

Does Refugee Resettlement Impact State and Local Finances? The Fiscal Effects of the Refugee Resettlement Program

Policy Brief
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I. Executive Summary

Over forty years ago, the people and government of the United States chose to provide refuge and dignity to those who need it through the bipartisan U.S. Refugee Act of 1980.¹ In recent years, our refugee resettlement system has suffered increased restrictions and the lowest refugee acceptance numbers in the history of the program, particularly under the Trump administration.

In the first months of his presidency, President Biden proposed increasing the refugee resettlement ceiling and signed Executive Order 14013 to review, rehabilitate, and enhance the U.S. refugee resettlement system.² Additionally, as a result of the U.S. withdrawal from Afghanistan, the Special Immigrant Visa (SIV) program was expanded for thousands of Afghan nationals employed by or on behalf of the U.S. government. Similarly, the Biden administration expanded the Priority 2 (P-2) refugee resettlement program for other at-risk Afghans. Building and capitalizing upon local support will be key to successfully rebuilding refugee resettlement and supporting refugees and SIV holders once they have arrived.

This local support is hard won, however, as some perceive refugees to be an economic or fiscal burden on local communities. In a recent survey of local officials in receiving communities, 40 percent mentioned the economic impacts of refugees, compared to only 25 percent who mentioned refugees' cultural fit.³ This policy brief examines the fiscal impacts of refugee resettlement on states and local communities, using Virginia as a case study to provide more insight into resettlement's implications for state and local fiscal health.

Our research shows that:

- Refugees have **no statistically significant impact on state or local expenditures or revenues** where they are settled, in the short- or long-term.
- Refugees bring **positive cultural and economic contributions** to the communities they live in over the short and long-term, particularly where community and faith organizations play strong roles.
- Localities have **differing perceptions of the economic or fiscal impact of refugee resettlement** in their community.
- Localities with already-limited resources for services such as education would **significantly benefit from additional support** from the federal government and private sector.

¹ *Refugee Act of 1980, U.S. Code 8 (1980), § 643.*

² Joseph R. Biden, "Executive Order on Rebuilding and Enhancing Programs to Resettle Refugees and Planning for the Impact of Climate Change on Migration," *Office of the President*, February 4, 2021, <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/04/executive-order-on-rebuilding-and-enhancing-programs-to-resettle-refugees-and-planning-for-the-impact-of-climate-change-on-migration/>.

³ Robert Shaffer et al., "Local elected officials' receptivity to refugee resettlement in the United States," *Proceedings of the National Academy of Sciences* 117, no. 50 (2020), 31722-31728.

II. Background and Introduction

Advocates, experts, and multiple presidential administrations—both Democratic and Republican—have highlighted refugee resettlement as in line with the United States' core humanitarian values, enriching the country economically, socially, and culturally. Despite this widespread support, the Trump administration dramatically weakened the U.S. refugee resettlement program: resettlement reached historic lows, funding was slashed for federal agencies and non-governmental organizations responsible for refugee support, and new regulations were introduced that banned refugees by nationality and added new layers of bureaucracy to an already-strict security process for refugee resettlement.⁴ Thus far in his presidency, President Biden has taken some initial steps to rebuild and improve the refugee resettlement system, including: proposing an increase to the refugee resettlement cap, reforming the broken vetting system and resettlement bureaucracy, and calling for new and innovative measures on local community and private sponsorship.⁵

Politicians across the spectrum recently united in their support for welcoming Afghan nationals who assisted the United States during the war, including through introducing a bipartisan bill aimed at ensuring Afghans' access to resettlement reception and placement services.⁶ Even so, the refugee resettlement program more broadly has become a flashpoint of partisan resistance by politicians at the national, state, and local level. As citizen groups and local officials become increasingly prominent in the resettlement process, there is a need to understand the impacts of refugees on towns, cities, and local governments.⁷

A key and under-examined concern is the perceived or real economic costs associated with refugees for local and state officials involved in service provision. In a recent survey of local officials in receiving communities, 40 percent of local officials mentioned the economic impacts of refugees, compared to only 25 percent who mentioned refugees' cultural fit.⁸ Potential objections to refugee resettlement from local officials and communities include: concerns over the possible impact of refugees on employment, local services such as education and healthcare, and access to state-provided welfare programs.

