



Migration Observatory

January 28, 2010

Remittances in dollars fell by 15.7% on an annual basis in 2009, the second consecutive year of falls, and the largest fall since reliable statistics started to be kept.

- Around 60% of the jobs lost in the USA were in construction, manufacturing and commerce, the sectors which employ the majority of Mexican migrants. Around 560 thousand workers of Mexican origin lost their jobs in the USA in 2009.
- Around 271 thousand more Mexican migrants went into poverty in 2009. The states most affected by the reduction in remittances were Tabasco, Chiapas, Campeche and Hidalgo. The state with the highest income from this source was Michoacán, which accounted for 10% of the total.
- The reduction in income was partially offset by depreciation of the peso. The fall in remittances was close to forecasts, and a gradual and moderate recovery is expected in 2010, with the first signs of recovery being seen in the second half of the year.

2009 was a difficult year for Mexicans in the United States. The loss of jobs which began in late-2007 and early-2008 continued, particularly in sectors with a high concentration of Mexicans. Around one million jobs were lost in both the construction and commerce sectors in 2009, whilst around 1.4 million jobs were lost in manufacturing. Around 60% of all job losses in the USA were in these three sectors.

The number of workers of Mexican origin employed fell by around 560 thousand between the fourth quarter of 2008 and the fourth quarter of 2009, increasing the number of workers of Mexican origin currently unemployed to around 1.8 million, of whom around 51% are immigrants. This increased the unemployment rate for Mexican migrants in the USA from around 8% to 12%.

Given the economic situation faced by Mexican migrants in the United States, a larger number of these are now in poverty. Figures in the *Current Population Survey* show that there are now an additional 271

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US: Sectors with high presence of migrants. 4Q
(Thousands of employees. Seasonally adjusted)

Sector	2007	2008	2009	Chg. 2008-2007	Chg. 2008-2009
Construction	7,548	6,949	5,951	-600	-997
Manufacturing	13,777	13,062	11,660	-715	-1,403
Commerce	26,713	26,002	24,997	-711	-1,004

Source: US. Department of labor

US: Labor Statistics of mexican employees. 4Q
(Thousands Non-seasonally adjusted)

	2008	2009	Chg. 2008-2009
Mexican origin			
Employed	12,960	12,398	- 562
Unemployed	1,184.28	1,770.54	586.26
Unemployment rate	8.37	12.50	4.12
Mexicans natives of USA			
Employed	5,831.31	5,543.48	- 287.83
Unemployed	588.14	873.05	284.91
Unemployment rate	9.16	13.61	4.44
Mexicans born in Mexico			
Employed	7,128.83	6,854.47	- 274.36
Unemployed	596.13	897.49	301.36
Unemployment rate	7.72	11.58	3.86

Source: BBVA Bancomer with Current Population Survey data.

thousand Mexican migrants in poverty in the USA, increasing the poverty rate from 19.7% in 2007 and 24.8% in 2008 to 27.1% in 2009.

This resulted in income from remittances to Mexico falling by 15.7% in 2009 in dollar terms compared to 2008, and by 17.7% compared to 2007. This is the largest fall in such income since 1995, when records began to be kept and is explained by the recession in the USA. The average value of each remittance was 317.10 dollars, 8.4% lower than in the previous year. In addition, the total value of remittances, at 21,181.10 million dollars, was the lowest since 2005.

However, despite this, the outflow of Mexican workers expected by some commentators did not occur. In the June issue of **Mexico Migration Watch** we listed a number of factors which would stop Mexican workers returning in large numbers. These included: the roots that most Mexicans have in the United States; border surveillance having reduced incentives to return; the workers would probably not be any better off if they returned to Mexico; and the flexibility of the migrant labor sector which has enabled job losses to be offset in other regions and sectors.

2010 will be better than 2009 for Mexican workers living in the United States, but it will be a gradual process. There will be a degree of recovery in employment, and a resulting improvement in remittances. We expect to see the first signs of improvement in the second half of the year.

US: Mexican immigrants according to poverty conditions (Thousands)

Year	Poverty condition	Total	%
2007	Poor	2,328	19.7
	Non-poor	9,197	77.9
	Total	11,812	100.0
2008	Poor	2,940	24.8
	Non-poor	8,905	75.2
	Total	11,845	100.0
2009	Poor	3,211	27.1
	Non-poor	8,659	72.9
	Total	11,869	100.0

Source: SIMDE with Current Population Survey March Supplement data.

