# Migration Outlook

Mexico

**First Half 2015**
Economic Analysis

- **The migration of Central American minors to the United States is attributable to several causes,** with violence and insecurity chief among these, in conjunction with conditions of deprivation, poverty and a lack of employment and opportunities

- **Students of Mexican origin at US higher education institutions** show the greatest vulnerability and a low level of educational attainment

- **82% of returning migrants in Mexico who are job-hunting go into informal employment,** while population centre size, economic sector and educational level are the major determining factors here

- **Remittances still exhibit a rising trend although their momentum is dropping,** and they could reach around USD24.5bn in 2015

- **Uncertainty over the future of president Obama's immigration policy:** 2016 is a presidential election year in the United States

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# Index

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# 1. In summary

### In 2015 remittance inflows could reach around USD24.5bn, with growth of 2.9%. The rising pattern is holding but momentum is falling off

Our forecasts show that family remittances could rise 2.9% in 2015, reaching a level of USD24.324bn. Remittances this year should thus continue to rise, although this is likely to be at slower pace than in 2014, when they increased by 8.0%. This growth is based on projections of a recovery in the economy and employment in the United States for the coming years, and emphasised by low levels of unemployment observed last year and in the first quarter of 2015. In 2016, the flow of remittances could climb to USD25.506bn (+4.9%), which would mean a level approaching the historical high achieved in 2007.

### Uncertainty over the future of president Obama's immigration policy

Early in 2015 an coalition of states filed a judicial appeal to block the immigration measures announced by President Obama, chief among which were the DAPA and DACA 2.0, aimed at ending the deportation of parents of children who have been born or live in the United States and extending the programme to the Dreamers segment. Almost four million undocumented immigrants stand to benefit from this programme. The hearings and appeals entailed by these proceedings could mean that there is no ruling before mid-2016, which is an election year involving extensive campaigning activity to determine the presidential succession in the United States. Thus, even if a ruling in favour is given by the courts, the executive actions will not stand as law and will be subject to the discretion and wishes of the incoming presidential administration.

### The migration of Central American minors to the United States has many causes, but violence and insecurity are chief among these, in conjunction with conditions of deprivation, poverty and a lack of employment and opportunities

The "humanitarian crisis" of underage migrants bore witness to the multifaceted nature and complexity of the migratory flow from Central America's *Northern Triangle* (Guatemala, Honduras, El Salvador) to the United States, which passes through Mexico. In 2014, the US immigration authorities detained some 68,000 unaccompanied minors and 49,000 who were accompanied, while their Mexican counterparts showed 23,000 minors from Central America, which together number close to 130,000 cases of children detained by both countries. Even so, the real figure for this flow is far higher. The awkward conditions in their countries of origin and the chance to have "a different life" with a family member in the United States are what prompt these minors to make the journey north in spite of the adversity.

### Underage migrants can stay in the United States if they are given asylum, Special Immigrant Juvenile Status, a T Visa, a U Visa or through procedural discretion

When a minor is represented by a lawyer in a migration case, they have a 47% chance of remaining in the United States, which otherwise drops to only 10%. Several non-profit organisations offer support for underage migrants but they lack the capacity to cater for all of them. An underage migrant can stay in the United States if they obtain: i) asylum, which is for those fleeing or who are persecuted in their countries of origin; ii) Special Immigrant Juvenile Status (SIJS), to protect abused, abandoned or neglected foreign children; iii) a T Visa, for victims of human trafficking; iv) a U Visa, which can be granted to a victim of certain crimes or witnesses, or e) procedural discretion, when the immigration authority decides not to press ahead with deportation. In 2014 and 2015, the information suggests that there might have been a shift in immigration policy towards underage migrants, as there was a spike in the number of cases concluded via procedural discretion.

## Students of Mexican origin in the US higher education system present greater vulnerability than the other students of Hispanic origin

Students of Mexican origin represent the majority of students of Hispanic origin in the United States, and come from larger families than the average student, while a feature of their parents is that they have relatively lower educational levels than the rest of the population. Students of Mexican origin are more concentrated than the other Hispanic students in public institutions that are not very selective or have an open admissions policy, principally on technical or vocational courses (two-year programme), and are a highly vulnerable group given that they have lower family income levels and have less access to funding than the other Hispanic and non-Hispanic students in the United States.

## The economic component is decisive in allocating both institutional and government financial aid for students in higher education in the United States

At the same time, more importance appears to be attached to academic performance at High School when institutional financial support is given. In spite of this, students of Hispanic or Mexican origin seem to be more likely to receive aid from institutions, in line with their social inclusion policy for students from minority backgrounds in higher education institutions in the United States. There is no evidence that students of Mexican origin benefit more than the other students of Hispanic origin. In the case of government assistance, no significant evidence was found that Hispanic or Mexican students are more likely to receive such aid.

## From 2010 to 2014, over 82% of returning Mexican migrants seeking work went into informal employment in Mexico. Population centre size, sector of economic activity and educational level are the main factors in determining informality

A very high proportion of returning migrants find their first job in informal employment when they arrive back home. For the period indicated, in population centres of under 2,500 inhabitants 91% of workers went into informal employment, while in populations of over 100,000 inhabitants this was 67%. The economic sectors with the highest incidence of informal employment were farming and livestock (96%) and construction (88%). One additional year in education brings down the probability of going into informal employment by around 2%.

## Among returning migrants, it is those at the youngest and oldest ends of the age spectrum who are most likely to go into informal employment

Our estimates suggest that the probability of going into informal employment is U-shaped as regards the age of the returning migrant. The presence of at least one other informal worker in a household increases the likelihood of having an informal job by close to 12% (externality effect). The presence of at least one other member who is in work and has earnings in a household lowers the probability of having an informal job by 5.5% (income effect). The variables of gender, marital status, being the head of the household or not, or the presence in the household of members aged either up to 12 or 60 or more do not affect the propensity to go into informal employment.

# 2. Situation: Migration of girls, boys and teenagers to the United States

## 2.1. Introduction

As a result of the past financial crisis in the United States, since 2008 its effects have been measurably echoed in the US output and employment levels. The US Gross Domestic Product (GDP) contracted for six quarters in succession, doing so on average at an annualised rate of -2.8%,[1] from 1Q08 to 2Q09. On the other hand, the unemployment rate surged ahead in 2008, reaching 10.0% in 2009,[2] a level not seen since 1983. The crisis spread worldwide, also affecting Mexico. With US productive activity feeling its effects, a substantial flow of Mexican immigrants was expected to return home, after being laid off and failing to find work in the US labour market again. A return en masse of this kind, in the kind of numbers that had been predicted, did not finally materialise, although the net flow of Mexican immigrants to the United States did come to a standstill (***Mexico Migration Outlook***, 2012).

After the effects of the economic crisis had worn off, the US economy began a slow recovery, during which time Mexico experienced a major upsurge in immigration by Central Americans who were mainly passing through on their way to the United States, in spite of the difficult labour market conditions that they would come up against on arrival. This subject became increasingly important, not just among researchers and civil associations who provided support for people and families in transit, but also in the media and at different levels of government. Within this flow, migration by unaccompanied children became a particularly serious issue, above all from mid-2014.

This article draws on information from the National Institute of Migration (INM) and the U.S. Department of Homeland Security (DHS) to examine the detention of underage migrants (both accompanied and unaccompanied) who were mainly on their way to the United States and mostly come from Central America, specifically the region known as the Northern Triangle, which is formed by Guatemala, El Salvador and Honduras. The study is supplemented with several reports and research by international organisations, civil society, academics, the media and governments who attempt to get to the bottom of the causes and grounds which prompt migration, as well as to pinpoint the ultimate destination of minors and the consequences of the phenomenon for both host countries and their public policies.

## 2.2. The flow of migrant girls, boys and teenagers

The migration of girls, boys and teenagers (GBT)[3] is nothing new or out of the blue. Nonetheless, the sharp upsurge in this flow that has been observed in recent years in Mexico and the United States, and the conditions of a lack, or the infringement, of human rights, whether in their countries of origin, in transit, or during detention at holding centres, have brought this issue to the table in international debate.

One of the major question marks concerning the migration of GBTs to the United States (and to Mexico) is its volume and the principal socio-demographic characteristics of the population involved. Honduran and Salvadorean GBTs have to cross several countries and borders to reach the United States and, of these, some decide to stay and/ or are detained by the migration authorities in Mexico, as is the case of those of Guatemalan origin although, due to Guatemala's geographical location, the latter only have to cross Mexican territory. Mexican minors can get to their country's northern border more easily and await their chance to try to cross it. Thus the international flow of undocumented GBT migrants over any given period could potentially be estimated as the sum of the following groups:

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[1] Data from the U.S. Bureau of Economic Analysis (BEA), seasonally adjusted figure.
[2] Data from the U.S. Bureau of Labor Statistics (BLS), seasonally adjusted figure MoM.
[3] This article uses the terms "girls, boys and teenagers" or "minors" interchangeably to refer to any person under 18.

1. Central American GBT migrants detained by Central American migration authorities or who reside in a Central American country other than that where they were born.

2. Central American GBT migrants who decide to stay and live in Mexico and were not detained by Mexican migration authorities.

3. Central American GBT migrants who are detained by Mexican migration authorities on their way to Mexico or the United States.

4. Central American and Mexican GBT migrants who were not detained by migration authorities and who reside in the United States.

5. Central American and Mexican GBT migrants who are detained by the US migration authorities.

With regard to the first and second groups, it is hard to obtain up-to-date, reliable information on their volume. The intra-regional mobility of people within Central America's Northern Triangle is very fluid and, even though a minor cannot officially enter another country on their own account, they can do so in the company of an adult, whether they are relatives or smugglers of immigrants, or else by sneaking in at some point along the border separating the two countries. On the other hand, after they reach Mexican territory, it is common knowledge that Central American GBTs who stay for a short while or indefinitely in Mexico do so in the frontier cities (where there are stronger social networks among their compatriots) and/or stop-off points on the way to the United States, such as the city of Tapachula in Chiapas or Tenosique in Tabasco (López, 2012; OIM, 2010). Even so, it is hard to quantify the scale of this flow.

Figure 2.1
**Foreign minors brought before the Mexican authorities in 2010-14
(Events and % of total events)**
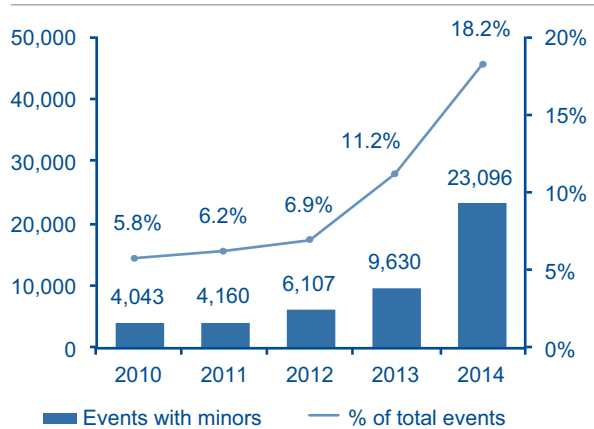


Note: From 2010 to 2012 the figures refer to events where foreign minors are taken in by the migration authorities.
Source: BBVA Research using data from the SEGOB, UPM and the INM.

Figure 2.2
**Gender and age groups of foreign minors brought before the Mexican authorities in 2014 (Percentage distribution)**
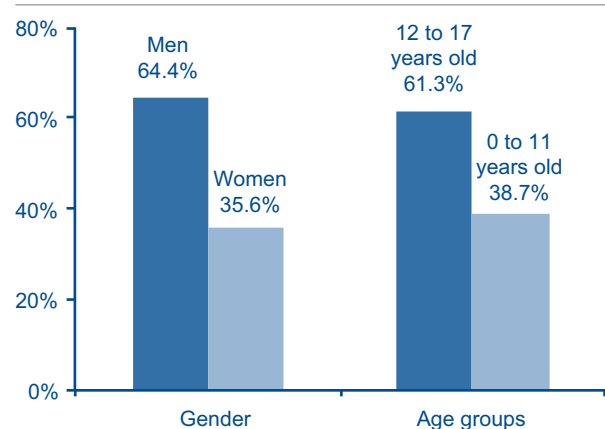


Source: BBVA Research using data from the SEGOB and the UPM.

## 2.3. Girls, boys and teenagers detained by the migration authorities in Mexico

With respect to the third group of GBT migrants, statistics are available which are published by the Migration Policy Unit (UPM) and drawn from the databases at the National Institute of Migration (INM). This information indicates that migration by Central American minors has increased in both absolute terms and as a proportion of migrants from 2011 to 2014. In 2010, approximately 4,000 events were logged involving GBTs brought before the Mexican migration authorities, which was equal to 5.8% of the total, while in 2014 this flow grew by over 470%, with around 23,000 events recorded, which represented 18.2% of total migrants detained by the INM. Of this flow of migrant minors, about two-thirds are males and almost 1 in 4 are aged under 12.

Among the minors brought before the INM, a substantial portion were returned to their countries of origin via assisted return. In 2010-13, around 65% of minors were returned after being detained on Mexican soil and travelling unaccompanied, although in 2014 this proportion fell to 45.9%. In 2010-12 the main country of origin of GBT migrants returned from Mexico was Guatemala, while in 2013-14 most of them were from Honduras.

Figure 2.3
**Assisted return of minors by the Mexican migration authorities, by travel accompaniment status, 2010-14 (Percentage distribution)**
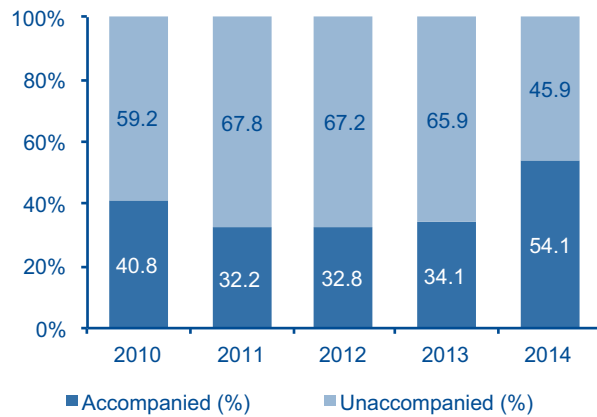


Source: BBVA Research with data from the SEGOB, the UPM and the INM.

Figure 2.4
**Assisted return of minors by the Mexican migration authorities, by country of origin, 2010-2014 (Percentage distribution)**
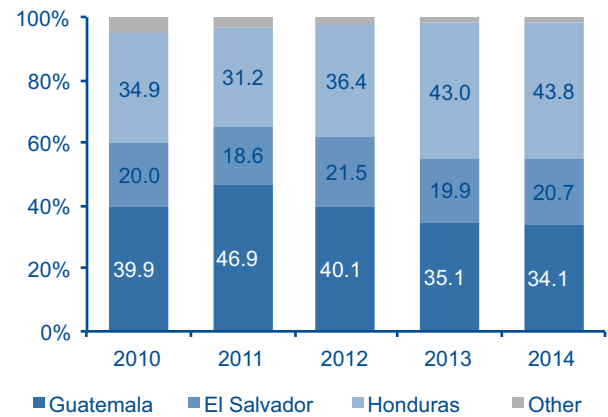


Source: BBVA Research with data from the SEGOB, the UPM and the INM.

## 2.4. Unaccompanied migrant children in the United States

The fourth and fifth groups of GBT migrants comprise both Central American and Mexican minors who decide to migrate to the United States. The magnitude of this flow is not known, as the only available information relates to those who are detained by the US authorities, i.e. data on the last of the groups. As with the INM data given, detention of Mexican migrants in the United States by the border patrol has increased in both outright numbers and in relative terms in recent years. In 2011 little more than 23,000 GBT detention events were logged (6.8% of the total), while for 2014 this figure swelled to over 107,000 events, which represented 22.1% of the detentions carried out by the US migration authorities that year.

Figure 2.5
**Migrant children detained by the US migration authorities, 2011 -14
(Events and % of total events)**
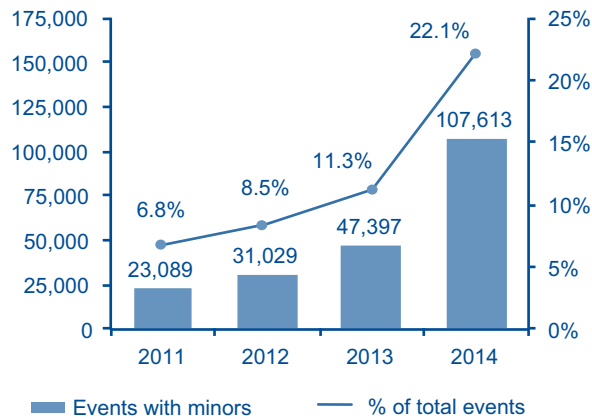


Note: Tax years from October the previous year to September in the year referred to
Source: BBVA Research with data from the U.S. Border Patrol.

Figure 2.6
**Migrants detained by the US migration authorities in 2014
(Percentage distribution)**
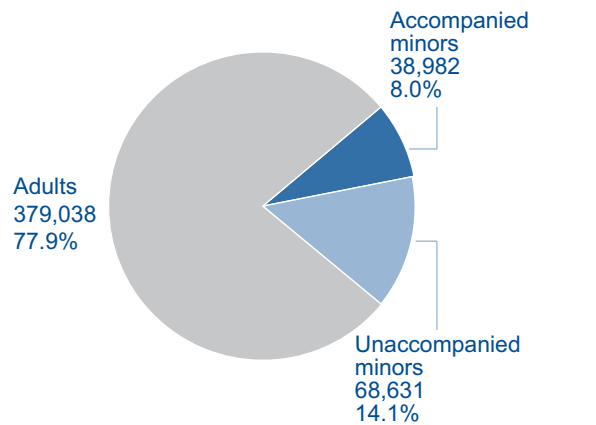


Note: Tax years from October the previous year to September in the year referred to
Source: BBVA Research with data from the U.S. Border Patrol.

Adults, families and undocumented and unaccompanied minors are treated differently by the US migration authorities. Adult migrants who are detained along or close to the border are taken into custody in detention centres that were built, and generally function, as prisons. Families that comprise one or several adults and at least one minor are sent to detention centres for the custody of families[4] (American Immigration Council, 2014). Data from the US Border Patrol indicates that in the 2013 tax year some 14,855 family units were detained,[5] while in 2014 this figure reached 68,445.

Among the GBT migrants, the subject of unaccompanied alien children (UAC) among migrants suddenly took on greater importance when, on 28 June 2014, President Barack Obama announced that he would ask the US Congress for more than USD2bn[6] to address the crisis of unaccompanied underage migrants and mothers with minor children who are detained by the migration authorities on the southern border of the United States,[7] whereupon the matter was immediately and often billed in the key media as a "humanitarian crisis" (e.g. *Washington Post*, 2014; CBS, 2014; *NY Times*, 2014).

The figures published by the US Border Patrol show that since 2012 the flow of UAC into the United States has surged to a figure of 68,681 events in 2014 (14.1% of total detentions), almost all of which (68,541 events) were on the southern border of US territory. Nevertheless, their breakdown by country of origin and the humanitarian conditions in transit to the United States have changed. In 2009-11, roughly 77% of total UAC came from Mexico, and then from 2012 growth was detected in the flow from Central America, specifically Guatemala, El Salvador and Honduras. The high-risk conditions and violations of human rights suffered by underage Central American migrants on their journey through Central American, Mexican and US territory have been widely documented in the media and in reports by international organisations and civil society (UNHCR, 2014).

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[4] Such as the T. Don Hutto Residential Center in Texas.
[5] Family units are the total number of members who have been detained "as a family group" by the migration authorities and where at least one of its members is a minor.
[6] The formal application was later filed for USD3.7bn (White House, 2014b).
[7] Previously, on 2 June, the White House had issued a memorandum announcing the rapid rise in the flow of UAC (White House, 2014a).

Table 2.1

**Unaccompanied alien children detained by the US migration authorities by country of origin in 2014 (Percentage distribution)**

| Country of origin | Events | | | | | | % share | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Guatemala | 1,115 | 1,517 | 1,565 | 3,835 | 8,068 | 17,057 | 5.7 | 8.2 | 9.8 | 15.7 | 20.8 | 24.9 |
| El Salvador | 1,221 | 1,910 | 1,394 | 3,314 | 5,990 | 16,404 | 6.3 | 10.4 | 8.7 | 13.6 | 15.5 | 23.9 |
| Honduras | 968 | 1,017 | 974 | 2,997 | 6,747 | 18,244 | 5.0 | 5.5 | 6.1 | 12.3 | 17.4 | 26.6 |
| Mexico | 16,114 | 13,724 | 11,768 | 13,974 | 17,240 | 15,634 | 83.0 | 74.5 | 73.8 | 57.3 | 44.5 | 22.8 |
| Other | n.d. | 243 | 248 | 283 | 714 | 1,202 | - | 1.3 | 1.6 | 1.2 | 1.8 | 1.8 |
| Total | 19,418 | 18,411 | 15,949 | 24,403 | 38,759 | 68,541 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Note: Tax years from October the previous year to September of the year referred to. The abbreviation n.a.= not available)
Source: BBVA Research using data from the U.S. Border Patrol.

President Obama's request for additional resources sought to speed up the legal process in returning minors to their countries of origin and to cover the costs of the private accommodation where the UAC stay. This is because the 2008 amendments to the Trafficking Victims Protection Act in the United States establish that all UAC must be protected as though they were a potential victim of trafficking. For UAC who come from neighbouring countries such as Mexico and Canada, if the migration authorities do not find signs that they have been victims of trafficking, they are fast-tracked back to their home countries. On the other hand, those who were born in non-neighbouring countries, such as Central American UAC, must be handed over by the migration authorities to the accommodation designated by the Office of Refugee Resettlement (ORR) so that they can initiate formal proceedings before an immigration court for them to be returned, in a process which can last as long as two years on average.

Figure 2.7

**Minors referred to the ORR by tax year (Events)**
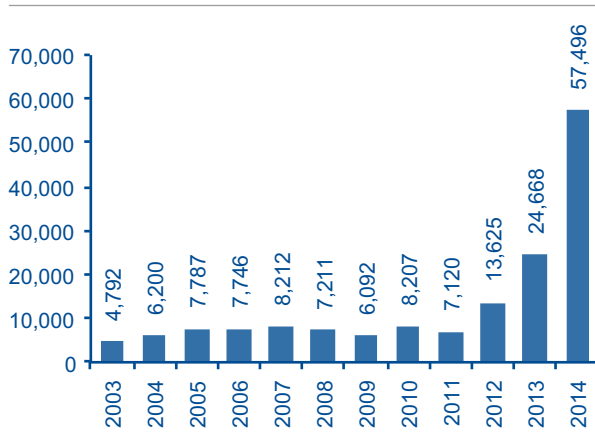


Note: Tax years from October the previous year to September of the year referred to
Source: BBVA Research with information from ORR Annual Reports to Congress and web-site.

Figure 2.8

**Annual budget for the ORR's Unaccompanied Alien Children (UAC) programme (USD mn)**
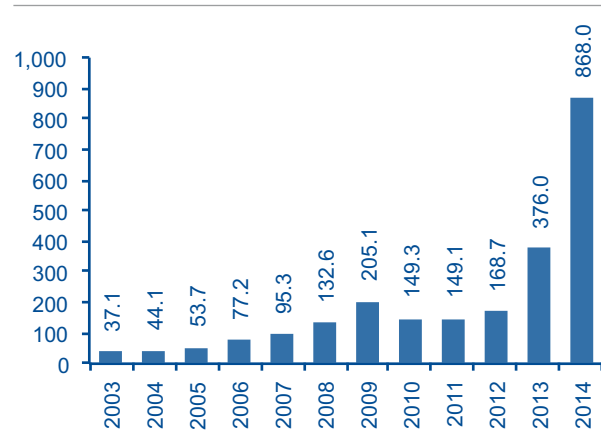


Note: Tax years from October the previous year to September of the year referred to
Source: BBVA Research with information from ORR Annual Reports to Congress and web-site.

Map 2.1

## Unaccompanied alien children detained on the south-western border by sector in 2014
### (Events and percentage distribution)

El Centro
662 (1.0%)

Tucson
8,262 (12.10%)

El Paso
1,029 (1.5%)

Yuma
351 (0.5%)

San Diego
954 (1.4%)

Del Rio
3,268 (4.8%)

Laredo
3,800 (5.5%)

Big Bend
256 (0.4%)

Rio Grande
49,959 (72.9%)
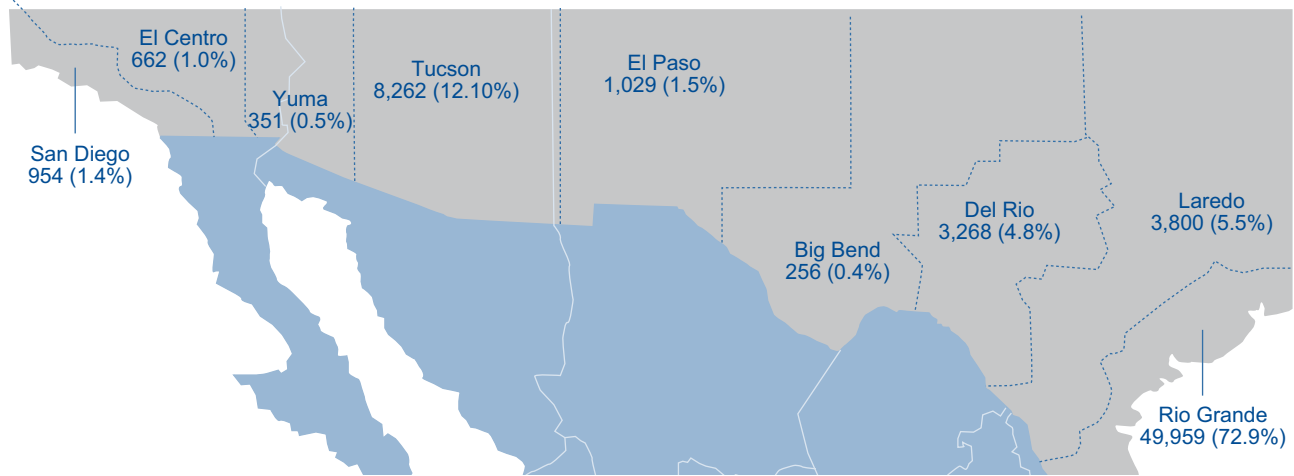
Map 2.2

## Unaccompanied alien children apprehended and handed over to sponsors, principal states, 2014
### (Events and percentage distribution)

New York
5,955 (11.1%)

Massachusetts
1,372 (2.6%)

Maryland
3,884 (7.3%)

New Jersey
2,680 (5.0%)

California
5,831 (10.9%)

Tennessee
1,294 (2.4%)

Virginia
3,887 (7.3%)

North Carolina
2,064 (3.9%)

Georgia
2,047 (3.8%)

Texas
7,409 (13.8%)

Louisiana
1,755 (3.3%)

Florida
5,445 (10.2%)
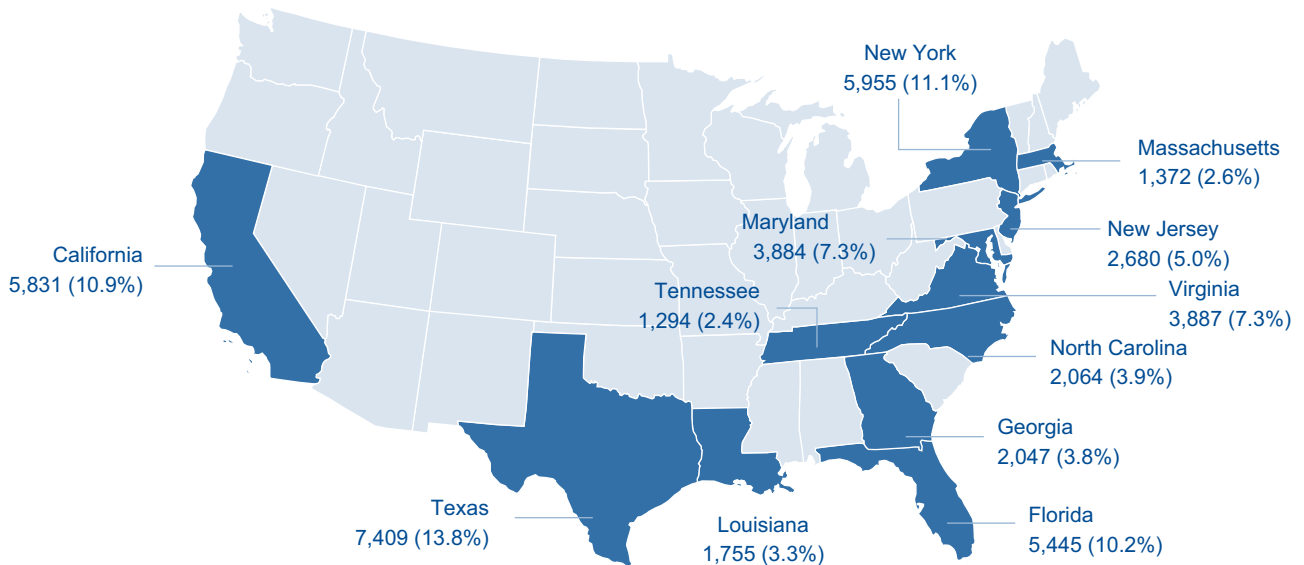
Note: 2014 tax year from October 2013 to September 2014.
Source: BBVA Research, CONAPO and Fundación BBVA Bancomer, Yearbook of Migration and Remittances 2015.

