

REMITTANCE RECIPIENTS IN MEXICO

México City
October 2003



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Introduction

Remittances sent home by Mexicans living in the United States are reaching every level of Mexican society and every corner of the nation. Nearly one-fifth of all Mexican adults (18 percent) report that they personally have received remittances. Since the vast majority of these funds are spent on the living expenses of an extended family, the impact extends to an even larger swath of the population. Moreover, this is a recent and potentially accelerating phenomenon with most remittance receivers saying they have been getting money from migrant relatives for a few years, according to a study by the Multilateral Investment Fund of the Inter-American Development Bank (MIF) and the Pew Hispanic Center (PHC).

The study finds that remittances received from the United States will total approximately \$14.5 billion this year. That sum is higher than the official figure of \$12 billion cited recently by Mexican President Vicente Fox. Nearly 30 percent of Mexicans receiving remittances get their money by way of informal channels such as couriers, the mail and migrants who bring money when they visit home. Such funds are unlikely to be captured in the official estimates of remittance traffic.

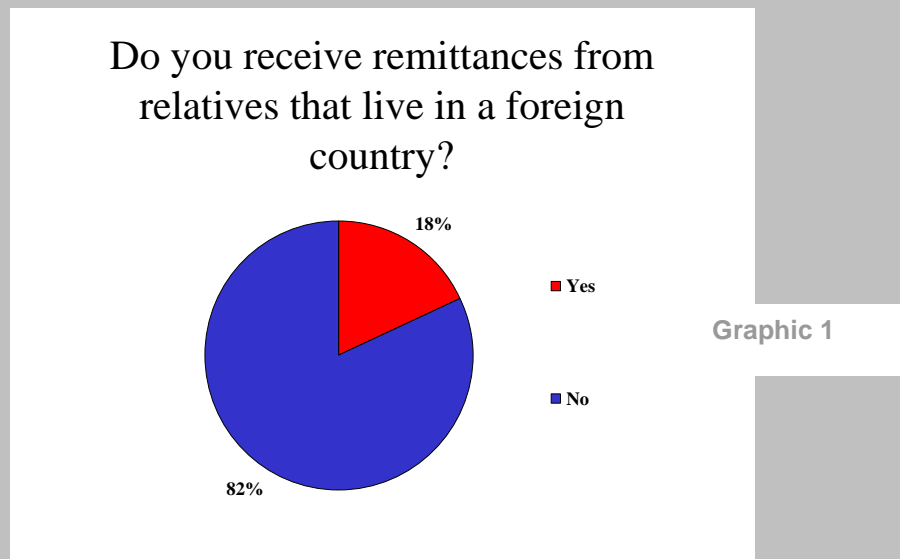
The size of the remittance flows and the breadth of their reach into the Mexican population suggest important developments in the character of migration from Mexico to the United States. Often in the past, migration has been described as a “safety valve” that offered alternative opportunities to workers who could not find jobs in Mexico. While this continues to be an important aspect of migration, the movement of people out of Mexico has also become an important source of sustenance for the Mexicans that remain behind and a significant source of income for the Mexican economy. Migration is now not only an escape valve for Mexico; it is also a fuel pump.

In order to understand the characteristics of the remittance flow to Mexico—who receives the money, how it is transferred and how it is spent—the MIF and PHC commissioned a nationwide public opinion survey that was followed by focus group discussions in Mexico City, Puebla and San Luis Potosi. Bendixen & Associates, a public opinion survey firm based in Coral Gables, Florida, conducted both the surveys, involving a sample of 3,263 respondents, including 583 remittance recipients, and the focus groups

with 30 remittance receivers. The Mexico study builds on similar work conducted last year among remittance senders in the United States and is part of a series of similar projects conducted this year in Ecuador and Central America.

The most notable contrast between the remittance flow to Mexico and to other parts of Latin America is the more extensive reliance on financial institutions in Mexico where 45 percent of recipients say they use banks or credit unions to collect their money. In contrast, only 7 percent of remittance recipients in Guatemala and 17 percent in Ecuador reported using banks to collect their money.

The study of remittance receivers in Mexico found that 41 percent of the adult population in Mexico has at least one family member living in the United States and that 48 percent of those Mexicans have received remittances from their relatives to the north. Thus, about 18 percent of Mexican adults personally receive remittances, and given that three-quarters of the recipients live in households that include four or more people—29 percent said six or more persons live in their households—remittances are benefiting a very sizeable portion of the Mexican population.



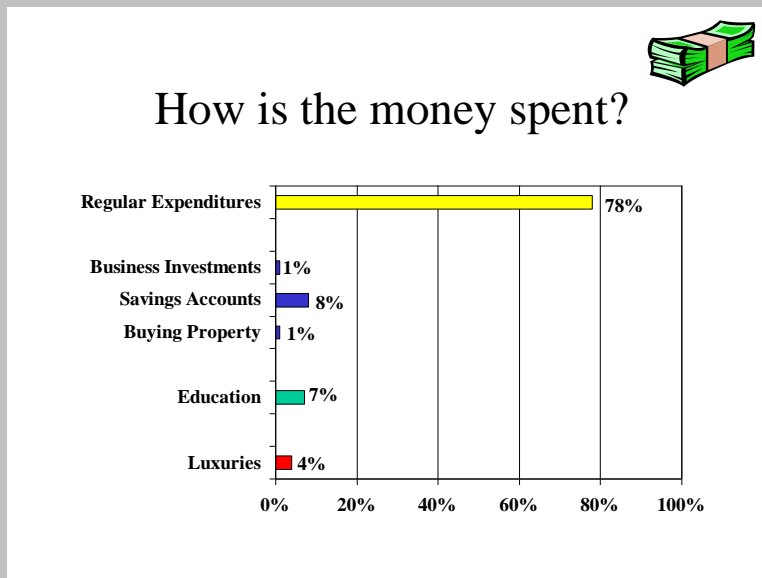
The stereotype of the Mexican migrant to the United States is that of an unskilled worker with a low level of education, and traditionally migration has been associated with the central highland region. The survey found that remittances are flowing to all sectors of Mexican society and to virtually every region. Most significantly, there were no statistically significant differences between remittance receivers and the general population in age, educational profile or income distribution. The one characteristic that clearly distinguishes remittance receivers from the general population is that a clear majority (63 percent) are women.

Remittance receivers are disproportionately concentrated in the five states--Guanajuato, Jalisco, Michoacán, San Luis Potosí, and Zacatecas—that have long traditions of sending migrants to the United States. But, nonetheless, the survey found a high level of remittance activity in the rest of Mexico. Some 68 percent of the Mexican population lives outside the traditional migration areas, but 56 percent of remittance receivers are located in those areas. The study found that 41 percent of those living in the five-state region of the country discussed the sending of remittances with their relative prior to their leaving, which is much lower than the percentage for the rest of the country. The survey also found that remittance recipients in the rest of the country are more likely to send more money more frequently than those in the five-state area.

Although migration to the United States and remittance sending are old, well-established aspects of life in Mexico, the study found that most remittance flows are fairly recent. Overall, about half of the recipients surveyed said they had been getting money for three years or less. Thus clearly the twin practices of migration and remittance sending are being fed and expanded by a steady stream of new participants.

Money received is used primarily for expenses, specifically food, rent and utilities. There appears to be a somewhat lesser tendency in Mexico compared to other Latin American countries for a portion of remittances to be used for savings and investment, as well as for education. In Guatemala and Ecuador, our studies showed that savings, investments, and education were the primary use for 28 percent and 22 percent of the recipients,

respectively. In Mexico, only 17 percent of the remittance recipients use the money for savings, investments, and education.



Graphic 2

Focus group discussions with remittance recipients explored the widespread practice of using the funds for basic household expenses and found that the money’s impact often extends beyond simply paying bills. Often, remittances are used to pay for educational expenses, specifically expenses for children left behind in the care of relatives. Although public education in Mexico is free, schools require parents to pay for books and materials which remittances help cover. Moreover, many focus group participants prefer attending (in the case of students) or sending their children to private schools or universities. Remittances help alleviate the deficiencies, perceived or real, in public services such as education.

