for New Americans. Citi Community Development is the Founding Corporate Partner. To learn more, visit CitiesforCitizenship.com



The Center for Popular Democracy promotes equity, opportunity, and a dynamic democracy in partnership with base-building organizations, organizing networks and alliances, and progressive unions across the country. CPD builds the strength and capacity of democratic organizations to envision and advance a pro-worker, pro-immigrant, racial and economic justice agenda. To learn more, visit populardemocracy.org



The National Partnership for New Americans harnesses the collective power and resources of the country's 37 largest regional immigrant rights organizations in 31 states. Our aim is to achieve a vibrant, just, and welcoming democracy for all. Immigrants are the soul of our organization, and immigrant communities inspire, implement, and champion our work. NPNA sponsors the annual National Immigrant Integration Conference and in the past two years NPNA partners have assisted over 50,000 immigrants to pursue legal status and become US citizens. To learn more, visit partnershipfornewamericans.org



About Citi Community Development Citi Community Development leads Citi's commitment to financial inclusion and economic empowerment for underserved individuals, families and communities across the U.S. Through innovative collaborations with municipalities, community groups and leading nonprofit organizations, we harness Citi's expertise, products and services to help expand opportunity for all.

Additional information may be found at <http://citicommunitydevelopment.com> | Twitter: @Citi
YouTube: www.youtube.com/citi | Blog: <http://blog.citi.com> | Facebook: www.facebook.com/citi | LinkedIn: www.linkedin.com/company/citi

Cover Photo

Alabastro Photography | On June 15, the Office of Immigrant and Refugee Affairs New Citizen Program welcomed 19 new Americans at a Flag Day Naturalization Ceremony at Seattle City Hall. Additional highlights included fifth graders reading their winning essays on the topic "Why I'm Glad America is a Nation of Immigrants." The students participated in the annual Celebrate America Creative Writing Contest

As the founding cities of Cities for Citizenship (C4C); a network of nearly 70 cities and counties, we believe and have seen the many benefits of supporting immigrant and refugee communities on their pathway to U.S. Citizenship.

Our nation has always been a home to people seeking freedom, opportunity, and refuge from persecution. New citizens pursue their American Dreams; help build our nation; and contribute to our communities through their hard work. When Legal Permanent Residents naturalize they make an affirmative decision to study English, U.S. history and government, while swearing allegiance to our Constitution. Naturalized citizens have the opportunity to earn higher income, generate more taxes, connect with their neighbors more easily, and assume their full rights and responsibilities in this country. These individuals are proudly saying "America is Home" through these actions.

We thank our C4C national partners, the National Partnership for New Americans, Center for Popular Democracy, and Citi Community Development for this important report that lifts up how we all benefit when we invest in naturalization and support Legal Permanent Residents in their pathway to U.S. Citizenship.

We are excited at the continued growth of the C4C network and thank all of the C4C cities and counties for their commitment to new Americans.



