

Migration Outlook

Mexico

First Half 2014
Economic Analysis

- Remittances to Mexico will follow an upward trend in 2014 and 2015, driven by favourable US employment indicators
- In 2014 the highest growth in remittances will be on the Baja California peninsula and in the northern border states
- Remittances-receiving households are more likely to have savings accounts and to use bank branches, but also lower use of insurance policies and ATMs
- Micro businesses receiving remittances have lower sales volumes, with more production being used on own consumption
- Migration reform in the United States: an uncertain future

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Index

| | |
|--|----|
| 1. Summary..... | 2 |
| 2. Remittances: changes and dependency by state level in Mexico, 2003-2013..... | 4 |
| Box 1. Status of U.S. Immigration Reform | 12 |
| 3. Features of microenterprises in the industrial, commercial 3. and services sectors run by remittances-receiving households in Mexico..... | 14 |
| Box 2: Key features of remittances-receiving households | 24 |
| 4. Do remittances encourage financial inclusion in Mexico? * | 26 |
| 5. Statistical Appendix..... | 38 |
| 6. Special Topics Included in Previous Issues..... | 48 |

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Closing date: May 28, 2014

1. Summary

The states of Baja California, Tamaulipas, Baja California Sur, Nuevo León and Coahuila enjoyed the fastest growth rates between 2010 and 2013

After the US economy started to recover, there was a 7.0% growth in remittances in 2011, which was higher than in 2010, and was assumed to be the beginning of the sustained recovery of this monetary inflow. However, remittances fell by 1.6% in 2012 and in 2013 by 3.8% YoY. But remittances behaved unevenly, since there were states with income growth and others where income contracted. Between 2010 and 2013, northern states showed the highest growth: Baja California (+55.9%), Tamaulipas (+45.4%), Baja California Sur (+22.2%), Nuevo León (+21.6%) and Coahuila (+20.4%).

Remittances to Mexico could grow by between 5% and 6% in 2014, and between 6% and 7% in 2015

Figures published recently by Banco de México suggest that there could be a recovery in remittances this year, since there have been major increases in this monetary flow in the first few months. This increase is likely to be related to the improvements noticed at the end of 2013 and the beginning of 2014 in the United States employment indicators. BBVA Research estimates forecast that remittances could grow at an annual rate of between 5% and 6% in 2014, and that by the end of the year the volume of remittances will stand at \$22.88 billion US dollars, higher than last year. Our forecasts for 2015 indicate that remittances could grow by 6% or 7%, which would bring them to \$24.36 billion.

2014 remittances could rise in Mexico's western state, with the greatest increases in the Baja California peninsula and the northern frontier states

BBVA Research's most recent estimates indicate that the states likely to have the highest rates of growth in 2014 could be: Tamaulipas (+13.8%), Jalisco (+11.5%), Baja California Sur (+9.9%), Chihuahua (+9.7%), Sinaloa (+9.4%) and Baja California (+9.3%). As regards the amounts of capital inflow, the federal states receiving the most will probably be Michoacán (\$2.351 billion US dollars), Guanajuato (\$2.169 billion) and Jalisco (\$2.007 billion).

Nearly a year after the bipartisan bill was passed, United States migration reform in still stuck

Although everything appears to be on course so that just over 11 million people without papers can seek to regularise their immigration status in the United States, the path to immigration reform is long and uncertain. To date there is no consensus between the Republicans and Democrats for implementing the bipartisan bill approved by the Senate on 27 June last year. Meanwhile, the question hanging in the air is: how would the introduction of the immigration reform affect the migration flows to the US and the remittance flows arriving in Mexico?

In 2012, 375,000 remittances-receiving households were registered as having some kind of industrial, commercial or service microenterprises in Mexico

Figures from the National Survey of Household Income and Expenditure, the ENIGH, show that 26.7% (375,000) of households receiving remittances in 2012 owned one or more non-farm microbusinesses, of which 40.5% were in the commercial sector, 30.9% in services and 28.5% were industrial. Among the microenterprises in trade where remittance-receiving households were active, grocery and foodstuff outlets were popular, as were those selling perfumery and jewellery products, and sales over the internet and printed catalogs. The focus in the services sector is mainly on restaurants, eating houses, take-away food, beauty treatments and salons; in the industrial sector, it was apparel and textile products manufacture, plus building installations and equipment.

Microbusinesses receiving remittances have smaller sales volumes, with more of their production dedicated to own consumption

In the microenterprises run by remittances-receiving households in the services and industrial sectors, the income from sales is lower by 40% and 70% respectively than in households not receiving remittances in Mexico, which could indicate that they are smaller. Furthermore, data from the 2012 ENIGH indicated that, in households with remittances, a greater proportion of production is used for the household's own consumption, whether in commercial, industrial or services microbusinesses; this suggests that the initial motivation for the enterprise's productive activity was not always the financial return, or that it was started with less of an entrepreneurial vision, which could make it less sustainable in the medium and the long term.

Households receiving remittances in Mexico are 10.2% to 11.3% more likely to have a savings account

After estimating different econometric models and isolating external effects due to particular characteristics of people and households receiving remittances, we found that receiving remittances in a household in Mexico increases by between 10.2% and 11.3% the probability of having a savings account in a bank. People receiving remittances who receive this money regularly can keep it in a formal savings account so that it is better managed and safer; furthermore, they can use the resources as and when they need to, invest them subsequently in the purchase of durable goods, or else use them as a buffer in the event of unforeseen events such as accidents or illnesses.

The reception of remittances increases from 11.0% to 18.8% the probability of households for using a bank branch

As in the previous case, the results of the analysis indicate that receiving remittances increases, from 11.0% to 18.8% a household's likelihood of using a bank branch at least once a year. In municipalities which have a bank branch, remittance recipients may have their first experience with the formal financial system there, using the bank branch for the reception of remittances from abroad. In these cases, some can use the branches in their home town, but others will have to travel to other settlements or the municipal capital in order to receive their remittance.

There are extensive opportunities to strengthen financial inclusion among remittance recipients

An analysis of the figures indicates that households which receive remittances have a lower propensity to take out an insurance policy or to use ATMs. This suggests that they may be less aware of risk protection and, in general, possibly have a lower level of financial education. Thus, the possibility arises that remittance recipients could have a growth potential in their use of financial products and services, in the right circumstances. This inclusion can be encouraged through higher exposure to formal financial products and services, together with better communication of their characteristics and advantages, as well as by running financial education programs for both recipients and senders of remittances.

2. Remittances: changes and dependency by state level in Mexico, 2003-2013

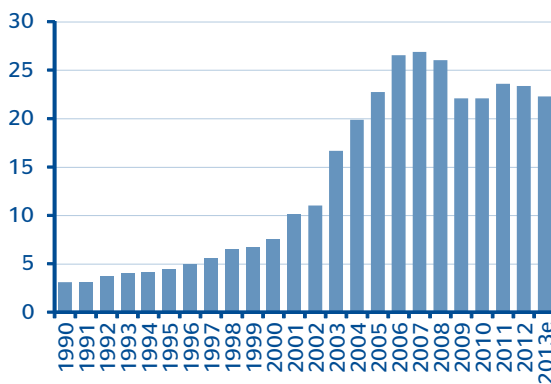
Mexico is the fourth largest recipient of remittances worldwide

The last few years have witnessed a drop in migratory flows in Mexico, particularly of people going to the United States, and stagnation in the numbers of Mexican immigrants living there. The latter is due to the economic crisis of 2008, which severely affected the US economy and some economic sectors which have traditionally employed Mexican immigrants, such as in the construction and manufacturing industries.

According to figures from Mexico's National Occupation and Employment Survey (Encuesta Nacional de Ocupación y Empleo, ENOE), the annual volumes of Mexican emigrants to the US fell from 793,000 to 321,000 people between 2007 and 2012, which has had a negative impact on the capital inflows of family remittances to the country. World Bank estimates¹ indicate that since the mid-nineties remittances deposited in Mexico had grown continuously and steadily, reaching \$7.5 billion dollars in 2000. In the initial years of the current millennium, remittances grew strongly, reaching \$16.7 billion by 2003, and peaking at \$26 billion dollars in 2007.

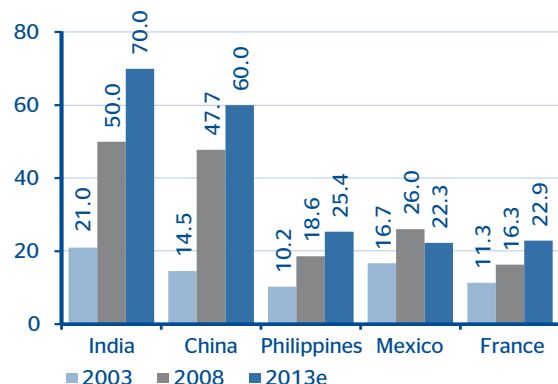
However, from that year onwards, the flow of remittances to Mexico fell, stabilizing at around \$22 to \$23 billion dollars a year. As we pointed out in our last edition of *Mexico Migration Outlook*, World Bank forecasts indicated that by the end of 2013 total remittances would be \$22 billion dollars, close to the figure published by the central bank for the close of the same year, of 21.6 billion dollars. Both sources concur that this is the lowest level since 2010, leaving Mexico in fourth place worldwide in terms of remittance receipts, behind India, China and the Philippines. In effect, if we analyze the trend in remittance volumes in the main reception countries worldwide, Mexico's income in this item has fallen more abruptly than any other country since 2008, and it is also the only country still not showing clear signs of recovery.

Chart 1
Evolution of remittance income in Mexico, 1990-2013e
(Million US dollars)



e: World Bank estimate
Source: BBVA Research with World Bank figures (Annual Remittances Data, updated April 2014).

Chart 2
Evolution of remittance income in the main reception countries: 2003, 2008 and 2013e
(Billion US dollars)



e: World Bank estimate
Source: BBVA Research with World Bank figures (Annual Remittances Data, updated April 2014).

¹ Figures on the remittance amounts as calculated by the World Bank may be different from those published by the Bank of Mexico, given that they use different methodologies to estimate this capital flow.

The fall of remittances entering the country is a very important issue, since they represent a major source of capital resources nationally, regionally and locally, but above all for thousands of Mexican households over the length and breadth of the country. In this context, we must ask ourselves about the trend in remittances at state level over the last decade. And, in particular, which states in the republic have received most remittances; in which states these resources have increased and where they have fallen; and which recipient states are most affected by the fall in remittances.

Change in remittance levels and trends on a state-by-state basis

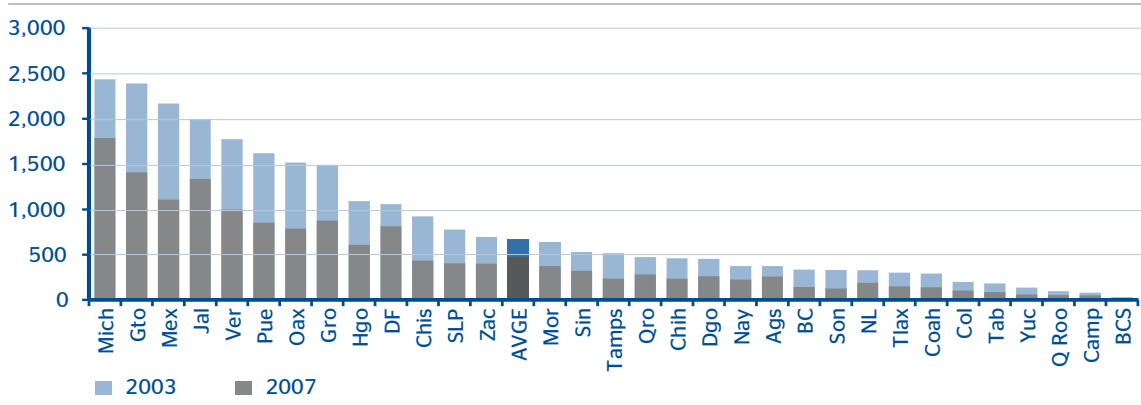
We analyze and compare below the data for annual flows of remittances state by state for three periods: 2003-2007, 2008-2010 and 2010-2013.

Pre-crisis period (2003-2007)

Central bank data indicate that the acceleration in the growth of remittances throughout the country between 2003 and 2007, the period prior to the latest economic crisis, was also reflected in all the Mexican Republic’s federal states. However, over this period the growth in the amount of remittances was greater in some states than in others. The states of Mexico and Guanajuato enjoyed the greatest growth in remittance volumes between 2003 and 2007, with an increase over this period of around \$982 millions and \$1.06 billion dollars, respectively. In descending order of magnitude, they are followed by Veracruz, Puebla, Oaxaca, Jalisco, Michoacán and Guerrero, with growth in each state of between \$600 and \$800 million dollars. In this group, Michoacán, Guanajuato and Jalisco are states with a long and intense history of migration to the United States, whereas the rest have begun more recently, but also have large migrant population numbers there. These eight federal states account for more than half of the nearly \$11 billion US dollars growth in remittances to Mexico between 2003 and 2007, the year in which this money flow reached its historic peak to date, approaching \$26 billion dollars.

If we analyze the percentage increase in remittances by state, there are eight states which doubled their remittance flow between 2003 and 2007. Of these, four are border states: Sonora, Baja California, Tamaulipas and Coahuila; three are in the southeast (Yucatán, Tabasco and Chiapas) and one is in the central zone, Tlaxcala.

Chart 3
Income from family remittances by state, 2003 and 2007
(Million US dollars)



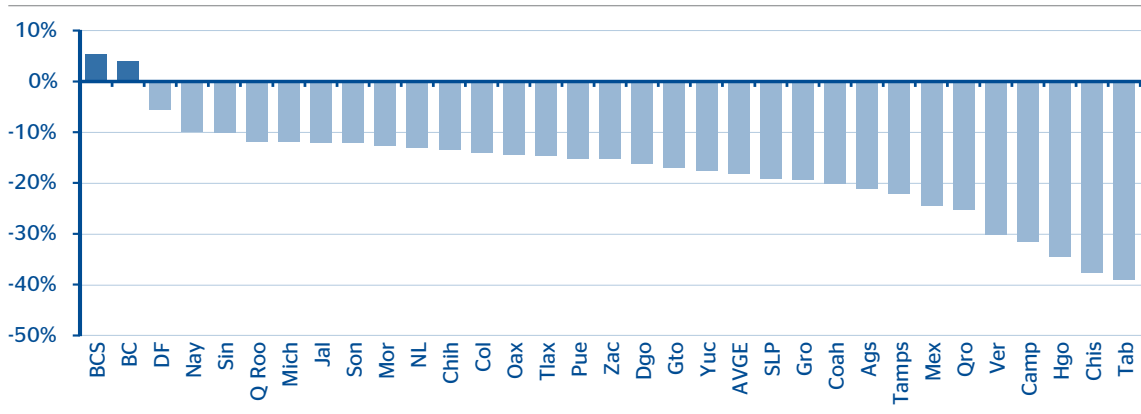
Source: BBVA Research with Banxico figures.

The crisis period (2008-2010)

A knock-on effect of the economic crisis in the United States was the fall of remittances to Mexico at an annual rate of 3.5% in 2008, and a much more severe reduction in 2009 of 15.3%. Thus, between 2007 and 2010, on average the flow of remittances to Mexico fell 18.2%. The states of Tabasco, Chiapas, Hidalgo, Campeche and Veracruz suffered the greatest drops in their remittance receipts in percentage terms as a result of the economic crisis, with reductions of more than 30% over this period. In fact, almost all the states in Mexico suffered contractions in their remittance incomes, with the exception of the states of Baja California and Baja California Sur, which had moderate growth over the period.

Chart 4

Variation in income from family remittances by state between 2007 and 2010 (%)



Source: BBVA Research with Banxico figures.

In terms of remittance volumes, we see that it is the states which were receiving the most which suffered the most significant drops in the volume of family remittances between 2007 and 2010, the years when the US economic crisis was hitting hardest, with Veracruz, the state of Mexico, Guanajuato, Hidalgo, Chiapas, Michoacán and Guerrero, in descending order, the most affected. In the state of Veracruz the volume of remittances went down by \$538 millions between 2007 and 2010, while in the state of Mexico it fell by \$529 millions over the same period. Neither state has recovered its 2007 level of remittance receipts. The contraction in remittance flows in these states, and in others in central and southern Mexico, is closely related with the fall in the international migration of Mexicans over the last five years.

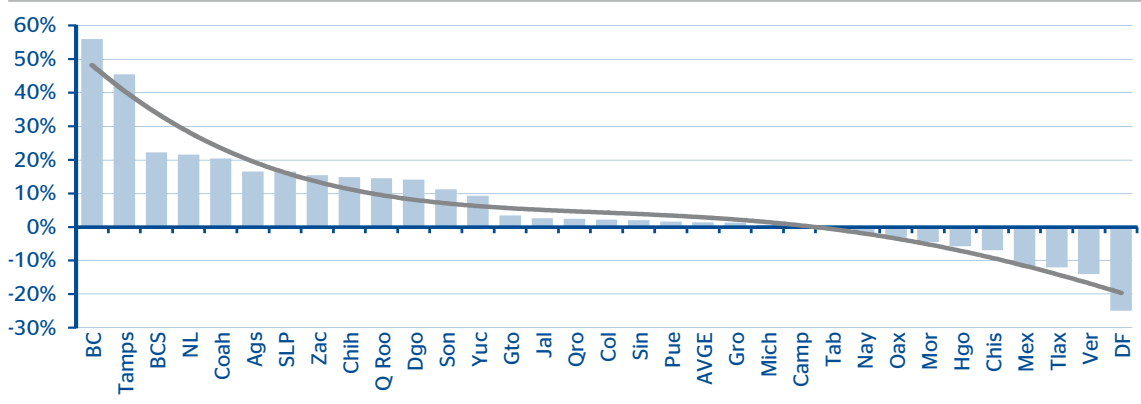
Recent period (2010-2013)

After the US economy began to recover, the data show that remittance income into Mexico grew at an annual rate of nearly 7.0% in 2011, which was assumed to be the beginning of sustained recovery of this flow. But in 2012 there was another drop in remittance receipts, of 1.6%, and in 2013 of 3.8% annualized. In this context the performance of remittances by state was mixed, since some states had growth in incomes from this source, while others contracted.

The northern states have recently posted higher growth in remittance flows; of these, Baja California, Tamaulipas, Baja California Sur, Nuevo León and Coahuila presented the highest increases in percentage terms in remittance receipts between 2010 and 2013, oscillating between 20% and 56%. Nevertheless, it should be noted that these were the states which receive lower remittances than the others. For example, in 2013, Baja California was in tenth place in remittance receipts. This in spite of the fact that, in general, these states have a history of migration to the United States. Some border cities in these states are recording large cross-border movements of people every day. These are people living on the Mexican side of the border and working on the other side, generally known as “commuters”.

Chart 5

Variation in income from family remittances by state between 2010 and 2013 (%)



Source: BBVA Research with Banxico figures.

On the other hand, between 2010 and 2013, and in percentage terms, the greatest reductions in remittance receipts have been seen in states in the central region of the country. According to Banco de México data, the greatest falls in percentage terms over this period were in Distrito Federal (-24.9%), Veracruz (-14.0%), Tlaxcala (-12.0%) and the state of Mexico (-11.7%).

Even so, despite these recent variations, there have not been major changes in remittances-reception ranking by states between 2003 and 2013. Michoacán, Guanajuato, Jalisco and the state of Mexico remain as the top remittances-receiving states. The flow of remittances is closely related to the volume of migrants by state, but its importance depends on the relative weighting of this resource in each state's economy.

The economic importance of remittances by state

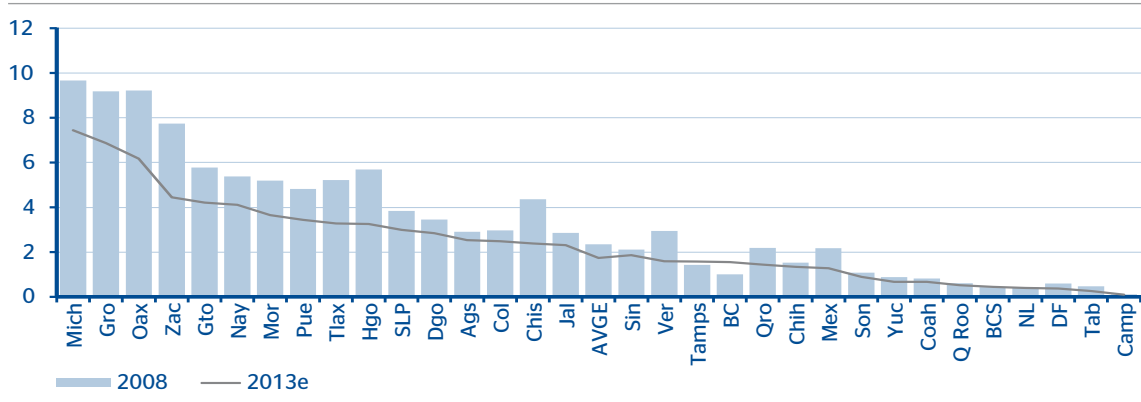
As noted, remittances are received throughout the entire country. This foreign source of income is very important for the economic dynamism of certain states, regions and towns. In fact, in certain municipalities in the central-west of the country, known as the "traditional region" from which Mexicans have emigrated to the United States, remittances make up an important share of households' regular income. The impact of, or dependence on, family remittances by state can be measured by the percentage ratio to the Gross Domestic Product (GDP) generated by each federal state.