“I can pay for a private university. Otherwise I would have to go to a state university.”(Puebla participant)

“With what he sends, I can buy their books.” (San Luis Potosí participant)

Remittances also provide peace of mind to recipients as they function as a kind of insurance policy against the ups and downs of economic life. Many participants indicated that remittances are an extremely important supplement to income they earn in Mexico.

“Remittances are like a cushion against emergencies.”(Mexico City participant)

Notwithstanding the fact that remittances mainly are used for household expenses, a number of participants in these sessions described the use remittances for savings and investment. When participants relaxed and became involved in the focus group discussions, they remembered the land they were able to purchase because of remittances, the savings they were able to accumulate, or the freedom to be self-employed that remittances afforded them.

One pattern observed in this regard involves women who use remittances to capitalize very small businesses, in our cases garment workshops (industrial machines), beauty salons (equipment), and the rental of a part of the home to university students. In these cases, incomes generated by businesses financed by remittances are used for household expenses while additional remittances are used for further investment or savings.

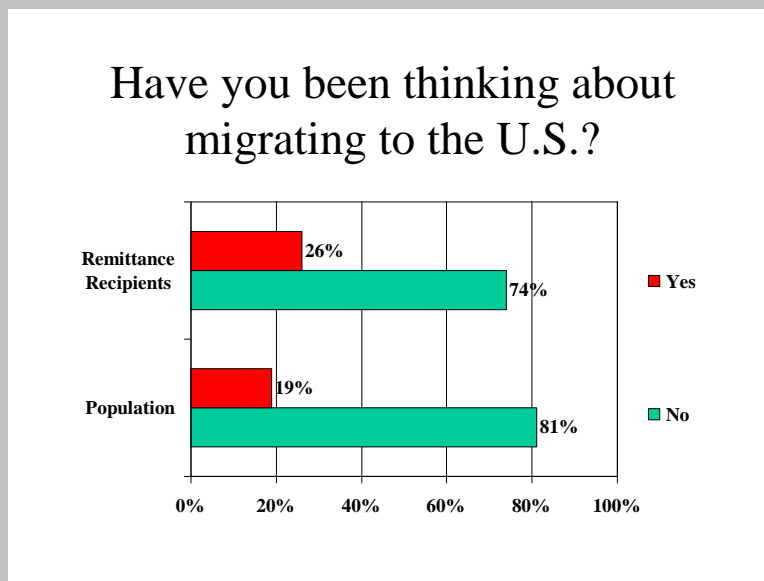
“I invest it in my business.” (Puebla participant)

*“As much as my mother-in-law monitors how I spend the money my husband sends me, I always manage to put some away because you never know what can happen.”
(Mexico City participant)*

“Now that I think about it, a little while ago I paid off a piece of land with some of the money they send me.” (Mexico City participant)

In summary, remittances not only make possible the support of households but, in many cases, they foster micro-enterprises, self-employment and the care of children and elders.

The study found that increased security measures in the United States, including more stringent border controls, since the September 11, 2001 terrorist attacks have created a widespread impression that it has become more difficult to enter the country without proper documents. Nearly three-quarters of the Mexican population overall said they believed that an illegal crossing had become more difficult. Despite this, about one-fifth of all respondents said they were thinking about migrating to the United States. Remittance recipients were even more likely to be thinking about leaving Mexico with 26 percent saying they were considering migration compared to 19 percent of all Mexican adults.



Graphic 2

This finding in the context of the study's other conclusions leaves no doubt that migration and remittance sending are not only permanent features of the relationship between the United States and Mexico but also that they are growing and are likely to continue growing for the foreseeable future.

Mexicano Market Study



Remittance Recipients in Mexico

A Public Opinion Research Study

September – October 2003



A. National Poll of Mexico

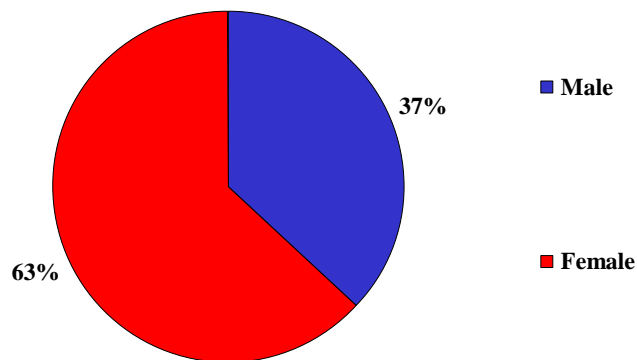


- 3,263 interviews were conducted with a representative sample of adults in Mexico.
- The margin of error for the full sample is approximately 2 percentage points.
- 583 interviews were conducted with Mexican adults that regularly receive money from relatives in a foreign country.
- The margin of error for the “remittance recipient” sample is approximately 4 percentage points.

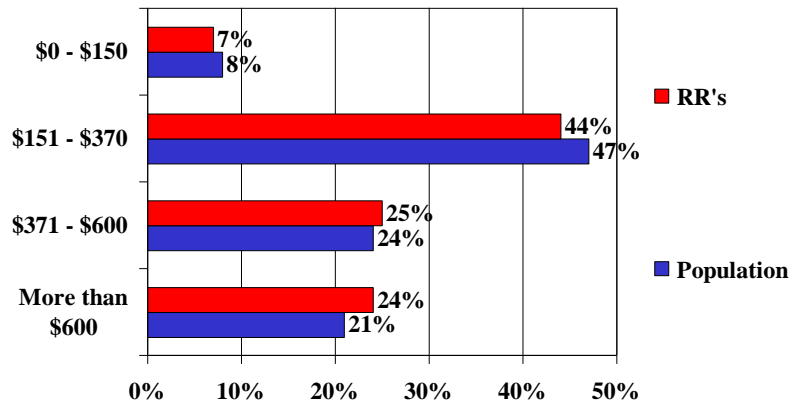
National Poll of Mexico

- MUEVETE conducted the field work for the poll in September and October of 2003.
- A large majority of remittance recipients (RR's) are female.
- Almost half of all RR's live in the five original "sending states:" Jalisco, Zacatecas, Michoacan, San Luis Potosi and Guanajuato.
- Ninety-nine percent of RR's in Mexico receive money from their relatives in the USA.

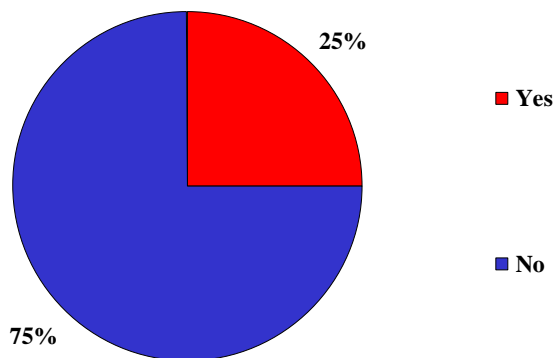
Gender Remittance Recipients



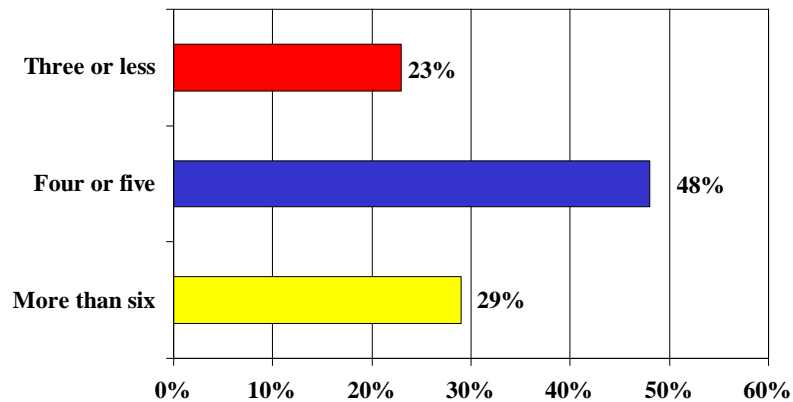
Monthly Income Remittance Recipients vs. Population



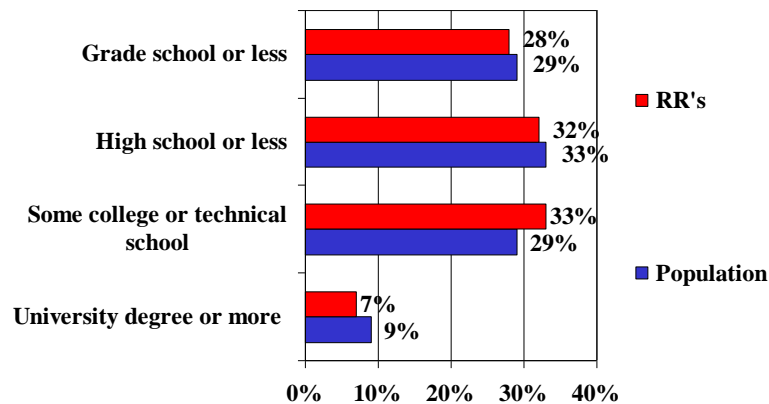
Does your monthly income include remittances?