In this policy brief, we examine the impacts of refugees on both state and local level finances. Extensive work by scholars and analysts has shown that refugee resettlement in the United States does not negatively impact the U.S. economy. Existing research highlights refugees' contributions as members of the workforce and as federal and state taxpayers, and demonstrates that refugees do not

⁴ Silva Mathema and Sofia Carratala, *Rebuilding the U.S. Refugee Program for the 21st Century: A New Vision To Create a More Resilient Refugee Program* (Center for American Progress: Washington, D.C., 2020), <https://www.americanprogress.org/issues/immigration/reports/2020/10/26/492342/rebuilding-u-s-refugee-program-21st-century/>.

⁵ Camilo Montoya-Galvez, "Biden proposes raising refugee ceiling to 62,500 spots, quadrupling Trump's historic low cap," *CBS News*, February 5, 2021, <https://www.cbsnews.com/news/biden-proposes-to-raise-refugee-ceiling-to-62500-spots-up-from-trumps-historic-low-cap/>; Joseph R. Biden, "Executive Order on Rebuilding and Enhancing Programs to Resettle Refugees and Planning for the Impact of Climate Change on Migration."

⁶ Representative Moulton, September 3, 2021, "Moulton, Bacon Introduce Welcomed Act So Afghan Evacuees Receive Refugee Benefits," Press release, <https://moulton.house.gov/press-releases/moulton-bacon-introduce-welcomed-act-so-afghan-evacuees-receive-refugee-benefits>.

⁷ Krishna Chaitanya Vadlamannati, "Welfare Chauvinism? Refugee Flows and Electoral Support for Populist-Right Parties in Industrial Democracies", *Social Science Quarterly* 101, no. 4 (2020), 1600–1626.

⁸ Robert Shaffer et al., "Local elected officials' receptivity to refugee resettlement in the United States." *Proceedings of the National Academy of Sciences* 117, no. 50 (2020), 31722–31728.

II. Background and Introduction cont.

crowd out other workers in their communities.⁹ While resettlement incurs high costs upfront from the federal government, research shows that refugees over the long-term do not have negative budgetary impacts for the U.S. government as their contributions surpass this initial investment.¹⁰ However, there is far more limited research on the impacts of refugee resettlement on state and local government budgets and spending, particularly in the short term. Our research aims to bridge this gap. We find that refugees have no statistically significant impact on local or state finances in the short- or long-term, likely due to the fact that the United States resettled comparatively fewer refugees per capita than many other countries even prior to the recent decrease, and refugees receive support primarily from the federal government, resettlement agencies, and religious and secular community organizations rather than local funds.

We use the state of Virginia as a case study, using interviews with local officials and service providers and qualitative analysis to explore local perceptions of refugee resettlement through fiscal, economic, cultural, and moral lenses. We find that while localities present differing views on the local fiscal and economic impact of resettlement, all interviewees emphasized the value of refugees for their communities—culturally, morally, and economically. In already under-resourced localities, ensuring that refugees and school systems receive the support they need is crucial, particularly during and after a global pandemic.

⁹ National Immigration Forum, *Immigrants as Economic Contributors: Refugees Are a Fiscal Success Story for America*, (Washington, D.C.: National Immigration Forum, 2018), <https://immigrationforum.org/article/immigrants-as-economic-contributors-refugees-are-a-fiscal-success-story-for-america/>; New American Economy Research Fund, *From Struggle to Resilience: The Economic Impact of Refugees in America*, (Washington, D.C.: New American Economy Research Fund, 2017), <https://research.newamericaneconomy.org/report/from-struggle-to-resilience-the-economic-impact-of-refugees-in-america/>; Anna Maria Mayda, *The Labor Market Impact of Refugees: Evidence from the U.S. Resettlement Program*, (Washington, D.C.: U.S. Department of State Office of the Chief Economist, 2017), <https://www.state.gov/wp-content/uploads/2018/12/The-Labor-Market-Impact-on-Refugees-Evidence-form-the-U.S.-Resettlement-Program-1.pdf>.

¹⁰ Francine D. Blau and Christopher Mackie, *The economic and fiscal consequences of immigration*. (Washington, D.C.: National Academies Press, 2017); William N. Evans and Daniel Fitzgerald, *The economic and social outcomes of refugees in the United States: Evidence from the ACS* (No. w23498) (Washington, D.C.: National Bureau of Economic Research, 2017).

