

Mexico Migration Watch

US Baby boomers in Mexico: a growing group of immigrants

- Mexico Census indicates that 961,121 people born abroad live in Mexico, 76.4% of them from the U.S.
- Mexico accounts for 7.5% of all retired US workers entitled to pensions who live abroad. In 2010 the U.S. transferred a total equivalent to 194 million dollars to this group resident in Mexico.
- The Annual Retirement Index for 2012 ranks Mexico in 3rd place among best retirement destinations for US pensioners.
- The flows of immigrants and resources lead to economic changes in the host regions. Among the areas affected are services, health and native occupations, and they also boost the housing sector.

"Baby boomers" is used to refer to people born in the period after the World War II and up to around 1960, when there was an increase in the birth rate in Anglo-Saxon countries and some European ones. Although it can be used to refer to a generation at a global level, the term is more commonly used to describe those born in the United States, because of the relative size of its population.

Currently, the term "Baby Boomers" has gained prominence, as it describes a large generation that is making the transition from the workforce to retirement. The rapid growth in the last decade in geriatric health centers and jobs related to the care of the elderly is the result of demand originated in this demographic change in the population of some countries. Some retired people in this generation have made the decision to migrate to another country. This has generated a relatively new global market (in which Mexico participates) that caters to this population.

It is not easy to estimate the volume of this kind of immigrant, as many of them may make short visits or stays and/or reside in more than one country. According to Mexico Census 2010, US-born residents in Mexico were 738,103, accounting for 76.4% of all the people born abroad who live in Mexico. Of these, 39,032 (5.3%) are 50 years of age or over: they are people of retirement age or close to it.

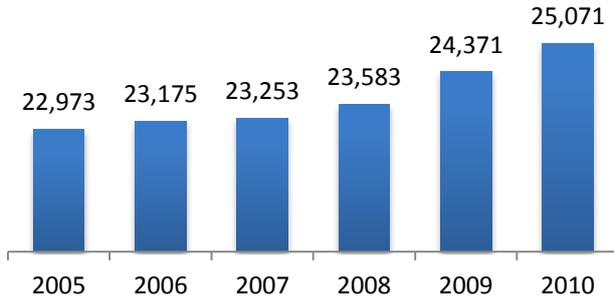
In 2010 the US Social Security Administration paid benefits to 333,244 retired workers resident abroad. Of these, 25,071 (7.5%) were in Mexico, and they received an annual amount of close to 194 million dollars in pensions.

Apart from the changes caused by immigration to the host regions in the service sector, health and native occupations, one of the sectors boosted by this inflow is housing. There are parts of Mexico where the immigration of pensioners from the U.S. is notable, such as the Valle de Guadalupe, San Miguel de Allende, Puerto Vallarta, Loreto, Cabo San Lucas and Lago de Chapala (Ajijic).

In many of these and other places there are real estate developments designed specifically for foreigners. According to the Annual Retirement Index published by *International Living* magazine, Mexico ranks 3rd in 2012 index among the best destinations for retirees.

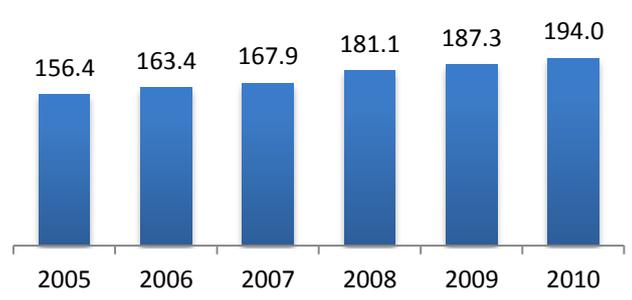
It is to be expected that with the recovery, albeit moderate, in the U.S., the income of the "Baby Boomers" will also increase. This could result in a growth of this population of retired migrants in Mexico over the coming years.