BBVA Research estimates indicate that in 2008, in nearly half the federal states in Mexico, remittances accounted for at least 3 percentage points of state GDP. These resources are particularly important in the economy of some states, such as Michoacán, Guerrero and Oaxaca, where as a percentage of state GDP they represent 9.7%, 9.2% and 9.2% respectively. In fact, even though this indicator went down between 2008 and 2013, as a result of the drop in remittances over the period, these states, together with Zacatecas, Guanajuato, Nayarit, Morelos, Puebla, Tlaxcala and Hidalgo, have greater dependence on remittance flows than before. In these states, the share of remittances in state GDP was between 3.0% and 7.4% in 2013. Tabasco and Campeche are the least dependent on these resources, because of their low share of international migration.

Due to the effects of the latest economic crisis in the US and the stagnation in the number of Mexicans immigrants there, the flow of remittances to Mexico dwindled, and with it the importance of remittances in the Mexican economy. In 2008, remittances made up 2.3% of Mexico's GDP; by 2013 they were down to about 1.7%.

Thus, in 2013, Michoacán, Guerrero and Oaxaca will continue to be the states with the highest indicators of dependency on remittances: 7.4%, 6.9% and 6.2% respectively.

Chart 6
Indicator of remittance dependency, 2008 and 2013e
(Remittances as % of state GDP)



e. estimate.
Source: BBVA Research with figures from Banxico, INEGI and self- estimates.

The scenario described above begs several questions. What are the national and by states forecasts for remittances inflows? What factors might accelerate or hinder the growth in remittances? And, in the event of the migration reform being passed, how would this impact on inward remittance flows?

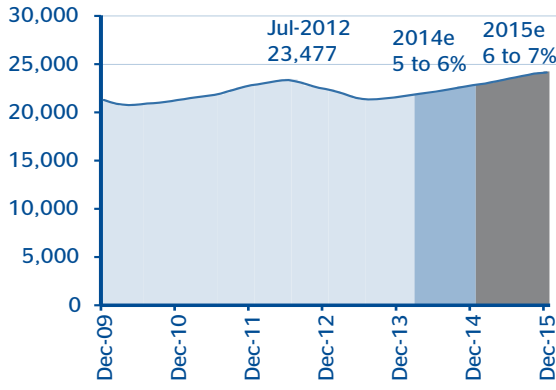
Our forecasts for remittances

With the end of the recent world financial crisis, migration and remittances were forecast to grow in the coming years. However, the recovery of remittance flows - Mexican remittances, not so in the case of other nationalities - was limited, and remittances are not forecast to regain their 2007 level. BBVA Research estimates that remittances could grow at an annual rate of between 5% and 6% in 2014, and that at year end the volume of remittances will reach \$22.8 billion dollars, a higher figure than that reported last year. Our forecasts for 2015 indicate that remittances could grow by between 6% and 7%, which by the end of next year would represent \$24.36 billion dollars. These growth rates are based on our estimates that the US economy will recover over this period. Thus, we estimate that this capital flow will be restored after accumulating two consecutive years of shrinkage (-1.6% in 2012 and -3.8% in 2013).

Data published recently by Banco de México for the first months of the year suggest that remittances might be recovering, given that they grew by 8.8% in January and by 5.7% in February at an annualized rate. This increase may be related to improvements in the US economy, principally growth in employment, so Mexican immigrants may have improved their economic situation and be sending more money, more frequently, back home.

Chart 7

Accumulated 12-months inflows of remittances to Mexico (Million US dollars)



e: BBVA Research estimate
Source: BBVA Research with Banxico figures

Table 1

Forecast of remittances to Mexico

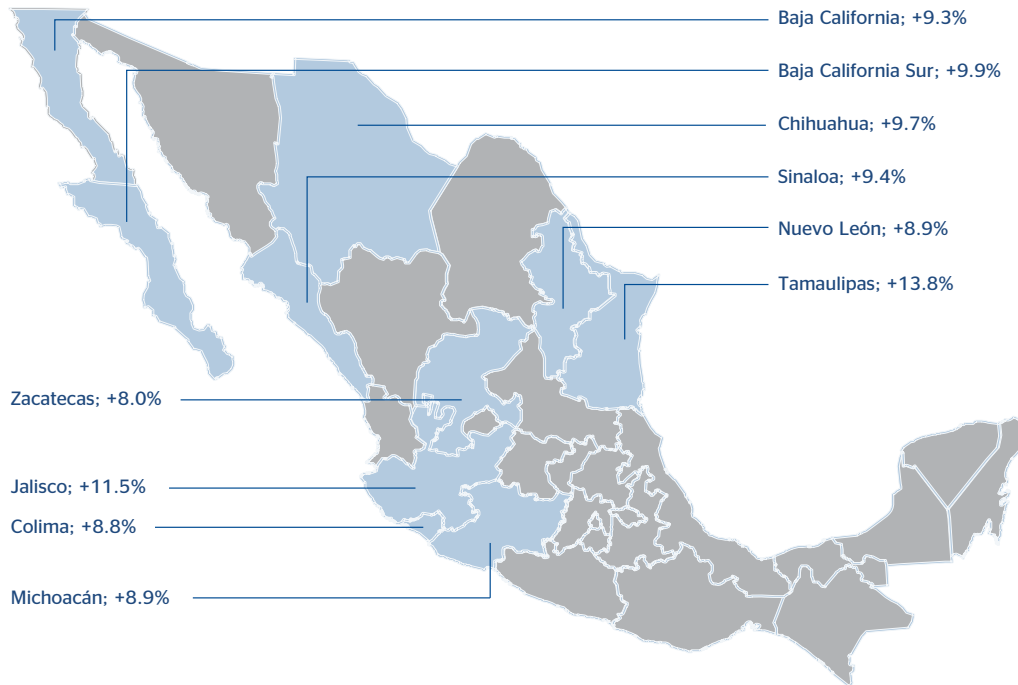
| Year | 2014e | 2015e |
|---|------------------|------------------|
| Estimated remittances inflow (Million US dollars) | 22,660 to 22,880 | 24,140 to 24,360 |
| Range of variation, % | 5% to 6% | 6% to 7% |

e: BBVA Research estimate
Source: BBVA Research with Banxico figures

Estimated remittances by state reveal that the states which are likely to have the biggest rates of growth in 2014 are Baja California (+15.2%), Baja California Sur (+10.9%) and Tamaulipas (+10.8%); while those with the least growth are likely to be Veracruz (-0.2%), the state of Mexico (+0.7%) and Chiapas (+1.0%). In relation to the estimated amount of these capital flows, the states which may receive the most income are Michoacán (\$2.262 billion dollars), Guanajuato (\$2.185 billion) and Jalisco (\$1.915 billion). It is noticeable that Puebla and the state of Mexico are vying with one another for the fourth and fifth places in terms of the volume of estimate remittance income this year, with amounts of over \$1.45 billion. Meanwhile, the states with the smallest annual accumulated amount could be Baja California Sur (\$46 million dollars), Campeche (\$57 millions) and Quintana Roo (\$106 millions). In general terms, these estimates suggest that the performance of remittances in 2014 could provide expanded capital flows to most of the central-western states in the country; less so to states in the south-southeast of the country; and that the biggest gains could be in the Baja California peninsula and the northern region in Mexico.

Chart 8

**The top-10 states which are likely to have the highest growth rates of remittances in 2014e
(% annual variation)**



e: estimate.
Source: BBVA Research estimates. May 2014.

Chart 9

**The top-10 states which are likely to have the highest accumulated flows of remittances in 2014e
(Million US dollars)**



e: estimate.
Source: BBVA Research estimates. May 2014.

Concluding remarks

The analysis laid out in this section shows that over the last decade, remittances became a very important source of external revenue for the economies of many states and regions in Mexico. This was especially true in those states with a long migratory tradition to the US, such as Michoacán, Guanajuato, Jalisco and Zacatecas, but also for states in the central and southern region of the country that have joined the international migration push more recently, such as the state of Mexico, Hidalgo, Veracruz and Chiapas.

Nevertheless, the stagnation of net migration of Mexicans to the U.S. in the last few years, a result of the global economic downturn, has brought about a fall in remittances to all the states in Mexico. Estimates indicate that the reduction in the remittance totals was greater in those states which, since the mid-nineties and the initial years of this millennium, showed an increasing share in the migratory flows towards the United States. By contrast, the states to the north of the country suffered the smallest reductions in their remittance totals and, as such, have shown greater recovery in recent years. BBVA Research estimates indicate that it is also these states which may show higher percentage increases for 2014, the most spectacular example of which is the state of Baja California. However, as we pointed out above, these states are those which, on average, receive lower amount of remittances when compared with the rest of the country.

The changes in the levels and trends of family remittances by state and region represent major challenges in terms of economic and social development policies, since as we have signaled in these pages, remittances are a vitally important resource for many Mexican households, in many cases representing the sole source of income. In other Issues of *Mexico Migration Outlook* we have noted how the reduction in remittances had the effect of increasing poverty in those states most dependent on these incomes, undoubtedly due to the fact that international migration has become a way of life for many households. As it has been documented, the lack of work and the search for a better life are some of the factors pushing people to migrate beyond their borders.

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Box 1. Status of U.S. Immigration Reform

Although everything appears to be on course for a little over 11 million undocumented people to seek to regularize their immigration status in the United States, the path to immigration reform appears to be long and uncertain

The Border Security, Economic Opportunity, and Immigration Modernization Act (S.744), which includes a path for legalizing the slightly more than 11 million undocumented immigrants living in the United States, has faced a tough battle in the House of Representatives ever since it was passed by the Senate on 27 June 2013. This situation was to be expected since, weeks before its approval, Republican leaders were making their discontent known. In fact, last year, President Obama and Democratic legislators did not succeed in convincing Republican congress members, who hold the majority in the lower house, to put to a vote the cross-party bill which had been approved by the Senate. Using the argument that this is not the right bill for solving the immigration system in the United States, the Republicans stated that they would draw up their own bill. Thus, immigration reform took a back seat in the eyes of legislators in the final months of 2013.

It was until the end of January 2014, when the Republican John Boehner, Chairman of the House of Representatives in the U.S., published a list of principles for his immigration reform bill, among which was the recommendation to legalize the undocumented people who have been living in the country for a long time, who do not have criminal records, agreed to pay important penalties and speak English. That is, it was a proposal in favor of the “dreamers” and students without papers who arrived in the country as children. Nevertheless, a week later, during his regular press conference, Boehner commented that he had not realized how difficult it was going to be to make progress on the reform project this year, and that one of the main reasons was the lack of confidence in President Obama by members of the congress. From then onwards, the scenario became more complicated, since the Democrats blamed the Republicans for blocking the immigration reform’s progress. For their part, the Republicans denied these accusations, and indicated that groups of Representatives would continue to discussing the best way of approving the immigration reform.

The Barack Obama administration remains optimistic that the immigration reform will be passed this year

At the beginning of February, during the last day of the House of Representatives Democrats’ annual retreat, President Obama reiterated that one of his legislative priorities for this year would be immigration reform. However, Democrats and Republicans have not managed to reach an agreement. It seems that the most controversial point of the disagreement was the question of regulating undocumented immigrants and the possibility that they might try to gain US citizenship. The Republicans made clear that they would have to comply with a series of measures before beginning the process of legalizing the immigrant population living in the country, these being: border security certification; the E-Verify employment verification system, and others. They also open up the possibility of reform in parts, that is, a step-by-step reform, according to the country’s migration needs. Meanwhile, President Obama and his team have stood firm in their position of not supporting an integral law project unless it offers a route to legalization.

Almost a year after the bipartisan bill was passed in Senate, Immigration Reform is still stuck

In view of this situation, analysts and political leaders consider that the immigration reform is unlikely to be passed in 2014, due to the fact that it is a legislative election year, with elections to Congress in November, which practically blurs the migration issue of the of political map. They have even pointed out that the prospects for approving an immigration reform after 2014 are more difficult, as a result of the start of the electoral process with an eye to the presidential election in 2016. Nevertheless, it is also true that if both parties want the Latino vote, they need to act decisively to regularize the situation of millions of undocumented immigrants who have not resolved their immigration status. The unclear future of the Immigration Reform has ramped up the political and social pressure on Barack Obama. Activists and pro-immigrant groups insist that the President exercise his authority so that an immigration reform is passed before the end of his term. Added to this is the issue of the deportations of immigrants, which has led to the separation of thousands of families. About 1.9 million immigrants have been deported by the Obama administration, a figure which is much higher than the deportations carried out under previous administrations in the United States.

Immigration reform in the United States: an uncertain future

Undoubtedly, the future of the immigration reform is still uncertain. However, should the law be passed, one of the first consequences for Mexican immigration would be the legalization of millions of immigrants who are currently living in the United States, which could be an incentive for circular migration flows between both countries. This, in turn, would bring benefits to Mexico through remittance receipts. Nevertheless, it is also true that Mexicans who do not succeed in benefiting from this law will run the risk of being deported, and with it this will reduce the flows and amounts of remittances. The question left unanswered is: how would the introduction of the immigration reform affect the remittance flows sent to Mexico? The results presented in some researches show that, for example, that lengthier stays, regularization and gaining citizenship in the destination country do influence the amounts, frequency and the decision of migrants to send back remittances to their country of origin. However, research has also shown that the more circular people's migration patterns are, the bigger the remittance flows.

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3. Features of microenterprises in the industrial, commercial and services sectors run by remittances-receiving households in Mexico

The debate about remittances and productive investment is one of the most common and important subject for analysis by academics working in the international migration field. Despite the fact that remittances incomes are used mainly for consumption, a small part of these resources is kept as savings and used as productive investment. In the case of Mexico, this fact is particularly evident in some states with high-level of Migration intensity between U.S. and Mexico, such as Jalisco, Guanajuato, Michoacán, Zacatecas, Nayarit and Durango, as well as in other countries and regions of the world, where the remittances sent by migrants to their families and friends remaining in their place of origin have provided the necessary funds for starting, buying, extending or consolidating a small business.

Data from the Survey of Migration at the Northern Border of Mexico (EMIF NORTE) shows that, in 2012, of all immigrants replying that they had sent remittances back to Mexico, 6% said that these resources were being used as savings or for productive investment. This figure is consistent with that reported in other research works. For example, by using information collected by the Survey on International Immigrants Reintegration (EREM) in 2000, Papil (2002) found that in the remittances-receiving households in the population centers surveyed in the state of Jalisco, 6% of total remittances were directly invested in business creation. Similarly, it has been pointed out that some organizations and immigrant clubs are sending collective remittances to support the creation of microenterprises in their places of origin, with the support of governments, such as the 3X1 Program in Mexico, and privately run institutions. This kind of microenterprises ranges from small grocery stores and the sale of footwear and/clothing to small industrial and textile workshops.

Nevertheless, the empirical evidence also shows that the type or activity of the microenterprises, its success and the impact on local and regional economies depend on a series of demographic, economic and social factors, of both the people and the communities receiving the remittances. Thus, for example, cases may exist in which remittances can contribute to the survival of the microenterprise, but not to its becoming more successful, since its profits or earnings may be used to support the household, particularly in the case of those located in the rural area. Likewise, remittances may contribute to solving some capital problems, but they cannot substitute for the need for their owners to carry out business activities and set targets. With this on background, we must re-think about the effect of remittances on the creation, continuation and growth of microenterprises compared with those which do not have remittance income.

In this context, this article analyses the principal characteristics of industrial, commercial and services microenterprises run by remittances-receiving households in Mexico. The goal is to generate a first approximation of the possible effects of receiving remittances in the characteristics of microenterprises and to establish the degree of differentiation between companies run by remittances-receiving households and those without this inflow. First, we present a brief explanation of the main lines of the research around the relationship between migration, remittances and productive activities. Next, we describe the socio-demographic profile of microbusiness owners, and then we go on to list the key characteristics of the microenterprises run by households with remittances, emphasizing certain areas such as: the economic industry, sales and revenues, and the specific business activity, among others.

Productive activities relating to migration and remittances

Existing literature on the effect of migration and remittances on productive activities in the countries of origin can be classified, in broad-brush terms, in three groups:

1. Productive activities carried out by households with returning migrants, which generally take place in the region of origin.
2. Productive activities accomplished by those who remain, taking into account the emigration of one member of the family and before receiving remittances.
3. Productive activities carried out by remittances-receiving households.

In the first group, business is generally conducted with resources saved by the migrants from their work outside the country. These companies can be classified, in their turn, by 1) activities which apply the knowledge and capabilities learned on the job carried out by the migrants abroad; 2) businesses linked to the family tradition or custom or that of the home community; and 3) others.

For example, Osorno and Romero (2014) in a case study carried out in Huauchinango, Puebla, identify three groups of businesses run by returning migrant entrepreneurs: 1) street hawking selling foodstuffs, pirated goods, costume jewelry or second-hand articles; 2) setting up grocery shops, generally known as "tienditas de la esquina", which are low-profile outlets operating out of the garage or the sitting room, designed to be discreet so as to avoid paying taxes; and 3) employment in the services sector in activities such as plumbing, house-painting, electrical work, gardening, car-washing and similar occupations.

Ramírez and González (1999) have already noted that in Teocaltiche, Jalisco, most returning migrants take up similar forms of work to those they did in the United States, so they tend to open businesses connected to vehicle repair, construction, cooking, maintenance of machinery for textile and clothing manufacture and teaching English. Along these lines, Sheehan and Riosmena (2013), when analyzing the creation of companies and the informal economy in urban zones, have found a positive association between migration and setting up a company, principally in the informal sector, where most microenterprises operate in Mexico.

In the second group of activities, and as Wang (2013) so rightly pointed out, few studies have been conducted on the productive activities carried out by those who remain, taking into account the emigration of one member of the family and before receiving remittances. The emigration of one person as a household strategy is generally funded with household resources (Stark and Bloom, 1985), and in some cases the emigrant is the head of the household or the main breadwinner, so the family has to look for a temporary form of livelihood, counting on a future income stream from abroad. In an analysis of two cohorts from the Mexican Family Life Survey, this author found evidence of the start of productive activities by those who remain, motivated by the temporary economic restriction facing the household, between the departure of a household member and the first remittances arrival.

The third group of productive activities is related or set up from the reception of remittances. In general, as mentioned above, it is accepted that most of the resources coming from abroad are used on consumption; however the literature frequently includes case studies about the relationship between remittances and setting up microenterprises. Some of these are described in brief below.

Orozco (2007) argues that both remittances as investment in business and property, and donations to communities represent clear and specific forms of asset accumulation, whether by individuals or communities. Based on data about the pattern of asset accumulation in twelve countries in Latin America, this author found that between 10% and 20% of immigrants invested in their country of origin, and 30% saved in some way in their home. Among those sending remittances, 3% operate a microbusiness and 1% take out a loan for this business, whereas among recipients of remittances, 17% operate a microenterprise and 4% take out a loan to do so.

Woodruff and Zenteno (2004), using the Mexico's National Survey of Microenterprises (ENAMIN) of 1998, found that the most common activities for migrant microenterprises are trade (32%), repair services (18%) and manufacturing (13%). The remaining companies operate restaurants (9%), construction-related activities (9%), diverse personal services, including cleaning (7%), professional services (6%) and transport (6%).

Also, the authors found that remittances make up a quarter of the capital invested in microenterprises in urban areas in Mexico, and, considering at the ten states with the highest rates of emigration to the US, they estimate that over 40% of the capital invested in microenterprises is linked to remittances.

Montoya (2007) analyses the case of the municipality of Gabriel Leyva Solano, Sinaloa. In her study, the author documents how, in this municipality, 25% of businesses receive remittances and 14% of the recipients have invested in some sort of enterprise. Microenterprises are generally small traders (grocery stores and clothes shops). The author concludes that the productive use of remittances and their success is related to the level of dynamism in the local market, in addition to circular migration and supporting social networks in home communities.

Rosas *et al.* (2010) describe the case of a successful business in Urireo, Guanajuato, set up using remittances sent principally by a son of the family which owned the business. The enterprise has become the biggest producer and marketer of fresh cactus pear in the region. It also pickles and bottles cactus pear and jam chutney with it. The company has developed barcode, designed its corporate identity, its stationery with its own logo, microbiological and nutritional analyses for its products, as well as labelling in English and Spanish. The authors of the study put the success of the firm down to two circumstances: 1) one family member had the experience necessary for starting the business; and 2) the conditions were right for starting the company and continuing with it until it was officially registered.