III. The Local Dynamics of Refugee Resettlement

Leveraging local and community buy-in for refugee resettlement is a key component of the resettlement process. Refugee resettlement in the United States is run by the U.S. Department of State Bureau of Population, Refugees, and Migration and the U.S. Department of Health and Human Services Office of Refugee Resettlement (ORR). These federal agencies work together with nine national nonprofit resettlement agencies (or “voluntary agencies”) to determine the local placement of new arrivals and provide services to newly arrived refugees through a network of local affiliates in communities across the United States.¹¹

The Special Immigrant Visa (SIV) program, expanded for Afghan nationals who have been employed by or on behalf of the U.S. government, is legally separate from the refugee resettlement program.¹² However, SIV recipients are entitled to the same support as refugees resettled in the U.S. administered by the same federal agencies, as well as support from nonprofit refugee resettlement agencies.¹³ While state and local officials cannot legally prevent refugees from being settled in their states or localities, federal officials are required to consult with state and local governments prior to resettlement. Local officials such as mayors and state-level officials can play significant roles in determining refugee well-being and community integration.¹⁴ Some local leaders, such as Mayor Erin Mendenhall of Salt Lake City, Utah, have actively advocated for welcoming refugees to their communities by highlighting their contributions and humanitarian obligations.¹⁵ City and county councils can help support community programs for refugees, or work to build buy-in among the residents of their areas.

However, anti-refugee voices at the national, state, and local levels have become increasingly prominent. In 2019, President Trump signed Executive Order 13888, requiring local and state officials to provide affirmative consent to refugee resettlement—a move unprecedented in the history of the refugee resettlement system and immediately blocked in federal court as unconstitutional.¹⁶ The policy of affirmative consent went beyond requiring the federal government to consult with localities by prohibiting the federal government from resettling refugees unless localities and states specifically opted in.¹⁷ Despite this order, 42 states and more than 100 mayors announced that they would

¹¹ These resettlement agencies are: Church World Service (CWS), Ethiopian Community Development Council (ECDC), Episcopal Migration Ministries (EMM), Hebrew Immigrant Aid Society (HIAS), International Rescue Committee (IRC), US Committee for Refugees and Immigrants (USCRI), Lutheran Immigration and Refugee Services (LIRS), United States Conference of Catholic Bishops (USCCB), World Relief Corporation (WR). See “Resettlement Agencies,” Office of Refugee Resettlement, U.S. Department of Health and Human Services, last reviewed December 9, 2019, <https://www.acf.hhs.gov/orr/grant-funding/resettlement-agencies>.

¹² “Special Immigrant Visas for Afghans - Who Were Employed by/on Behalf of the U.S. Government,” United States Department of State Bureau of Consular Affairs, September 13, 2021, <https://travel.state.gov/content/travel/en/us-visas/immigrate/special-immig-visa-afghans-employed-us-gov.html>.

¹³ “Fact Sheet: Overview of the Special Immigrant Visa Programs,” National Immigration Forum, June 22, 2021, <https://immigrationforum.org/article/fact-sheet-overview-of-the-special-immigrant-visa-programs/>.

¹⁴ Michael Jones-Correa, *All Immigration is Local: Receiving Communities and Their Role in Successful Immigrant Integration*, (Washington, DC: Center for American Progress, 2011); Abigail Fisher Williamson, 2018. *Welcoming New Americans?: local governments and immigrant incorporation*. (Chicago, IL: University of Chicago Press, 2018).

¹⁵ Tanvi Misra, “How Cities Will Make or Break Biden on Refugee Resettlement,” Bloomberg City Lab, March 23, 2021, <https://www.bloomberg.com/news/articles/2021-03-23/cities-will-make-or-break-refugee-resettlement>.

¹⁶ Kelly Mena and Catherine E. Shoichet, “Judge blocks Trump’s executive order on refugee resettlement,” CNN, January 15, 2020, <https://www.cnn.com/2020/01/15/politics/court-issues-injunction-on-trump-refugee-resettlement/index.html>.