Bill de Blasio, New York City Mayor



Rahm Emanuel, Chicago Mayor



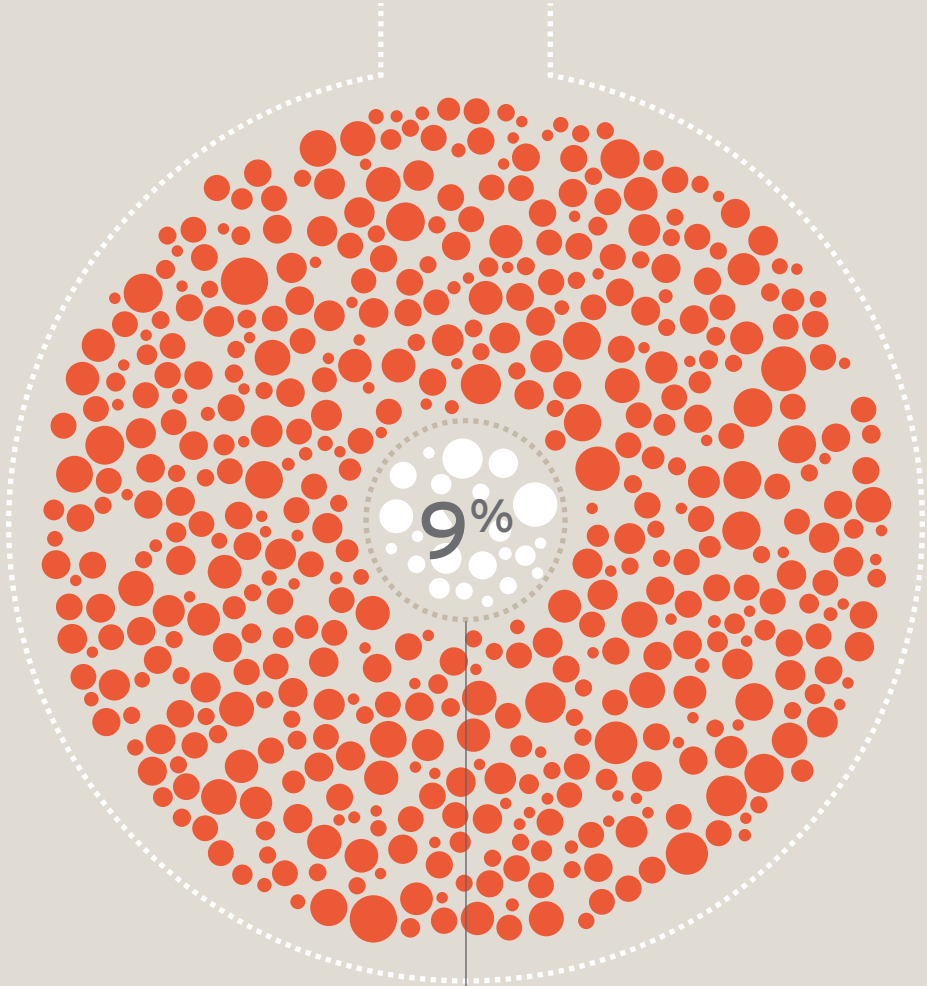
Eric Garcetti, Los Angeles Mayor

Executive Summary

Cities for Citizenship (C4C) is a major national initiative aimed at increasing citizenship among eligible U.S. Lawful Permanent Residents and encouraging cities across the country to invest in citizenship programs. It is chaired by New York City Mayor Bill de Blasio, Chicago Mayor Rahm Emanuel, and Los Angeles Mayor Eric Garcetti, with support from the Center for Popular Democracy and the National Partnership for New Americans. Citi Community Development is the Founding Corporate Partner. C4C is premised on the idea that when municipal leaders develop and invest in naturalization efforts, it produces substantial economic and civic benefits for all of their constituents. In addition to a host of civic benefits—including the ability to vote in elections, serve on a jury, and run for elected office—the process of naturalizing brings significant economic benefits to individuals and local communities.

When someone becomes a U.S. citizen, she is more likely to secure employment. The employment rate not only rises by 2.2 percentage points for naturalized citizens, but naturalized citizens are newly eligible for jobs in sectors like public administration.¹ Naturalized citizens also access higher paying jobs, earning 8-11 percent more than individuals who are eligible to naturalize but haven't yet done so.² In fact, if every working age person who is eligible to naturalize became a U.S. citizen, by some estimates, this would result in \$9 billion in total additional income at their current jobs.³ Census data shows that naturalized citizens are almost twice as likely as non-citizens to be homeowners (they own homes at rates of 66 percent and 34 percent respectively).⁴ In addition to a host of benefits for individuals, naturalization can have important macroeconomic benefits for local communities. These include a growth in spending power, higher GDP, and increased tax revenues, all of which can boost local economies. Finally, investing in naturalization can advance financial inclusion for immigrant families. Immigrants are 13 percentage points less likely to have bank accounts, compared to U.S. born individuals. This is due to a host of barriers ranging from low or unstable incomes, a lack of a credit rating, and high fees and hurdles to opening accounts.⁵ As a result of these barriers, many immigrant communities rely more heavily on alternative financial services which are often costly and predatory. Lawful Permanent Residents who become U.S. citizens are much more likely to access formal banking services which can have important economic benefits for families. Recognizing these benefits, the more than 65 participating cities and counties in C4C are working to increase citizenship among eligible U.S. Lawful Permanent Residents; these local efforts are highlighted throughout the report.

Gross Domestic Product could Increase
\$37-52 BILLION



Citizens who currently naturalize each year

By some estimates, if 1.5 million people naturalized every year for the next 5 years, the Gross Domestic Product (GDP) would increase somewhere between \$37 billion and \$52 billion over a 10 year period following this increase in naturalization

