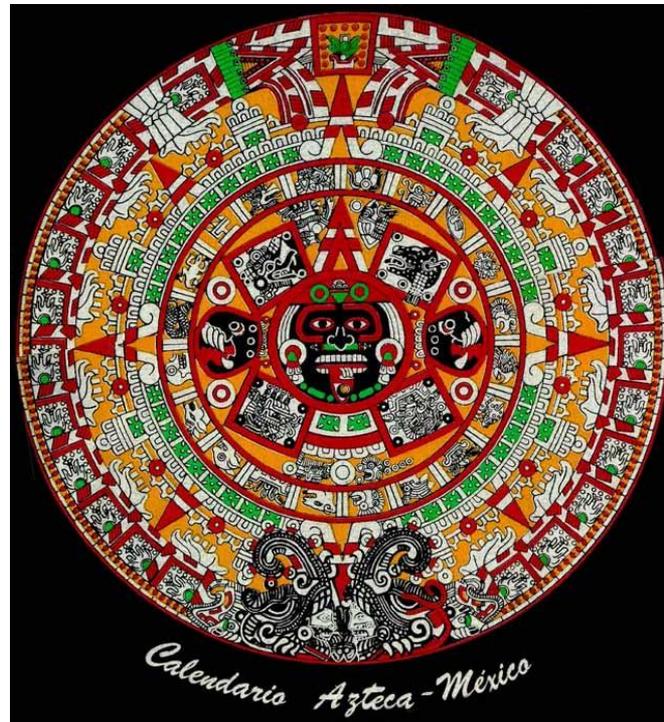


# Life-Cycle Deficit and Income from Abroad

## MEXICO 2004-2006



**Iván Mejía-Guevara**

**Virgilio Partida-Bush**

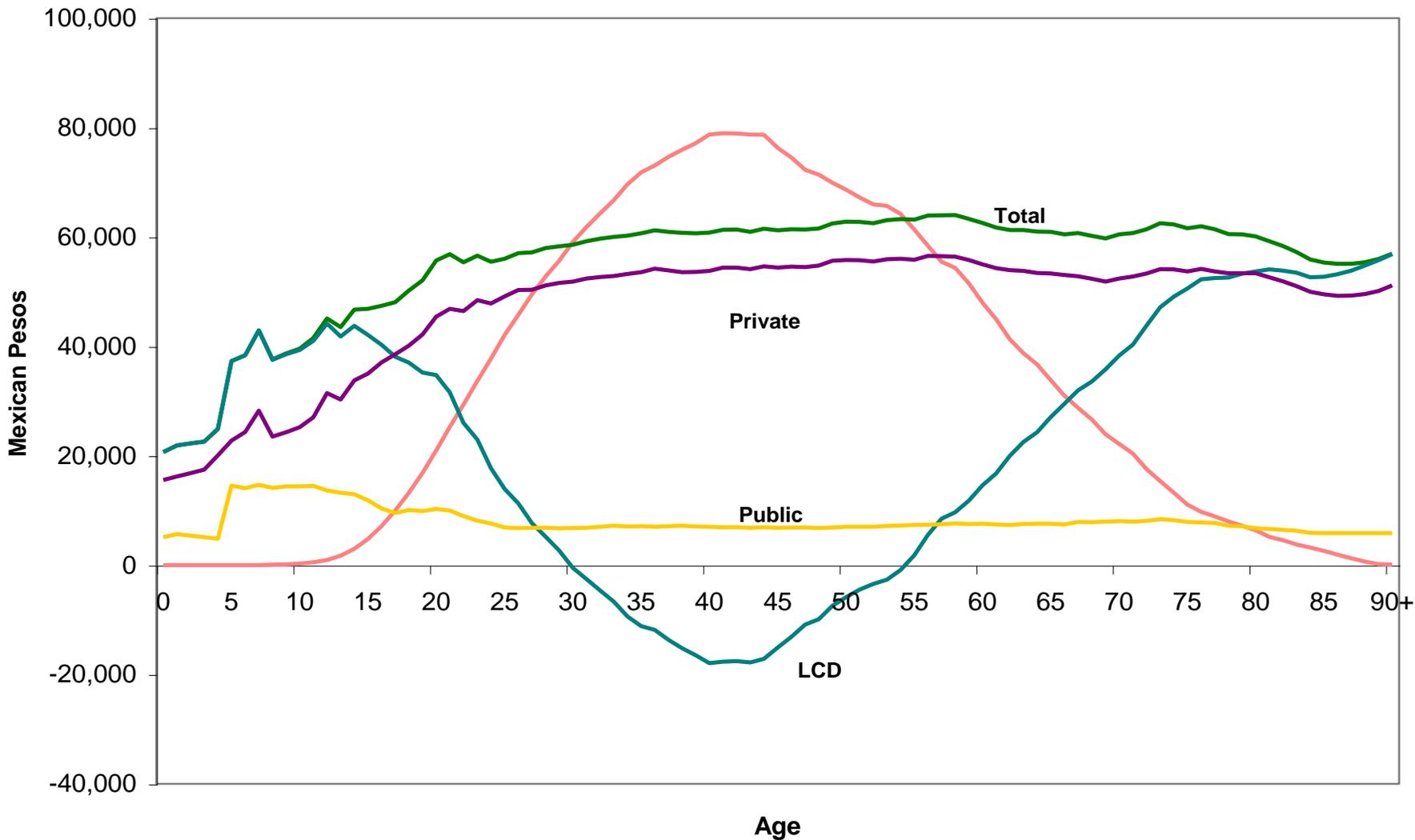
Seoul, Nov-06, 2007

# Contents

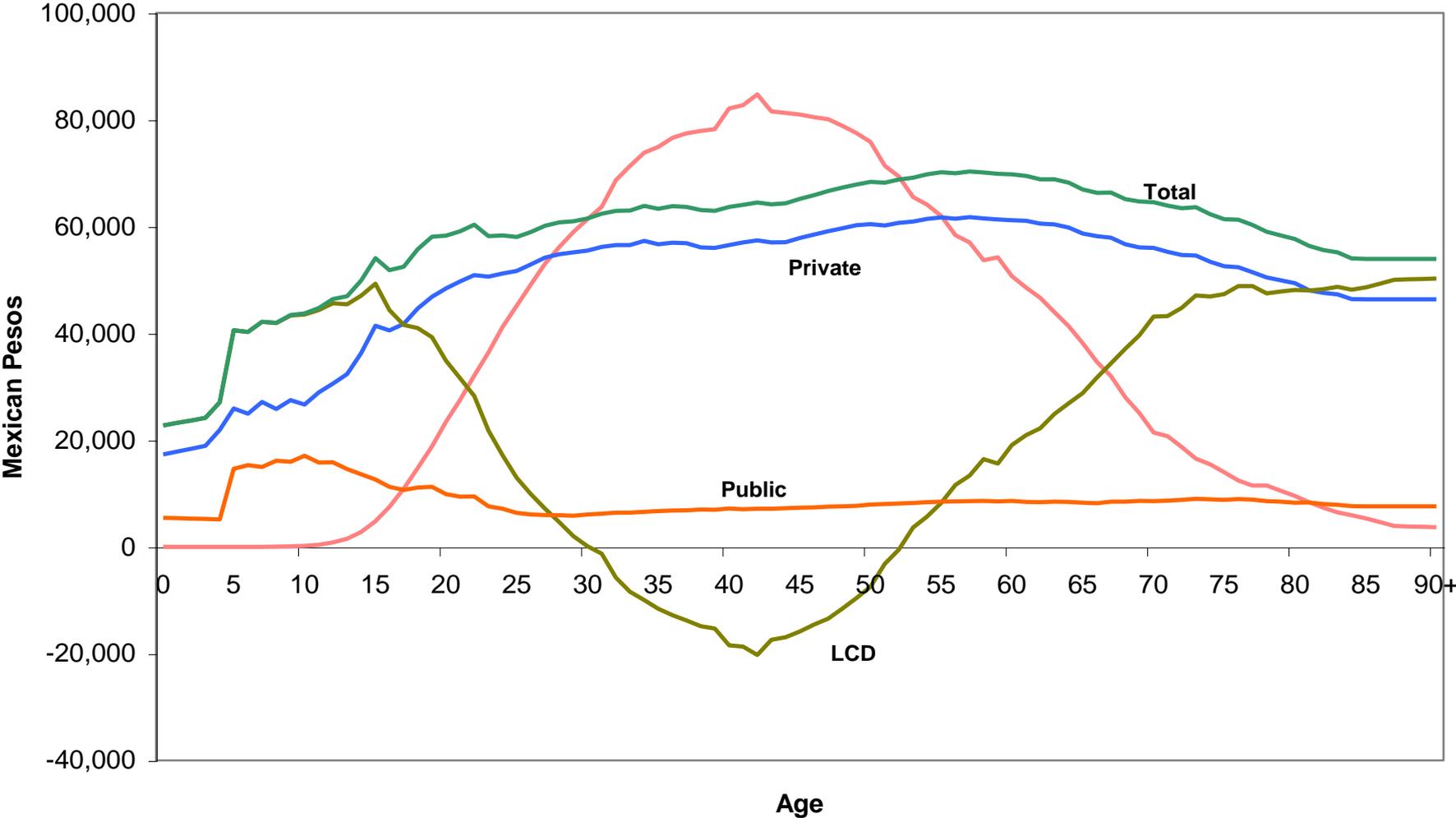
1. Life-Cycle Deficit: MEXICO 2004-2006
2. Smoothing
3. Remittances
4. Future work

# 1. Life-Cycle Deficit: MEXICO 2004-2006

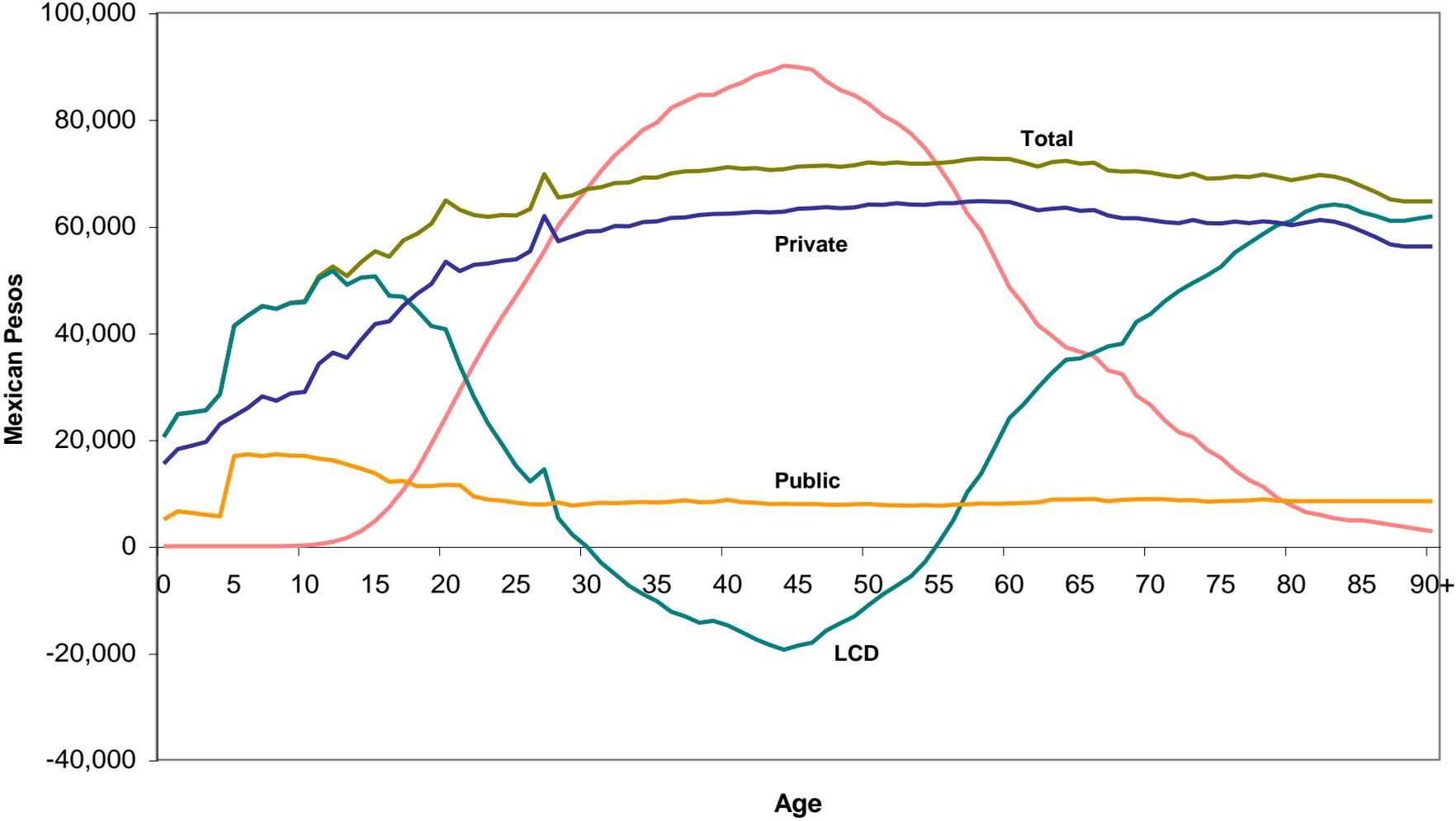
# Per Capita Labor Income, Consumption and LCD Mexico, 2004