¹⁷ “State and Local Consents Under Executive Order 13888,” Bureau of Population, Refugees, and Migration, U.S. Department of State, January 20, 2017, <https://2017-2021.state.gov/state-and-local-consents-under-executive-order-13888/index.html>.

III. The Local Dynamics of Refugee Resettlement cont.

continue to host refugees.¹⁸

Detractors of refugee resettlement often frame their concerns around security, labor market impacts, and a perceived fiscal burden on the welfare system. However, research on the impact of refugees indicates otherwise. To date, researchers have found no linkage between refugees and terrorism or crime in the United States.¹⁹ Furthermore, research indicates that refugees do not negatively impact the labor market, but can in fact contribute both economically and socially in the long-term through tax payments, entrepreneurship, and added diversity.²⁰ Less research, however, has explored the impact of refugee resettlement on state and local government budgets, particularly in the short-term.

In a quantitative study of refugees' economic impact in their cities, counties, and states, New American Economy found that likely refugees contribute approximately \$6.4 billion in taxes to state and local governments, constituting a key source of revenue.²¹ Further research found that 40 percent of local officials surveyed were concerned with the economic costs of refugees—an issue that outstripped local elected officials' concern with the social or security effects of resettlement.²² Local officials and communities are important to reaching the administration's resettlement goals, and understanding the short-term fiscal impacts of refugee resettlement is crucial.

¹⁸ Muzaffar Chishti and Sarah Pierce, "Despite Trump Invitation to Stop Taking Refugees, Red and Blue States Alike Endorse Resettlement," Migration Policy Institute, January 29, 2020, <https://www.migrationpolicy.org/article/despite-trump-invitation-stop-taking-refugees-red-and-blue-states-alike-endorse-resettlement>.

¹⁹ Catalina Amuedo-Dorantes, et al, "Refugee Admissions and Public Safety: Are Refugee Settlement Areas More Prone to Crime?" *International Migration Review* 55, no. 1 (2020): 135–65; Daniel Masterson and Vasil Yassenov, "Does Halting Refugee Resettlement Reduce Crime? Evidence from the US Refugee Ban," *American Political Science Review* (2021): 1-8.

²⁰ Michael Clemens et al., "The economic and fiscal effects of granting refugees formal labor market access," *Center for Global Development Working Paper*, 496 (2018); William N. Evans and Daniel Fitzgerald, *The economic and social outcomes of refugees in the United States: Evidence from the ACS*, No. w23498, (Cambridge, MA: National Bureau of Economic Research, 2017); New American Economy Research Fund, 2017.

²¹ Ibid.

²² Shaffer et al. (2020).

Robert Shaffer et al., "Local elected officials' receptivity to refugee resettlement in the United States." *Proceedings of the National Academy of Sciences* 117, no. 50: 31722-31728 (2020).

IV. The Local Fiscal Impact of Refugee Resettlement

To measure the effects of refugee resettlement on state and local government finances, we use a variety of data sources including refugee numbers, budgetary and revenue data, and demographic characteristics at the state and local levels. We run quantitative analyses examining the relationship between resettlement and state and local revenues and expenditures. Sources include data from the Worldwide Refugee Admissions Processing System (WRAPS) of the Bureau of Population, Refugees, and Migration of the U.S. Department of State, the Government Finance Database, the American Community Survey (ACS), and data provided by the New American Economy.

We find that refugees have no statistically significant impact on local or state finances in the short and long-term, likely due to the fact that the United States resettled comparatively fewer refugees per capita than many other countries even prior to the recent decline, and refugees receive support primarily from the federal government, resettlement agencies, and religious and secular community organizations.