Chart 1
Retired US workers who receive their pensions in Mexico (pensioners)



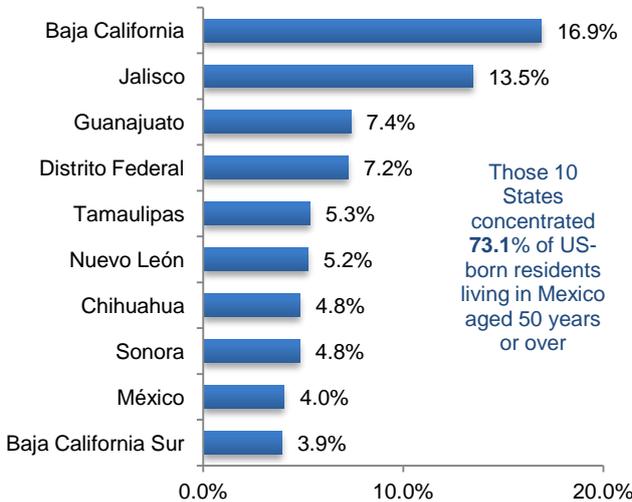
Source: BBVA Bancomer Research with US Social Security Administration data.

Chart 2
Total annual benefits received by retired US workers who reside in Mexico (millions of dollars)



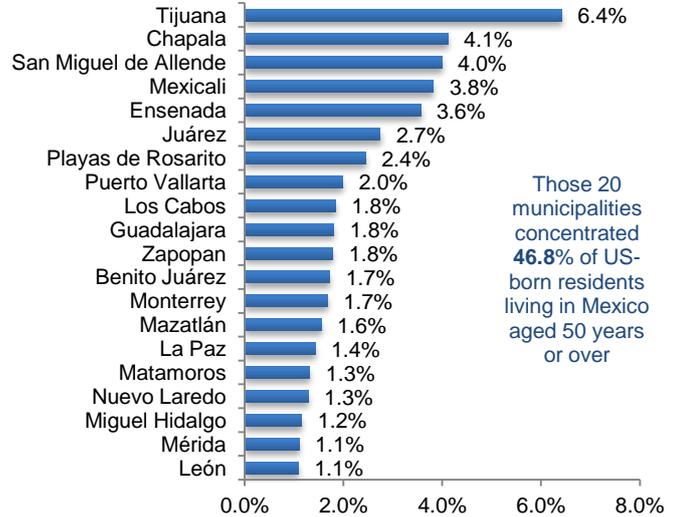
Source: BBVA Bancomer Research with US Social Security Administration data.

Chart 3
Most popular states in Mexico for US-born residents aged 50 years or over



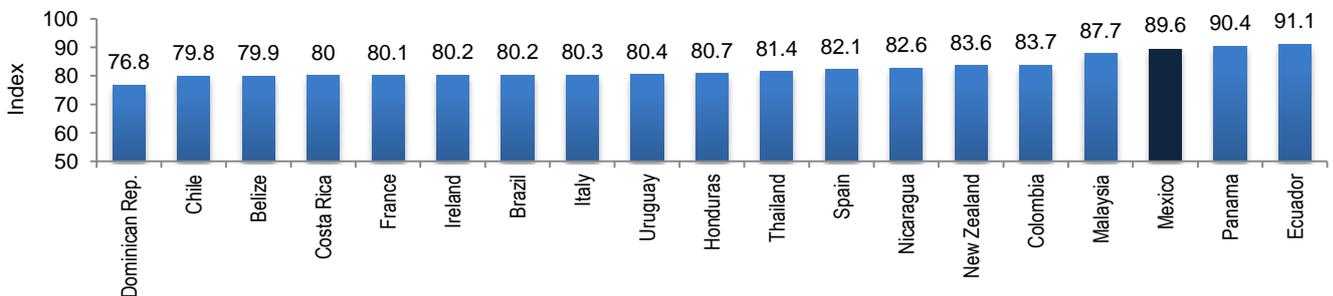
Source: BBVA Bancomer Research with data from Mexico Census 2010, INEGI

Chart 4
Most popular municipalities in Mexico for US-born residents aged 50 years or over



Source: BBVA Bancomer Research with data from Mexico Census 2010, INEGI

Chart 5
Annual Retirement Index 2012



Source: BBVA Bancomer Research with data from the magazine International Living.

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Notice

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