Introduction

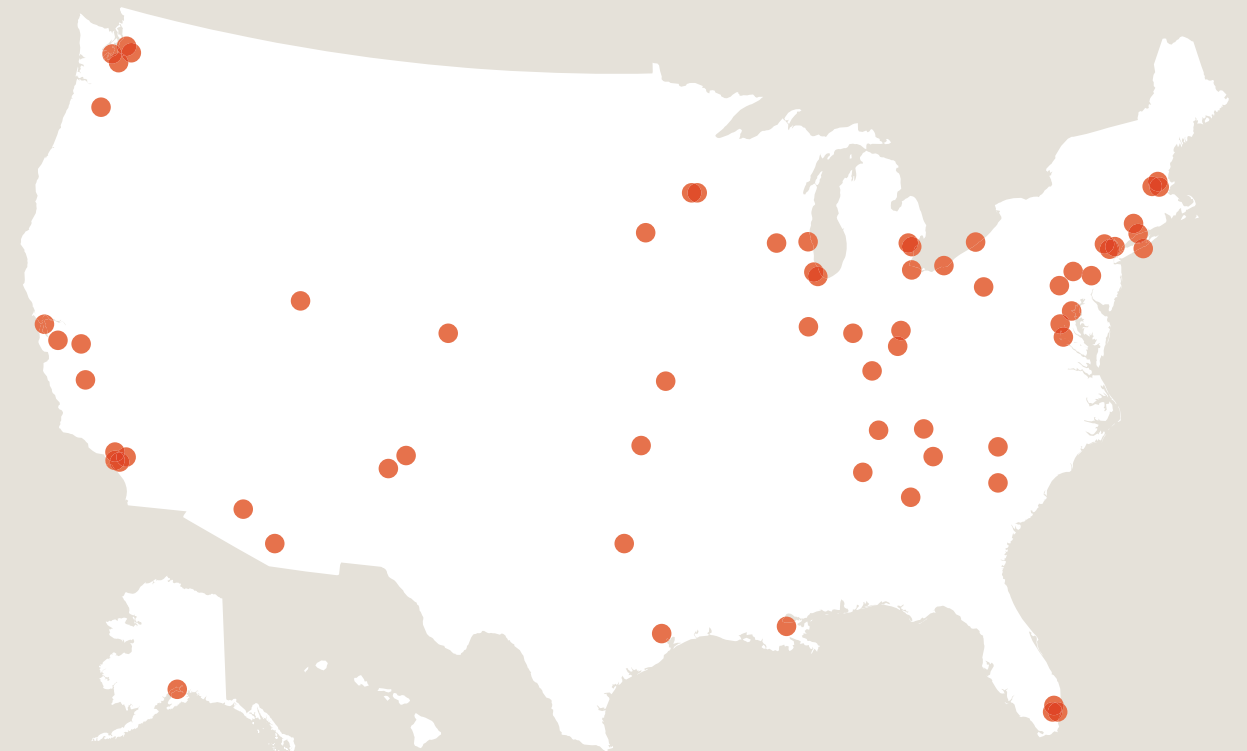
Cities for Citizenship (C4C) is a major national initiative of more than 68 participating cities and counties aimed at increasing citizenship among eligible U.S. permanent residents and encouraging investment in citizenship and financial empowerment programs. There are currently 8.8 million lawful permanent residents (LPRs) who are eligible to naturalize across the United States.⁶ Yet, each year fewer than nine percent of those who are eligible to naturalize take the important step of applying for citizenship due to a variety of barriers. **As a result, the U.S. economy misses out on billions of dollars in potential individual earnings and tax revenues.**⁷

C4C is premised on the idea that when municipal leaders develop and invest in naturalization efforts, it produces substantial economic and civic benefits for all of their constituents. Cities and counties play an integral role in promoting naturalization, removing the barriers that prevent LPRs from completing the citizenship process and, ultimately, fostering a more inclusive, robust and representative democracy and stronger economy.

Since C4C's inception in 2014, C4C cities and counties have been at the forefront of this effort, helping to lead the way in creating scalable naturalization programs and policies that can be replicated across the country. C4C Mayors' offices have launched city-wide communications campaigns promoting naturalization, hosted oath ceremonies, allocated funding for naturalization services, collaborated with local credit unions to reduce the application fee, provided financial counseling and empowerment services, and have passed local resolutions supporting naturalization.

Now, more than ever, cities and counties recognize the need to support and welcome the many benefits that immigrant communities bring to their jurisdiction. Over the past year, Cities for Citizenship has grown by over 55 percent and now includes nearly 70 cities and counties across 30 states.

