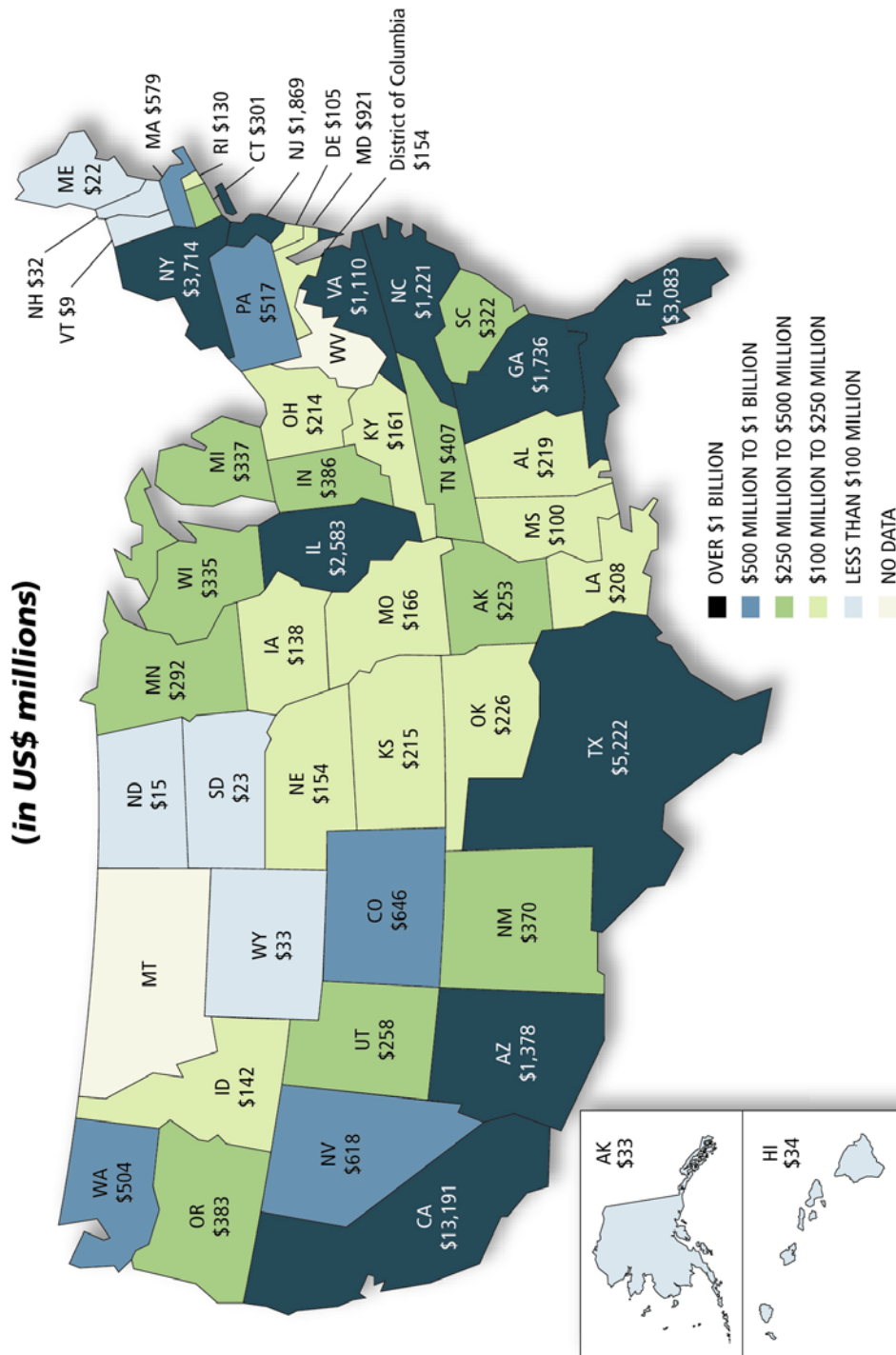
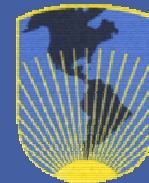


REMITTANCES TO LATIN AMERICA FROM THE US—2006 (in US\$ millions)



INTER-AMERICAN DEVELOPMENT BANK MULTILATERAL INVESTMENT FUND

1300 New York Avenue, N.W.
Washington D.C. 20577
United States



www.MigrantRemittances.org



Inter-American Development Bank
Multilateral Investment Fund



SENDING MONEY HOME REMITTANCES TO LATIN AMERICA FROM THE UNITED STATES



WASHINGTON D.C.
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Background

The dramatic acceleration of remittances to developing countries in recent years is being fueled by the forces of a global economy. But it is also testimony to the strength of family bonds across national borders.

Nowhere is this process better illustrated than in the relationship between Latin America and the United States which constitutes the highest volume remittance market in the world. Indeed, the Western Hemisphere is increasingly becoming an integrated labor market.

It is for this reason that the Inter-American Development Bank has recently updated its 2004 survey of remittances from the United States to Latin America. This new survey provides particular insight into changing migration patterns reaching geographic locations well beyond traditional remittance sending states.

The totals indicate that over \$45 billion in remittances are expected to be sent from the United States to Latin America during 2006. In addition to volume, the survey also provides detailed information about the remittance sending patterns of Latin American households.