The term Unaccompanied Alien Children (UAC) used to refer to this humanitarian crisis is taken from the ORR programme, under which they are taken into temporary custody in delegated shelters or refuges which are obliged by law to provide them with accommodation, food, protection and medical care until the legal process ends or they are allocated a sponsor who looks after the minor (parents or other relatives, mainly). Retracing from when the programme began, in 2003-11 there were about 7,000 UAC events a year on average in connection with ORR shelters. Nonetheless, from 2012 an increase in this flow was noted, and in 2013 almost 25,000 events were recorded, while in 2014 this figure reached over 57,000. In that year, the Rio Grande Valley region was the point of entry for most UAC, with almost 50,000 people detained on the south-western border of the United States (72.9% of the total) who were referred to the ORR, while in second place was the Tucson migration section with over 8,262 events (12.1%).

The sudden over-crowding of these refuges and the transfer of some minors to provisional centres by plane and overland therefore heightened concern over the stop-over and protection conditions faced by the UAC. The amount of funding required by the UAC programme also sparked controversy among the public, as in 2013 this was USD376mn and in the 2014 tax year it was around USD868mn. These funds were applied to increasing the number of beds available to accommodate the UAC, as well as to speeding up the process of releasing minors to a sponsor by reducing their stay to an average of 29 day,[8] whereas in 2013 this was between 30 and 35 days (Gauto & Riddle, 2015).

In the 2014 tax year, 53,518 UAC who were in shelters were released to sponsors, which is around 85% of the cases dealt with (ORR, 2014). The states of Texas, New York, California, Florida, Virginia and Maryland accounted for over 60% of cases of minors reunited with relatives. The order of precedence for selecting sponsors was as follows:

1.  Parents

2.  Legal guardian

3.  Adult relative

4.  Person or institution designated by the parent or guardian

5.  Licenced programme

6.  Other person or institution when there is no other alternative

Byrne & Miller (2012) find that in 32% of cases in 2009-10 minors are handed over to one or both parents, 27% to family friends, 19% to uncles and aunts, 9% to brothers and sisters, 5% to cousins, 3% to grandparents and the rest to other people or into the care of other state programmes.

## 2.5. Why do unaccompanied minors migrate?

In certain media and research the term "immigrant children", which has been used to refer to this flow of UAC, has prompted controversy about the age of this group. It is therefore important to find out the age distribution of the flow, for the purposes of linking it with the causes and grounds behind it. As has been said previously, there are no reliable statistics on the overall flow of underage migrants and the official figures are limited to the reports of detentions by the migration authorities. The data on minors detained by the migration authorities in Mexico indicate that the cohort aged under 12 represented less than 20% of the total in 2012-13, but that in 2014 there was a sudden upsurge within this age band which took it to 38.7% of total minors detained in almost 9,000 events. On the other hand, the ORR, which provides temporary shelter for unaccompanied minors arrested in the United States, suggests that most of the underage migrants in 2013 are 16 to 17 years old (55.1%), 23.6% are in the 13-15 age band and only 12.4% are 12 or under.

This differing pattern in detentions of minors could be accounted for by the fact that: i) most of those under 12 migrate in the company of a relative or immigrant smuggler and are easier to detain by the Mexican migration authorities than minors aged between 12 and 17, primarily because of their physique, and ii) migrating minors in the 12-17 band turn themselves over to the migration authorities as being unaccompanied in the United States, and are then allocated a sponsor (parents and/or relatives) or they are picked up by the migration authorities, given that they more able to fend for themselves in the community and public places than minors in the 0-11 age range.

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[8] If finding a sponsor is very fast, the minor's stay in the shelter can be under one week.

Figure 2.9
**Alien minors brought before the Mexican migration authorities by age group 2012-14 (Events and percentage distribution)**
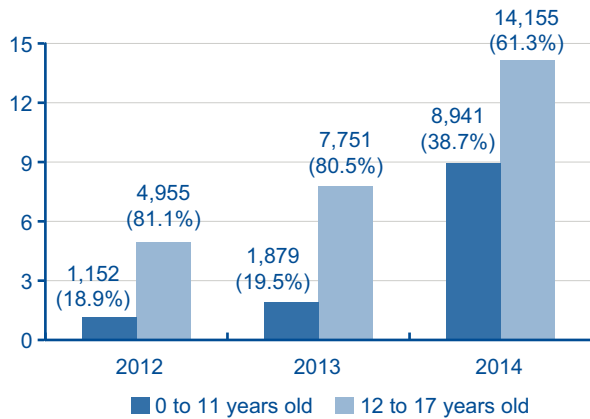


Source: BBVA Research with information from the SEGOB, the UPM and the INM.

Figure 2.10
**Alien minors referred to the ORR in the United States by age group in 2013 (Percentage distribution)**



Note: Tax year from October of the previous year to September of the year referred to
Source: BBVA Research with U.S. Border Patrol figures.

The UNHCR study (2014)[9] suggests that the displacement of minors is multi-causal, and that these factors normally correlate with each other. Among interviewees, the mix of causes that lead to moving differs by country of origin. With minors who are Honduran n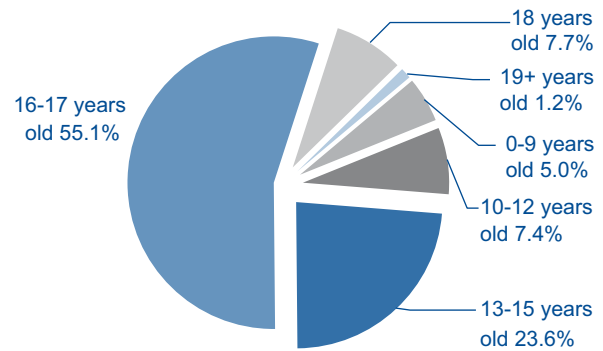ationals, 59.5% of migration cases relate to violence and insecurity, while with those of Salvadorean origin, 40% relate to violence and insecurity and another 40% to reuniting with relatives, and among those born in Guatemala, half of the cases are attributable to an economic motive (searching for opportunities and a lack of employment in their communities of origin) and 33.3% to violence and insecurity.

The study indicates that violence and insecurity are one of the primary causes leading to GBT migration. 2012 figures from the World Bank show that the rates of murder with intent in Honduras (90.4 per 100,000 inhabitants), El Salvador (41.2) and Guatemala (39.9) are among the highest in the world, in first, fourth and fifth place worldwide. "Reuniting with relatives is becoming more a consequence than a cause as regards leaving, being provoked by the systematic violence that affects everyday life" (UNHCR, 2014). In other words, seeking to reunite with a relative in the United States is the solution that many of these minors find for escaping from the violence they suffer at home and in their communities of origin, be they either direct victims or at risk of becoming one. These findings are compatible with a similar previous study made by UNHCR (2013) in which it interviewed over 300 minors in ORR protection who had been detained by the US immigration authorities.

Figure 11 shows that among the personal reasons for the minor taking the decision to emigrate are situations of physical violence such as being hit, threats, intimidation, physical force and harassment. The study finds that it is not just one type of violence but multiple forms that Central American minors suffer, such as in relation to organised crime, gangs, being forced to join in, insecurity (witnessing and being exposed to crimes), poverty and domestic violence. This last type of violence has a greater weight among girls and female teenagers as a cause for migration, while boys and male teenagers are more affected by violence in their community and environment (school, neighbourhood, gangs).

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[9] The UNHCR study (2014) examines the reasons which lead underage migrants to take the decision to migrate. The information comes from 72 personal interviews and discussion groups (200 participants) among children and teenagers who were in migrant centre accommodation in Mexico in the last few months of 2013. The quantitative analysis led to identification of the need to disentangle the causes of migration (social, historical, economic and political relations) from the grounds deriving from the life experience that prompted each minor to take the decision to migrate. The results given come from an analysis of the causes and grounds behind migration and not just the self-stated responses of those interviewed.

Figure 2.11
**Causes of migration among Central American minors
(Percentage distribution)**

| | Guatemala (n=25) | El Salvador (n=10) | Honduras (n=37) | Total (n=72) |
|---|---|---|---|---|
| Economic motive | 50.0% | 20.0% | 18.9% | 29.2% |
| Reuniting with relatives | 16.7% | 40.0% | 21.6% | 22.2% |
| Violence and insecurity | 33.3% | 40.0% | 59.5% | 48.6% |
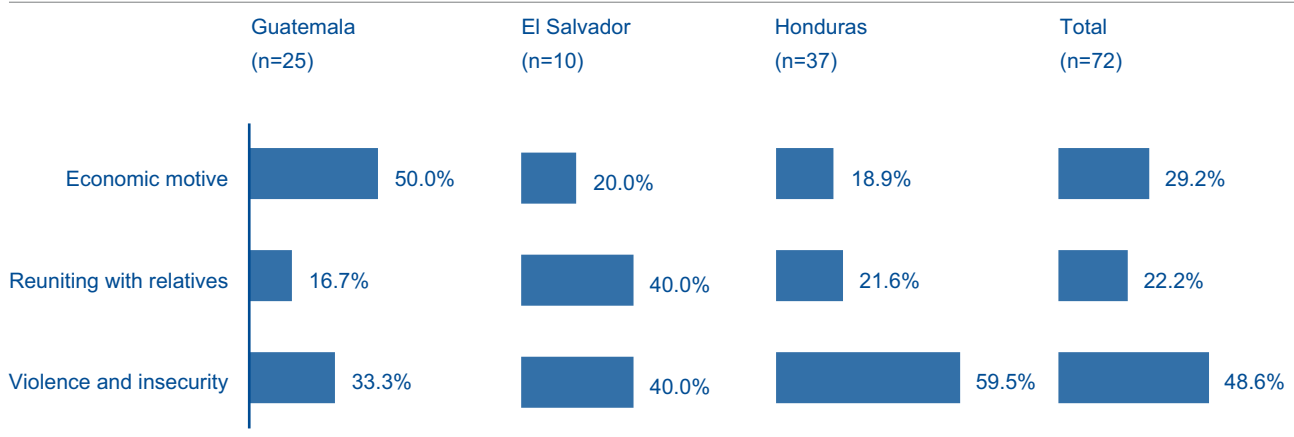
Note: n = sample size
Source: BBVA Research based on the UNHCR study (2014)

Figure 2.12
**Personal grounds for migrating among Central American minors that are linked to violence and insecurity
(Percentage distribution)**



Economic motive 36.1%

Reuniting with relatives 27.8%

Punches, 8.3%

Insecurity, 6.9%

Threats, 6.9%

Intimidation, 5.6%

Violence, 4.2%

Persecution, 2.8%

Violent family or community context, 1.4%
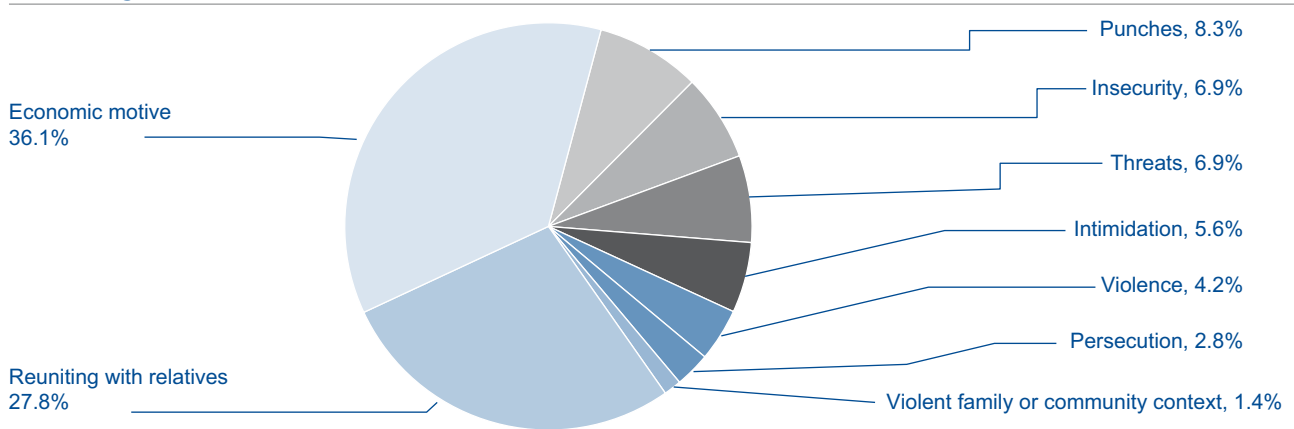
Source: BBVA Research based on the UNHCR study (2014)

For Mexican underage migrants, given the US laws which send them back to Mexico in only a few days and the fact that this is a country that has a common border with the United States, the reasons for migrating appear to differ from those of minors of Central American origin. Several studies indicate that most Mexican GBTs migrated to be reunited with relatives and that the older they are, the higher the proportion of them who do so unaccompanied and who migrate for work-related reasons (Mancillas, 2009; and Valdez, 2007), although there is also other research which indicates that violence in society is one of the main reasons for migrating (UNHCR, 2013). When they are returned to Mexico, some minors go back, either assisted or on their own, to their communities of origin, while others decide to stay on the border and wait for the best chance to go back into the United States, whereas yet others become "cross-border minors" who live and/or work sporadically in both countries or become (or are turned into) "polleritos", who act as guides for migrants trying to get into the neighbouring country to the north.

In examining the recent dynamics in GBT migration, the question arises of the relatively low participation of minors from Nicaragua. This Central American country is the second poorest in Latin America after Haiti and is also a major corridor for drug-running, like the rest of the region. In the first 10 months of the 2014 tax year, fewer than 200 UAC of Nicaraguan origin were detained. Some analysts point to certain structural aspects which make Nicaragua different from the countries in the Northern Triangle of Central America. Stinchcomb & Hershberg (2014), and Johnson (2014) offer four differences that might explain this phenomenon:

- Unlike Guatemala and Honduras, the long domestic conflict in Nicaragua brought about a revolution, which meant that the armed and police forces needed to be purged. This made the institutions less vulnerable to organised crime and more able to stop gangs taking control of communities.

- In the 90s, a model of community policing was instituted which swiftly brought down the homicide rate, while the level of trust in the police force is one of the highest in the region.

- Nicaraguan migrants in the United States are concentrated in Florida rather than in places where there is substantial gang activity, such as Los Angeles or Chicago, which makes their community less exposed to the deportation of people with criminal records.

- The poverty in Nicaragua means that the population has no means with which to make the crossing over to the United States and rather than do this they prefer to migrate to, or reunite with relatives in, Costa Rica.

## 2.6. Do unaccompanied underage migrants stay in the United States?

Besides having to deal with the complicated process of integrating into a new family, community, cultural, educational and work environment, as well as their limited knowledge of the English language and how US institutions work, those UAC who are released into the custody of a sponsor in the United States have to continue with and face up to the legal procedures to establish their immigration status. From 2005 to 30 June 2014, the immigration courts handled 101,850 cases involving underage migrants, of which 41,641 were still in progress at the end of this period. Of the cases which were still open, most of them (80.3%) involved minors who entered the United States in 2013-14, although there were cases open that had been in litigation for several years: 11.5% from 2012, 7.0% from 2009 to 2011 and 1.2% from 2005 to 2008 (TRAC, 2014a and 2014b). This all indicates that resolving immigration status can be a very lengthy process under the US judicial system.

US law does not oblige the State to provide a free lawyer in immigration proceedings, even in the case of minors, for which reason the minor or their relatives or sponsors have to pay for it. There are several organisations which provide support for underage migrants via a very cheap or free lawyer to represent them, but they lack the capacity to be able to cover all cases. Thus, in this period (2005 to 30 June 2014) only 43.3% of migrant children had a lawyer to represent them in their migration proceedings, which not only shortens the time taken to resolve cases but also affects the outcome of the final ruling.

Of total resolved cases involving minors in the immigration courts, when there is no lawyer to represent the migrants only 10% result in a positive ruling that allows the minor to remain in the United States, while in proceedings where there is legal representation the likelihood of the minor staying in the United States is 47%. In both situations, when the minor is granted immigrant status to remain on US soil, this can fall into any of the following categories:

- Asylum, which is for those who flee their country of origin due to persecution

- Special Immigrant Juvenile Status (SIJS), to protect abused, abandoned or neglected alien children

- T visa, for victims of human trafficking

- U visa, which can be granted to victims of certain crimes or witnesses

- Procedural discretion, when the immigration authorities "discretionally" decide not to apply for a removal (deportation) order.

The information suggests that there could have been a recent change in immigration policy on underage migrants, in cases either with or without a lawyer. Among minors who entered the United States from 2005 to 2012, a ruling to remain in the country was observed in 1 in 4 cases, while among those entering in 2013-14 this proportion was almost 1 in every 2 cases and there was a rise in cases that ended in procedural discretion being employed by the DHS (TRAC, 2014a).

Table 2.2
**Outcome of cases concluded that involved minors in US immigration courts, 2005-14\***
**(Cases and percentage distribution)**

| Tax year | Without a lawyer | | | | With a lawyer | | | |
|---|---|---|---|---|---|---|---|---|
| | Cases concluded | Deportation order | Voluntary return | Remaining in the U.S. | Cases concluded | Deportation order | Voluntary return | Remaining in the U.S. |
| 2005 | 4,967 | 82% | 10% | 8% | 3,859 | 38% | 31% | 31% |
| 2006 | 3,792 | 82% | 13% | 6% | 4,022 | 40% | 32% | 28% |
| 2007 | 3,173 | 81% | 14% | 4% | 3,759 | 41% | 25% | 34% |
| 2008 | 2,719 | 83% | 12% | 5% | 3,321 | 40% | 22% | 38% |
| 2009 | 2,123 | 69% | 24% | 7% | 3,166 | 23% | 32% | 45% |
| 2010 | 2,558 | 70% | 22% | 8% | 3,568 | 17% | 29% | 54% |
| 2011 | 2,071 | 71% | 19% | 9% | 2,892 | 18% | 23% | 59% |
| 2012 | 3,238 | 79% | 10% | 10% | 3,402 | 14% | 20% | 65% |
| 2013 | 3,797 | 70% | 4% | 25% | 2,742 | 9% | 13% | 78% |
| 2014* | 735 | 55% | 3% | 42% | 305 | 12% | 22% | 66% |
| **2005-2014** | **29,173** | **77%** | **13%** | **10%** | **31,036** | **28%** | **26%** | **47%** |

Note: * Up to 30 June
Source: BBVA Research based on TRAC (2014a)

## 2.7. Conclusions

The "humanitarian crisis" of unaccompanied alien children (UAC) brought out several aspects, as well as the complexity, of the flow of migrants from Central America to the United States. This flow of minors wrong-footed the US immigration system, which was neither ready for nor foresaw the challenges and problems which it would entail, given that it had historically handled immigration by undocumented adults, mainly of Mexican origin.

In 2014 there was a very significant upsurge of both accompanied and unaccompanied girls, boys and teenagers who migrated to the United States. Over that tax year the US immigration authorities registered around 107,000 detentions of minors, of whom over 68,000 were unaccompanied and over 70% entered the United States through the Rio Grande Valley zone. Among the accompanied and unaccompanied underage migrants detained in the United States, almost all of them were from Guatemala, El Salvador, Honduras and Mexico, in very similar proportions of almost one quarter each. On top of this flow should be added detentions of Central American minors in Mexico in 2014 by the National Institute of Migration (INM), which in 2014 numbered over 23,000, which is more than 18% of those aliens who were brought before the migration authorities. It is hard to estimate the actual figure for the overall flow of minors in this migration corridor (where some of them end up as Mexican residents), and information is only available on detentions by the migration authorities of both countries, which for 2014 together reported approximately 130,000 cases.

Various studies show that underage migration is multi-causal and that the factors correlate with each other. Among minors of Central American origin, violence and insecurity predominate as the prime causes driving them to emigrate from their communities of origin, in addition to conditions of hardship, poverty and a lack of work and opportunities.

Domestic violence carries the biggest weight among girls and female teenagers as the cause behind migration, whereas boys and male teenagers are more affected by violence in their community and environment (school, neighbourhood and gangs). The chance to reach the United States to be with a relative becomes an escape valve for underage migrants, which spurs them to go on the long journey through Central American territory, Mexico and the United States. In other words, reuniting with family is not the cause but rather the consequence of migration by minors from their households and communities of origin.

Some of the media, as well as the opposition, have been claiming that President Obama's migration policy might have served to encourage the greater influx of GBT migrants to the United States, yet several studies show that the conditions of violence in Central America and the rise in UAC detention had been observed before the president announced measures in favour of underage migrants in 2012 (American Immigration Council, 2014; Stinchcomb & Hershberg, 2014).

Another factor which adds to the complexity of the situation of underage migrants is that US law lays down that Central American UAC, who represent around 75% of those detained, should be treated as potential victims of trafficking, for which reason they are placed in care in private delegated accommodation and later released to a sponsor (principally parents and/or relatives) within an average of 30 days, while their immigration status is established. The final ruling by the immigration judge can take an average of two years, during which time the minor stays in the United States.

Until last year, the ultimate destination of underage migrants had not been clear either. It is through tracking case histories of proceedings concerning minors in these circumstances that information in this regard has become available. In general, there are three possible outcomes in migration proceedings: i) a deportation order; ii) voluntary return, and iii) staying on in the United States. A favourable ruling, where it is decided that the minor can stay in the United States, is handed down when they obtain either asylum, Special Immigrant Juvenile Status, a T visa, a U visa or procedural discretion is chosen.

The information shows that from 2005 to 2012 judicial rulings that the person could stay in the United States were given in 1 in every 4 cases, whereas more recently, in 2013-14, this proportion became 1 in every 2 cases. The data thus suggests that there could have been a recent change in migration policy on underage minors, and that the probability of staying on in the United States is significant. Furthermore, even if a removal order is issued, this does not mean that the minor was then deported, as the minor might have escaped this by changing their place of residence until they are re-discovered by the migration authorities.

In a certain sense, migration by UAC to the United States is not in vain, as the information indicates that it is possible to end up living in the United States, whether having been officially authorised to do so or without documentation. Even so, for many of them the "kindness" of US migration laws is likely to desert them when they reach majority age and are subsequently treated as adult immigrants.

Faced with this extremely complex scenario, US public policy-makers know that this set of problems is far from being resolved if priority is given to a solution on their national soil or through reinforcing border controls. The US government has therefore set up working meetings and sought the help of the governments of Guatemala, El Salvador, Honduras and Mexico in a bid to bring down the flow of underage migrants. Through transfers from the United States to the countries in the northern triangle of Central America under the Central American Regional Security Initiative (CARSI) and other programmes, it has called for more action to prevent violence and insecurity, which are among the major causes of migration, and the reintegration and care of returned migrants to stop them migrating again.

The most recent preliminary figures for the first few months of 2015 indicate that, although the scale is still large, there has been a drop in the detentions of underage migrants in the United States. This is partly explained by the increase in migration surveillance and detentions of child migrants in Mexican territory during 2014 and the first few months of 2015, which has stopped them from reaching the US border (PRC, 2015).

Thus this highly awkward and delicate phenomenon must be approached, analysed and resolved as a regional problem in a way which brings all the governments involved together and where civil society organisations take part. As long as displacement and gravitational forces continue to drive migration dynamics in Central America, not even the best of border controls in Mexico or the United States can stop the flow. Reducing poverty and deprivation, increasing opportunities and loosening the grip of violence and insecurity are key to putting an end to this humanitarian crisis, yet arriving at a comprehensive solution is no straightforward task.

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# Box 1. The opening up of immigration policy by president Obama: DACA 2.0 and DAPA

On 20 November 2014, from the Cross Hall in the White House, President Barack Obama announced a battery of measures which his government has decided to implement in relation to the question of immigration. Broadly speaking, these executive actions fall into four blocks:

- Securing the border and speeding up immigrant returns;

- Extension of non-deportation guarantees to those who are highly skilled and well-educated and arrived in the United States as minors (*Dreamers*);

- Focussing the tracking down of migrants and deportation on those with criminal records, rather than on families;

- Those with children who are minors and were born or are resident in the United States can register to avoid being deported.

In the middle of last year, given the lack of consensus in the US House of Representatives over passing immigration reform, President Obama said that before 2014 was out he would announce executive actions to address the problems with the immigration system. However, legislators in his party asked him to leave this until after the November elections, in which the Republicans won a majority in both houses.

In announcing these actions, Obama stressed that this does not grant the right to stay permanently or citizenship to undocumented immigrants, but instead provides the chance to avoid being deported and temporarily separated from their families, as well as to benefit from any future immigration reform. Along these lines, President Obama urged Congress to work in coordination on a law to set right the problems with the existing immigration system in the United States.

## Deferred Action for Childhood Arrivals (DACA 2.0)

The term "deferred action" refers to a limited and discretionary right that can be granted by the US Department of Homeland Security (DHS) to persons involved in deportation ("removal") proceedings, facing a deportation order or who have never even gone through this procedure. Those who benefit from this cannot be deported based solely on their status as undocumented immigrants, and can obtain a work permit for the duration of the deferred action. Nonetheless, this benefit does not provide any entitlement to stay permanently or to citizenship, and may be revoked at any time.

DACA is a programme that was established on 15 June 2012 by the Obama administration, which allows undocumented immigrants who entered the United States as minors and who are studying at, or have been educated to, school-leaving, university or higher level (termed Dreamers) not to be deported and to receive a temporary work permit. DACA is a federal immigration policy and not a law, such as is envisaged in the bill for the DREAM Act (Development, Relief, and Education for Alien Minors), which includes clauses on obtaining permanent residency and the subsequent path to citizenship for the Dreamers. This has not been passed by Congress and continues to be debated. The expansion of DACA, or DACA 2.0, based on the executive actions of 20 November 2014, extended the eligible population by adding flexibility to the requirements under the original DACA programme, primarily as regards the upper age limit for applying and the date of entry to US territory. The accompanying table offers a comparison of the requirements and benefits in the original version of DACA and DACA 2.0.

Applications under the DACA 2.0 programme would have started to be received by the USCIS (US Citizenship and Immigration Services) from 18 February 2015, but a 26-state coalition[1] filed litigation with a Texas court, with the result that on 16 February a court order was issued placing a temporary injunction on these executive actions until their lawfulness is established in the courts. To date, various states in favour of this measure, the federal government and pro-immigrant organisations have all made efforts to unblock the executive actions, although to no avail. Nonetheless, this court order does not affect the guidelines of the initial DACA programme, for which reason those eligible under the guidelines issued in June 2012 and for renewal can continue both their filing processes and to receive deferred action and work permits.

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[1] Coalition led by Texas and comprising: Alabama, Arizona, Arkansas, North Carolina, South Carolina, North Dakota, South Dakota, Florida, Georgia, Idaho, Indiana, Kansas, Louisiana, Maine, Michigan, Mississippi, Montana, Nebraska, Nevada, Ohio, Oklahoma, Tennessee, Texas, Utah, West Virginia and Wisconsin.

Table B1.1
## Comparison of the original DACA with DACA 2.0

|  | DACA Original | DACA 2.0 (Expansion) |
|---|---|---|
| Announcement date | 15 June 2012 | 20 November 2014 |
| Requirements | Being at least 31 on 15 June 2012 (only those born after 14 June 1981 can apply) | **This restriction was removed. Those of any age can apply** |
|  | Arrival in the United States before reaching 16 and prior to 15 June 2007, and having continuously resided there | Arrival in the United States before reaching 16 and prior to **1 January 2010**, and having continuously resided there |
|  | Being physically present in the United States on 15 June 2012 and while applying under the programme | Being physically present in the United States on 20 November 2014 and while applying under the programme |
|  | Not having lawful immigration status as of 15 June 2012 | Not having lawful immigration status as of 20 November 2014 |
|  | Currently studying or to have graduated or obtained a certificate of completion from high school, or a general education development (GED) certificate, or vocational or other university level / higher education qualification, or to have received an honourable discharge as a veteran of the armed forces | |
| Cost | USD465 (fee of USD380 plus USD85 for biometric record services) | |
| Process | Filling out an application online, paying, filing all the documentary evidence requested and having the relevant biometric services performed | |
| Benefits | Guarantee of not being deported for two years with the chance to renew for a similar period | Guarantee of not being deported for three years with the chance to renew for a similar period |
|  | Authorisation to work for the duration of the deferred action and allocation of a social security number (SSN) | |
| Restrictions | Not having committed a felony or a misdemeanour involving conviction and/or imprisonment | |
|  | Not representing a threat to the security of the United States | |

Source: BBVA Research using information from the USCIS and DHS.

## Deferred Action for Parental Accountability, DAPA

Besides the expansion of DACA, the recent executive actions by the Obama administration included the initiation of the DAPA programme from May this year, which is aimed at those undocumented immigrants who have children who were either born in the United States or who are lawful permanent residents there. This measure should make it possible for these immigrants not to be tracked down directly by the immigration authorities or deported, which would avoid the forced separation of many families of immigrants in the United States.

Beneficiaries of the DAPA programme would be able to obtain deferred action so as not to be deported, as well as a work permit. The application requirements for this programme are:

- To be an undocumented immigrant who, as of 20 November 2014, is the father or mother of a US citizen or lawful permanent resident.

- To have resided in the United States on a continuous basis since 1 January 2010.

- To pay the cost of the filing process, relevant fines and taxes, and to undergo a criminal background check.