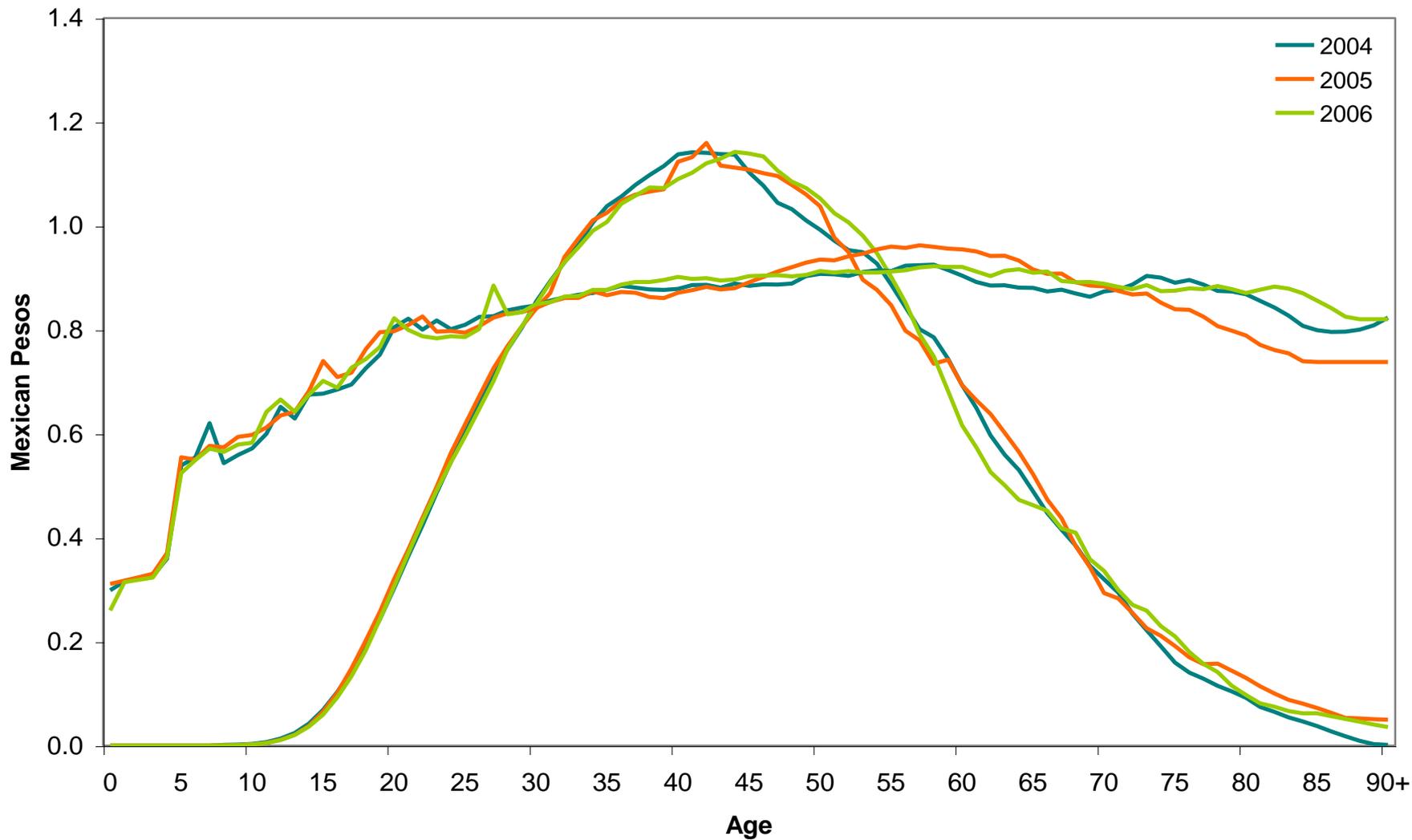
# Per Capita Labor Income, Consumption and LCD Mexico, 2005



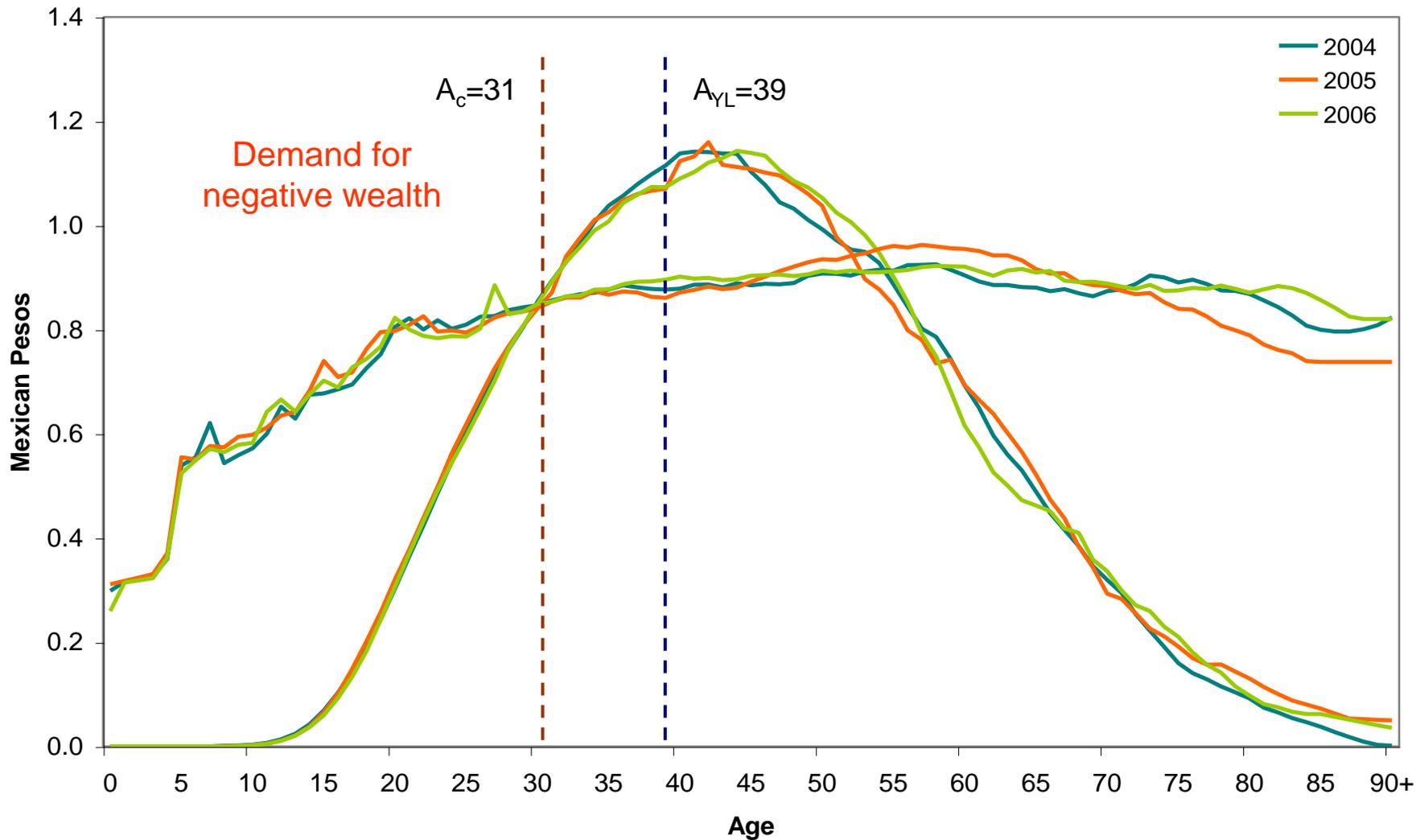
# Per Capita Labor Income, Consumption and LCD Mexico, 2006



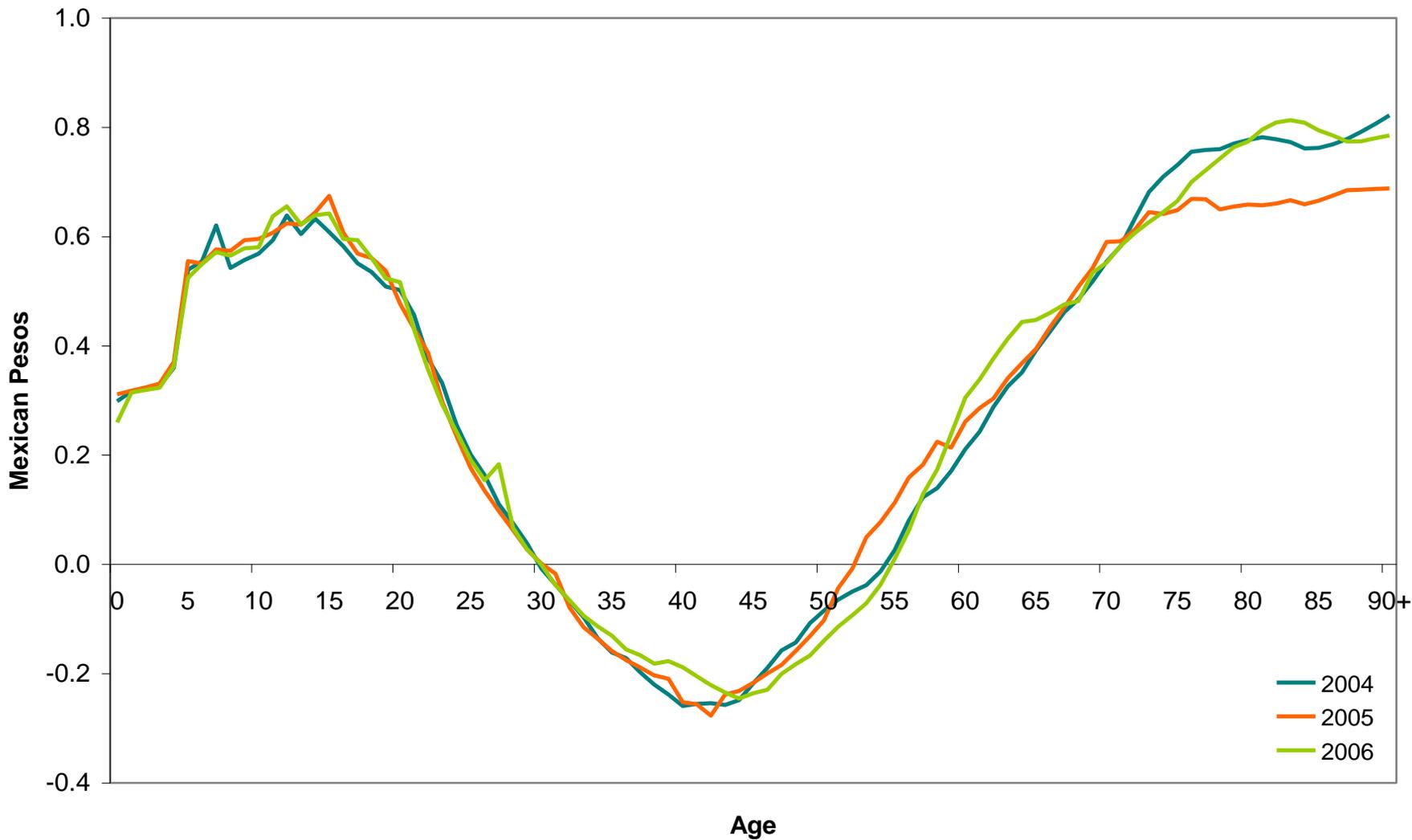
**Labor Income and Consumption,  
relative to average YL 30-49, Mexico, 2004-2006**