As of August 2018, the C4C Initiative spans across 68 participating cities and counties:



- | | | | |
|-----------------|-------------------|-----------------------|----------------------|
| Albuquerque, NM | Denver, CO | Madison, WI | Redmond, WA |
| Anaheim, CA | Detroit, MI | Miami, FL | Saint Paul, MN |
| Anchorage, AK | Hamtramck, MI | Miami-Dade County, FL | Salt Lake County, UT |
| Atlanta, GA | Hartford, CT | Milwaukee, WI | Sante Fe, NM |
| Baltimore, MD | High Point, NC | Minneapolis, MN | San Francisco, CA |
| Boston, MA | Houston, TX | Montgomery County | San Jose, CA |
| Cambridge, MA | Huron, CA | Nashville, TN | Skokie, IL |
| Champaign, IL | Indianapolis, IN | New Haven, CT | Somerville, MA |
| Charlotte, NC | Jersey City, NJ | New Orleans, LA | Seattle, WA |
| Chattanooga, TN | Kansas City, KS | New York, NY | South Gate, CA |
| Cincinnati, OH | Kitsap County, WA | North Miami, FL | Suffolk County, NY |
| Chicago, IL | Knoxville, TN | Peterson, NJ | Tacoma, WA |
| Cleveland, OH | Livingston, CA | Philadelphia, PA | Tucson, AZ |
| Columbia, SC | Long Beach, CA | Phoenix, AZ | Tulsa, OK |
| Dallas, TX | Los Angeles, CA | Pittsburgh, PA | Washington, DC |
| Dayton, OH | Louisville, KY | Portland, OR | Worthington, MN |
| Erie, PA | Lucas County, OH | Reading, PA | York, PA |

In 2017, C4C network made an impressive impact through naturalization outreach, application assistance, and financial empowerment services that were integrated with naturalization efforts. **The 2017 C4C Annual Partner Survey demonstrates the national scale of these activities:**

712,720

Lawful Permanent Residents were reached through naturalization outreach and communication campaigns that were lead by C4C cities and counties

11,450

Lawful Permanent Residents were assisted with their citizenship application via naturalization workshops lead by C4C cities and counties

14,000

Lawful Permanent Residents were assisted with financial empowerment services lead by C4C cities and counties



Mayor Eric Garcetti of Los Angeles announcing the C4C "America is Home" Initiative at the U.S. Conference of Mayors in Boston, June 2018

Additionally, in June of 2018, C4C launched the "America is Home" initiative, which is a bipartisan, \$5 million challenge grant to promote naturalization in new and emerging areas across the U.S. The C4C America is Home initiative is a four-year program that will award two-year challenge grants of \$25,000 or \$40,000 a year to partnerships between community-based organizations and municipal offices. The launch of the initiative was included in remarks made by Los Angeles Mayor Eric Garcetti during a press conference in Boston on the first day of the annual meeting of the U.S. Conference of Mayors. Over 60 organizations and municipalities across 33 states applied for the grant and 14 community-based organizations have been selected as grantees in the following cities and counties:

C4C America is Home Grantee Organizations & Cities 2018

- El Centro de Igualdad y Derechos** Albuquerque, New Mexico
- Hispanic Interest Coalition of Alabama (HICA)** Birmingham, Alabama
- Catholic Charities of Idaho** Boise, Idaho
- Colorado Immigrant and Refugee Rights Coalition (CIRC)** Denver, Colorado
- Immigrant Welcome Center** Indianapolis, Indiana
- Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA)** Lawrence, Lowell & Worcester, Massachusetts
- Kentucky Refugee Ministries, Inc** Louisville, Kentucky
- Voces de la Frontera** Milwaukee, Wisconsin
- Tennessee Immigrant and Refugee Rights Coalition (TIRRC)** Nashville, Tennessee
- Vietnamese Young Leaders Association of New Orleans (VAYLA)** New Orleans, Louisiana
- Comunidades Unidas** Salt Lake County, Utah
- Somos Un Pueblo Unido** Santa Fe, New Mexico
- YWCA Tulsa** Tulsa, Oklahoma
- CASA** York, Pennsylvania

The Benefits of Naturalization

Every year, around 700,000 immigrants complete the naturalization process to become U.S. citizens.⁸ Cities for Citizenship recognizes the important benefits of naturalization. Becoming a citizen can result in well-documented benefits for families as well as local communities. In addition to a host of civic benefits—including the ability vote in elections, serve on a jury, and run for elected office—the process of naturalizing brings significant economic benefits.