- Not to have committed a felony or a misdemeanour involving conviction and/or imprisonment, or to represent a threat to US security.

As with the expansion of DACA, sending in applications to benefit from DAPA has been suspended subject to a court ruling.

### How many people would benefit?

According to estimates by the Pew Research Center (PRC) and the Migration Policy Institute (MPI), between 3.9 and 4 million undocumented immigrants would be able to benefit from President Obama's executive actions and, of these, nearly half are of Mexican origin. Other undocumented immigrant segments which stand to benefit according to the size of their immigrant populations in the United States

are from India, El Salvador, China, Guatemala, Honduras, the Philippines and the Dominican Republic. It is estimated that California, Texas and New York were the states with the most undocumented immigrants in 2014, and in which most

people might be eligible for this measure. The accompanying table shows a breakdown of the potential population eligible under the executive actions announced by President Obama in 2012 and more recently in 2014..

Table B1.2
**Population eligible to benefit from executive actions on immigration taken by the President in 2012 and 2014**

| | Category | Beneficiaries estimated by the PRC | Beneficiaries estimated by the MPI |
|---|---|---|---|
| Executive actions of June 2012 | Original DACA | 1.5 million | 1.2 million |
| Executive actions of November 2014 | DACA 2.0 (Expansion) | 0.33 million | 0.29 million |
| | DAPA, parents of children born in the United States with five or more years of residence there | 3.5 million | 3.53 million |
| | DAPA, parents of permanent residents in the United States with five or more years of residence there | ---* | 0.18 million |
| | Total potential population under 2014 actions | 3.9 million | 4.0 million |
| | Total potential population under 2012 and 2014 executive actions | 5.4 million | 5.2 million |

Note: There is no estimate for this category.
Source: BBVA Research with information from the PRC and the MPI.

### International Seminar on "Opportunities and limits of the immigration measures proposed by President Barack Obama: what can and should Mexico and Central America do?"

In the midst of the uncertain situation over the future of the expansion of DACA and DAPA, on Tuesday 14 April 2015 the BBVA Bancomer Foundation and BBVA Research staged an international seminar in Mexico City in conjunction with the Ministry of Foreign Affairs (SRE), the Mexico Autonomous Institute of Technology (ITAM), the Central America and Mexico Migration Alliance (CAMMINA) and the Ministry of Internal Affairs, under the heading "Opportunities and limits of the immigration measures proposed by President Barack Obama: what can and should Mexico and Central America do?".

Five panels featuring government officials, leaders of civil society and researchers analysed the scope and various elements of the most recent executive measures concerning immigration in the United States, specifically those relating to deferred action to head off the deportation of parents with children born or resident there (DAPA) and the expansion of cover for the Dreamers (DACA 2.0).

The seminar was attended by government officials and ministers from Mexico, Central America and the United

States, as well as members of the Regional Conference on Migration (RCM). Several researchers from universities and research establishments - such as El Colegio de la Frontera Norte (COLEF), Mexico Autonomous Institute of Technology (ITAM), Migration Policy Institute (MPI), Pew Research Center (PRC) and the University of California, San Diego (UCSD) - spoke on their research into the recent executive actions and their consequences.

Among the speakers were managers and members of staff from civil society organisations from the United States, Mexico and Central America who champion the rights of migrants in a very broad array of ways. Among those bodies represented were: America's Voice, American Immigration Council, Centro Presente, Fundación Cristosal, Fundación Nacional para el Desarrollo, Heartland Alliance's National Immigrant Justice Center (NIJC), Immigration Works USA, Institute for Work and the Economy, Catholic Legal Immigration Network (CLINIC), National Alliance of Latin American and Caribbean Communities (NALACC), National Council of La Raza (NCLR), National Immigration Law Center (NILC), Transnational Legal Clinic, US Conference of Catholic Bishops (USCCB) and Western Union.

Over the course of the seminar, topics were covered in relation to the potential benefits of the DACA 2.0 and DAPA programmes, visualising them as an option to provide temporary relief for a large number of immigrants, given the lack of comprehensive immigration reform in the United States. On the one hand, these recent measures taken by President Obama could constitute immigration-related actions that have entailed the greatest benefits and are the most significant since Ronald Reagan's Immigration Reform and Control Act (IRCA) in 1986. Yet, on the other hand, their impact should not be over-estimated, since they do not provide any path towards permanent residency or citizenship. Added to this, the fact that all this involves executive action, and is not a law, means that Its continuity depends on the political will of the next President of the United States.

The need was stressed for a more active role by governments, with dialogue at the highest level, which gives consideration to joint strategy by Mexico and Central America to address the immigration phenomenon in the United States. The shortcomings of the programmes were examined, in terms of both their expected scopes and their implementation, mainly due to the blocking imposed by conservative factions in several states. On this last point, the experts underlined the need for patience because the final court ruling could, in the best-case scenario, lead to the programmes being implemented in mid-2016, or otherwise not until after the next US elections.

In addition to the DACA 2.0 and DAPA programmes, other matters were discussed in relation to the immigration phenomenon, these most notably including the initiative of the change in terms of discretion on the part of immigration authorities when it comes to tracking down and deporting people with criminal histories rather than in separating families, the set of problems attaching to the vulnerability of the immigrant population, the lack of information which limits the options for immigrants to benefit and act with regard to the immigration regulation programmes in the United States, and the role of civil associations which try to provide assistance and advice in legal matters for the immigrant population.

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## Box 2. Forecast remittances

As an effect of the recovery of employment among Mexican immigrants in the United States (USA) in 2014 Mexico received USD23.645bn by way of family remittances, which was equivalent to a growth of 8.0% YoY. In 2014 the flow of remittances displayed a significant rally, having grown at negative rates for two years in succession (-1.6% in 2012 and -2.4% in 2013). At the same time, as 2014 drew to a close the dollar appreciated substantially, which increased the value of money wired to Mexico. This is also the likely reason for the December spike of 20.8% YoY in the remittance flow that was also caused by advance payments being sent home by Mexican immigrants in the United States. As a result of these payments being wired early, remittances fell off by 0.9% in January 2015 compared to the same month in 2014. The growth rate for remittances appeared to pick up the pace again going into 2015 after a recovery in February and March, which showed YoY growth of 7.2% and 7.6% respectively. Even so, April and May 2015, when there were

rises of 1.5% and 2.4% respectively, seem to point to a repeat of a situation of slow growth for the flow of remittances this year, which does not appear to follow the tendency being experienced by employment among Mexican immigrants in the United States.

Considering the remittance levels in previous years, as well as the monthly flows observed in the first few months of 2015, our forecasts show that family remittances could grow by 2.9% in 2015, reaching a cumulative level of USD24.324bn at the year-end. For 2016 we expect remittances to rise to USD25.506bn, with growth of 4.9%. Both the growth rate and the level of remittances for the 2015 and 2016 estimates are based on the situation for the economy and employment in the United States which is expected for the coming years, and echoed by the unemployment levels seen between January and May 2015, with the general unemployment rate in the latter month standing at 5.5%.

Figure B2.1
**Cumulative flows of remittances to Mexico over 12 months (USD mn)**



2015e
24,324 mn
(+2.9%)

2016e
25,506 mn
(+4.9%)
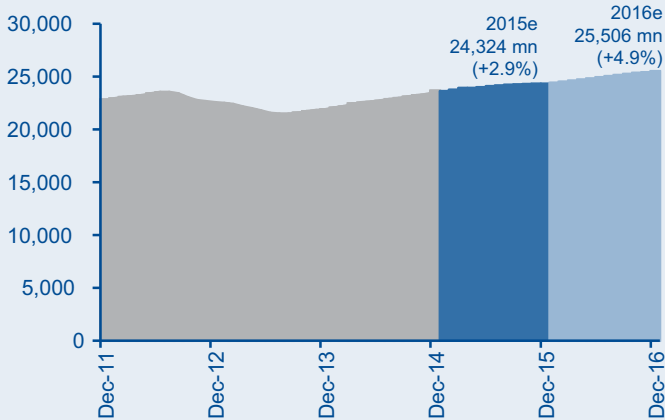
Source: BBVA Research using central bank figures.

Figure B2.2
**United States unemployment rate (%)**



10.0

May 15
5.5

Note: Seasonally adjusted.
Source: BBVA Research using figures from the US Bureau of Labor Statistics.

Figure B2.3
**Estimates of family remittances to Mexico by federal state, 2015e
(% var., USD mn)**
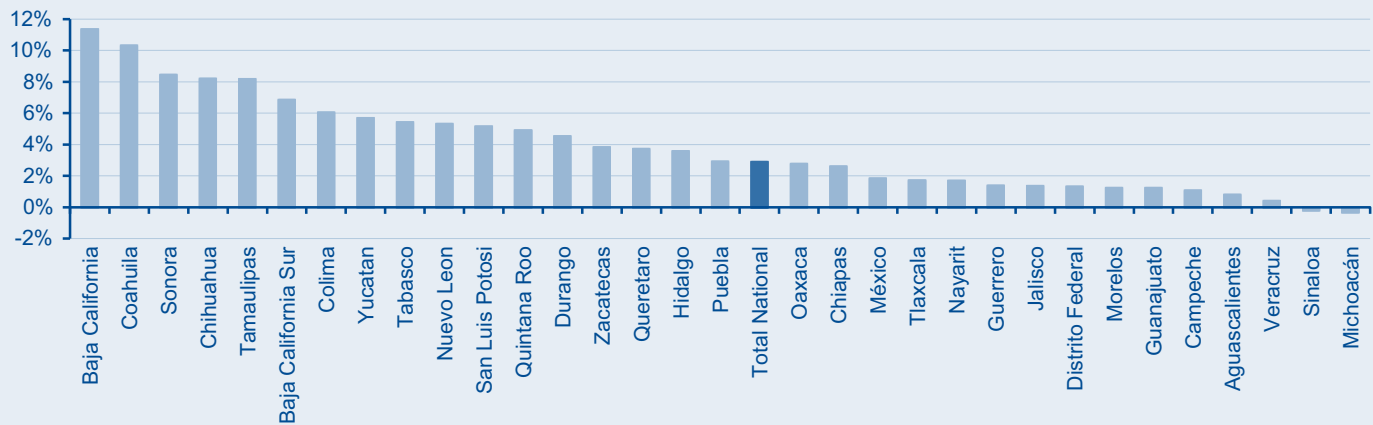


e: BBVA Research estimate.
Source: BBVA Research estimate using central bank figures.

Our estimates of remittance flows by state show that those which could see the largest growth rates in 2015 are Baja California (11.3%), Coahuila (10.3%) and Sonora (8.4%), while in absolute terms the states which should have accumulated the biggest volumes of remittances by the end of 2015 ought to be Michoacán (USD2.237bn), Guerrero (USD2.125bn) and Mexico (USD1.995bn).

The states which could see the lowest growth levels should be (0.4%), Sinaloa (-0.2%) and Michoacán (-0.3%), whereas in absolute terms Quintana Roo (USD110mn), Campeche (USD56mn) and Baja California Sur (USD50mn) ought to be the states with the lowest cumulative remittance levels in 2015.

Figure B2.4
**Estimates of family remittances to Mexico by federal state, 2015e
(USD mn)**
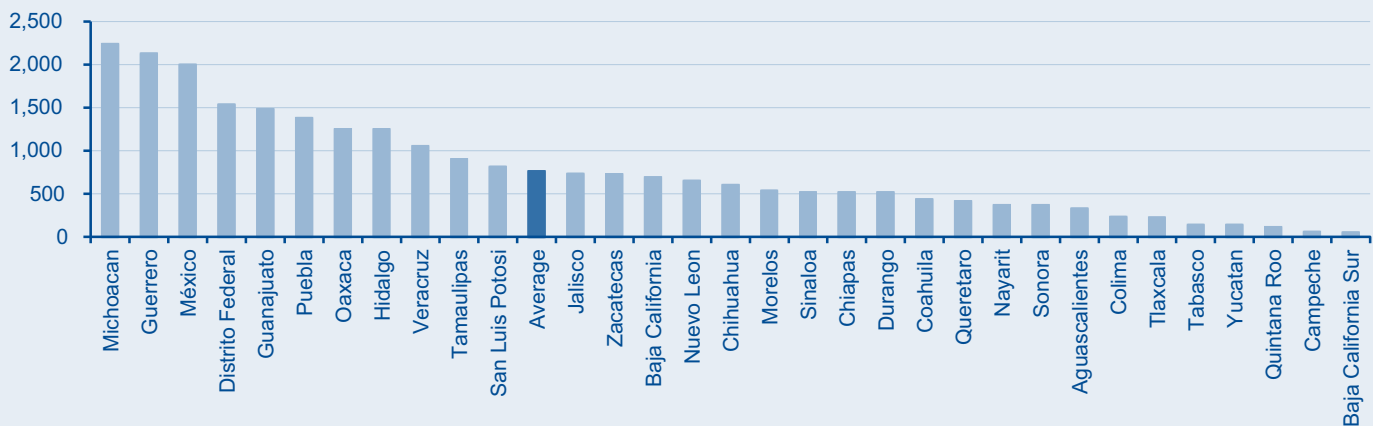


e: BBVA Research estimate.
Source: BBVA Research using bank of Mexico figures.

# 3. Higher education for students of Mexican origin in the United States: characteristics and access

## 3.1. Introduction

Higher education, in terms of both provision and access, performs a role of great importance in the United States, since it is held to be a key element in becoming financially and socially successful. The literature  on the wage premium of higher education is well known, and establish the issue of a considerable wage gap between those people with a university education and those with lower educational levels (normally up to High School ). (Goldin & Katz, 2007a; Goldin & Katz, 2007b; Oreopoulos & Petrojinevic, 2013; Baum, 2014). Estimates for 2013 by the Bureau of Labor Statistics (BLS) in the United States show that a worker educated to university level earns USD1,108 a week compared to a worker with a High School diploma, who earns USD651, or 70.2% more.[1] The reward implied by higher education extends beyond financial remuneration to other social and economic benefits. For example, in the United States people educated to university level faced an unemployment rate of 4.0% in 2013, whereas for those with a High School diploma this figure was 7.5% according to the BLS.

Achieving equal access to higher education is one of the most serious problems facing the US educational authorities, particularly in the light of the limitations characteristically affecting minority groups in society, whose proportion of the total population has surged in the last few decades. According to estimates from the US Census Bureau, in 2013 there was a population of 54 million of Hispanic origin in the United States, making it the most sizeable minority group in the country, with 17% of total inhabitants. Of the total Hispanic population, some 34.6 million inhabitants were of Mexican origin.

The change in the demography of the United States has had visible consequences for the structure of the university population, which has shifted from being mostly of Caucasian origin to incorporating an increasingly substantial share of students of other ethnic origin (Baumetal, 2013). Several studies have documented the existence of significant differences between the educational levels attained by the population according to their ethnic origin. For example, the average educational level for Caucasians and Asians is significantly higher than that of Afro-Americans and Hispanics (Ross et al., 2012). Despite the increase in the number of university graduates from minority groups, several studies have shown that these students are still a long way behind compared to the population of Caucasian origin, in terms of both access and academic success in their study activities (Chen & DesJardins, 2010; Lorah & Ndum, 2013).

There are several barriers to access to university education for minority population and low-income segments, but they can be grouped into three broad categories (Long & Riley, 2007). The first of these concerns the cost, which can prove prohibitive as regards access to higher education for low-income population segments. The second relates to acquiring inadequate skills at High School, which affects the performance of students and whether they stay on in higher education. Finally, the third refers to the increasing complexity of the admissions system, which affects all those hoping to go on into higher education. There is ample evidence of the positive effects of financial support for higher education on access and success in this area (Long, 2008). Since the 1965 *Higher Education Act* was passed, financial support programmes for higher education students have been scaled up and their outreach extended so as to mitigate some of the effects of high costs on access to higher education. Today, financial support is not only provided for traditional students, but also for part-time and mature students. Likewise, assistance is available not just for low-income segments, but also for middle- and high-income groups (Dynarski & Scott-Clayton, 2013).

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[1] The incomes given represent the median of the income distribution according to educational level.

This article presents a general profile of students, particularly those of Mexican and Hispanic origin, in higher education institutions in the United States. The study has two major aims. First, to offer a characterisation of students of Mexican origin and a comparative analysis of them with other students of Hispanic and non-Hispanic origin with respect to their traits in general, as well as aspects of their choice of studies and access to financial support. Second, to set out an analysis of the factors determining access to sources of funding for higher education studies.

The descriptive part reveals that there is a great difference between students of Mexican origin and other Hispanic and non-Hispanic students in several facets. In particular, it shows that the group of Mexican origin generally appears more vulnerable, only having access to smaller amounts of financial assistance to pursue their higher education studies.

Turning to examination of the factors determining access to sources of funding, two kinds of non-mutually exclusive forms of assistance are considered.[2] The first concerns grants, and direct and indirect support from the federal and state government (government aid). The second refers to financial aid by the educational institutions themselves via direct scholarships or discounts on tuition and other fees applied by the institutions. With both kinds of support, there is evidence of a strongly financial element in the award of assistance, given that this seems to be used to benefit students who come from larger families and with low incomes and greater financial needs who wish to go on professional university courses.

The institutional aid also seems to focus on rewarding merit, as it correlates strongly with indicators of student academic achievement. In contrast, federal aid appears not to take into account the fact that some students are poor academic performers, or even seems to make them more likely to receive assistance. This appears contradictory, yet it could be due to the fact that federal grants attach more importance to the student's income in allocating financial support, and, given the positive correlation between income and academic performance, it could seem that assistance is allocated to students who perform poorly, when what is actually happening is that those with greater financial needs are being more strongly favoured. Besides this, it can be seen that Hispanic students and those of Mexican origin are more likely to receive institutional support, which is consistent with the social inclusion policies pursued by higher education institutions in the United States. In the case of federal assistance, not enough evidence was found to be able to claim that students of Hispanic or Mexican origin are any more or less likely to receive such finatial aids.

The prime source of data for the study is the National Post-secondary Student Aid Study: Undergraduates (NPSAS), for the years 2008 and 2012. This study was conducted every four years and collects information on the individual, family and socio-demographic characteristics of students enrolled with higher education institutions in the United States, as well as what access they have to financial aids. The NPSAS sample is representative at the national level and includes students who are attending higher education institutions in the year when they are surveyed in fifty states across the country and the District of Columbia. In 2012, the study sample consisted of 95,000 students, whereas in 2008 this was approximately 113,500. The study is carried out by the National Center for Educational Statistics (NCES) and, despite being a veritable mine of information on the US higher education system, the NPSAS databases are not publicly available owing to regulations on confidentiality and accessing personal data. That said, the NCES does provide analytical tools which allow reliable estimates, regression models and other statistics to be arrived at. All the tabulations and estimates presented in this study have been provided with the help of this tool.

This article is structured as follows: section 3.2 outlines certain general characteristics of students of Hispanic and Mexican origin in the United States; section 3.3 shows patterns school choice by students of Mexican origin in the United States; section 3.4 offers an overview of access to support for funding higher education studies; section 3.5 gives an analysis of the factors determining access to sources financial aid; and lastly, section 3.6 sets out some conclusions.

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[2] In the United States, students can obtain different forms of financial assistance to fund their higher education studies. These sources notably include those from the government (federal or state), or which are institutional or external, either exclusively or in combination, given that they are not mutually exclusive. They come in the form of grants and scholarships, loans or fee waivers, etc. For further details see Radwin et al (2013).

## 3.2. Basic characteristics of students of Mexican origin in the United States

According to NPSAS data, in 2012 students of Hispanic origin represented 16% of the population in higher education institutions in the United States, being the third largest student segment after those of Caucasian (57.9%) and Afro-American origin (16.1%). In 2012, students of Mexican origin accounted for 51.3% of all Hispanics within the US higher education system.

Table 3.1
**Distribution of higher education students in the United States by origin, 2012 and 2008**

| Origin | 2012 | 2008 |
|---|---|---|
| Caucasian | 57.9% | 61.2% |
| Afroamerican | 16.1% | 14.4% |
| Hispanic | 16.0% | 14.3% |
| Asian | 5.6% | 5.9% |
| Other origin | 4.0% | 4.0% |
| **Total** | **100%** | **100%** |

Source: BBVA Research based on the NPSAS, 2012 and 2008.

Table 3.2
**Distribution of Hispanic students by origin, 2012 and 2008**

| Origin | 2012 | 2008 |
|---|---|---|
| Mexican | 51.3% | 46.3% |
| Cuban | 3.1% | 3.5% |
| Puerto Rico | 8.5% | 17.0% |
| Otro Hispanic | 37.1% | 33.2% |
| **Total** | **100%** | **100%** |

Source: BBVA Research based on the NPSAS, 2012 and 2008.

Although no great differences were observed in the average size of family unit according to student origin, in general students of Mexican origin come from larger families. For example, in 2012 it can be seen that the other students of Hispanic origin come from families with a smaller average size than the average for those of Mexican origin.

Figure 3.1
**Average family size by student origin, 2012 (Number of persons)**

| Origin | Value |
|---|---|
| All students | 4.02 |
| Mexican | 4.31 |
| Cuban | 3.88 |
| Puerto Rican | 3.87 |
| Other Hispanic | 4.04 |
| Non-Hispanic | 3.99 |
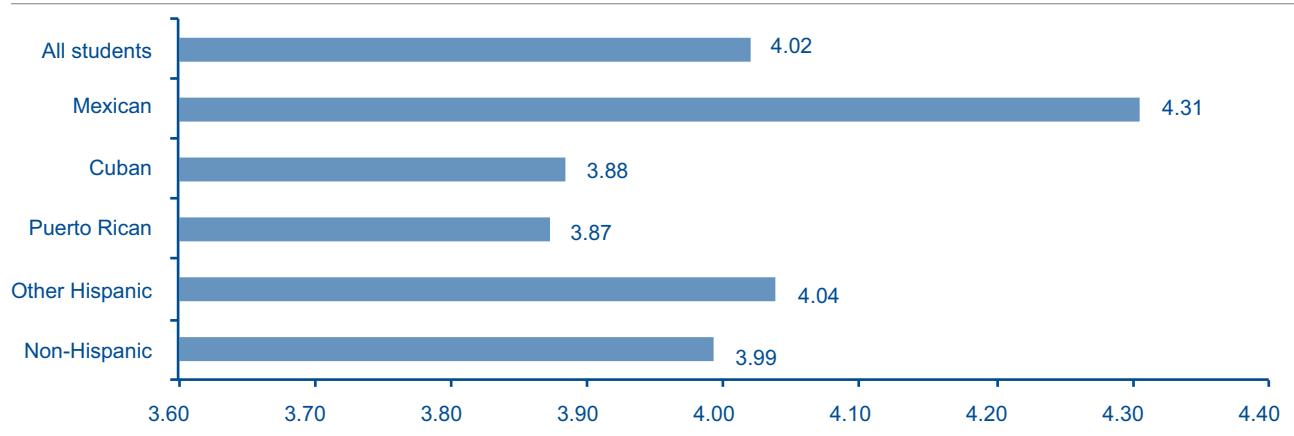
Source: BBVA Research based on the NPSAS, 2012.

The data from the NPSAS show that the average time taken to access higher education institutions has reduced since 2008. In both 2008 and 2012, all those students of Hispanic origin who graduated from High School took less time than the average student in the United States to enrol with higher education institutions. Likewise, in 2008, students of Mexican origin took an average of 4.96 years to enrol, yet in 2012 other groups of Hispanic origin reduced the time it took them to go into higher education by a greater extent.

Figure 3.2
**Average time to enrol in higher education after High School by student origin, 2012 and 2008 (years and difference in years)**
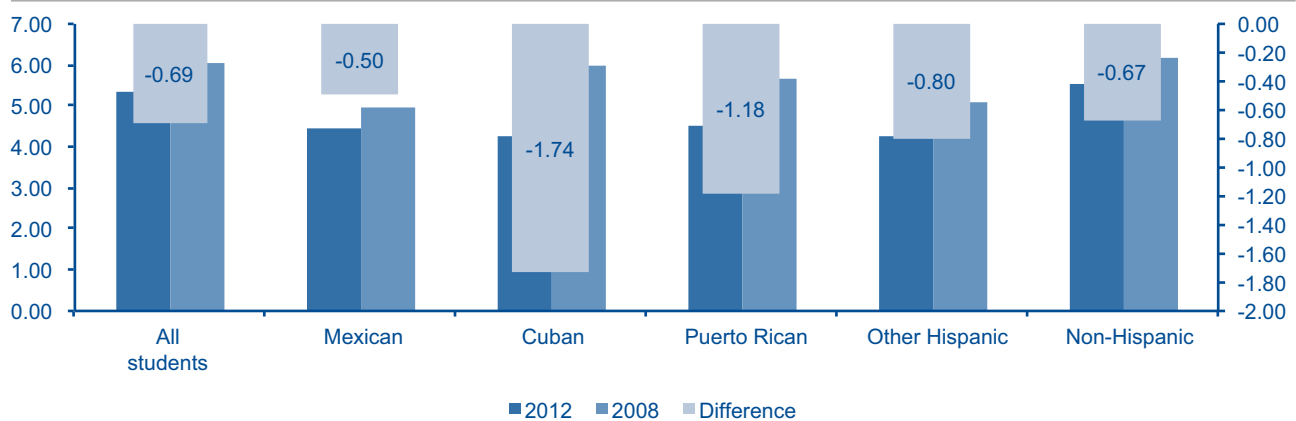


Source: BBVA Research based on the NPSAS, 2012 and 2008.

The population of independent students, i.e. those who do not receive any financial support from their families, does not reveal any great differences among groups. In general, a little over 51% of students in higher education institutions in the United States are independent, and most of these in turn have financial dependents. It is noticeable that in 2012 the group of Mexican origin is the one which has the highest proportion of independent students who have their own financial dependents.

Table 3.3
**Percentage of independent students by student origin, 2012 and 2008 (%)**

|  | Dependent | | Independent without dependents | | Independent with dependents | |
|---|---|---|---|---|---|---|
|  | 2012 | 2008 | 2012 | 2008 | 2012 | 2008 |
| **All students** | **48.70%** | **51.30%** | **23.80%** | **22.30%** | **27.50%** | **26.40%** |
| Mexican | 48.20% | 47.10% | 22.00% | 22.10% | 29.80% | 30.80% |
| Cuban | 57.10% | 54.80% | 22.50% | 26.70% | 20.40% | 18.50% |
| Puerto Rican | 48.30% | 49.60% | 22.50% | 19.20% | 29.20% | 31.30% |
| Other Hispanic | 51.40% | 51.00% | 21.90% | 22.30% | 26.70% | 26.70% |
| Non-Hispanic | 48.50% | 51.70% | 24.10% | 22.40% | 27.40% | 26.00% |

Source: BBVA Research based on the NPSAS, 2012 and 2008.

Due to the nature of the Hispanic population, and in particular that of Mexican origin in the United States, the migrant population is highly significant. In spite of this, it can be seen that the migrant population accounts for a relatively small proportion of those in higher education institutions overall. Of total students at higher education establishments in 2012, only 6% are not US citizens and, in the case of students of Mexican origin, 9.6% are foreign residents or international students.

Table 3.4

## Distribution of Hispanic students by citizenship status and origin, 2012 and 2008 (%)

| | 2012 | | | 2008 | | |
|---|---|---|---|---|---|---|
| | US citizens | Foreign residents | International students | US citizens | Foreign residents | International students |
| **All students** | **94.00%** | **4.20%** | **1.80%** | **94.20%** | **4.50%** | **1.30%** |
| Mexican | 90.40% | 7.90% | 1.70% | 89.60% | 9.40% | 1.00% |
| Cuban | 85.10% | 12.20% | 2.80% | 82.00% | 16.80% | 1.20% |
| Puerto Rican | 94.10% | 5.30% | 0.60% | 98.70% | 1.20% | 0.10% |
| Other Hispanic | 86.10% | 12.10% | 1.80% | 82.00% | 15.30% | 2.70% |

Source: BBVA Research based on the NPSAS, 2012 and 2008.

The educational level of parents is to a great extent formative of the educational aspirations and choices of students. In 2012, it can be noted that most of the parents of students of Mexican origin (59.2%) have not attained an educational level above two years degree. This situation contrasts starkly with the other students, where on average over 60% of parents have had two years degree in most segments, with over 50% in the case of parents of Hispanic students. It can also be seen that over 14% of the parents of Hispanic students have been educated to master's degree or doctorate level, while for students of Mexican origin this applies to only 7.9% of parents.

Figure 3.3

## Highest educational level of parents of students according to origin, 2012 (%)
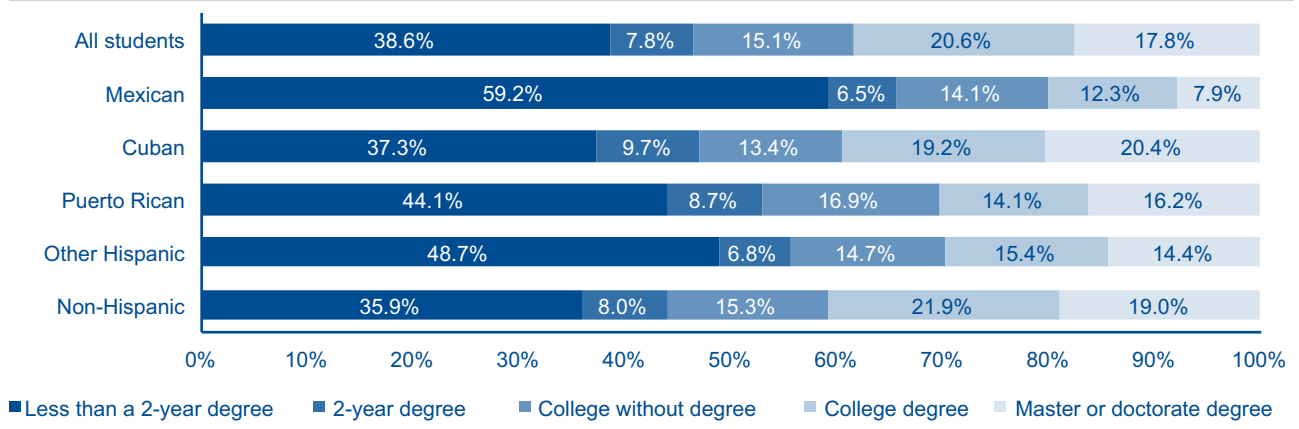


Source: BBVA Research based on the NPSAS, 2012.

