



Photo Credit: Jordan Fischer, <https://flic.kr/p/dfEqH>, CC BY 2.0



Photo Credit: Paul Sableman, <https://flic.kr/p/RFK1B>, CC BY 2.0

USC Dornsife
*Center for the Study of
Immigrant Integration*

Immigrant Lives, American Futures: Linking Asset Building and Immigrant Integration

05.23.18

Manuel Pastor



@Prof_MPastor

OVERVIEW

- Despite heated rhetoric, the United States identifies as a country of immigrants- we know that **newcomer success** is crucial to the national future
- Another core American value- **economic security**
- Our **goal**:
to encourage further collaboration between asset building and immigrant integration funders



Photo Credit: The All-Nite Images, <https://flic.kr/p/GNRJLZ>, CC BY-SA 2.0

IMMIGRANTS IN THE UNITED STATES

- **43 million** foreign born in the United States (over 13 % of the total population)
 - **Half of all immigrants** have been in the **country 18 years or more**
- A **diverse** group:
 - 45 percent Latino,
 - 27 percent Asian-American/Pacific Islander,
 - 18 percent non-Hispanic white, and
 - 8 percent Black.



Source:
<http://www.greeneconomycoalition.org/sites/greeneconomycoalition.org/files/imagecache/main/Hubs.jpg>

WHAT IS IMMIGRANT INTEGRATION?



- Immigrant integration is
 - **improved economic mobility** for,
 - **enhanced civic participation** by, and
 - **receiving society openness** to immigrants.
- It is a **dynamic, two way process** in which newcomers and the receiving society can both benefit.
- It is profoundly **local**

THE IMPACT OF STATUS

- U.S. immigrants by status
 - 25% undocumented
 - 27% lawful permanent residents
 - 44% naturalized citizens
 - <5% documented but temporary

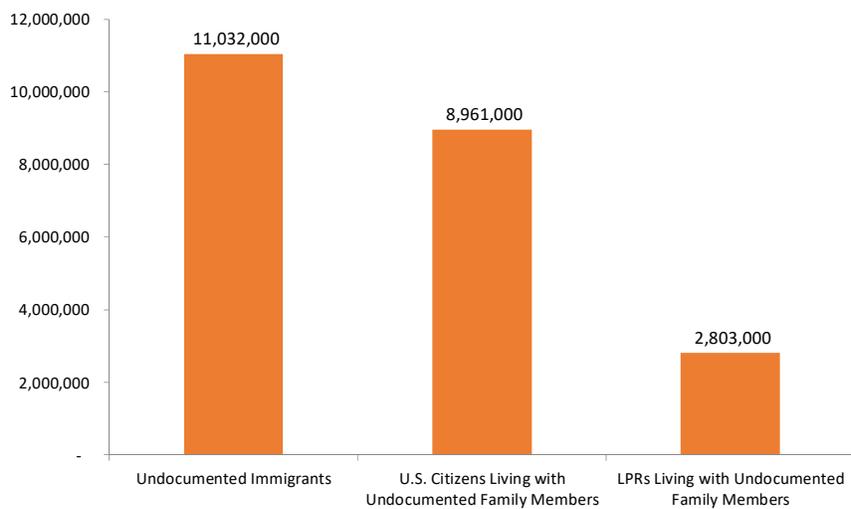


Photo Credit: Molly Adams, <https://flic.kr/p/XoMYri>, CC BY 2.0

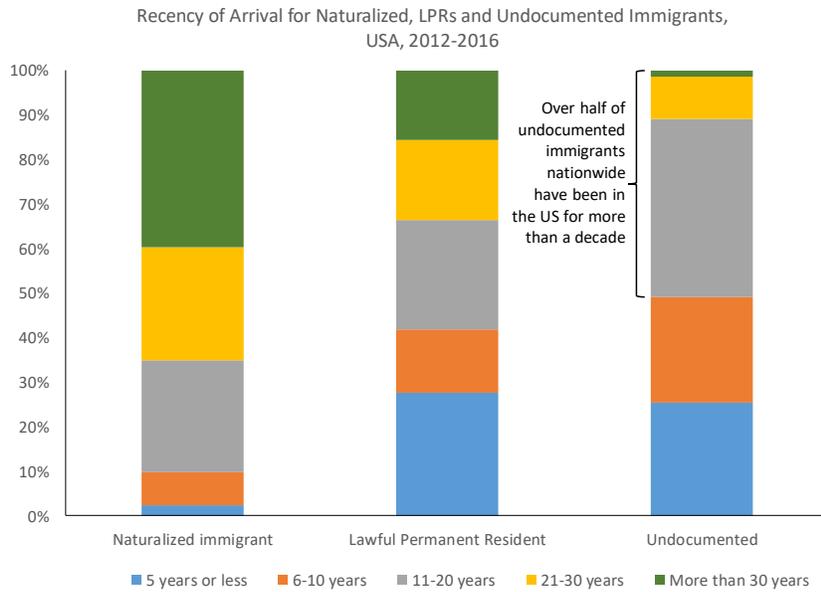
- Affects **access** to formal employment and government benefits
 - **Lack of documentation decreases wages, increases financial instability**
 - Ripple effects on families