The Economic Impact of Naturalization

Rising Incomes

Numerous studies have shown that the incomes of immigrants rise significantly after naturalizing. The earnings gap between naturalized immigrants and non-citizen immigrants is present, even when controlling for differences in education, regional labor markets, and language ability. Research by Dr. Manuel Pastor at the University of Southern California revealed that naturalized citizens earn 8-11 percent more than individuals who are eligible to naturalize but have not yet done so.⁹ This positive income effect, or earnings premium, is seen relatively quickly after someone has naturalized. For instance, among those who naturalized one to two years ago, their incomes rose by 5.6 percent-7.2 percent. That represents approximately \$2,200 in average additional earnings for someone in a year.¹⁰ It appears that the positive effects build over time for people who become U.S. citizens. Among individuals who naturalized 12-17 years ago, there was an even larger earnings increase of between 10.1 percent and 13.5 percent.¹¹ This earnings premium contributes to the financial well-being of families and can enable asset building over time.

These potential earnings increases are not only significant for individuals and families but can also have a large scale macroeconomic impact. **If every working age person who is eligible to naturalize became a U.S. citizen, by some estimates, this would result in \$9 billion in total additional income at their current jobs.**¹² Factoring in the additional income that naturalized citizens could receive after advancing to new industries and occupations, this earnings boost could rise to nearly \$13 billion.¹³

Expanded Job Opportunities

When someone becomes a U.S. citizen, they are more likely to secure employment and access higher paying jobs. Prior Urban Institute research has shown that with naturalization, the employment rate rises by 2.2 percentage points.¹⁴ Many lawful permanent residents who have green cards are not eligible for public sector or government jobs. Naturalized citizens can access a broader range of higher paying jobs. Naturalization significantly broadens the pool of community members who can become public-sector employees or government contractors. Data on employment in specific sectors of the economy has shown that immigrants are much more likely to work in public administration after they naturalize.¹⁵ This represents an important opportunity for

Individual BENEFITS



economic advancement given public sector jobs are higher paying and offer more stability and better benefits than many jobs.¹⁶ In addition to public administration roles, naturalized immigrants are more likely to start working in the finance, insurance, real estate, education, health and social services, transportation, warehousing, and information industries than their non-naturalized counterparts.¹⁷



Case Study: New York City, Naturalization + Financial Empowerment

As part of its continuous commitment to support the promotion of citizenship, the Administration of Mayor Bill de Blasio has supported the creation and implementation of NYCitizenship, a public-private partnership providing free, trusted legal assistance with citizenship applications and financial counseling. Services are offered across all boroughs of New York City through the city's three public library systems and in partnership with the New York City Department of Social Services/Human Resources Administration (DSS/HRA). Through NYCitizenship, immigrant New Yorkers receive free citizenship application assistance, including screenings and full representation, as well as financial empowerment services.

Successful connections to financial empowerment services has depended on ensuring access to relevant materials, as well as co-location of the legal and financial counseling teams. In partnership with the Design for Social Innovation and Sustainability (DESIS) Lab at the Parsons School of Design and Citi Community Development, NYCitizenship created tools to facilitate the integration of financial empowerment and citizenship services. The resulting Your Citizenship Journey video and workbook have been used by the NYCitizenship team at information sessions to provide prospective NYCitizenship clients a clear roadmap of the citizenship application process and the points at which financial counseling would be of benefit to citizenship applicants. These materials also provide simple worksheets to assist clients in organizing their documents for their upcoming citizenship and financial counseling appointments. **All content has been translated in the top 10 languages spoken in the city in accordance with New York City's Local Law 30, keeping with the City's commitment to ensuring that all New Yorkers who are not English proficient have access to necessary city service.** During the service design process, the designers also determined that individuals are more likely to access financial empowerment services if they meet with the financial counselor before or after their session with the legal team. Presently, the legal and financial counseling teams are co-located where possible to facilitate a seamless flow between the two components of the program. The connection between obtaining U.S. citizenship and financial empowerment creates a direct link to a thriving immigrant population, which in turn empowers New York City.



Higher Rates of Home Ownership

Naturalized citizens are much more likely to be homeowners compared to non-citizens. Census data shows that naturalized citizens are almost twice as likely as non-citizens to be homeowners (they own homes at rates of 66 percent and 34 percent respectively).¹⁸ Naturalized U.S. citizen households are also more likely than non-citizen households to have paid off their home mortgage.¹⁹ Some have theorized that higher rates of homeownership result from higher post-naturalization wages which increase the ability to afford a down payment and mortgage. Critically, owning a home is a key way for families to build assets. For U.S. citizen homeowners, on average, half of household wealth is contained in home equity.²⁰ Homeownership is just as important a means to build wealth for naturalized citizens.