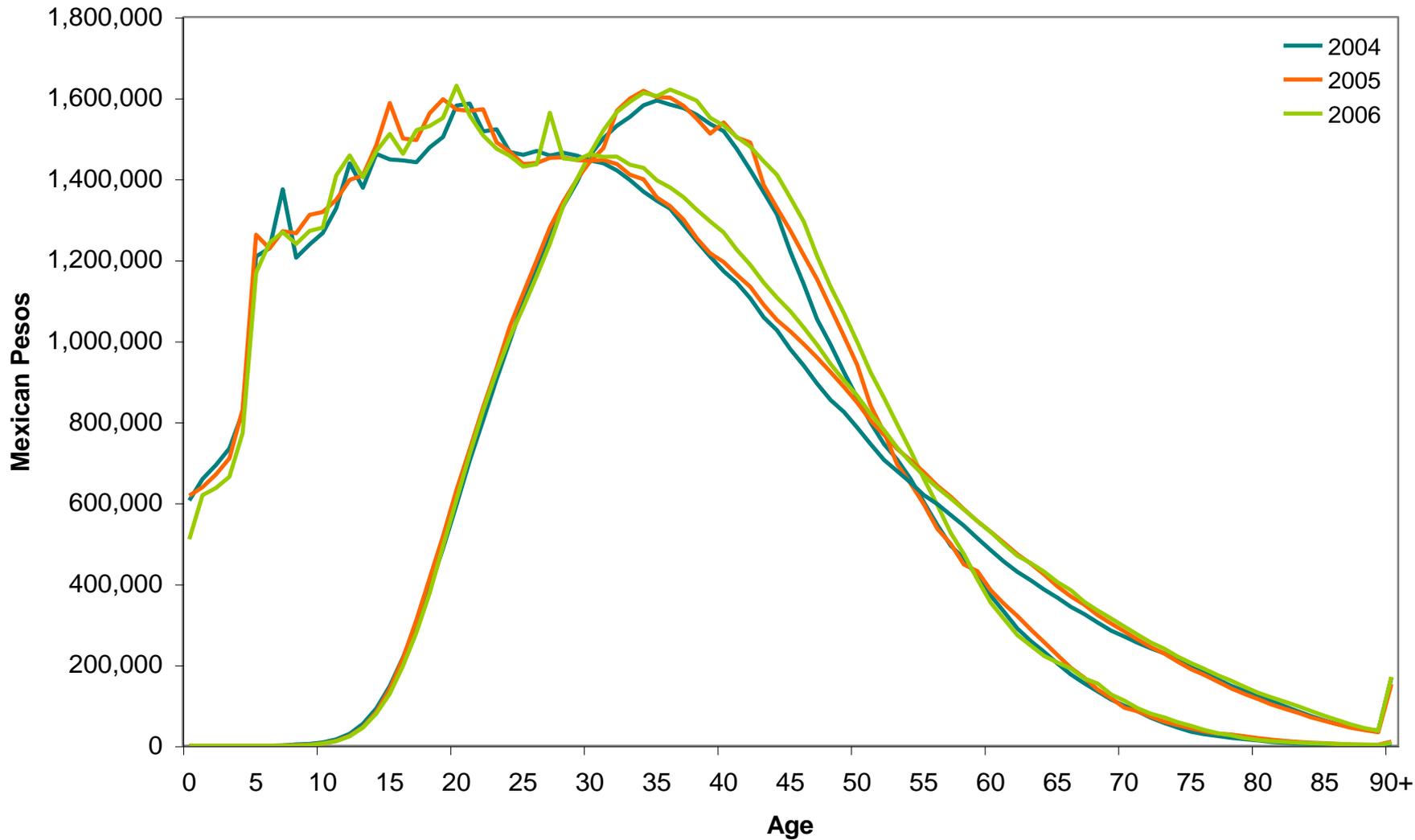
### Labor Income and Consumption, relative to average YL 30-49, Mexico, 2004-2006



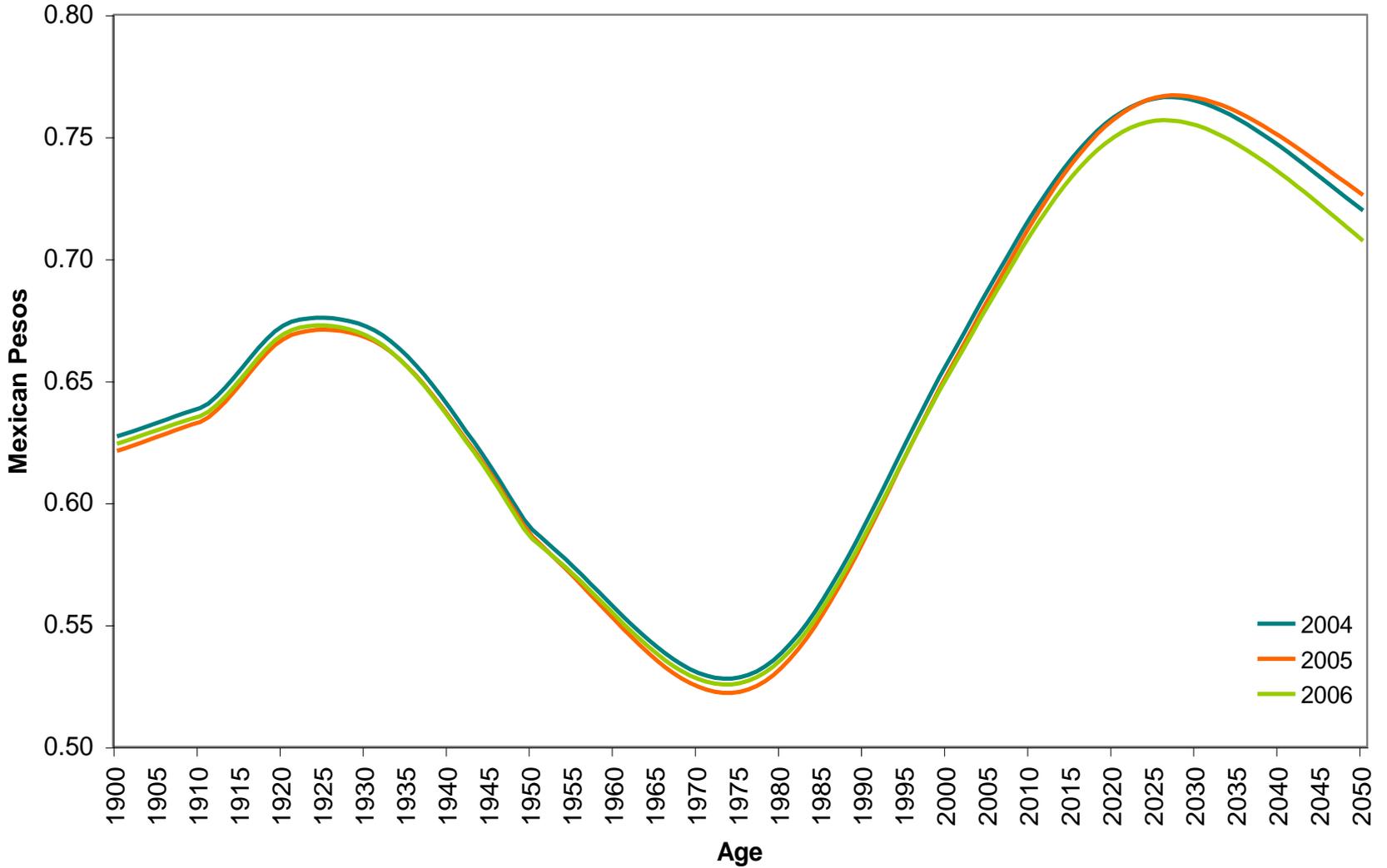
**Life-Cycle Deficit,  
relative to average YL 30-49, Mexico, 2004-2006**



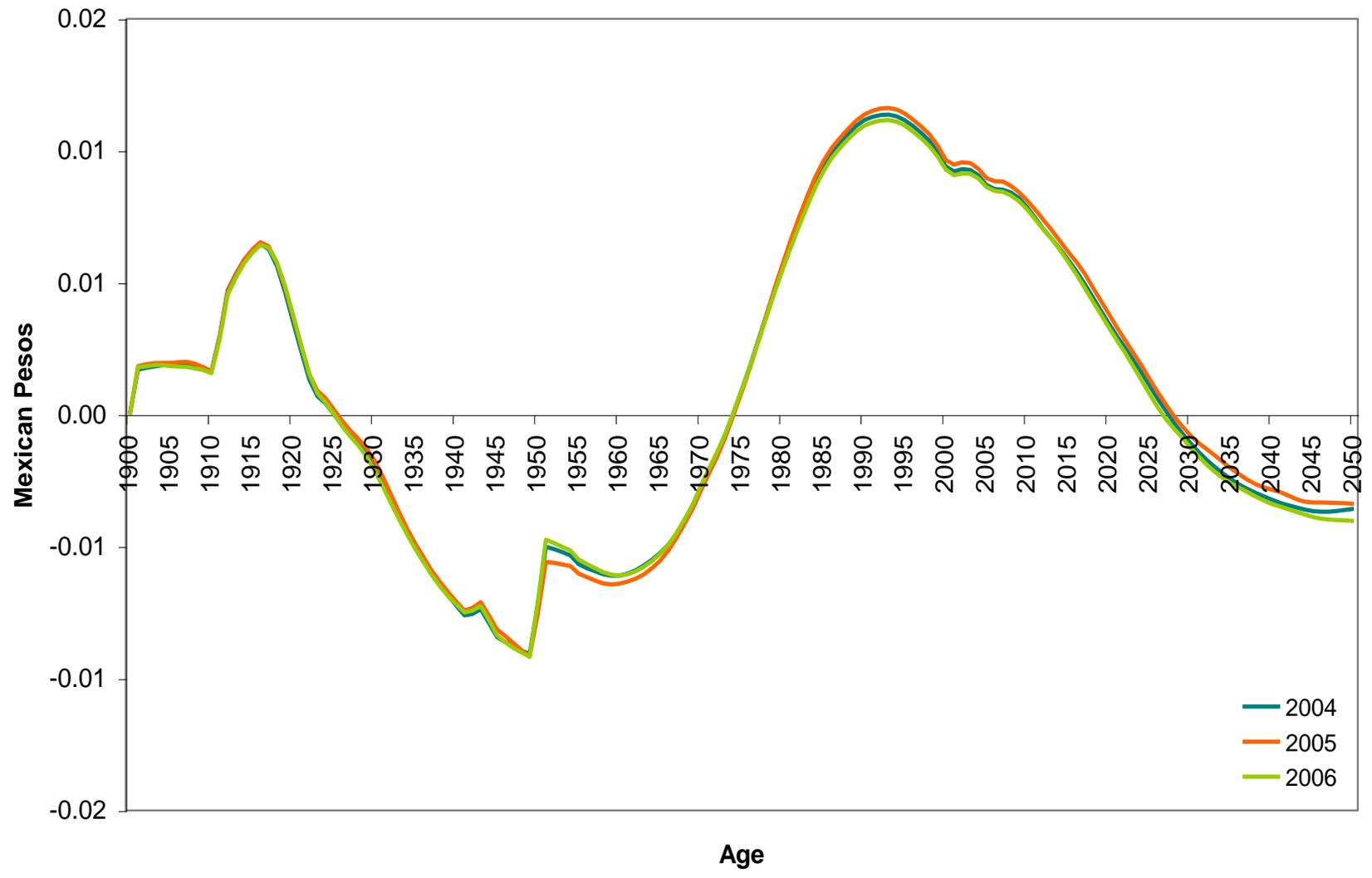
**Agregated Private Consumption and Labor Income,  
relative to average YL 30-49, Mexico, 2004-2006**