García-Herrera *et al.* (2006) found, in a study they conducted in the region of Pinos, Zacatecas, that even though a large part of the remittances was used to feed the family and build houses, 58.5% of remittance recipients converted these resources into some kind of productive activity. Of these, 43.6% turned to farming prickly pear, 1.4% bought machinery, 6.4% purchased livestock and 7.1% used it to buy land. The authors suggest that remittances are concentrated on prickly pear farming in this region, because it is seen as a safe and profitable investment, since it offers regional development for migrant producers.

In terms of the flow of resources from abroad to the state of Chiapas, Peláez *et al.* (2013) highlight that remittances are not the migrant's savings, but rather the part of his or her wage to which the family has not yet had access. Thus, the arrival of remittances does not necessarily have to be reflected in private investment projects which stimulate the economic growth of the migrants' town or region of origin. They find that: "remittances tend to substitute the wages that households have stopped receiving because one or more of its members has gone abroad and that, in the short-term, a significant portion of remittances is saved" (Peláez *et al.*, 2013, 289p), but not spent on investment.

As we can see, there is no one consensus about the impact of remittances on the formation, continuation or growth of microenterprises. De la Rosa *et al.* (2006) point out that it is important to stress that the productive use of remittances is not limited exclusively to business start-up, but also investment in human capital, by spending on education and healthcare, since not all consumption is unproductive, but also generates value chains.

So, they identify four investment types stemming from the reception of this kind of resource: a) investment in assets, such as buying land or buying and refurbishing the home; b) investment in capital goods, such as the purchase of vehicles, machinery and tools to improve land use or increase the efficiency of a pre-existing business; c) formation of new small businesses or enterprises, with the aim of increasing income to sustain the household; and d) investment in human capital, principally in education and healthcare, as noted in several researches on the subject.

In short, these case studies show that a small proportion of resources coming from abroad is invested in productive activities and that the latter have tangible benefits under certain circumstances. However, not all case studies describe success stories; furthermore, results exist, although they are not significant in statistical terms, which are critical of the productive use of remittances in Mexico.

Source of data and indicators

In order to fulfil the aim of the study, we used information from the National Survey of Household Income and Expenditure (ENIGH) 2012. In particular, we used a sub-sample from the survey which contains information about industrial, commercial and service-providing household businesses. In this way, by merging various tables of the ENIGH, we obtained socio-economic information for the person who was carrying out the activity, the sector and particular focus of activity, and the specifics of each business.

Likewise, using quarterly income and expenditure information on the activities of the remittances-receiving households' microenterprises, we built the following indicators: 1) sales volumes in Mexican pesos (a value which is useful for estimating the firm's average cash flow and its relative size); 2) income level; and 3) the estimated total value of the products and/or services produced by the business which are used for household consumption (own consumption), with the aim of obtaining information which may indicate whether the main purpose of the business is to obtain earnings and whether it is a sustainable enterprise in the medium term.

Furthermore, we built more indicators about the microenterprises, by type of economic sector, whether the enterprise was mobile as in the case of street vending and take-away services, as well as other features such as the issue of tax receipts, keeping company accounts and having employees. This is with the aim of evaluating the likelihood of a business being able to operate in the formal market because it receives resources in Mexico which come from abroad.

Socio-demographic profile of microenterprises who receive remittances

Table 2 displays information about the socio-demographic profile of owners of micro-enterprises separated according to whether they receive remittances in their households or not. In terms of gender, the figures show that more than half of the owners of micro-enterprises in Mexico are women (54.1%), and that the proportion of female owners is higher in households receiving remittances than in those family units not receiving remittances from abroad: 62.3% and 53.6% respectively. In other words, this data suggests that women are more likely to run small businesses and to have access to remittances.

The average age of microentrepreneurs is 44.5 years old, although the average age is a little higher among those with access to remittances than those without. These results are consistent with those reported in some case studies, where it was found that households with adult members are more likely to receive remittances from their children or other family members and that they have higher levels of dependency on these incomes (Ramírez and Román, 2007).

In terms of the educational attainment, the data indicate that microentrepreneurs have low levels of schooling, particularly those living in households receiving remittances from abroad, where 27.9% attended junior-high school or passed at least one year. This figure is important, since it has been documented that the level of education has a positive impact on the income level of individuals and, as such, it is believed also to have an impact on the management of a micro-enterprise, making it easier to deploy certain capabilities to develop the business and make it grow. As to the type of family involvement in the micro-enterprise, nearly all the businesses are owned (98%). A high proportion of remittances-receiving microentrepreneurs live in the countryside or mixed rural-urban environments (see Box 2).

Table 2

Socio-demographic profile of microentrepreneurs in Mexico, according to whether the household receives remittances, 2012 (%)

| Microentrepreneurs in Mexico, 2012 | Households | | |
|------------------------------------|------------|---------------------------|---------------------------|
| | Total | Not receiving remittances | Recipients of remittances |
| Sex | 100.0 | 100.0 | 100.0 |
| Men | 45.9 | 46.4 | 37.7 |
| Women | 54.1 | 53.6 | 62.3 |
| Average age | 44.5 | 44.2 | 49.5 |
| Marital status | 100.0 | 100.0 | 100.0 |
| Married / Living with someone | 31.5 | 31.8 | 25.8 |
| Single / Separated | 68.6 | 68.3 | 74.2 |
| Level of Education * | 100.0 | 100.0 | 100.0 |
| No education | 7.6 | 7.2 | 13.8 |
| Primary | 35.7 | 35.3 | 42.3 |
| Junior-high school | 26.6 | 26.6 | 27.9 |
| High school | 13.7 | 14.2 | 5.1 |
| Professional | 15.2 | 15.5 | 10.9 |
| Postgraduate | 1.1 | 1.2 | - |
| Has family members as partners | 100.0 | 100.0 | 100.0 |
| Yes | 1.81 | 1.77 | 2.41 |
| No | 98.19 | 98.23 | 97.59 |

NB: * Includes completed and uncompleted level

Source: Self-elaborated using estimates from the ENIGH, 2012.

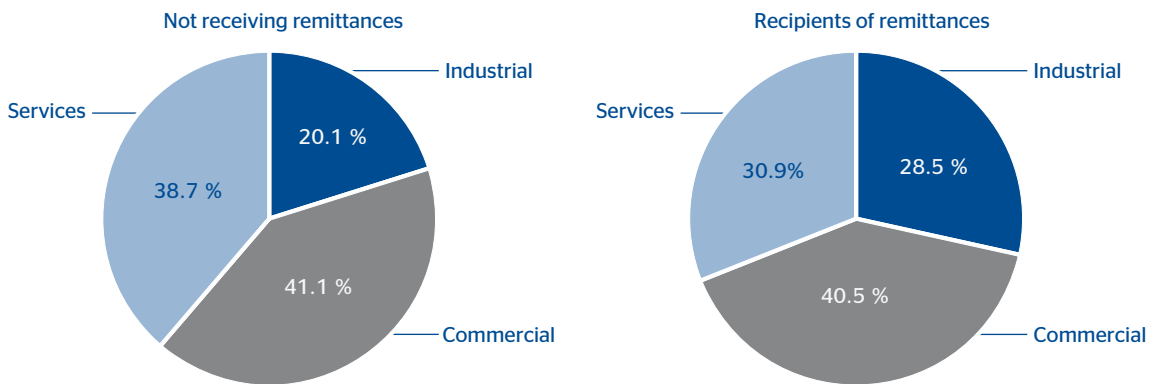
Micro-enterprises run by households receiving remittances

As mentioned at the beginning of this section, the microenterprises set up by members of remittances-receiving households in Mexico are extraordinarily diverse in size, production destination and economic activity. In this case, according to data of the National Survey of Household Income and Expenditure (ENIGH), 40.5% of households receiving remittances and 33.5% of those who do not, had one or more businesses in 2012. Of those in the first category, 18.2% had one or more agricultural business and 26.7% one or more microenterprises in the industrial, trade or services sector. Of those in the second category (no remittances), this share was 10.0% and 26.2%, respectively.

This study will analyze solely non-farm microenterprises. In terms of the sector of economic activity, the 2012 ENIGH figures show that most microenterprises in Mexican households operate in trade, followed by industry. These two sectors concentrate nearly 80% of household microenterprises. Nevertheless, when we analyzed this concentration pattern by the reception of remittances condition, the data revealed major differences. For example, whereas 28.5% of household microenterprises focus on the industrial sector, this figure is barely 20.1% in the case of household businesses without remittances. By contrast, the percentage of businesses working in the services sector is higher in households without remittances than in those who receive them: 38.7% and 30.9% respectively.

Chart 10 y 11

Economic sector of microenterprises and receipt of remittances in Mexico, 2012



Source: Self-elaborated using estimates from the ENIGH, 2012.

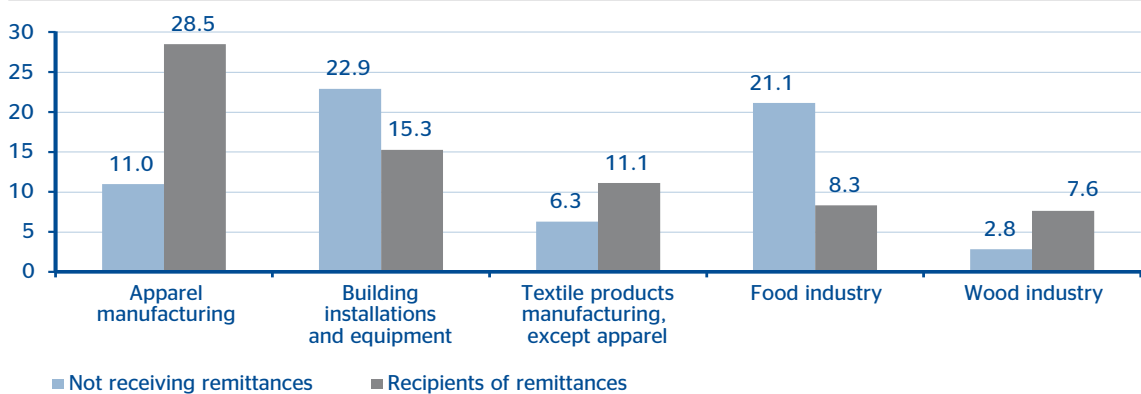
NAICS classification of the microenterprises of recipient households

In order to analyze more deeply and by economic sector those microenterprises run by remittances-receiving households, a more detailed description is given below, using a classification system based on the North American Industry Classification System (NAICS¹). These kinds of cataloguing systems are very useful in this sort of analysis, since they group and organize information about the businesses and companies in a systematic and homogeneous manner, by creating mutually exclusive categories; in other words, there are no overlaps or repetitions between categories.

As far as the distribution of industrial microenterprises is concerned, chart 12 shows that 28.5% of microenterprises which receive remittances are involved in apparel manufacture, while in households that do not receive remittances, 22.9% of businesses are associated with the building installations and equipment, and a similar percentage (21.1%) with the food industry.

Chart 12

NAICS classification of industrial microenterprises run by households in Mexico and remittance reception, 2012 (%)



Source: Self-elaborated using estimates from the ENIGH, 2012.

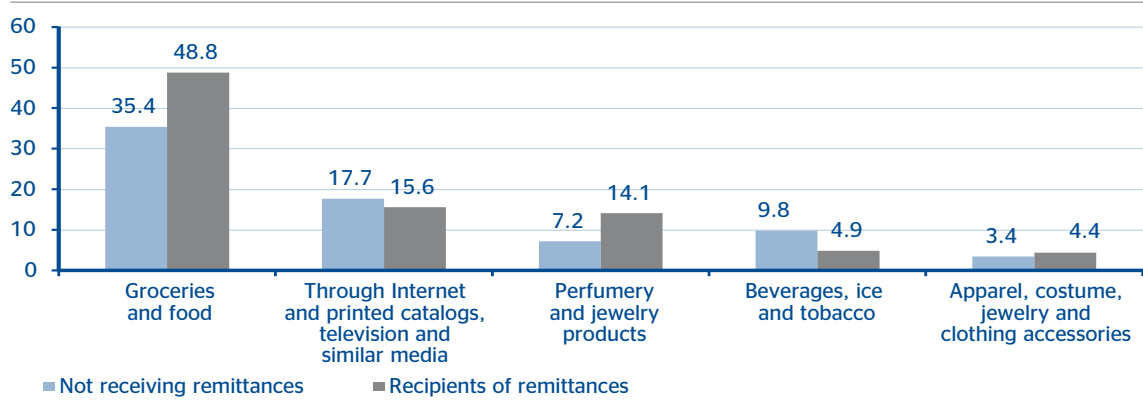
When we look at the type of microenterprises involved in commercial activities, the figures do not vary significantly whether the household receives remittances or not (Pearson Chi2 > 0.05). Nevertheless, nearly half the households receiving remittances are involved in groceries and food trade (48.8%), more than in the case of households not receiving remittances. Among the latter group, on the other hand,

¹ In 1994 the three North American countries started a joint project to develop a new classification system for economic activities which would be used when generating all economic statistics. This is how the North American Industry Classification System (NAICS) was born.

the percentage of businesses selling through Internet and printed catalogs, television and similar media (17.7%), and those selling beverages, ice and tobacco (9.8%) is higher. These results are consistent with those reported in other studies, about the heterogeneous nature of this economic sector.

Chart 13

NAICS classification of microenterprises in commercial sector in Mexican households and remittance reception, 2012 (%)

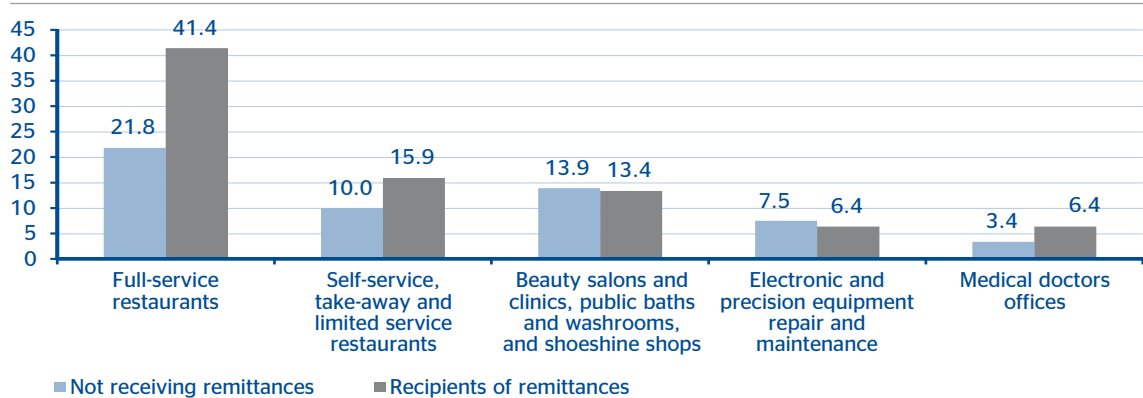


Source: Self-elaborated using estimates from the ENIGH, 2012.

In terms of microenterprises active in the services sector, chart 14 shows that, of those run by households which receive remittances, full-service restaurants have a large weighting, with 41.4% of the whole, a much higher proportion than among households without remittances (21.8%). Likewise, the percentage of self-service, take-away and limited service restaurants, as well as beauty salons and clinics, public baths and washrooms, and shoeshine shops, is also higher among the group of households receiving remittances: 15.9% and 13.4% respectively.

Chart 14

NAICS classification of micro-enterprises in services in Mexican households and remittance reception, 2012 (%)



Source: Self-elaborated using estimates from the ENIGH, 2012.

Cash flow indicators in microenterprises from recipient households

According to quarterly figures given by the ENIGH of 2012, it seems likely that households receiving remittances are, on average, more dependent on the cash flow generated by their microenterprises. Thus, the figures in Table 3 show that the income from microenterprises run by remittances-receiving households is, on average, a higher proportion of their sales than those run by households without

remittances, whether they are in the industrial sector (52.2% against 45.9%); or in trade (67.0% compared to 29.3%). However, the opposite is true in the services sector (46.9% against 51.6%).

The quarterly figures also show, as laid out in table 3, how self-consumption on the part of microenterprises with remittances is, on average, a greater proportion of sales than in the case of non-recipient households, and this comparison holds in the three activity sectors: industrial (3.2% compared to 1.0%); commercial (2.9% compared to 2.3%); and services (6.4% compared to 4.3%), which may be an indicator that the main purpose of the microenterprise is to obtain resources to support the household. There could be a negative effect of remittances on business sustainability in the medium term, because households depend to a higher degree on their cash flows, and their ability to save is also vitiated because they are own-consumption microenterprises.

Table 3

Variables in levels from households' business in Mexico with and without remittances, 2012. (Pesos)

| | Not receiving remittances | | Receiving remittances | |
|---|---------------------------|---------|-----------------------|---------|
| | Average | % Sales | Average | % Sales |
| Companies in the industrial sector | | | | |
| Quarterly sales | 22,469 | | 6,582 | |
| Quarterly income | 10,309 | 45.9% | 3,437 | 52.2% |
| Quarterly self-consumption | 220 | 1.0% | 209 | 3.2% |
| Companies in the commercial sector | | | | |
| Quarterly sales | 33,271 | | 33,700 | |
| Quarterly income | 9,742 | 29.3% | 22,590 | 67.0% |
| Quarterly self-consumption | 760 | 2.3% | 992 | 2.9% |
| Companies in the services sector | | | | |
| Quarterly sales | 25,354 | | 15,334 | |
| Quarterly income | 13,084 | 51.6% | 7,196 | 46.9% |
| Quarterly self-consumption | 1,098 | 4.3% | 980 | 6.4% |

Source: Self-elaborated using estimates from the ENIGH, 2012.

Other variables about microenterprises from recipient households

The final part of the study presents certain features of microenterprises by economic activity and whether they receive remittances or not. In general terms, the figures in table 4 show that among microenterprises in the industrial sector, activities carried out inside the home itself are more frequent in receiving remittances households, whereas activities in the customer's address are more common in microenterprises without remittances. It is important to note that a high proportion of microenterprises uses neither invoices, reliable company records nor business partners, irrespective of whether the household is receiving remittances. Likewise, only 14.4% of those microenterprises not receiving remittances, and 11.5% of those which do, work all year round, and only three of every ten has employees, 32.1% and 29.3% respectively.

When it comes to activities in trade, at-home activities and those carried out in the customer's address are more highly represented in microenterprises receiving remittances. It is pertinent to note that mobile "street" businesses are more concentrated in households not receiving remittances. As with industrial microenterprises, very few businesses issue invoices, keep reliable company records, have partners, work all year round or have employees.

Finally, in terms of activities in the services sector, it can be seen that microenterprises run by remittances-receiving households tend to carry out their economic activity in their own homes or engage in street activities; half of them have employees.

Table 4

Binary variables in household businesses in Mexico, with and without remittances, 2012

| Non-farm microenterprises in Mexico, 2012 | Not receiving remittances | | Receiving remittances | |
|---|---------------------------|-------|-----------------------|-------|
| | No, % | Yes % | No, % | Yes % |
| Industrial sector | | | | |
| Activity in own home | 42.0 | 58.0 | 28.3 | 71.7 |
| Street activity | 96.8 | 3.2 | 97.5 | 2.5 |
| Activity in customer's home | 67.8 | 32.2 | 83.2 | 16.8 |
| Tax receipt | 99.0 | 1.0 | 100 | 0.0 |
| Company accounts | 98.0 | 2.0 | 100 | 0.0 |
| Has partners | 98.1 | 1.9 | 100 | 0.0 |
| Year-round activity | 85.6 | 14.4 | 88.5 | 11.5 |
| Has employees | 67.9 | 32.1 | 70.7 | 29.3 |
| Commercial sector | | | | |
| Activity in own home | 73.5 | 26.5 | 59.0 | 41.0 |
| Street activity | 69.0 | 31.0 | 87.9 | 12.1 |
| Activity in customer's home | 80.3 | 19.7 | 72.1 | 27.9 |
| Tax receipt | 97.6 | 2.4 | 94.3 | 5.7 |
| Company accounts | 94.7 | 5.3 | 93.6 | 6.4 |
| Has partners | 99.5 | 0.5 | 98.6 | 1.4 |
| Year-round activity | 95.0 | 5.0 | 97.1 | 2.9 |
| Has employees | 64.6 | 35.4 | 64.6 | 35.4 |
| Services sector | | | | |
| Activity in own home | 59.7 | 40.3 | 47.2 | 52.8 |
| Street activity | 79.8 | 20.2 | 86.1 | 13.9 |
| Activity in customer's home | 83.0 | 17.0 | 100 | 0.0 |
| Tax receipt | 96.9 | 3.1 | 100 | 0.0 |
| Company accounts | 92.0 | 8.0 | 90.6 | 9.4 |
| Has partners | 97.0 | 3.0 | 93.9 | 6.1 |
| Year-round activity | 90.1 | 9.9 | 93.3 | 6.7 |
| Has employees | 65.5 | 34.5 | 49.7 | 50.3 |

Source: Self-elaborated using estimates from the ENIGH, 2012.