Owning a home not only brings important benefits to individuals and their families; higher homeownership rates also enable local communities to grow. Many cities across the United States from the Midwest to the Northeast, have faced sustained economic challenges in recent years. During the 2010 foreclosure crisis, cities like Detroit, Cleveland, and Baltimore saw high foreclosure rates and growing rates of distressed housing. This brought significant challenges to local communities that persist a decade since the financial crash. Today, many cities' housing markets continue to struggle, a challenge especially for local governments which rely on property tax revenue to provide essential public services. When cities support naturalization and financial inclusion, they can strengthen local housing markets and, in turn, strengthen the tax base.

Image (Left)

Alabastro Photography | Immigrant and refugee members of the spring 2016 graduating class of Ready to Work present their class projects and celebrate the completion of their program. This is the second class ever to graduate from this innovative program, which combines an English language curriculum and job training classes with culturally relevant case management.

Image (Right)

Photograph by Carolina Kroon

C4C Partner Case Study: The Resurrection Project, Chicago, IL

The Resurrection Project (TRP), a community-based organization in Chicago, has a Financial Wellness department which works to promote the financial wellness of communities by offering workshops and one-on-one financial counseling services. This department works together with TRP's immigration legal services department to provide financial literacy and homeownership information to immigrants, including eligible Lawful Permanent Residents and naturalized citizens. The Financial Wellness department provides three core services:

Financial Empowerment Programs Financial counselors and professionals provide free bilingual (English & Spanish) workshops on topics such as improving credit, managing money and assets, creating a budget, decreasing debt, and more to financially empower families. One-on-one counseling is also available.

Home Purchase Healthy communities need homeowners who are ready to invest in their neighborhood. TRP's Home Purchase Program helps people achieve the dream of homeownership by following a careful action plan that begins with financial stability, continues through the mortgage application process, and ends with the purchase of a home.

Foreclosure Prevention Counseling With the recent foreclosure crisis affecting thousands in the Chicago area, TRP now provides free foreclosure prevention counseling to help struggling homeowners understand their rights and options.

Supporting Immigrant Communities Boosts Local Economies



Immigrant communities around the country enable cities to thrive. From starting new businesses, spending on local goods and services, and contributing to tax revenue, immigrant communities help drive local growth.²¹ Immigrants are especially vital to small business growth and entrepreneurship. Immigrants are nearly twice as likely to start a business as U.S. born individuals.²² Nearly one in

five small businesses is owned by an immigrant.²³ As a result, immigrant business owners are important job creators for local communities. In fact, immigrant-owned businesses employ one out of ten workers in the United States.²⁴ These businesses earn sizable revenue that, in turn, fuels the economy. Nationally, immigrant-owned small businesses earn \$776 billion in receipts each year.²⁵ Although immigrants who are Lawful Permanent Residents can start businesses—and already do so at high rates—naturalizing can facilitate the business start-up process.²⁶ It may become easier to obtain insurance and secure necessary identification. In addition, naturalization may increase an entrepreneur's access to start-up capital and business loans.

Immigrant-owned businesses are particularly important for bolstering downtowns and commercial corridors. Immigrants are much more likely to open “Main Street” businesses like restaurants, stores, and beauty salons.²⁷ In fact, while immigrants are 18 percent of all business owners, immigrants account for 28 percent of Main Street business owners nationally.²⁸ The impact of immigrant business owners on Main Street corridors is even more pronounced in some cities. For instance, in the Los Angeles metropolitan area immigrants make up 64 percent of all Main Street business owners. In San Jose, immigrants are 61 percent of Main Street business owners, while immigrants comprise 56 percent of such business owners in Washington, D.C., and 54 percent in Miami.²⁹

Case Study: Meet Melchor, a San Jose Naturalized Citizen & Small Business Owner

Melchor Landín, one of 6 siblings born in Mexico City, first came to San Jose, CA in 1987. At that time, he and his younger brother reunited with their father, who had been coming back and forth to the United States as a part of the Bracero Program since the 1960s. Like his whole family, Melchor was already an experienced baker, and he came to work at a small bakery in the downtown San Jose area. After that bakery moved to the Los Banos area, he started working in the Safeway bakery section, where he continued working for 15 years. In that time, he got his citizenship in 1997. He then helped his father, mother, and four brothers open a new taquería in Mountain View in 1998. But as the whole family knew how to bake, their dream was to open five bakeries, one per brother. So in 2000, they opened their first Mexico Bakery on the east side of San Jose. Two years later, they sold their taquería in Mountain View in order to focus on the bakery business. That focus paid off with their second bakery opening in downtown in 2003 and their third location in 2013. The family remains active in the management, baking, cooking, and management of their three bakery locations to this day, with working hours from 4 AM to 11 PM, seven days a week. Starting with a profit of no more than \$60,000 a year and barely supporting the seven family members involved in running that first bakery, they now employ more than 80 employees from a variety of backgrounds. They also generously provide free food and drinks for community meetings, supporting the community that has helped make their business such a success. They hope their community will continue to support them as they open two additional locations in the near future, realizing the dream that they have harbored for so long.