THE IMPACT OF STATUS

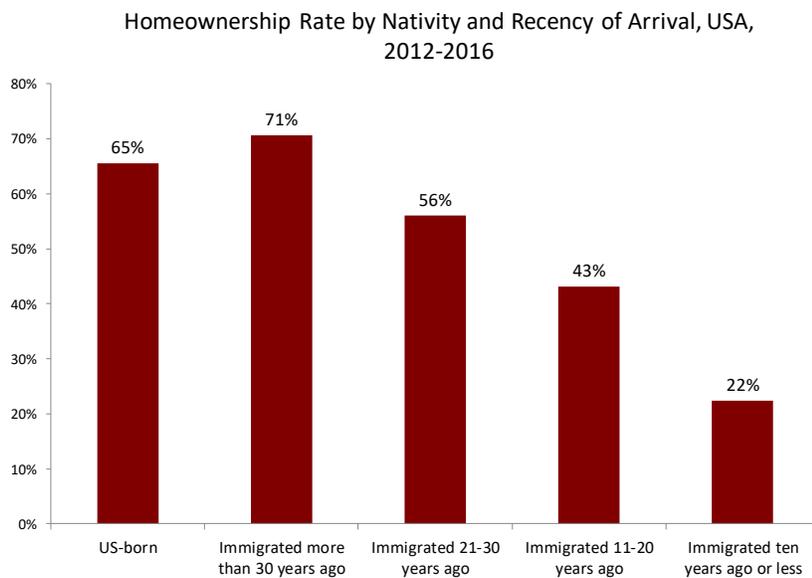
Immigration Status and Family Ripple Effects in the US, 2012-2016



THE IMPACT OF STATUS

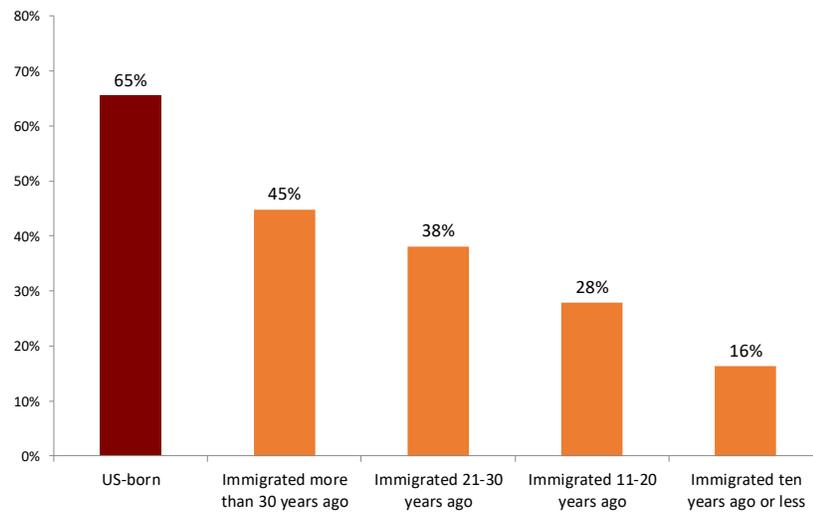


IMMIGRANT PROGRESS OVER TIME



IMMIGRANT PROGRESS OVER TIME

Homeownership Rate by Nativity and Recency of Arrival for US-born & Undocumented Immigrants, USA, 2012-2016



WHAT IS ASSET BUILDING?

Asset building is a strategy to enable greater access to **economic security and opportunities**, particularly for low-income communities and communities of color.

–Asset Funders Network

- Key to both **short-term** security and **long-term** economic mobility.
- Assets are tangible and intangible, explicitly financial and otherwise.



Photo Credit: Mark Moz, <https://flic.kr/p/rGD7g>, CC BY 2.0



Photo Credit: Aaron Patterson, <https://flic.kr/p/9C9vCS>, CC BY 2.0

WHAT ARE ASSETS?

- Assets can be tangible and intangible, explicitly financial and otherwise. Examples include:

Personal	Financial	Social
Post -secondary education	Stable Income with disposable cash	Community services
Healthcare	Checking and savings accounts	Locally-owned businesses
Affordable child care	Access to credit, credit history	Diverse and trusted social network
Language abilities	Home and car equity	
Citizenship	Retirement savings	
Credit score	Business start-up and expansions	
	Insurance	

WHAT ARE ASSETS?

