

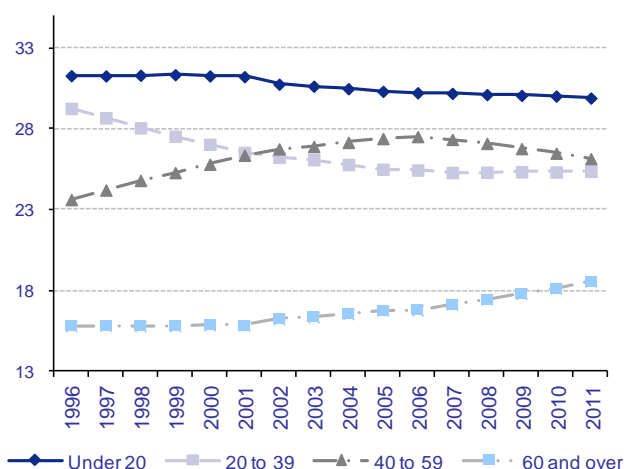
Mexico Migration Watch

Immigrants rejuvenate the United States

- The native US population is aging. By 2030, around 25% of the US total population will be aged 60 or over.
- Immigrants have helped slow the aging process by their contribution to working-age population and an increased birth rate. Of each 10 people under 20 years old in the US, 1 is son of Mexican immigrants and 1 of immigrants from other countries.
- In the US, the old-dependency ratio in the native population is 20%; among immigrants it is 15%, and among Mexican immigrants only 7%.
- Among US natives, there are 3 retirees per 10 active workers, while among Mexican immigrants in the US the figure is only 1 retiree per 10 active workers.

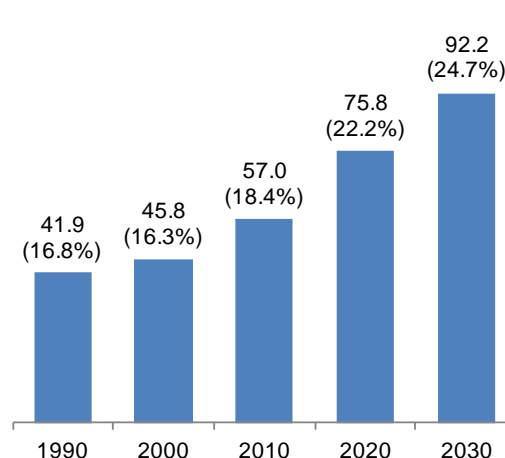
The native US population is aging. Estimates by BBVA Research based on the *Current Population Survey* prepared by the US Census Bureau show that the proportion of people aged 60 and over increased from 16% to around 19% between 1996 and 2011. Over the same period the proportion of people aged between 20 and 39 fell from 29% to 25%. The US Census Bureau estimates that the population aged 60 and over will increase from 18% of the total population now to around 25% by the year 2030, or over 92 million people. In this situation, immigrants help rejuvenate the US population, with the contribution from Mexican immigrants being particularly notable.

Chart 1
Native US population by age groups (%)



Source: BBVA Research, based on the Current Population Survey. March 1996-2011

Chart 2
Forecasts of population aged 60 and over in the US (Millions and % of total)



Source: BBVA Research, with figures from the US Census Bureau

Immigrants help rejuvenate the population in two ways: through their contribution to the working-age population and through their contribution to increase the birth rate; in other words, through the children of immigrants born in the US who in the future will be part of the labor force. Of the total US population aged between 20 and 39, 18% are immigrants, and 6% are immigrants born in Mexico. Immigrants also contribute in the population aged between 40 and 59, where they account for 17% of the total, while Mexicans are 5% of the total.

In the under-20 age group in the US, 20% have a mother or father born abroad, and 9% have a Mexican mother or father. In other words, of every 10 people aged under 20 in the US, 2 are children of immigrants, of whom half are of Mexican origin.