## 3.3. School choice of students of Mexican origin in the United States

School choice depends to a large extent on individual and family characteristics, as well as the direct and indirect costs associated with of higher education studies. In the United States, there are two main types of studies which High School graduates can move on to, at both public and private institutions. On the one hand, there are vocational and/or technical courses (associate's degree), which typically last two years. On the other hand, a professional university course can be chosen which runs for four or five years (bachelor's degree).

The NPSAS gathers information which makes it possible to pinpoint expectations about the highest level of studies which the students hope to complete. According to this information, 37.5% of higher education students expected to attain bachelor's degree level as the pinnacle of their education in 2012, while a proportion of a little over 49%

of these students aspired to reach master's degree or doctorate level. By way of contrast, it is estimated that 40% of students of Mexican origin expected to reach as high as a bachelor's degree. As regards aspirations to go on to complete a master's degree or a doctorate, it can be observed that these students show lower proportions than do other Hispanic students.

Figure 3.4
**Distribution of students according to highest expected educational level, 2012 (%)**
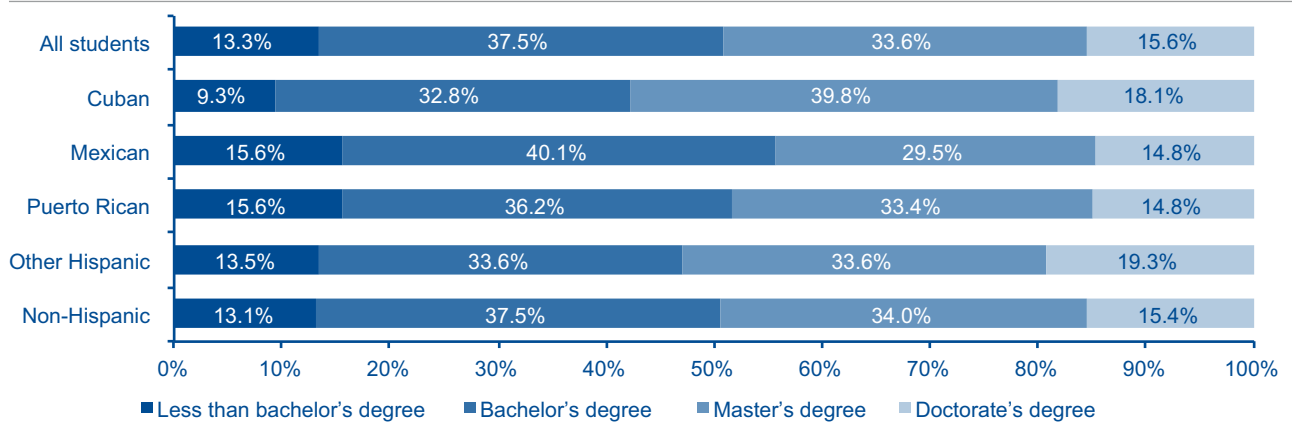


Source: BBVA Research based on the NPSAS, 2012.

These preferences contrast starkly with the real patterns in educational choice. The NPSAS data reveal that the students of Mexican origin show a high concentration at associate's degree level. In 2012, 61% of these had enrolled in establishments at that level.

Figure 3.5
**Distribution of students according to level of university studies, 2012 (%)**
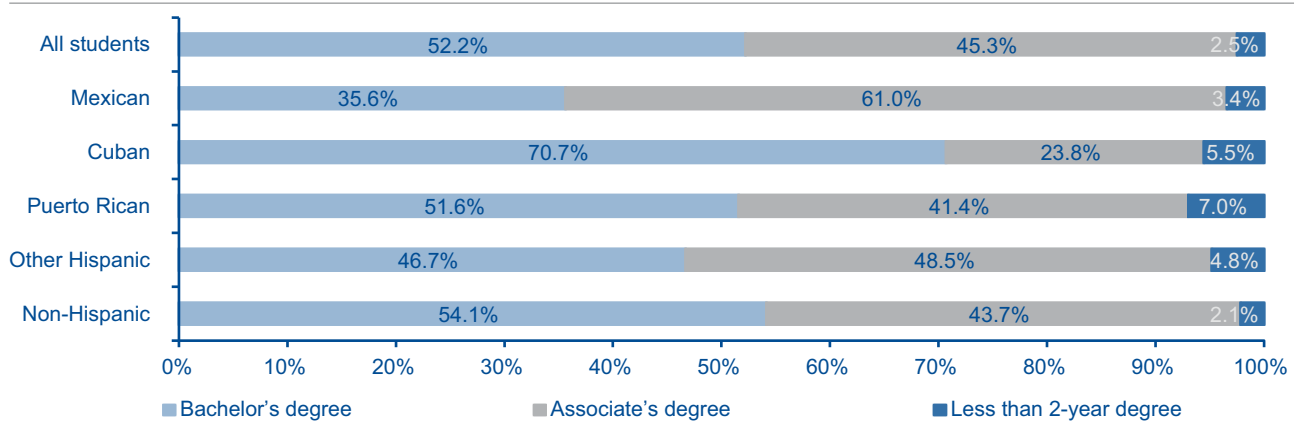


Source: BBVA Research based on the NPSAS, 2012.

As a natural consequence of the above, a low proportion of students of Mexican origin are enrolled in institutions which offer bachelor's degree courses. This segment is nonetheless the group of Hispanic origin which has most increased its share in this kind of institution since 2008. As regards selectiveness, several authors say that the average High School grade (GPA, or grade point average), as well as the average score in ACT and/or SAT test, are the most important indicators when it comes to explaining admission patterns in the United States. Here the students of Mexican origin have shown an improved performance, recording an average SAT test score increase of a little over 32 points between 2008 and 2012.

Table 3.5
## Selectiveness indicators for students, 2012 and 2008 (score)

| | GPA | | ACT | | SAT | |
|---|---|---|---|---|---|---|
| | 2012 | 2008 | 2012 | 2008 | 2012 | 2008 |
| **All students** | **6.0** | **5.8** | **21.4** | **21.0** | **997.2** | **981.5** |
| Mexican | 5.8 | 5.7 | 19.5 | 18.7 | 921.5 | 889.1 |
| Cuban | 5.9 | 5.9 | 20.2 | 19.8 | 951.8 | 941.8 |
| Puerto Rican | 5.8 | 5.7 | 19.4 | 19.2 | 910.1 | 912.9 |
| Other Hispanic | 5.8 | 5.6 | 19.7 | 19.2 | 932.8 | 909.4 |
| Non-Hispanic | 6.0 | 5.9 | 21.8 | 21.3 | 1,010.7 | 993.8 |

Source: BBVA Research based on the NPSAS, 2012 and 2008.

Besides the above, students of Mexican origin exhibit average High School grades on a par with those of the rest of students. The above-mentioned indicators should imply an improvement in the participation of these students at highly selective institutions. Table 3.6 gives the distribution of students according to the degree of selectiveness of the institutions and it can be seen that, in both 2008 and 2012, over 76% of students of Mexican origin were enrolled at open admissions institutions or the equivalent, while this was the group with the lowest proportion of those enrolled at highly selective institutions in both 2008 and 2012.

Table 3.6
## Distribution of students by selectiveness, 2012 and 2008 (%)

| | Very selective | | Moderately selective | | Minimally selective | | Open admissions | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | 2008 | 2012 | 2008 | 2012 | 2008 | 2012 | 2008 |
| **All students** | **10.80%** | **10.60%** | **21.40%** | **23.30%** | **4.70%** | **6.00%** | **63.10%** | **60.10%** |
| Mexican | 6.10% | 4.00% | 13.70% | 14.60% | 4.20% | 4.30% | 76.00% | 77.10% |
| Cuban | 22.30% | 11.30% | 13.70% | 21.10% | 2.50% | 2.50% | 61.40% | 65.00% |
| Puerto Rican | 10.50% | 14.40% | 14.60% | 19.40% | 6.20% | 8.30% | 68.70% | 58.00% |
| Other Hispanic | 11.40% | 9.10% | 13.90% | 17.10% | 4.80% | 4.30% | 69.90% | 69.50% |
| Non-Hispanic | 11.20% | 11.00% | 22.80% | 24.40% | 4.70% | 6.20% | 61.30% | 58.30% |

Source: BBVA Research based on the NPSAS, 2012 and 2008.

On top of the above, this also brings out the fact that students of Mexican origin are those who have the highest concentration in public institutions, with 79.2% of their number in 2012, besides having a similar concentration to that of other Hispanics and non-Hispanics in private non-profit institutions.

Figure 3.6
## Distribution of students by type of institution, 2012 and 2008 (%)

### 2012

| | |
|---|---|
| All students | Public 75.1% · Private non-profit 14.0% · Private for-profit 10.9% |
| Mexican | Public 78.9% · Private non-profit 6.0% · Private for-profit 15.1% |
| Cuban | Public 82.9% · Private non-profit 9.8% · Private for-profit 7.3% |
| Puerto Rican | Public 46.2% · Private non-profit 31.0% · Private for-profit 22.8% |
| Non-Hispanic | Public 75.7% · Private non-profit 14.3% · Private for-profit 10.0% |
| Other Hispanic | Public 73.4% · Private non-profit 11.0% · Private for-profit 15.6% |

■ Public   ■ Private non-profit   ■ Private for-profit

### 2008

| | |
|---|---|
| All students | Public 73.5% · Private non-profit 12.8% · Private for-profit 13.7% |
| Mexican | Public 79.2% · Private non-profit 6.5% · Private for-profit 14.3% |
| Cuban | Public 75.4% · Private non-profit 7.7% · Private for-profit 16.9% |
| Puerto Rican | Public 65.3% · Private non-profit 12.7% · Private for-profit 22.0% |
| Other Hispanic | Public 73.6% · Private non-profit 10.2% · Private for-profit 16.2% |
| Non-Hispanic | Public 73.0% · Private non-profit 13.7% · Private for-profit 13.3% |

■ Public   ■ Private non-profit   ■ Private for-profit

Source: BBVA Research based on the NPSAS, 2012 and 2008.

As regards educational success, the NPSAS collects information on the average grade for students in higher education (C_GPA) as well as the population of students who completed their degree in the year of the interview. Of these students, a reference group is taken which comprises those who had enrolled four years beforehand, so as to be able to approximate the graduation rate. The data shows that in 2012 the students of Mexican origin not only had lower graduation rates, but also the most deficient academic performance since they obtained the lowest grades at the time of graduation.

Figure 3.7
**Graduation rate and average grade in higher education studies by origin of student, 2012 (% and grade)**



Graduation rate ▬▬▬ Average grade
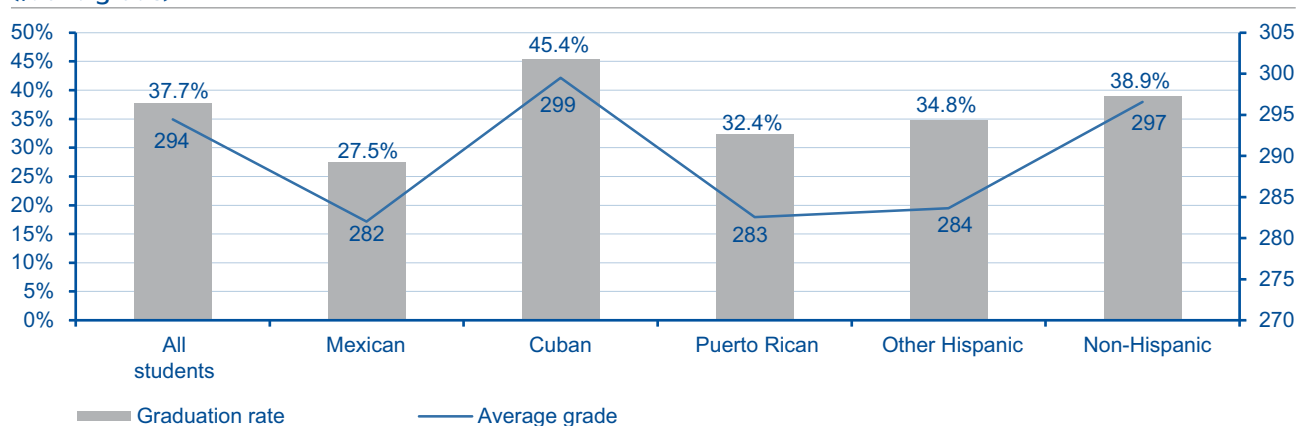
Note: The graduation rate only includes students who enrolled in 2007-08..
Source: BBVA Research based on the NPSAS, 2012.

# 3.4. Financial aid for higher education studies in the United States

One of the most important issues within the educational system in the United States is access to financial aid to pursue higher education studies. The high costs mean that assistance in the form of grants, indirect institutional support or federal/state or private aid, etc. is vital for students who wish to continue their studies. According to NPSAS data, total incomes of families with students at higher education institutions fell by an average of 7.4% in real terms between 2008 and 2012. By the same token, budgets for pursuing these studies as a percentage of total household income rose from 40% in 2008 to 49.5% in 2012. In particular, tuition fees paid to institutions as a proportion of total income rose from 23.3% in 2008 to 29.3% in 2012.

Table 3.7
**Total income, budget and tuition fees for higher education as a % of total income, 2012 and 2008 (dollars per annum and %)**

|  | Total income | | | Presupuesto como % del ingreso | | Colegiatura como % del ingreso | |
|---|---|---|---|---|---|---|---|
|  | 2012 | 2008 | % change | 2012 | 2008 | 2012 | 2008 |
| All students | 57,667 | 62,304 | -7.40% | 49.50% | 40.00% | 29.30% | 22.30% |
| Mexican | 45,635 | 46,085 | -1.00% | 51.40% | 42.80% | 28.40% | 22.80% |
| Cuban | 52,500 | 57,777 | -9.10% | 54.40% | 41.40% | 29.40% | 20.70% |
| Puerto Rican | 50,844 | 37,621 | 35.10% | 58.30% | 56.50% | 37.60% | 32.20% |
| Other Hispanic | 47,960 | 49,717 | -3.50% | 54.40% | 44.30% | 30.90% | 25.00% |
| Non-Hispanic | 59,663 | 64,963 | -8.20% | 48.80% | 39.00% | 29.10% | 21.80% |

Note: Total income is family money income for dependent students and money income for independent students.
Money figures in inflation-adjusted dollars where 2012=100.
Source: BBVA Research based on the NPSAS, 2012 and 2008.

In the case of students of Mexican origin, family income came down by 1% between 2008 and 2012. Nonetheless, this is the group of students with the lowest average total family income among the population. On the other hand, the intensity of the investment in higher education for these students is below that of other Hispanic students, with 51.4% of overall family income going towards the higher education budget in 2012. On average, the budget for students in the United States rose by 12.4% in real terms between 2008 and 2012, being mainly concentrated on paying fees with a rise of 15%. In the case of students of Mexican origin, an increase of 15.5% in the budget was observed, where most of this effort was being spent on fees, with a rise of 22%.

Table 3.8

### Total budget, tuition fees and other expenses on higher education, 2012 and 2008 (dollars per annum and %)

|  | Total budget | | | Tuition fees | | | Other expenses | | |
|---|---|---|---|---|---|---|---|---|---|
|  | 2012 | 2008 | % change | 2012 | 2008 | % change | 2012 | 2008 | % change |
| All students | 16,344 | 14,535 | 12.40% | 6,905 | 6,004 | 15.00% | 9,439 | 8,531 | 10.60% |
| Mexican | 13,831 | 11,972 | 15.50% | 5,002 | 4,100 | 22.00% | 8,829 | 7,873 | 12.10% |
| Cuban | 16,547 | 13,983 | 18.30% | 6,002 | 5,256 | 14.20% | 10,544 | 8,727 | 20.80% |
| Puerto Rican | 17,106 | 13,428 | 27.40% | 7,671 | 4,763 | 61.10% | 9,435 | 8,665 | 8.90% |
| Other Hispanic | 15,663 | 13,930 | 12.40% | 6,244 | 5,567 | 12.20% | 9,419 | 8,363 | 12.60% |
| Non-Hispanic | 16,623 | 14,799 | 12.30% | 7,129 | 6,214 | 14.70% | 9,494 | 8,585 | 10.60% |

Nota: Money figures in inflation-adjusted dollars where 2012=100.
Source: BBVA Research based on the NPSAS, 2012 and 2008.

In the above context, access to sources of funding is vital to pursue higher education studies. In 2012, a little over 80% of students applied for financial aid. The data reveal that more than 70% of the total received some kind of help to finance their studies. It can be seen that students of Mexican origin are the group which applies for financial aid the least, that which least tends to receive it and that which receives the lowest sums of financial support on average among students of Hispanic origin.

Table 3.9

### Percentage of students who applied for and received financial aid for higher education studies by origin, 2012 and 2008 (%)

|  | Appled for financial aid | | Received financial aid | |
|---|---|---|---|---|
|  | 2012 | 2008 | 2012 | 2008 |
| All students | 80.1% | 73.6% | 71.5% | 65.6% |
| Mexican | 81.1% | 74.1% | 71.8% | 65.5% |
| Cuban | 88.1% | 78.6% | 76.5% | 65.5% |
| Puerto Rican | 87.9% | 87.9% | 79.2% | 81.1% |
| Other Hispanic | 83.2% | 77.5% | 73.6% | 68.0% |
| Non-Hispanic | 79.6% | 72.9% | 71.2% | 65.0% |

Source: BBVA Research based on the NPSAS, 2012 and 2008.

With regard to the distribution of the financial aid received by the students according to the source of the funding, we find that over 84.5% is institutional or from the state. Of total assistance, 59.1% is from the state, 25.5% from institutions and the rest is from other sources.[3] In 2012, students of Mexican origin were the ones that received the largest sums of aid from the state, receiving an average of USD3,363, which represents growth of 8.8% in real terms between 2008 and 2012.

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[3] It should be noted that financial aid is not mutually exclusive and students can receive support from different sources of funding.

Table 3.10
**Financial aid for higher educational studies by origin, 2012 and 2008 (dollars per annum and %)**

|  | Total aid | | | Government aid | | | Institutional aid | | |
|---|---|---|---|---|---|---|---|---|---|
|  | 2012 | 2008 | % change | 2012 | 2008 | % change | 2012 | 2008 | % change |
| All students | 10,738 | 9,620 | 11.60% | 2,735 | 2,782 | -1.70% | 6,345 | 5,264 | 20.50% |
| Mexican | 9,226 | 8,180 | 12.80% | 3,363 | 3,091 | 8.80% | 3,463 | 2,660 | 30.20% |
| Cuban | 10,178 | 8,470 | 20.20% | 2,516 | 2,800 | -10.10% | 6,335 | 4,758 | 33.10% |
| Puerto Rican | 10,620 | 7,518 | 41.30% | 2,558 | 1,602 | 59.60% | 6,933 | 3,521 | 96.90% |
| Other Hispanic | 10,012 | 9,111 | 9.90% | 3,189 | 2,952 | 8.00% | 4,991 | 4,590 | 8.70% |
| Non-Hispanic | 10,947 | 9,842 | 11.20% | 2,648 | 2,800 | -5.40% | 6,861 | 5,597 | 22.60% |

Nota: Money figures in inflation-adjusted dollars where 2012=100.
Source: BBVA Research based on the NPSAS, 2012 and 2008.

Students of Mexican origin are also those who receive the smallest sums from institutions. In 2012, a student of Mexican origin received an average of USD3,463, which was below the average funding of USD6,345 for students. Likewise, support from institutions for students of Mexican origin grew below the average level of assistance for other groups of Hispanic origin, although this above the average growth for aid of 20.5% in real terms.

# 3.5. Determining factors in granting financial aid for higher education studies in the United States

The previous section offered a general review of access to sources of financing aid for higher education studies in the United States. Specifically, evidence was given that shows that students of Mexican origin might have less access to financial aid of this kind compared with other groups of students of Hispanic origin with similar characteristics. This section provides an analysis of the factors that are decisive in getting access to financial support for higher education.

For this analysis the NCES *Powerstat* tool was used, which makes it possible to estimate several different things, including logit regression models.[4] The tool allows simple and swift estimation of the coefficients associated with the explanatory variables of logit models, while reporting their significance level, the model's quality of fit and other statistics. Nonetheless, it does not enable testing of a broad spectrum of specifications or estimation of the marginal effects associated with explanatory variables. Even so, Powerstat tool estimation is sufficient to provide statistically significant evidence of the likelihood of receiving financial aid, given a set of characteristics both of an individual nature and concerning the student's household and environment.

Estimation of the likelihood of receiving financial aid to pursue higher education studies was based on two models, one which estimated the probability of the students receiving aid from the government (federal or state) and the other which estimated the likelihood of receiving support from institutions. The explanatory variables of the models are described in Table 3.11 and include individual characteristics such as age, gender, income, family size and whether the student is of Hispanic or Mexican origin. A second group includes variables that relate to the education of parents and their educational level. A third group includes variables that measure the academic performance of the student at High School. A fourth group includes characteristics of the institution and the student's budget for their higher education courses.

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[4] For further details on estimation and interpretation of logit regression models see Greene (2002), chapter 21: Discrete choice models

Table 3.11
## Determining factors in access to funding for higher education: Explanatory Variables

| Variable | Label | Type | Description |
|---|---|---|---|
| Basic individual characteristics | | | |
| Age | age | Continuous | Age of the student on starting in higher education |
| Gender | female | Dummy | Equals 1 if the student is female |
| Total income | income | Continuous | Total money income of parents for dependent students or income of independent students |
| Employment status | employment | Dummy | Equals 1 if the student is working (part or full time). Excludes *work-study* (part-time work linked to aid which is institutional, federal, etc.) |
| Family size | s_fam | Continuous | Number of members in the student's family (includes dependent and independent members) |
| Mexican origin | mexican | Dummy | Equals 1 if the student is of Mexican or Mexican-American origin |
| Hispanic origin | hispanic | Dummy | Equals 1 if the student is of Hispanic or Latin origin |
| Parental characteristics | | | |
| Highest educational level of parents | parents_edu | Dummy | Equals 1 if the parents have an educational level equal to or higher than a bachelor's degree |
| Parents born in the United States | parents_usa | Dummy | Equals 1 if both parents were born in the United States |
| High School academic performance | | | |
| Average SAT score | sat | Continuous | Measures the student's performance in the SAT composite (the exam for admission to higher education). |
| Average High School grade | hs_gpa | Dummy | Equals 1 if the student obtained a grade point average of over 2.5 (the grade is normalised between 0 and 4) |
| High School honours | honors | Dummy | Equals 1 if the student went on an advanced course in some area of learning at High School |
| Qualification obtained since High School | qualification | Dummy | Equals 1 if the student obtained some kind of academic qualification above High school level |
| Institution type | | | |
| Institution type | inst_pub | Dummy | Equals 1 if the student is enrolled at a public institution |
| Level of institution | inst_lev | Dummy | Equals 1 if the student is enrolled at an institution of the 4-year kind |
| Student budget as a % of income | budget | Continuous | Measures the overall investment intensity in higher education |
| Attends an institution in the same state where they reside | inst_state | Dummy | Equals 1 if the student attends an institution in the state where they live |

Source: BBVA Research

Three types of estimation exercise were carried out, using different combinations of explanatory variables. Type 1 and 2 estimation was performed for the entire sample of students in higher education in the United States. Type 1 includes a variable which flags whether the student is of Hispanic origin (hispanic), whereas Type 2 includes a variable (mexican) which specifies whether the student is of Mexican origin. The Type 3 model aims to compare only the students of Hispanic origin where a variable is included which flags whether the student is of Mexican origin.

The coefficients for these estimation exercises are reported in Tables 3.13 and 3.14. For the case of institutional funding the dependent variable is *institutional* and equals 1 if the student only received institutional funding, otherwise it is 0. Likewise, the dependent variable in estimating the results for access to government support is *government* and equals 1 if the student received federal or state aid, otherwise it is 0. Below are the key findings from the analysis:

Table 3.12

### Results of estimation of the probability of receiving financial aid to pursue higher education studies in the United States using logit models

| Institutional aid | Government aid |
|---|---|
| 1. **A student in employment is less likely to receive institutional aid**. This implies that institutions would rather allocate financial assistance to full-time students. At the same time, **family size is significant**. Institutions look to provide for students from larger families where it is harder to gain access to higher education owing to economic factors. | 1. **Aspects such as age, gender and family income are significant in obtaining federal or state aid**. Females and students with lower incomes seem to be the most likely to receive support of this kind. |
| 2. **Factors concerning the student's performance at High School are important in receiving institutional aid**. Students who have performed better in the SAT test and with higher grade point averages from High School are more likely to receive financial aid. This implies that institutions not only seek to compensate for economic aspects, but also to reward academic merit with respect to students. | 2. **Family size is also important for obtaining aid**. As with the case of institutional aid, the intention is to provide for students from larger families. |
| 3. **Institutional assistance is allocated with a preference for bachelor degree studies**. Students who have enrolled on bachelor degree courses are more likely to receive aid. At the same time, being enrolled with a public institution appears to reduce the likelihood of receiving assistance. This could be because public institutions are already subsidised. | 3. **The factors that relate to the educational level of the parents and their citizenship are significant in obtaining federal assistance**. Parents with a higher educational level make their offspring less likely to receive such aid. |
| 4. **The budget as a percentage of family income is decisive in allocating aid**. Those students with greater intensity of investment in higher education are more likely to receive assistance. This indicator appears more appropriate than income for gauging the financial needs of students. | 4. **Factors that correlate with the student's performance at High School appear to make them less likely to receive federal assistance**. Although it might seem contradictory, this could be due to the fact that this aid has a strongly economic needs-related component. Given that academic performance and family income correlate positively, it would appear that these grants reward poor academic performance when in actual fact what they do is to make a student from a low-income family far more likely to receive support. |
| 5. Characteristics such as age, educational level of parents, citizenship of parents and having obtained a previous university qualification do not seem significant in allocating institutional aid. | 5. **The characteristics of the institution also seem to be significant in receiving federal aid**. Students who are enrolled at public institutions are less likely to receive support and bachelor degrees are incentivised. At the same time, students who are enrolled at institutions in the state where they reside are better catered for. This implies that federal support could disincentivise student mobility. |
| 6. **Students of Hispanic or Mexican origin are more likely to receive aid from an institution**. This is consistent with social inclusion policies at higher education institutions, which seek to facilitate access for minority groups. | 6. **Investment intensity in education is significant in the assignment of government aid**. Students with larger budgets as a proportion of income are more likely to receive assistance. |
| 7. **No significant evidence is found that students of Mexican origin benefit from aid more than the other Hispanic students**. Although in the basic model a student of Mexican origin is more likely than other Hispanic students to receive institutional support, this aspect ceases to be significant when controlling for variables that correlate with the student's performance at High School, the type of institution and the budget. | 7. **Students of Hispanic origin are not more likely to receive federal support**. After controlling for institutional characteristics and the budget, the effect of being of Mexican origin is no longer significant. |
| | 8. **Finally, there is evidence that the group of students of Mexican origin is less likely than other students of Hispanic origin to receive federal aid**. This could be due to the fact that this aid is intended to provide for minority groups with not much presence among the general population, which is the case of other Hispanic students of non-Mexican origin. |

Source: BBVA Research

## 3.6. Conclusions

This paper has presented a characterisation of students at higher educational institutions in the United States, while homing in on the part played by students of Hispanic and Mexican origin within this system. As regards general characteristics, it can be noted that students of Mexican origin represent the majority of students of Hispanic origin in the United States, come from larger families than the average student, and a feature of their parents is that they have relatively lower educational levels than the rest of the population. Some points were highlighted with regard to school choice and access to sources of funding. In this respect it was shown that students of Mexican origin are more concentrated than other Hispanic students at the public institutions, those which are less selective or have open admission, and those which focus mainly on vocational or technical studies (two-year courses). Turning to access to financial assistance, students of Mexican origin are a highly vulnerable group because they have lower levels of family income and access lower sums of financing compared to the other Hispanic and non-Hispanic students in the United States.

The examination of the factors determining access to sources of funding for students in higher education showed that the economic component (whether via the family income or the budget of students) is decisive in the assignment of both institutional and government support. Likewise, institutional aid seems to reward the academic merits of students as gauged by their High School performances and attach more importance to this. There is a preference for allocating financial aid for bachelor degrees and support seems to be more forthcoming for students wishing to study at private institutions, given that public establishments already subsidise higher education.