How many people live in your house? Remittance Recipients

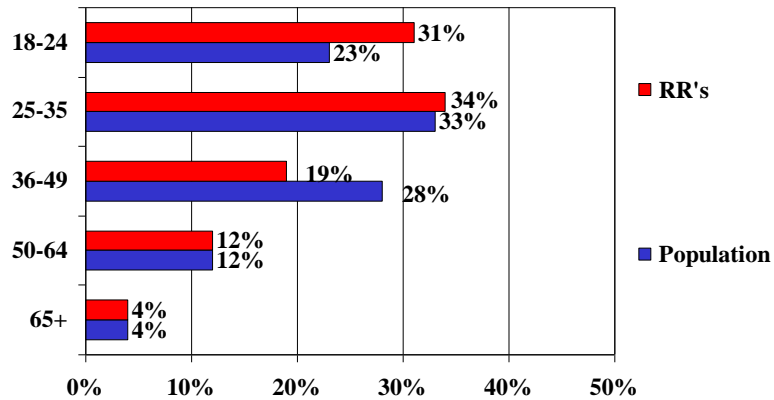


Education Remittance Recipients vs. Population



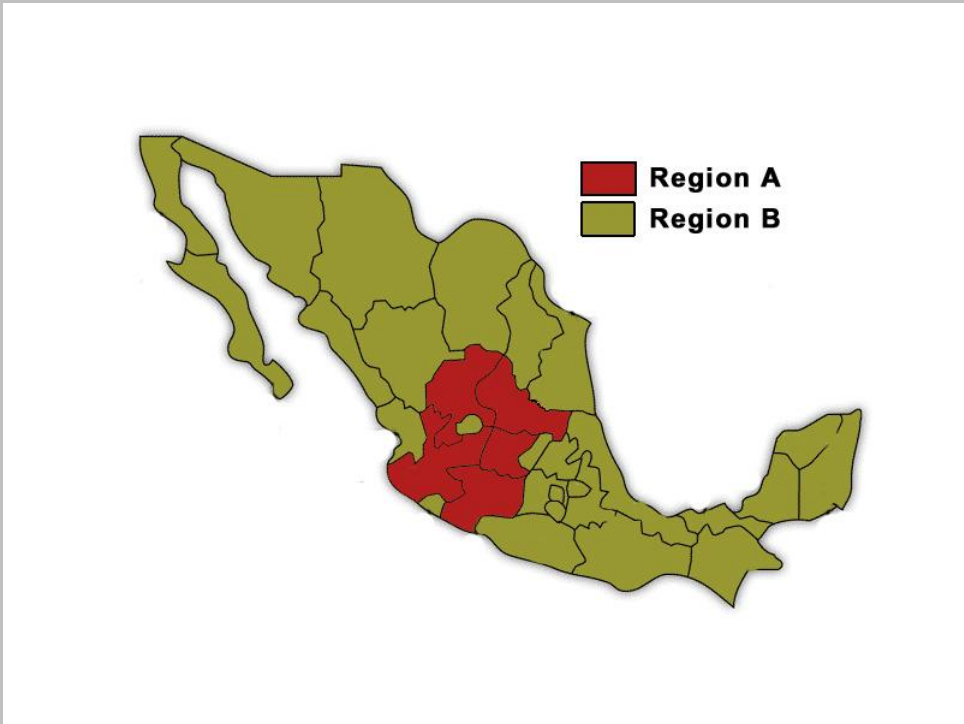
Age

Remittance Recipients vs. Population

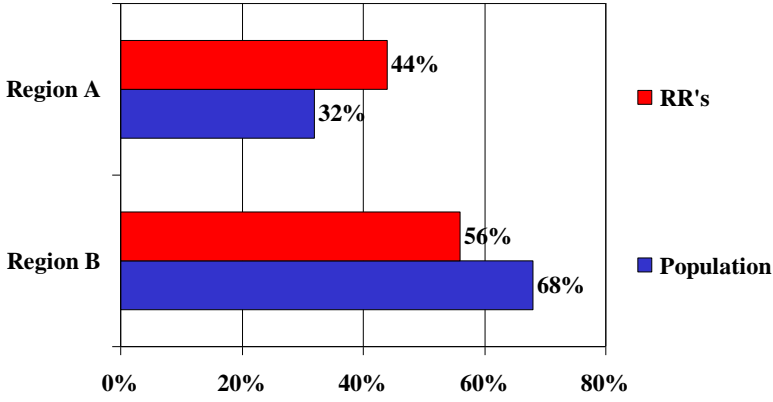


Regions of National Poll

- Region A: Guanajuato, Jalisco, Michoacán, San Luis Potosí, Zacatecas
- Region B: Coahuila, Chiapas, Chihuahua, Distrito Federal, Estado de México, Guerrero, Nuevo León, Oaxaca, Puebla, Sonora and Tabasco.

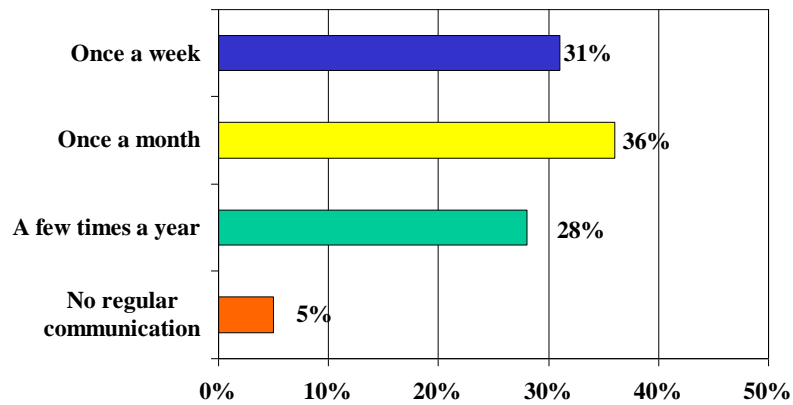


Region Remittance Recipients vs. Population



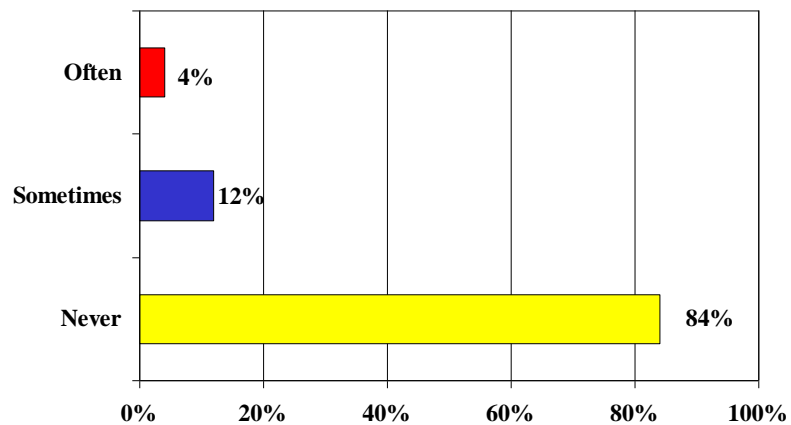
How frequently do you communicate with the relative that sends you money?

