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U.S. payday is something to write home about

Immigrants send \$1 billion a month to families still living in Mexico

By [Juan Castillo](#)

AMERICAN-STATESMAN STAFF

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Inside his little Western wear store tucked in a corner on East Riverside Drive, Francisco Javier Aceves can't help but feel a kinship with the angular young men who come in to buy jeans, cowboy boots, phone cards and cell phones. As sure as a regular payday, they come in also to wire money to their families back home in Mexico, in places such as Veracruz, Tabasco, Chiapas and Oaxaca.

"Sometimes they come three or four in a car," Aceves said about his customers. "Sometimes they just start lining up to wire money."

The young men live and work in Austin and, depending on their skills, might earn \$200 to \$400 in a week, although some earn considerably more. They typically send between \$100 and \$300 every week or every month to family: wives and children, parents, siblings.

Aceves, 45, charges \$10 per wire transfer up to \$1,000. And because he was in their shoes once, he can't help but marvel that life can indeed come full circle.

The flow of money repeats and re-peats, affirming emotional bonds between people separated by a border — and economic and social realities that know no border. It is part of a growing phenomenon: Every month, Mexican immigrants working in the United States in mostly low-paying jobs send more than \$1 billion to their families back home, more than Mexico earns from tourism or foreign investment.

Large-scale remittances have been around since the history of migration; European immigrants sent remittances back in substantial numbers. What's striking about this flow of money to Mexico, say economists and sociologists, is the explosive rate of growth: nearly 300 percent in little more than a decade. Moreover, the number of senders and the money they dispatched grew even in the face of a slow U.S. economy, a depressed job market and intensified security measures along the border.

A new study estimates that remittances from Mexicans living and working in the United States will soar to \$14.5 billion this year, shattering projections by Mexico's central bank, which projected remittances would increase from \$9.8 billion in 2002 to \$12 billion in 2003.

The money reaches deep and across a broad swath of Mexican society. Indeed, nearly one Mexican in five, 18 percent of the country's 100 million people, regularly gets money from relatives working in the United States, the study found.

A Nov. 24 follow-up report found that 42 percent of adult, foreign-born Hispanics in the United States, about 6 million people, regularly send money to relatives in Latin America and the Caribbean, an amount totaling nearly \$30 billion this year.

"Remittance sending (to Mexico) now is really spread out, right up through the middle class and pretty much every corner of the country," said Roberto Suro of the Pew Hispanic Center, a Washington-based nonpartisan research organization. "It's become much more of an urban phenomenon."

The remittance money is keeping Mexican working-class families from slipping into poverty, paying for basics such as food and rent and typically benefiting the recipient and three or four other people.

But between a quarter and a third of recipients surveyed report putting some of the money into savings, educational expenses or small investments.

Linked economies

Experts who study remittances and immigration policy say the record projections underscore how closely the economies of two countries are intertwined. They say the phenomenon reaffirms that the United States is increasingly dependent on foreign-born low-skilled and medium-skilled workers and that these workers are increasingly vital to U.S. economic growth. Mexico also is increasingly dependent on remittances as a source of foreign exchange.

"The U.S. and Mexican labor markets are now totally integrated, despite the artificial barriers created by U.S. immigration law and policy," said Wayne Cornelius, director and founder of the Center for Comparative Immigration Studies at the University of California at San Diego.

During the 1990s, the foreign-born population in the United States grew by 10.7 million people. The population of Mexican natives alone grew from 4.3 million to 8.8 million people during the period, according to the nonprofit American Immigration Law Foundation, which seeks to increase understanding of immigration law and policy.

The number of Mexican immigrant workers grew by nearly 3 million during the '90s, representing one out of every five new U.S. workers, according to the foundation.

In the late 1990s, it became increasingly clear that the money immigrants were sending home was a significant contributor to the Mexican economy. President Vicente Fox took note after his election in 2000, reaching out to his paisanos and paisanas and praising them for what he has called their heroic efforts in sending money to their families.

Remittances, while a significant contributor economically, represent only 1.1 percent of the nation's gross domestic product. But Fox recognizes the importance of his country's citizens working in the United States, a constituency that can be enlisted as the United States and Mexico discuss immigration reforms.

Here to stay

Fernando Lozano Ascencio has researched remittances and Mexican migration to the United States for more than 15 years. Labor migration is "part of the engine of (two) economies," said the sociologist and demography specialist at Mexico's national university and visiting research fellow at the Center for U.S.-Mexican Studies at UC-San Diego.

Jobs, Lozano says, are the No. 1 reason 350,000 to 400,000 Mexicans have entered the United States every year since 1995. Other estimates put the number at half a million people or more per year, the vast majority of them undocumented.

Once in the United States, many immigrants are staying longer or permanently. Rather than reduce migration, increased border enforcement in the wake of the 2001 terrorist attacks has had the unintended consequence of reducing what some call "circular migration," in which Mexicans go back and forth across the border, working on either side for months at a time. "It's not so easy to come and go anymore," Lozano said.