Besides all this, it was found that students of Hispanic or Mexican origin are more likely to receive institutional aid, which is in line with the social inclusion policies for students of minority origin at higher education institutions. It was also shown that there is no evidence that students of Mexican origin are better provided for than the other students of Hispanic origin. In the case of government aid, no significant evidence was found that Hispanic or Mexican students are more likely to receive aid of this kind. This might be because, in allocating government assistance, this is very substantially influenced by economic components in the student's profile, which detracts from the significance of aspects that relate to family income. This is the case for the student's origin, which did not prove significant, or the case of academic performance at High School, where it might even seem that government support is provided for students with poor academic track records, which ought to be ruled out when we consider the positive correlation between family income and the academic performances of students.

The above conclusions illustrate the situation of vulnerability and the need for inclusion of students of Mexican origin within the higher education system in the United States. Their characteristics tell us that they are a group for which gaining access to higher education is more awkward than it is for other social segments. It can be seen that there is a need to incentivise access for these students to bachelor degree institutions, given their high concentration in vocational or technical programmes, besides encouraging better graduation rates and higher levels of academic success. This therefore calls for a more in-depth analysis of the mechanisms for granting financial support for students in higher education and their effect on inclusion, success and continuation in education of students with minority origins.

Table 3.13

## Coefficients estimated in logit models for access to institutional aid

| | Dependent variable: institutional | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Model | Basic | | | Extension 1 | | | Extension 2 | | |
| Explanatory variab. | Type 1 | Type 2 | Type 3 | Type 1 | Type 2 | Type 3 | Type 1 | Type 2 | Type 3 |
| age | -0.0593*** | -0.0607*** | -0.1012*** | -0.0174 | -0.0187 | -0.0077 | -0.0194 | -0.0215* | -0.0185 |
| female | 0.0171 | 0.0175 | 0.0047 | 0.0309** | 0.0302** | 0.0268 | 0.0142 | 0.0134 | 0.0086 |
| income | 0.0263*** | 0.0267** | -0.0237 | 0.0180 | 0.0192 | -0.0191 | | | |
| employment | -0.0841*** | -0.0853*** | -0.1111*** | -0.0880*** | -0.0887*** | -0.1427*** | -0.0543*** | -0.0555*** | -0.1403*** |
| s_fam | 0.0352*** | 0.0348*** | 0.0151 | 0.0495*** | 0.0487*** | 0.0363 | 0.0726*** | 0.0723*** | 0.0703** |
| hispanic | 0.0516*** | | | 0.0630*** | | | 0.0861*** | | |
| mexican | | 0.0591*** | 0.0752*** | | 0.0570*** | 0.0465 | | 0.0689*** | 0.0275 |
| parents_edu | | | | 0.0157 | 0.0151 | 0.0234 | 0.0113 | 0.0100 | 0.0522 |
| parents_usa | | | | -0.0008 | -0.0090 | 0.0514 | 0.0221 | 0.0091 | 0.0388 |
| sat | | | | 0.0856*** | 0.0828*** | 0.0409 | 0.0513*** | 0.0465*** | 0.0386 |
| hs_gpa | | | | 0.0261** | 0.0261** | 0.0558** | 0.0218** | 0.0221** | 0.0487** |
| honors | | | | 0.0153 | 0.0156 | 0.0044 | 0.0152 | 0.0162 | -0.0062 |
| qualification | | | | -0.0240 | -0.0237* | 0.0016 | -0.0162 | -0.0159 | 0.0201 |
| budget | | | | | | | 0.0722*** | 0.0732*** | 0.0673** |
| inst_state | | | | | | | -0.0212 | -0.0205 | 0.0103 |
| inst_pub | | | | | | | -0.1682*** | -0.1667 | -0.0208 |
| inst_4 | | | | | | | 0.0327** | 0.0321** | -0.0793** |

Significance level: *** 1%, ** 5%, * 10%
Source: BBVA Research

Table 3.14

## Coefficients estimated in logit models for access to government aid

| | Dependent variable: government | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Model | Basic | | | Extension 1 | | | Extension 2 | | |
| Explanatory variab. | Type 1 | Type 2 | Type 3 | Type 1 | Type 2 | Type 3 | Type 1 | Type 2 | Type 3 |
| age | 0.0112 | 0.0113 | 0.0499*** | 0.0660*** | 0.0657*** | 0.0730*** | 0.0478*** | 0.0473*** | 0.0249 |
| female | 0.0738*** | 0.0737*** | 0.0730*** | 0.0582*** | 0.0583*** | 0.0735*** | 0.0297*** | 0.0297*** | 0.0360* |
| income | -0.2338*** | -0.2346*** | -0.2066*** | -0.1778*** | -0.1783*** | -0.1907*** | | | |
| employment | -0.0386*** | -0.0382*** | -0.0538** | -0.0530*** | -0.0525*** | -0.0510* | 0.0003 | 0.0005 | -0.0170 |
| s_fam | 0.0372*** | 0.0379*** | 0.0318 | 0.0174* | 0.0179* | 0.0426* | 0.0808*** | 0.0810*** | 0.1018*** |
| hispanic | -0.0079 | | | 0.0134 | | | 0.0126 | | |
| mexican | | -0.0255*** | -0.0705*** | | -0.0204** | -0.0862*** | | -0.0110 | -0.0442** |
| parents_edu | | | | -0.0915*** | -0.0947*** | -0.0375 | -0.1044*** | -0.1063*** | -0.0515** |
| parents_usa | | | | 0.0741*** | 0.0644*** | 0.0317 | 0.0853*** | 0.0780*** | 0.0337 |
| sat | | | | -0.0483*** | -0.0518*** | -0.0464* | -0.0621*** | -0.0645*** | -0.0387* |
| hs_gpa | | | | -0.0141 | -0.0144 | -0.0065 | -0.0240*** | -0.0240*** | -0.0210 |
| honors | | | | 0.0274*** | 0.0284*** | 0.0184 | 0.0232*** | 0.0240*** | -0.0089 |
| qualification | | | | -0.0246** | -0.0247** | -0.0327 | -0.0292*** | -0.0293*** | -0.0449* |
| budget | | | | | | | 0.3444*** | 0.3446*** | 0.3309*** |
| inst_state | | | | | | | 0.1103*** | 0.1115*** | 0.1347*** |
| inst_pub | | | | | | | -0.0821*** | -0.0829*** | -0.2022*** |
| inst_4 | | | | | | | 0.1279*** | 0.1265*** | 0.1592*** |

Significance level: *** 1%, ** 5%, * 10%
Source: BBVA Research

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# 4. Mexican migrant returnees and informality

## 4.1. Return migration by Mexicans

During the opening years of the 21st century, the number of Mexican immigrants in the United States increased very substantially. In the year 2000 there were 8.1 million residing there and by 2007 this number had swollen to 11.8 million, which equals average growth of over half a million Mexican immigrants a year (BBVA Research *et al.*, 2014). Nonetheless, the past economic crisis, which began in the United States in December 2007 (NBER, 2008), and then fanned out across the globe, ravaged the US economy, drastically affecting the flow of Mexicans into the United States. What had started out as a specific problem of defaults on subprime mortgage loans spread like wildfire throughout the entire financial system and led to both the bankruptcy of several of the larger financial institutions and the US government subsequently intervening to inject liquidity and thereby forestall the closure of yet more companies.

The US unemployment rate reached 10.0% of the economically active population, a level unseen since 1983 (Levine, 2013), which also hit the employment level among Mexican immigrants and made it extremely hard for newcomers among them to find a job. Moreover, the atmosphere of crisis in the United States spawned anti-immigrant actions and policies by the more conservative elements, including: i) the extension and strengthening of the US-Mexico border wall; ii) the increase in both the number of agents and the budget for the border patrol; iii) decrees and bills in several states to limit services and rights for undocumented migrants (the "Arizona Effect"), and iv) a step-up in inland tracing and deportation of undocumented immigrants, among other consequences. (***Mexico Migration Outlook***, 2012a)

In several of the media and forums, debate centred on the potential for "droves" of Mexican migrants to return home, pushed to do so by the bitterest consequences of the economic crisis (Alarcón et al, 2009), which ultimately failed to happen (***Mexico Migration Outlook***, 2012b). With the culmination of the economic crisis[1] there was a slow but sure pick-up in the general employment level in the United States, gradual growth in the number of jobs for Hispanics and, at the same time, an upturn in the inflow of immigrants, chiefly from Asia and Central America. Nothing less than a resumption of the massive flow of Mexican migrants northwards to the United States was expected, yet once again forecasts were thwarted, as this also failed to transpire (***Mexico Migration Outlook***, 2013).

Estimates based on the *Current Population Survey* (CPS) indicate that between 2007 and 2013 the number of Mexican immigrants in the United States stagnated at a figure of around 11.8 million. This does not imply that Mexican migration to the United States has ceased, because conversely the inward flow of Mexican migrants is still very substantial. Instead, this means that the net flow of migrants is approaching zero, in other words the number of Mexicans who arrive in the United States, whether they are documented or undocumented, is very similar to those returning to Mexico, be this voluntarily or compulsorily.

Table 4.1
**Population in the United States (million people)**

| Year | 1995 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total popuation | 262.1 | 274.1 | 291.2 | 293.8 | 296.8 | 299.1 | 301.5 | 304.3 | 306.1 | 308.8 | 310.8 | 313.1 |
| Immigrants | 25.2 | 30.3 | 37.4 | 37.9 | 39.5 | 39.6 | 38.9 | 39.9 | 40.5 | 42.2 | 42.3 | 43.1 |
| Mexican immigrants | 7.0 | 8.1 | 11.1 | 11.1 | 11.8 | 11.8 | 11.9 | 11.9 | 11.6 | 11.9 | 11.8 | 11.5 |

Source: BBVA Research based on estimates in the Current Population Survey (CPS), expanded supplement.

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[1] According to the National Bureau of Economic Research (NBER), the crisis officially ended in June 2009 in the United States.

Thus, in what is known as the "zero net migration" period (Passel et al., 2012; García, 2011), the flow of Mexican emigrants to the United States dropped off visibly, although at the same time so did the number of Mexicans returning home. Given the stiffening of anti-immigrant measures in the United States, it is likely that both the economic cost and the risk of entering, or returning to, the United States have increased, which is a deterrent for potential new Mexican migrants and, likewise, causes those already on the other side of the border to choose not to go back to their country of origin and to extend their stay on US soil. Given the nature of the migration flow between Mexico and the United States, no reliable source of information exists to inform us of the total number or annual flow of returnees, and only indirect inferences can be made, based on certain statistics and surveys.

Statistics from the Department of Homeland Security (DHS) indicate that the number of Mexicans returned by US authorities under some sort of voluntary repatriation programme, rather than on the basis of a deportation order, decreased by over one million events in 2004 to only 88,000 in 2013, whereas the number of Mexicans removed from the United States (obligatory returns under a deportation order) experienced something of an upsurge, jumping from 176,000 to 315,000 events a year over the same time. If we join together both sets of statistics, there were at least 4.6 million forced or assisted voluntary returns between 2007 and 2013, i.e. 660,000 cases a year on average. Those returning Mexicans should also be added to the figures for those who were not deported and did not seek help to get back to Mexico, in other words those who decided to return of their own free will and by their own means. It is highly likely that this group of migrants are not picked up in the statistics, which means that it is uncertain whether they are few or very great in number within the overall segment of returnees.

The Survey on Mexican Northern Border Migration (EMIF Norte) is available in Mexico, which captures information specifically on migrant flows. Data from this show that from 2008 to 2012 there has been a decrease in both flows from the south towards the United States and returns from the United States by Mexicans resident in Mexico. In 2008, the estimates from this survey recorded 438,000 events involving movements by Mexican residents from the United States to Mexico, whereas in 2012 this had fallen to 165,000, while there was an upturn in 2013. Another survey which enables us to gauge the flow of returning migrants is the National Occupation and Employment Survey (ENOE), which also shows a downturn in migrant returns in 2007-13, from 379,000 cases a year to 132,000. The downward trend in both emigration by Mexicans to the United States and return migration to Mexico can be observed from at least 2005, when the number of Mexican emigrants and returning migrants topped one million and 425,000 people respectively. These sources of information indicate that the number of returning migrants between 2007 and 2013 was around 2.2 and 1.9 million respectively, a figure which is almost half that which would be obtained using the statistics from the United States.

Figure 4.1
**Mexicans returned by US authorities, 2002-13 (thousand)**
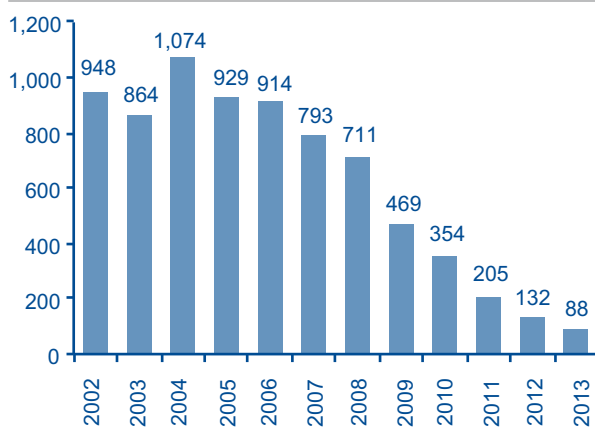


Figure 4.2
**Mexicans removed (deported) from the United States, 2002-13 (thousand)**
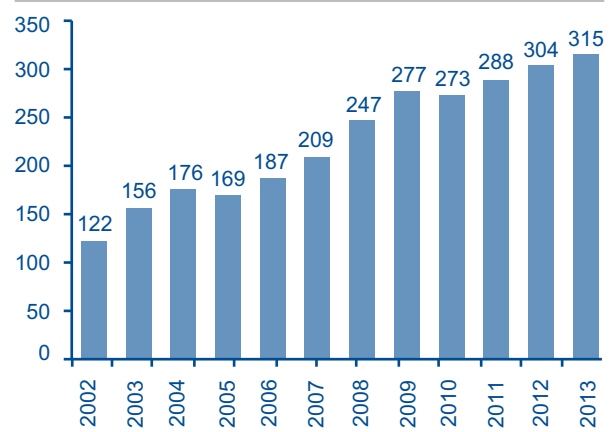


Source: BBVA Research based on the Department of Homeland Security, Yearbook of Immigration Statistics: 2002-2013.

Source: BBVA Research based on the Department of Homeland Security, Yearbook of Immigration Statistics: 2002-2013.

Figure 4.3

**Mexico-United States, overland migrant labour flows 2002-13 (thousand)**



From the South to the U.S.

From U.S. Mexican residents

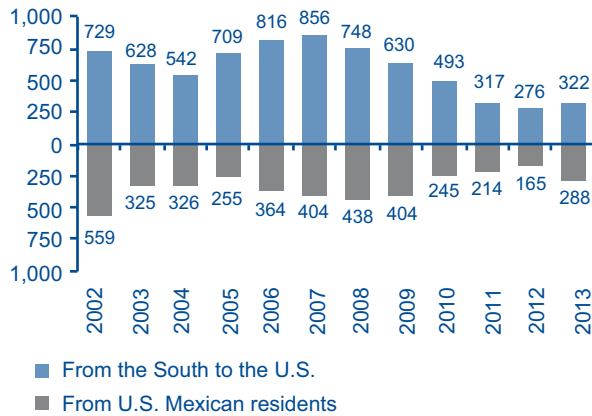Source: BBVA Research, Fundación BBVA Bancomer and CONAPO, the Yearbook of Migration and Remittances, Mexico 2015, with data from the Survey on Mexican Northern Border Migration (EMIF Norte), 2002-13.

Figure 4.4

**International Mexican migrant flows, 2005-13 (thousand)**



Mexican emigrants    Returning immigrants
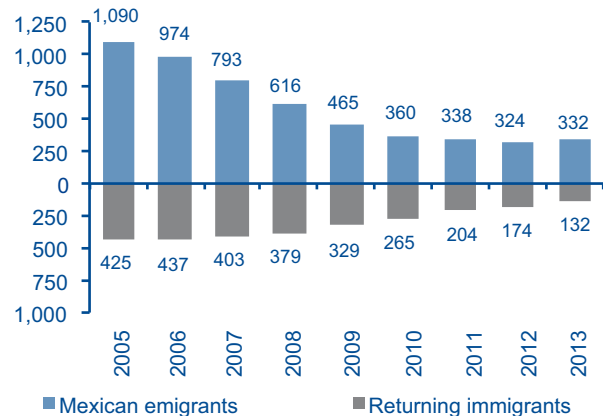
Source: BBVA Research based on panel construction from the ENOE 2005-14, featuring INEGI migration flow methodology.

The statistics from both the United States and Mexico on the number of migrants returning in recent years indicate that this group is of a very substantial size. Thus the various levels of government, the host communities and families had to adjust for the possible early return of a large number of migrants coming home. In the July 2012 Mexico Migration Outlook, the key socio-demographic variables were studied for returning Mexican migrants and the conditions in their first jobs once they had found their way into employment. It was shown that, in spite of their relatively swift placement in work, a significant proportion of them enter the informal sector. This is why it is still of interest to continue to examine the employment-related aspects of those returning home, and to gain an understanding of the profile and set of conditions which make them more liable to engage in formal or informal work. In the next section, we will briefly go over the theories that seek to explain the reasons why there are informal jobs, and how to define them.

## 4.2. Informal employment

When analysing informality, a clear distinction should be made between the informal sector and informal employment. According to the recommendations of the International Labour Organisation (ILO), the former concept refers to whether the economic unit is registered or incorporated depending on the criteria used in each country.[2] In several developing economies, the informal sector accounts for a large proportion of sources of employment for their inhabitants and they are a challenge as regards regulatory matters in numerous senses, and also with respect to incorporating these into the tax base. On the other hand, informal employment not only affects developing countries but is also a problem for the developed economies.

The term 'informal employment', as a statistic, is a more recent phenomenon in Mexico. Given the lack of an agreed definition, studies made of informality have used workers as variables who: i) are in the informal sector, ii) lack social security cover (who are not registered with the IMSS, ISSSTE or some other health service); iii) lack welfare benefits (holidays, the traditional year-end bonus etc.), and/or iv) do not have an employment contract, among other aspects, as well as combinations of these classifications (e.g. Aguilera & Velázquez, 2005). It was not until 2012, as a result of work carried out by statistics institutions in various countries with the ILO, that a uniform definition was adopted to measure informal employment.

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[2] In Mexico the National Institute of Statistics and Geography (INEGI) classifies an economic unit as informal using the criterion of whether enterprises or household businesses have accounting records or not. INEGI has been calculating the number of those employed in the informal sector since 2005.

The work carried out by Ralf Hussmanns was pivotal in arriving at this consensus (Hussmanns, 2004). The conceptual framework for determining informal jobs is based on the Hussmanns matrix, which encompasses classification of the production unit and jobs according to status in employment (ILO, 2013). In summary, the definition of informal employment comprises:

a) own-account workers in the informal sector or households,

b) employers in the informal sector,

c) unpaid family workers,

d) employees without benefits under legislation, and

e) members of cooperatives in the informal sector.

Figura 4.1
### Simplified Hussmanns matrix

| Production units by type | Classification by status-in-employment and formal/informal nature | | | | | | | | |
| | Own-account workers | | Employers | | Unpaid family workers | Employees | | Members of producers' cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector | | | | | 1 | 2 | | | |
| Informal sector | 3 | | 4 | | 5 | 6 | 7 | 8 | |
| Households | 9 | | | | | 10 | | | |

Informal employment = Cells 1 to 6, and 8 to 10
Employment in the informal sector = Cells 3 to 8
Source: BBVA Research based on the ILO's 'Measuring informality: a statistical manual on the informal sector and informal employment, 2013'.

Figure 4.1 gives a simplified representation of the Hussmanns matrix. The sum of the employed population in cells 3 to 8 stands for those who are in the informal sector, while the definition of informal employment covers the population included in cells 1 to 6 and 8 to 10. INEGI has embraced this criterion since 2013 and adapted it to the Mexican context (INEGI, 2013), which provides more accurate accounting as regards informal employment.[3] This definition of informality is used for the purposes of this study.

The theoretical framework which seeks to explain the reason why informality exists essentially falls into two camps. In the first of these it is claimed that there is free flow of labour and an optimisation process in choosing between a formal or informal job. A person trades off certain benefits that are generally available in formal employment, such as a legal employment contract, medical cover and children's nursery facilities, a pension, paid holidays, insurance and risk premiums, among other things, against informal sector benefits, such as a higher net income by avoiding the payment of tax and flexibility in employment. In other words, there is a "reward" for being in the informal sector (e.g. Maloney, 1999; Maloney, 2004). Moreover, informal workers can obtain medical care, a pension and other public services without paying tax (they enjoy a "free-ride") if the state already provides these by law.[4]

The second camp as regards the research is based on models such as the seminal work by John Harris and Michael Todaro (Harris & Todaro, 1970; Gupta, 1993), in which there are market imperfections that obstruct the free flow of labour between sectors, and wage differentials predominate. Informal workers would like to have a formal job but there are barriers stopping them from doing so, even though they have similar skills. Assuming a wage that receives more benefits in formal employment ($w_H$) and a wage in informal employment ($w_L$), for a person with utility $u(\cdot)$, they would seek to maximise this thus:

$$max\{(1 - d_H) u(w_H), u(w_L)\}$$

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[3] This classification of informality accepts that there can be formal jobs within the informal sector, although in Mexico's accounts any person in the informal sector is treated as in informal employment.
[4] It has been argued that the rise in universal social security could increase informality. See Levy (2008).

where the unemployment rate in the formal sector $d_H$ is determined by the number of people who would prefer to be unemployed and wait for the chance to enter formal employment, instead of working in informal employment. Equilibrium in Harris-Todaro models assumes there is unemployment and an employed segment in both the formal and the informal sectors. It also suggests that the fact that there is informal employment derives from the economy's incapacity to soak up all of the workers within the formal employment category, given market conditions. In other words, informal employment acts as an escape valve for those who fail to obtain formal jobs and are unemployed. Several datasets and studies have found that the "reward" for being in the informal sector is negative (e.g. Esquivel & Ordaz, 2008; Llamas & Garro, 2003), for which reason, in Mexico's case, the theory of employment segmentation seems to offer a better explanation for the existence of informal employment.

Deciding which of the two theoretical camps best describes the situation in Mexico goes beyond the aims of this article. Generally speaking, the conclusion in both approaches is that informality is an important issue for public policy makers, given that the low productivity which is a feature of employment of this kind means that the chances of achieving growth, with respect to people, enterprises and a country as a whole, can be somewhat diminished.

When we comb through the literature to find out about the relationship between returning migrants and informality, we come across several case studies which analyse enterprises and/or productive activities that were set up using funds that migrants earned while working abroad (e.g. Osorno & Romero, 2014; Ramírez & González, 1999; Salas, 2013). Rivera (2014) offers an investigation (via biographical interviews) into the strategies for getting back into work that were used by returnees in an urban area. It was found that these were a mixed bag that included waged employees, own-account workers, subsistence self-employed and unwaged workers. To get back into work, most returnees do not draw on their capital from their migration experience and there is a mixture of formal and informal workers, while almost half of them say that they expect to emigrate again, although this variable bears no correlation with their employment position.

There are very few databases that can be used, that are representative on a nationwide level, to analyse return migration, and even fewer available to study how this relates to informality. Sheehany Riosmena (2013) uses data from 1990 and 2000 to examine whether returning migrants had a greater chance of setting up a formal or an informal business compared to people who have had no previous migration experience. The research indicates that returning migrants are more liable to set up businesses, although the evidence supporting the role of migration in setting up businesses in the formal sector is relatively flimsy compared to that underpinning the role of migration in the informal sector.

This study seeks to contribute to analysis of the return migration/informality binomial, to offer more of an insight into the factors which determine decisions regarding employment mode. Several socio-demographic and household environment variables are examined to discover whether there is any kind of relationship which makes a returning migrant more likely to enter informal or formal employment, irrespective of whether they are an employer, employee, independent worker or they work at home.

## 4.3. Data and methodology

The main source of information for the study comes from the National Occupation and Employment Survey (ENOE) conducted by the National Institute of Statistics and Geography (INEGI), which is designed to obtain information on jobs and employment nationwide in Mexico, as well as socio-demographic and economic variables. Since 2005, this survey has included and replaced the National Urban Employment Survey (ENEU) and the National Employment Survey (ENE).

The sample size in the survey is of over 120,000 households, which are interviewed on a quarterly basis, and this is probably the largest sample among the more regular surveys. The information in the ENOE is obtained via overlapping panels, where the same household is monitored for up to five quarters and in each quarter around 20% of the sample households are rotated. The findings from the survey allow statistical inference nationally, on state level, in 32 self-representing cities and over a range of sizes of population groups.

By bringing together the information from two longitudinally adjacent panels involving the same household, it is possible to find out whether a new member has arrived and, with the help of questions on country of birth and the country of residence prior to coming to the household, to create a sub-group of people who are new members of the

household who were born in Mexico and came from abroad. These people will form the sub-group which is being studied, i.e. returning Mexican migrants. When the arrival of a Mexican migrant returning to a household in Mexico is captured via monitoring panels 1 and 2, there can be up to three further quarters of monitoring as is shown in figure 2. However, the arrival of the new member can occur in panels 3, 4 or 5, for which reason there would be fewer monitoring panels before the household's rotation.

Figura 4.2
**Integration structure for each panel in monitoring the households of migrants who have returned**
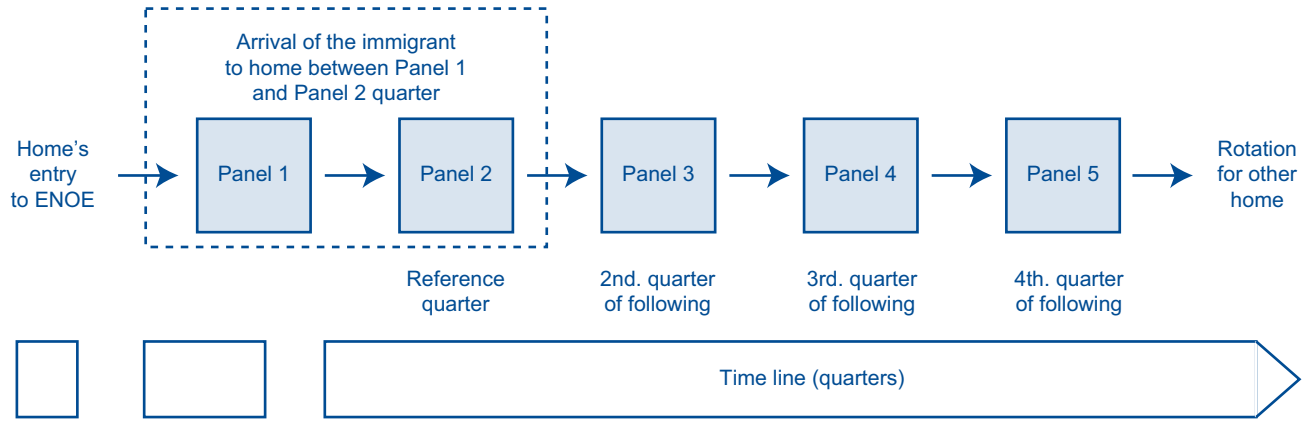


Source: BBVA Research.

This study used the quarterly data from the ENOE for the first quarter of 2010 through to the fourth quarter of 2014, and 19 inter-quarterly panels were constructed using these 20 databases. Given the overlapping panel structure typical of the ENOE, the study used the methodology for estimating international migrants that was proposed by INEGI, and the sample weights were adjusted to improve the accuracy of the point estimators which lose observations as the households rotate every quarter (INEGI, 2011).

Maximum likelihood estimation of dichotomous Probit models was used to determine the probability of a returning migrant finding informal employment. By applying a non-decreasing transformation of variables for the model to correspond with levels via the cumulative normal probability function (Φ), estimates were made as given below:

$$p_i = \mathrm{P}(y_i = 1 \mid X_i' = x_i')$$

$$p_i = \Phi(z_i) = \Phi(\alpha + X_i' \cdot \beta + \varepsilon_i)$$

$$\Phi^{-1}(p_i) = z_i = \alpha + X_i' \cdot \beta + \varepsilon_i$$

$$\text{where } \Phi(z) = \frac{1}{\sqrt{2\pi}} \int_{-\infty}^{z} e^{-\frac{1}{2}x^2} dx$$

The dependent variable in estimation takes a value of 1 when the first job on the migrant's return is classified as informal, and of 0 when it is formal. There are only very few cases of returnee migrants who have not come by work one year after returning (Albo et al., 2012), and such cases are excluded from the analysis. Change in the probability of being formal or informal is estimated using Marginal Effects at the Means (MEMS) for the independent variables. Expressed alternatively:

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

# 4.4. Characteristics of returning Mexican migrants: formal and informal workers

According to data from the ENOE, it is estimated that the numbers of both Mexican emigrants and returning migrants tended to drop off between 2010 and 2014. Although a huge wave of returning Mexican migrants was expected with the economic crisis in the United States in 2007, the data shows that such a prediction was erroneous. The decrease in numbers of emigrants and returning migrants changed the socio-demographic profile of this population relatively little between 2010 and 2014.

Own estimates based on this survey suggest that most returning Mexican migrants are males (around 80% on average), most of this population is aged between 18 and 49 and, in 2014 for example, a little over 74% of returning migrants fell within this age band. Likewise, the largest proportion of returning migrants is concentrated into small communities (under 2,500 inhabitants) or larger ones (of over 100,000 inhabitants) with averages of 38.9% and 29.7% of the population respectively.