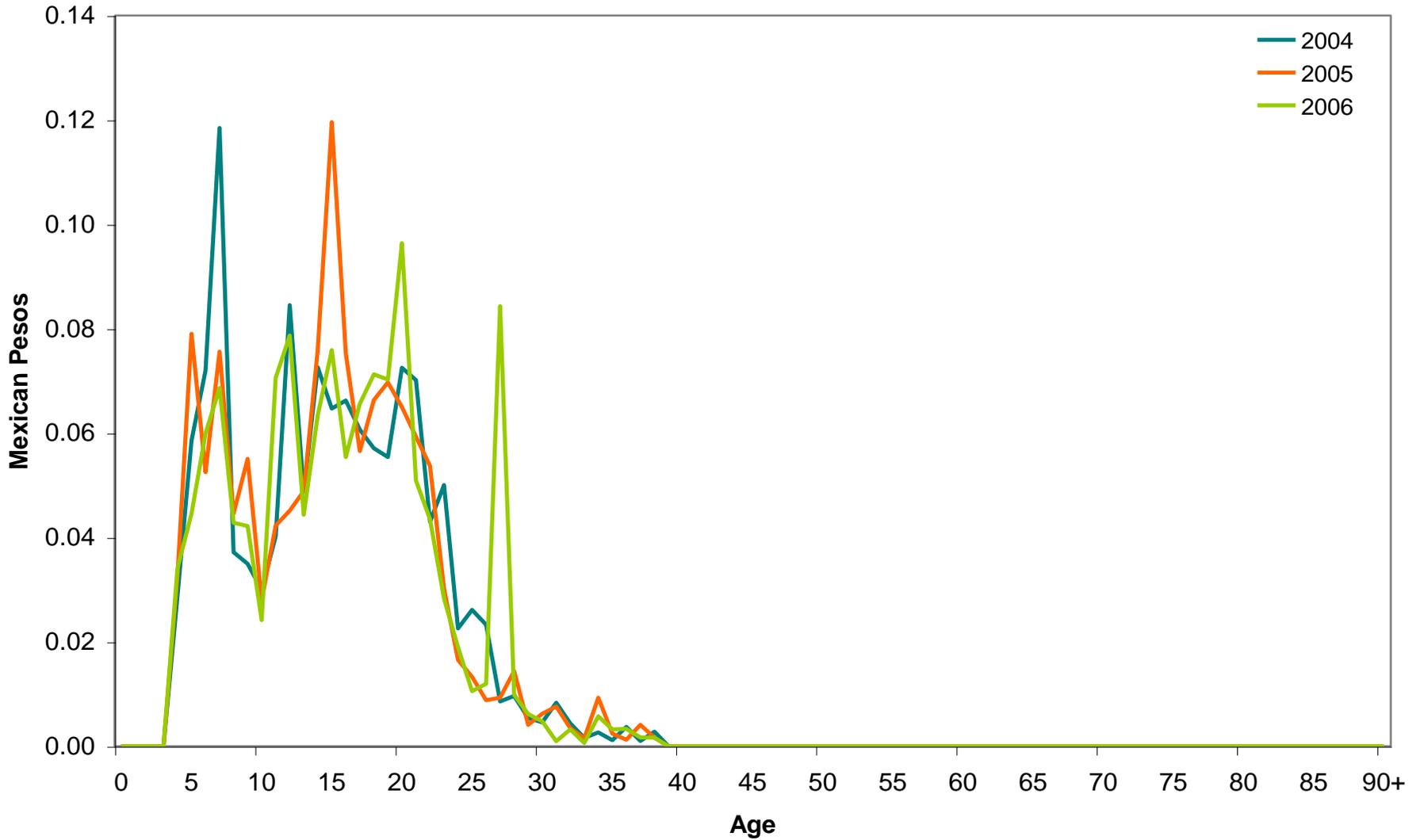
### Support Ratio, Mexico, 1900-2050 (2004-2006 Profiles)



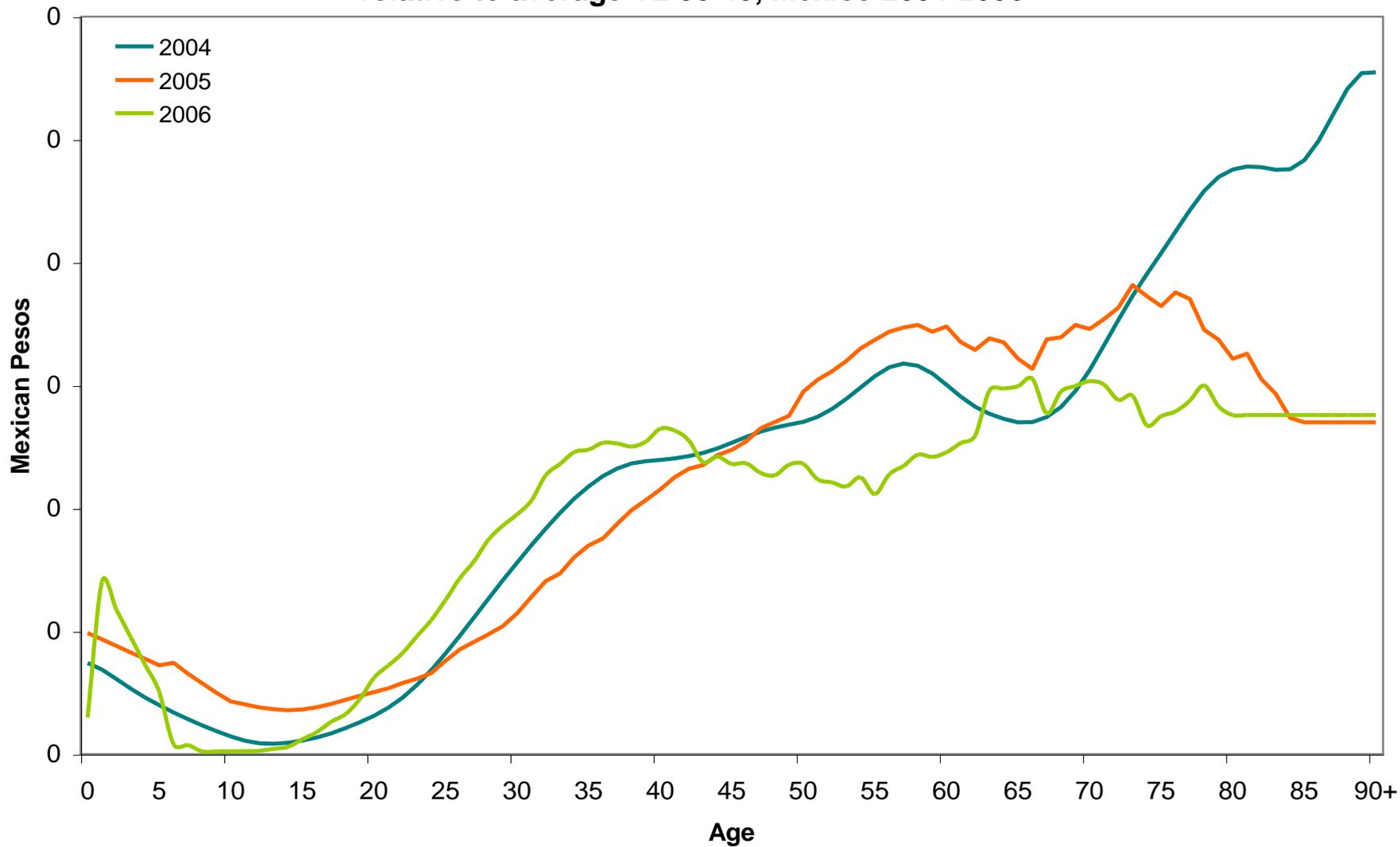
### Mexico's First Dividend, 1900-2050 (Estimated with 2004-2006 Profiles)



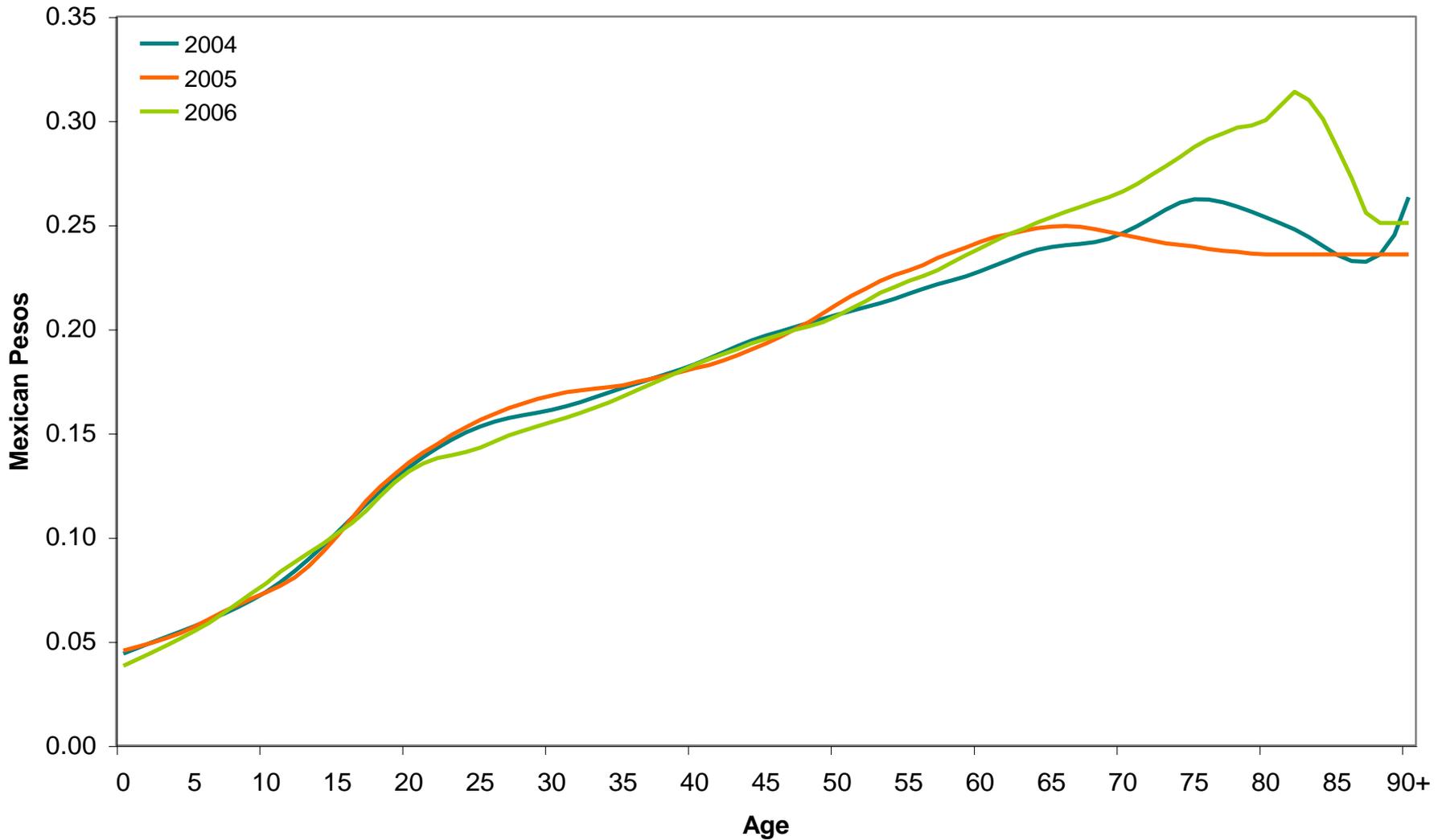
**Private Education Consumption,  
relative to average YL 30-49, Mexico 2004-2006**



