

Mexico Migration Flash

Remittances continue to increase. They have seen 19 months consecutive growth

- In April, remittances to Mexico were up by an annual 8.2% in dollar terms and 16% in real pesos.
- Hispanics living in the United States saw an historical high for jobs in April, hitting 21.76 million.
- In the first four months of the year, Hispanics in the US gained 242,000 jobs, a figure higher than the total jobs created in the US (228,000 jobs); this means that in "non-Hispanic" sectors, there were job losses.
- In May, the decline in the exchange rate and Mother's day in Mexico will be favorable factors for remittances.

The Bank of Mexico announced that in April Mexico received 2,025.8 million dollars in family remittances. This is annual growth in dollar terms of 8.2%, marking the nineteenth consecutive month of increases in dollars.

This month almost all growth was due to higher remittance transactions, with annual growth of 7.7%, while the average remittance saw marginal growth.

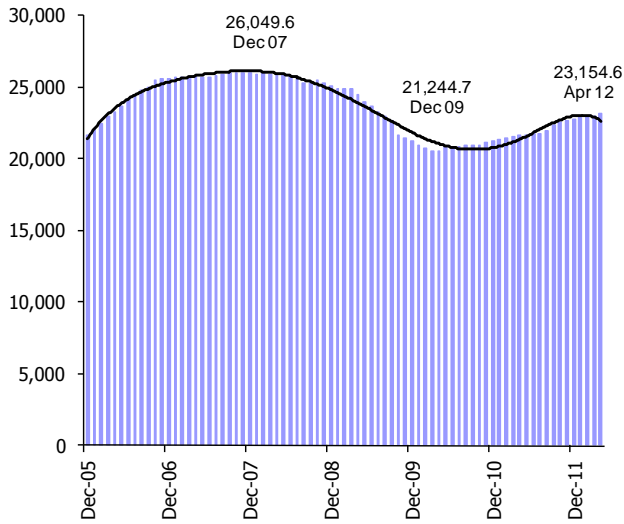
Over 12 months, the accumulated inflow of remittances sustained its upward trend and hit 23.154 billion dollars, remaining at the levels of the first quarter of 2006.

In nominal peso terms, remittances increased around 20% annually, while in real pesos (discounting inflation) growth was 16%.

In April, Hispanics continued to gain jobs and hit an historical high of 21.76 million. In this way, they gained 242,000 jobs in the first four months of the year, a figure higher than total new jobs created in the US economy over the same period (228,000). This means that although some workers may lose jobs, Hispanics continued to see job growth. Job growth for Hispanics in general, and Mexican migrants specifically, was key to the upswing seen in remittances to Mexico.

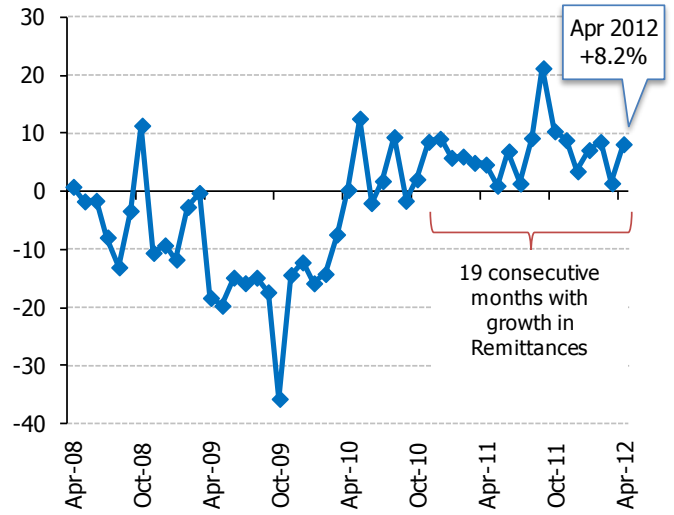
In May, remittances to Mexico will be favored thanks to the lower peso against the dollar and Mother's day in Mexico. This should mean the remittance inflow will surpass that for each of the first four months of the year.

Chart 1
Accumulated 12-month remittance inflows to Mexico (Million dollars)



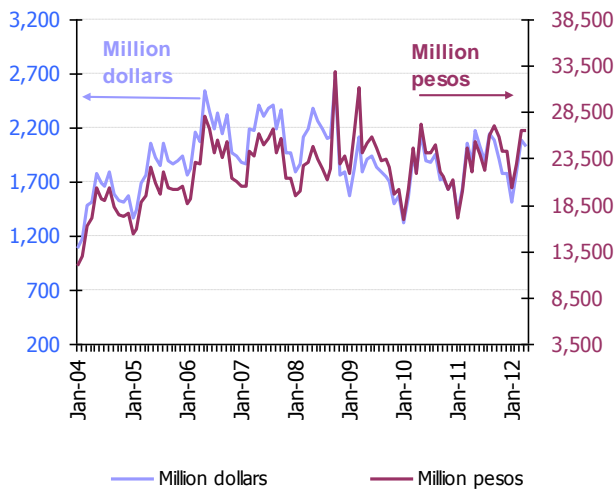
Source: BBVA Research with Banxico figures

Chart 2
Family remittances to Mexico (Annual % change in dollars)



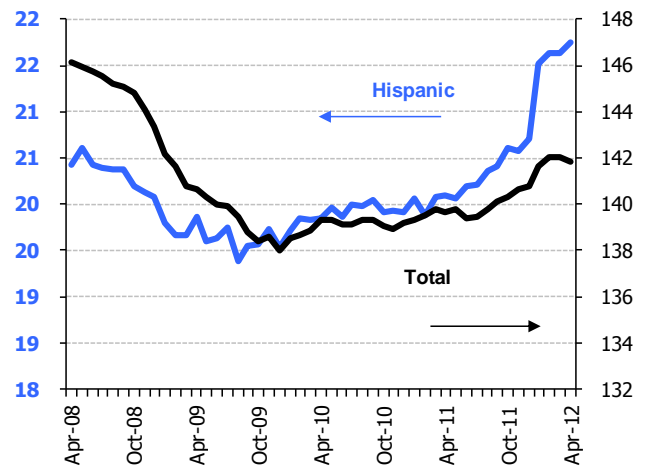
Source: BBVA Research with Banxico figures

Chart 3
Remittances to Mexico in dollars and pesos



Source: BBVA Research with Banxico figures

Chart 4
United States: Total and Hispanic employment (Millions)



Source: BBVA Research with Bureau of Labor Statistics data

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This publication is a joint initiative between the BBVA Bancomer Foundation and BBVA Research's Economic Research Department, Mexico. It aims to make new contributions in the field of Migration studies that add to knowledge of this important social movement.