Remittance Recipients

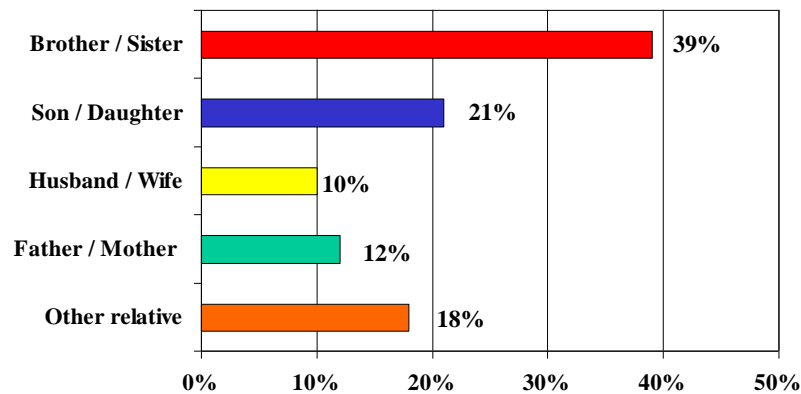


Have you visited your relative in the USA?

Remittance Recipients



Type of relative that sends remittances



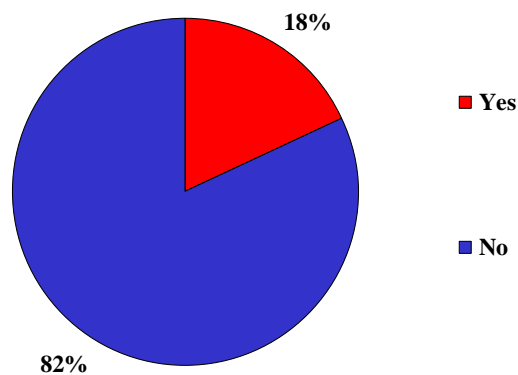
B. Major Findings

1. **Mexico receives approximately \$14.5 billion dollars in remittances yearly.**
 - 18 percent of Mexican adults – approximately 11 million people – regularly receive money from relatives that live in a foreign country.
 - The average Mexican remittance recipient gets money from their relatives abroad about 7 times per year.
 - The average remittance sent to Mexico is approximately \$190 dollars.

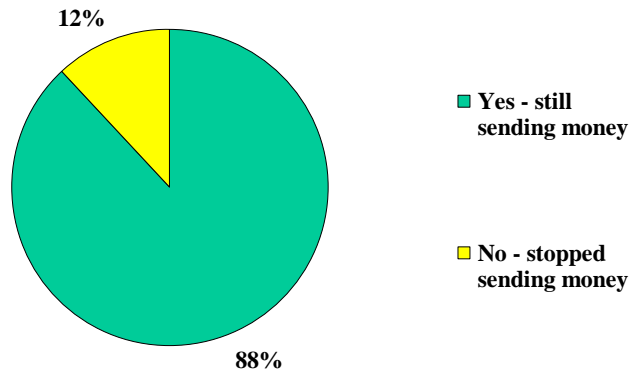
Mexico receives approximately
\$14.5 billion dollars in remittances yearly

- RR's report a small increase in the average amount of money they have received from their relatives in the last two years.
- The percentage of RR's that have been receiving money for less than three years is relatively the same as the percentage of RR's that have been receiving money for more than five years.
- A majority of RR's report that they expect to continue to receive money from their relatives for the next few years or longer.

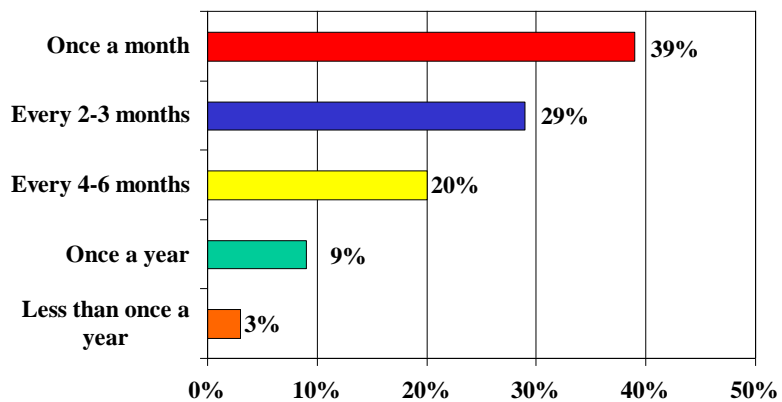
Do you receive remittances from
relatives that live in a foreign
country?



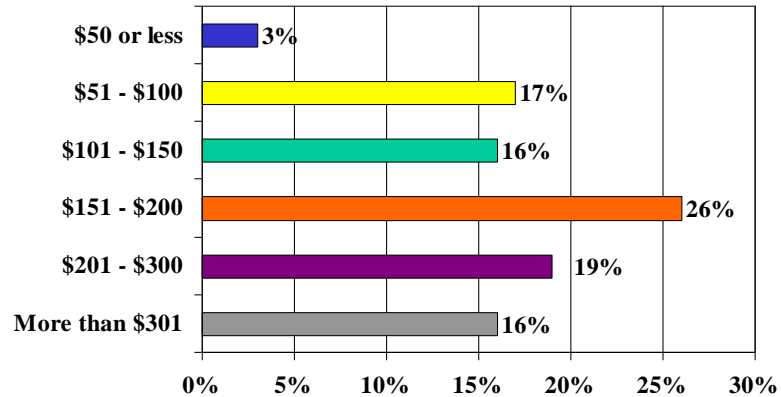
Is your relative sending you money now, or has your relative stopped sending you money?



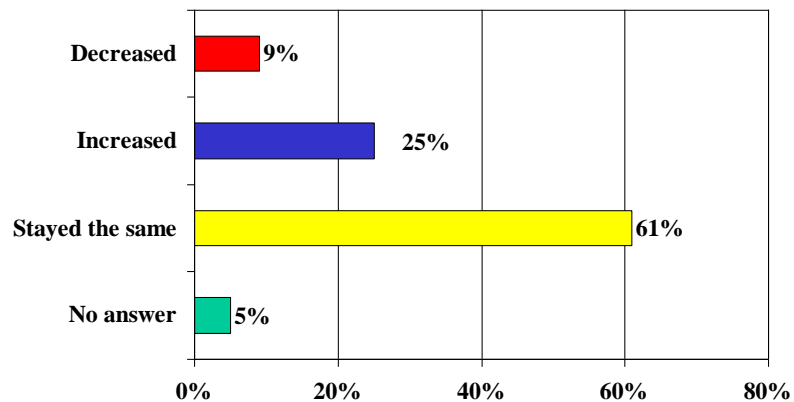
The average Mexican remittance recipient gets money **7 times per year**



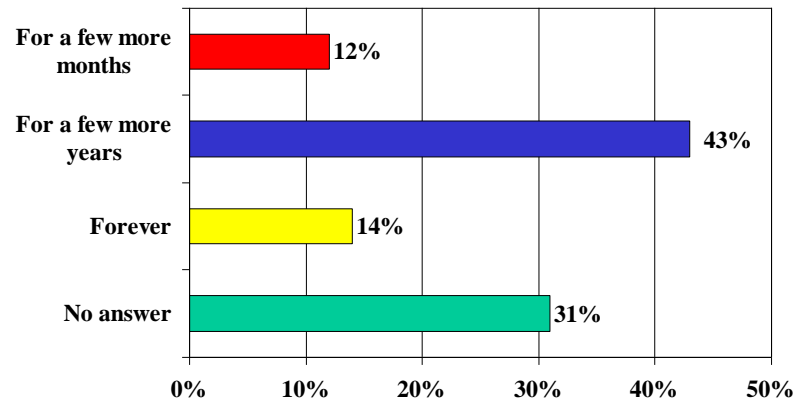
The average remittance sent to Mexico is approximately **\$190 dollars**



Has your remittance decreased, increased or stayed the same over the last two years?



How much longer do you think you will continue to receive remittances?