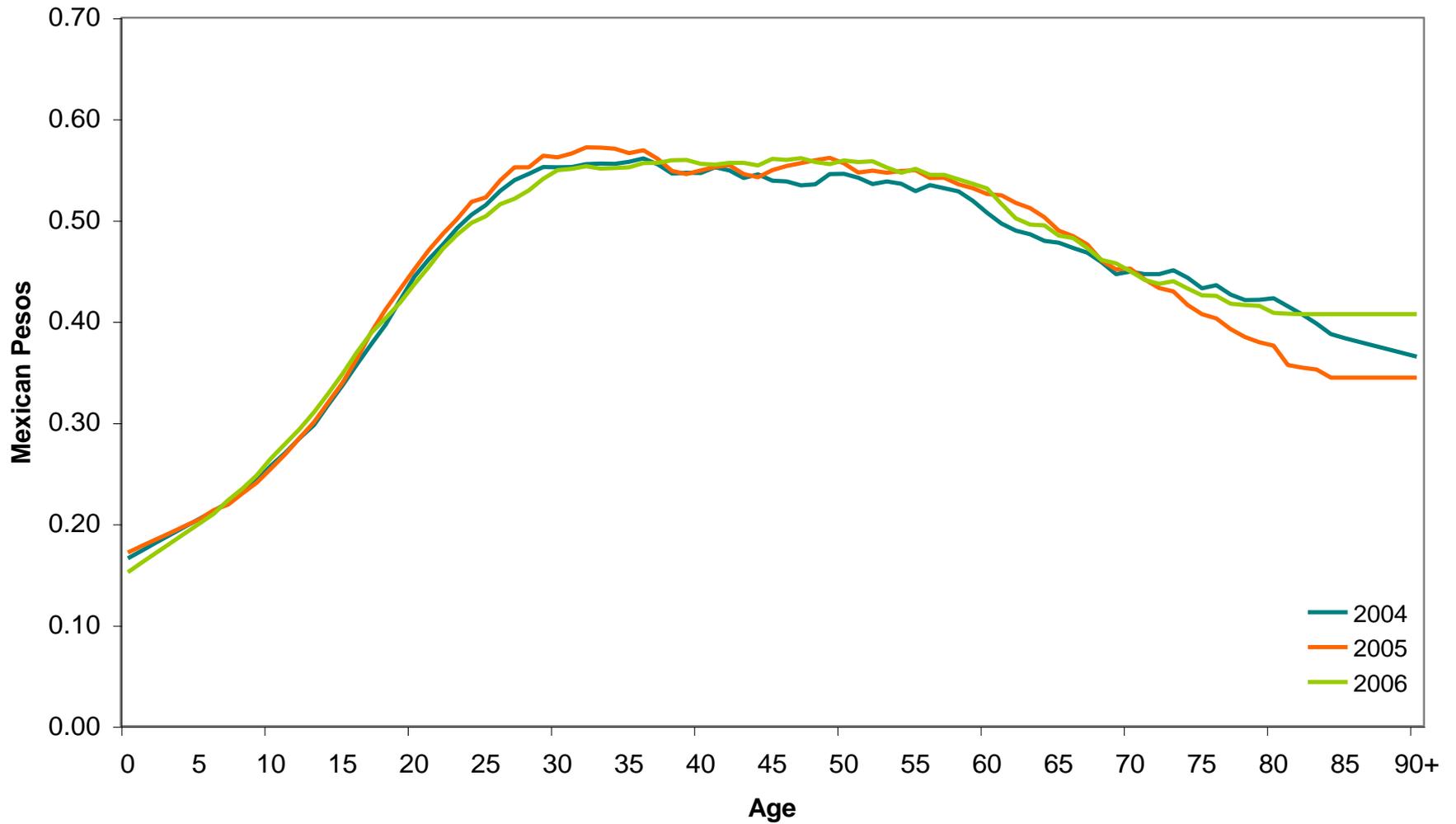
**Private Health Consumption,  
relative to average YL 30-49, Mexico 2004-2006**



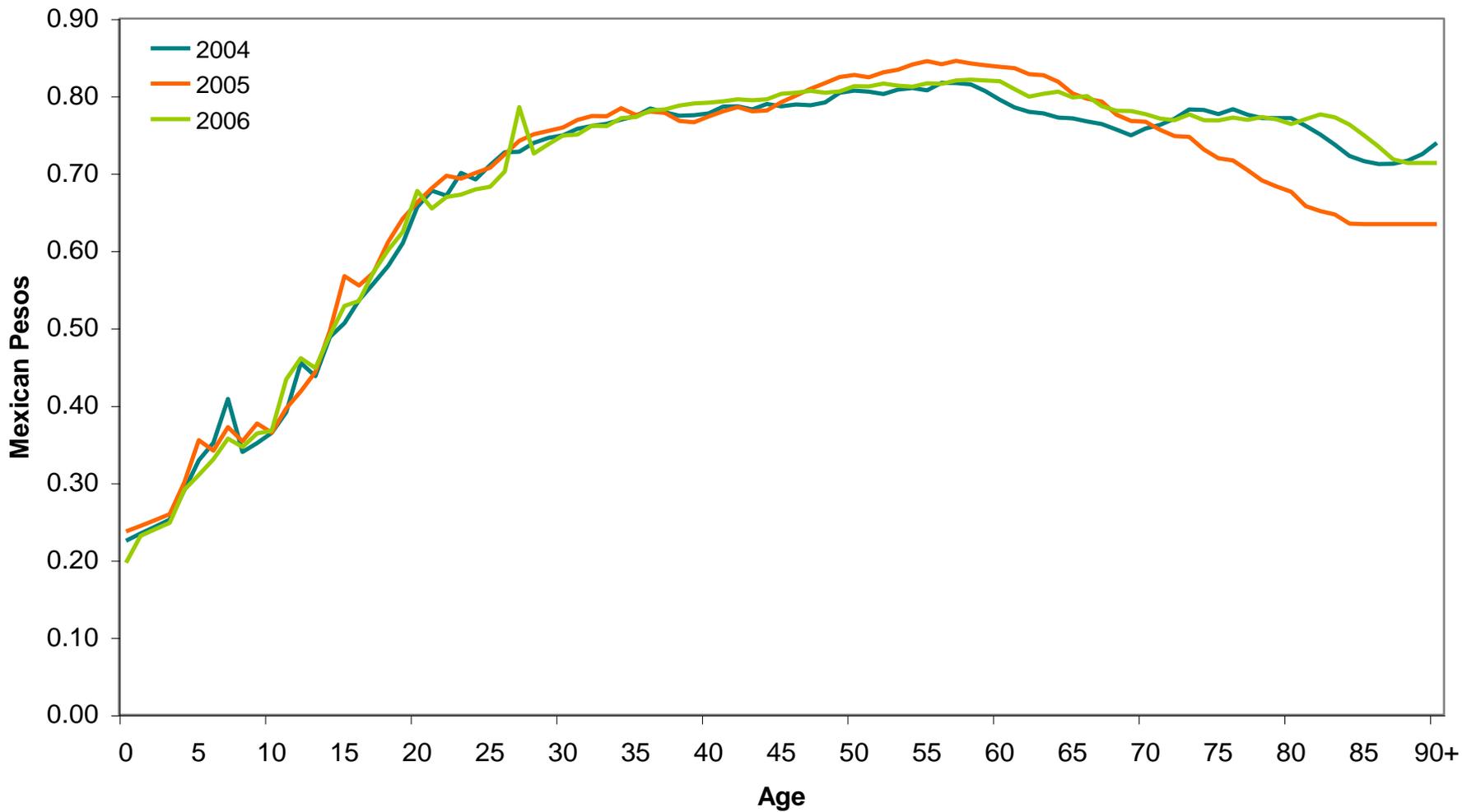
### Housing, relative to average YL 30-49, Mexico 2004-2006



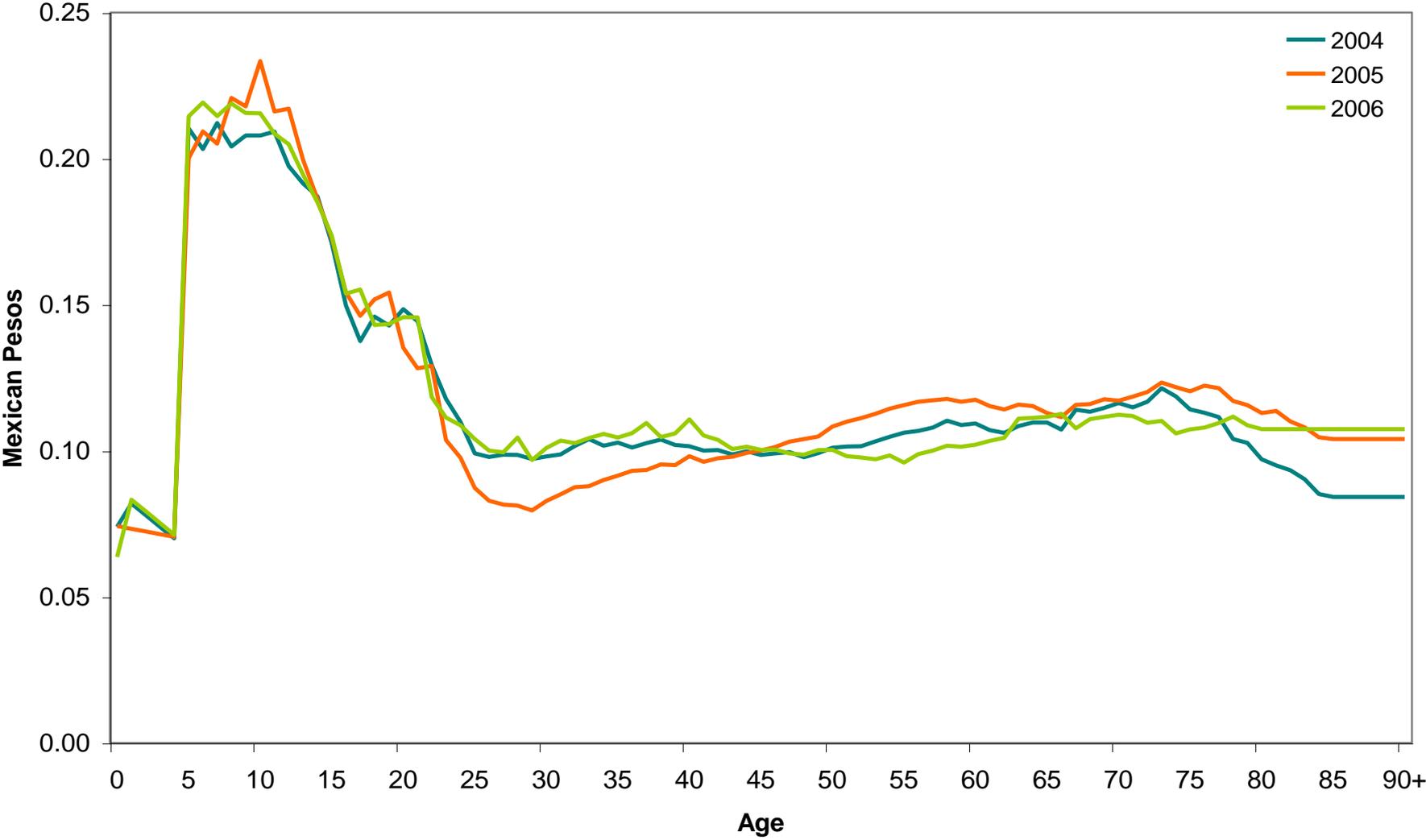
### Private Other Consumption, relative to average YL 30-49, Mexico 2004-2006



### Private Consumption, relative to average YL 30-49, Mexico 2004-2006



**Public Consumption, relative to average YL 30-49, Mexico 2004-2006**



## Main Data Sources

<b>FIES 2000-2006</b>					
<b>Sample</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Households	10,108	17,167	22,595	23,174	20,875
Individuals	42,535	72,602	91,738	94,308	83,624

