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The Worth of Citizenship

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What would citizenship have been
worth to Geraldine?

The Worth of Citizenship



The Worth of Citizenship

1. What is the relationship between naturalization and immigrants income? What causes this relationship?
2. Is there a selection issue? Causation vs. correlation?
3. What hinders immigrants from naturalizing?
4. What points of action should be considered?

Why naturalize at all?



Research Shows:

Citizens have higher income
and *lower poverty rates*
than non citizens.

Gaining citizenship *is strongly*
correlated with an increase in income

Key findings include:

- In 2007 there were 34.3 million adult immigrants living in the United States. Of this 34.3 million, 14.5 million (or 42.3%) were naturalized U.S. citizens.
- Citizen immigrants tend to have similar economic outcomes to native-born Americans while non-citizen immigrants tend to have much lower incomes and higher poverty rates.
- In 2007, adult citizen immigrants had a median family income of \$57,823, slightly higher than native-born adult Americans, who had a median family income of \$56,000. Non-citizen immigrants had a median income of \$38,600—33.2% below that of citizen immigrants.
- In 2007, the poverty rate for non-citizen immigrant adults was 20.0%, more than twice the 9.8% rate for adult citizen immigrants and 9.8% rate for adult native-born Americans.

...naturalize. In what we believe is the first panel study of the effect of naturalization on wage growth, we track the wages of young male immigrants over the period 1979–91. Using a fixed-effects estimator, we find that naturalization has a highly significant impact on the earnings of immigrants even after allowing for differences in unobserved personal characteristics of immigrants.

Wage growth accelerates following naturalization, and immigrants move into better jobs. Their probability of white-collar and public-sector em-

²¹ In the interest of parsimony, the specification restricts the coefficient of the quadratic experience term to be equal across groups. A more flexible specification

We provide evidence on the relevance of citizenship for the economic consequences of acculturation. We use random assignment naturalization applications from the Swiss authorities who barely won or lost their applications to show that earnings by an average immigrant increase among more marginal

INTRODUCTION

Many countries have experienced sharp increases in the size and diversity of their immigrant populations in the last decade, prompting gov-

ernments who naturalize experience faster wage growth than other immigrants and native males, but the faster wage growth does not occur until naturalization takes place.

V. Conclusions

Cross-sectional census and CPS data reveal that naturalized immigrants earn higher wages and have a more favorable job distribution than im-

migrants. They are more likely to be employed in government, professional, and managerial occupations, to be married, to own a home, to write, and speak English, show an attachment to the U.S. Constitution, and take an oath of allegiance to the United States.

Once an immigrant becomes a citizen, he or she has all of the benefits of citizenship, including the right to vote, run for federal office (except President), apply for federal grants and scholarships, and apply for jobs restricted to citizens.

The economic benefits of citizenship have been underexplored in our national discussion around immigration. This analysis shows that citizenship status among immigrants is highly correlated with economic outcomes;

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also affects how quickly the economic gains of naturalization are realized. This analysis estimates that naturalization produces an increase in earnings that is a function of how long it takes to naturalize. The time lag between naturalization and the realization of these aggregate effects is a function of how long it takes to naturalize. A goal of

immigration policy is to increase the number of immigrants who naturalize in three years, for instance, would mean that the benefits of naturalization would be rolled out in a period of three years. The more effective naturalization programs are at increasing the number of naturalized citizens, the more quickly the benefits of naturalization will be felt by individuals and the cities in which they live.

Is there a selection issue?

SOCIAL SCIENCES

The effect of citizenship on the long-term earnings of marginalized immigrants: Quasi-experimental evidence from Switzerland

Jens Hainmueller^{1,2,3,*†}, Dominik Hangartner^{4,5,6,*}, Dalston Ward^{4,5,*}

We provide evidence that citizenship catalyzes the long-term economic integration of immigrants. Despite the relevance of citizenship policy to immigrant integration, we lack a reliable understanding of the economic consequences of acquiring citizenship. To overcome nonrandom selection into naturalization, we exploit the quasi-random assignment of citizenship in Swiss municipalities that held referendums to decide the outcome of individual naturalization applications. Our data combine individual-level referendum results with detailed social security records from the Swiss authorities. This approach allows us to compare the long-term earnings of otherwise similar immigrants who barely won or lost their referendum. We find that winning Swiss citizenship in the referendum increased annual earnings by an average of approximately 5000 U.S. dollars over the subsequent 15 years. This effect is concentrated among more marginalized immigrants.

INTRODUCTION

Many countries have experienced sharp increases in the size and diversity of their immigrant populations in the last decade, prompting governments to reevaluate their immigration and integration policies to accommodate the new arrivals and facilitate their integration into the host country economy, society, and polity. Much is at stake in this process. Successful integration opens the door for immigrants to economically benefit their host countries and strengthen their civil societies (1). Unsuccessful integration can fuel social conflict and undermine cohesion, given widespread perceptions that immigrants threaten their host country's culture, security, and social safety net (2, 3). At a personal level, marginalization from the host country society and economy

citizenship improves immigrants' integration outcomes. If naturalization is a crowning prize, then more restrictive citizenship policies with higher integration requirements are more beneficial, because they motivate immigrants to invest in integration (9, 12).