With respect to marital status, on average slightly more than 57% of returning migrants are either married or cohabiting. Among the characteristics of returning Mexican migrants, there has been a notable fall in the population that has not completed their education to primary level, from 16.8% in 2010 to 12.4% in 2014. Even so, most of this population has a relatively low educational level, having completed their studies to only primary or secondary level, with an average of a little over 15% of the population having studied to higher secondary level or in higher education. On average, more than 84% of returning migrants have monthly incomes of less than three times the minimum wage, while around 20% of them do not have earnings. It was found that in 2014 the proportion of the returning migrant population who earned over three times the minimum monthly wage was over 20%, which was the highest level in the previous five years.

Table 4.2
**Socio-demographic profile of returning Mexican migrants, 2010-14p (%)**

| | 2010 | 2011 | 2012 | 2013 | 2014p | | 2010 | 2011 | 2012 | 2013 | 2014p |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gender** | | | | | | **Population size** | | | | | |
| Male | 78.0 | 80.0 | 73.2 | 80.9 | 77.8 | Under 2,500 | 35.6 | 38.2 | 39.2 | 43.4 | 38.0 |
| Female | 22.0 | 20.0 | 26.8 | 19.1 | 22.2 | 2,500 to 14,999 | 17.9 | 16.3 | 10.1 | 16.7 | 21.7 |
| | | | | | | 15,000 to 99,999 | 18.9 | 14.6 | 19.6 | 11.3 | 9.7 |
| **Age group** | | | | | | Over 100,000 | 27.6 | 30.8 | 31.1 | 28.6 | 30.6 |
| 0 to 17 | 6.2 | 5.2 | 10.0 | 3.2 | 2.7 | | | | | | |
| 18 to 29 | 34.9 | 40.2 | 28.0 | 30.0 | 31.3 | **Educational level** | | | | | |
| 30 to 39 | 32.5 | 26.9 | 27.0 | 27.1 | 29.3 | Uncompleted primary | 16.8 | 16.8 | 19.0 | 15.0 | 12.4 |
| 40 to 49 | 14.8 | 12.2 | 18.4 | 19.9 | 13.7 | Completed primary | 25.4 | 25.9 | 24.0 | 28.2 | 36.7 |
| 50 to 59 | 7.9 | 9.6 | 8.9 | 11.3 | 11.7 | Completed secondary | 42.4 | 39.5 | 41.6 | 39.7 | 33.2 |
| 60 or over | 3.7 | 5.9 | 7.8 | 8.5 | 11.2 | Higher secondary and higher education | 15.4 | 17.8 | 15.4 | 17.1 | 17.7 |
| **Marital status** | | | | | | **Income level** | | | | | |
| Cohabiting | 15.2 | 13.9 | 12.1 | 17.4 | 12.5 | Not earning | 20.0 | 20.8 | 21.6 | 17.8 | 17.4 |
| Separated | 3.4 | 4.4 | 2.6 | 4.1 | 4.3 | Up to one MW | 14.8 | 13.0 | 12.3 | 17.5 | 15.6 |
| Divorced | 1.5 | 1.7 | 2.4 | 3.1 | 1.8 | Over 1 to 2 MW | 27.1 | 33.5 | 19.7 | 26.3 | 21.3 |
| Widowed | 1.2 | 1.6 | 2.0 | 1.6 | 4.3 | Over 2 to 3 MW | 22.1 | 20.2 | 33.1 | 25.4 | 24.9 |
| Married | 41.6 | 41.9 | 48.0 | 39.8 | 43.6 | Over 3 to 5 MW | 9.5 | 8.4 | 11.4 | 11.3 | 16.4 |
| Single | 37.0 | 36.5 | 32.9 | 34.0 | 33.6 | Over 5 MW | 6.5 | 4.2 | 1.9 | 1.7 | 4.4 |

Source: BBVA Research based on construction of panels from the ENOE, 2010-14. (p = preliminary)

As regards the employment profile of returning Mexican migrants, there was a notable reduction in the share of the Economically Active Population (EAP) in the labour force, reaching a minimum for the previous five years of 68.5% in 2014. Along the same lines, it was found that the population in work similarly fell back, dropping to 56.2% of the labour force in 2014.

Table 4.3
**Employment profile of returning Mexican migrants 2010-14p (%)**

|  | 2010 | 2011 | 2012 | 2013 | 2014p |
|---|---|---|---|---|---|
| **Labour force** | | | | | |
| EAP | 71.6% | 74.8% | 69.5% | 75.0% | 68.5% |
| EIP | 28.4% | 25.2% | 30.5% | 25.0% | 31.5% |
| | | | | | |
| **Labour force by employment status** | | | | | |
| Employed | 62.7% | 66.0% | 64.1% | 66.2% | 56.2% |
| Unemployed | 8.8% | 8.7% | 5.3% | 8.8% | 12.3% |
| Available | 8.6% | 6.7% | 5.4% | 9.0% | 8.7% |
| Unavailable | 19.9% | 18.6% | 25.1% | 16.0% | 22.8% |
| | | | | | |
| **Employed population by employment type** | | | | | |
| Formal worker | 16.3% | 19.0% | 18.2% | 18.3% | 17.5% |
| Informal worker | 83.7% | 81.0% | 81.8% | 81.7% | 82.5% |

Source: BBVA Research based on construction of panels from the ENOE, 2010-14. (p = preliminary)

It can likewise be observed that the distribution of the employed population by employment type (formal and informal) altered relatively little in 2010-14. Around 18% of returning Mexican migrants find their first job upon their return in formal activities, while the rest are employed in informal activities. It is clear that the decision by returning migrants to engage in either formal or informal employment could be determined by individual characteristics and demographic components that make them more likely to have informal jobs.

According to data from the ENOE, various patterns can be identified with regard to the concentration of returning migrants in informal employment in relation to socio-demographic variables. For example, in terms of gender, it can be found that males tend to be in informal employment to a greater extent than females. Furthermore, informal workers are more clustered into the age groups at both extremes, with the 30-49 band showing the lowest concentration among returning migrants in informal employment. As for the size of local population, it was found that the highest concentration of informal workers is in relatively small population centres of less than 15,000 inhabitants. Another important determinant in the decision to work in informal employment could be educational level, where returning migrants at the lower end were found to be more likely to choose informal jobs.

Figure 4.5

## Concentration of returning migrants according to several socio-demographic variables and employment type, 2010-14p (Average % distribution)



Gender

Age group

Size of population nucleus

Educational level
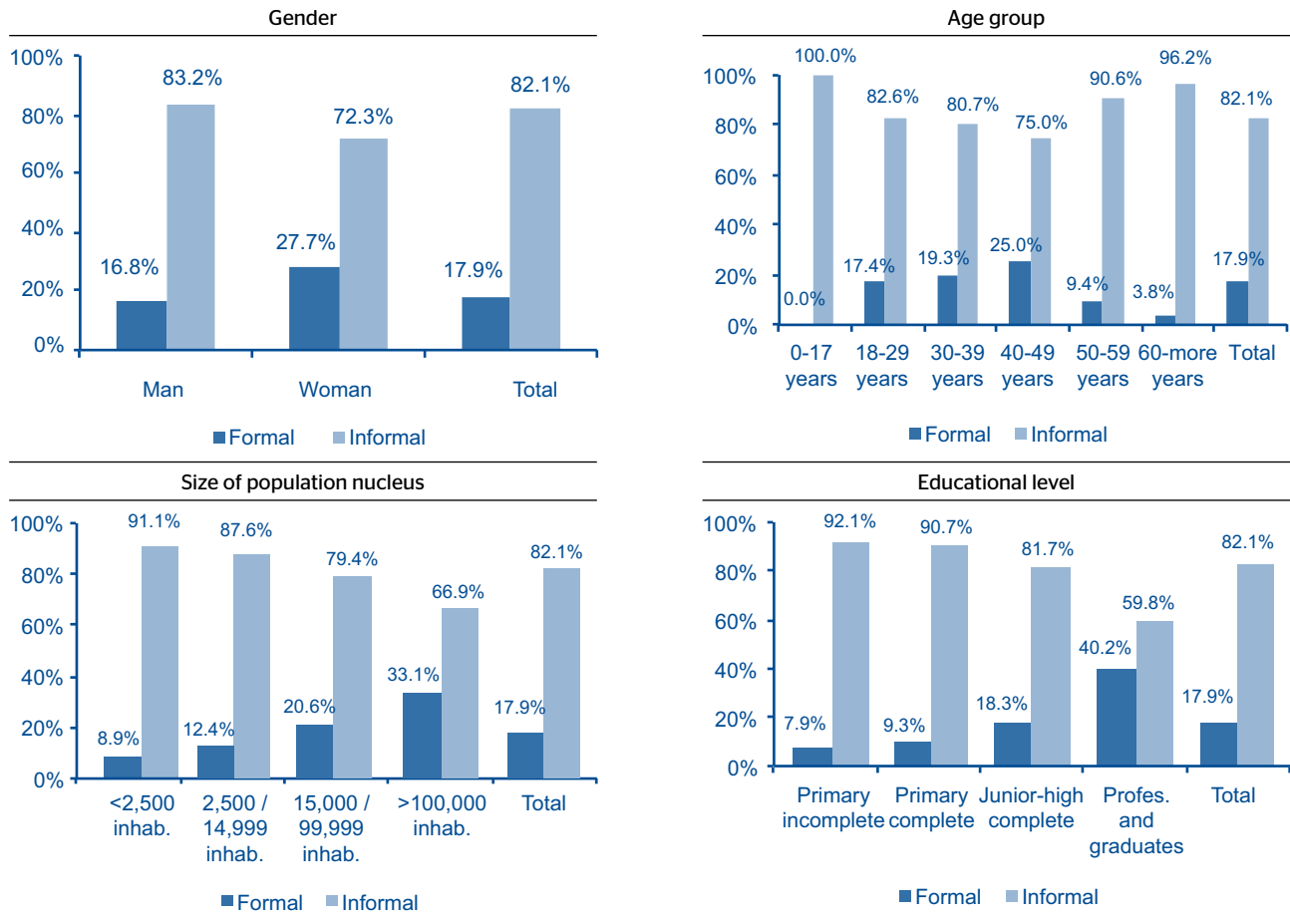
Source: BBVA Research based on construction of panels from the ENOE, 2010-14. (p = preliminary)

Besides the above socio-demographic variables, it was also found that there is a higher proportion of informal workers in the agriculture and construction sectors than in other economic sectors such as trade, services and the manufacturing industry. Regarding marital status, no clear concentration pattern could be discerned in relation to having a partner or not. For example, those who are separated, widowed or married have a higher proportion of informal workers than among those who are single, cohabiting or divorced. It is therefore unclear whether having a partner makes returning migrants more or less likely to be informal.

The ENOE data also show that returning migrants in formal activities work more hours per week on average than those in informal work. On average, formal workers put in eight hours more per week than their informal counterparts. We can also observe a significant gap in average monthly wages between the two groups of workers, which could be explained by the difference in hours worked. Nonetheless, estimates made of income per hour worked for returning migrants still reveal a sizeable gap between the respective incomes of formal and informal workers. For example, in 2014 it was observed that returning migrants in formal employment earned an hourly income that was 32.2% higher than that of informal workers, while a significant narrowing of the income gap between formal and informal workers has also been noted since 2010.

It is important to mention that these estimates of the wage gap are of a purely descriptive nature, as to be conclusive a proper estimate should control for several determining factors of the wage. Thus estimation of the wage gap between returning migrants in formal and informal employment is a question that remains open for another study, as it does not fall within the principal remit of this review.

Figure 4.6
**Hours worked and income per hour worked among returning migrants by employment type, 2010-14p (average)**
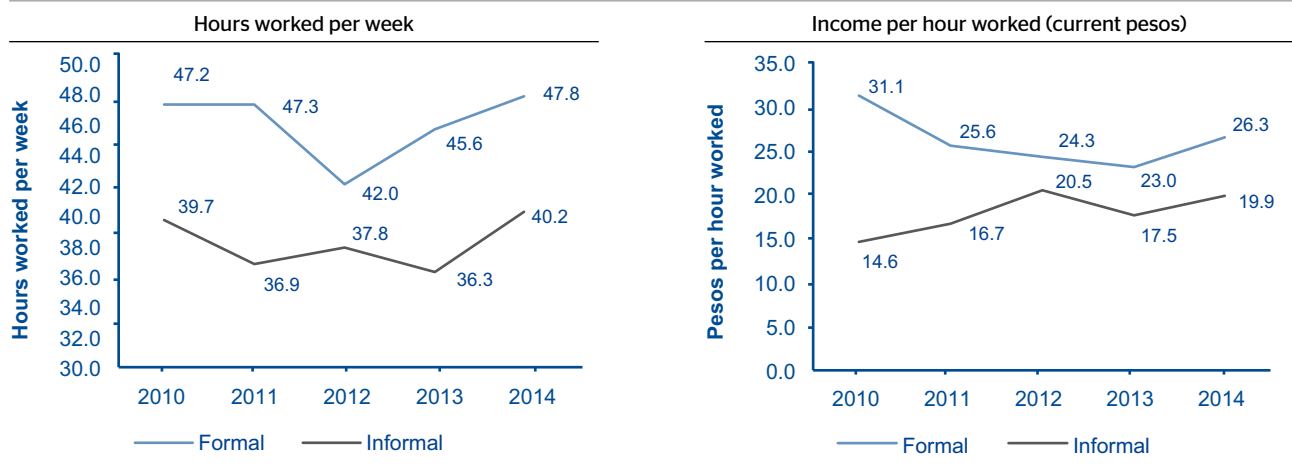


Source: BBVA Research based on construction of panels from the ENOE, 2010-14. (p = preliminary)

Other characteristics of returning migrants show that informal workers have on average received 2.6 fewer years of education than formal workers. Likewise, when the focus is confined to returning females in informal employment, it can be seen that they have more surviving children than formal female workers on average (1.3 more children), while this gap has been maintained since 2010.

## 4.5. Determinants of informality among returning Mexican migrants

The previous section described certain socio-demographic and employment-related characteristics of returning Mexican migrants, and specifically it was shown that their distribution across formal and informal employment seems to correlate with various socio-demographic variables which influence the decision regarding finding employment.

This section examines certain individual and socio-demographic factors behind the decision by returning Mexican migrants to engage in informal employment. The estimates made in this section cover variables which, according to the literature and the availability of information, are drivers of the decision by individuals to take up work and choose informal employment. Table 4.4 briefly describes the variables used to analyse the choice of informal employment.

Table 4.4
## Description of independent variables

| Variable | Description |
|---|---|
| Age | *eda* and *eda2*: variables which measure age in years and age squared, respectively. Age is a very extensively used characteristic in literature on placement in employment in connection with life cycle theories. |
| Educational level | *anios_esc* and *anios_esc2*: these measure a person's years in education and years in education squared, respectively. The literature associates a higher educational level with higher levels of productivity which allows the worker to gain better-paid employment and to be more patient in looking for employment. |
| Gender | *mujer*: this is a dummy variable equal to 1 if the returning migrant is female. In the previous section, it was seen that the proportion of females in informal work is relatively smaller than for males. This section will determine whether this is a significant characteristic in the decision to be informally employed. |
| Marital status | *pareja*: a dummy variable equal to 1 if the returning migrant is either married or cohabiting. |
| Head of household | *jefe*: dummy variable that takes a value of 1 if the person is the head of the household; otherwise it is 0. |
| Household members aged 0 to 12 | *d_miembros0012*: dummy variable that equals 1 if there is at least one household member aged between 0 and 12. People generally expect the presence of dependent children and/or elderly members to make the worker less patient about getting into work. |
| Household members aged 60 to 99 | *d_miembros6099*: dummy variable equal to 1 if there is at least one family member aged between 60 and 99. |
| Other household members in informal employment | *otros_inform*: this variable should capture the externality which the presence of other informal workers in the household produces with regard to the decision to work informally, and *d_otros_inform*: dummy variable equal to 1 if there is at least one other household member who is in informal employment. |
| Other household members with earnings | *otros_ocu_ingreso*: intended to capture the externality that the presence of other employed household members with earnings would create regarding the decision to be informal, and *d_otros_ocu_ingreso*: a dummy variable equal to 1 if there is at least one other member who is in work and earning. |
| Size of population centre | The size of the population centre is measured using the following dummy variables: *d_local_1*, under 2,500 inhabitants; *d_local_2*, from 2,500 to 14,999 inhabitants; *d_local_3*, from 15,000 to 99,999 inhabitants and *d_local_4*, over 100,000 inhabitants. |
| Sector of activity | The sector of activity is measured using the following dummy variables: *d_rama_1*, construction; *d_rama_2*, manufacturing industry; *d_rama_3*, trade; *d_rama_4*, services; *d_rama_5*, others; and *d_rama_6*, agriculture and livestock. |

Source: BBVA Research

The effects of these explanatory variables on the probability of going into informal employment are analysed via a Probit model, where the independent variable is a dichotomous dummy variable that takes a value of 1 if the returning migrant is in informal employment and 0 if their job is formal. This method is used to try to estimate the probability of a returning migrant going into informal employment, given a set of individual and socio-demographic variables which characterise this. One of the key contributions of this exercise is to show which of these characteristics are most significant in determining that a returning migrant might engage in informal employment and, given this result, what the impact of a change in these variables is on the likelihood of being informally employed.

The main findings of the analysis are summarised in the annex, where the marginal effects are presented of the explanatory variables in the analysis on the probability of a returning migrant being informal, for different specifications which capture the way in which the characteristics of individuals correlate with the decision to be an informal worker. Below are listed some of the most important results from this exercise:

1. **Characteristics which are considered important in explaining the decision to enter informal employment –such as gender, marital status, being the head of the household and number of years in education squared– did not prove to be statistically significant with regard to the decision by returning migrants to become informal**. In each of the specifications, the coefficients and marginal effects associated with these variables were not statistically significant at a 10% level.

2. **The presence in the household of members aged either up to 12 or 60 and over does not affect the propensity to become informally employed**. It might be expected that in households where there are people who require a certain degree of care the probability ought to increase of members taking informal employment, given the need to have more flexible work, yet the data does not support this contention.

3. **The probability of going into informal employment is U-shaped with respect to the age of the returning migrant**. Age has a negative linear effect on the probability of being informal, while the quadratic effect is positive. This implies that there is an intermediate age range within which workers are less likely to enter informal employment. Similarly, the descriptive analysis given in the previous section confirms that returning migrants aged between 30 and 49 are less likely to be informal. **Nonetheless, when controlling for factors such as the worker's sector of activity, age no longer seems influential in a worker's decision to be informal** (models 10, 11 and 12).

4. **An additional year in education brings down the probability of going into informal employment by around 2%** (models 7 to 12), controlling for factors such as age, size of population centre where the individual resides, the presence of other informal workers in the household, state and the worker's sector of activity. This result shows that education is a significant variable in characterising the decision of a returning migrant to become informal, given that controls have been made for other highly significant characteristics in the analysis.

5. **The size of population centre reduces the likelihood of going into informal employment**. The probability of being informal comes down by around 20% in centres with over 100,000 inhabitants with respect to smaller communities with fewer than 2,500 inhabitants (models 7, 8 and 9). After controlling for the worker's sector of activity, the population centre effect diminishes, although it is still significant, and the probability of being informal comes down by about 12% in communities with over 100,000 inhabitants relative to smaller ones. This result can be explained by the fact that the smaller the size of the population centre, the lower is the proportion of potentially available formal jobs, as is borne out by the data in the previous section of this article.

6. **The presence of at least one other informal worker in the household increases the probability of having an informal job by approximately 12%** (models 9 and 12). Likewise, the presence of an additional household member with an informal job (*otros_inform*) lifts the probability of having an informal job by 8% (model 8) with similar results after controlling for sector of activity. This result implies that the presence of other informal workers in the household gives rise to an externality (a contagion effect) on the returning migrant's decision to engage in informal employment.

7. **The presence of at least one other employed member with earnings in the household reduces the probability of having informal employment by 5.5%** (models 9 and 12). Likewise, it is found that an additional household member who is employed with earnings (*otros_ocu_ingreso*) brings down the probability of being informal by 3.7% (model 8), with similar results when controlling for the sector of activity. To the extent that households have more economic means, a returning migrant can be more patient and wait to obtain formal employment.

## 4.6. Conclusions

Despite the fact that the great US economic crisis of 2007 did not give rise to huge waves of migrants returning to Mexico, as might have been expected, the statistics from both the US and Mexico on the volume of returning Mexican migrants in recent years indicate that this group is a of a very considerable magnitude. Besides the changes and challenges of a personal, family, cultural and legal nature, the Mexican migrants who return, whether forcibly or voluntarily, could face adverse circumstances that lead them to take up work in informal activities. Several studies regarding socio-demographic characteristics of returning Mexican migrants and conditions with regard to their first job after they have gone back into work suggest that, in spite of finding work relatively quickly, a large number of them engage in informal employment. Hence the interest in this study in analysing and gaining an insight into the profile and conditions that prompt returning migrants to move into this sector.

In this examination, we have found that educational level is a highly important variable in determining whether going back into work involves formal or informal employment. This is not casuistry, but actually the result of interaction between labour supply and demand and the ineffectiveness of regulation in Mexico. People who have a higher educational level are very likely to be better placed to negotiate more desirable employment conditions. On the other hand, those who have a low educational level will generally find it harder to get into work, for which reason they might engage in work without the benefits laid down in law and (therefore) in an informal situation.

It was found that the presence of other informal workers in a household gives rise to a positive externality which makes the returning migrant more liable to choose to engage in an informal activity. Similarly, the earnings of a household appear to represent a major factor in the decision to become informal, because when there are more household members with incomes this significantly reduces the propensity to be informal. These last two findings suggest that the decision to go into either formal or informal employment does not just depend on the interaction between the individual and the labour market, but is also influenced by household environment and the "employment networks" which are available to the returning migrant.

The analysis showed that several characteristics which are held to be important in the literature and are used to explain the decision when it comes to going into employment, such as gender, marital status, age and being the head of the household are not significant in the decision by returning migrants to become informal. In contrast, socio-demographic factors such as size of population centre, and economic features such as sector of activity, significantly influence the decision to become informal. In other words, there are structural factors which determine and limit the set of viable formal jobs which a person might be able to occupy within the population nucleus where they live and the economic sector in which they may wish to work. As is illustrated in the study by Osorno & Romero (2014), in semi-urban and rural communities, if a person does not work as a public sector employee or in a government enterprise "informality and peddling wares are the only options for getting into work which most returning migrants find [...]".

Maloney (2004) argues that the existence of informal employment should be viewed as the product of lax control of employment, tax collection and other forms of regulation, for which reason greater enforcement could make an impact on reducing informality. Taking an opposing view, La Porta & Shleifer (2014) consider that forcing informal companies to comply with the regulations in a formal environment would lead them to fail, and bring about a rise in the unemployment level and poverty in the country, for which reason only sustained economic growth can reduce informality. However, low economic growth can favour a higher level of informality, and the low productivity in informal jobs means lower economic growth for the country, i.e. these factors interact in a vicious circle.

This begs the question of whether public policy should focus on reducing informality to boost productivity and thereby bring about higher economic growth, or whether other ways should be sought to achieve greater economic growth and more formal employment opportunities that might consequentially reduce informality. There is unlikely to be any single formula which applies to all countries and regions, and the best solution for reducing informality is probably via mixed action, i.e. policies to reduce informality in combination with action to encourage higher economic growth.

## 4.7. References

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## 4.8. Annex

Table 4.5

**Marginal effects at the means regarding the probability of having informal employment among returning Mexican migrants**

| Specifications | Model 0 | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 | Model 6 | Model 7 |
|---|---|---|---|---|---|---|---|---|
| **Dependent variable: Informal** | | | | | | | | |
| Variables | | | | | | | | |
| eda | -0.0127** | -0.0129** | -0.0110* | -0.0119* | -0.0137** | -0.0117* | -0.0127** | -0.0128** |
| eda2 | 0.000144* | 0.000144* | 0.000127 | 0.000138* | 0.000156* | 0.000138* | 0.000149* | 0.000159** |
| anios_esc | -0.0279** | -0.0308*** | -0.0245*** | -0.0254*** | -0.0301*** | -0.0240*** | -0.0248*** | -0.0208*** |
| d_local_2 | | | | | | | | -0.0832** |
| d_local_3 | | | | | | | | -0.135*** |
| d_local_4 | | | | | | | | -0.213*** |
| otros_inform | | | 0.109*** | | | 0.108*** | | |
| otros_ocu_ingreso | | | -0.0595*** | | | -0.0593*** | | |
| d_otros_inform | | | | 0.166*** | | | 0.165*** | |
| d_otros_ocu_ingreso | | | | -0.102*** | | | -0.101*** | |
| d_miembros0012 | | | | | 0.0355 | 0.0267 | 0.0301 | |
| d_miembros6099 | | | | | 0.0227 | 0.00522 | 0.00532 | |
| d_rama_2 | | | | | | | | |
| d_rama_3 | | | | | | | | |
| d_rama_4 | | | | | | | | |
| d_rama_5 | | | | | | | | |
| d_rama_6 | | | | | | | | |
| ocu_t2 | | | | | | | | |
| ocu_t3 | | | | | | | | |
| ocu_t4 | | | | | | | | |
| anios_esc2 | -0.00014 | | | | | | | |
| mujer | -0.00764 | | | | | | | |
| pareja | -0.00707 | | | | | | | |
| jefe | 0.0925 | | | | | | | |
| Observations | 1,396 | 1,396 | 1,396 | 1,396 | 1,396 | 1,396 | 1,396 | 1,396 |

Significance level: *** 1%, ** 5%, * 10%
Source: BBVA Research estimates.

| | Dependent variable: Informal | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Specifications | Model 8 | Model 9 | Model 10 | Model 11 | Model 12 | Model 13 | Model 14 | Model 15 |
| Variables | | | | | | | | |
| eda | -0.0103* | -0.0111** | -0.00941 | -0.00709 | -0.00761 | -0.00956 | -0.00716 | -0.00775 |
| eda2 | 0.000129* | 0.000139* | 0.000106 | 0.0000791 | 0.0000852 | 0.000106 | 0.0000785 | 0.0000855 |
| anios_esc | -0.0180*** | -0.0185*** | -0.0208*** | -0.0180*** | -0.0185*** | -0.0207*** | -0.0179*** | -0.0184*** |
| d_local_2 | -0.0508 | -0.0603 | -0.0222 | 0.00429 | -0.0037 | -0.02 | 0.00528 | -0.00258 |
| d_local_3 | -0.102** | -0.107** | -0.0528 | -0.0271 | -0.0292 | -0.0527 | -0.0274 | -0.0291 |
| d_local_4 | -0.177*** | -0.188*** | -0.138*** | -0.111*** | -0.119*** | -0.135*** | -0.109*** | -0.117*** |
| otros_inform | 0.0814*** | | | 0.0804*** | | | 0.0800*** | |
| otros_ocu_ingreso | -0.0374*** | | | -0.0318** | | | -0.0319** | |
| d_otros_inform | | 0.118*** | | | 0.120*** | | | 0.119*** |
| d_otros_ocu_ingreso | | -0.0596** | | | -0.0490* | | | -0.0498* |
| d_miembros0012 | | | | | | | | |
| d_miembros6099 | | | | | | | | |
| d_rama_2 | | | -0.234*** | -0.249*** | -0.243*** | -0.234*** | -0.249*** | -0.243*** |
| d_rama_3 | | | -0.104** | -0.116** | -0.116** | -0.107** | -0.119** | -0.119** |
| d_rama_4 | | | -0.101*** | -0.103*** | -0.104*** | -0.101*** | -0.103*** | -0.104*** |
| d_rama_5 | | | -0.720*** | -0.705*** | -0.707*** | -0.726*** | -0.711*** | -0.712*** |
| d_rama_6 | | | 0.0242 | 0.0104 | 0.0149 | 0.0235 | 0.00967 | 0.0145 |
| ocu_t2 | | | | | | -0.0443* | -0.0366 | -0.0342 |
| ocu_t3 | | | | | | 0.0145 | 0.0259 | 0.0292 |
| ocu_t4 | | | | | | 0.0921 | 0.0959* | 0.0970* |
| anios_esc2 | | | | | | | | |
| mujer | | | | | | | | |
| pareja | | | | | | | | |
| jefe | | | | | | | | |
| Observaciones | 1,396 | 1,396 | 1,353 | 1,353 | 1,353 | 1,353 | 1,353 | 1,353 |

Significance level:  *** 1%, ** 5%, * 10%
Note: Models 7 to 12 include dummy variables for states whose coefficients are not reported.
Source: BBVA Research estimates.