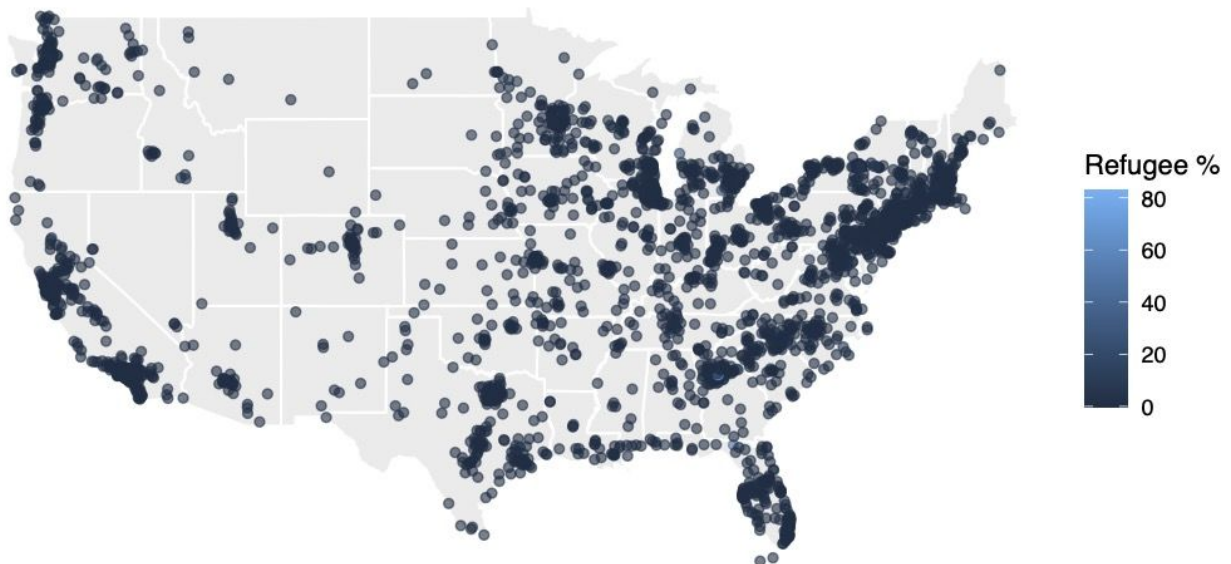


Figure 1: Refugee Percentages in U.S. Localities in 2017

Figure 1 shows the refugees per capita in each refugee-hosting locality in 2017. **In the majority of refugee-hosting localities across the United States, refugees make up less than one percent of city populations.** Only ten percent of all 2,679 cities hosting refugees have a refugee population that exceeds one percent of their total population, and only one percent of cities with refugees have a refugee population of over ten percent.

We use statistical models to estimate the impact of refugee resettlement on state and local finances. First, through an examination of local finances from 2002-2018, **we find no statistically significant effect of refugee resettlement on localities' yearly expenditures and total revenues.** In addition, we examine the impact on expenditures for public services likely to be used by refugees—health and education—and find **no statistically significant association between refugee presence and expenditures in these categories.** Table 1 below provides an estimation of the effect of an additional refugee per capita in a locality. On every outcome—current expenditure, total revenue,

²³ For full discussion of the data, methodological approach, and findings, please see <http://bit.ly/ResettlementMethodology>.

IV. The Local Fiscal Impact of Refugee Resettlement cont.

education expenditure, and health expenditure—there is no statistically significant effect since none of the estimates have a p-value of less than .05. The high standard error on each estimate indicates that this is likely in part due to the fact that there are simply extremely few refugees in the United States relative to the population.

Table 1: Two-Way FE Analysis of Refugee Resettlement’s Effect on Local Government Finance, 2002-2018

	Current Expend.	Total Revenue	Educ. Expend.	Health Expend.
Refugees Per Capita	18.483 (934.676)	211.409 (879.105)	-4538.536 (4634.045)	-100.019 (191.441)
State x Year Fixed Effects	Yes	Yes	Yes	Yes
Locality Fixed Effects	Yes	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes	Yes
N	33385	33374	5007	19675
R-squared	0.958	0.953	0.933	0.902

***p < .001; **p < .01; *p < .05

SEs clustered on locality in parentheses

We next examine the effects of refugee resettlement on state finances from 2000-2012. **We find no effect across all categories of state finances—total expenditures and total revenue as well as education and health expenditures.** These results, indicated below in Table 2, suggest that **an increase in refugees per capita has no statistically significant impacts on state finances.**

IV. The Local Fiscal Impact of Refugee Resettlement cont.

Table 2: Two-Way FE Analysis of Refugee Resettlement’s Effect on State Government Finance, 2000-2012

	Current Expend.	Total Revenue	Educ. Expend.	Health Expend.
Refugees Per Capita	-94357.353 (96624.729)	-10579.478 (149313.226)	-9036.363 (17632.983)	5966.895 (8471.121)
State Fixed Effects	Yes	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes	Yes
N	662	662	662	662
R-squared	0.963	0.916	0.967	0.900

***p < .001; **p < .01; *p < .05

SEs clustered by state in parentheses

Finally, we use census data to estimate the number of likely refugees per locality from 1967-2010 to examine the effects of the resettlement program over a longer period of time, drawing on an imputation approach utilized by New American Economy in 2017. We find that **localities with more resettled refugees exhibit no difference in financial stability compared to localities with fewer resettled refugees**. Together, these results provide further support for the idea that **refugee resettlement is not a significant driver of local government financial health**.