Table 1

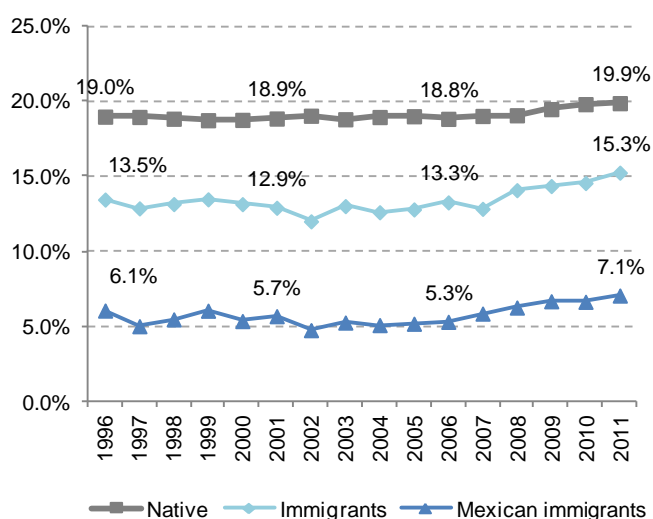
US: Total population broken down by age groups and origin, 2011 (%)

Age group	Immigrants		Natives	
	Total	Born in Mexico	Mother and/or father born outside the US	Mother and/or father born in Mexico
Under 20	4.3	1.3	20.4	9.1
20 to 39	18.2	6.4	9.6	3.4
40 to 59	17.4	4.9	4.7	0.9
60 and over	12.9	2.1	8.4	0.9

Source: BBVA Research, based on the Current Population Survey. March 2011

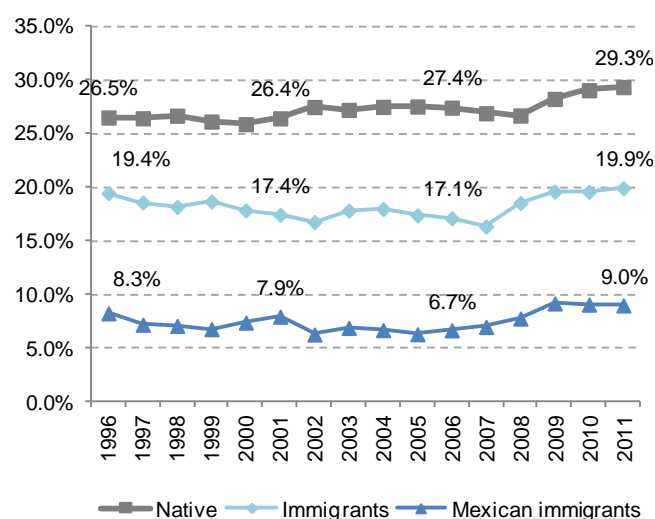
In 2011, the old-dependency ratio of the US native population, calculated as the ratio of the population aged 65 or over to that aged 15 to 64, was 20% (nearly 1 elderly adult per 5 people aged 15-64); while the dependency ratio of the immigrant population was 15%. Taking into account only the immigrants of Mexican origin gives an old-dependency ratio of only 7%, which is far lower than that of natives and immigrants on average.

Chart 3
Old-dependency ratio*
(%)



* Ratio of population of 65 years or over to population aged 15 to 64
Source: BBVA Research, based on the Current Population Survey. March 1996-2011

Chart 4
Ratio of retirees to active workers*
(%)



* Includes all those who work, regardless of age
Source: BBVA Research, based on the Current Population Survey. March 1996-2011

A similar situation holds if we compare the ratio of retirees to active workers. In 2011, there were around 3 retired people to each 10 active workers in the native US population; for immigrants as a whole the ratio was 2 to 10; but if we consider only Mexican immigrants the ratio was 1 retired worker to 10 active workers.

In general, most of the US immigrants are young adults in working-age population. This characteristic is most marked among those of Mexican origin. Mexican immigration to the US is mainly for work, which explains the greater proportion of immigrants of working-age. Moreover, not all immigrants grow old in the US, as in some cases they return to their community of origin after ending their migration-cycle or in extreme cases after being deported.

Although it is true that there is also immigration to the US for reasons of family reunification, the Current Population Survey figures over the last 15 years do not show any significant changes in the proportion of immigrants of working-age and older people. This indicates that the US will continue to benefit from immigration of young adults over the coming years.

A report by the Pew Hispanic Center (2012) reveals that in 2011 just over 50% of children aged under a year in the US were children of "minorities," and more than half of them were of Hispanic origin. In other words, Hispanics contribute nearly a quarter of US births.

It is therefore important to recognize the contribution of migrants to the US labor force in terms of helping rejuvenate the population. Among other benefits, this helps reduce the steadily growing pressure on the pension system and maintains the competitive structure of the country's labor force. The announcement by President Obama on June 15th to put on hold the deportations of young people under 30 years old, who meet certain conditions, could generate benefits both for immigrants and the economy of the United States as a whole.

References

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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.