B. Major Findings

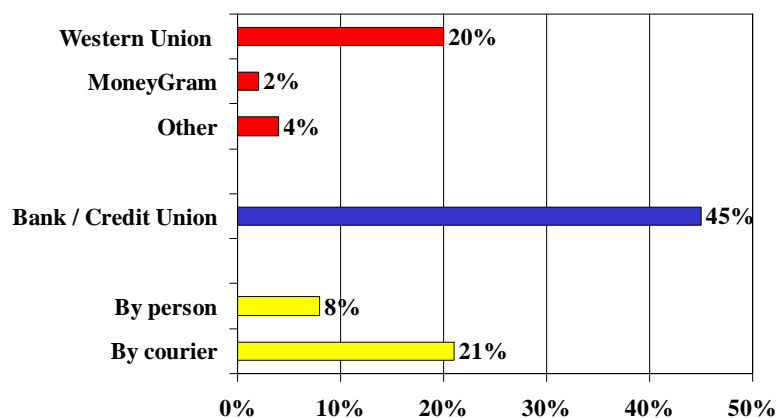
2. More than two-fifths of all remittance recipients get their money through a Mexican bank.

- One – fourth of remittance recipients in Mexico get their money through Western Union, MoneyGram or another international cash remittance company.
- A significant percentage of remittances arrive in Mexico through international courier services.
- Three-quarters of RR's say that the economic problems of Mexico were an important factor in their relatives' decision to emigrate.

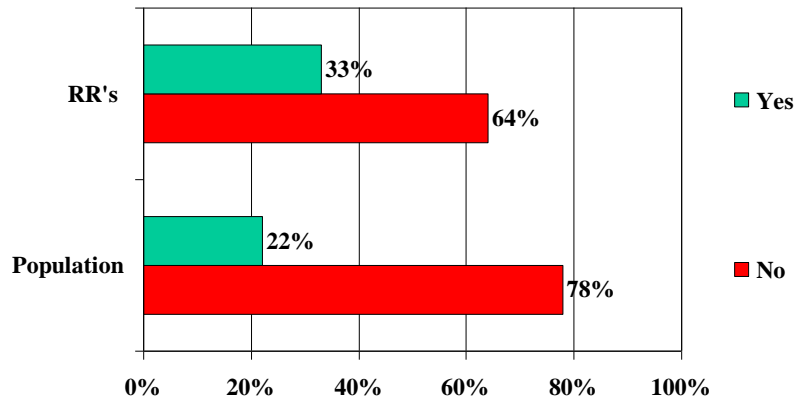
More than two-fifths of all remittance recipients get their money through a Mexican bank

- A majority of RR's report that their relative did not make a commitment to send them money before they left Mexico.
- RR's are more likely to have a bank account than the rest of the Mexican population.
- Most Mexicans have a positive opinion of Mexican banks.
- A large majority of the Mexican population report being familiar with ATM machines.

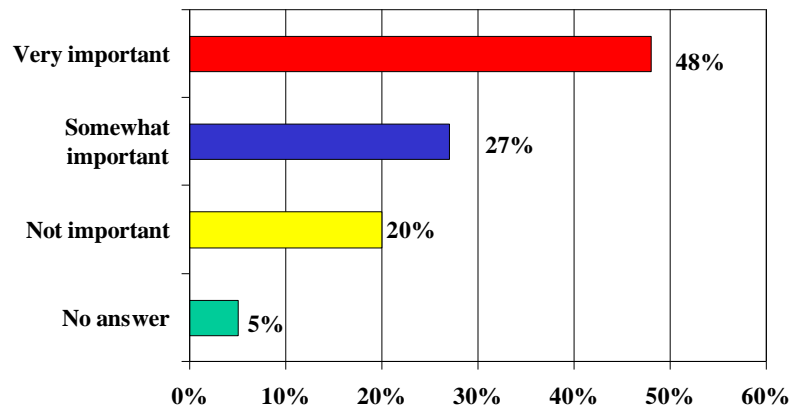
How do you receive the money that your relative sends?



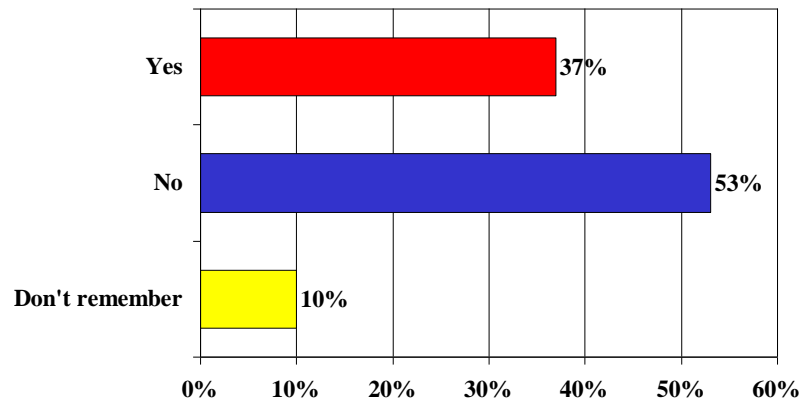
Do you have a bank account?



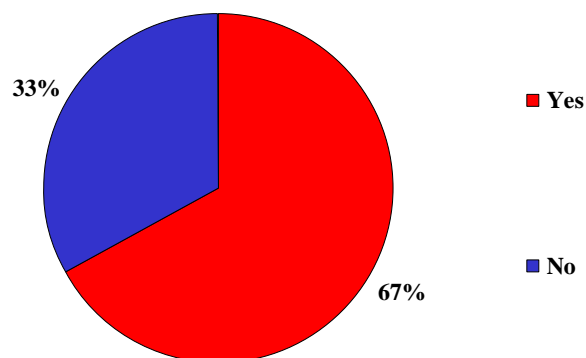
Were Mexico's economic problems a major factor in your relative's decision to leave?



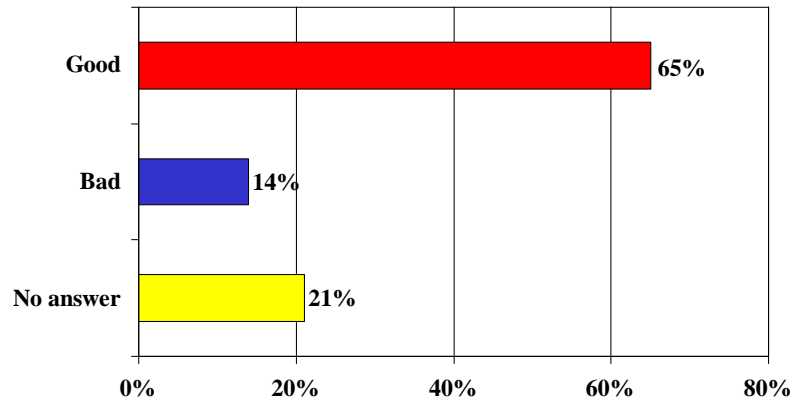
Before leaving Mexico, was there an arrangement with that relative to send remittances?



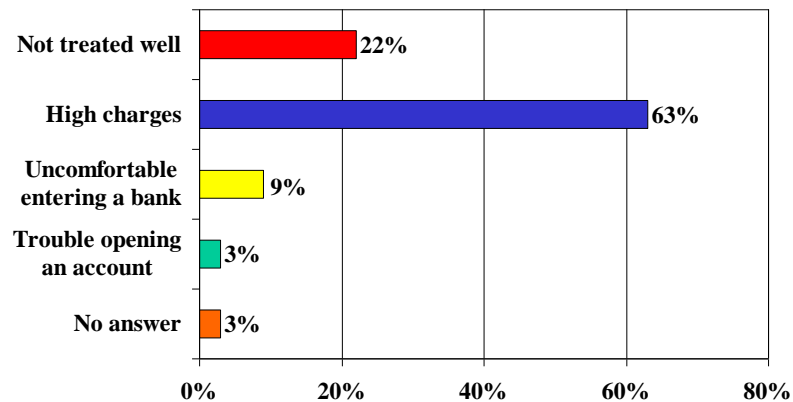
Is there a bank in your area?



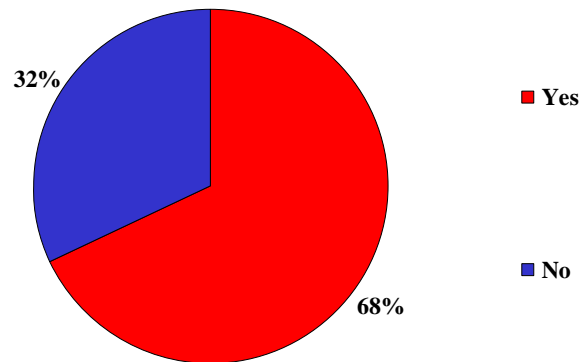
What opinion do you have of the banking system?



