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
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.

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

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

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THE IMPACT OF STATUS

![Image Credit: Molly Adams, https://flic.kr/p/3aMvHl, CC BY 2.0](Image 1)

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

- Undocumented Immigrants: 11,032,000
- U.S. Citizens Living with Undocumented Family Members: 8,961,000
- LPRs Living with Undocumented Family Members: 2,803,000
THE IMPACT OF STATUS

Recency of Arrival for Naturalized, LPRs and Undocumented Immigrants, USA, 2012-2016

Over half of undocumented immigrants nationwide have been in the US for more than a decade.

IMMIGRANT PROGRESS OVER TIME

Homeownership Rate by Nativity and Recency of Arrival, USA, 2012-2016

- 65%
- 71%
- 56%
- 43%
- 22%
**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.
WHAT ARE ASSETS?

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

<table>
<thead>
<tr>
<th>Personal</th>
<th>Financial</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-secondary education</td>
<td>Stable Income with disposable cash</td>
<td>Community services</td>
</tr>
<tr>
<td>Healthcare</td>
<td>Checking and savings accounts</td>
<td>Locally-owned businesses</td>
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<tr>
<td>Affordable child care</td>
<td>Access to credit, credit history</td>
<td>Diverse and trusted social network</td>
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<td>Language abilities</td>
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<td>Credit score</td>
<td>Business start-up and expansions</td>
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<tr>
<td></td>
<td>Insurance</td>
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WHAT ARE ASSETS?

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

Photo Credit: Flazingo Photos, https://flic.kr/p/nuRKsv, CC BY-SA 2.0
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**

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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
BUT THERE ARE GAPS FOR INCOME & ASSETS

Family Poverty Rates by Nativity in the United States, 2015

- 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
ASSETS, BARRIERS AND STRATEGIES

• Post-secondary education increases earnings and the likelihood of employment, including the likelihood of having a job with benefits (e.g., healthcare, pension)
  • Barrier: Lack of knowledge about college requirements, admissions, and financial aid
  • Strategy: Help low-income students and parents navigate the process of applying for college/financial aid

ASSETS, BARRIERS AND STRATEGIES

• Small business ownership is another way of building wealth—particularly for those facing barriers to entering labor markets. Like all assets, small businesses can support intergenerational mobility.
  • Barrier: Lack of knowledge and networks around business formation and planning
  • Strategy: Entrepreneurship courses for students, and new business owners
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.

  • 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:
  • 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.

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
ASSET BUILDING TOOLS BY STATUS

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

  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)

  ![CONNECT Financial Opportunity Center](https://flic.kr/p/23AZs1F, CC BY-NC 2.0)

  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
  • Revaluation 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.
  - 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

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.qcir.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.