- Non-financial forms of assets that can help low-income individuals and families include:



Photo Credit: Flzingo Photos,
<https://lic.kr/p/nuRKsv>, CC BY-SA 2.0

- Human capital** – education, experience and skills
- Social capital** – benefits accrued through relationships and networks
- Cultural capital** – knowledge, skill, and resources needed to navigate across borders and obstacles
- Civic capital** – shared values and principles that facilitate valuable group cooperation or action

WHAT ARE ASSETS?

- Having assets enables immigrants (and all U.S. residents) to:
 - **Maintain stability** through financial emergencies
 - Use **good credit** to secure a mortgage
 - Pursue **higher education** for themselves or their children
 - Take risks that result in **better jobs** or new business
 - Save for **retirement**



Photo Credit:
Cafecredit.com,
<https://lic.kr/pj/G>
FBWD, CC BY 2.0

BUT THERE ARE GAPS FOR INCOME & ASSETS

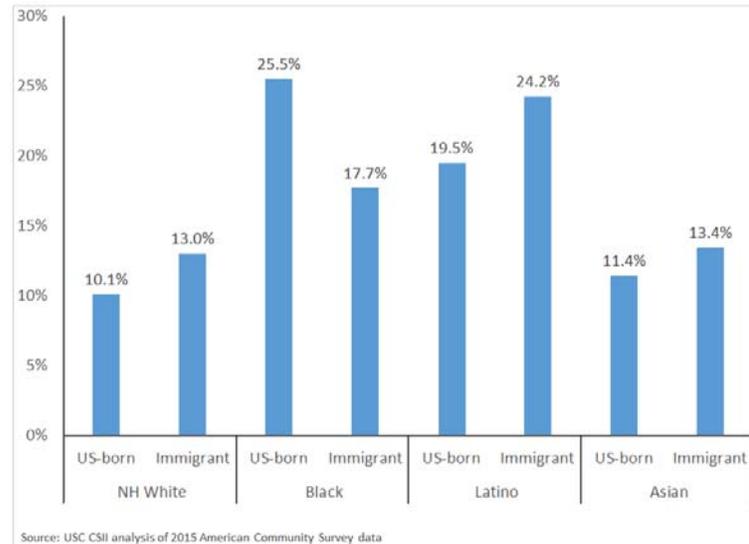
- **Persistent** racial differences in wealth between groups
 - Access to banking and credit
 - Homeownership rates
 - Liquid Asset Poverty rates
- To look at nativity, we need to turn to income: Immigrant-headed families generally fare **worse** than U.S.-born counterparts for every ethnic group, except for Black immigrants



Photo Credit: "Elias Schewel,
<https://lic.kr/p/bo2Dud>, CC BY-NC-ND 2.0"

BUT THERE ARE GAPS FOR INCOME & ASSETS

Family Poverty Rates by Nativity in the United States, 2015



ASSETS, BARRIERS AND STRATEGIES

- **Homeownership** is a significant way in which families accumulate wealth—it is often the greatest asset in the portfolios of minority and low-income households.
 - Barrier: Limited access to credit and bad credit history
 - Strategy: Increase access to mortgage credit, protect against housing discrimination, and protect against predatory lending



Photo Credit: Thomas Hawk, <https://iilic.kr/p/1JPAR>, CC BY-NC

ASSETS, BARRIERS AND STRATEGIES

- **Traditional financial services** can help in building, protecting, and preserving wealth through banking products like checking, savings, and investment accounts as well as loans.



Photo Credit: Maistora, <https://flic.kr/p/CsgG9>, CC BY-NC-ND 2.0

- Barrier: Lack of products with low or no minimum balance and requirements of SS# or extensive government identification
- Strategy: Improving cost, transparency, and service at traditional banks



INTEGRATING IMMIGRANTS AND ASSETS

- A pathway to economic security for immigrant/refugee communities considers:



Photo Credit: Rick Obsl, <https://flic.kr/p/QuKFFF>, CC BY 2.0

- the **life course** and **status** of the individual
 - barriers to accessing financial systems in place
 - mechanisms for financial inclusion to help build and protect intergenerational wealth
- Conditions of arrival do matter, but so do the systems (or lack of systems) in place

COMMON CHALLENGES FOR IMMIGRANTS

1. Immigrants face discrimination and devaluation of their assets in the U.S., much like native born people of color;
2. Assets are often undervalued or unrecognized, like educational achievements or credentials;
3. Immigration status limits access to asset building, depending where one is along the spectrum;
4. Experiences with financial practices in one's country of origin impact usage in the United States.