Why do you have a bad opinion of the banking system?



Are you familiar with ATM machines and how to use them?



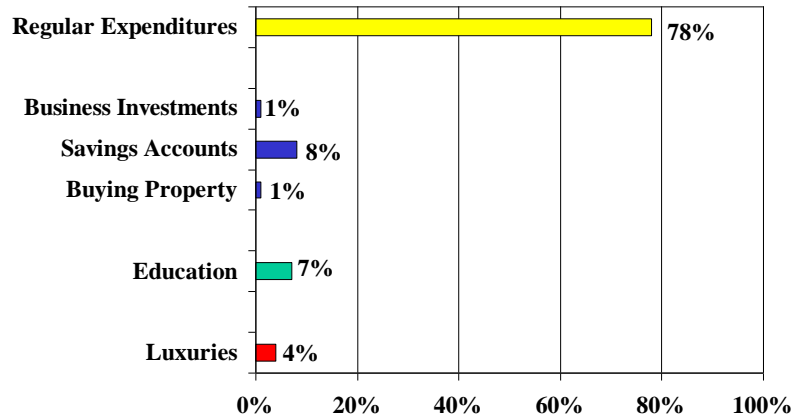
B. Major Findings

3. A large majority of Mexican remittance recipients use the money on “regular” expenditures.

- Seventy-eight percent of Mexico remittance recipients use the money for day-to-day expenditures like paying rent and buying food or medicine.
- Approximately ten percent of RR’s invest the money they receive in a savings account, property or a business.
- Seven percent of RR’s spend the money they receive for educational purposes.
- Two-thirds of RR’s report an improvement in their lifestyle because of the money they receive.

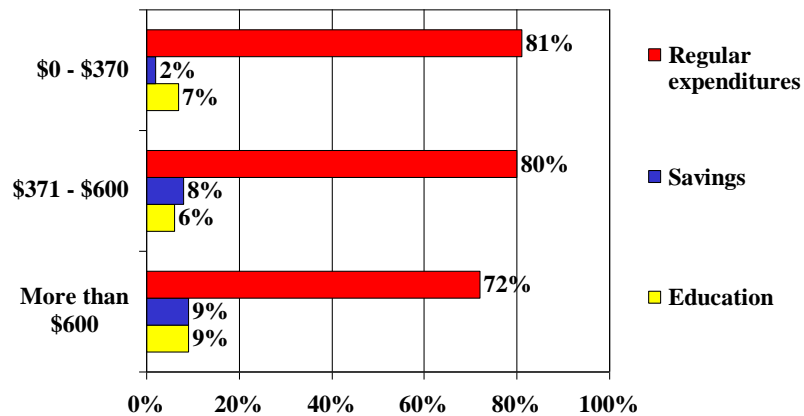


How is the money spent?

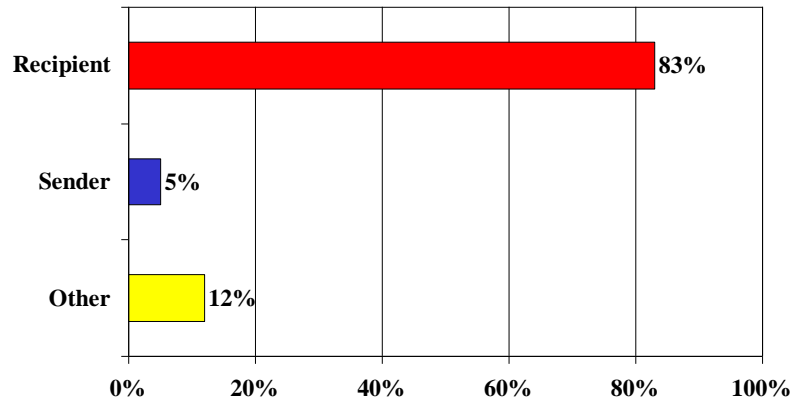


How is the money spent?

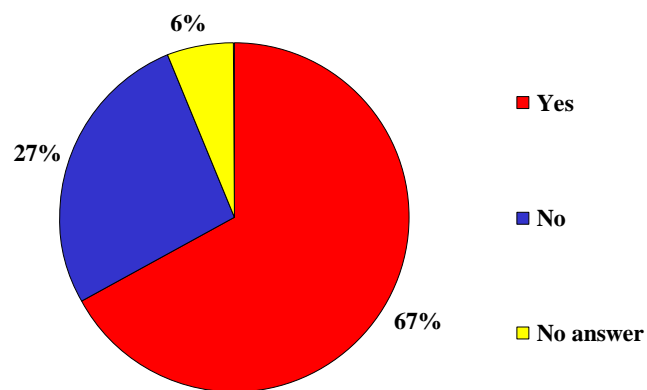
Income



Who decides how the money is spent?



Has your life improved due to the remittances?



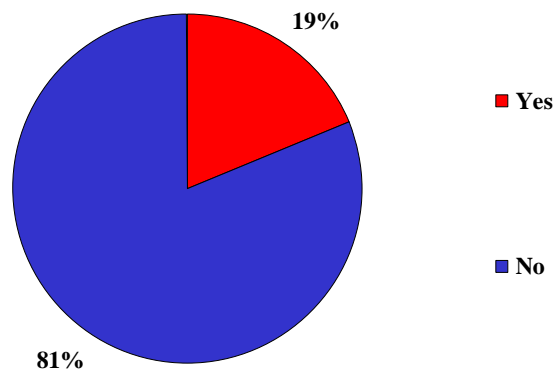
B. Major Findings

4. Remittance Recipients are somewhat more likely to emigrate to the United States than other Mexicans.

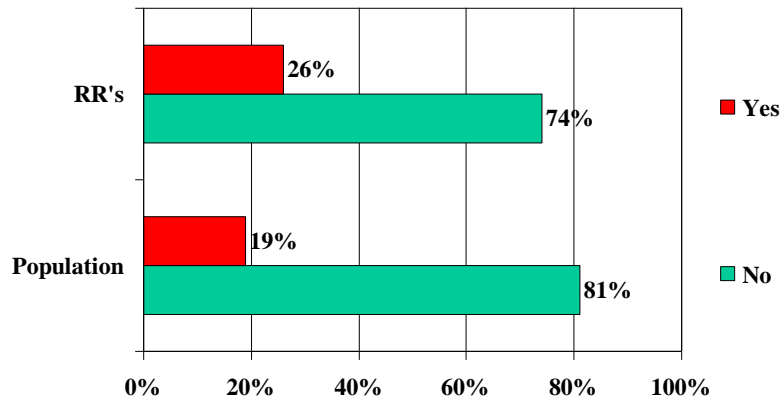
- There's a consensus in Mexico that it is now more difficult to cross the U.S. border than before the terrorist attacks of September 11, 2001.



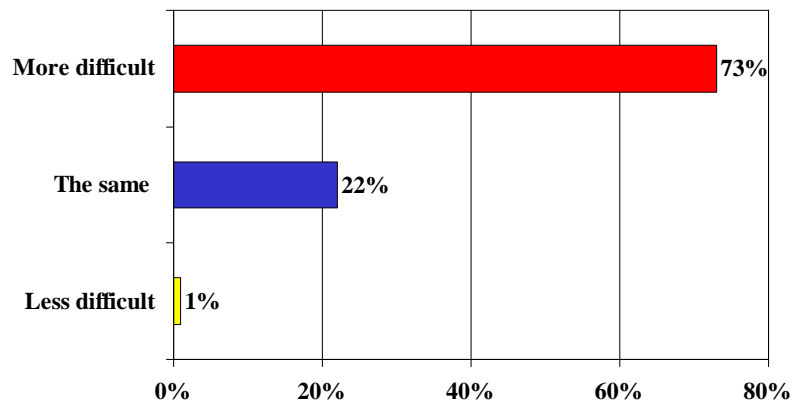
Have you been thinking about migrating to the U.S.?