Manuel Orozco, a remittance expert at Inter-American Dialogue, a Washington-based center for policy analysis, says there are other reasons that Mexican immigrants are thinking twice about going home. Orozco says it's expensive to come and go, and in a slow U.S. economy, the Mexicans can't guarantee they'll get work when they return.

"That person might be thinking twice going for visits," he said. "Instead, you send more money."

John Keeley with the Center for Immigration Studies, which advocates strict border enforcement, says the remittance phenomenon is more evidence that the border is porous. His group takes issue with those who say border control has been tightened.

"Our government is not in much of a better position to assess who's coming and who's going," Keeley said. "President Bush and Congress have done nothing to address a system that ensures that mass immigration continues."

The Inter-American Development Bank and Pew Hispanic Center-sponsored study does not address the legal status of the 6 million foreign-born Latinos who regularly send money to Mexico and Latin America.

An estimated 33 million immigrants of various nationalities live in the United States. Estimates put the undocumented immigrant population in the United States between 8 million and 10 million, with 4 million to 5 million coming from Mexico. The Immigration and Naturalization Service estimated that 1 million undocumented people resided in Texas in 2002.

Fox made sure to note the symbiotic relationship migrants represent in his November visits with governors of Texas, New Mexico and Arizona. The governors "now accept the idea that (immigrants) contribute enormously to the development of their economies and are a benefit to their states," Fox said.

Fox's trip was widely viewed as an effort to enlist the help of Mexican migrants in achieving immigration reform, notable because the Mexican government historically ignored illegal immigration.

Lozano says Fox has assigned Mexican migrants and the money they send back home a strategic role in the development of small rural communities. The Mexican government matches remittances earmarked for community purposes, such as for roads or infrastructure. Projects financed this way are said to number in

the hundreds.

Some Mexicans have strongly criticized Fox, saying the Mexican government is culpable for not addressing poverty and the lack of jobs and opportunities, conditions that send many paisanos north of the border.

"It is true that Mexico has to develop faster," said Francisco Javier Alejo, Mexico's consul general in Austin. "But it is true that Mexico needs the assistance from its richer neighbors and partners in order to accelerate its development, to create more job opportunities."

Alejo says free trade alone is not sufficient to stimulate development. "That is the main lesson from this."

He says efforts under the North American Free Trade Agreement to create a macroeconomic region are limited because only the goods and capital markets are opened. "We still don't have an integrated labor market in the region. And that has to be a goal."

Jobs are the big draw

Experts attribute the surge in remittances to several factors, chiefly growing permanent migration from Mexico since the 1990s.

In the 1990s the U.S. government began tightening immigration enforcement in Texas and California, pushing border crossers into remote areas. The desolate Arizona desert became a popular — and deadly — crossing point for hundreds of thousands of undocumented immigrants. Border Patrol officials reported more than 145 immigrant deaths in the Arizona desert in the fiscal year that ended in September 2002.

According to Cornelius, from 1994 through mid-2001, about 1,700 deaths were reported to the Mexican consulates along the Southwest border.

The increased risks of crossing, however, appear to have had little impact on immigrants.

Lozano says almost 80 percent of migrants are looking for a job, or one that pays better.

In Mexico, a worker earns a meager \$60 to \$70 for a 48-hour work week at one of the maquiladoras, factories, created under the NAFTA. U.S. jobs, even low-skilled minimum-wage work, pay much more.

Experts cite additional factors behind the remittance increases: More firms, including major U.S. banks and credit unions, are competing for the lucrative remittance market, which is making it cheaper to send money; more money is passing via official channels; Banco de Mexico has improved its system of measuring remittances.

Laying a foundation

"In an ideal world, people wouldn't feel compelled to leave their homes," said Suro, of the Pew Hispanic Center.

Aceves didn't feel compelled to leave his homeland. He felt compelled to stay in the United States.

Like his customers, Aceves was young when he left his home on the outskirts of Guadalajara, Jalisco, 26 years ago. He says he was only looking for adventure. Thought he'd make some money and return in six

months to resume his studies at the university. That was the plan, anyway.

In Houston, he met the woman who would become his wife, Maria Elena Aceves. Soon, Aceves had a wife, a baby and a great job managing a tailoring shop. The tailoring skills he'd honed in his hometown of Zapotlanejo, Jalisco, known for its tailors and weavers, allowed him to apply for legal permanent residence.

"When I started missing things (in Mexico) was when I realized that I was going to stay here," he said. His gaze sharpens, as if reliving that moment.

Three and a half years after swimming across the Rio Grande into Laredo, Aceves became a United States citizen.

Like his young customers, soon after entering the United States and finding work, Aceves began regularly sending money to family. He's never stopped. Aceves doesn't need to send as much as he once did; he comes from a large family and his siblings also help their mother. But Maria del Rosario Aceves, who still lives in Zapotlanejo, can count on receiving about \$50 every other week from her son.

Aceves tells of the young men who come into his shop. Many are about to get married. Their goal is to make money, build their house back home a piece at a time, then go back.

"They tell me this," Aceves said. He demonstrates someone plunking down money on a counter. "They'll say, 'With this, I'm going to put the roof on my house.' "


He pauses, smiling slowly. "They're excited!"

jcastillo@statesman.com; 445-3635

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