Photo Credit: Kenn Wilson, <https://flic.kr/p/dgFce>, CC BY-NC 2.0

COMMON CHALLENGES FOR IMMIGRANTS

Even if immigrants can use mainstream banking and financial services, they often face these barriers:

- Lack of trust in financial institutions
- Concern that banks ask too much in minimum balance requirements and fees
- Lack of knowledge or access to online banking
- Inconvenience of locations and hours
- Lack of knowledge about financial products
- Uncertainty about documentation and ID requirements
- Lack of culturally and linguistically appropriate services



Photo Credit: Paul Sablerman, <https://flic.kr/p/prtpm>, CC BY 2.0

ASSET BUILDING TOOLS BY STATUS

- Asset building is easier for immigrants with a more permanent status, but this can vary by geography and institution.



Photo Credit: Ignatian Solidarity Network,
<https://flic.kr/p/23AZs1F>. CC BY-NC 2.0

For Example:

- Undocumented individuals have access to **some** credit cards through ITINs, but very limited access to non-predatory loans
- LPRs and Naturalized citizens can access a wide variety of **secure** options in banking, including private and federally-backed loans.

PROMISING PRACTICES: BUNDLING

- Coordinating a set of services appropriate to specific communities (e.g. Annie E Casey Center for Working Families model)



Funder: Clowes Fund

- Services from five agencies in one location:
 - Skill building
 - Job-seeking skills
 - Access to financial tools (e.g. financial coaching)
 - Support in income stabilization (e.g., EITC, SNAP)



Source: CONNECT, <https://www.connectnow.org/>.

PROMISING PRACTICES: ENTREPRENEURSHIP

- Immigrants form businesses at higher rates than non-immigrants, but encounter specific challenges
 - Lack of access to capital
 - Linguistic exclusion
 - Lack of familiarity with business support structures

Educators for Fair Consideration's (E4FC)

Funders: Grove Foundation, Unbound Philanthropy



- The Fund for Undocumented Social Entrepreneurs (FUSE): for undocumented entrepreneur projects with high social impact
- Immigrants Rising: toolkit of online guides, webinars, and recommended community-based service providers for immigrant entrepreneurs regardless of status

PROMISING PRACTICES: WORKFORCE

- Workforce Development Encompasses
 - Training to move up the skills and income ladder
 - Reevaluation of credentials earned in home countries
 - Access to post-secondary education



Funder: The Community Foundation of Sarasota County

- Two-generation approach
- Guide students and parents through the post-secondary education application process and financial literacy workshops
- Present workshops on interview etiquette, leadership development and teamwork for students
- Offer student internships at the Foundation
- Provide training and classes for parents

PROMISING PRACTICES: LENDING CIRCLES

- Lending Circles create spending power through community support, strengthen community ties, and build social and cultural capital.



finanta
YOUR ACCESS TO CAPITAL



- By coordinating lending circles, CBOs can modernize and formalize lending already taking place in many immigrant communities. They:
 - Help improve savings habits
 - Build credit to enter the mainstream financial system
- The Mission Asset Fund has served over 9,000 people and has maintained a 99% repayment rate.
- Funders include Citi, United Way

PROMISING PRACTICES: PUBLIC POLICY

- A wide range of policies affecting immigrant asset building are in place or in development
 - E.g., state-level policies that reduce barriers to professional licenses for immigrants trained in other countries (e.g., California, Michigan, Minnesota, Utah)



California Reinvestment Coalition

Funders: Walter & Elise Haas Fund, Y&H Soda Foundation

- Released a report recommending expanding eligibility for the state Earned Income Tax Credit (EITC) to ITIN holders
- Called on banks and regulators to improve access to accounts and loans for homes/small businesses and improve education about consumer privacy laws

OWNING THE FUTURE – OR OWING THE FUTURE?

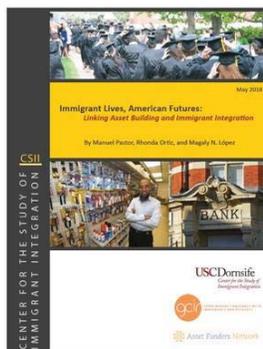
- Increasingly important to shed light on **shared needs** in our polarized nation
- Encouraged by the promising **programs, strategies** and **enthusiasm** encountered in our interviews
- Moving forward:
Scaling up and continuing to **link** the fields can help make **economic security** a reality for **all** Americans



Photo Credit: Ludovic Bertron, <https://flic.kr/p/5oPxey>, CC BY 2.0

USCDornsife
Center for the Study of
Immigrant Integration

Thank you!



For more information on CSII and to see the full report, please visit:
<http://dornsife.usc.edu/CSII>

For the research brief, please visit:
<http://assetfunders.org>
 and
<https://www.gcir.org/>



The mission of the **Center for the Study of Immigrant Integration (CSII)** is bring together **scholarship** that draws on rigorous research, **data** that provides information, and **engagement** that seeks to create new dialogues with business and civic leaders, immigrants and the voting public.