

Remittances Covering Household Expenses

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Every month, Latino migrants who have left their homes to go work in the United States divide their meager earnings into two parts: one that they use to cover their basic needs and the other that they send home to contribute to the family income, which depends to a great extent on these earnings. These workers, who on an average make about U.S.\$20,000 a year, send between 10 and 20 percent of their wages, that is between U.S.\$200 and U.S.\$400, to their places of origin every month.

Today, the importance of remittances for several Latin American economies

is unquestionable. The real size of the impact these dollars have in receiving countries is clear, despite the different figures that sources give for the totals. The differences arise because the money is sent by several means, in addition to the fact that some Mexican workers labor clandestinely in the U.S., forcing them to send their money in ways that are hard to trace.

A report given in January 2002 during the Second International Monetary Fund Conference on Remittances as an Instrument for Development estimated remittances sent to Mexico, Central America and the Caribbean to be approximately U.S.\$18 billion a year. To get a perspective on this figure, the report points out that it is more than

10 times greater than the U.S.\$1.3 billion in aid that the U.S. budgeted for those same countries in 2003.

The noticeable increase in the number of Latin American immigrants in the United States in recent years translates into an increase in remittances. In 1990, total remittances to the region came to U.S.\$2 billion,¹ while in 2001, estimates put them at U.S.\$18.605 billion distributed over several countries of Central America and the Caribbean.² Table 1 shows data about remittances sent to 10 countries in the region in 2001.

As can be seen in the table, Mexico received the largest amount of remittances, 49.8 percent of the total sent that year. With a sizeable difference in the totals, Mexico is followed by El

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TABLE 1
LATIN AMERICAN REMITTANCES, 2001 (MILLIONS OF DOLLARS)

DESTINATION	REMITTANCES*	% VIS-À-VIS MEXICAN REMITTANCES
Mexico	9,273.7	100.00
El Salvador	1,972.0	21.26
Dominican Republic	1,807.0	19.49
Ecuador	1,400.0	15.10
Jamaica	959.2	10.34
Cuba	930.0	10.03
Colombia	670.0	7.22
Nicaragua	610.0	6.58
Guatemala	584.0	6.30
Honduras	400.0	4.31
TOTAL	18,605.9	

Source: Central banks of each country; Cuba, CEPAL; Colombia, World Bank; Ecuador, *The Economist*, January 2002; Nicaragua, Interamerican Development Bank, 1999 estimate.

Salvador (10.5 percent), the Dominican Republic (9.7 percent) and Ecuador (7.5 percent). We should emphasize that the total of all remittances received by these countries represents only 55.69 percent of the total that Mexico received. It would seem logical to think that these figures correspond to the proportion of each national group in the Hispanic population in the United States. However, this is not the case for all the countries. The Cubans, despite being a larger group than the Hondurans, Salvadorans and Dominicans, send a smaller amount of remittances because in their case, family networks do not always exist.

Graph 1 presents the picture of how the 35,305,818 Hispanic residents of the United States are divided up by nationality. Considering that the immigrants from these 10 countries make

up 25,355,316, or 72 percent,³ of the total of the U.S. Hispanic population, we can confirm that an important percentage of this part of the population maintains economic links with their countries of origin by sending part of their income to their families. It is relevant to point out here that not all Hispanics send money to their countries of origin; it is mainly those who were born outside the U.S. who maintain frequent remittances. For example, of the more than 20 million people of Mexican origin who live in the United States, 42.49 percent were born in Mexico, and are the ones sending remittances.

As can be seen in Table 2, over the last decade there has been a significant increase (90 percent) in the number of homes that receive remittances. Analyses done by Mexico's National