Conclusions and recommendations

EMIF figures indicate that the proportion of remittances being used to make productive investments in migrants' place of origin has risen in recent years, from 4.7% in 2010, to 5.4% in 2011 and 6.0% in 2012.

This figure is important, since remittances can have an impact on the decision to start a business, on the size of the company, or on keeping the enterprises going. These resources can also be used as seed capital for new microenterprises in different productive activities. However, Mexico lacks an economic infrastructure with the necessary advantages to expand this type of business, nor is there a clear description of its main characteristics, challenges and opportunities.

According to the quarterly figures reported in the ENIGH of 2012, it seems likely that households receiving remittances are, on average, more dependent on the cash flow generated by their microenterprises. In addition, own consumption on the part of microenterprises with remittances is a greater proportion of their sales compared to non-recipient households. Thus it would appear that the absence of a member of the household has a greater weighting than income from remittances in terms of the effects on the medium-term sustainability of household businesses in Mexico.

Some research carried out in Mexico (at both municipal and state level) have analyzed the specific activity of households receiving remittances, and these describe success stories involving this kind of microenterprise. The results of these studies highlight that it is important to know the characteristics of the household microenterprises with remittances, because creating sustainable microcompanies depends both on where the business is located and on the profit-strengthening strategy of having revenue coming from abroad. It is here that programs are needed, in each of the economic sectors where most micro-enterprises with remittances operate, to provide advice and training in the development of productive projects, by preparing business plans for example, while the involvement of value chains in the region is also crucial.

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Box 2: Key features of remittances-receiving households

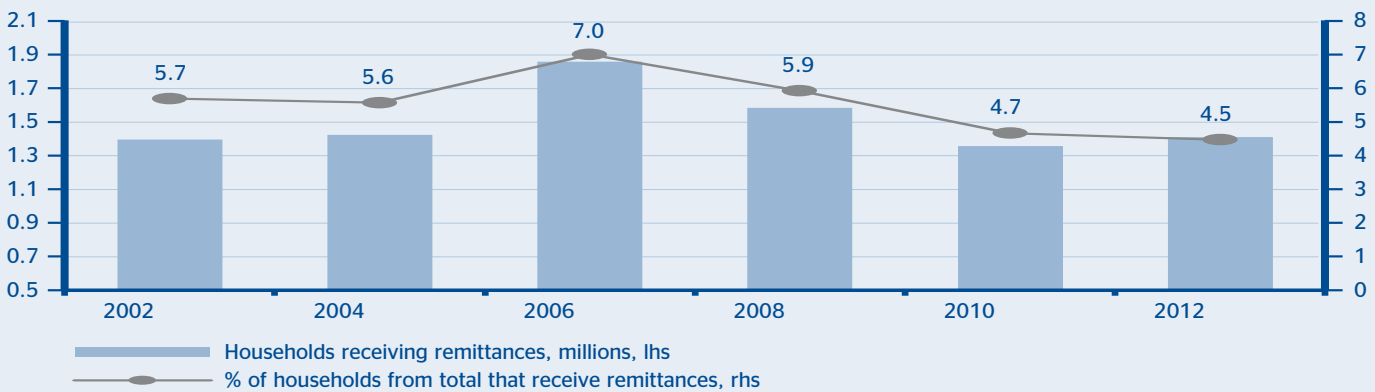
In 2012, according to data from National Survey of Household Income and Expenditure (ENIGH), 1.4 million households received cash remittances from abroad, representing around 4.5% of Mexico’s total number of households. This figure is lower than it has been in recent years, perhaps due to the drop in remittance flows and in migration from Mexico to the United States, after the global economic crisis of 2008, which caused some households to stop receiving income from abroad.

Most of these family units are in rural and semi-rural locations across all the country, but principally in municipalities classified as having a medium, high or very high degree of exclusion, which is in sharp contrast with non-recipient households, of which over half are in urban localities and municipalities with very low exclusion degree. In terms of their structure and internal composition, we can say that, in general terms, it is much more common for the head of the household in these homes to be a woman than in the rest of the population. This result is accounted for by the fact that when the husband

temporarily migrates, women tend to take on that position of fact, and this has been found in certain communities with a high degree of Mexico-US migration. Heads of remittances-receiving households have an average age of 53.1 years, and low levels of schooling, with scarcely more than half having had primary schooling (52.4%), and 16.5% with no school attainment.

The average size of households receiving remittances is 3.9 members, slightly higher than the average in non-recipient households. Likewise, we should remember that households receiving remittances are characterised by having a higher proportion of children under 12 years old, as well as lower percentages of the working population, which reveals a high dependence on resources coming from abroad. According to ENIGH (2012) figures, remittances represent 21.5% of the current income of the households receiving them in Mexico. Among households without remittances the main source of resources is income from work (67.1%).

Chart 15
Households receiving remittances in Mexico, 2002-12



Source: BBVA Research based on figures from the ENIGH, several years.

Table 5

Characteristics of households in Mexico with and without remittances, 2012

| Households in Mexico, 2012 | Without remittances | | With remittances | |
|--|---------------------|---------------|------------------|---------------|
| | Thousands | % of total | Thousands | % of total |
| Total households in Mexico | 30,149 | 100.0% | 1,411 | 100.0% |
| Gender of head of the household | 30,149 | 100.0% | 1,411 | 100.0% |
| Male | 22,781 | 75.6% | 795 | 56.3% |
| Female | 7,368 | 24.4% | 616 | 43.7% |
| Schooling level of head of the household * | 30,149 | 100.0% | 1,411 | 100.0% |
| No schooling | 2,598 | 8.6% | 233 | 16.5% |
| Primary | 10,695 | 35.5% | 740 | 52.4% |
| Junior high | 8,257 | 27.4% | 303 | 21.5% |
| High school | 3,978 | 13.2% | 79 | 5.6% |
| Professional | 3,952 | 13.1% | 52 | 3.7% |
| Postgraduate | 669 | 2.2% | 5 | 0.3% |
| Average age of the head of the household | | 48.4 | | 53.1 |
| Average number of household members | | 3.71 | | 3.87 |
| Ratio of women/men in the household | | 1.12 | | 0.97 |
| % of minors under 12 in the household | | 17.3% | | 18.4% |
| % of employed in the household | | 49.4% | | 44.3% |
| Degree of municipal exclusion | 30,149 | 100.0% | 1,411 | 100.0% |
| Very high | 1,655 | 5.5% | 96 | 6.8% |
| High | 1,732 | 5.7% | 102 | 7.2% |
| Medium | 5,151 | 17.1% | 496 | 35.2% |
| Low | 4,651 | 15.4% | 343 | 24.3% |
| Very low | 16,960 | 56.3% | 374 | 26.5% |
| Type of environment | 30,149 | 100.0% | 1,411 | 100.0% |
| Urban | 19,910 | 66.0% | 529 | 37.5% |
| Rural or semi-rural | 10,238 | 34.0% | 882 | 62.5% |
| Income | | | | |
| Current income | 38,388 | 100.0% | 29,697 | 100.0% |
| Income from work | 25,752 | 67.1% | 14,362 | 48.4% |
| Property rentals | 1,596 | 4.2% | 825 | 2.8% |
| Remittances | -- | -- | 6,398 | 21.5% |
| Other transfers | 6,346 | 16.5% | 11,043 | 15.6% |
| Estimate of rent | 4,648 | 12.1% | 3,461 | 11.7% |
| Other current income | 46 | 0.1% | 7 | 0.0% |

Note: * Includes completed and uncompleted level

Source: BBVA Research based on ENIGH estimates, 2012.

4. Do remittances encourage financial inclusion in Mexico?

Remittances, the sums of money which international migrants send from abroad to their countries of origin, represent an important injection of economic resources into specific sectors of national, regional and local economies. Empirical evidence suggests that remittances may encourage economic growth and development in the financial sector in certain countries, as well as the financial inclusion of migrants and their families, since the processes of both sending and receiving remittances increase the use of financial services by issuers and recipients in making deposits and cash transfers, and also in applying for credits and loans, opening savings accounts, and other banking services (Giuliano & Ruiz-Arranz, 2009; Orozco & Fedewa, 2005; Anzoategui *et al.*, 2011; Aggrawal *et al.*, 2006; Gibson *et al.*, 2006, 2007 and 2012; IMF, 2005).

There is now a body of research available about the effect of remittances on the financial systems of migrants' countries of origin and destination. From the perspective of the country sending the remittances, the debate has focused on establishing the knowledge and use of banking services on the part of immigrants (Gibson *et al.*, 2012); the channels, sending costs and exchange rates applied to remittances (Acosta *et al.*, 2009; Freund & Spatafora (2008); and the impact of remittance flows on the size and efficiency of the financial sector (Orozco & Fedewa, 2005; Alberola & Salvado, 2006). From the point of view of the country receiving the remittances, studies have focused on the measurement, productive investment and savings of this resource (Lozano, 1993; CEPAL, 1988); as well as on analyzing the role played by governments and banking institutions in education and financial services in recipient countries (Cooray, 2012). Even so, to date little is known about the use of, and access to, financial products and services by people and families receiving remittances.

In this context, this *Migration Outlook* study has the principal aim of identifying whether receiving remittances has an effect on some of the variables relating to financial inclusion among people in Mexico receiving this flow of cash. The issue is relevant, since Mexico is one of the countries which receives the most remittances worldwide. According to World Bank figures, in 2013, Mexico was in fourth place among countries receiving remittances internationally, with an approximate total of US\$22 billions, behind only India, China and the Philippines. There is increasing interest in financial system inclusion issues at the moment, as a result of the growth in financial intermediation transactions nationally and regionally, which have changed the magnitude of the resource flows and have reorganized the availability of financial products and services, in both the domestic and the external markets. Furthermore, some recent studies show that financial inclusion may have a positive impact on the standard of living of senders and recipients (Anzoategui *et al.*, 2011).

The section is organized as follows. First, the principal determinant variables of financial inclusion are described, and these will be used as control variables for estimates and for isolate effects that cannot be directly attributed to the reception of remittances. Afterwards, the source for the data and the methodology used to estimate the effects of remittance reception in the financial inclusion of people in Mexico are described. Then, we present the relevant results obtained from the estimated econometric models. Finally, we reach some conclusions and make our closing remarks.

Determinants of financial inclusion

Variables are included in the estimates which, according to the literature and the availability of data sources, are considered to be relevant determinants which may have an influence on financial inclusion. Then we describe some variables that are determinants in financial inclusion, and give the reasons for their inclusion in this study:

- **Gender.** Access to the financial system is different for men and women. Whereas in developed countries 37% of women have an account in a financial institution, this figure goes up to 47% in the case of men.

In Mexico, the National Financial Inclusion Survey (ENIF) of 2012, shows that 42% of men use formal saving, whereas only 30% of women do so. Many studies and measurements (Allen *et al.* 2012; Johnson, 2004) have revealed that women have fewer opportunities to access formal financial services, which is why most social interventions focus on encouraging financial inclusion among women (Samaniego & Tejerina 2010; De los Ríos & Trivelli, 2011).

- **Age.** According to Modigliani's life cycle theory, people tend to smooth their consumption throughout their lives, which is why they accumulate savings during their adult lives and decumulate in youth and old age. This theory assumes that the level of financial inclusion is greater among middle-aged people and, as such, it is interesting to see how this variable behaves in the Mexican context. We take into estimated models the age and age squared to verify whether the lifecycle theory is confirmed.
- **Characteristics of the household to which the person belongs.** The position within the household and marital status are basic variables which are related to access to and use of financial services. Cano *et al.* (2013) point out that people who are married or living together are more prone to being banked, which concurs with the estimate by Allen *et al.* (2012) for countries covered in the Global Findex survey. This study includes a binary variable to establish whether the person is head of the household, and another to identify which are married or living as a couple.
- **Educational attainment.** Schooling is a frequently used variable for analyzing financial decisions, because of its link with financial knowledge and its high correlation with the level of financial education. Authors such as Mitton (2008), Demirgüç-Kunt & Kappler (2012), Kempson *et al.* (2013) and Djankov *et al.* (2008), provide evidence that, whether globally or in Mexico, the better the educational level the higher the level of financial inclusion. For our models, binary variables have been taken which group together the educational levels into: primary or under; junior high; high school; and professional or higher.
- **Occupation.** This category classifies individual's activity types, modelled in three classes of binary variable: occupied workers, inactive workers or population of working age that is not looking for work, and housewives. These variables are frequently shared in studies which model financial inclusion at a macroeconomic level, because the condition of activity or occupation can stress the use, frequency and type of financial services on the part of senders and recipients of remittances (Allen *et al.* 2012, Djankov *et al.* 2008).
- **Capacity to withstand an exogenous shock.** Theoretical debates supporting financial inclusion emphasize that saving and insurance favor wellbeing because of the possibility of mitigating risks (Collins *et al.* 2009; World Bank 2008). This is particularly important for the vulnerable segment of the population which, when faced with exogenous shocks falls into poverty or precarious situations with negative effects on their lives. To measure this issue in the model, a proxy variable was built, shown in a binary choice based on the ENIF question: "If you had a sudden financial need for an amount of money equivalent to what you earn or receive in a month, could you pay it?"
- **Income.** The relation between income and financial inclusion is apparent in most of the studies on financial inclusion; the fact that 62% of the financially excluded in the world are poor is proof of this relationship. Both Allen *et al.* (2012) and Djankov *et al.* (2008), Kadir (2003), Murcia (2007) and Cano *et al.* (2013) include in their studies the income level and find a direct relationship between higher income and financial inclusion. In our case, we took income coming from work, since the ENIF does not provide information about non-labor income. This is a limitation, since it means that individual wealth is underestimated.
- **Size of the locality where individuals live.** Geographical analysis, in large and heterogeneous countries such as Mexico, is crucial. Some studies (Kadir, 2003; and Murcia, 2007), which include this dimension in the models related to financial inclusion, find different effects depending on where the individuals live, which is linked to characteristics such as infrastructure, distance and natural barriers limiting or aiding access to the financial system.

These variables, considered as determinants of financial inclusion, were used as control variables in the estimates referred in this article. Control variables are those whose effects statistically correct a result variable with the aim of estimating the independent effects of the explanatory variable; for this study: the effect of financial inclusion deriving from the characteristic of receiving international remittances. Then the information sources used are described, as is the methodology used for the estimates.

Data and Methodology

The information source for the study come from the data collected by the National Financial Inclusion Survey (ENIF) of 2012, which has the objective to generate statistical information about the use of and access to financial products and services in Mexico on the population between 18 and 70 years old. The ENIF is representative at a national level and, both, by rural localities (less than 15,000 inhabitants) and urban centers (15,000 inhabitants and more). The survey was carried out between 3 and 30 May 2012, and coordinated by National Banking and Securities Commission (CNBV) and the National Statistics and Geography Institute (INEGI).¹

Using answers from questions 9.1 and 9.2 from the ENIF questionnaire, we built the binary variable which allows us to establish whether someone is receiving remittances from abroad or not. The effect on financial inclusion of people receiving remittances is measured by the use of financial products and services quantified by binary variables built from 9 selected questions available in the survey, which are presented in table 6, and constitute the estimates' dependent variables.

Table 6

Binary variables for financial inclusion to be analyzed (Dependent variables)

| Variable | Question from the 2012 ENIF questionnaire |
|---------------|--|
| cuenta_banco | Do you have a savings, payroll, investment or other type of account in a bank? |
| cuenta_ahorro | Do you have a savings account? |
| fondo_inv | Do you have an investment fund? |
| prestamo | Now, including lending institutions and department stores, do you have a loan, credit or credit card? |
| tarj_cred_ban | Do you have a bank credit card? |
| hipoteca | Do you have a mortgage? |
| seguro | Do you have some sort of life insurance, car insurance, house insurance, medical expenses insurance, or similar? |
| suc_banco | From April 2011 to date, have you used a bank branch? |
| caj_auto | From April 2011 to date, have you used any bank ATMs? |

Source: Self-elaborated based on data from the ENIF, 2012.

¹ For more information see: National Financial Inclusion Survey (ENIF) 2012, at: <http://www.inegi.org.mx/est/contenidos/Proyectos/encuestas/hogares/especiales/enif/enif2012/default.aspx>.

In order to analyze the effect of remittances on the financial inclusion of people who are receiving them, we employed econometric analysis using Probit Maximum Likelihood estimation models. In Probit models the dependent variable is binary and takes the value of 1, if the event occurs or a certain characteristic is found; or the value of 0, if it does not occur, or the characteristic is not found. The Probit model estimate is expressed thus:

$$\begin{aligned}
 p_i &= P(y_i = 1 \mid X_i' = x_i', Rem_i = rem_i) \\
 p_i &= \Phi(z_i) = \Phi(\alpha + \beta \cdot Rem_i + X_i' \cdot \gamma + \varepsilon_i) \\
 \Phi^{-1}(p_i) &= z_i = \alpha + \beta \cdot Rem_i + X_i' \cdot \gamma + \varepsilon_i \\
 \text{con } \Phi(z) &= \frac{1}{\sqrt{2\pi}} \int_{-\infty}^z e^{-\frac{1}{2}x^2} dx
 \end{aligned}$$

where:

$\Phi(z)$ probability of the dependent variable occurring,

α constant term,

Rem_i binary variable taking the value of 1 when the person receives international remittances and 0 otherwise,

β coefficient that estimates the marginal effect of Rem_i on $\Phi(z)$,

X_i' transposed matrix containing the control variables,

$\bar{\gamma}$ vector of coefficients for the control variables,

ε_i error term

The estimate of the effect when Rem_i goes from 0 to 1, is calculated using marginal effects considering the control variables at their mean value (*Marginal Effects at the Means, MEMS*). That is:

$$P(y_i = 1 \mid X_i' = \bar{x}_i', Rem_i = 1) - P(y_i = 1 \mid X_i' = \bar{x}_i', Rem_i = 0)$$

Using the control variables described above, two specification models were considered: A and B. Specification A is built by including the variables: 1) gender; 2) age; 3) marital status; 4) whether he/she is head of the household; 5) education attainment; 6) if the person works, whether he/she works in the home, or another category; 7) their capacity to withstand exogenous shocks; and 8) size of the locality. In the specification B, the set of control variables is very similar, but the sample universe is restricted to the people who work; control variables referred to in 6) above can therefore be excluded, while binary variables are added for different levels of labor income. Table 9 in the appendix describes in detail the control variables used for each of these two specifications.

For each financial inclusion variable and each one of the control variable specifications, two models were estimated. The first includes all the control variables, and the second considers only those which are statistically significant to a level of 10%. After this, for each one of these cases the calculations were made both for the sample and also weighted so as to make an inference to the population, which enabled us to analyze the stability of the estimated coefficients.

In this way, for each of the dependent variables for financial inclusion, there is information about eight final estimates. Table 7 summarizes the principal characteristics of the eight estimate models.

Table 7

Principal characteristics of the eight models estimated

| Estimate | Coverage | Variables considered from the specifications | Specification of control variables |
|----------|-----------------------------------|--|------------------------------------|
| 1 | Sample (unweighted) | All | A |
| 2 | | Variables up 10% of significance | B |
| 3 | | | A |
| 4 | | B | |
| 5 | Population inference (SVY module) | All | A |
| 6 | | Variables up to 10% of significance | B |
| 7 | | | A |
| 8 | | B | |

Source: Self-elaborated.

Hypothesis testing is conducted to validate the efficiency of estimates with all control variables versus there spectively regression where control variables are statistically significant at the 10% level. First, for the sample estimates, the Akaike information criterion (AIC) was used to test the parameters. Second, for the estimates that make inference on the population, we used a Wald test for the significance of the parameters in the financial inclusion equation. The results of the test are shown in table 10 in the Appendix.

In general, these tests do not indicate that there is a difference between the estimates considering all the control variables and those which only consider the significant ones. To test for endogeneity, we conduct causality tests and inference on the variance and covariance matrixes, given that the development of the reception country’s financial system may encourage the sending of remittances (Bettin et. al., 2011; Demirgüç-Kunt et. al., 2011), which would generate reverse causality. No evidence was found of an endogenous presence in the variables analyzed.

For simplicity, and given that the variable of interest being analyzed is the effect of the reception of remittances on financial inclusion, only the Marginal Effect at the Means (MEMS) of this variable is shown in the tables. In the description of the results, we only consider estimates at population coverage and where all the control variables are significant to the 10% level; that is, of estimates 7 and 8. The results of the eight estimates for each dependent variable are shown in the table reproduced below.

