

On the Remitting Patterns of Immigrants: Evidence from Mexican Survey Data

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For a variety of reasons, a heightened interest in understanding the remitting practices of immigrants has emerged. Banks have come to recognize the untapped potential for business in this burgeoning market. Economists have begun to note that remittance inflows into developing nations are, in many cases, catching up to and exceeding traditional sources of foreign currency earnings, and the research community is exploring the potential impact of immigrants' money flows on the economic development of economies receiving remittances. Likewise, government officials have intensified efforts to control money laundering and other illicit transactions and to bring immigrants' transactions into the formal transfer market. Such tasks would minimize the opportunities for criminals to camouflage their transactions by sharing informal channels traditionally used by immigrants to transfer funds abroad.

In this paper, we summarize and present the basic trends in remittance transfers from Mexican immigrants in the United States to their families in Mexico. While Mexican immigrants are not the only immigrant group with high rates of participation in the remittance transfer markets, Mexicans represent a very large segment of the total foreign-born U.S. population, accounting for about one-third of the 33 million foreign born in the United States (Grieco 2003). A series of large, extensive, and long-standing surveys carefully detail the migration experiences of Mexican immigrants and their subsequent remittance flows, allowing for an in-depth analysis of these migrants and their remitting behavior. Using these data, we track patterns in remittance flows and answer several questions: Who remits? How much and why do they remit? What are the transfer mechanisms used to remit funds? To what extent the behavior of Mexican immigrants can be generalized to other immigrant groups remains an open question. Nonetheless, by carefully detailing the experiences of this large and important immigrant group, we obtain some important insights about remittances that can stimulate discussion and invite further study of this growing phenomenon.