# Methods and Assumptions

Profile	2004		2005		2006	
	Method	AC	Method	AC	Method	AC
<b>Private Consumption</b>						
Education	FIES-2004 (enrollment rates), Regression	NIPA 2004, SP	FIES-2005 (enrollment rates), Regression	NIPA 2005, SP	FIES-2006 (enrollment rates), Regression	NIPA 2006, SP
Health	Regression, Iterative, inpatient services (IN) and outpatient services (OUT) in 2006 from the ENS-2006	NIPA 2004, SP	Regression, Iterative, inpatient services (IN) and outpatient services (OUT) in 2006 from the ENS-2006	NIPA 2005, SP	Regression, Iterative, inpatient services (IN) and outpatient services (OUT) in 2006 from the ENS-2006	NIPA 2006, SP
Housing	Equivalence scale	NIPA 2004, SP	Equivalence scale	NIPA 2005, SP	Equivalence scale	NIPA 2006, SP
Other	Equivalence scale	NIPA 2004, SP	Equivalence scale	NIPA 2005, SP	Equivalence scale	NIPA 2006, SP
<b>Public Consumption</b>						
Education	UNESCO: Percentaje distribution of current expenditure on education by level (PDCEEL), Pre-primary, Primary, Secondary, Tertiary - 2004	NIPA 2004	UNESCO: PDCE, Pre-primary, Primary, Secondary, Tertiary - 2004	NIPA 2005	UNESCO: PDCE, Pre-primary, Primary, Secondary, Tertiary - 2004	NIPA 2006
Health	Private proportion, per capita, IMSS <sup>1</sup>	NIPA 2004	Private proportion, per capita, IMSS <sup>1</sup>	NIPA 2005	Private proportion, per capita, IMSS <sup>1</sup>	NIPA 2006
Other	per capita	NIPA 2004	per capita	NIPA 2005	per capita	NIPA 2006
<b>Labor Income</b>						
Earnings	FIES 2004	NIPA 2004	FIES 2005	NIPA: GDP 2005, GDI 2004	FIES 2006	GDP 2006, GDI 2004
Unincorporated	FIES 2004	NIPA 2004	FIES 2005	NIPA: GDP 2005, GDI 2004	FIES 2006	GDP 2006, GDI 2004

SP: Sample proportion

GDI: Gross Domestic Income

NHS: National Health Survey

ENS 2006 (National Health Survey)

Source: Estimations by FUNSALUD based on SUI-13y 27 from IMSS, Boletin IMSS, ENSA 2000 and ENIGH 2000

# Methods and Assumptions

Profile	2000		2002	
	Method	AC	Method	AC
<b>Private Consumption</b>				
Education	FIES-2000 (enrollment rates), Regression	NIPA 2000, SP	FIES-2002 (enrollment rates), Regression	NIPA 2002, SP
Health	Regression, Iterative, inpatient services (IN) and outpatient services (OUT) in 2006 (?) from the ENS-2006	NIPA 2000, SP	Regression, Iterative, inpatient services (IN) and outpatient services (OUT) in 2006 (?) from the ENS-2006	NIPA 2002, SP
Housing	Equivalence scale	NIPA 2000, SP	Equivalence scale	NIPA 2002, SP
Other	Equivalence scale	NIPA 2000, SP	Equivalence scale	NIPA 2002, SP
<b>Public Consumption</b>				
Education	UNESCO: Percentaje distribution of current expenditure on education by level (PDCEEL), Primary - 2000	NIPA 2000	UNESCO: PDCE, Pre-primary, Primary, Secondary, Tertiary-2002	NIPA 2002
Health	Private proportion, per capita, IMSS <sup>1</sup>	NIPA 2000	Private proportion, per capita, IMSS <sup>1</sup>	NIPA 2002
Other	per capita	NIPA 2000	per capita	NIPA 2002
<b>Labor Income</b>				
Earnings	FIES 2000	NIPA 2000	FIES 2002	NIPA 2002
Unincorporated	FIES 2000	NIPA 2000	FIES 2002	NIPA 2002

SP: Sample proportion

GDI: Gross Domestic Income

NHS: National Health Survey

ENS 2006 (National Health Survey)

<sup>1</sup>Source: Estimations by FUNSALUD based on SUI-13y 27 from IMSS, Boletín IMSS, ENSA 2000 and ENIGH2000

## 2. Smoothing

2004

Private Consumption

Profile Method

Education	Regression
Health	Regression

Smoothing

span

Health	stata(0.25)
Housing	stata(0.25)
Other	0.1
Earnings	stata(0.15)
Unincorporated	0.1