Effects of receiving international remittances on financial inclusion

The results of the estimated Probit models are explained below, showing the effects of receiving remittances on the variables relating to financial inclusion among recipients, based on data from the 2012 ENIF. In specific terms, these results indicate that:

- 1) **Receiving remittances increases, by a range of between 10.2% and 11.3%, the probability of having a savings account.** This is a robust figure, given that in the eight regressions the coefficient is statistically different from zero at a 99% level of confidence. This figure is consistent with the results of other research on the subject, and is plausible insofar as people receiving remittances may sometimes receive the cash from abroad and keep it in a formal savings account to earn interest on their banked capital; not to mention being able to use these resources as and when their consumption requirements dictate, subsequently investing them in the purchase of property, or to deal with unexpected situations such as accidents or illness (Ramírez, 2009).
- 2) **Receiving remittances increases by between 11.0% and 18.8% the probability of using a bank branch.** Just as in the previous variable, estimates indicate that the result is robust: in seven of the eight estimates the null hypothesis is rejected at a 99% level of confidence, and in the remaining estimate at 95%. In municipalities with a bank branch, recipients of remittances are likely to have their

first experience of the formal financial system when they use these branches to receive remittances from abroad. In these cases, some may use the branches in their home town, and others will have to travel to other towns or to the municipal capital in order to receive the funds.

- 3) **Receiving remittances reduces, by a range of between 7.6% and 12.1%, the likelihood of acquiring an insurance policy.** All estimates indicate that, at a 90% level of confidence, the estimated coefficient is significant. In this case, insurance may be one of the most complicated products for users and its use represents a deeper level of financial inclusion. Estimates suggest that remittance recipients may take fewer precautions to avoid certain risks, or that they have little knowledge of the benefits of having an insurance policy.
- 4) **Receiving remittances reduces by between 8.1% and 8.6% the likelihood of using an ATM.** The four weighted estimates which make an inference for the population are significant, some at a 90% and others at a 95% level of confidence. This result suggests that the channel for withdrawing money is not necessarily an ATM, since people and families receiving remittances may use other means for receiving, storing and withdrawing their remittances, such as simply going to a bank branch and taking the money out by person to person.
- 5) Statistical evidence suggests that receiving remittances does not have an effect on: a) having some kind of account, whether savings, payroll, investment or other in any bank; b) opening an investment fund; c) having any loan, credit or credit card of any kind; d) specifically having a banking credit card; and e) requesting mortgage loans. The a) variable in two of the estimates carried out using sample coverage, had significant results at a 90% level of confidence, whereas the variable in point d) in one of the estimates at a sample level is significant for this same level of confidence. This could suggest that there may be some positive or negative effect on remittance receipt in these two variables; nevertheless, their effect could be very minor or nearly zero.

Table 8

Effect of remittances on the financial inclusion in Mexico, 2012

| Independent variable | Estimate | | | | | | | |
|----------------------|---|------------------------|------------------------|------------------------|--|-------------------------|-------------------------|-------------------------|
| | Sample (unweighted) | | | | Inference on the population (module SVY) | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | Marginal effect on the means (MEM) of the variable with remittances | | | | | | | |
| cuenta_banco | 0.0607 ** [0.0265] | -0.0045 [0.0366] | 0.0617 ** [0.0265] | -0.0022 [0.0362] | 0.0381 [0.0349] | -0.0122 [0.0453] | 0.0351 [0.0347] | -0.0183 [0.0457] |
| cuenta_ahorro | 0.1202 *** [0.0170] | 0.0960 *** [0.0232] | 0.1205 *** [0.0170] | 0.0951 *** [0.0232] | 0.1140 *** [0.0212] | 0.1044 *** [0.0278] | 0.1132 *** [0.0209] | 0.1024 *** [0.0276] |
| fondo_inv | 0.0042 [0.0042] | 0.0014 [0.0063] | 0.0036 [0.0043] | -0.0002 [0.0067] | 0.0073 [0.0050] | 0.0032 [0.0073] | 0.0069 [0.0052] | 0.0023 [0.0081] |
| prestamo | 0.0362 [0.0240] | 0.0339 [0.0287] | 0.0352 [0.0239] | 0.0201 [0.0319] | 0.0339 [0.0287] | 0.0231 [0.0351] | 0.0323 [0.0287] | 0.0124 [0.0358] |
| tarj_cred_ban | 0.0100 [0.0131] | 0.0291 * [0.0172] | 0.0095 [0.0132] | 0.0277 [0.0177] | 0.0020 [0.0162] | 0.0264 [0.0214] | 0.0008 [0.0161] | 0.0227 [0.0223] |
| hipoteca | 0.0005 [0.0036] | 0.0011 [0.0118] | 0.0003 [0.0040] | 0.0009 [0.0075] | -0.0041 [0.0035] | -0.0048 [0.0045] | -0.0049 [0.0040] | -0.0075 [0.0062] |
| suc_banco | 0.2393 *** [0.0269] | 0.1568 *** [0.0354] | 0.2367 *** [0.0269] | 0.1525 *** [0.0352] | 0.1901 *** [0.0360] | 0.1146 *** [0.0451] | 0.1877 *** [0.0359] | 0.1106 ** [0.0447] |
| caj_auto | -0.0301 [0.0289] | -0.0181 [0.0377] | -0.0328 [0.0288] | -0.0269 [0.0374] | -0.0802 ** [0.0354] | -0.0789 * [0.0470] | -0.0807 ** [0.0354] | -0.0861 * [0.0466] |
| seguro | -0.0444 * [0.0239] | -0.0771 ** [0.0345] | -0.0444 * [0.0239] | -0.0815 ** [0.0343] | -0.0754 ** [0.0295] | -0.1134 *** [0.0363] | -0.0761 *** [0.0292] | -0.1213 *** [0.0368] |
| Control variables | (A) | (B) | Significant (A)s | Significant (B)s | (A) | (B) | Significant (A)s | Significant (B)s |

Source: Self-elaborated estimates based on data from INEGI, ENIF, 2012.

The standard error associated to the coefficient is in brackets

Significance level at: * 10%, ** 5%, *** 1%.

Control variables:

(A) mujer edad edad2 jefe_hogar casado_enunion edu_sec edu_bach edu_prof_s ocu_hog ocu_trab cubrir_emer tl_2 tl_3 tl_4

(B) mujer edad edad2 jefe_hogar casado_enunion edu_sec edu_bach edu_prof_s ing_m3 ing_m3a5 ing_m5a8 ing_m8a13 ing_13m cubrir_emer tl_2 tl_3 tl_4

Conclusions and closing remarks

In general terms, it can be said that the results of the estimated models indicate that people in households receiving remittances from abroad have a greater propensity to have a savings account and to use a bank branch, but less likelihood of using ATMs and of buying some kind of insurance policy.

One might think that some characteristics of people receiving remittances, such as gender, level of schooling or income, could cause them to use these financial services less: however, the estimates control for these and other variables. Another explanation could be the fact that, on average, households receiving remittances live in smaller population centers (see *Mexico Migration Outlook*, December 2013, and Albo *et al*, 2012), which may have less access to this service, but, in the same way the estimates were controlled for settlement size. It is more plausible that the results obtained are directly linked to some common use deriving from the condition of being a recipient of remittances, or linked to the international migration phenomenon.

The results of the estimates indicate that receiving remittances has the effect of increasing financial inclusion on the part of recipients only in variables which are highly related to the action and causes of receiving remittances (use of bank branches and opening of savings account to administer this resource). The negative effect of the probability of having some kind of insurance or of using ATMs, even though the estimates used control variables, indicate that they may be people with less knowledge about risk protection and, in general, probably with less financial literacy.

According to estimates through the 2012 ENIF, there is a possibility that remittance recipients may have a potential for growth in the use of financial products and services, if the right conditions present themselves. The expansion, in this case, may be a result of greater exposure to formal financial products and services, and at the same time, through financial education programs, both for recipients and for the migrants sending the remittances.

Appendix

Table 9

A and B specifications of control variables

| Variable | Description | Type | In specification A | In specification B |
|---------------------|---|-----------|--------------------|--------------------|
| * hombre | Male gender | Binary | - | - |
| mujer | Female gender | Binary | Yes | Yes |
| edad | Age | Numerical | Yes | Yes |
| edad2 | Age, squared | Numerical | Yes | Yes |
| * no_jefe_hogar | Is not head of the household | Binary | - | - |
| jefe_hogar | Is head of the household | Binary | Yes | Yes |
| * no_casado_enunion | Is not married or living with anyone | Binary | - | - |
| casado_enunion | Is married or living with someone | Binary | Yes | Yes |
| * edu_prim_m | Primary schooling at most | Binary | - | - |
| edu_sec | Junior high school at most | Binary | Yes | Yes |
| edu_bach | High school at most | Binary | Yes | Yes |
| edu_prof_s | Professional or higher | Binary | Yes | Yes |
| * no_cubrir_emer | No resources to withstand an emergency | Binary | - | - |
| cubrir_emer | Resources to withstand an emergency | Binary | Yes | Yes |
| * tl_1 | Locality with less than 2,500 inhabitants | Binary | - | - |
| tl_2 | Locality with 2,500 to 14,999 inhabitants | Binary | Yes | Yes |
| tl_3 | Locality with 15,000 to 99,999 inhabitants | Binary | Yes | Yes |
| tl_4 | Locality with 100,000 or more inhabitants | Binary | Yes | Yes |
| * ocu_otra | Another occupation | Binary | - | - |
| ocu_hog | Housewife | Binary | Yes | - |
| ocu_trab | With a job | Binary | Yes | - |
| * ing_sinpago | With a job but no labor income | Binary | - | - |
| ing_m3 | With labor income of under MXN 3,000 | Binary | - | Yes |
| ing_m3a5 | With labor income, from MXN 3,000 to < 5,000 | Binary | - | Yes |
| ing_m5a8 | With labor income, from MXN 5,000 to < 8,000 | Binary | - | Yes |
| ing_m8a13 | With labor income, from MXN 8,000 to < 13,000 | Binary | - | Yes |
| ing_13m | With labor income, ≥ 13,000 pesos | Binary | - | Yes |

* These variables are excluded to avoid multicollinearity.

Source: BBVA Research

Table 10

Hypothesis testing on the effect of remittances on financial inclusion variables, 2012

| Hypothesis testing | | Estimate 3, compared to 1 | Estimate 4, compared to 2 | | Estimate 7, compared to 5 | Estimate 8, compared to 6 |
|-----------------------|----------------------------------|---------------------------------|---------------------------------|--------------------------|---|---------------------------------|
| Coverage | | Sample (unweighted) | | | Inference on the population (module SVY) | |
| Dependent variable | Test | Log Akaike likelihood(1) | | | Wald test (2) | |
| cuenta_banco | Significant control variables | 6695 | 4667 | Level of significance | 0.1219 | 0.9586 |
| | All variables | 6698 | 4625 | | | |
| cuenta_ahorro | Significant control variables | 4873 | 3485 | Level of significance | 0.2360 | 0.2763 |
| | All variables | 4878 | 3487 | | | |
| fondo_inv | Significant control variables | 928 | 683 | Level of significance | 0.6465 | 0.5632 |
| | All variables | 939 | 695 | | | |
| prestamo | Significant control variables | 6588 | 4732 | Level of significance | 0.0000 | 0.0246 |
| | All variables | 6571 | 4730 | | | |
| tarj_cred_ban | Significant control variables | 3113 | 2324 | Level of significance | 0.0004 | 0.0596 |
| | All variables | 3101 | 2323 | | | |
| hipoteca | Significant control variables | 1004 | 840 | Level of significance | 0.0008 | 0.0661 |
| | All variables | 995 | 842 | | | |
| suc_banco | Significant control variables | 6908 | 4789 | Level of significance | 0.1144 | 0.6751 |
| | All variables | 6903 | 4790 | | | |
| caj_auto | Significant control variables | 6490 | 4565 | Level of significance | 0.0582 | 0.6796 |
| | All variables | 6490 | 4571 | | | |
| seguro | Significant control variables | 5125 | 3762 | Level of significance | 0.0040 | 0.3246 |
| | All variables | 5116 | 3765 | | | |

Source: Self-elaborated estimates based on data from INEGI, ENIF, 2012

Type of test:

(1) Hypotheses over parameters which together equal zero (sample)

(2) Simple and composite linear hypotheses on parameters equal to zero (population)

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5. Statistical Appendix

Table 11

International immigrants (Millions)

| | Total | | | | | Women | | | | | Men | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|-------|------|------|------|-------|------|------|------|------|-------|
| | 1990 | 1995 | 2000 | 2005 | 2010 | 1990 | 1995 | 2000 | 2005 | 2010 | 1990 | 1995 | 2000 | 2005 | 2010 |
| World | 155.5 | 166.0 | 178.5 | 195.2 | 213.9 | 76.4 | 81.8 | 88.3 | 96.1 | 104.8 | 79.1 | 84.2 | 90.2 | 99.2 | 109.1 |
| By type of country of destiny | | | | | | | | | | | | | | | |
| Developed countries | 82.4 | 94.1 | 104.4 | 117.2 | 127.7 | 42.8 | 48.7 | 54.1 | 60.5 | 65.7 | 39.6 | 45.5 | 50.3 | 56.7 | 62.0 |
| Developing countries | 73.2 | 71.8 | 74.1 | 78.1 | 86.2 | 33.6 | 33.1 | 34.2 | 35.6 | 39.1 | 39.6 | 38.7 | 39.9 | 42.5 | 47.2 |
| By region of destiny | | | | | | | | | | | | | | | |
| North America | 27.8 | 33.6 | 40.4 | 45.6 | 50.0 | 14.2 | 17.1 | 20.4 | 23.0 | 25.1 | 13.6 | 16.5 | 20.0 | 22.6 | 25.0 |
| Lat. Am & the Caribbean | 7.1 | 6.2 | 6.5 | 6.9 | 7.5 | 3.5 | 3.1 | 3.2 | 3.4 | 3.7 | 3.6 | 3.1 | 3.2 | 3.4 | 3.7 |
| Europe | 49.4 | 54.7 | 57.6 | 64.4 | 69.8 | 26.0 | 28.7 | 30.4 | 33.8 | 36.5 | 23.4 | 26.0 | 27.2 | 30.6 | 33.3 |
| Africa | 16.0 | 17.9 | 17.1 | 17.7 | 19.3 | 7.4 | 8.4 | 8.0 | 8.3 | 9.0 | 8.6 | 9.5 | 9.1 | 9.4 | 10.3 |
| Asia | 50.9 | 48.8 | 51.9 | 55.1 | 61.3 | 23.1 | 22.1 | 23.7 | 24.8 | 27.3 | 27.8 | 26.7 | 28.2 | 30.3 | 34.0 |
| Oceania | 4.4 | 4.7 | 5.0 | 5.5 | 6.0 | 2.1 | 2.4 | 2.5 | 2.8 | 3.1 | 2.2 | 2.4 | 2.5 | 2.7 | 2.9 |

Source: BBVA Research with figures from United Nations Population Division

Annual inflow of remittances (Billions of dollars)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010e | 2011p | 2012p | 2013p | 2014p |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| World | 276.9 | 320.9 | 393.9 | 457.2 | 428.5 | 453.1 | 500.6 | 533.0 | 571.0 | 615.0 |
| Developed countries | 90.0 | 99.5 | 115.8 | 133.2 | 120.2 | 120.9 | 128.4 | 134.0 | 141.0 | 148.0 |
| Developing countries | 186.9 | 221.4 | 278.1 | 324.0 | 308.3 | 332.1 | 372.2 | 399.0 | 430.0 | 467.0 |
| East Asia and Pacific | 48.7 | 55.8 | 71.4 | 84.8 | 86.3 | 95.4 | 107.5 | 115.0 | 125.0 | 135.0 |
| South Asia | 33.9 | 42.5 | 54.0 | 71.6 | 75.1 | 82.2 | 97.2 | 104.0 | 113.0 | 122.0 |
| Lat. America and the Caribbean | 49.8 | 58.9 | 63.0 | 64.4 | 56.8 | 57.2 | 61.7 | 66.0 | 72.0 | 77.0 |
| Europe and Central Asia | 19.7 | 24.9 | 38.7 | 45.3 | 36.4 | 36.6 | 41.2 | 45.0 | 49.0 | 55.0 |
| Middle East and North Africa | 25.1 | 26.5 | 32.1 | 36.0 | 33.6 | 40.2 | 42.4 | 45.0 | 47.0 | 50.0 |
| Sub-Saharan Africa | 9.7 | 12.8 | 18.8 | 21.7 | 20.1 | 20.5 | 22.2 | 24.0 | 25.0 | 27.0 |

e: WorldBank estimates

p: WorldBank forecast

Source: BBVA Research with figures from WorldBank.

Immigration to the United States (Millions)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total population | 276.5 | 282.1 | 285.9 | 288.3 | 291.2 | 293.8 | 296.8 | 299.1 | 301.5 | 304.3 | 306.1 | 308.8 | 311.1 |
| Immigrants | 31.8 | 34.4 | 35.7 | 36.7 | 37.4 | 37.9 | 39.5 | 39.6 | 38.9 | 39.9 | 40.5 | 42.2 | 42.6 |
| By sex | | | | | | | | | | | | | |
| Men | 15.9 | 17.3 | 17.9 | 18.4 | 18.9 | 19.1 | 19.9 | 19.9 | 19.4 | 20.0 | 20.1 | 20.7 | 20.8 |
| Women | 15.9 | 17.1 | 17.8 | 18.3 | 18.5 | 18.8 | 19.6 | 19.7 | 19.5 | 19.9 | 20.4 | 21.5 | 21.8 |
| By age group | | | | | | | | | | | | | |
| Under 15 | 2.4 | 2.5 | 2.4 | 2.5 | 2.6 | 2.4 | 2.5 | 2.4 | 2.1 | 2.2 | 2.0 | 2.0 | 1.9 |
| Between 15 and 64 | 26.0 | 28.5 | 29.5 | 30.4 | 30.9 | 31.4 | 32.8 | 32.7 | 32.2 | 32.9 | 33.4 | 35.0 | 35.3 |
| Over 64 | 3.4 | 3.4 | 3.8 | 3.8 | 3.9 | 4.1 | 4.2 | 4.5 | 4.6 | 4.8 | 5.1 | 5.2 | 5.4 |
| By region of origin | | | | | | | | | | | | | |
| Latin America & the Caribbean | 15.5 | 17.5 | 18.4 | 18.9 | 19.4 | 19.7 | 20.7 | 20.5 | 20.3 | 20.9 | 21.0 | 21.5 | 21.5 |
| Asia and Oceania | 8.1 | 8.8 | 9.2 | 9.5 | 9.8 | 10.1 | 10.6 | 10.9 | 10.9 | 11.0 | 11.4 | 12.5 | 12.6 |
| Europe | 5.3 | 5.4 | 5.4 | 5.6 | 5.4 | 5.2 | 5.5 | 5.6 | 5.4 | 5.5 | 5.6 | 5.5 | 5.4 |
| África | 0.9 | 0.8 | 0.8 | 0.8 | 0.9 | 1.2 | 1.2 | 1.5 | 1.5 | 1.7 | 1.6 | 1.8 | 1.8 |
| Canada | 1.0 | 0.9 | 0.9 | 0.8 | 0.8 | 0.8 | 0.9 | 0.8 | 0.7 | 0.8 | 0.8 | 0.9 | 0.8 |
| Not specified | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 0.9 | 0.6 | 0.3 | 0.1 | 0.0 | 0.1 | 0.0 | 0.2 |

Source: BBVA Research with estimates from Current Population Survey (CPS).