²⁴ Our analysis and findings are replicated with the individual refugee resettlement dataset included in Dreher et. al (2020), which was made publicly available during the preparation of this report. The results are available at <http://bit.ly/ResettlementMethodology>.

V. Case Study: Virginia

To contextualize these quantitative results, we present a case study on refugee-resettlement in Virginia. Virginia is one of thirteen states that has instituted an Office of New Americans and adopts a proactive approach to resettlement.²⁵ Virginia is also a state with mixed partisanship and encompasses both wealthy cities and towns and under-served rural areas with divergent demographic compositions, representing a range of possible refugee-hosting localities. As part of this work, we interviewed representatives from local government, the state resettlement office, and local agencies involved in resettlement in Virginia.

In Virginia, the refugee resettlement program is managed under the Office of New Americans under the Virginia Department of Social Services (VDSS-ONA). The Virginia refugee resettlement program is supervised by the State Refugee Coordinator Seyoum Berhe at VDSS-ONA, who immigrated from East Africa in his youth.²⁶ The Coordinator is responsible for overseeing the state resettlement plan and coordinating public and private resources for refugee resettlement. Specifically, the office assists refugee access to cash, medical, employment and support services under Medicaid, SNAP, and TANF programs, as well as mentoring and education services.²⁷ In every resettlement site, there is a Virginia Community Capacity Initiative (VCCI), which is a group of local resettlement agencies, government officials, education, law enforcement, health, housing, and other stakeholders.²⁸ While VDSS-ONA plays an important role in coordinating and local integration, the federal government assumes the financial costs of refugee resettlement in conjunction with donations from refugee-resettlement agencies and their local partners.

“States are beneficiaries—the U.S. Government pays for refugee resettlement, so Virginia and other states benefit. When we rent a house for refugees, money goes from the federal government into the state’s economy.”²⁹

Seyoum Berhe, State Refugee Coordinator at the Virginia Department of Social Services

²⁵ “Office of New Americans (ONA) State Network,” New American Economy, accessed September 16, 2021,

<https://www.newamericaneconomy.org/state-local-initiatives/ona-state-network/>.

²⁶ Office of Newcomer Services, *Virginia Refugee Resettlement Program, State Plan, Federal Fiscal Year 2020* (Richmond, VA: Virginia Department of Social Services),

https://www.dss.virginia.gov/files/division/cvs/rr/state_plan/entire_plan/Virginia_RRP_State_Plan_FFY_2020.pdf.

²⁷ Virginia Department of Social Services, “Refugee Services,” September 15, 2021,

https://www.dss.virginia.gov/community/ona/refugee_services.cgi.

²⁸ Virginia Community Capacity Initiative, “What is the Virginia Community Capacity Initiative (VCCI)?,” September 15, 2021,

<https://sites.google.com/view/vcci-northernva/home>.

²⁹ Interview with Seyoum Berhe, State Refugee Coordinator at the Virginia Department of Social Services, April 1, 2021 (on file with the author).

V. Case Study: Virginia cont.

A. Funding and Supports for Refugees in Virginia

Refugee resettlement in Virginia highlights the important role federal funding and nonprofit support play in providing the initial financial support to refugees. Shelby Kruczek, Director of Community Relations at Lutheran Social Services of the National Capital Area (LSSNCA), elaborated on the range of services and support that refugees receive once they are resettled from her organization among others.³⁰

“The emphasis is on getting a job as quickly as possible, so self-sufficiency—that’s the goal, and that’s what we’re working towards.”³¹