Public Consumption

Profile Method

Health	Private
--------	---------

Normalization

current
---------

2005

Private Consumption

Profile Method

Education	Regression
Health	Regression

Smoothing

span

Health	0.1
Housing	cv
Other	0.1
Earnings	cv
Unincorporated	0.1

Public Consumption

Profile Method

Health	Private
--------	---------

Normalization

current
---------

2006

Private Consumption

Profile Method

Education	Regression
Health	Regression

Smoothing

span

Health	0.1
Housing	cv
Other	0.1
Earnings	cv
Unincorporated	0.1

Public Consumption

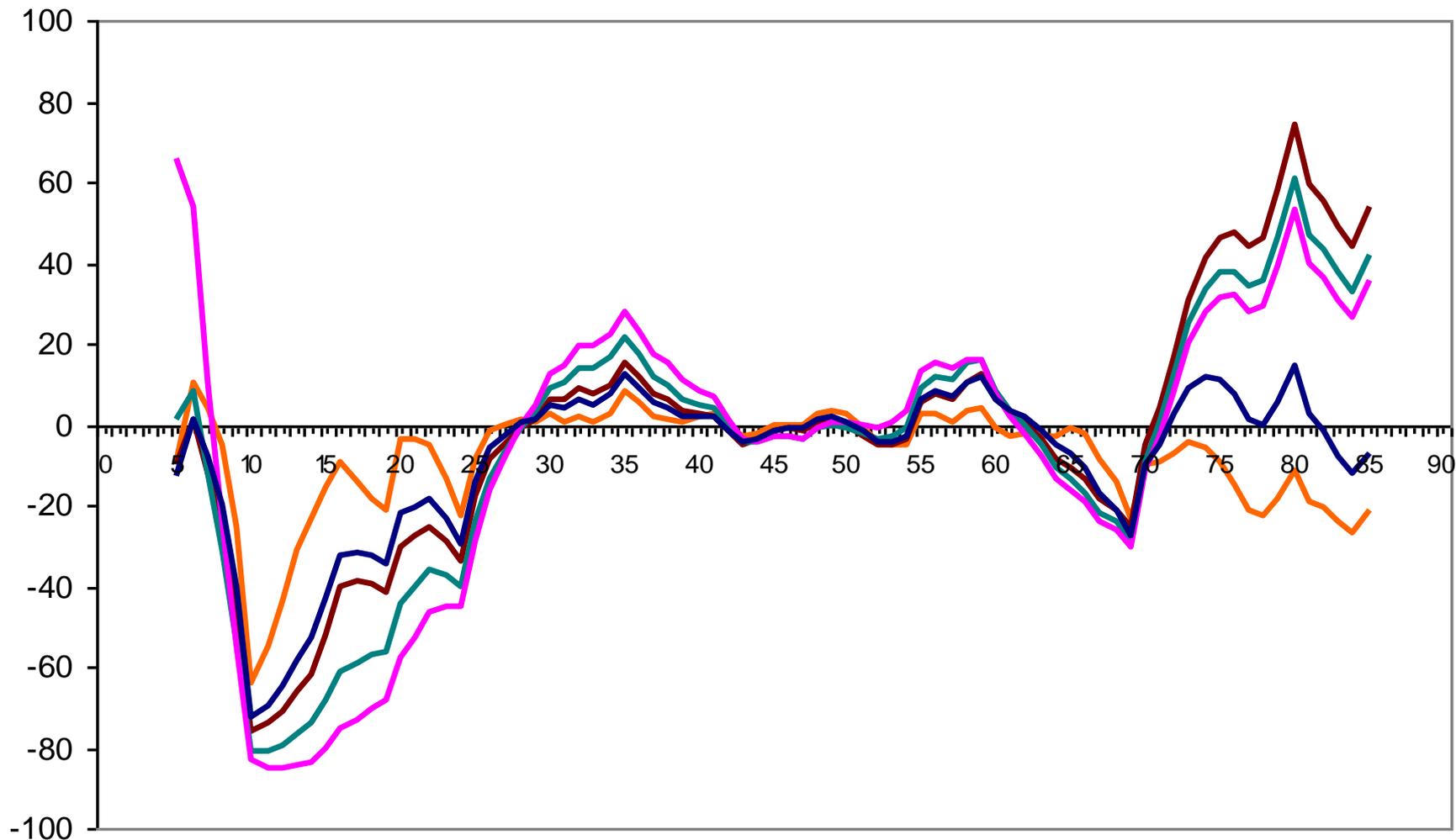
Profile Method

Health	Private
--------	---------

Normalization

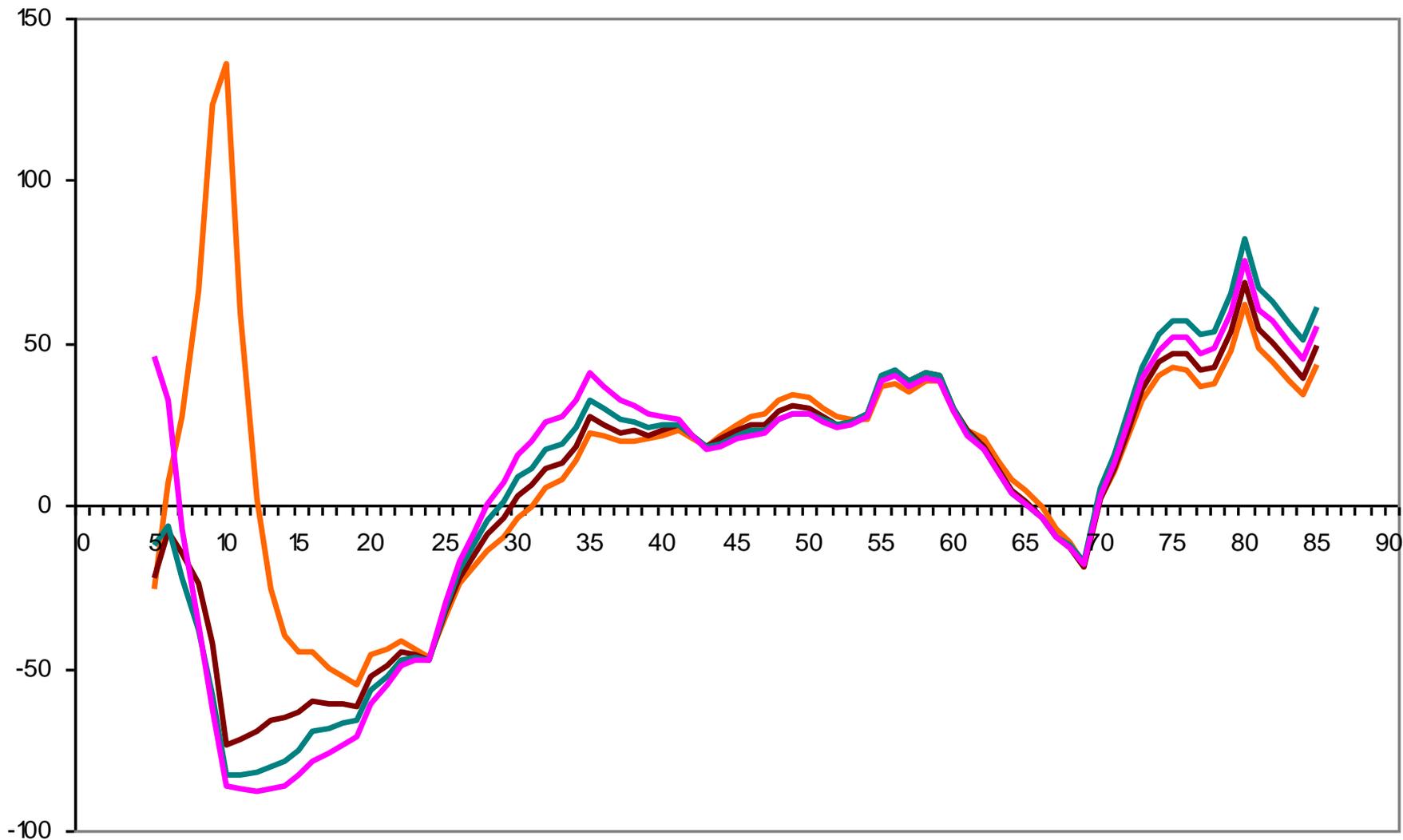
current
---------

# Percentage Difference between Smoothed and Unsmoothed Private Health, Mexico 2004 (Regression)



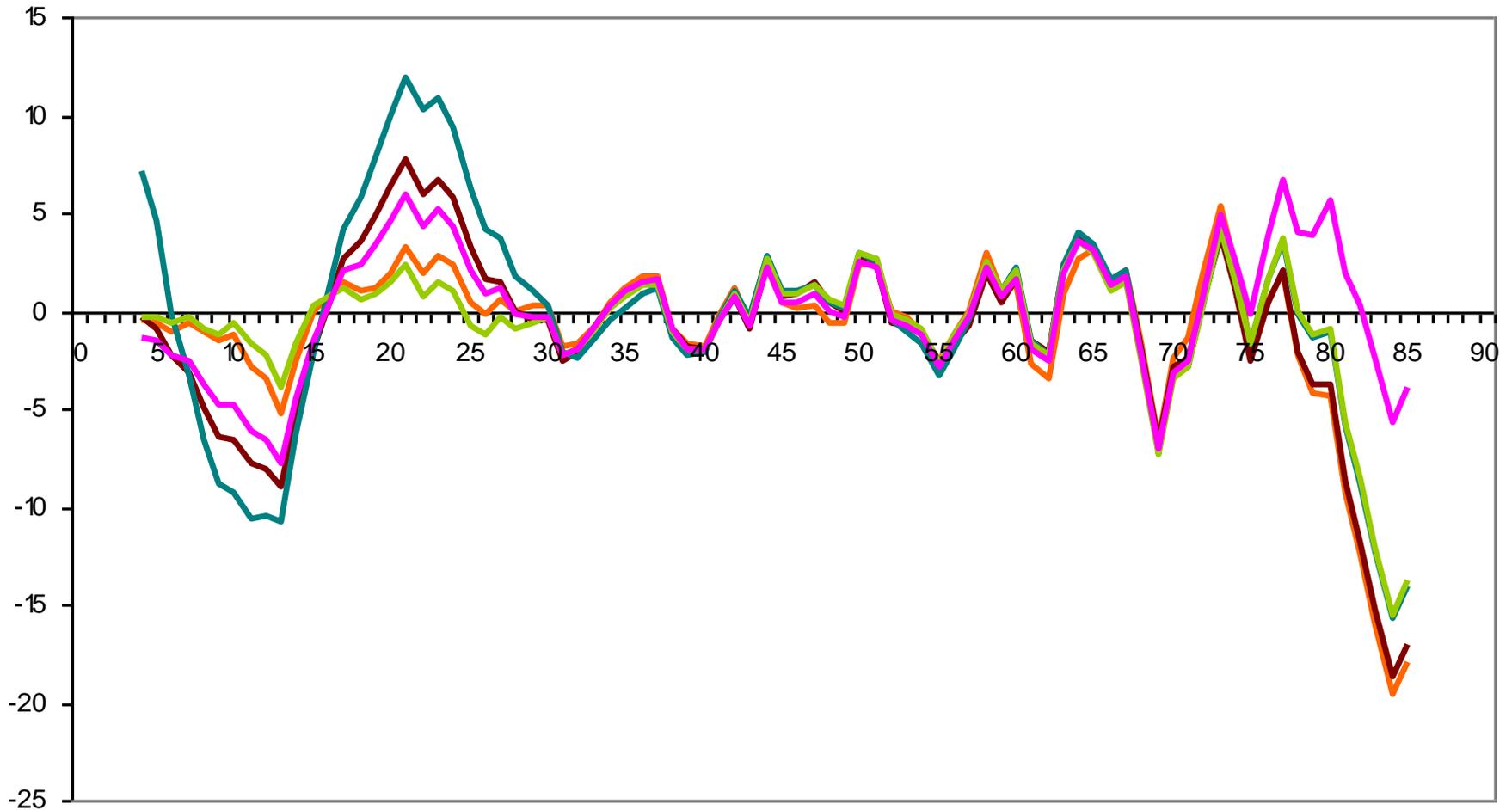
span=0.1 span=0.2 span=0.3 span=cv stata 0.25

# Percentage Difference between Smoothed and Unsmoothed Private Health, Mexico 2004 (Iterative)



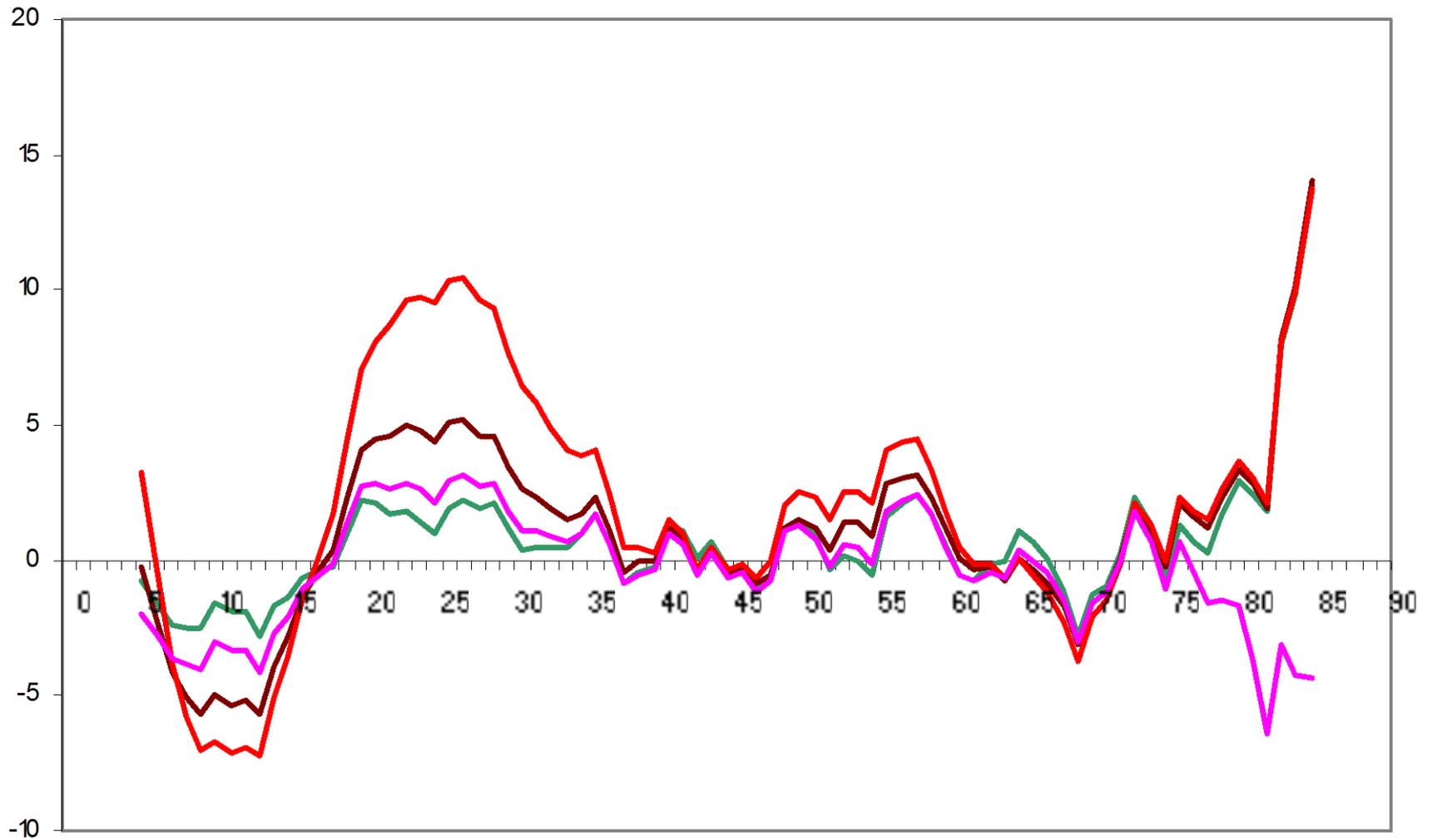
— span=0.1 — span=0.2 — span=0.3 — span=cv

# Percentage Difference between Smoothed and Unsmoothed Housing, Mexico 2004



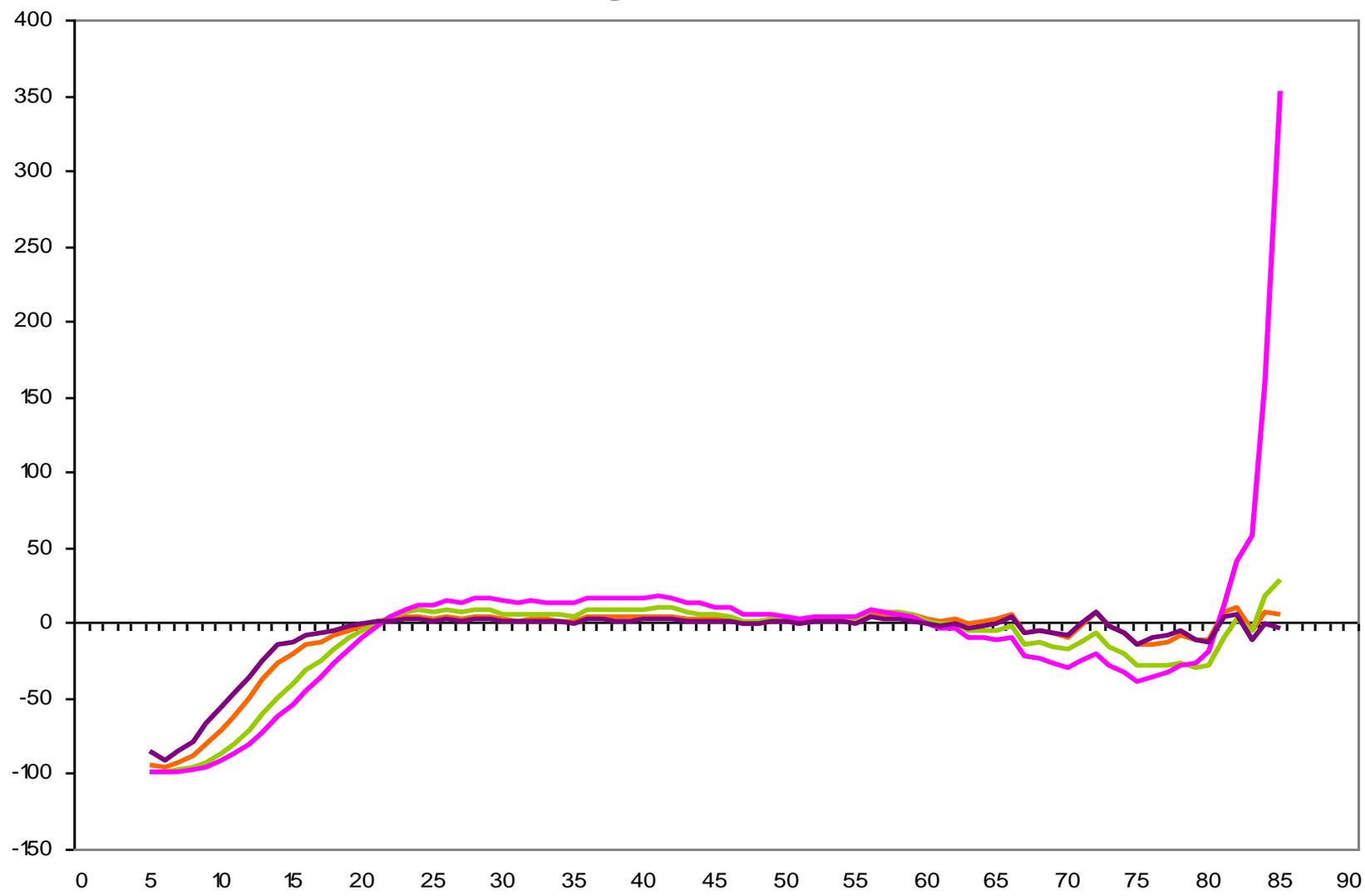
— span=0.1 — span=0.2 — span=0.3 — span=cv — stata(0.25)