Table 12

Labor situation of Hispanics and Mexicans in the U.S. (Figures in thousands)

| | 2011 | | | | 2012 | | | | 2013 | | | | 2014 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------|
| | II | III | IV | I | II | III | IV | I | II | III | IV | I | |
| Total population* | | | | | | | | | | | | | |
| Pop. 16 years old & over | 239,316 | 239,871 | 240,431 | 242,436 | 242,968 | 243,564 | 244,169 | 244,828 | 245,363 | 245,961 | 246,564 | 247,086 | |
| Civilian labor force | 153,490 | 153,697 | 153,980 | 154,655 | 154,882 | 154,885 | 155,424 | 155,437 | 155,597 | 155,534 | 154,949 | 155,804 | |
| Employed | 139,561 | 139,861 | 140,639 | 141,900 | 142,217 | 142,475 | 143,271 | 143,414 | 143,890 | 144,245 | 144,171 | 145,410 | |
| Unemployed | 13,929 | 13,837 | 13,340 | 12,755 | 12,665 | 12,411 | 12,152 | 12,023 | 11,707 | 11,289 | 10,777 | 10,394 | |
| Labor force participation rate | 64.1 | 64.1 | 64.0 | 63.8 | 63.7 | 63.6 | 63.7 | 63.5 | 63.4 | 63.2 | 62.8 | 63.1 | |
| Unemployment rate | 9.1 | 9.0 | 8.7 | 8.2 | 8.2 | 8.0 | 7.8 | 7.7 | 7.5 | 7.3 | 7.0 | 6.7 | |
| Hispanics* | | | | | | | | | | | | | |
| Pop. 16 years old & over | 34,311 | 34,555 | 34,806 | 36,383 | 36,627 | 36,881 | 37,145 | 37,168 | 37,395 | 37,630 | 37,876 | 38,052 | |
| Civilian labor force | 22,747 | 22,930 | 23,312 | 24,146 | 24,462 | 24,415 | 24,547 | 24,504 | 24,735 | 24,916 | 24,923 | 25,127 | |
| Employed | 20,063 | 20,351 | 20,710 | 21,607 | 21,810 | 21,956 | 22,145 | 22,190 | 22,488 | 22,616 | 22,765 | 23,082 | |
| Unemployed | 2,684 | 2,579 | 2,602 | 2,539 | 2,652 | 2,459 | 2,403 | 2,315 | 2,247 | 2,300 | 2,158 | 2,045 | |
| Labor force participation rate | 66.3 | 66.4 | 67.0 | 66.4 | 66.8 | 66.2 | 66.1 | 65.9 | 66.1 | 66.2 | 65.8 | 66.0 | |
| Unemployment rate | 11.8 | 11.2 | 11.2 | 10.5 | 10.8 | 10.1 | 9.8 | 9.4 | 9.1 | 9.2 | 8.7 | 8.1 | |
| Hispanics | | | | | | | | | | | | | |
| Pop. 16 years old & over | 34,311 | 34,555 | 34,806 | 36,383 | 36,627 | 36,881 | 37,145 | 37,168 | 37,395 | 37,630 | 37,876 | 38,052 | |
| Civilian labor force | 22,733 | 23,008 | 23,292 | 24,075 | 24,472 | 24,496 | 24,523 | 24,418 | 24,774 | 24,995 | 24,898 | 25,032 | |
| Employed | 20,163 | 20,459 | 20,724 | 21,368 | 21,928 | 22,066 | 22,148 | 21,954 | 22,618 | 22,723 | 22,763 | 22,870 | |
| Unemployed | 2,570 | 2,549 | 2,568 | 2,707 | 2,543 | 2,430 | 2,375 | 2,464 | 2,156 | 2,273 | 2,135 | 2,162 | |
| Labor force participation rate | 66.3 | 66.6 | 66.9 | 66.2 | 66.8 | 66.4 | 66.0 | 65.7 | 66.2 | 66.4 | 65.7 | 65.8 | |
| Unemployment rate | 11.3 | 11.1 | 11.0 | 11.2 | 10.4 | 9.9 | 9.7 | 10.1 | 8.7 | 9.1 | 8.6 | 8.6 | |
| Mexicans | | | | | | | | | | | | | |
| Pop. 16 years old & over | 21,315 | 21,731 | 21,780 | 22,585 | 22,667 | 22,622 | 22,992 | 23,121 | 23,246 | 23,257 | 23,486 | 23,516 | |
| Civilian labor force | 14,149 | 14,524 | 14,651 | 15,026 | 15,178 | 15,107 | 15,204 | 15,190 | 15,428 | 15,449 | 15,397 | 15,492 | |
| Employed | 12,558 | 12,935 | 13,011 | 13,258 | 13,576 | 13,626 | 13,746 | 13,633 | 14,099 | 14,055 | 14,129 | 14,191 | |
| Unemployed | 1,591 | 1,589 | 1,639 | 1,768 | 1,602 | 1,481 | 1,457 | 1,557 | 1,330 | 1,394 | 1,268 | 1,301 | |
| Labor force participation rate | 66.4 | 66.8 | 67.3 | 66.5 | 67.0 | 66.8 | 66.1 | 65.7 | 66.4 | 66.4 | 65.6 | 65.9 | |
| Unemployment rate | 11.2 | 10.9 | 11.2 | 11.8 | 10.6 | 9.8 | 9.6 | 10.3 | 8.6 | 9.0 | 8.2 | 8.4 | |
| U.S.-born Mexicans | | | | | | | | | | | | | |
| Pop. 16 years old & over | 10,498 | 10,574 | 10,741 | 11,514 | 11,745 | 11,653 | 11,765 | 11,990 | 12,211 | 12,162 | 12,257 | 12,632 | |
| Civilian labor force | 6,727 | 6,843 | 6,897 | 7,359 | 7,637 | 7,592 | 7,565 | 7,622 | 7,873 | 7,948 | 7,793 | 8,022 | |
| Employed | 5,864 | 5,946 | 6,000 | 6,430 | 6,729 | 6,714 | 6,773 | 6,804 | 7,077 | 7,061 | 7,058 | 7,203 | |
| Unemployed | 863 | 897 | 897 | 929 | 908 | 878 | 792 | 818 | 796 | 887 | 735 | 819 | |
| Labor force participation rate | 64.1 | 64.7 | 64.2 | 63.9 | 65.0 | 65.2 | 64.3 | 63.6 | 64.5 | 65.4 | 63.6 | 63.5 | |
| Unemployment rate | 12.8 | 13.1 | 13.0 | 12.6 | 11.9 | 11.6 | 10.5 | 10.7 | 10.1 | 11.2 | 9.4 | 10.2 | |
| Mexican immigrants | | | | | | | | | | | | | |
| Pop. 16 years old & over | 10,817 | 11,157 | 11,039 | 11,071 | 10,922 | 10,969 | 11,227 | 11,131 | 11,035 | 11,095 | 11,229 | 10,884 | |
| Civilian labor force | 7,422 | 7,681 | 7,754 | 7,667 | 7,541 | 7,515 | 7,639 | 7,568 | 7,555 | 7,501 | 7,604 | 7,470 | |
| Employed | 6,694 | 6,989 | 7,011 | 6,828 | 6,847 | 6,912 | 6,973 | 6,829 | 7,022 | 6,994 | 7,071 | 6,988 | |
| Unemployed | 728 | 692 | 743 | 839 | 694 | 603 | 666 | 739 | 533 | 507 | 533 | 482 | |
| Labor force participation rate | 68.6 | 68.8 | 70.2 | 69.3 | 69.0 | 68.5 | 68.0 | 68.0 | 68.5 | 67.6 | 67.7 | 68.6 | |
| Unemployment rate | 9.8 | 9.0 | 9.6 | 10.9 | 9.2 | 8.0 | 8.7 | 9.8 | 7.1 | 6.8 | 7.0 | 6.5 | |

* Seasonally Adjusted.

Source: BBVA Research with figures from Bureau of Labor Statistics and estimations from Current Population Survey (CPS), 2006-2013

Table 13

Mexican Immigrants in the United States

| | 1995 | 2000 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Mexicans in the U.S. | | | | | | | | | | | | | |
| (Millions) | n.a. | n.a. | 26.5 | 26.9 | 27.8 | 28.6 | 29.5 | 30.6 | 31.9 | 32.5 | 33.0 | 34.0 | 34.7 |
| Mexican immigrants | 7.0 | 8.1 | 10.2 | 10.7 | 11.1 | 11.1 | 11.8 | 11.8 | 11.9 | 11.9 | 11.6 | 11.9 | 11.8 |
| 2nd & 3rd generation | n.a. | n.a. | 16.3 | 16.1 | 16.8 | 17.5 | 17.7 | 18.7 | 20.0 | 20.6 | 21.3 | 22.2 | 22.9 |
| Demographic characteristics of Mexican immigrants | | | | | | | | | | | | | |
| Sex (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Men | 55.6 | 53.9 | 55.1 | 55.2 | 55.5 | 55.2 | 56.0 | 55.5 | 55.0 | 55.1 | 53.9 | 53.6 | 52.5 |
| Women | 44.4 | 46.1 | 44.9 | 44.8 | 44.5 | 44.8 | 44.0 | 44.5 | 45.0 | 44.9 | 46.1 | 46.5 | 47.5 |
| Age groups (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| From 0 to 14 years old | 10.4 | 9.4 | 8.6 | 8.6 | 8.6 | 7.7 | 7.3 | 6.6 | 6.1 | 5.5 | 5.3 | 4.4 | 3.5 |
| From 15 to 29 years old | 36.5 | 32.6 | 31.9 | 32.3 | 31.4 | 30.2 | 28.6 | 27.9 | 25.8 | 25.0 | 24.3 | 21.9 | 21.8 |
| From 30 to 44 years old | 33.4 | 36.1 | 37.5 | 37.4 | 36.9 | 37.4 | 38.1 | 37.9 | 38.0 | 38.7 | 37.6 | 38.5 | 39.1 |
| From 45 to 64 years old | 15.2 | 17.3 | 17.5 | 17.3 | 18.6 | 20.1 | 20.8 | 22.1 | 24.2 | 25.0 | 26.6 | 28.8 | 28.5 |
| From 65 years or over | 4.6 | 4.6 | 4.6 | 4.5 | 4.5 | 4.7 | 5.2 | 5.5 | 5.9 | 5.9 | 6.3 | 6.4 | 7.1 |
| Average age (years) | 32.7 | 33.8 | 34.3 | 34.2 | 34.5 | 35.2 | 35.9 | 36.6 | 37.6 | 38.0 | 38.6 | 39.6 | 40.1 |
| State of residence (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| California | 51.99 | 47.8 | 39.3 | 38.3 | 42.1 | 39.5 | 39.5 | 40.2 | 39.7 | 39.9 | 38.2 | 37.3 | 35.6 |
| Texas | 21.89 | 19.0 | 23.0 | 21.4 | 20.3 | 19.4 | 19.2 | 19.5 | 20.3 | 20.0 | 22.5 | 21.6 | 22.3 |
| Illinois | 5.51 | 5.8 | 6.5 | 5.5 | 5.5 | 4.7 | 5.3 | 5.2 | 5.4 | 5.4 | 5.6 | 6.1 | 6.1 |
| Arizona | 5.38 | 5.3 | 6.0 | 6.2 | 5.5 | 6.4 | 5.7 | 5.9 | 5.0 | 5.1 | 5.0 | 5.4 | 5.6 |
| North Carolina | 0.53 | 1.4 | 1.6 | 2.6 | 2.0 | 2.5 | 2.2 | 1.9 | 1.7 | 2.2 | 2.0 | 1.9 | 2.8 |
| Colorado | 0.8 | 2.3 | 2.5 | 2.3 | 2.2 | 2.4 | 2.0 | 2.2 | 1.6 | 1.7 | 1.8 | 1.6 | 2.0 |
| Nevada | 1.29 | 2.0 | 1.8 | 1.6 | 1.9 | 1.8 | 1.9 | 2.0 | 1.6 | 1.7 | 1.9 | 1.8 | 1.9 |
| Florida | 2.1 | 2.4 | 2.2 | 2.0 | 2.4 | 2.8 | 3.3 | 2.5 | 2.1 | 2.1 | 2.0 | 1.8 | 1.9 |
| Georgia | 0.92 | 0.7 | 1.5 | 2.0 | 2.2 | 2.8 | 2.5 | 2.1 | 2.3 | 2.1 | 2.0 | 2.0 | 1.9 |
| New York | 1.11 | 1.8 | 1.8 | 1.7 | 1.1 | 1.9 | 2.0 | 1.7 | 1.8 | 1.8 | 1.8 | 2.2 | 1.9 |
| Washington | 0.56 | 1.4 | 1.5 | 1.9 | 1.0 | 1.0 | 1.4 | 1.4 | 1.5 | 1.9 | 1.8 | 2.2 | 1.8 |
| Oregon | 1.2 | 1.4 | 1.6 | 1.4 | 1.0 | 1.1 | 1.3 | 1.5 | 1.3 | 1.3 | 0.7 | 1.1 | 1.2 |
| New Jersey | 0.44 | 0.4 | 0.6 | 1.0 | 0.8 | 1.2 | 0.8 | 1.8 | 1.3 | 1.6 | 1.8 | 1.2 | 1.1 |
| Other states | 6.28 | 8.3 | 10.1 | 11.9 | 12.1 | 12.5 | 13.0 | 12.3 | 14.5 | 13.4 | 12.9 | 13.9 | 13.7 |
| Period of entry (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Before 1975 | 24.0 | 17.3 | 13.5 | 12.3 | 11.8 | 10.6 | 10.3 | 10.6 | 10.7 | 10.3 | 9.7 | 8.9 | 9.6 |
| From 1975 to 1985 | 33.5 | 24.4 | 20.9 | 19.0 | 16.6 | 17.0 | 15.9 | 15.9 | 15.7 | 15.3 | 15.3 | 15.5 | 14.5 |
| From 1986 to 1995 | 42.4 | 39.2 | 35.8 | 30.2 | 29.7 | 28.9 | 28.3 | 27.4 | 26.6 | 27.4 | 27.1 | 26.4 | 24.8 |
| From 1996 to 2007 | n.a. | 19.1 | 29.9 | 38.5 | 41.9 | 43.6 | 45.5 | 44.0 | 44.2 | 42.8 | 43.0 | 43.3 | 44.0 |
| 2008 onwards | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 2.1 | 2.9 | 4.2 | 4.9 | 5.8 | 7.1 |

Continue on next page

| | 1995 | 2000 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-------|------|------|------|------|------|------|------|------|------|------|------|------|
| Mobility condition in the last year (%) | | | | | | | | | | | | | |
| Non-migrants | 100.0 | 91.6 | 92.3 | 93.2 | 89.6 | 93.1 | 94.9 | 95.5 | 95.6 | 96.3 | 97.2 | 96.6 | 96.8 |
| Internal migrants ¹ | 0.0 | 4.9 | 5.0 | 4.4 | 5.4 | 4.5 | 3.4 | 3.0 | 3.2 | 2.8 | 1.9 | 2.6 | 2.5 |
| International migrants ² | 0.0 | 3.6 | 2.7 | 2.4 | 5.0 | 2.5 | 1.8 | 1.5 | 1.2 | 1.0 | 1.0 | 0.9 | 0.8 |
| Social characteristic of the Mexican immigrants | | | | | | | | | | | | | |
| Education³ | | | | | | | | | | | | | |
| Less than 10 grades | 61.4 | 56.2 | 54.1 | 52.8 | 52.5 | 51.0 | 49.5 | 50.0 | 49.2 | 46.0 | 47.0 | 47.0 | 44.9 |
| From 10 to 12 grades | 25.7 | 29.9 | 31.4 | 32.9 | 33.0 | 34.3 | 35.3 | 35.0 | 35.2 | 37.2 | 36.8 | 37.0 | 37.8 |
| Higher technical | 8.9 | 9.6 | 9.0 | 9.1 | 9.2 | 9.3 | 9.3 | 9.4 | 9.7 | 9.9 | 10.3 | 9.9 | 10.9 |
| Professional & postgraduate | 4.0 | 4.3 | 5.5 | 5.3 | 5.3 | 5.4 | 5.9 | 5.6 | 5.9 | 6.9 | 5.9 | 6.1 | 6.5 |
| Citizenship in the U.S. (%) | | | | | | | | | | | | | |
| U.S. citizen | 14.6 | 22.6 | 21.8 | 21.4 | 20.4 | 21.3 | 21.5 | 22.7 | 24.1 | 25.8 | 27.0 | 27.9 | 27.0 |
| Non - U.S. citizen | 85.4 | 77.4 | 78.2 | 78.7 | 79.7 | 78.7 | 78.5 | 77.3 | 75.9 | 74.2 | 73.0 | 72.1 | 73.0 |
| Poverty condition⁴ (%) | | | | | | | | | | | | | |
| Poor | 35.6 | 25.7 | 25.4 | 25.7 | 26.2 | 25.7 | 22.1 | 24.8 | 27.1 | 28.8 | 29.9 | 27.7 | 28.4 |
| Not poor | 64.4 | 74.3 | 74.6 | 74.3 | 73.8 | 74.3 | 77.9 | 75.2 | 73.0 | 71.3 | 70.2 | 72.3 | 71.6 |
| Type of health coverage (%) | | | | | | | | | | | | | |
| Public | 16.6 | 12.8 | 13.1 | 13.1 | 14.6 | 14.3 | 13.0 | 14.1 | 15.0 | 16.7 | 16.0 | 16.8 | 17.1 |
| Private | 27.2 | 30.5 | 30.8 | 29.0 | 28.7 | 28.6 | 27.0 | 28.5 | 28.5 | 25.5 | 27.4 | 26.6 | 26.8 |
| Both | 2.7 | 1.9 | 2.0 | 1.6 | 2.4 | 2.1 | 2.3 | 2.0 | 2.3 | 2.4 | 2.4 | 2.5 | 3.2 |
| None | 53.6 | 54.8 | 54.2 | 56.3 | 54.3 | 55.1 | 57.7 | 55.4 | 54.2 | 55.4 | 54.3 | 54.1 | 52.9 |
| Labor characteristics of Mexican immigrants (%) | | | | | | | | | | | | | |
| Population 15 years old or over (Millions) | | | | | | | | | | | | | |
| Economically-active pop. | 4.2 | 5.0 | 6.5 | 6.7 | 7.0 | 7.2 | 7.7 | 7.6 | 7.7 | 7.7 | 7.6 | 7.8 | 7.7 |
| Employed | 3.7 | 4.6 | 5.8 | 6.2 | 6.5 | 6.8 | 7.2 | 7.0 | 6.7 | 6.8 | 6.7 | 7.0 | 7.0 |
| Unemployed | 0.5 | 0.4 | 0.6 | 0.5 | 0.4 | 0.4 | 0.4 | 0.6 | 1.0 | 1.0 | 0.9 | 0.8 | 0.7 |
| Economically-inactive pop. | 2.0 | 2.3 | 2.9 | 3.1 | 3.2 | 3.1 | 3.3 | 3.4 | 3.5 | 3.5 | 3.5 | 3.5 | 3.7 |
| Weekly hours worked (%) | | | | | | | | | | | | | |
| 34 or less | 15.7 | 10.3 | 12.5 | 11.3 | 11.9 | 10.8 | 11.7 | 12.4 | 16.4 | 20.2 | 19.7 | 18.7 | 19.1 |
| From 35 to 44 hours | 69.2 | 75.7 | 74.0 | 75.1 | 74.3 | 74.6 | 74.2 | 74.8 | 71.0 | 68.6 | 70.0 | 69.1 | 67.6 |
| 45 or more | 15.2 | 14.0 | 13.5 | 13.6 | 13.8 | 14.6 | 14.1 | 12.8 | 12.6 | 11.1 | 10.4 | 12.2 | 13.3 |

Continue on next page

| | 1995 | 2000 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Annual wage (U.S. dollars) (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Less than 10 000 | 35.2 | 22.6 | 15.9 | 15.3 | 14.2 | 13.7 | 11.7 | 11.7 | 13.0 | 13.7 | 13.0 | 11.9 | 11.3 |
| From 10 000 to 19 999 | 41.9 | 44.0 | 40.0 | 41.3 | 39.7 | 37.2 | 34.5 | 32.5 | 30.6 | 34.1 | 32.8 | 30.6 | 31.4 |
| From 20 000 to 29 999 | 14.2 | 19.4 | 24.0 | 23.0 | 23.9 | 26.1 | 27.1 | 27.4 | 26.3 | 24.6 | 26.0 | 26.7 | 25.2 |
| From 30 000 to 39 999 | 4.6 | 7.4 | 10.6 | 11.0 | 11.2 | 11.9 | 13.6 | 13.2 | 14.2 | 13.4 | 13.5 | 14.4 | 14.7 |
| From 40 000 or more | 4.2 | 6.6 | 9.6 | 9.4 | 11.0 | 11.1 | 13.1 | 15.1 | 15.8 | 14.2 | 14.7 | 16.4 | 17.3 |
| Sector of activity (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Primary | 11.7 | 12.1 | 4.4 | 5.0 | 5.7 | 4.2 | 4.0 | 5.2 | 5.2 | 5.5 | 4.7 | 4.9 | 4.8 |
| Secondary | 35.3 | 36.6 | 35.8 | 36.1 | 37.0 | 39.6 | 40.6 | 37.2 | 33.2 | 30.9 | 32.4 | 31.8 | 30.6 |
| Tertiary | 53.0 | 51.2 | 59.8 | 58.9 | 57.3 | 56.2 | 55.4 | 57.7 | 61.7 | 63.6 | 62.8 | 63.3 | 64.6 |
| Industry (%) | n.a. | n.a. | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Leisure and hospitality | n.a. | n.a. | 16.6 | 15.3 | 14.9 | 16.3 | 14.4 | 14.9 | 16.8 | 16.6 | 15.1 | 16.8 | 17.6 |
| Construction | n.a. | n.a. | 15.9 | 19.3 | 20.9 | 22.6 | 24.7 | 21.5 | 17.2 | 16.6 | 17.4 | 16.8 | 17.0 |
| Professional and business services | n.a. | n.a. | 9.4 | 11.2 | 11.1 | 10.3 | 10.0 | 11.0 | 11.4 | 12.2 | 12.8 | 12.6 | 13.4 |
| Manufacturing | n.a. | n.a. | 19.4 | 16.6 | 15.8 | 16.8 | 15.6 | 15.2 | 15.6 | 13.8 | 14.5 | 14.4 | 12.9 |
| Wholesale and retail trade | n.a. | n.a. | 12.2 | 12.5 | 11.6 | 10.6 | 11.2 | 11.0 | 10.9 | 11.5 | 11.8 | 10.5 | 10.3 |
| Educational and health services | n.a. | n.a. | 7.0 | 6.7 | 6.3 | 6.8 | 7.0 | 7.6 | 9.0 | 9.2 | 9.7 | 8.6 | 8.7 |
| Other services, excl. government | n.a. | n.a. | 6.1 | 6.5 | 6.6 | 5.3 | 5.7 | 5.9 | 6.2 | 6.2 | 6.0 | 6.4 | 6.3 |
| Agriculture, forestry, fishing, and hunting | n.a. | n.a. | 4.4 | 5.0 | 5.7 | 4.2 | 4.0 | 5.2 | 5.2 | 5.5 | 4.7 | 4.9 | 4.8 |
| Transportation and utilities | n.a. | n.a. | 3.5 | 3.1 | 3.1 | 3.1 | 3.4 | 3.6 | 3.6 | 4.0 | 4.0 | 4.3 | 4.2 |
| Financial activities | n.a. | n.a. | 3.0 | 2.4 | 2.5 | 2.6 | 2.3 | 2.2 | 2.1 | 1.9 | 1.8 | 2.5 | 2.8 |
| Public administration | n.a. | n.a. | 1.0 | 0.7 | 0.6 | 0.8 | 0.9 | 0.8 | 0.9 | 1.1 | 1.0 | 1.2 | 0.9 |
| Mining | n.a. | n.a. | 0.4 | 0.2 | 0.3 | 0.3 | 0.3 | 0.5 | 0.3 | 0.5 | 0.5 | 0.6 | 0.7 |
| Information | n.a. | n.a. | 0.9 | 0.6 | 0.7 | 0.4 | 0.5 | 0.6 | 0.7 | 0.9 | 0.7 | 0.4 | 0.5 |

Notes: 1/ It refers to the population that resided, the year prior to the interview, in a county other than the current one.