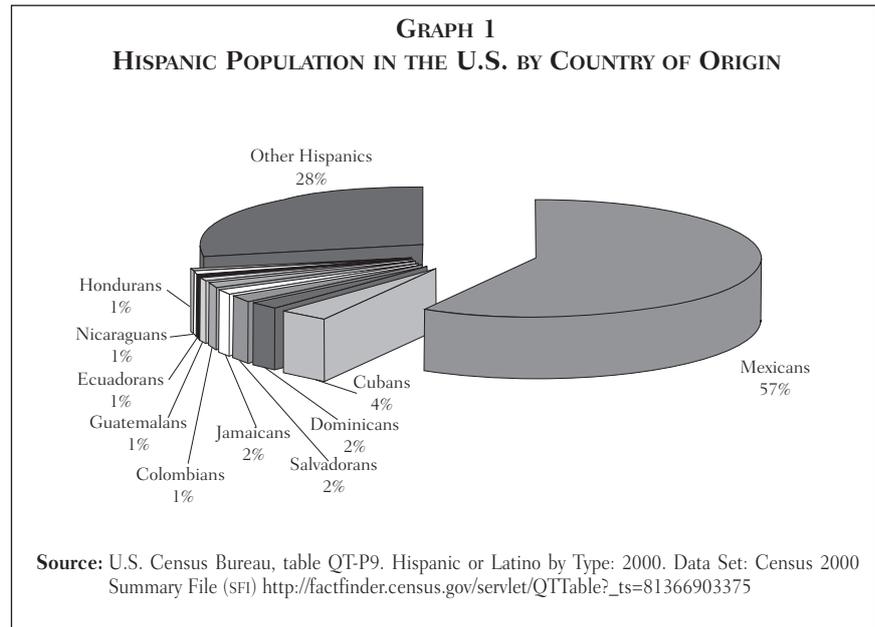
Population Council (Conapo) about the relationship between migration and marginalization in Mexican homes in several municipalities throughout the country offer very interesting results that describe the migratory behavior of municipalities that suffer from high, medium and low marginalization. These results can be seen in Graph 2, showing us the relationship between marginalization and migration in five different degrees. According to these figures, the 15.8 percent of the municipalities with very high levels of marginalization only registered 6.6 percent of very high migration, and, in contrast, municipalities with very low levels of marginalization had a 35.7 percent rate of international migration. While this was happening at the extremes, in the 486 municipalities with medium level marginalization, 69 had very high levels of migration, while 101 had only a high level. This shows that it is not necessarily the poorest who emigrate, but rather those who are not content with their lot and seek better living conditions. The cost of emigration is another factor that has an impact on this pattern.

As I already explained, Mexico is the country which receives the highest remittances in Latin America; their importance is often compared with economic indicators like foreign direct investment and income from tourism or exports, among others. Since 1996, remittances have been sent to one out of every 20 homes on the average and, given that 98 percent of those who emigrate go to the United States, it can be inferred that the money comes from three types of migrants: Mexicans who habitually reside—whether legally or not—in the United States, temporary Mexican migrants who work for part of the year in the United States

but habitually reside in Mexico, and Americans of Mexican origin.⁴

Without a doubt, transfers of money boost the family budget since its main use is to satisfy the basic necessities of more than 1.252 million homes. This income, which represents between 30 percent and 46 percent of the total family income,⁵ is used to pay for food and beverages, clothing and shoes, housing, electricity and fuel, among other items. The second major category of purchases is durable consumer goods and the purchase and improvement of a home; only a small amount is saved or invested productively. Table 3 shows the estimated percentages of total family income used for expenses in different places throughout the country.

According to these figures, we can see the similarities and differences in the distribution of family spending according to the size of the place of residence.



idence. We initially see that food and beverage expenditures in communities of more and fewer than 2,500 inhabitants are approximately the same percentage-wise: 82 percent and 88

percent, respectively. For other items, the differences are clearer, for example: communities of 2,500 and larger spend almost double the amount on goods and services for personal hygiene

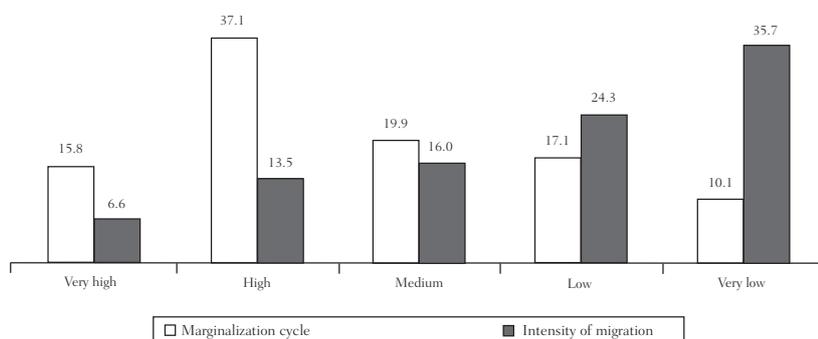
TABLE 2
MEXICAN HOUSEHOLDS WITH INCOME FROM ABROAD (DOLLARS)

	1992	1994	1996	2000
All households	17,819,414	19,440,278	20,465,107	23,484,752
Households with income from abroad	659,673	665,259	1,076,207	1,252,493
Income from abroad*	\$1,393,736,000	\$1,443,734,300	\$2,089,953,300	\$3,759,075,400
In places with 2,500 and more inhabitants	13,464,152	14,721,762	15,535,894	18,101,759
Households with income from abroad	389,109	319,746	584,293	719,865
Total income from abroad*	\$903,958,600	\$778,127,500	\$1,311,717,000	\$2,690,851,400
In places with under 2,500 inhabitants	4,355,262	4,718,516	4,929,213	5,382,993
Households with income from abroad	270,564	345,513	491,914	532,628
Income from abroad*	\$489,777,300	\$665,606,800	\$778,235,900	\$1,068,224,000

* Using the average exchange rate for the following years:
1992 (3.0945), 1994 (3.3752), 1996 (7.5995), 2000 (9.5).