Over the last two years, the percentage of Latin American immigrants sending remittances on a regular basis from the United States to their relatives has increased from 61% to 73%, and the average of each remittance has increased from \$240 to \$300. In addition, the percentage of Latin American immigrants that use a financial institution to send remittances has increased from 8% in 2004 to 19% in 2006.

Recent immigrants send remittances more often than those who have been living for longer periods of time in the United States. However, a significant percentage of all groups of Latin American immigrants send money home on a regular basis -- over 50% of remittance senders have lived in the United States for more than ten years.

Total income of Latin American immigrants living in the United States is estimated at over \$500 billion. For the 12.6 million immigrants who send regularly, remittances constitute almost 10% of their household income. More than 90 percent is spent in the states and towns where they live, directly contributing to local economies in the US.

Highlights of the Survey

- Remittances from the seven major “traditional sending” states (California, Texas, New York, Florida, Illinois, Arizona, and New Jersey) generally continue to show significant increases, now totaling over \$30 billion annually. California is the leading state, reaching over \$13 billion in annual remittances.
- The data trend lines also demonstrate dramatic changes in migration patterns in the United States. More recent destinations for Latin American workers such as Georgia, North Carolina, Maryland, and Virginia account for substantial remittance flows to LAC, with \$1.7 billion from Georgia, and about \$1 billion each from North Carolina, Virginia, and Maryland.
- This provides further confirmation that immigrants are no longer simply moving to traditional “magnet” communities tied to their country of origin. Instead, workers are migrating to wherever the jobs are.
- The next five ranked states in remittances are Colorado, Nevada, Massachusetts, Pennsylvania and Washington, sending \$500 million each; the next six -- Tennessee, Indiana, Oregon, New Mexico, Michican, Wisconsin, South Carolina and Connecticut -- each send over \$300 million.
- The next 16 states send home more than \$100 million each annually, and the final eight send lesser amounts. All told, 40 states and the District of Columbia now send more than \$100 million annually. No data is available for two states, Montana and West Virginia.
- One state, Louisiana, is expected to experience a nearly 250 percent increase this year over 2004, largely as a result of an influx of reconstruction workers in the wake of hurricane Katrina. This example typifies the need for migrant workers in the U.S. economy.

New Findings

- The survey provides new information and insight regarding the relationship between the labor markets of the United States and Latin America: high unemployment generally exists in Latin America, and migrant workers are needed in the United States.
- More than half of Latin American remittance senders in the United States were unemployed before departing for the North. Those that were employed earned relatively little. After arriving in the United States, more than half became employed within a month at an average salary of \$900, six times more than they were earning in their country of origin.
- The contrasting availability of jobs, and disparity in wages between the North and South illustrates the powerful economic forces that contribute to a migrant’s decision to make the difficult decision to leave home in search of a better life for themselves and their families.

2006 Remittances from the United States to Latin America (Estimated \$ in Millions)

State	LAC-Born Adults	% Sending Regularly	Remittances	% Increase Since 2004	Contribution US Economy
California	5,829,226	63%	13,191	37%	133,365
Texas	2,832,784	47%	5,222	64%	52,792
New York	1,444,224	77%	3,714	4%	37,547
Florida	1,370,345	70%	3,083	26%	31,171
Illinois	935,656	73%	2,583	69%	26,110
New Jersey	712,207	79%	1,869	36%	18,898
Georgia	465,786	85%	1,736	83%	17,555
Arizona	701,863	57%	1,378	127%	13,930
North Carolina	376,272	84%	1,221	47%	12,340
Virginia	318,436	88%	1,110	89%	11,219
Maryland	264,193	88%	921	84%	9,308
Colorado	328,960	57%	646	19%	6,529
Nevada	314,722	57%	618	38%	6,246
Massachusetts	307,158	74%	579	10%	5,849
Pennsylvania	148,452	88%	517	187%	5,230
Washington	233,272	70%	504	43%	5,092
Tennessee	140,611	78%	407	151%	4,113
Indiana	147,652	68%	386	103%	3,906
Oregon	177,190	70%	383	75%	3,868
New Mexico	188,698	57%	370	260%	3,745
Michigan	125,709	71%	337	75%	3,404
Wisconsin	125,174	71%	335	121%	3,389
South Carolina	111,211	78%	322	117%	3,253
Connecticut	159,753	74%	301	133%	3,042
Minnesota	108,912	71%	292	98%	2,949
Utah	131,650	57%	258	58%	2,613
Arkansas	87,573	78%	253	122%	2,562
Oklahoma	115,340	57%	226	45%	2,289
Alabama	75,654	78%	219	47%	2,213
Kansas	81,999	68%	215	128%	2,169
Ohio	79,881	71%	214	98%	2,163
Louisiana	71,861	78%	208	241%	2,102
Missouri	63,392	68%	166	58%	1,677
Kentucky	55,501	78%	161	203%	1,623
DC	44,148	88%	154	64%	1,555
Nebraska	58,748	68%	154	92%	1,554
Idaho	65,752	70%	142	48%	1,435
Iowa	52,690	68%	138	100%	1,394
Rhode Island	69,279	74%	130	n/a	1,319
Delaware	30,240	88%	105	n/a	1,065
Mississippi	34,428	78%	100	n/a	1,007
Remaining 8 states*	94,515	71%	201	n/a	2,039
Total 48 States and DC	17,228,349	73%	45,276	51%	457,746

*Includes Hawaii, Wyoming, Alaska, New Hampshire, South Dakota, Maine, North Dakota, and Vermont. No data is available for West Virginia and Montana.