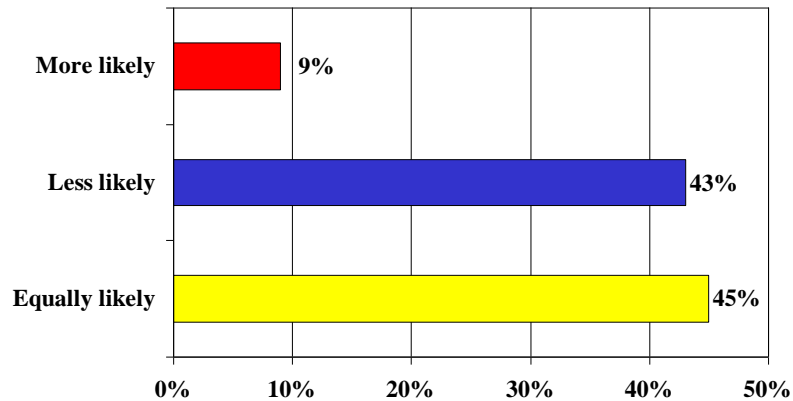
Have you been thinking about migrating to the U.S.?



How difficult do you think it is to cross the U.S. border now without documents?



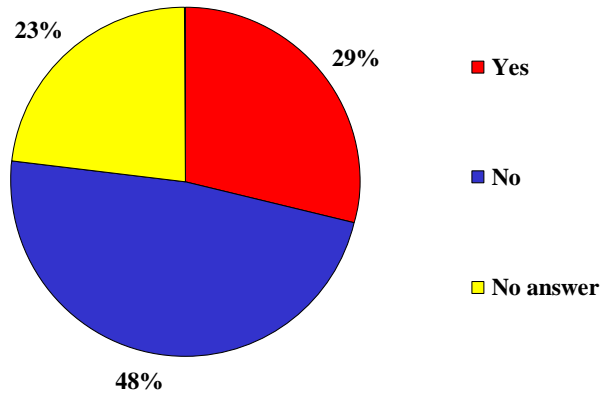
As a result of the recent terrorist attacks, are people more or less likely to emigrate to the U.S.?



C. “The Fund”

- If an investment fund was created, controlled by an international institution, that paid interest and financed projects that would benefit your community, would you be willing to deposit ten percent of the money you receive from your relatives in this fund or would you not be willing to make such an investment?

Would you invest in this fund? Remittance Recipients



Grupos Focales

EXECUTIVE SUMMARY

Three focus group sessions consisting of ten persons each were held September 22-25 in the Mexican cities of Puebla, Mexico City, and San Luis Potosí. The participants were male and female remittance receivers representing a broad range of age groups and occupations.

According to the universal opinion of the participants in the focus groups, the main reason people migrate is economic, with unemployment and low salaries playing key roles. In virtually every case, the existence of family social networks in the country of destination plays a key role in the decision to emigrate. Often the decision is taken in consultation with family members (especially spouses), but in some cases the decision to emigrate is taken on an individual basis with no discussion or consultation with other family members.

In many cases the length of time of family separation is relatively short, but in some cases separation is prolonged or permanent, which can create profound family traumas and marital problems, especially among wives whose husbands stay away for long periods of time. Separation also causes distress among parents whose children have emigrated and have little prospect of returning in the short run. The family evidently is a very important component in Mexican migratory process. The undocumented condition of many Mexican immigrants in the United States is the main cause of prolonged family separation and its ensuing traumas.

Family members who remain in Mexico maintain contact, usually frequent contact, with close relatives who have migrated. In many cases such contacts are supplemented by visits to Mexico by the immigrants.

Remittances are received mainly through the banking system. There is growing proportion of the use of automatic tellers and debit cards, which is higher here than in other Latin American countries. Those who receive remittances through money transfer agencies complain of delays in the receipt of funds and long lines in the agency offices.

Money received is used primarily for expenses, specifically food, rent and utilities. There appears to be a somewhat greater tendency in Mexico compared to other Latin American countries for a portion of remittances to be used for savings and investment, as well as for education.

There does not appear to have been any enduring decrease in the flow of immigrants as a result of the new security measures undertaken by the U.S. government after September 11, according to focus group participants. Indeed, many of the participants say they would like to migrate to the United States and some report they will soon undertake such migration.

Focus group participants are unhappy with the banking system in Mexico. Those who do have bank accounts—savings accounts in all cases—complain of ill treatment and deceit. The image of international banks has been adversely affected as a result of establishing close ties with Mexican banks.

With few exceptions, participants accepted the idea of saving 10 percent of remittances received in an interest-bearing fund dedicated to promote development provided there is transparency and integrity and the money is demonstrably used for the common good.

INTRODUCTION

International migration from Mexico to the United States dates from over a century and currently represents the largest migration in the world. There are more Mexican immigrants in the United States than from any other country in the world, and Mexicans make up about two thirds of the U.S. Latino community.

There is a vast academic and journalistic literature on Mexican migration to the United States. This brief study updates previous findings, confirming that the basic economic causes of migration persist. We were also able to observe some relatively new trends, including the migration of sectors of the middle class displaced from the labor market by economic changes and the consolidation of historically new geographic destinations, especially New York and North Carolina.

WHY DO PEOPLE MIGRATE?

Individual and family economic circumstances, such as unemployment resulting from the economic crises of the 1990s or inadequate wages, continue to be the main reason for international migration.

“I could not find a decent job.”(Mexico City participant)

“We were desperate.” (Puebla participant)

“We left because my husband incurred a debt that we could not pay. Later I came back, and my daughter stayed [in the United States].” (Mexico City participant)

“He went about two years with no job.” (San Luis Potosí participant)

This finding is not surprising given the high levels of poverty and unemployment in Mexico, recurring economic crises, and a century old culture of migration to *El Norte* which reflects vast wage differences between Mexico and the United States. A recent

World Bank report concludes that despite significant efforts, poverty in Mexico has been reduced only slightly.

Nonetheless, the focus groups provide some observations that may enrich the understanding of this economically driven migration.

Many of the immigrants who send remittances back to focus group participants are very recent immigrants. We failed to detect a trend toward a decrease in migration as a result of economic development in Mexico since NAFTA or the more recent enhanced security measures in the United States. According to some theories of migration, as Mexico develops a point will be reached in which it will stop generation international migrants, as has happened in such countries as Italy, Spain and South Korea. It appears evident that point is still far away.

The stereotype of the Mexican migrant to the United States is that of an unskilled worker with a low level of education. The main cause of migration is usually ascribed to underdevelopment in Mexico. However, there were several focus group participants whose relatives were educated and employed in modern industries but were forced to emigrate as a result of downsizing. It is clear that Mexican international migration today is not exclusively the product of underdevelopment, but also of globalization and restructuring processes which affect the middle class.

“My case is totally different. We are both professionals. My husband is an engineer. He worked in a cement plant. We had a great deal of economic stability. Suddenly he was dismissed because of downsizing. He was 50 years old. He started a business selling solar heaters. It went well for a couple of months and then it went badly. He spent two years looking for work, but there was no work for him, not even a job with a low wage. We became desperate because his severance money was running out. We never thought we would have the need to emigrate but we did. At first, he had a tough physical job over there. But later he got another job, and now he is doing well.” (Puebla participant).

Another similar case is that of the husband of another focus group participant, a test-car driver for Volkswagen who was laid off because of downsizing. He now lives in San Diego, California and still works for the company.

While underlining the momentum of the Mexican migratory process, we should also say that it is evident that most Mexicans by far stay at home, citing a number of reasons for that choice. Beyond the near impossibility for most Mexicans to immigrate to the United States legally—and the risks of illegal migration—family separation is the main reason for staying put. Language and culture also come into play.

“I study and my family here can support me.” (San Luis Potosí participant).

“I don’t speak English.” (Mexico City participant)

Separation and the uncertainty of return can create deep family traumas, especially when constant separation is the source of anxiety as in the case of spouses whose husbands have been away for prolonged periods of time. Separation often is the cause of grief and distress for parents whose offspring's return becomes less likely with time.

The family is an important component of the complex Mexican migration process. Permanent separation usually results in a decrease or cessation of remittances. The status of undocumented immigrant is the main cause of prolonged separation and the human traumas associated with it.