Shelby Kruczek, Director of Community Relations at LSSNCA

LSSNCA is one of the nine nonprofit organizations that provides assistance to refugees under the U.S. Department of State’s Reception and Placement (R&P) program targeted at the first 30 to 90 days of a refugees’ arrival, as well as supports refugees for longer time horizons with education, health, and employment.³² The R&P program involves setting up housing and arranging for other immediate needs of the refugees, as well as providing a one-time payment of \$1,225.³³ Additionally, the R&P program assists refugees with school enrollment, accessing public benefits (including Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF)), health screenings and immunization, and cultural orientation and English language learning programs.³⁴ Following the initial arrival period, refugees are supported under the Refugee Support services program, which assists refugees in reaching economic self-sufficiency, helping with both cultural and linguistic aspects of labor market integration as well as procedural steps, such as recertification.³⁵

B. Perceptions of Refugee Fiscal and Economic Impact in Virginia

We interviewed two mayoral offices in communities with high levels of refugee resettlement in Virginia. While local leaders agreed that refugees were a positive contribution to their community,

³⁰ Interview with Shelby Kruczek, Director of Community Relations at Lutheran Social Services of the National Capital Area (LSSNCA), April 7, 2021 (on file with the author).

³¹ Interview with Shelby Kruczek, 2021.

³² Lutheran Social Services, “Refugee and Immigrant Services,” September 15, 2021, <https://lssnca.org/programs/>; <https://www.state.gov/refugee-admissions/reception-and-placement/>.

³³ United States Department of State, “FY 2022 Notice of Funding Opportunity for Reception and Placement Program,” September 15, 2021, <https://www.state.gov/fy-2022-notice-of-funding-opportunity-for-reception-and-placement-program/>.

³⁴ Virginia Community Capacity Initiative, “Reception and Placement,” September 15, 2021, <https://sites.google.com/view/vcci-northernva/affiliated-resettlement-programs?authuser=0>; United States Department of State, “The Reception and Placement Program,” September 15, 2021, <https://2009-2017.state.gov/j/prm/ra/receptionplacement/index.htm>.

³⁵ U.S. Department of Health & Human Services Office of Refugee Resettlement, “Refugee Support Services,” September 15, 2021, <https://www.acf.hhs.gov/orr/programs/refugees/refugee-support-services>.

V. Case Study: Virginia cont.

these localities differed on the perceived impact on local resources. In Falls Church, Virginia, Vice-Mayor Marybeth Connelly expressed minimal budgetary concerns and emphasized the value of refugees for a community.

“[Refugee resettlement is] not a huge budget concern, because it has always been a manageable part of the budget. . . [A]s a community, we would be willing to accept people because we have seen the value of welcoming people from all over the world . . . People who are refugees are often the most resilient, and bring a lot to the community.”³⁶

Vice-Mayor Marybeth Connelly, Falls Church, VA

The city hosts the offices of several refugee support organizations serving both Falls Church and neighboring Fairfax and Arlington counties, which have a high number of refugees per capita. Falls Church, however, is a predominantly white and relatively wealthy town in northern Virginia (median income of \$70,390 in 2019 according to census data).

In Fredericksburg, Virginia, on the other hand, a more diverse and less affluent city (median income of \$32,193), the Mayor Mary Katherine Greenlaw expressed her concern about the city’s limited resources for refugees and the local population, describing possible reticence with refugee resettlement in her area due to pre-existing budget and service constraints.

“We need resources, particularly for school systems. We definitely need help, because the school does not get assistance for the ESL programs, and the schools do both family assistance and assistance for children.”³⁷

Mayor Mary Katherine Greenlaw, Fredericksburg, VA

Mayor Greenlaw also raised concerns about the availability of local employment and the need for more support for newly settled refugees. “The refugees get \$1,025 per four members, and then they’re told to find a job,” she noted. “What we need is more better-paying jobs for everybody.” She highlighted the success story of a resettlement organization that supported Afghan women in learning sewing and embroidery and developing a cottage industry.

³⁶ Interview with Marybeth Connelly, Vice-Mayor of Falls Church, VA, March 30, 2021 (on file with author).

³⁷ Interview with Mary Katherine Greenlaw, Mayor of Fredericksburg, VA, April 4, 2021 (on file with author).

³⁸ Ibid.