Melchor (far right) with his father, mother and sister



Melchor's Family Bakery in San Jose, CA

Naturalization Has Important Macroeconomic Benefits

Growth in Spending Power

As the incomes of naturalized immigrants increase, this boosts already sizable immigrant spending power.³⁰ When community members earn more they spend more, fueling local economies and creating higher demand for goods and services.

Higher GDP

By some estimates, if 1.5 million people naturalized every year for the next 5 years, the Gross Domestic Product (GDP) would increase somewhere between \$37 billion and \$52 billion over a 10 year period following this increase in naturalization.³¹

Increased Tax Revenue

As naturalized citizens earn higher wages and spend more on goods and services, cities can earn more revenue through sales taxes. As naturalized citizens own homes at higher rates, cities can earn more revenue in property taxes. Based on one study of 21 U.S. cities, if every person eligible to naturalize in each city became a U.S. citizen, city tax revenues would increase by an estimated 1-2 percent.³² With higher tax revenues and larger city budgets, local officials would be able to invest more in services enabling their communities to thrive.

These benefits can be especially important for cities and towns facing dwindling populations and persistent economic hardship. In the Rust Belt, for instance, immigrants have been shown to offset longstanding population decline and boost local economies.³³ According to a recent Pew Research Center study, immigrants are a rising share of the community in urban, suburban, and rural areas. While foreign-born residents settle in urban counties in higher concentrations, immigrants are also a growing share of suburban and rural areas.³⁴

C4C Partner Case Study: Salt Lake County, United for Citizenship

Stemming from its belief in the transformative power of naturalization, Salt Lake City County created United for Citizenship, a regional initiative supporting Lawful Permanent Residents to become U.S. citizens. The initiative provides the infrastructure for stakeholders to work collectively to increase awareness, expand resources, and activate untapped community assets to leverage towards increased naturalization. United for Citizenship works in partnership with the Salt Lake Chamber of Commerce, which was influential in securing a first-ever, one-time state legislative appropriation of \$100,000 to encourage and accelerate public and private investment in naturalization. The appropriation, passed in March of 2018, will fund the creation of evidence-based naturalization programs that meet the needs of four counties in Utah, along with local evaluation and assessment.

Image (Right)

Alan Alabastro Photography | The Seattle Office of Immigrant and Refugee Affairs (OIRA) partnered with dozens of community-based organizations and multiple City departments to organize the Seattle United for Immigrants and Refugees Mega-Workshop that offered free assistance to 1,026 immigrants who needed help applying for U.S. citizenship.



Investing in Naturalization Advances Financial Inclusion for Immigrant Families

Immigrants are 13 percentage points less likely to have bank accounts, compared to U.S. born individuals.³⁵ Studies have shown that barriers to access of financial services include a host of factors, such as: low or unstable income, minimum balance requirements, a lack of a credit rating, credit requirements, and fees required to open accounts. While these deter both immigrants and U.S.-born families with low-incomes, immigrants face additional barriers. Immigrant communities can be uniquely impacted by language barriers, legal immigration status, ID or documentation requirements, and a lack of understanding or trust in the U.S. banking system.³⁶

As a result of these barriers, many immigrant communities rely more heavily on check cashing and money transfer services, rather than formal financial services and banks. These alternative financial services are often used to deposit paychecks and send remittances to family members in other countries. Unfortunately, these types of alternative financial services are more likely to be costly and predatory for the consumer.³⁷ The Brookings Institute has found that a full-time worker could save up to \$40,000 during his or her career if they use a lower-cost checking account rather than check-cashing.³⁸ Predatory lending tends to involve unaffordable loans for the borrower, high fees and interest rates, and deceptive tactics that hide the terms of the loan or financial product.³⁹ This can impose significant financial burdens on families who are unable to repay the loan and often fall deeper into debt. Nationally, low to moderate-income households pay more than \$8 billion in fees to these non-bank alternative financial services every year.⁴⁰

Naturalization can help advance financial inclusion among immigrant communities. Lawful Permanent Residents who become U.S. citizens are much more likely to access formal banking services. In fact, according to Federal Deposit Insurance Corporation data, naturalized citizens are 22 percent more likely to be fully banked than their non-citizen counterparts.⁴¹ Naturalized citizens are four times less likely to be unbanked than people who are non-citizens.⁴² This suggests that citizenship can be a path to financial inclusion which can bring numerous benefits to households. Access to financial services can enable individuals to save, pay for goods and services using a debit card, and withdraw funds throughout the month.⁴³ When households have savings accounts at affordable, low or no fee providers, it can also enable families to cover unexpected expenses without the use of high-interest loans.⁴⁴ Being connected with financial services can also lower barriers and costs to loans for education, homes, and small businesses. Access to financial services also provides physical safety for individuals who may, as a result, no longer need to carry and store large sums of cash. Finally, being connected to formal financial institutions can enable individuals to build or improve credit scores over time.