Source: INEGI's *Encuesta Nacional de Ingresos y Gastos de los Hogares*, 1992, 1994, 1996 and 2000.

GRAPH 2
DEGREE OF MUNICIPAL MARGINALIZATION AND MIGRATORY INTENSITY



Source: CONAPO, *Índice de intensidad migratoria México-Estados Unidos 2000*, Mexico, 2002.

ne than families in towns of fewer than 2,500 inhabitants. Inhabitants of larger towns also spend more on shoes and clothing than people who live in smaller places. Also, while for inhabitants of towns of fewer than 2,500 people, the second largest expenditure is for housing, conservation services, electricity and fuel, for inhabitants of larger towns, their second biggest expense is articles and services for cleaning and taking care of the home. In this comparison, the most worrisome difference is undoubtedly medical and health expenses, which in communities of fewer than 2,500 individuals represented barely 0.05 percent of their budget, the lowest item on their list. Larger communities also use

TABLE 3
PERCENT OF INCOME SPENT BY ITEM AND SIZE OF TOWN

EXPENDITURES	NATIONAL TOTAL	2,500 AND MORE INHABITANTS	UNDER 2,500 INHABITANTS
	100.00	100.00	100.00
Food and drink (consumed inside and outside the home, including alcohol and tobacco)	84.34	82.70	87.08
Clothing and shoes	2.03	3.17	0.12
Housing, conservation services, electricity and fuel	2.64	0.84	5.65
Articles and services for house cleaning and care; appliances, furniture, dishware and household utensils	5.93	6.87	4.34
Medical and health care	0.34	0.51	0.05
Transportation; purchase, maintenance and accessories for vehicles and communications	1.16	1.52	0.54
Education and leisure services and articles; tour packages; parties; lodging	0.30	0.40	0.14
Items for personal cleanliness; personal effects; other miscellaneous expenses	3.26	3.98	2.06

Source: INEGI, *Encuesta Nacional de Ingresos y Gastos de los Hogares, 1992, 1994, 1996 and 2000*. The percentages were calculated based on information from tables 3.7 *Hogares y su ingreso corriente total trimestral por múltiplos de los salarios mínimos generales según tamaño de localidad* and 5.1 *Hogares por la composición de los grandes rubros del gasto corriente total trimestral según tamaño de la localidad*.

a very small part of their budget for this item, although more than in smaller towns.

Regardless of how spectacular the figures are, we must be aware that the tendency to maintain migratory flows from Latin America to the United States, in addition to the difficult economic situation in the region, indicates that remittances will continue to be an important source of income for receiving countries. As long as their inhabitants' needs are not satisfied by their respective governments, migration will be their only option. In the case of Mexico, migratory trends have broadened out to different states and regions, not only traditional sending states, and if migratory flows continue to grow as they have

in the last decade, the amount and number of remittances will also grow. That is why it is necessary to implement plans that promote the use of remittances in the development of productive projects that will support the regional economy. If local development of remittances is stimulated, savings and investment can also be channeled into social services, education and health as priorities, with a positive impact on the population's quality of life. **MM**

tion Research Center, University of Chicago, 1993).

² Inter-American Development Bank, *Attracting remittances: Market, money and reduced costs*, report read at the Second Conference of the International Monetary Fund on Remittances as an Instrument of Development, Washington, D.C., January 2002.

³ U.S. Census Bureau, table "QT-P9. Hispanic or Latino by Type: 2000" Data Set: Census 2000 Summary File (SF1); http://factfinder.census.gov/servlet/QTTable?_ts=81366903375.

⁴ Consejo Nacional de Población, "Las remesas enviadas a México por los trabajadores migrantes en Estados Unidos," *La situación demográfica de México* (Mexico City: Conapo, 1999).

⁵ The relative weight of remittances in household income according to the size of their location and their total quarterly income is as follows: in places with fewer than 2,500 inhabitants, 46.42 percent; in places with more than 2,500 inhabitants, 32.64 percent; the national average is 30.58 percent.