V. Case Study: Virginia cont.

Despite financial support from the federal government and adjustment assistance from refugee agencies, communities may differ in their ability to incorporate refugees based on the local economy and available services. Seyoum Berhe of the Virginia Department of Social Services recognized the potential for refugees to strain on local towns and cities' resources. However, he explained that these issues are preempted as much as possible through the highly community-oriented and collaborative resettlement process in Virginia, in which regular VCCI meetings determine local capacities and resettlement numbers based on localities' prior experience in resettlement.³⁹ Additionally, Shelby Kruczek emphasized that LSSNCA and other refugee service nonprofits work to "proactively advocate for refugees in communities, trying to engage and build community support for welcoming refugees."

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C. Multiculturalism and Humanitarianism in Virginia

Despite differing perceptions of the fiscal or economic impact of resettlement, all interviewees emphasized the positive contributions of refugees to their communities, from diversity to thriving neighborhoods and cultural events.

*"[I]t's a real positive to have a varied school population . . . and I think it's healthy that we have diversity in our school system."*⁴¹

Mayor Mary Katherine Greenlaw, Fredericksburg, VA

*"[There is] a corner of Falls Church that is the most interesting part of the city. There's one neighborhood called Eden Center, which became the place where Vietnamese refugees built their center in the '70s, when the resettlement program was happening. They have traditional Vietnamese events, and celebrations."*⁴²

Vice-Mayor Marybeth Connelly, Falls Church, VA

³⁹ Interview with Seyoum Berhe, 2021.

⁴⁰ Interview with Shelby Kruczek, 2021.

⁴¹ Interview with Mary Katherine Greenlaw, 2021.

⁴² Interview with Marybeth Connelly, 2021.

V. Case Study: Virginia cont.

Seyoum Berhe also highlighted the many positive contributions of refugees who “contribute by paying taxes and creating a multicultural and multilingual community,” but he recognized that refugee resettlement remains a humanitarian issue. Regardless of any economic benefits or other contributions from refugees, he stated that Virginia’s commitment to resettlement “is because it is a human rights issue.”

These conversations highlight the responsibility the federal government, resettlement agencies, and faith and community organizations play in supporting refugees, minimizing costs for individual localities. Localities facing broader challenges in meeting student and community needs, however, require more resources.

VI. Implications for Revitalizing Refugee Resettlement

Until recently, the United States had been at the forefront of providing safe harbor to those fleeing persecution and conflict. Refugee resettlement receives strong bipartisan support across administrations as part of both humanitarian responsibilities and due to refugees' social and economic contributions.⁴³ With the fall of the U.S.-backed Afghan government placing thousands of Afghans—including those who have worked with Americans, journalists, women, minorities, and other groups—at risk, the United States has an obligation to once again lead on supporting refugees.

Our research shows that refugees do not negatively impact state and local fiscal health and that support provided by the federal government, resettlement agencies, faith groups, and local communities helps refugees integrate and access local services. In some cases, refugees have revitalized towns with declining populations and brought new businesses and cultural centers. Interviews with resettlement agencies, local officials, and community support groups indicate that refugees can bring positive cultural and economic contributions to the communities they live in, particularly where community and faith organizations play strong roles. In already under-resourced localities, however, ensuring that refugees and school systems receive the support they need is crucial, particularly during and after a global pandemic.

Together, this research suggests that involving local officials, providing strong support to both refugees and communities, and building private sponsorship and business linkages should be key components of any resettlement plan. Given the dramatic weakening of resettlement agencies and refugee support organizations in prior years, highlighting refugees' potential positive economic and cultural impacts and increasing awareness of federal support among local officials and communities will be important to rebuilding refugee resettlement. At the same time, under-resourced localities may require additional direct support for integration programs. As the administration rebuilds the resettlement program and welcomes SIV recipients, it will be essential to invest in receiving communities.

⁴³ Nazanin Ash, "Americans Bridge the Divide to Support Refugees," *Newsweek*, March 1, 2021, <https://www.newsweek.com/americans-bridge-divide-support-refugees-opinion-1572375>; National Immigration Forum, "Immigrants as Economic Contributors: Refugees Are a Fiscal Success Story for America," June 14, 2018, <https://immigrationforum.org/article/immigrants-as-economic-contributors-refugees-are-a-fiscal-success-story-for-america/>.



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