C4C Programs Support Financial Inclusion

Recognizing that financial empowerment and access to credit are essential for families' economic well-being, many C4C participating cities and counties have financial empowerment programs integrated into their naturalization efforts. These include financial education workshops, one-on-one financial counseling, and access to safe and affordable financial products. Individuals who are going through the naturalization process receive useful advice on how to become banked, developing short and long-term savings, reducing debt, managing budgets, and building or improving credit scores. Many C4C cities and counties have developed partnerships with local credit unions who can issue credit to un- or under-banked immigrants. This enables Lawful Permanent Residents and naturalized citizens to open accounts and access safe and affordable financial services. In particular, many credit unions may offer small loans that allow individuals to cover the citizenship application fee (which is cost-prohibitive to many) and build credit. These small loans are often coupled with financial counseling at the credit union and opportunities to access additional financial services which, in turn, promotes financial inclusion.

Case Study: National Federation of Community Development Credit Unions: Building Inclusive Financial Institutions & Providing Citizenship Loans

The National Federation of Community Development Credit Unions (Federation) has led numerous initiatives to reach and serve immigrant communities. The Federation has collaborated with C4C cities and counties to reduce the financial barriers to naturalization through partnerships with Juntos Avanzamos designated credit unions. Juntos Avanzamos is a national network of credit unions with a commitment to serving and empowering Latino consumers as demonstrated by their suite of products and services, staff and leadership, and cultural competency. There are currently 84 credit unions that participate in the program. They operate in 23 states as well as Puerto Rico and the District of Columbia.⁴⁵

The Federation's work has connected individuals going through the naturalization process with trusted community-based credit unions committed to financial inclusion that can help Latinos in general and immigrants in particular achieve their asset building goals.



Antonio's Story

"With the assistance of Lower Valley Credit Union's Citizenship Loan Program, Antonio recently officially became a U.S. citizen! His daughter explained that he was so excited and dedicated to becoming a U.S. citizen that every time she saw him, he had his book studying for the Citizenship Test! Antonio, a longtime member of LVCU, was able to finance the application and legal fees pertaining to naturalization through LVCU's Citizenship Loan Program."

Conclusion

Becoming a U.S. citizen can result in well-documented benefits for families as well as local communities. This report highlights the important economic benefits of naturalizing including higher incomes, improved job access, higher rates of home ownership, and improved financial inclusion and empowerment. Investing in naturalization can boost local economies and enable communities to thrive. Recognizing these benefits, the more than 65 participating cities and counties in C4C are working to increase citizenship among eligible U.S. Lawful Permanent Residents and encourage investment in citizenship and financial empowerment programs.

C4C is premised on the idea that when municipal leaders develop and invest in naturalization efforts, it produces substantial economic and civic benefits for all constituents. In 2017, C4C network reached over 712,000 Lawful Permanent Residents through naturalization outreach and communication campaigns. C4C also assisted 11,450 LPR's with citizenship application and connected 14,000 LPR's with financial empowerment services.

Cities for Citizenship will continue to serve and grow as a network that supports local municipal efforts in launching and expanding naturalization efforts while integrating financial empowerment efforts. C4C invites new cities and counties to join the initiative. Additionally, C4C recommends that current C4C members learn from the highlighted cities and counties in this report of how to best incorporate financial empowerment services with naturalization and continue to seek opportunities to integrate efforts to fully support individuals on their pathway to citizenship and maximize the numerous aforementioned benefits of naturalization.

Notes

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Baltimore, MD	Houston, TX	Nashville, TN	Somerville, MA
Boston, MA	Huron, CA	New Haven, CT	Seattle, WA
Cambridge, MA	Indianapolis, IN	New Orleans, LA	South Gate, CA
Champaign, IL	Jersey City, NJ	New York, NY	Suffolk County, NY
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Cleveland, OH	Long Beach, CA	Pittsburgh, PA	Worthington, MN
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