

Migrants are sending more cash back home

A new study shows U.S. remittances to Latin America are booming as the geographic scope of immigrants sending money home broadens beyond the gateway states.

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WASHINGTON - Latin American migrants in the United States will send a record \$45 billion to support relatives back home this year, according to a study released Wednesday that sheds new light on the powerful economic forces driving migrants -- legal and undocumented -- to America's labor-hungry regions.

With about 12.6 million Latin American-born migrants now sending an average of \$300 every month, remittances from the United States should grow a brisk 51 percent compared to 2004, according to the report by the Washington-based Inter-American Development Bank, or IDB, the biggest official lender to the region.

Based on interviews with hundreds of Latino migrants, the IDB survey also reveals some of the roots of the migration phenomenon: Many Latin American nations are unable to create enough attractive jobs to keep their young from leaving. Most of those interviewed said they were either unemployed or earned very little money at home and quickly found jobs once they reached U.S. streets.

The bulk of the remittances comes out of such traditional immigrant gateway states as California and Florida, the nation's fourth biggest sender of remittances with \$3.1 billion estimated for this year, a 26 percent jump from the last survey in 2004, according to the IDB.

But remittance growth is fastest in such places as New Mexico, Louisiana and Virginia, underscoring that Latin American migrants tend to be younger and more mobile than the overall U.S. population.

'READY AND WILLING'

Hispanics, said IDB President Luis Alberto Moreno, are "ready and willing" to move wherever the jobs are, "contributing to the U.S. strength."

The IDB commissioned the Miami-based polling firm Bendixen and Associates to interview 2,511 adults about their economic backgrounds in the United States and in Latin America. The results were cross-checked with data from the U.S. Federal Reserve and central banks in Latin America.

Sergio Bendixen, the firm's owner, warned that if the United States shuts its door to Hispanic immigrants, as Congress is attempting to do, the U.S. economy would be "close to collapse." IDB officials pointed out that about 90 percent of the income received by Latin America-born migrants stays in the United States, or about \$460 billion.

More than 20 million households in Latin America -- or 80 million people -- receive more than \$60 billion annually from remittances worldwide, a number that dwarfs what countries receive in aid from the U.S. government or such institutions as the World Bank. Remittances even exceed the \$40 billion that private companies are expected to invest in Latin America this year, according to the Institute of International Finance, a group that represents big financial institutions.

Florida's numbers, while the fourth largest, excluded remittances to Cuba, which according to several other reports, obtains more than \$1 billion from around the world. The IDB can't cross-check the data on remittances to Cuba because of U.S. sanctions against the island.

California topped all states with \$13.2 billion sent, a 37 percent increase over 2004. It was followed by Texas, New York, Florida, Illinois, New Jersey and Georgia -- all states with large Hispanic populations.

But the IDB study showed that the fastest-growing rates of remittances were in places as diverse as Iowa and Arkansas. None of the 13 states registering 100 percent-plus growth rates were among the big seven.

Among those, New Mexico led the pack with a 260 percent increase from 2004, to \$370 million. Second was Louisiana with \$208 million sent this year, a 241 percent rise likely related to the Hurricane Katrina reconstruction jobs in New Orleans.

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"You can see in these numbers the changing in the map of migration in the United States," said Donald Terry, who heads the Multilateral Investment Fund, the private-lending arm of the IDB that has been tracking remittance trends for seven years.

Latin American migrants tend to be poor by U.S. standards: Three out of five earn less than \$30,000 a year. But the economic magnet is still powerful: Migrants earned an average of \$150 a month in Latin America, but their first U.S. job paid six times more, according to the IDB survey.

Also, 56 percent of migrants did not have full-time jobs before coming to America, and slightly more than half obtained a job less than a month after arriving.

The study also showed that individual migrants are sending more money to their relatives, from \$200 per monthly remittance in 2001 to \$300 now. The report revealed that the poorer and more recent arrivals are more likely to send money back home.

Bendixen said the growth is fueled in part by the poverty in Latin America. Latino migrants are also coming under greater social pressures to send money as family members tell them of friends or neighbors who are receiving money, he said. And financial firms specializing in remittances are running campaigns "that make you feel like a bad person" if you don't send money.