# 5. Statistical Appendix

Table 11
## International immigrants by region of destiny (Millions of persons and % of total)

|  | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2013 |
|---|---|---|---|---|---|---|---|
| Total immigrants in the world (Millions) | 93.1 | 105.8 | 120.2 | 141.9 | 167.1 | 220.7 | 231.5 |
| Percentage share (% of total) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Developed countries | 39.9 | 44.4 | 50.3 | 55.2 | 61.5 | 63.6 | 64.2 |
| Europe | 18.0 | 21.6 | 22.4 | 21.6 | 22.6 | 22.6 | 23.1 |
| America | 14.8 | 14.7 | 17.2 | 19.9 | 24.5 | 23.5 | 23.2 |
| Middle East and Africa | 1.6 | 2.3 | 4.5 | 7.2 | 7.5 | 10.3 | 10.5 |
| East Asia and Pacific | 5.5 | 5.8 | 6.3 | 6.4 | 6.9 | 7.2 | 7.4 |
| Developing countries | 60.1 | 55.6 | 49.7 | 44.8 | 38.5 | 36.4 | 35.8 |
| Europe and Central Asia | 19.8 | 22.0 | 21.3 | 21.4 | 16.5 | 12.4 | 11.8 |
| Sub-Saharan Africa | 8.4 | 7.8 | 7.6 | 6.4 | 6.7 | 7.1 | 7.4 |
| Middle East and North Africa | 2.4 | 1.8 | 2.1 | 2.7 | 2.9 | 4.5 | 4.3 |
| South Asia | 19.1 | 15.5 | 12.3 | 8.8 | 6.5 | 5.7 | 5.3 |
| Latin America and the Caribbean | 6.4 | 5.1 | 4.6 | 3.8 | 3.5 | 3.4 | 3.4 |
| East Asia and Pacific | 3.9 | 3.3 | 1.8 | 1.6 | 2.3 | 3.3 | 3.5 |

Source:  BBVA Research with figures from World Bank Global Bilateral Migration and United Nations Population Division.

Table 12
## Annual inflow of remittances (Billions of dollars)

|  | 2000 | 2005 | 2010 | 2011 | 2012 | 2013 | 2014f | 2015f | 2016f | 2017f |
|---|---|---|---|---|---|---|---|---|---|---|
| World | 123.9 | 278.4 | 457.6 | 511.4 | 531.1 | 551.2 | 582.3 | 608.0 | 636.0 | 667.0 |
| Developed countries | 51.9 | 79.3 | 114.9 | 126.5 | 125.3 | 130.4 | 139.7 | 154.0 | 160.0 | 167.0 |
| Developing countries | 72.1 | 199.2 | 342.7 | 384.9 | 405.8 | 420.7 | 442.7 | 454.0 | 476.0 | 500.0 |
| East Asia and Pacific | 11.3 | 49.1 | 95.0 | 107.2 | 107.6 | 113.6 | 121.6 | 127.0 | 134.0 | 141.0 |
| South Asia | 17.2 | 34.2 | 82.4 | 97.4 | 108.3 | 111.2 | 117.3 | 123.0 | 129.0 | 136.0 |
| Latin America and the Caribbean | 20.2 | 48.9 | 56.4 | 59.8 | 60.4 | 61.0 | 64.0 | 67.0 | 70.0 | 73.0 |
| Europe and Central Asia | 9.2 | 21.8 | 40.5 | 47.6 | 49.4 | 54.1 | 56.5 | 50.0 | 52.0 | 54.0 |
| Middle East and North Africa | 10.2 | 24.9 | 39.5 | 42.1 | 49.0 | 49.3 | 50.8 | 53.0 | 55.0 | 58.0 |
| Sub-Saharan Africa | 4.1 | 20.2 | 28.9 | 30.9 | 31.2 | 31.5 | 32.5 | 34.0 | 36.0 | 38.0 |

**f:** WorldBank forecast
Source: BBVA Research with figures from WorldBank.

Table 13

## Immigration to the United States (Millons)

| | 1995 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total population | 262.1 | 274.1 | 291.2 | 293.8 | 296.8 | 299.1 | 301.5 | 304.3 | 306.1 | 308.8 | 310.8 | 313.1 |
| Immigrants | 25.2 | 30.3 | 37.4 | 37.9 | 39.5 | 39.6 | 38.9 | 39.9 | 40.5 | 42.2 | 42.3 | 43.1 |
| **By gender** | | | | | | | | | | | | |
| Men | 12.4 | 15.1 | 18.9 | 19.1 | 19.9 | 19.9 | 19.4 | 20.0 | 20.1 | 20.8 | 20.8 | 20.9 |
| Women | 12.8 | 15.1 | 18.5 | 18.8 | 19.7 | 19.8 | 19.6 | 20.0 | 20.3 | 21.5 | 21.8 | 22.5 |
| **By age group** | | | | | | | | | | | | |
| Under 18 | 3.0 | 3.3 | 3.7 | 3.4 | 3.5 | 3.3 | 3.0 | 3.1 | 2.9 | 3.0 | 2.8 | 3.0 |
| Between 18 and 39 | 11.5 | 13.4 | 16.4 | 16.3 | 17.0 | 16.5 | 15.7 | 15.8 | 15.6 | 16.2 | 16.3 | 15.7 |
| Between 40 and 59 | 6.9 | 9.0 | 11.9 | 12.5 | 13.2 | 13.4 | 13.7 | 14.1 | 14.6 | 15.6 | 15.7 | 16.4 |
| Over 60 | 3.9 | 4.5 | 5.4 | 5.7 | 5.9 | 6.4 | 6.6 | 6.9 | 7.3 | 7.6 | 7.8 | 8.3 |
| **By region of origin** | | | | | | | | | | | | |
| Canada | 0.9 | 0.9 | 0.8 | 0.8 | 0.9 | 0.8 | 0.7 | 0.8 | 0.8 | 0.9 | 0.8 | 0.8 |
| Mexico | 7.0 | 8.1 | 11.1 | 11.1 | 11.8 | 11.8 | 11.9 | 11.9 | 11.6 | 11.9 | 11.8 | 11.5 |
| Central America | 1.6 | 1.9 | 2.5 | 2.6 | 2.7 | 2.7 | 2.6 | 2.9 | 3.0 | 3.0 | 3.2 | 3.3 |
| The Caribbean | 2.4 | 2.9 | 3.3 | 3.2 | 3.4 | 3.5 | 3.4 | 3.7 | 3.8 | 3.9 | 3.9 | 4.2 |
| South America | 1.3 | 1.9 | 2.3 | 2.5 | 2.6 | 2.4 | 2.4 | 2.5 | 2.5 | 2.7 | 2.5 | 2.5 |
| Africa | 0.3 | 0.7 | 0.9 | 1.2 | 1.2 | 1.5 | 1.5 | 1.7 | 1.6 | 1.8 | 1.8 | 2.1 |
| Asia | 5.0 | 7.6 | 9.6 | 9.9 | 10.4 | 10.7 | 10.7 | 10.7 | 11.1 | 12.3 | 12.4 | 13.0 |
| Europe | 4.9 | 5.2 | 5.4 | 5.2 | 5.5 | 5.6 | 5.4 | 5.5 | 5.6 | 5.5 | 5.4 | 5.4 |
| Oceania | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Not specified | 1.9 | 1.0 | 1.3 | 1.2 | 0.8 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 |

Source: BBVA Research with estimates from Current Population Survey (CPS), March 1995-2014

Table 14

## Labor Situation of Hispanics and Mexicans in the U.S. (Figures in thousands and %)

| | 2012 | | | 2013 | | | | 2014 | | | | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | II | III | IV | I | II | III | IV | I | II | III | IV | I |
| **Total population*** | | | | | | | | | | | | |
| Pop. 16 years old & over | 242,968 | 243,564 | 244,169 | 244,828 | 245,363 | 245,961 | 246,564 | 247,086 | 247,625 | 248,233 | 248,843 | 249,901 |
| Civilian labor force | 154,859 | 154,904 | 155,450 | 155,416 | 155,574 | 155,570 | 154,989 | 155,785 | 155,583 | 155,971 | 156,258 | 157,029 |
| Employed | 142,195 | 142,500 | 143,303 | 143,377 | 143,860 | 144,287 | 144,205 | 145,434 | 145,946 | 146,486 | 147,344 | 148,276 |
| Unemployed | 12,664 | 12,404 | 12,146 | 12,039 | 11,714 | 11,283 | 10,784 | 10,350 | 9,637 | 9,484 | 8,914 | 8,753 |
| Labor force participation rate | 63.7 | 63.6 | 63.7 | 63.5 | 63.4 | 63.2 | 62.9 | 63.0 | 62.8 | 62.8 | 62.8 | 62.8 |
| Unemployment rate | 8.2 | 8.0 | 7.8 | 7.7 | 7.5 | 7.3 | 7.0 | 6.6 | 6.2 | 6.1 | 5.7 | 5.6 |
| **Hispanics*** | | | | | | | | | | | | |
| Pop. 16 years old & over | 36,627 | 36,881 | 37,145 | 37,168 | 37,395 | 37,630 | 37,876 | 38,052 | 38,277 | 38,513 | 38,759 | 39,244 |
| Civilian labor force | 24,451 | 24,444 | 24,469 | 24,548 | 24,757 | 24,934 | 24,845 | 25,164 | 25,247 | 25,415 | 25,655 | 26,032 |
| Employed | 21,827 | 21,993 | 22,066 | 22,210 | 22,515 | 22,651 | 22,683 | 23,125 | 23,327 | 23,555 | 23,961 | 24,287 |
| Unemployed | 2,623 | 2,451 | 2,402 | 2,338 | 2,242 | 2,283 | 2,162 | 2,039 | 1,919 | 1,860 | 1,694 | 1,745 |
| Labor force participation rate | 66.8 | 66.3 | 65.9 | 66.0 | 66.2 | 66.3 | 65.6 | 66.1 | 66.0 | 66.0 | 66.2 | 66.3 |
| Unemployment rate | 10.7 | 10.0 | 9.8 | 9.5 | 9.1 | 9.2 | 8.7 | 8.1 | 7.6 | 7.3 | 6.6 | 6.7 |
| **Hispanics** | | | | | | | | | | | | |
| Pop. 16 years old & over | 36,627 | 36,881 | 37,145 | 37,168 | 37,395 | 37,630 | 37,876 | 38,052 | 38,277 | 38,513 | 38,759 | 39,244 |
| Civilian labor force | 24,472 | 24,496 | 24,523 | 24,418 | 24,774 | 24,995 | 24,898 | 25,032 | 25,263 | 25,481 | 25,705 | 25,932 |
| Employed | 21,928 | 22,066 | 22,148 | 21,954 | 22,618 | 22,723 | 22,763 | 22,870 | 23,431 | 23,628 | 24,041 | 24,050 |
| Unemployed | 2,543 | 2,430 | 2,375 | 2,464 | 2,156 | 2,273 | 2,135 | 2,162 | 1,832 | 1,853 | 1,664 | 1,882 |
| Labor force participation rate | 66.8 | 66.4 | 66.0 | 65.7 | 66.2 | 66.4 | 65.7 | 65.8 | 66.0 | 66.2 | 66.3 | 66.1 |
| Unemployment rate | 10.4 | 9.9 | 9.7 | 10.1 | 8.7 | 9.1 | 8.6 | 8.6 | 7.3 | 7.3 | 6.5 | 7.3 |
| **Mexicans** | | | | | | | | | | | | |
| Pop. 16 years old & over | 22,667 | 22,622 | 22,992 | 23,121 | 23,246 | 23,257 | 23,486 | 23,516 | 23,895 | 24,049 | 23,854 | 24,509 |
| Civilian labor force | 15,178 | 15,107 | 15,204 | 15,190 | 15,428 | 15,449 | 15,397 | 15,492 | 15,759 | 15,909 | 15,910 | 16,328 |
| Employed | 13,576 | 13,626 | 13,746 | 13,633 | 14,099 | 14,055 | 14,129 | 14,191 | 14,657 | 14,773 | 14,895 | 15,188 |
| Unemployed | 1,602 | 1,481 | 1,457 | 1,557 | 1,330 | 1,394 | 1,268 | 1,301 | 1,102 | 1,137 | 1,015 | 1,140 |
| Labor force participation rate | 67.0 | 66.8 | 66.1 | 65.7 | 66.4 | 66.4 | 65.6 | 65.9 | 66.0 | 66.2 | 66.7 | 66.6 |
| Unemployment rate | 10.6 | 9.8 | 9.6 | 10.3 | 8.6 | 9.0 | 8.2 | 8.4 | 7.0 | 7.1 | 6.4 | 7.0 |
| **U.S.-born Mexicans** | | | | | | | | | | | | |
| Pop. 16 years old & over | 11,745 | 11,653 | 11,765 | 11,990 | 12,211 | 12,162 | 12,257 | 12,632 | 12,630 | 12,799 | 12,555 | 13,238 |
| Civilian labor force | 7,637 | 7,592 | 7,565 | 7,622 | 7,873 | 7,948 | 7,793 | 8,022 | 8,054 | 8,242 | 8,066 | 8,589 |
| Employed | 6,729 | 6,714 | 6,773 | 6,804 | 7,077 | 7,061 | 7,058 | 7,276 | 7,364 | 7,479 | 7,450 | 7,844 |
| Unemployed | 908 | 878 | 792 | 818 | 796 | 887 | 735 | 746 | 690 | 763 | 616 | 745 |
| Labor force participation rate | 65.0 | 65.2 | 64.3 | 63.6 | 64.5 | 65.4 | 63.6 | 63.5 | 63.8 | 64.4 | 64.2 | 64.9 |
| Unemployment rate | 11.9 | 11.6 | 10.5 | 10.7 | 10.1 | 11.2 | 9.4 | 9.3 | 8.6 | 9.3 | 7.6 | 8.7 |
| **Mexican immigrants** | | | | | | | | | | | | |
| Pop. 16 years old & over | 10,922 | 10,969 | 11,227 | 11,131 | 11,035 | 11,095 | 11,229 | 10,884 | 11,265 | 11,250 | 11,299 | 11,271 |
| Civilian labor force | 7,541 | 7,515 | 7,639 | 7,568 | 7,555 | 7,501 | 7,604 | 7,470 | 7,705 | 7,667 | 7,844 | 7,739 |
| Employed | 6,847 | 6,912 | 6,973 | 6,829 | 7,022 | 6,994 | 7,071 | 6,915 | 7,293 | 7,294 | 7,445 | 7,344 |
| Unemployed | 694 | 603 | 666 | 739 | 533 | 507 | 533 | 555 | 412 | 373 | 399 | 395 |
| Labor force participation rate | 69.0 | 68.5 | 68.0 | 68.0 | 68.5 | 67.6 | 67.7 | 68.6 | 68.4 | 68.1 | 69.4 | 68.7 |
| Unemployment rate | 9.2 | 8.0 | 8.7 | 9.8 | 7.1 | 6.8 | 7.0 | 7.4 | 5.3 | 4.9 | 5.1 | 5.1 |

* Seasonally Adjusted.
Source: BBVA Research with figures from Bureau of Labor Statistics and Current Population Survey (CPS), 2006-2014

Table 15
## Mexican Immigrants in the United States

| | 1995 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Mexicans in the U.S. (Millions)** | 18.7 | 22.5 | 28.5 | 29.3 | 30.3 | 31.3 | 32.7 | 33.4 | 33.9 | 34.9 | 35.4 | 35.8 |
| Mexican immigrants | 7.0 | 8.1 | 11.1 | 11.1 | 11.8 | 11.8 | 11.9 | 11.9 | 11.6 | 11.9 | 11.8 | 11.5 |
| 2nd & 3rd generation | 11.7 | 14.4 | 17.4 | 18.2 | 18.5 | 19.5 | 20.8 | 21.5 | 22.3 | 23.0 | 23.7 | 24.3 |
| **Demographic characteristics of Mexican immigrants** | | | | | | | | | | | | |
| **Gender (%)** | 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 | 55.5 | 55.2 | 56.0 | 55.5 | 55.0 | 55.1 | 53.9 | 53.6 | 52.5 | 52.2 |
| Women | 44.4 | 46.1 | 44.5 | 44.8 | 44.0 | 44.5 | 45.0 | 44.9 | 46.1 | 46.5 | 47.5 | 47.8 |
| **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 |
| From 0 to 17 years old | 13.6 | 13.1 | 11.5 | 10.7 | 9.6 | 9.4 | 8.6 | 7.9 | 7.7 | 6.6 | 5.7 | 6.0 |
| From 18 to 39 years old | 58.4 | 55.9 | 55.6 | 54.4 | 54.2 | 51.9 | 50.3 | 49.2 | 47.0 | 45.6 | 45.8 | 43.0 |
| From 40 to 59 years old | 21.2 | 24.1 | 25.9 | 27.6 | 28.7 | 30.6 | 32.0 | 33.3 | 35.3 | 37.2 | 37.3 | 38.7 |
| 60 years old or over | 6.9 | 6.9 | 7.1 | 7.4 | 7.5 | 8.1 | 9.1 | 9.5 | 10.0 | 10.6 | 11.3 | 12.3 |
| **Average age (years)** | 32.7 | 33.8 | 34.5 | 35.2 | 35.9 | 36.6 | 37.6 | 38.0 | 38.6 | 39.6 | 40.1 | 40.8 |
| **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 |
| California | 52.0 | 47.8 | 42.1 | 39.5 | 39.5 | 40.2 | 39.7 | 39.9 | 38.2 | 37.3 | 35.6 | 35.1 |
| Texas | 21.9 | 19.0 | 20.3 | 19.4 | 19.2 | 19.5 | 20.3 | 20.0 | 22.5 | 21.6 | 22.3 | 21.7 |
| Illinois | 5.5 | 5.8 | 5.5 | 4.7 | 5.3 | 5.2 | 5.4 | 5.4 | 5.6 | 6.1 | 6.1 | 5.9 |
| Arizona | 5.4 | 5.3 | 5.5 | 6.4 | 5.7 | 5.9 | 5.0 | 5.1 | 5.0 | 5.4 | 5.6 | 5.9 |
| North Carolina | 0.5 | 1.4 | 2.0 | 2.5 | 2.2 | 1.9 | 1.7 | 2.2 | 2.0 | 1.9 | 2.8 | 2.5 |
| Florida | 2.1 | 2.4 | 2.4 | 2.8 | 3.3 | 2.5 | 2.1 | 2.1 | 2.0 | 1.8 | 1.9 | 2.3 |
| Georgia | 0.9 | 0.7 | 2.2 | 2.8 | 2.5 | 2.1 | 2.3 | 2.1 | 2.0 | 2.0 | 1.9 | 2.2 |
| Colorado | 0.8 | 2.3 | 2.2 | 2.4 | 2.0 | 2.2 | 1.6 | 1.7 | 1.8 | 1.6 | 2.0 | 2.0 |
| Washington | 0.6 | 1.4 | 1.0 | 1.0 | 1.4 | 1.4 | 1.5 | 1.9 | 1.8 | 2.2 | 1.8 | 1.9 |
| Nevada | 1.3 | 2.0 | 1.9 | 1.8 | 1.9 | 2.0 | 1.6 | 1.7 | 1.9 | 1.8 | 1.9 | 1.7 |
| New York | 1.1 | 1.8 | 1.1 | 1.9 | 2.0 | 1.7 | 1.8 | 1.8 | 1.8 | 2.2 | 1.9 | 1.6 |
| Other states | 7.9 | 10.0 | 13.9 | 14.8 | 15.0 | 15.6 | 17.1 | 16.2 | 15.5 | 16.2 | 16.0 | 17.2 |
| **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 |
| Before 1975 | 24.0 | 17.3 | 11.7 | 10.6 | 10.3 | 10.6 | 10.6 | 10.2 | 9.7 | 9.2 | 9.6 | 9.0 |
| From 1975 to 1985 | 33.5 | 24.4 | 16.5 | 17.0 | 15.9 | 15.9 | 15.7 | 15.4 | 15.3 | 15.5 | 14.5 | 15.5 |
| From 1986 to 1995 | 42.4 | 39.2 | 29.6 | 28.9 | 28.3 | 27.4 | 26.6 | 27.4 | 27.1 | 26.3 | 24.8 | 24.7 |
| From 1996 to 2007 | n.a. | 19.1 | 42.1 | 43.6 | 45.5 | 46.2 | 47.1 | 42.8 | 43.0 | 43.2 | 44.0 | 42.0 |
| 2008 onwards | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4.2 | 4.9 | 5.8 | 7.1 | 8.8 |
| **Mobility condition in the last year (%)** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Non-migrants | n.a. | 91.6 | 89.5 | 93.1 | 94.9 | 95.5 | 95.6 | 96.3 | 97.2 | 96.6 | 96.8 | 97.8 |
| Internal migrants[1] | n.a. | 4.9 | 5.4 | 4.5 | 3.4 | 3.0 | 3.2 | 2.8 | 1.9 | 2.6 | 2.5 | 1.5 |
| International migrants[2] | n.a. | 3.6 | 5.0 | 2.5 | 1.8 | 1.5 | 1.2 | 1.0 | 1.0 | 0.9 | 0.8 | 0.7 |

| | 1995 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Social characteristic of the Mexican immigrants** | | | | | | | | | | | | |
| **Education[3]** | 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 grades | 61.4 | 56.2 | 52.5 | 51.0 | 49.5 | 50.0 | 49.2 | 46.0 | 47.0 | 47.0 | 44.9 | 46.0 |
| From 10 to 12 grades | 25.7 | 29.9 | 33.0 | 34.3 | 35.3 | 35.0 | 35.2 | 37.2 | 36.8 | 37.0 | 37.8 | 37.8 |
| Higher technical | 8.9 | 9.6 | 9.2 | 9.3 | 9.3 | 9.4 | 9.7 | 9.9 | 10.3 | 9.9 | 10.9 | 10.0 |
| Professional & postgraduate | 4.0 | 4.3 | 5.3 | 5.4 | 5.9 | 5.6 | 5.9 | 6.9 | 5.9 | 6.1 | 6.5 | 6.2 |
| | | | | | | | | | | | | |
| **Citizenship in the U.S. (%)** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| U.S. citizen | 14.6 | 22.6 | 20.4 | 21.3 | 21.5 | 22.7 | 24.1 | 25.8 | 27.0 | 27.9 | 27.0 | 28.8 |
| Non - U.S. citizen | 85.4 | 77.4 | 79.7 | 78.7 | 78.5 | 77.3 | 75.9 | 74.2 | 73.0 | 72.1 | 73.0 | 71.2 |
| | | | | | | | | | | | | |
| **Poverty condition[4] (%)** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Poor | 35.6 | 25.7 | 26.2 | 25.7 | 22.1 | 24.8 | 27.1 | 28.8 | 29.9 | 27.7 | 28.4 | 25.2 |
| Not poor | 64.4 | 74.3 | 73.8 | 74.3 | 77.9 | 75.2 | 73.0 | 71.3 | 70.2 | 72.3 | 71.6 | 74.8 |
| | | | | | | | | | | | | |
| **Type of health coverage (%)** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Public | 16.6 | 12.8 | 14.6 | 14.3 | 13.0 | 14.1 | 15.0 | 16.7 | 16.0 | 16.8 | 17.1 | 20.2 |
| Private | 27.2 | 30.5 | 28.7 | 28.6 | 27.0 | 28.5 | 28.5 | 25.5 | 27.4 | 26.6 | 26.8 | 30.9 |
| Both | 2.7 | 1.9 | 2.4 | 2.1 | 2.3 | 2.0 | 2.3 | 2.4 | 2.4 | 2.5 | 3.2 | 3.8 |
| None | 53.6 | 54.8 | 54.3 | 55.1 | 57.7 | 55.4 | 54.2 | 55.4 | 54.3 | 54.1 | 52.9 | 45.0 |
| | | | | | | | | | | | | |
| **Labor characteristics of Mexican immigrants (%)** | | | | | | | | | | | | |
| **Population 15 years old or over (Millions)** | 6.2 | 7.3 | 10.1 | 10.3 | 11.0 | 11.1 | 11.1 | 11.2 | 11.0 | 11.4 | 11.4 | 11.1 |
| Economically-active population | 4.2 | 5.0 | 7.0 | 7.2 | 7.7 | 7.6 | 7.7 | 7.7 | 7.6 | 7.8 | 7.7 | 7.5 |
| Employed | 3.7 | 4.6 | 6.5 | 6.8 | 7.2 | 7.0 | 6.7 | 6.8 | 6.7 | 7.0 | 7.0 | 7.0 |
| Unemployed | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.6 | 1.0 | 1.0 | 0.9 | 0.8 | 0.7 | 0.5 |
| Economically-inactive population | 2.0 | 2.3 | 3.2 | 3.1 | 3.3 | 3.4 | 3.5 | 3.5 | 3.5 | 3.5 | 3.7 | 3.6 |
| | | | | | | | | | | | | |
| Labor participation rate (%) | 67.4 | 68.4 | 68.8 | 69.6 | 70.0 | 69.0 | 68.9 | 69.0 | 68.5 | 68.8 | 67.4 | 67.4 |
| Unemployment rate (%) | 11.3 | 7.2 | 6.1 | 5.0 | 5.5 | 8.2 | 13.3 | 12.6 | 11.9 | 10.2 | 9.0 | 6.6 |
| | | | | | | | | | | | | |
| **Weekly hours worked (%)** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 34 or less | 13.5 | 9.3 | 11.0 | 9.5 | 10.5 | 10.8 | 14.9 | 19.4 | 18.7 | 18.1 | 17.7 | 17.2 |
| From 35 to 44 hours | 71.1 | 76.8 | 75.2 | 76.1 | 75.2 | 76.0 | 72.1 | 69.4 | 70.9 | 69.4 | 68.8 | 70.3 |
| 45 or more | 15.4 | 13.9 | 13.8 | 14.4 | 14.4 | 13.2 | 13.0 | 11.2 | 10.5 | 12.5 | 13.5 | 12.5 |
| | | | | | | | | | | | | |
| **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 |
| Less than 10,000 | 33.3 | 21.0 | 13.4 | 12.8 | 11.1 | 11.2 | 12.6 | 13.0 | 12.3 | 11.5 | 11.0 | 10.7 |
| From 10,000 to 19,999 | 42.2 | 44.1 | 39.8 | 37.0 | 34.3 | 32.3 | 30.3 | 34.0 | 32.8 | 30.7 | 31.0 | 28.1 |
| From 20,000 to 29,999 | 15.2 | 20.1 | 23.9 | 26.1 | 27.4 | 27.5 | 26.5 | 24.7 | 26.1 | 26.5 | 25.4 | 25.5 |
| From 30,000 to 39,999 | 4.8 | 7.8 | 11.3 | 12.4 | 13.6 | 13.5 | 14.2 | 13.7 | 13.9 | 14.4 | 14.9 | 15.6 |
| From 40,000 or more | 4.6 | 7.0 | 11.5 | 11.7 | 13.6 | 15.7 | 16.4 | 14.6 | 15.0 | 17.0 | 17.7 | 20.0 |

| | 1995 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 |
| Primary | 11.7 | 12.1 | 5.7 | 4.2 | 4.0 | 5.2 | 5.2 | 5.5 | 4.7 | 4.9 | 4.8 | 4.9 |
| Secondary | 35.3 | 36.6 | 37.0 | 39.6 | 40.6 | 37.2 | 33.2 | 30.9 | 32.4 | 31.8 | 30.6 | 33.5 |
| Tertiary | 53.0 | 51.2 | 57.3 | 56.2 | 55.4 | 57.7 | 61.7 | 63.6 | 62.8 | 63.3 | 64.6 | 61.6 |
| | | | | | | | | | | | | |
| **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 |
| Construction | n.a. | n.a. | 20.9 | 22.6 | 24.7 | 21.5 | 17.2 | 16.6 | 17.4 | 16.8 | 17.0 | 18.0 |
| Manufacturing | n.a. | n.a. | 15.8 | 16.8 | 15.6 | 15.2 | 15.6 | 13.8 | 14.5 | 14.4 | 12.9 | 14.9 |
| Leisure and hospitality | n.a. | n.a. | 14.9 | 16.3 | 14.5 | 14.9 | 16.8 | 16.6 | 15.1 | 16.8 | 17.6 | 14.5 |
| Professional and business services | n.a. | n.a. | 11.1 | 10.3 | 10.0 | 11.0 | 11.4 | 12.2 | 12.8 | 12.6 | 13.4 | 12.9 |
| Wholesale and retail trade | n.a. | n.a. | 11.6 | 10.6 | 11.2 | 11.0 | 10.9 | 11.5 | 11.8 | 10.5 | 10.3 | 10.2 |
| Educational and health services | n.a. | n.a. | 6.3 | 6.8 | 7.0 | 7.6 | 9.0 | 9.2 | 9.7 | 8.6 | 8.7 | 8.2 |
| Other services, excl. government | n.a. | n.a. | 6.6 | 5.3 | 5.7 | 5.9 | 6.2 | 6.2 | 6.0 | 6.4 | 6.3 | 7.0 |
| Agriculture, forestry, fishing, and hunting | n.a. | n.a. | 5.7 | 4.2 | 4.0 | 5.2 | 5.2 | 5.5 | 4.7 | 4.9 | 4.8 | 4.9 |
| Transportation and utilities | n.a. | n.a. | 3.1 | 3.1 | 3.4 | 3.6 | 3.6 | 4.0 | 4.0 | 4.3 | 4.2 | 4.8 |
| Financial activities | n.a. | n.a. | 2.5 | 2.7 | 2.3 | 2.2 | 2.1 | 1.9 | 1.8 | 2.5 | 2.8 | 2.2 |
| Public administration | n.a. | n.a. | 0.6 | 0.8 | 0.9 | 0.8 | 0.9 | 1.1 | 1.0 | 1.2 | 0.9 | 1.1 |
| Mining | n.a. | n.a. | 0.3 | 0.3 | 0.3 | 0.5 | 0.3 | 0.5 | 0.5 | 0.6 | 0.7 | 0.7 |
| Information | n.a. | n.a. | 0.7 | 0.4 | 0.5 | 0.6 | 0.7 | 0.9 | 0.7 | 0.4 | 0.5 | 0.6 |