“I feel very bad when I hear about husbands who find another woman over there and never return.” (Mexico City participant)

“I know that my son can find a woman and then he won't come back and he won't keep on sending me money.” (Mexico City participant)

As in many Latin American countries, communication between the immigrant and those left behind is constant and frequent. Most use the telephone, and a few rely on the Internet. None of the focus group participants use postal mail as a means of communication with relatives in the United States. Frequent visits, sometimes prolonged in duration, are common among Mexican migrants.

“He has come back a lot. Sometimes he stays for several months and then he leaves again.” (Mexico City participant)

“He calls me three times a week. He has a phone at home, and he buys calling cards. I never call him, he always is the one who calls.” (Puebla participant)

USO OF REMITTANCES

Remittances most frequently are received through the banking system and to a lesser extent through money transfer agencies. Money transfer agencies were used most frequently when a fast transfer was required. Several focus group participants used debit cards issued by U.S. banks and received their remittances through this means.

Focus group participants reported that remittances are used mostly for basic household expenses, including food and rent.

“On food, electricity, telephone.” (Mexico City participant)

Often, remittances are used to pay for educational expenses, specifically expenses for children left behind in the care of relatives. Although public education in Mexico is free, schools require parents to pay for books and materials which remittances help cover. Moreover, many focus group participants prefer attending (in the case of students) or

sending their children to private schools or universities. Remittances help alleviate the deficiencies, perceived or real, in public services such as education.

“I can pay for a private university. Otherwise I would have to go to a state university.”(Puebla participant)

“With what he sends, I can buy their books.” (San Luis Potosí participant)

Remittances also provide peace of mind to recipients as they function as a kind of insurance policy against the ups and downs of economic life. Many participants indicated that remittances are an extremely important supplement to income they earn in Mexico.

“Remittances are like a cushion against emergencies.”(Mexico City participant)

Notwithstanding the fact that remittances mainly are used for household expenses, an important finding of these sessions is that a significant number of participants in these sessions use remittances for savings and investment, apparently to a greater extent than in other Latin American countries. When participants relaxed and became involved in the focus group discussions, they remembered the land they were able to purchase because of remittances, the savings they were able to accumulate, or the freedom to be self-employed that remittances afforded them.

One pattern observed in this regard involves women who use remittances to capitalize very small businesses, in our cases garment workshops (industrial machines), beauty salons (equipment), and the rental of a part of the home to university students. In these cases, income generated by businesses financed by remittances are used for household expenses while additional remittances are used for further investment or savings.

There was no evidence that remittances promote idleness. In one case, remittances allowed a mother to devote all of her time to raising her two children instead of working outside the home. But no participant reported in his/her own case or that of others known to them that someone left their job to live of remittances.

“I invest it in my business.” (Puebla participant)

“As much as my mother-in-law monitors how I spend the money my husband sends me, I always manage to put some away because you never know what can happen.” (Mexico City participant)

“Now that I think about it, a little while ago I paid off a piece of land with some of the money they send me.” (Mexico City participant)

In summary, remittances not only make possible the support of households but, in many cases, they foster micro-enterprises, self-employment and the care of children and elders.

MIGRATION HAS NOT SLOWED DOWN

Currently, the flow of undocumented Mexican migrants continues unabated with apparent “normality” in spite of the security measures taken by the U.S. government as a result of September 11 that have evidently not stemmed the flow.

While it is true that some focus group participants perceived some initial reduction in the migration flow as a result of increased security and, to a greater extent as a result of unemployment in the tourist sector that employs many immigrants, this change is perceived as temporary. The reason: “Things here are still the same.”

In sum, for many people in Mexico economic conditions are such, the options so limited, and the culture of migration so established that security measures tend to have a limited and short-lived impact.

Not even the actions of racist vigilantes groups that have attacked, detained and threatened to kill those who try to cross the border have been a deterrent. People continue to migrate and will do so in the future according to focus group participants.

“I spent the night on the mountain not making any noise so that the ranchers would not hear us because they kill those who cross. Still, I will go again.” (Mexico City participant)

“Now there more obstacles, they rob you more on the crossing.” (Mexico City participant)

The most telling statement was the unanimous, affirmative and energetic answer given by participants in the Puebla focus group when asked if they were ready to go “al Norte.” Every hand went up “yes.”

“I would leave right now.”(San Luis Potosí participant)

It should be noted, however, that focus group participants in Mexico City and San Luis Potosi were not as certain. Although in both cities the majority said people would continue to leave, only a minority said they personally would migrate.

Regarding migration, participants do not see illegal migration as a problem in itself but its risks are a deterrent for many people. The concept of legal migration is sometimes confused with legal entry, and participants at times spoke inaccurately of entering the U.S. with a tourist visa as if that allowed them to work legally in the United States. The point, however, is that the most daunting obstacle for potential immigrants is not undocumented status as such but the risks of an illegal crossing, which are avoided if entry with a tourist visa is achieved.

In addition, some participants cited the desire to not be separated from family and the U.S. economic downturn as reasons for not emigrating.

“I stayed a few months working because I had a tourist visa.” (Puebla participant)

“Now there is less work over there.” (Mexico City participant)

THE USE OF REMITTANCES FOR A DEVELOPMENT FUND

In general, participants are unhappy with the national banking system. If they could avoid it, they would not have a bank account. The high cost of maintaining a bank account with a small balance adversely affects the desire to have a bank account. Although Mexico is the country where the greatest proportion of people who receive remittances through banks, devaluations and nationalizations as well as high maintenance costs and meager resources creates difficulties for the long-term use of accounts.

Of 29 participants, *none* had a checking account. Those who did have bank accounts had only savings accounts, and these individuals complain of ill treatment and deceit. International banks have suffered a loss of image as they have become integrated with the national banking system.

“I had 1,000 pesos and when they sent me the account statement I only had 900.” (Mexico City participant)

“They forced me to buy a life insurance policy in order to have a savings account. I protested, and they took their time to cancel it. Meanwhile, they charged me for it.” (Mexico City participant)

Nevertheless, when asked about their willingness to save in an institution that would benefit the community, with a few exceptions participants responded favorably. Indeed, the response was favorable when they were asked directly if they would be willing to save 10 percent of their remittances in an entity that would pay a reasonable rate of interest and use the money to benefit the community, operating in a transparent way and with accountability that such funds are used for the good of the community.

It should be noted that many of these are people use remittances to buy food, and yet they said they would be willing to make an effort for the common good as long as they had full information, interests were duly paid, and there would be visible results.

“If it’s a government thing, I would not deposit anything.” (Mexico City participant)

“If I can see results.” (Puebla participant)

“If it is to benefit others, I would make the effort and I would deposit that 10 percent.”(Mexico City participant)

“I would do it if it were an international institution because there would be less danger of losing my money.” (Mexico City participant)

“Yes, if it is for a just cause.” (Mexico City participant)

“I hope they would pay the interests.” (San Luis Potosí participants)

CONCLUSIÓN

Overwhelmingly, Mexicans migrate for economic reasons. Sectors of the middle class have joined the migrant stream as a result of changes in economic structure. The migration decision is reinforced and facilitated by the presence of relatives or friends at the destination point. Although the risks associated with an illegal crossing deter many from migrating, new U.S. security measures do not appear to represent an additional long-term deterrent. Family separation is in many cases an effective deterrent. Undocumented status is the main cause of prolonged separation. The regularization of the immigration status of undocumented workers would produce not only an economic impact but also have humanitarian benefits.

In Mexico as elsewhere remittances are used mainly for household expenses, but there appears to be a greater proclivity here to employ a portion of them for savings and investment in small enterprises. Remittances add to the welfare of recipients, alleviate deficiencies in public services, afford some degree of economic security, and do not promote idleness as far as we were able to determine.

The banking system lacks credibility, creating difficulties for the long-term use of the system, although there are a greater proportion of bank clients in the savings and loan area here than in other countries of Latin America.

Mexican focus group participants demonstrated altruism in nearly unanimously asserting their willingness to deposit 10 percent of remittances in an international fund for Mexican social development. There is a high degree of commitment with regard to the nation and its development and a great deal of skepticism concerning the capacity of governmental and private institutions to foster that development.