New EPI Study Bolsters Case that Citizenship Increases Incomes Among Immigrants

Even after accounting for factors such as age, gender and education level, a new Economic Policy Institute analysis finds that attaining citizenship leads to higher incomes and lower poverty rates for immigrants in the United States. The analysis offers further evidence that citizenship may be enough on its own to improve immigrants’ living standards.

The new report, *The Effects of Citizenship on Family Income and Poverty*, shows that the average income among adult citizen immigrants is 14.6% higher and the poverty rate 3% lower than among adult non-citizen immigrants, even after taking into account differences of gender, race, age, education level, and years of work experience.

“What our study shows is that providing a path to citizenship for non-naturalized immigrants can raise incomes, lower poverty, and help millions more people reap the full benefits of their hard work,” said Heidi Shierholz, an economist at EPI and the report’s author. “This also has benefits for the rest of us, since higher incomes for naturalized immigrants will mean higher tax revenues, helping pay for the services that we all value.”

Several factors help explain why attaining citizenship would increase income. For example, public sector jobs, which tend to pay more than private sector jobs, are often available only to U.S. citizens. Adult citizen immigrant workers were 4.3% more likely to hold a public-sector job than were adult non-citizen immigrants. In some cases, employers may also prefer to hire U.S. citizens – for example, because they don’t face the same restrictions on international travel – and it is legal for employers to discriminate in hiring on the basis of citizenship status.

The report does not take into account characteristics such as skills gained outside of formal education or personal connections, which the Labor Department cannot quantify. Nevertheless, the study provides compelling evidence that citizenship is enough on its own to help immigrants improve their incomes.

In addition to the analysis of the benefits of citizenship in and of itself, the report also examines the overall differences between citizen and non-citizen immigrants. The former group (which comprised 14.5 million of the 34.3 million immigrants in the U.S. in 2007) is older, has spent more years in the U.S., and is more likely to have higher levels of education.

Adult citizen immigrants had a median family income in 2007 of $57,823, slightly *higher* than the $56,000 median family income of native-born citizens, while immigrants who had not attained citizenship had a much lower median family income of $38,600. The poverty rate among non-citizen immigrants in 2007 was 20%, more than twice as high as the poverty rates for both citizen immigrants and native-born citizens.

*The Economic Policy Institute (EPI) is an independent, nonprofit, nonpartisan think tank that researches the impact of economic trends and policies on working people in the United States and around the world. EPI’s mission is to inform people and empower them to seek solutions that will ensure broadly shared prosperity and opportunity.*