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 Current Population Survey (CPS) estimations, March 1995-2014

Table 16

## 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 2014 * (Millon of US$) | 2013 Q1 | 2013 Q2 | 2013 Q3 | 2013 Q4 | 2014 Q1 | 2014 Q2 | 2014 Q3 | 2014 Q4 | 2015 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | India | 71,000.0 | 9.6 | 9.2 | 9.2 | 8.6 | 8.3 | 8.3 | 7.8 | 7.6 | 6.8 |
| 2 | China | 64,140.3 | 11.7 | 11.9 | 12.0 | 11.1 | 11.3 | 11.6 | 11.4 | 11.3 | 10.7 |
| 3 | Philippines | 28,382.5 | 7.2 | 7.0 | 7.0 | 6.6 | 6.8 | 6.4 | 5.8 | 6.0 | 5.9 |
| 4 | France | 24,731.7 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| **5** | **Mexico** | **24,231.1** | **5.3** | **5.7** | **4.4** | **5.3** | **4.2** | **4.5** | **4.5** | **4.4** | **4.4** |
| 6 | Nigeria | 21,294.4 | 10.3 | 9.6 | 10.1 | 10.5 | 9.6 | 9.0 | 8.2 | 9.9 | 9.0 |
| 7 | Egypt | 18,000.0 | 4.6 | 4.2 | 3.9 | 4.1 | 4.3 | 4.7 | 4.5 | 4.4 | 5.5 |
| 8 | Pakistan | 17,057.9 | 5.9 | 6.1 | 5.8 | 5.2 | 5.8 | 5.2 | 4.6 | 5.0 | 5.0 |
| 9 | Germany | 15,985.0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 | Bangladesh | 15,052.9 | 4.1 | 4.8 | 4.8 | 4.4 | 4.6 | 4.3 | 4.5 | 4.1 | 4.7 |

Table 17

## 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 2014 * (Millon of US$) | 2013 Q1 | 2013 Q2 | 2013 Q3 | 2013 Q4 | 2014 Q1 | 2014 Q2 | 2014 Q3 | 2014 Q4 | 2015 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **5** | **Mexico** | **24,231.1** | **5.3** | **5.7** | **4.4** | **5.3** | **4.2** | **4.5** | **4.5** | **4.4** | **4.4** |
| 27 | Guatemala | 5,862.0 | 5.0 | 4.9 | 5.0 | 4.8 | 4.8 | 4.6 | 4.7 | 5.2 | 5.0 |
| 28 | Dominican Rep. | 4,650.3 | 6.3 | 6.3 | 6.5 | 6.7 | 6.0 | 6.1 | 6.1 | 5.5 | 6.6 |
| 30 | El Salvador | 4,279.7 | 4.6 | 4.5 | 4.6 | 4.7 | 4.5 | 4.4 | 4.1 | 4.3 | 4.4 |
| 31 | Colombia | 4,195.5 | 6.2 | 5.2 | 5.6 | 4.8 | 5.8 | 5.2 | 4.6 | 5.6 | 5.8 |
| 39 | Honduras | 3,340.7 | 5.2 | 2.9 | 4.8 | 4.8 | 2.0 | -3.4 | 5.3 | 4.9 | 2.6 |
| 44 | Peru | 2,736.0 | 6.2 | 6.2 | 5.8 | 5.4 | 5.4 | 4.4 | 5.0 | 5.0 | 4.8 |
| 46 | Ecuador | 2,583.0 | 4.5 | 4.3 | 4.5 | 4.4 | 4.3 | 4.5 | 4.3 | 4.4 | 4.5 |
| 47 | Brazil | 2,500.0 | 12.9 | 11.6 | 11.9 | 10.5 | 9.2 | 8.5 | 8.4 | 8.6 | 8.2 |
| 51 | Jamaica | 2,260.9 | 8.6 | 9.1 | 9.6 | 9.1 | 9.8 | 8.0 | 9.0 | 8.7 | 8.9 |

* According to World Bank estimations          n.a.: not available
World Bank figures may differ from the one each country provide due to he methology used
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 Remittance Prices Worldwide (RPW) of the World Bank, 2014 and World Bank staff calculation, February 2014

Table 18

## 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 | 5.6 | 6.9 | 8.9 | 8.9 | 7.6 | 7.6 | 7.5 | 7.6 | 7.6 | 7.6 |

Source: BBVA Research estimations based on PROFECO weekly database

Table 19
## Annual Remittance Inflows at the National Level

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Million dollars** | | | | | | | | | | |
| Total | 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 | 23,606.8 |
| Electronic transfers | 19,667.2 | 23,854.0 | 24,802.7 | 24,113.7 | 20,547.5 | 20,583.3 | 22,228.9 | 21,857.6 | 21,339.1 | 22,914.2 |
| Cash and payment in kind | 273.2 | 353.2 | 396.5 | 432.6 | 372.6 | 330.9 | 367.3 | 385.9 | 335.0 | 425.1 |
| Money Orders | 1,747.9 | 1,359.7 | 859.7 | 598.6 | 386.2 | 389.7 | 206.8 | 194.8 | 218.3 | 267.5 |
| Personal checks | - | - | - | - | - | - | - | - | - | - |
| **Thousands of transactions** | | | | | | | | | | |
| Total | 64,921.7 | 74,184.6 | 75,651.5 | 72,627.7 | 67,109.6 | 67,535.6 | 69,860.9 | 71,611.3 | 74,991.7 | 80,428.1 |
| Electronic transfers | 60,509.4 | 70,697.7 | 73,278.7 | 70,478.0 | 65,381.4 | 65,930.0 | 68,553.1 | 70,350.5 | 73,737.2 | 78,870.4 |
| Cash and payment in kind | 345.4 | 642.3 | 786.9 | 796.3 | 861.8 | 789.4 | 880.5 | 867.5 | 832.7 | 1,032.2 |
| Money Orders | 4,066.9 | 2,844.6 | 1,585.9 | 1,353.3 | 866.4 | 816.1 | 427.3 | 393.3 | 421.8 | 525.4 |
| Personal checks | - | - | - | - | - | - | - | - | - | - |
| **Average remittance (dollars)** | 333.7 | 344.2 | 344.2 | 345.5 | 317.5 | 314.9 | 326.0 | 312.5 | 292.0 | 293.5 |

Table 20
## Annual Remittance Inflows by State (Million Dollars)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **National** | 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 | 23,606.8 |
| Michoacán | 2,442.4 | 2,503.7 | 2,435.8 | 2,448.9 | 2,132.3 | 2,144.5 | 2,245.1 | 2,209.4 | 2,041.9 | 2,229.7 |
| Guanajuato | 1,904.8 | 2,311.2 | 2,389.0 | 2,317.7 | 1,944.9 | 1,981.3 | 2,155.8 | 2,138.3 | 1,990.9 | 2,066.7 |
| Jalisco | 1,695.7 | 1,975.5 | 1,996.7 | 1,914.8 | 1,695.1 | 1,755.6 | 1,895.8 | 1,883.5 | 1,734.8 | 1,949.0 |
| Distrito Federal | 1,312.6 | 1,490.4 | 1,058.6 | 1,083.9 | 965.9 | 999.3 | 1,151.9 | 1,013.6 | 1,393.2 | 1,518.7 |
| State of Mexico | 1,764.9 | 2,079.1 | 2,167.0 | 2,066.7 | 1,700.8 | 1,637.6 | 1,658.4 | 1,563.8 | 1,409.7 | 1,480.5 |
| Puebla | 1,182.1 | 1,482.6 | 1,617.6 | 1,615.7 | 1,374.9 | 1,371.2 | 1,469.6 | 1,403.2 | 1,337.3 | 1,334.6 |
| Guerrero | 1,174.6 | 1,455.7 | 1,489.6 | 1,435.5 | 1,200.3 | 1,201.5 | 1,262.4 | 1,231.0 | 1,203.9 | 1,202.5 |
| Oaxaca | 1,080.2 | 1,360.2 | 1,517.4 | 1,522.2 | 1,298.5 | 1,296.5 | 1,427.4 | 1,366.2 | 1,161.9 | 1,191.7 |
| Veracruz | 1,373.5 | 1,680.8 | 1,775.7 | 1,618.3 | 1,296.3 | 1,237.4 | 1,273.1 | 1,176.0 | 1,017.1 | 1,044.7 |
| Tamaulipas | 425.3 | 496.7 | 516.7 | 500.5 | 415.0 | 402.3 | 445.3 | 485.5 | 647.4 | 832.0 |
| San Luis Potosí | 562.3 | 714.5 | 778.4 | 760.8 | 626.8 | 629.5 | 700.8 | 738.7 | 703.4 | 762.6 |
| Hidalgo | 815.0 | 982.8 | 1,092.2 | 961.0 | 752.1 | 715.5 | 762.7 | 721.5 | 632.2 | 720.6 |
| Zacatecas | 540.5 | 667.7 | 687.4 | 681.6 | 573.3 | 581.7 | 625.5 | 654.5 | 632.9 | 692.3 |
| Nuevo León | 284.0 | 342.6 | 327.1 | 323.8 | 293.0 | 284.0 | 308.9 | 340.0 | 460.0 | 619.4 |
| Baja California | 256.6 | 302.1 | 334.6 | 334.3 | 322.1 | 348.0 | 396.8 | 464.9 | 579.7 | 618.9 |
| Chihuahua | 389.2 | 473.9 | 460.2 | 474.8 | 407.8 | 397.8 | 419.3 | 466.8 | 501.7 | 551.8 |
| Chiapas | 765.3 | 940.8 | 921.2 | 811.1 | 609.7 | 574.5 | 594.8 | 572.7 | 497.1 | 540.0 |
| Morelos | 505.2 | 588.0 | 635.4 | 622.6 | 548.1 | 554.9 | 586.8 | 561.3 | 508.2 | 527.8 |
| Sinaloa | 451.1 | 503.2 | 523.0 | 487.7 | 456.7 | 470.2 | 511.8 | 501.2 | 482.6 | 522.7 |
| Durango | 384.3 | 428.5 | 453.1 | 442.0 | 374.8 | 379.1 | 416.6 | 431.1 | 454.9 | 489.7 |
| Querétaro | 405.9 | 484.1 | 475.1 | 436.4 | 360.2 | 354.5 | 383.3 | 378.6 | 409.3 | 394.5 |
| Coahuila | 240.8 | 275.3 | 293.2 | 278.4 | 234.2 | 234.0 | 247.0 | 283.5 | 315.3 | 391.8 |
| Nayarit | 302.7 | 348.2 | 375.2 | 376.5 | 341.6 | 337.4 | 356.4 | 339.5 | 316.1 | 359.4 |
| Sonora | 294.7 | 326.0 | 332.3 | 311.0 | 278.7 | 292.0 | 326.9 | 326.8 | 324.8 | 336.6 |
| Aguascalientes | 322.6 | 379.4 | 373.0 | 332.3 | 282.2 | 293.9 | 306.3 | 332.7 | 303.6 | 323.3 |
| Tlaxcala | 221.1 | 270.7 | 303.3 | 305.2 | 258.9 | 258.5 | 274.5 | 253.2 | 217.9 | 218.5 |
| Colima | 165.1 | 183.1 | 199.7 | 184.7 | 164.8 | 171.5 | 183.8 | 180.2 | 179.7 | 216.6 |
| Tabasco | 156.5 | 187.8 | 182.8 | 156.0 | 114.4 | 111.3 | 111.7 | 111.3 | 114.0 | 130.3 |
| Yucatán | 94.1 | 122.1 | 136.8 | 136.1 | 109.9 | 112.7 | 117.8 | 119.2 | 123.6 | 129.1 |
| Quintana Roo | 85.0 | 99.5 | 98.5 | 97.3 | 85.6 | 86.8 | 92.1 | 93.3 | 97.6 | 105.8 |
| Campeche | 65.7 | 82.0 | 80.4 | 72.8 | 55.8 | 55.1 | 57.8 | 55.6 | 55.1 | 55.7 |
| Baja California Sur | 24.5 | 28.5 | 32.0 | 34.7 | 31.9 | 33.7 | 36.7 | 41.4 | 44.9 | 49.4 |

Source: BBVA Research with figures from Banxico

Table 21
## Annual Remittance Inflows at the National Level (Breakdown %)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **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 | 90.7 | 93.3 | 95.2 | 95.9 | 96.4 | 96.6 | 97.5 | 97.4 | 97.5 | 97.1 |
| Cash and payment in kind | 1.3 | 1.4 | 1.5 | 1.7 | 1.7 | 1.6 | 1.6 | 1.7 | 1.5 | 1.8 |
| Money Orders | 8.1 | 5.3 | 3.3 | 2.4 | 1.8 | 1.8 | 0.9 | 0.9 | 1.0 | 1.1 |
| Personal checks | - | - | - | - | - | - | - | - | - | - |
| **By transaction** | | | | | | | | | | |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Electronic transfers | 93.2 | 95.3 | 96.9 | 97.0 | 97.4 | 97.6 | 98.1 | 98.2 | 98.3 | 98.1 |
| Cash and payment in kind | 0.5 | 0.9 | 1.0 | 1.1 | 1.3 | 1.2 | 1.3 | 1.2 | 1.1 | 1.3 |
| Money Orders | 6.3 | 3.8 | 2.1 | 1.9 | 1.3 | 1.2 | 0.6 | 0.5 | 0.6 | 0.7 |
| Personal checks | - | - | - | - | - | - | - | - | - | - |

Table 22
## Annual Remittance Inflows by State (Breakdown %)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **National** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Michoacán | 11.3 | 9.8 | 9.3 | 9.7 | 10.0 | 10.1 | 9.8 | 9.8 | 9.3 | 9.4 |
| Guanajuato | 8.8 | 9.0 | 9.2 | 9.2 | 9.1 | 9.3 | 9.5 | 9.5 | 9.1 | 8.8 |
| Jalisco | 7.8 | 7.7 | 7.7 | 7.6 | 8.0 | 8.2 | 8.3 | 8.4 | 7.9 | 8.3 |
| Distrito Federal | 6.1 | 5.8 | 4.1 | 4.3 | 4.5 | 4.7 | 5.1 | 4.5 | 6.4 | 6.4 |
| State of Mexico | 8.1 | 8.1 | 8.3 | 8.2 | 8.0 | 7.7 | 7.3 | 7.0 | 6.4 | 6.3 |
| Puebla | 5.5 | 5.8 | 6.2 | 6.4 | 6.5 | 6.4 | 6.4 | 6.3 | 6.1 | 5.7 |
| Guerrero | 5.4 | 5.7 | 5.7 | 5.7 | 5.6 | 5.6 | 5.5 | 5.5 | 5.5 | 5.1 |
| Oaxaca | 5.0 | 5.3 | 5.8 | 6.1 | 6.1 | 6.1 | 6.3 | 6.1 | 5.3 | 5.0 |
| Veracruz | 6.3 | 6.6 | 6.8 | 6.4 | 6.1 | 5.8 | 5.6 | 5.2 | 4.6 | 4.4 |
| Tamaulipas | 2.0 | 1.9 | 2.0 | 2.0 | 1.9 | 1.9 | 2.0 | 2.2 | 3.0 | 3.5 |
| San Luis Potosí | 2.6 | 2.8 | 3.0 | 3.0 | 2.9 | 3.0 | 3.1 | 3.3 | 3.2 | 3.2 |
| Hidalgo | 3.8 | 3.8 | 4.2 | 3.8 | 3.5 | 3.4 | 3.3 | 3.2 | 2.9 | 3.1 |
| Zacatecas | 2.5 | 2.6 | 2.6 | 2.7 | 2.7 | 2.7 | 2.7 | 2.9 | 2.9 | 2.9 |
| Nuevo León | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.3 | 1.4 | 1.5 | 2.1 | 2.6 |
| Baja California | 1.2 | 1.2 | 1.3 | 1.3 | 1.5 | 1.6 | 1.7 | 2.1 | 2.6 | 2.6 |
| Chihuahua | 1.8 | 1.9 | 1.8 | 1.9 | 1.9 | 1.9 | 1.8 | 2.1 | 2.3 | 2.3 |
| Chiapas | 3.5 | 3.7 | 3.5 | 3.2 | 2.9 | 2.7 | 2.6 | 2.6 | 2.3 | 2.3 |
| Morelos | 2.3 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.6 | 2.5 | 2.3 | 2.2 |
| Sinaloa | 2.1 | 2.0 | 2.0 | 1.9 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| Durango | 1.8 | 1.7 | 1.7 | 1.8 | 1.8 | 1.8 | 1.8 | 1.9 | 2.1 | 2.1 |
| Querétaro | 1.9 | 1.9 | 1.8 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.9 | 1.7 |
| Coahuila | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.3 | 1.4 | 1.7 |
| Nayarit | 1.4 | 1.4 | 1.4 | 1.5 | 1.6 | 1.6 | 1.6 | 1.5 | 1.4 | 1.5 |
| Sonora | 1.4 | 1.3 | 1.3 | 1.2 | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 | 1.4 |
| Aguascalientes | 1.5 | 1.5 | 1.4 | 1.3 | 1.3 | 1.4 | 1.3 | 1.5 | 1.4 | 1.4 |
| Tlaxcala | 1.0 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.0 | 0.9 |
| Colima | 0.8 | 0.7 | 0.8 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.9 |
| Tabasco | 0.7 | 0.7 | 0.7 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 |
| Yucatán | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.5 |
| Quintana Roo | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Campeche | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 | 0.2 |
| Baja California Sur | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |

Source: BBVA Research with figures from Banxico

Table 23

## Monthly Remittance Inflows to Mexico (Million Dollars)

|       | 2002    | 2003     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     | 2010     | 2011     | 2012     | 2013     | 2014     | 2015    |
|-------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| Jan   | 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  | 1,642.2  | 1,626.9 |
| Feb   | 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  | 1,842.5 |
| Mar   | 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  | 2,254.2 |
| Apr   | 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  | 1,976.3  | 2,006.1 |
| May   | 912.2   | 1,351.0  | 1,770.4  | 2,057.3  | 2,534.6  | 2,411.8  | 2,371.6  | 1,905.5  | 2146.21  | 2,168.5  | 2,342.5  | 2,050.5  | 2,146.7  | 2,198.4 |
| Jun   | 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  | 2,043.3  |         |
| Jul   | 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  | 1,998.0  |         |
| Aug   | 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  | 2,004.2  |         |
| Sep   | 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  | 1,964.9  |         |
| Oct   | 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  | 2,042.1  |         |
| Nov   | 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  | 1,775.4  |         |
| Dec   | 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  | 2,234.6  |         |
| Total | 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 | 23,645.0 |         |

## Monthly Remittance Inflows to Mexico (Annual % Change)

|       | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008  | 2009  | 2010  | 2011 | 2012  | 2013  | 2014 | 2015 |
|-------|------|------|------|------|------|------|-------|-------|-------|------|-------|-------|------|------|
| Jan   | 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 | -0.9 |
| Feb   | 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  | 7.2  |
| Mar   | 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 | 7.4  |
| Apr   | 9.7  | 49.2 | 25.9 | 15.8 | 18.2 | 4.5  | 0.8   | -17.8 | 0.0   | 4.8  | 8.0   | -4.5  | 1.9  | 1.5  |
| May   | 14.3 | 48.1 | 31.0 | 16.2 | 23.2 | -4.8 | -1.7  | -19.7 | 12.6  | 1.0  | 8.0   | -12.5 | 4.7  | 2.4  |
| Jun   | 15.0 | 57.1 | 24.7 | 14.2 | 21.7 | -1.7 | -1.6  | -14.6 | -2.0  | 6.7  | 3.7   | -7.0  | 4.8  |      |
| Jul   | 5.8  | 61.5 | 21.5 | 11.2 | 19.1 | 8.1  | -7.9  | -15.2 | 1.3   | 1.7  | -2.3  | -1.2  | 8.6  |      |
| Aug   | 7.6  | 65.0 | 27.5 | 15.2 | 13.4 | 3.3  | -13.0 | -14.2 | 8.8   | 9.5  | -11.9 | 0.6   | 5.4  |      |
| Sep   | 11.5 | 58.7 | 16.2 | 18.9 | 13.5 | 2.1  | -3.3  | -17.3 | -1.6  | 21.4 | -20.3 | 10.0  | 7.5  |      |
| Oct   | 7.0  | 64.0 | 10.0 | 21.7 | 24.4 | 2.2  | 11.4  | -35.7 | 2.1   | 10.5 | -7.4  | 7.9   | 6.8  |      |
| Nov   | 6.9  | 62.3 | 25.1 | 25.3 | 4.0  | -0.2 | -10.5 | -13.8 | 8.0   | 9.4  | -5.2  | 2.3   | 2.5  |      |
| Dec   | 21.1 | 45.9 | 16.7 | 23.5 | 0.3  | 1.6  | -9.5  | -11.9 | 9.7   | 3.7  | -4.6  | 8.5   | 20.8 |      |
| Total | 10.3 | 54.2 | 21.1 | 18.3 | 17.9 | 1.9  | -3.5  | -15.3 | 0.0   | 7.0  | -1.6  | -2.4  | 8.0  |      |

## 12-month Remittance Inflows to Mexico (Million Dollars)

|     | 2002    | 2003     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     | 2010     | 2011     | 2012     | 2013     | 2014     | 2015     |
|-----|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Jan | 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 | 22,049.0 | 23,629.7 |
| Feb | 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 | 23,753.1 |
| Mar | 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 | 22,463.0 | 23,909.2 |
| Apr | 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 | 22,499.4 | 23,938.9 |
| May | 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 | 22,595.6 | 23,990.6 |
| Jun | 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 | 22,688.6 |          |
| Jul | 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 | 22,846.1 |          |
| Aug | 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 | 22,949.5 |          |
| Sep | 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 | 23,086.0 |          |
| Oct | 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 | 23,216.2 |          |
| Nov | 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 | 23,259.9 |          |
| Dec | 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 | 23,645.0 |          |

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

|     | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009  | 2010  | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----|------|------|------|------|------|------|------|-------|-------|------|------|------|------|------|
| Jan | 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 | 7.2  |
| Feb | 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 | 7.2  |
| Mar | 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  | 6.4  |
| Apr | 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  | 6.4  |
| May | 21.2 | 26.0 | 41.1 | 19.3 | 21.0 | 8.4  | 0.6  | -7.1  | -13.1 | 3.9  | 7.9  | -7.9 | 4.8  | 6.2  |
| Jun | 19.4 | 29.7 | 38.1 | 18.4 | 21.7 | 6.3  | 0.6  | -8.3  | -12.1 | 4.7  | 7.6  | -8.8 | 6.0  |      |
| Jul | 16.5 | 34.6 | 34.8 | 17.5 | 22.3 | 5.5  | -0.8 | -8.9  | -10.7 | 4.7  | 7.2  | -8.7 | 6.8  |      |
| Aug | 14.6 | 39.6 | 32.1 | 16.4 | 22.0 | 4.7  | -2.3 | -9.0  | -8.9  | 4.8  | 5.2  | -7.7 | 7.2  |      |
| Sep | 12.9 | 43.6 | 28.8 | 16.7 | 21.5 | 3.8  | -2.7 | -10.2 | -7.5  | 6.7  | 1.6  | -5.2 | 7.0  |      |
| Oct | 10.5 | 48.4 | 24.9 | 17.6 | 21.7 | 2.1  | -1.9 | -14.8 | -3.4  | 7.4  | 0.1  | -4.0 | 6.9  |      |
| Nov | 9.7  | 52.4 | 23.0 | 17.7 | 19.9 | 1.8  | -2.7 | -15.1 | -1.7  | 7.5  | -1.0 | -3.4 | 7.0  |      |
| Dec | 10.3 | 54.2 | 21.1 | 18.3 | 17.9 | 1.9  | -3.5 | -15.3 | 0.0   | 7.0  | -1.6 | -2.4 | 8.0  |      |

Source: BBVA Research with figures from Banxico

Table 24
## 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** | **1.8** | |
| Michoacán | 11.4 | 10.4 | 2.8 | 2.3 | 9.3 | 4.4 | 2.0 | 4.9 | 7.1 | Muy alto |
| Guerrero | 7.9 | 6.8 | 0.8 | 1.1 | 6.6 | 3.2 | 1.0 | 3.5 | 6.8 | Muy alto |
| Oaxaca | 4.1 | 4.8 | 0.6 | 0.7 | 4.9 | 4.1 | 0.9 | 3.1 | 5.6 | Muy alto |
| Zacatecas | 13.0 | 12.2 | 3.3 | 2.5 | 11.0 | 4.5 | 2.3 | 5.7 | 4.5 | Muy alto |
| Guanajuato | 9.2 | 9.6 | 2.2 | 1.6 | 7.7 | 5.3 | 2.3 | 4.3 | 4.0 | Muy alto |
| Nayarit | 9.6 | 6.8 | 2.0 | 2.0 | 9.1 | 2.1 | 2.3 | 4.4 | 3.9 | Muy alto |
| Morelos | 6.4 | 7.5 | 1.3 | 1.1 | 5.4 | 2.5 | 1.1 | 3.6 | 3.5 | Alto |
| Puebla | 3.3 | 4.0 | 0.5 | 0.7 | 3.8 | 3.0 | 1.0 | 2.1 | 3.4 | Alto |
| Tlaxcala | 2.2 | 2.7 | 0.5 | 0.4 | 2.6 | 2.4 | 1.2 | 1.8 | 3.2 | Alto |
| Durango | 9.7 | 7.3 | 1.8 | 1.6 | 6.5 | 2.4 | 1.3 | 3.4 | 3.1 | Alto |
| Hidalgo | 5.1 | 7.1 | 1.6 | 0.9 | 4.3 | 3.5 | 1.6 | 4.1 | 3.0 | Alto |
| San Luis Potosí | 8.2 | 7.4 | 1.3 | 1.2 | 6.6 | 3.1 | 1.3 | 3.3 | 2.9 | Alto |
| Colima | 7.3 | 5.6 | 1.4 | 2.1 | 5.2 | 1.8 | 1.1 | 4.2 | 2.5 | Medio |
| Chiapas | 0.8 | 0.8 | 0.1 | 0.1 | 1.1 | 1.1 | 0.5 | 0.9 | 2.3 | Medio |
| Aguascalientes | 6.7 | 6.7 | 2.7 | 1.5 | 4.8 | 2.6 | 1.6 | 3.3 | 2.2 | Medio |
| Jalisco | 7.7 | 6.5 | 1.8 | 1.7 | 5.4 | 2.2 | 1.3 | 3.0 | 2.2 | Medio |
| Sinaloa | 4.6 | 3.6 | 0.9 | 0.6 | 3.3 | 1.0 | 0.7 | 1.9 | 1.9 | Medio |
| Tamaulipas | 3.6 | 3.0 | 0.6 | 0.7 | 3.0 | 1.2 | 0.7 | 2.5 | 1.7 | Bajo |
| Baja California | 4.0 | 2.4 | 0.4 | 2.3 | 3.7 | 1.1 | 0.5 | 4.2 | 1.6 | Bajo |
| Querétaro | 3.7 | 4.8 | 1.4 | 0.7 | 3.3 | 3.0 | 1.6 | 2.6 | 1.6 | Bajo |
| Veracruz | 2.7 | 3.2 | 0.5 | 0.2 | 2.5 | 1.8 | 0.8 | 2.0 | 1.5 | Bajo |
| Chihuahua | 4.3 | 3.7 | 1.0 | 1.3 | 4.4 | 1.7 | 0.7 | 2.8 | 1.4 | Bajo |
| México | 2.1 | 2.6 | 0.6 | 0.3 | 1.5 | 1.0 | 0.6 | 1.1 | 1.2 | Bajo |
| Sonora | 3.2 | 1.6 | 0.3 | 0.9 | 2.7 | 1.1 | 0.7 | 2.9 | 0.9 | Muy bajo |
| Coahuila | 3.4 | 2.2 | 0.8 | 0.7 | 2.4 | 0.9 | 0.5 | 1.5 | 0.8 | Muy bajo |
| Yucatán | 1.4 | 1.0 | 0.2 | 0.2 | 1.4 | 0.7 | 0.4 | 0.7 | 0.7 | Muy bajo |
| Distrito Federal | 1.7 | 1.6 | 0.4 | 0.3 | 1.2 | 0.6 | 0.4 | 0.6 | 0.7 | Muy bajo |
| Quintana Roo | 1.0 | 0.7 | 0.2 | 0.2 | 1.2 | 0.5 | 0.3 | 1.0 | 0.5 | Muy bajo |
| B. California Sur | 1.1 | 1.0 | 0.6 | 0.6 | 1.6 | 0.5 | 0.4 | 2.5 | 0.5 | Muy bajo |
| Nuevo León | 2.5 | 1.9 | 0.7 | 0.6 | 1.3 | 0.6 | 0.4 | 1.0 | 0.5 | Muy bajo |
| Tabasco | 0.6 | 0.6 | 0.2 | 0.0 | 0.8 | 0.5 | 0.3 | 0.5 | 0.3 | Muy bajo |
| Campeche | 1.0 | 0.9 | 0.2 | 0.1 | 0.9 | 0.5 | 0.3 | 1.0 | 0.1 | Muy bajo |

\* Remittances / GDP\*100. Preliminary figures BBVA Research with figures as of February 2015
\*\* Classification by BBVA Research. The cutoff points were established based on standard deviations in the sample.
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.
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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