

Migration

# Mexico | Mothers' Day means an additional USD 320 to 380 million in remittances

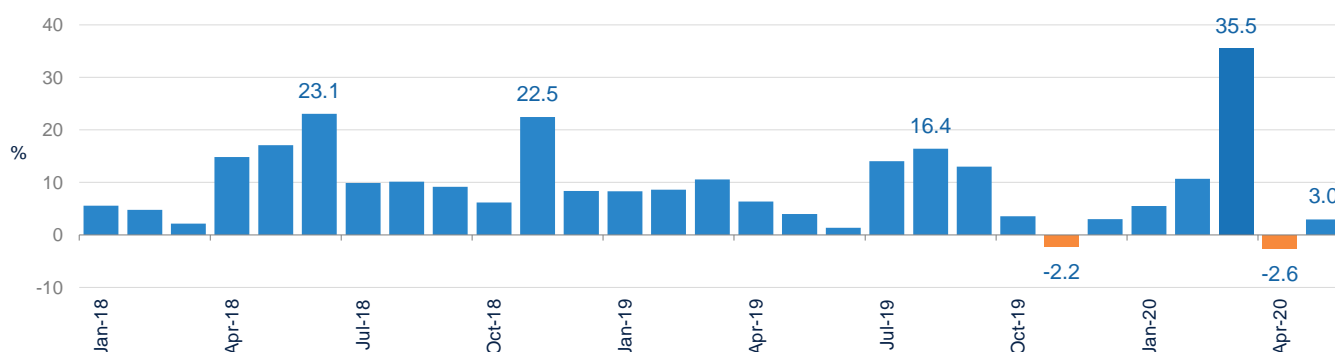
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July 1, 2020

- Despite the difficult economic conditions of the COVID-19 crisis, remittances to Mexico show no sign of stopping. Mexico received USD 3,379 million last month, a year-on-year increase of 3%. In real terms, taking currency depreciation into account, they grew by 23.8%.
- In May, it is estimated that Mothers' Day triggers an additional 1.0 to 1.2 million remittance transactions to Mexico from the US on average. This equates to between USD 320 and 380 million.
- Remittances to Mexico during the first five months of 2020 totaled USD 15,538 million, representing year-on-year growth of 10.4%.

The Banco de México (Bank of Mexico) reported that Mexico received USD 3,379 million in family remittances in May — representing year-on-year growth of 3%. Almost 10.6 million transactions were recorded, marking a year-on-year increase of 4%, with an average amount of USD 319 (-0.9%) per remittance. Remittances to Mexico during the first five months of 2020 totaled USD 15,538 million, representing year-on-year growth of 10.4%.

Due to the increase observed in May and the depreciation of the Mexican peso against the US dollar in recent months, remittances grew by 23.8% in May in real terms. That is the equivalent of an additional MXN 14,500 million for households in Mexico in May.

Figure 1. **Family remittances to Mexico, 2018–2020**  
(YoY % change in USD)



Source: BBVA Research based on Banco de México data

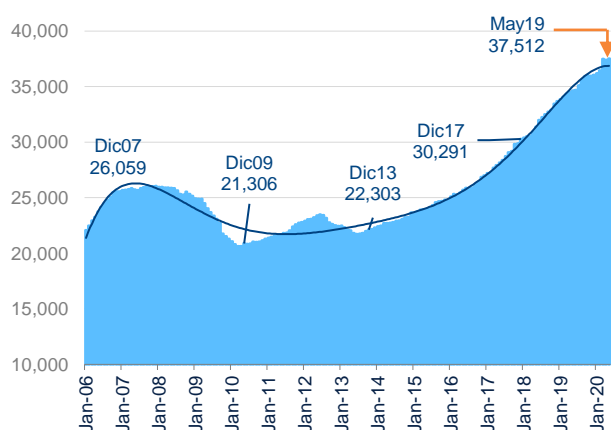
## Despite the COVID-19 crisis, Mothers' Day triggers an increase in remittances

In general, with the exception of 2020, May is the month of the year in which most remittances are received. Despite the tough economic situation in the United States—the source of over 95% of all remittances to Mexico—the spike seen in May can be explained by the effect of Mothers' Day.

It is difficult to know how exactly this process works. Data suggests that routine remittances remain unchanged and that additional remittances are sent for the event. Estimates suggest that May sees around 1.0 to 1.2 million more transfers than any other month of the year. On average, these Mothers' Day transfers total around USD 320 to 380 million.

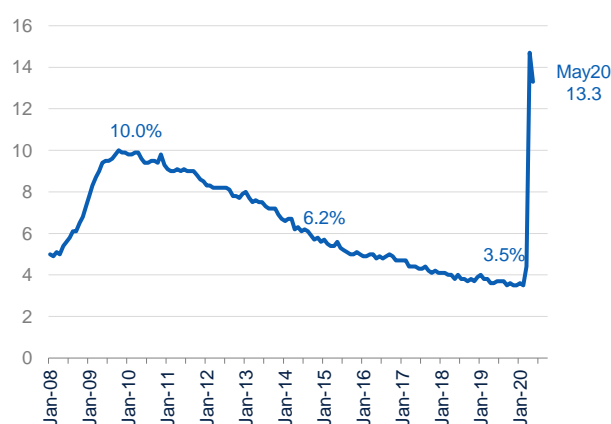
This extra money is usually sent to a friend or relative who is a mother. The mother who receives the money is usually the mother of the sender, but money is also sent to grandmothers, aunts, sisters, mothers-in-law and others. The money is usually intended for the mother to buy herself a gift, cover other expenses or to pay for Mothers' Day celebrations.

Figure 2. **Cumulative 12-month flow of remittances to Mexico (USD millions)**



Source: BBVA Research based on Banco de México data.

Figure 3. **United States: National unemployment rate (%)**



Source: BBVA Research based on figures from the US Bureau of Labor Statistics.

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