2/ It refers to the population that resided, the year prior to the interview, in Mexico.

3/ Population 25 years or over.

4/ Methodology for poverty in the U.S. Individuals are classified as below the poverty level using a poverty index adopted by a Federal Inter Agency Committee in 1969, slightly modified in 1981. For more information, refer to <http://www.census.gov/hhes/povmeas/>.

n.a.: not available.

Source: BBVA Research with CONAPO estimations based on the Census Bureau, Current Population Survey (CPS), March 1994-2007 and BBVA Research estimations from Current Population Survey (CPS), March 1995-2013.

Table 14

**Remittances' average total cost for sending US\$200 dollars to top 10 receiving-remittances countries worldwide
 (Cost as % of amount sent)**

| Global ranking * | Country | Estimated remittances inflow in 2013 * (Million of US\$) | 2010 | 2010 | 2011 | 2011 | 2012 | 2012 | 2013 | 2013 | 2014 |
|------------------|-------------|--|------|------|------|------|------|------|------|------|------|
| | | | Q1 | Q3 | Q1 | Q3 | Q1 | Q3 | Q1 | Q3 | Q1 |
| 1 | India | 71,000.0 | 7.0 | 5.2 | 3.5 | 4.6 | 5.3 | 4.4 | 5.7 | 4.8 | 3.2 |
| 2 | China | 60,180.0 | 10.9 | 11.3 | 11.2 | 9.0 | 8.0 | 10.2 | 6.6 | 7.9 | 8.4 |
| 3 | Philippines | 26,051.4 | 6.6 | 6.5 | 6.2 | 7.0 | 5.8 | 6.3 | 5.9 | 5.8 | 5.4 |
| 4 | Mexico | 22,000.0 | 7.4 | 6.7 | 5.5 | 6.0 | 5.8 | 7.3 | 5.3 | 4.4 | 4.2 |
| 5 | France | 21,640.5 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 6 | Nigeria | 21,000.0 | 6.4 | 6.1 | 6.9 | 6.0 | 5.7 | 8.6 | 6.3 | 6.2 | 3.2 |
| 7 | Egypt | 20,000.0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 8 | Bangladesh | 15,186.6 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 9 | Pakistan | 14,858.4 | 7.6 | 7.5 | 7.9 | 8.0 | 7.5 | 6.8 | 5.9 | 6.1 | 4.5 |
| 10 | Germany | 14,666.8 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

Table 15

**Remittances' average total cost for sending US\$200 dollars to top 10 receiving-remittances countries in Latin America and
 the Caribbean (Cost as % of amount sent)**

| Global ranking * | Country | Estimated remittances inflow in 2013 * (Million of US\$) | 2010 | 2010 | 2011 | 2011 | 2012 | 2012 | 2013 | 2013 | 2014 |
|------------------|----------------|--|------|------|------|------|------|------|------|------|------|
| | | | T1 | T3 | T1 | T3 | T1 | T3 | T1 | T3 | T1 |
| 4 | Mexico | 22,000.0 | 7.4 | 6.7 | 5.5 | 6.0 | 5.8 | 7.3 | 5.3 | 4.4 | 4.2 |
| 24 | Guatemala | 5,411.9 | 6.3 | 5.4 | 6.0 | 5.5 | 5.7 | 6.0 | 5.1 | 5.0 | 4.8 |
| 27 | Colombia | 4,641.9 | 7.6 | 5.5 | 4.3 | 7.5 | 8.4 | 7.8 | 5.9 | 5.5 | 5.9 |
| 28 | El Salvador | 4,217.1 | 4.6 | 4.5 | 5.2 | 4.7 | 5.3 | 5.8 | 4.6 | 4.6 | 4.5 |
| 32 | Dominican Rep. | 3,706.1 | 7.1 | 6.9 | 6.0 | 5.9 | 6.2 | 8.2 | 6.3 | 6.6 | 5.7 |
| 36 | Honduras | 3,164.9 | 4.4 | 5.7 | 5.6 | 4.9 | 5.2 | 5.0 | 4.7 | 4.4 | 1.0 |
| 37 | Peru | 3,011.8 | 4.0 | 3.9 | 4.0 | 5.0 | 5.0 | 6.0 | 5.1 | 6.0 | 5.0 |
| 39 | Brazil | 2,757.4 | 15.7 | 7.6 | 8.3 | 12.4 | 10.4 | 12.0 | 13.1 | 9.8 | 5.8 |
| 41 | Ecuador | 2,571.3 | 3.9 | 3.8 | 3.7 | 4.0 | 4.7 | 4.4 | 4.2 | 3.9 | 3.9 |
| 47 | Jamaica | 2,259.4 | 6.6 | 7.6 | 7.2 | 7.0 | 7.1 | 6.4 | 7.9 | 7.5 | 7.5 |

p/ preliminary figures. * According to World Bank estimations

Note: To calculate the average total cost we exclude data where the exchange rate is not transparent and Russia remittance-corridors due to not providing information on exchange rate, since the actual cost may be higher if data were complete. World Bank does not have information on remittance-senders market shares, so the total average cost is calculated as a simple average of the available information, as indicated by the World Bank.

Source: BBVA Research based on World Bank Remittance Prices Worldwide (RPW) and World Bank staff calculation.

Table 16

Remittance fee for sending US\$300 from the United States to Mexico (in dollars)

| | Chicago | Dallas | Houston | Indianapolis | Los Angeles | Miami | New York | Sacramento | San Jose | Average |
|---------|---------|--------|---------|--------------|-------------|-------|----------|------------|----------|---------|
| 2001 | 11.4 | 11.1 | 11.1 | | 11.1 | 14.6 | 11.1 | 10.5 | 11.5 | 11.5 |
| 2002 | 11.3 | 11.6 | 12.0 | | 11.6 | 11.7 | 11.2 | 10.7 | 11.3 | 11.4 |
| 2003 | 10.4 | 10.8 | 10.8 | 10.6 | 10.4 | 11.0 | 10.9 | 10.3 | 10.3 | 10.6 |
| 2004 | 10.0 | 11.1 | 10.8 | 10.0 | 9.9 | 10.7 | 10.5 | 9.6 | 9.7 | 10.3 |
| 2005 | 9.5 | 11.7 | 11.2 | 10.0 | 10.0 | 10.1 | 10.0 | 9.2 | 9.7 | 10.1 |
| 2006 | 9.4 | 11.6 | 11.5 | 10.0 | 10.2 | 10.2 | 10.2 | 8.9 | 10.1 | 10.2 |
| 2007 | 9.1 | 10.9 | 11.5 | 10.0 | 9.5 | 9.7 | 9.5 | 7.6 | 9.6 | 9.7 |
| 2008 | 8.0 | 9.9 | 11.0 | 10.0 | 8.6 | 8.7 | 8.1 | 6.8 | 8.2 | 8.8 |
| 2009 | 7.0 | 9.0 | 10.4 | 9.4 | 7.5 | 7.4 | 7.5 | 5.9 | 7.4 | 8.0 |
| 2010 | 5.7 | 8.0 | 10.0 | 8.6 | 5.9 | 5.5 | 6.7 | 4.9 | 6.4 | 6.9 |
| 2011 | 6.5 | 8.9 | 10.7 | 9.5 | 7.5 | 7.1 | 7.9 | 7.0 | 7.3 | 8.0 |
| 2012 | 6.3 | 9.1 | 10.8 | 9.7 | 7.9 | 7.6 | 7.8 | 7.6 | 7.6 | 8.3 |
| 2013 | 5.4 | 7.7 | 9.6 | 9.5 | 6.7 | 6.6 | 6.5 | 6.6 | 6.6 | 7.2 |
| 2014 p/ | 5.7 | 7.0 | 9.0 | 9.0 | 7.7 | 7.7 | 7.5 | 7.7 | 7.7 | 7.7 |

p/ 2013 preliminary figures updated on April 7, 2014.

Source: BBVA Research estimations based on PROFECO weekly database

Table 17

Annual Remittance Inflows at the National Level

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Million dollars | | | | | | | | | | |
| Total | 18,331.7 | 21,688.3 | 25,566.8 | 26,058.8 | 25,145.0 | 21,306.3 | 21,303.9 | 22,803.0 | 22,438.3 | 21,596.6 |
| Electronic transfers | 16,228.5 | 19,667.2 | 23,854.0 | 24,802.7 | 24,113.7 | 20,547.5 | 20,583.3 | 22,228.9 | 21,857.6 | 21,065.3 |
| Cash and payment in kind | 233.6 | 273.2 | 353.2 | 396.5 | 432.6 | 372.6 | 330.9 | 367.3 | 385.9 | 313.0 |
| Money Orders | 1,869.7 | 1,747.9 | 1,359.7 | 859.7 | 598.6 | 386.2 | 389.7 | 206.8 | 194.8 | 218.3 |
| Personal checks | - | - | - | - | - | - | - | - | - | - |
| Thousands of transactions | | | | | | | | | | |
| Total | 57,013.4 | 64,921.7 | 74,184.6 | 75,651.5 | 72,627.7 | 67,109.6 | 67,535.6 | 69,860.9 | 71,611.3 | 73,953.1 |
| Electronic transfers | 52,087.9 | 60,509.4 | 70,697.7 | 73,278.7 | 70,478.0 | 65,381.4 | 65,930.0 | 68,553.1 | 70,350.5 | 72,794.4 |
| Cash and payment in kind | 322.7 | 345.4 | 642.3 | 786.9 | 796.3 | 861.8 | 789.4 | 880.5 | 867.5 | 736.9 |
| Money Orders | 4,602.8 | 4,066.9 | 2,844.6 | 1,585.9 | 1,353.3 | 866.4 | 816.1 | 427.3 | 393.3 | 421.8 |
| Personal checks | - | - | - | - | - | - | - | - | - | - |
| Average remittance (dollars) | 321.0 | 333.7 | 344.2 | 344.2 | 345.5 | 317.5 | 314.9 | 326.0 | 312.5 | 291.8 |

Table 18

Annual Remittance Inflows by State (Million Dollars)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| National | 18,331.7 | 21,688.3 | 25,566.8 | 26,058.8 | 25,145.0 | 21,306.3 | 21,303.9 | 22,803.0 | 22,438.3 | 21,596.6 |
| Michoacán | 2,281.4 | 2,442.4 | 2,503.7 | 2,435.8 | 2,448.9 | 2,132.3 | 2,144.5 | 2,245.1 | 2,209.4 | 2,158.3 |
| Guanajuato | 1,728.0 | 1,904.8 | 2,311.2 | 2,389.0 | 2,317.7 | 1,944.9 | 1,981.3 | 2,155.8 | 2,138.3 | 2,049.3 |
| Jalisco | 1,462.2 | 1,695.7 | 1,975.5 | 1,996.7 | 1,914.8 | 1,695.1 | 1,755.6 | 1,895.8 | 1,883.5 | 1,800.7 |
| State of Mexico | 1,445.8 | 1,764.9 | 2,079.1 | 2,167.0 | 2,066.7 | 1,700.8 | 1,637.6 | 1,658.4 | 1,563.8 | 1,446.1 |
| Puebla | 1,009.1 | 1,182.1 | 1,482.6 | 1,617.6 | 1,615.7 | 1,374.9 | 1,371.2 | 1,469.6 | 1,403.2 | 1,393.8 |
| Oaxaca | 948.9 | 1,080.2 | 1,360.2 | 1,517.4 | 1,522.2 | 1,298.5 | 1,296.5 | 1,427.4 | 1,366.2 | 1,255.5 |
| Guerrero | 1,018.3 | 1,174.6 | 1,455.7 | 1,489.6 | 1,435.5 | 1,200.3 | 1,201.5 | 1,262.4 | 1,231.0 | 1,217.2 |
| Veracruz | 1,168.1 | 1,373.5 | 1,680.8 | 1,775.7 | 1,618.3 | 1,296.3 | 1,237.4 | 1,273.1 | 1,176.0 | 1,064.1 |
| Distrito Federal | 921.7 | 1,312.6 | 1,490.4 | 1,058.6 | 1,083.9 | 965.9 | 999.3 | 1,151.9 | 1,013.6 | 750.4 |
| San Luis Potosí | 469.2 | 562.3 | 714.5 | 778.4 | 760.8 | 626.8 | 629.5 | 700.8 | 738.7 | 733.1 |
| Hidalgo | 725.6 | 815.0 | 982.8 | 1,092.2 | 961.0 | 752.1 | 715.5 | 762.7 | 721.5 | 674.7 |
| Zacatecas | 484.6 | 540.5 | 667.7 | 687.4 | 681.6 | 573.3 | 581.7 | 625.5 | 654.5 | 671.4 |
| Tamaulipas | 284.1 | 425.3 | 496.7 | 516.7 | 500.5 | 415.0 | 402.3 | 445.3 | 485.5 | 585.0 |
| Baja California | 165.0 | 256.6 | 302.1 | 334.6 | 334.3 | 322.1 | 348.0 | 396.8 | 464.9 | 542.6 |
| Chiapas | 587.5 | 765.3 | 940.8 | 921.2 | 811.1 | 609.7 | 574.5 | 594.8 | 572.7 | 535.0 |
| Morelos | 433.2 | 505.2 | 588.0 | 635.4 | 622.6 | 548.1 | 554.9 | 586.8 | 561.3 | 529.7 |
| Sinaloa | 374.0 | 451.1 | 503.2 | 523.0 | 487.7 | 456.7 | 470.2 | 511.8 | 501.2 | 479.8 |
| Chihuahua | 279.4 | 389.2 | 473.9 | 460.2 | 474.8 | 407.8 | 397.8 | 419.3 | 466.8 | 457.0 |
| Durango | 329.7 | 384.3 | 428.5 | 453.1 | 442.0 | 374.8 | 379.1 | 416.6 | 431.1 | 432.4 |
| Querétaro | 353.4 | 405.9 | 484.1 | 475.1 | 436.4 | 360.2 | 354.5 | 383.3 | 378.6 | 363.2 |
| Nuevo León | 295.9 | 284.0 | 342.6 | 327.1 | 323.8 | 293.0 | 284.0 | 308.9 | 340.0 | 345.2 |
| Aguascalientes | 314.8 | 322.6 | 379.4 | 373.0 | 332.3 | 282.2 | 293.9 | 306.3 | 332.7 | 342.5 |
| Nayarit | 262.4 | 302.7 | 348.2 | 375.2 | 376.5 | 341.6 | 337.4 | 356.4 | 339.5 | 330.6 |
| Sonora | 170.4 | 294.7 | 326.0 | 332.3 | 311.0 | 278.7 | 292.0 | 326.9 | 326.8 | 324.7 |
| Coahuila | 180.0 | 240.8 | 275.3 | 293.2 | 278.4 | 234.2 | 234.0 | 247.0 | 283.5 | 281.7 |
| Tlaxcala | 185.1 | 221.1 | 270.7 | 303.3 | 305.2 | 258.9 | 258.5 | 274.5 | 253.2 | 227.5 |
| Colima | 134.3 | 165.1 | 183.1 | 199.7 | 184.7 | 164.8 | 171.5 | 183.8 | 180.2 | 175.3 |
| Yucatán | 75.7 | 94.1 | 122.1 | 136.8 | 136.1 | 109.9 | 112.7 | 117.8 | 119.2 | 123.1 |
| Tabasco | 105.3 | 156.5 | 187.8 | 182.8 | 156.0 | 114.4 | 111.3 | 111.7 | 111.3 | 110.9 |
| Quintana Roo | 67.5 | 85.0 | 99.5 | 98.5 | 97.3 | 85.6 | 86.8 | 92.1 | 93.3 | 99.4 |
| Campeche | 53.3 | 65.7 | 82.0 | 80.4 | 72.8 | 55.8 | 55.1 | 57.8 | 55.6 | 55.1 |
| Baja California Sur | 17.8 | 24.5 | 28.5 | 32.0 | 34.7 | 31.9 | 33.7 | 36.7 | 41.4 | 41.2 |

Source: BBVA Research with figures from Banxico

Table 19

Annual Remittance Inflows at the National Level (Breakdown %)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| By remittance volume | | | | | | | | | | |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Electronic transfers | 88.5 | 90.7 | 93.3 | 95.2 | 95.9 | 96.4 | 96.6 | 97.5 | 97.4 | 97.5 |
| Cash and payment in kind | 1.3 | 1.3 | 1.4 | 1.5 | 1.7 | 1.7 | 1.6 | 1.6 | 1.7 | 1.4 |
| Money Orders | 10.2 | 8.1 | 5.3 | 3.3 | 2.4 | 1.8 | 1.8 | 0.9 | 0.9 | 1.0 |
| Personal checks | - | - | - | - | - | - | - | - | - | - |
| By operations | | | | | | | | | | |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Electronic transfers | 91.4 | 93.2 | 95.3 | 96.9 | 97.0 | 97.4 | 97.6 | 98.1 | 98.2 | 98.4 |
| Cash and payment in kind | 0.6 | 0.5 | 0.9 | 1.0 | 1.1 | 1.3 | 1.2 | 1.3 | 1.2 | 1.0 |
| Money Orders | 8.1 | 6.3 | 3.8 | 2.1 | 1.9 | 1.3 | 1.2 | 0.6 | 0.5 | 0.6 |
| Personal checks | - | - | - | - | - | - | - | - | - | - |

Table 20

Annual Remittance Inflows by State (Breakdown %)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| National | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Michoacán | 12.4 | 11.3 | 9.8 | 9.3 | 9.7 | 10.0 | 10.1 | 9.8 | 9.8 | 10.0 |
| Guanajuato | 9.4 | 8.8 | 9.0 | 9.2 | 9.2 | 9.1 | 9.3 | 9.5 | 9.5 | 9.5 |
| Jalisco | 8.0 | 7.8 | 7.7 | 7.7 | 7.6 | 8.0 | 8.2 | 8.3 | 8.4 | 8.3 |
| State of Mexico | 7.9 | 8.1 | 8.1 | 8.3 | 8.2 | 8.0 | 7.7 | 7.3 | 7.0 | 6.7 |
| Puebla | 5.5 | 5.5 | 5.8 | 6.2 | 6.4 | 6.5 | 6.4 | 6.4 | 6.3 | 6.5 |
| Oaxaca | 5.2 | 5.0 | 5.3 | 5.8 | 6.1 | 6.1 | 6.1 | 6.3 | 6.1 | 5.8 |
| Guerrero | 5.6 | 5.4 | 5.7 | 5.7 | 5.7 | 5.6 | 5.6 | 5.5 | 5.5 | 5.6 |
| Veracruz | 6.4 | 6.3 | 6.6 | 6.8 | 6.4 | 6.1 | 5.8 | 5.6 | 5.2 | 4.9 |
| Distrito Federal | 5.0 | 6.1 | 5.8 | 4.1 | 4.3 | 4.5 | 4.7 | 5.1 | 4.5 | 3.5 |
| San Luis Potosí | 2.6 | 2.6 | 2.8 | 3.0 | 3.0 | 2.9 | 3.0 | 3.1 | 3.3 | 3.4 |
| Hidalgo | 4.0 | 3.8 | 3.8 | 4.2 | 3.8 | 3.5 | 3.4 | 3.3 | 3.2 | 3.1 |
| Zacatecas | 2.6 | 2.5 | 2.6 | 2.6 | 2.7 | 2.7 | 2.7 | 2.7 | 2.9 | 3.1 |
| Tamaulipas | 1.5 | 2.0 | 1.9 | 2.0 | 2.0 | 1.9 | 1.9 | 2.0 | 2.2 | 2.7 |
| Baja California | 0.9 | 1.2 | 1.2 | 1.3 | 1.3 | 1.5 | 1.6 | 1.7 | 2.1 | 2.5 |
| Chiapas | 3.2 | 3.5 | 3.7 | 3.5 | 3.2 | 2.9 | 2.7 | 2.6 | 2.6 | 2.5 |
| Morelos | 2.4 | 2.3 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.6 | 2.5 | 2.5 |
| Sinaloa | 2.0 | 2.1 | 2.0 | 2.0 | 1.9 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 |
| Chihuahua | 1.5 | 1.8 | 1.9 | 1.8 | 1.9 | 1.9 | 1.9 | 1.8 | 2.1 | 2.1 |
| Durango | 1.8 | 1.8 | 1.7 | 1.7 | 1.8 | 1.8 | 1.8 | 1.8 | 1.9 | 2.0 |
| Querétaro | 1.9 | 1.9 | 1.9 | 1.8 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| Nuevo León | 1.6 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.3 | 1.4 | 1.5 | 1.6 |
| Aguascalientes | 1.7 | 1.5 | 1.5 | 1.4 | 1.3 | 1.3 | 1.4 | 1.3 | 1.5 | 1.6 |
| Nayarit | 1.4 | 1.4 | 1.4 | 1.4 | 1.5 | 1.6 | 1.6 | 1.6 | 1.5 | 1.5 |
| Sonora | 0.9 | 1.4 | 1.3 | 1.3 | 1.2 | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 |
| Coahuila | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.3 | 1.3 |
| Tlaxcala | 1.0 | 1.0 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 |
| Colima | 0.7 | 0.8 | 0.7 | 0.8 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Yucatán | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 |
| Tabasco | 0.6 | 0.7 | 0.7 | 0.7 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Quintana Roo | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 |
| Campeche | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 |
| Baja California Sur | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |

Source: BBVA Research with figures from Banxico

Table 20

Monthly Remittance Inflows to Mexico (Million Dollars)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------|
| Jan | 655.0 | 711.0 | 1,051.3 | 1,081.9 | 1,367.6 | 1,758.3 | 1,872.9 | 1,781.7 | 1,573.0 | 1,323.8 | 1,403.2 | 1,506.3 | 1,485.5 | 1,642.1 |
| Feb | 637.7 | 718.9 | 979.8 | 1,171.8 | 1,428.4 | 1,823.2 | 1,856.8 | 1,859.7 | 1,810.8 | 1,553.5 | 1,651.1 | 1,788.2 | 1,605.2 | 1,719.2 |
| Mar | 718.1 | 744.5 | 1,139.1 | 1,480.2 | 1,691.6 | 2,152.8 | 2,186.5 | 2,116.3 | 2,115.1 | 1,954.8 | 2,055.9 | 2,091.7 | 1,798.1 | 2,098.2 |
| Apr | 734.8 | 805.9 | 1,202.5 | 1,513.5 | 1,753.3 | 2,072.7 | 2,166.6 | 2,184.7 | 1,794.8 | 1,794.8 | 1,880.9 | 2,031.5 | 1,939.9 | 1,980.3 |
| May | 798.2 | 912.2 | 1,351.0 | 1,770.4 | 2,057.3 | 2,534.6 | 2,411.8 | 2,371.6 | 1,905.5 | 2,146.2 | 2,168.5 | 2,342.5 | 2,050.5 | |
| Jun | 747.8 | 860.0 | 1,351.2 | 1,684.7 | 1,923.3 | 2,340.3 | 2,300.6 | 2,264.6 | 1,934.0 | 1,894.9 | 2,022.3 | 2,096.1 | 1,950.3 | |
| Jul | 796.6 | 843.1 | 1,361.4 | 1,654.4 | 1,840.3 | 2,191.6 | 2,369.5 | 2,183.2 | 1,850.2 | 1,874.4 | 1,906.7 | 1,862.7 | 1,840.5 | |
| Aug | 789.3 | 849.1 | 1,401.2 | 1,786.8 | 2,059.2 | 2,334.3 | 2,412.1 | 2,097.6 | 1,799.4 | 1,957.7 | 2,143.9 | 1,889.7 | 1,900.8 | |
| Sep | 772.1 | 860.6 | 1,365.5 | 1,586.8 | 1,886.0 | 2,141.0 | 2,186.1 | 2,113.8 | 1,747.2 | 1,719.0 | 2,086.0 | 1,661.6 | 1,828.3 | |
| Oct | 792.8 | 848.3 | 1,391.0 | 1,529.9 | 1,862.3 | 2,316.5 | 2,367.6 | 2,637.7 | 1,696.0 | 1,731.0 | 1,912.6 | 1,771.3 | 1,912.0 | |
| Nov | 693.8 | 741.4 | 1,203.7 | 1,506.2 | 1,887.0 | 1,962.8 | 1,958.5 | 1,752.2 | 1,510.8 | 1,631.9 | 1,785.9 | 1,692.3 | 1,731.7 | |
| Dec | 759.0 | 919.4 | 1,341.1 | 1,565.1 | 1,932.1 | 1,938.7 | 1,969.8 | 1,781.9 | 1,569.5 | 1,721.8 | 1,786.0 | 1,704.4 | 1,849.5 | |
| Total | 8,895.3 | 9,814.4 | 15,138.7 | 18,331.7 | 21,688.3 | 25,566.8 | 26,058.8 | 25,145.0 | 21,306.3 | 21,303.9 | 22,803.0 | 22,438.3 | 21,892.4 | |

Monthly Remittance Inflows to Mexico (Annual % Change)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|--------------|------------|------------|-------------|-------------|------|
| Jan | 43.6 | 8.6 | 47.8 | 2.9 | 26.4 | 28.6 | 6.5 | -4.9 | -11.7 | -15.8 | 6.0 | 7.4 | -1.4 | 10.5 |
| Feb | 42.6 | 12.7 | 36.3 | 19.6 | 21.9 | 27.6 | 1.8 | 0.2 | -2.6 | -14.2 | 6.3 | 8.3 | -10.2 | 7.1 |
| Mar | 45.2 | 3.7 | 53.0 | 29.9 | 14.3 | 27.3 | 1.6 | -3.2 | -0.1 | -7.6 | 5.2 | 1.7 | -14.0 | 16.7 |
| Apr | 47.3 | 9.7 | 49.2 | 25.9 | 15.8 | 18.2 | 4.5 | 0.8 | -17.8 | 0.0 | 4.8 | 8.0 | -4.5 | 2.1 |
| May | 35.1 | 14.3 | 48.1 | 31.0 | 16.2 | 23.2 | -4.8 | -1.7 | -19.7 | 12.6 | 1.0 | 8.0 | -12.5 | |
| Jun | 38.1 | 15.0 | 57.1 | 24.7 | 14.2 | 21.7 | -1.7 | -1.6 | -14.6 | -2.0 | 6.7 | 3.7 | -7.0 | |
| Jul | 42.9 | 5.8 | 61.5 | 21.5 | 11.2 | 19.1 | 8.1 | -7.9 | -15.2 | 1.3 | 1.7 | -2.3 | -1.2 | |
| Aug | 29.8 | 7.6 | 65.0 | 27.5 | 15.2 | 13.4 | 3.3 | -13.0 | -14.2 | 8.8 | 9.5 | -11.9 | 0.6 | |
| Sep | 35.8 | 11.5 | 58.7 | 16.2 | 18.9 | 13.5 | 2.1 | -3.3 | -17.3 | -1.6 | 21.4 | -20.3 | 10.0 | |
| Oct | 41.7 | 7.0 | 64.0 | 10.0 | 21.7 | 24.4 | 2.2 | 11.4 | -35.7 | 2.1 | 10.5 | -7.4 | 7.9 | |
| Nov | 19.0 | 6.9 | 62.3 | 25.1 | 25.3 | 4.0 | -0.2 | -10.5 | -13.8 | 8.0 | 9.4 | -5.2 | 2.3 | |
| Dec | 13.8 | 21.1 | 45.9 | 16.7 | 23.5 | 0.3 | 1.6 | -9.5 | -11.9 | 9.7 | 3.7 | -4.6 | 8.5 | |
| Total | 35.3 | 10.3 | 54.2 | 21.1 | 18.3 | 17.9 | 1.9 | -3.5 | -15.3 | 0.0 | 7.0 | -1.6 | -2.4 | |

12-month Remittance Inflows to Mexico (Million Dollars)

| | | | | | | | | | | | | | | |
|-----|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Jan | 6,771.5 | 8,951.3 | 10,154.7 | 15,169.3 | 18,617.4 | 22,079.0 | 25,681.5 | 25,967.6 | 24,936.3 | 21,057.2 | 21,383.2 | 22,906.1 | 22,417.5 | 22,048.9 |
| Feb | 6,962.0 | 9,032.5 | 10,415.6 | 15,361.3 | 18,874.0 | 22,473.8 | 25,715.0 | 25,970.5 | 24,887.3 | 20,799.8 | 21,480.8 | 23,043.3 | 22,234.5 | 22,162.9 |
| Mar | 7,185.6 | 9,059.0 | 10,810.1 | 15,702.4 | 19,085.4 | 22,935.1 | 25,748.7 | 25,900.3 | 24,886.1 | 20,639.6 | 21,581.9 | 23,079.1 | 21,941.0 | 22,462.9 |
| Apr | 7,421.5 | 9,130.1 | 11,206.8 | 16,013.4 | 19,325.2 | 23,254.5 | 25,842.6 | 25,918.5 | 24,496.2 | 20,639.6 | 21,668.0 | 23,229.7 | 21,849.3 | 22,503.4 |
| May | 7,629.0 | 9,244.0 | 11,645.5 | 16,432.9 | 19,612.1 | 23,731.8 | 25,719.8 | 25,878.3 | 24,030.1 | 20,880.3 | 21,690.3 | 23,403.7 | 21,557.3 | |
| Jun | 7,835.3 | 9,356.2 | 12,136.7 | 16,766.4 | 19,850.6 | 24,148.8 | 25,680.1 | 25,842.3 | 23,699.5 | 20,841.1 | 21,817.7 | 23,477.5 | 21,411.5 | |
| Jul | 8,074.3 | 9,402.7 | 12,655.0 | 17,059.4 | 20,036.6 | 24,500.1 | 25,857.9 | 25,656.0 | 23,366.6 | 20,865.3 | 21,850.0 | 23,433.5 | 21,389.3 | |
| Aug | 8,255.5 | 9,462.5 | 13,207.1 | 17,445.0 | 20,309.0 | 24,775.2 | 25,935.8 | 25,341.4 | 23,068.4 | 21,023.7 | 22,036.2 | 23,179.2 | 21,400.5 | |
| Sep | 8,459.1 | 9,551.0 | 13,712.0 | 17,666.3 | 20,608.1 | 25,030.2 | 25,980.9 | 25,269.1 | 22,701.8 | 20,995.4 | 22,403.2 | 22,754.9 | 21,567.2 | |
| Oct | 8,692.4 | 9,606.5 | 14,254.7 | 17,805.3 | 20,940.5 | 25,484.4 | 26,032.1 | 25,539.2 | 21,760.1 | 21,030.5 | 22,584.8 | 22,613.5 | 21,707.9 | |
| Nov | 8,803.1 | 9,654.1 | 14,717.0 | 18,107.7 | 21,321.2 | 25,560.3 | 26,027.8 | 25,332.8 | 21,518.7 | 21,151.6 | 22,738.8 | 22,519.9 | 21,747.3 | |
| Dec | 8,895.3 | 9,814.4 | 15,138.7 | 18,331.7 | 21,688.3 | 25,566.8 | 26,058.8 | 25,145.0 | 21,306.3 | 21,303.9 | 22,803.0 | 22,438.3 | 21,892.4 | |

12-month Remittance Inflows to Mexico (Annual % Change)

| | | | | | | | | | | | | | | |
|-----|------|------|------|------|------|------|------|------|-------|-------|-----|------|------|------|
| Jan | 13.5 | 32.2 | 13.4 | 49.4 | 22.7 | 18.6 | 16.3 | 1.1 | -4.0 | -15.6 | 1.5 | 7.1 | -2.1 | -1.6 |
| Feb | 15.6 | 29.7 | 15.3 | 47.5 | 22.9 | 19.1 | 14.4 | 1.0 | -4.2 | -16.4 | 3.3 | 7.3 | -3.5 | -0.3 |
| Mar | 18.7 | 26.1 | 19.3 | 45.3 | 21.5 | 20.2 | 12.3 | 0.6 | -3.9 | -17.1 | 4.6 | 6.9 | -4.9 | 2.4 |
| Apr | 22.0 | 23.0 | 22.7 | 42.9 | 20.7 | 20.3 | 11.1 | 0.3 | -5.5 | -15.7 | 5.0 | 7.2 | -5.9 | 3.0 |
| May | 25.0 | 21.2 | 26.0 | 41.1 | 19.3 | 21.0 | 8.4 | 0.6 | -7.1 | -13.1 | 3.9 | 7.9 | -7.9 | |
| Jun | 28.0 | 19.4 | 29.7 | 38.1 | 18.4 | 21.7 | 6.3 | 0.6 | -8.3 | -12.1 | 4.7 | 7.6 | -8.8 | |
| Jul | 30.8 | 16.5 | 34.6 | 34.8 | 17.5 | 22.3 | 5.5 | -0.8 | -8.9 | -10.7 | 4.7 | 7.2 | -8.7 | |
| Aug | 32.1 | 14.6 | 39.6 | 32.1 | 16.4 | 22.0 | 4.7 | -2.3 | -9.0 | -8.9 | 4.8 | 5.2 | -7.7 | |
| Sep | 33.7 | 12.9 | 43.6 | 28.8 | 16.7 | 21.5 | 3.8 | -2.7 | -10.2 | -7.5 | 6.7 | 1.6 | -5.2 | |
| Oct | 35.6 | 10.5 | 48.4 | 24.9 | 17.6 | 21.7 | 2.1 | -1.9 | -14.8 | -3.4 | 7.4 | 0.1 | -4.0 | |
| Nov | 35.6 | 9.7 | 52.4 | 23.0 | 17.7 | 19.9 | 1.8 | -2.7 | -15.1 | -1.7 | 7.5 | -1.0 | -3.4 | |
| Dec | 35.3 | 10.3 | 54.2 | 21.1 | 18.3 | 17.9 | 1.9 | -3.5 | -15.3 | 0.0 | 7.0 | -1.6 | -2.4 | |

Source: BBVA Research with figures from Banxico

Table 21

Intensity of Migration and Remittance Inflows Indicators, by State

| State | Households in 2000 | | | | Households in 2010 | | | | Remittance dependency indicator 2013e* | Remittance dependency degree** |
|-------------------|---------------------------|---|--|--|---------------------------|---|--|--|--|--------------------------------|
| | Receiving remittances (%) | With immigrant in US in the previous five years (%) | With circular immigrant in US in the previous five years (%) | With returnee migrant from US in the previous five years (%) | Receiving remittances (%) | With immigrant in US in the previous five years (%) | With circular immigrant in US in the previous five years (%) | With returnee migrant from US in the previous five years (%) | | |
| National | 4.4 | 4.1 | 0.9 | 0.8 | 3.6 | 1.9 | 0.9 | 2.3 | 1.7 | |
| Michoacán | 11.4 | 10.4 | 2.8 | 2.3 | 9.3 | 4.4 | 2.0 | 4.9 | 7.4 | Very high |
| Guerrero | 7.9 | 6.8 | 0.8 | 1.1 | 6.6 | 3.2 | 1.0 | 3.5 | 6.9 | Very high |
| Oaxaca | 4.1 | 4.8 | 0.6 | 0.7 | 4.9 | 4.1 | 0.9 | 3.1 | 6.2 | Very high |
| Zacatecas | 13.0 | 12.2 | 3.3 | 2.5 | 11.0 | 4.5 | 2.3 | 5.7 | 4.4 | Very high |
| Guanajuato | 9.2 | 9.6 | 2.2 | 1.6 | 7.7 | 5.3 | 2.3 | 4.3 | 4.2 | Very high |
| Nayarit | 9.6 | 6.8 | 2.0 | 2.0 | 9.1 | 2.1 | 2.3 | 4.4 | 4.1 | Very high |
| Morelos | 6.4 | 7.5 | 1.3 | 1.1 | 5.4 | 2.5 | 1.1 | 3.6 | 3.7 | High |
| Puebla | 3.3 | 4.0 | 0.5 | 0.7 | 3.8 | 3.0 | 1.0 | 2.1 | 3.4 | High |
| Tlaxcala | 2.2 | 2.7 | 0.5 | 0.4 | 2.6 | 2.4 | 1.2 | 1.8 | 3.3 | High |
| Hidalgo | 5.1 | 7.1 | 1.6 | 0.9 | 4.3 | 3.5 | 1.6 | 4.1 | 3.3 | High |
| San Luis Potosí | 8.2 | 7.4 | 1.3 | 1.2 | 6.6 | 3.1 | 1.3 | 3.3 | 3.0 | High |
| Durango | 9.7 | 7.3 | 1.8 | 1.6 | 6.5 | 2.4 | 1.3 | 3.4 | 2.8 | Medium |
| Aguascalientes | 6.7 | 6.7 | 2.7 | 1.5 | 4.8 | 2.6 | 1.6 | 3.3 | 2.5 | Medium |
| Colima | 7.3 | 5.6 | 1.4 | 2.1 | 5.2 | 1.8 | 1.1 | 4.2 | 2.5 | Medium |
| Chiapas | 0.8 | 0.8 | 0.1 | 0.1 | 1.1 | 1.1 | 0.5 | 0.9 | 2.4 | Medium |
| Jalisco | 7.7 | 6.5 | 1.8 | 1.7 | 5.4 | 2.2 | 1.3 | 3.0 | 2.3 | Medium |
| Sinaloa | 4.6 | 3.6 | 0.9 | 0.6 | 3.3 | 1.0 | 0.7 | 1.9 | 1.9 | Low |
| Veracruz | 2.7 | 3.2 | 0.5 | 0.2 | 2.5 | 1.8 | 0.8 | 2.0 | 1.6 | Low |
| Tamaulipas | 3.6 | 3.0 | 0.6 | 0.7 | 3.0 | 1.2 | 0.7 | 2.5 | 1.6 | Low |
| Baja California | 4.0 | 2.4 | 0.4 | 2.3 | 3.7 | 1.1 | 0.5 | 4.2 | 1.5 | Low |
| Querétaro | 3.7 | 4.8 | 1.4 | 0.7 | 3.3 | 3.0 | 1.6 | 2.6 | 1.4 | Low |
| Chihuahua | 4.3 | 3.7 | 1.0 | 1.3 | 4.4 | 1.7 | 0.7 | 2.8 | 1.3 | Low |
| México | 2.1 | 2.6 | 0.6 | 0.3 | 1.5 | 1.0 | 0.6 | 1.1 | 1.3 | Low |
| Sonora | 3.2 | 1.6 | 0.3 | 0.9 | 2.7 | 1.1 | 0.7 | 2.9 | 0.9 | Very low |
| Yucatán | 1.4 | 1.0 | 0.2 | 0.2 | 1.4 | 0.7 | 0.4 | 0.7 | 0.7 | Very low |
| Coahuila | 3.4 | 2.2 | 0.8 | 0.7 | 2.4 | 0.9 | 0.5 | 1.5 | 0.7 | Very low |
| Quintana Roo | 1.0 | 0.7 | 0.2 | 0.2 | 1.2 | 0.5 | 0.3 | 1.0 | 0.5 | Very low |
| B. California Sur | 1.1 | 1.0 | 0.6 | 0.6 | 1.6 | 0.5 | 0.4 | 2.5 | 0.4 | Very low |
| Nuevo León | 2.5 | 1.9 | 0.7 | 0.6 | 1.3 | 0.6 | 0.4 | 1.0 | 0.4 | Very low |
| Distrito Federal | 1.7 | 1.6 | 0.4 | 0.3 | 1.2 | 0.6 | 0.4 | 0.6 | 0.4 | Very low |
| Tabasco | 0.6 | 0.6 | 0.2 | 0.0 | 0.8 | 0.5 | 0.3 | 0.5 | 0.3 | Very low |
| Campeche | 1.0 | 0.9 | 0.2 | 0.1 | 0.9 | 0.5 | 0.3 | 1.0 | 0.1 | Very low |

Note: For 2010, CONAPO estimated migration intensity indicators by house. To make data comparable between 2000 and 2010, for this last year was estimated information directly from databases.

* Remittances / GDP*100. Preliminary figures BBVA Research estimates. e/ estimation

** Classification by BBVA Research. The cutoff points were established based on standard deviations in the sample.

Source: For 2000, CONAPO estimation based on the sample of ten percent of the XII Censo General de Población y Vivienda 2000. For 2010, BBVA Research estimations based on the sample of ten percent of Censo de Población y Vivienda 2010. For dependency index, BBVA Research based on INEGI and Banxico.

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