In this study, we focus on the second of these viewpoints, that naturalization fosters integration. Does gaining citizenship actually improve integration outcomes? If so, then how long does it take for the benefits of citizenship to materialize? In addition, how do the effects vary across immigrant groups? While immigrant integration is a multidimensional concept, which can broadly be defined as the degree to which immigrants acquire "the knowledge and capacity to build a successful, fulfilling life in the host society" (19), we focus specifically on the

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The Bottom Line:

Citizenship is worth a significant increase in income for immigrants.

As immigrants income increases...

...tax revenue also increases!

- homeownership increases 6.3 percentage points.

The earnings increase and employment gains from the naturalization of those eligible to naturalize translate into \$5.7 billion in the 21 cities combined. Naturalization of those eligible also increases tax revenues. Federal, state, and city income tax and federal payroll tax (from both employers and employees) revenue would increase by \$2.03 billion in the 21 cities if those eligible to naturalize became citizens. These findings confirm and expand on previous research in this area, showing economic benefits for individuals and their communities.

Finally, we a
expenditures on
studies. In New`

communities by increasing tax revenues and lowering welfare spending. While our study advances understandings of the causal effects of citizenship, more work is necessary to identify its benefits in other contexts and to evaluate the impact of lowering barriers to citizenship, such as lengthy residency requirements, high naturalization fees, or lack of information (38, 39). Also, our findings here can only speak to the effect

Ideally?

We should have more naturalization than we currently do.

- ✓ Eligible for U.S citizenship
- ✓ Want U.S citizenship

Ideally?

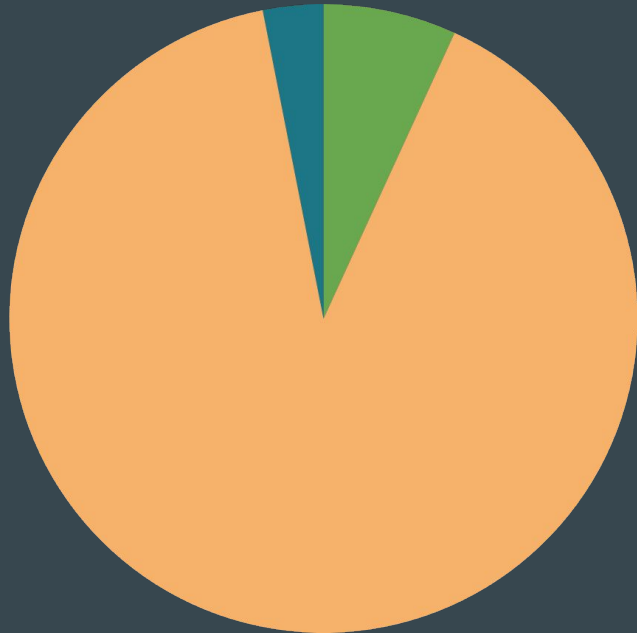
We should have

DACA & TPS

we currently do.

- ~~✓ Eligible for U.S citizenship~~
- ✓ Want U.S citizenship

Reality?

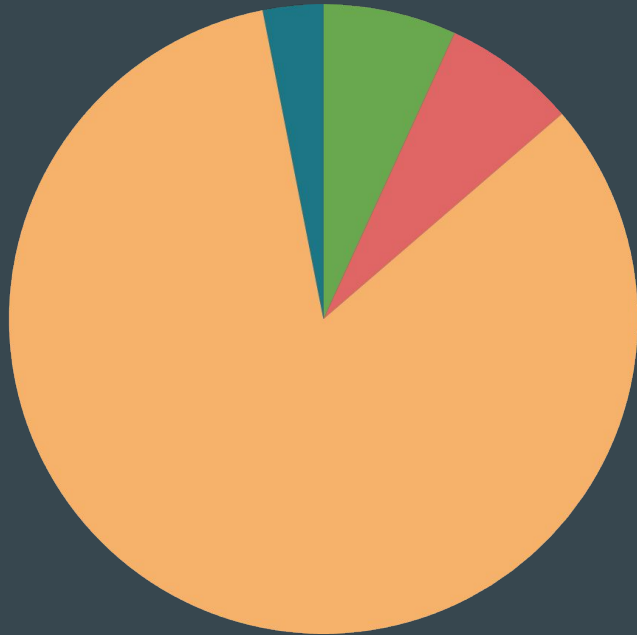


● 9,200,000 LPR - haven't naturalized

● 700,000 DACA - unable to naturalize

● 317,000 TPS - unable to naturalize

Reality?



- 8,200,000 LPR - haven't naturalized
- 700,000 LPR - choose to naturalize each year
- 700,000 DACA - unable to naturalize
- 317,000 TPS - unable to naturalize

Why don't more people apply for citizenship?

Don't want to

Not eligible for citizenship

Cost

Too busy

Language

Don't know how

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What is the solution?

1. **Citizenship Drives**
2. **Financial Aid (Fee Waivers, Loans)**
3. **Give DACA and TPS holders legal permanent status**