NOTES

¹ Douglas S. Massey and Emilio Parrado, *Migra-dollars: The Remittances and Savings of Mexican Migrants to the United States* (Chicago: Popula-



QUINTA BIENAL INTERNACIONAL DE RADIO
Del 17 al 21 de mayo de 2004, México



Bases del Concurso

Inscripción

- Podrán ser inscritas las producciones radiofónicas que hayan sido realizadas después del 1 de abril de 2002, conforme con las siguientes categorías:
 - Radioreportaje
 - Riodrama (programas unitarios)
 - Radiorevista
 - Programas infantiles
 - Radio indigenista
 - Radioarte
 - Programas musicales
- Asimismo podrán participar, fuera de concurso:
 - Promocionales de identificación de las emisoras
 - Campañas institucionales
- Por cada producción que se desee inscribir, deberá ser entregado o enviado un sobre que contenga lo siguiente:
 - Ficha de inscripción debidamente llenada a máquina o por computadora con el fin de incluir correctamente los datos en el catálogo de participantes.
 - Cuatro copias del programa en disco compacto.
 - Comprobante original de pago de la inscripción.
 - Para los programas cuyo idioma no sea el español, una copia del guion original y tres copias del guion traducido al español.
- El sobre, las copias de los programas y los estuches de éstos deberán contener los siguientes datos en una etiqueta impresa a máquina de escribir o por computadora:
 - Título del programa
 - Categoría en la que se inscribe
 - Duración del programa
 - País de origen

- Nombre del responsable, a quien en su caso se entregará el premio o reconocimiento, según corresponda
- Teléfono del responsable, incluyendo las claves de larga distancia internacional y regional
- Correo electrónico del responsable

- El costo de la inscripción por programa es de 400 pesos mexicanos para producciones de hasta 30 minutos de duración, y de 500 pesos mexicanos para las obras de más de 30 minutos. El pago por concepto de inscripción deberá hacerse mediante:
 - Depósito u orden de pago a nombre de **Quinta Biental Internacional de Radio**
 - Tarjeta de crédito a través de la página **www.bienalderadio.com**
- El cierre de inscripciones es el 5 de marzo de 2004, a las 17:00 horas. El sobre deberá ser enviado o entregado en:

Radio Educación
Ángel Urzaa 622, Col. Del Valle, C.P. 03100, México, D. F.
- Por razones aduanales, cada uno de los discos compactos provenientes del extranjero deberá ser declarado con el valor de un dólar al momento de ser empacado para su envío a través del servicio de mensajería especializada (DHL, UPS, FedEx, etcétera). Los gastos por envío, así como los seguros e impuestos, deberán ser cubiertos por el responsable.

Premiación

- Se otorgarán los siguientes premios a los ganadores de cada una de las siete categorías del concurso en pesos mexicanos, o en dólares americanos al tipo de cambio vigente al momento de hacer la transacción

Primer lugar: 25,000 pesos
Segundo lugar: 20,000 pesos
Tercer lugar: 15,000 pesos

Los gastos por concepto de transferencias bancarias para el pago

de los premios serán por cuenta de los beneficiarios.

- Los ganadores serán dados a conocer el viernes 21 de mayo de 2004 durante la ceremonia de premiación y clausura de la Quinta Biental Internacional de Radio, la cual tendrá lugar en el Centro Nacional de las Artes.

Jurado

- El jurado quedará integrado por destacados especialistas. Su fallo será inapelable.
- El jurado se reserva el derecho de declarar desierto cualquiera de los premios establecidos.

Considerandos

- La Biental no es responsable por las condiciones en las que sean recibidos los materiales; tampoco si existen problemas en la reproducción de los programas.
- Cada programa presentado sólo podrá ser inscrito en una categoría.
- Las producciones enviadas a concurso no deberán incluir anuncios publicitarios.
- Radio Educación conservará una copia de los programas para su uso como materiales de promoción y difusión. Los autores de las obras premiadas autorizan a Radio Educación la reproducción, distribución y difusión de sus obras.
- Las copias de los programas que no resulten ganadores estarán a disposición de sus responsables hasta el 4 de junio de 2004.
- Los programas concursantes que no cumplan con alguno de los puntos descritos en esta convocatoria serán descalificados. En tal caso, no se devolverá el importe de la inscripción.
- Cualquier caso no previsto en esta convocatoria será resuelto por los organizadores.
- La inscripción a este Concurso implica la aceptación de todas las bases descritas anteriormente.



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