# Percentage Difference between Smoothed and Unsmoothed Other Consumption, Mexico 2004



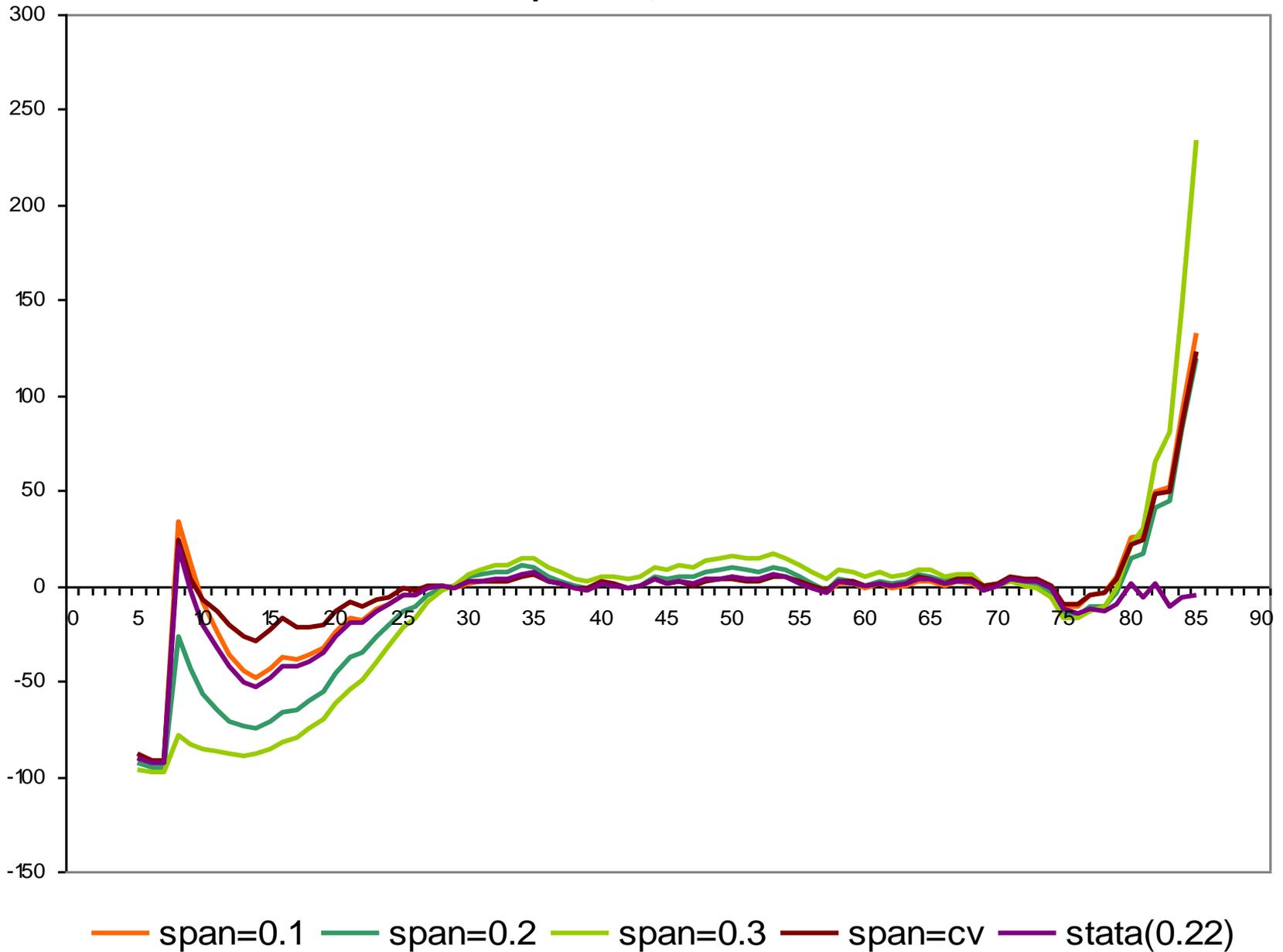
— span=0.1 — span=0.2 — span=0.3 — stata(0.25)

# Percentage Difference between Smoothed and Unsmoothed Earnings, Mexico 2004



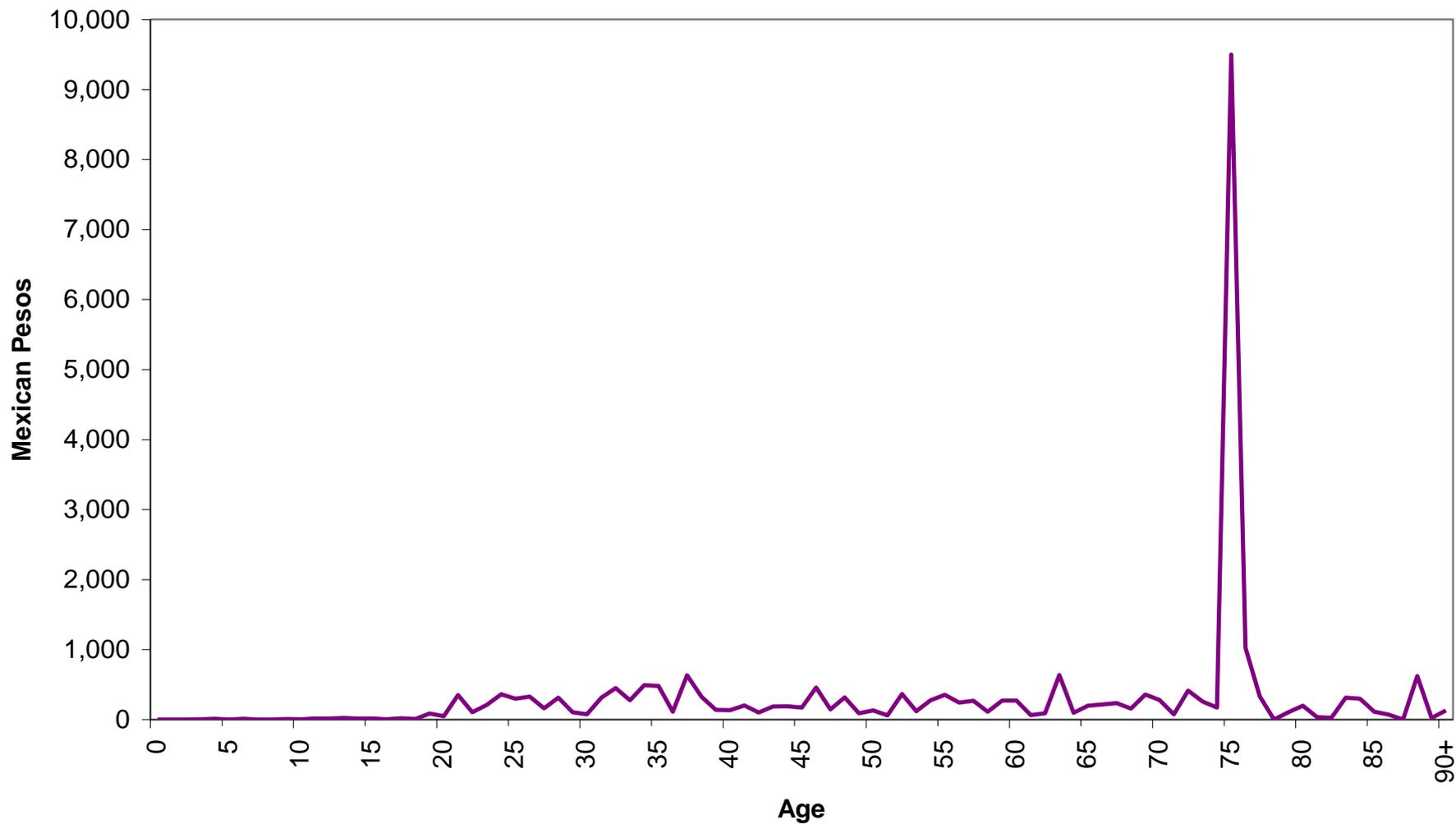
— span=0.1 — span=0.2 — span=0.3 — stata(0.15)

# Percentage Difference between Smoothed and Unsmoothed Unincorporated, Mexico 2004

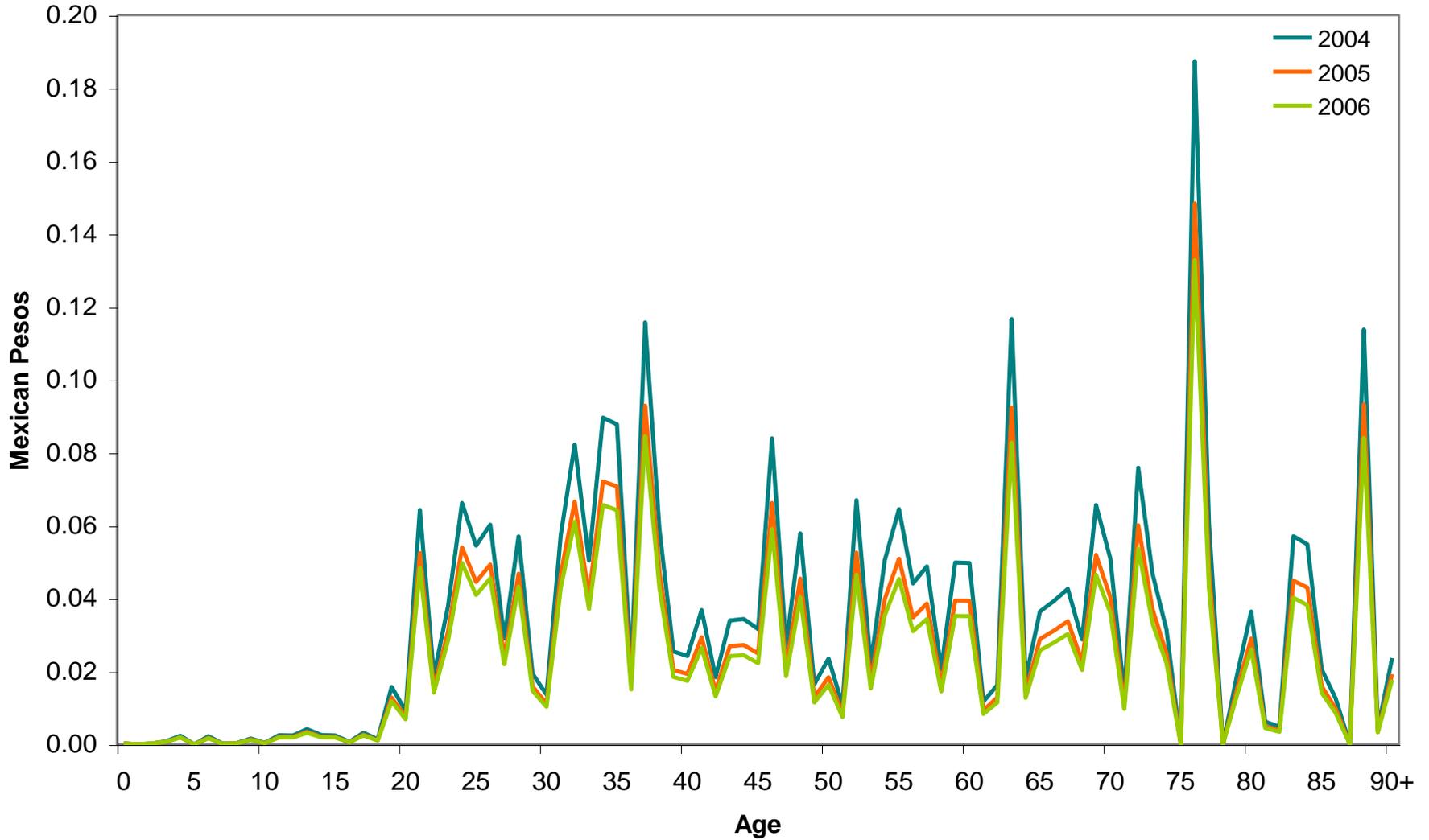


### 3. Income from Abroad

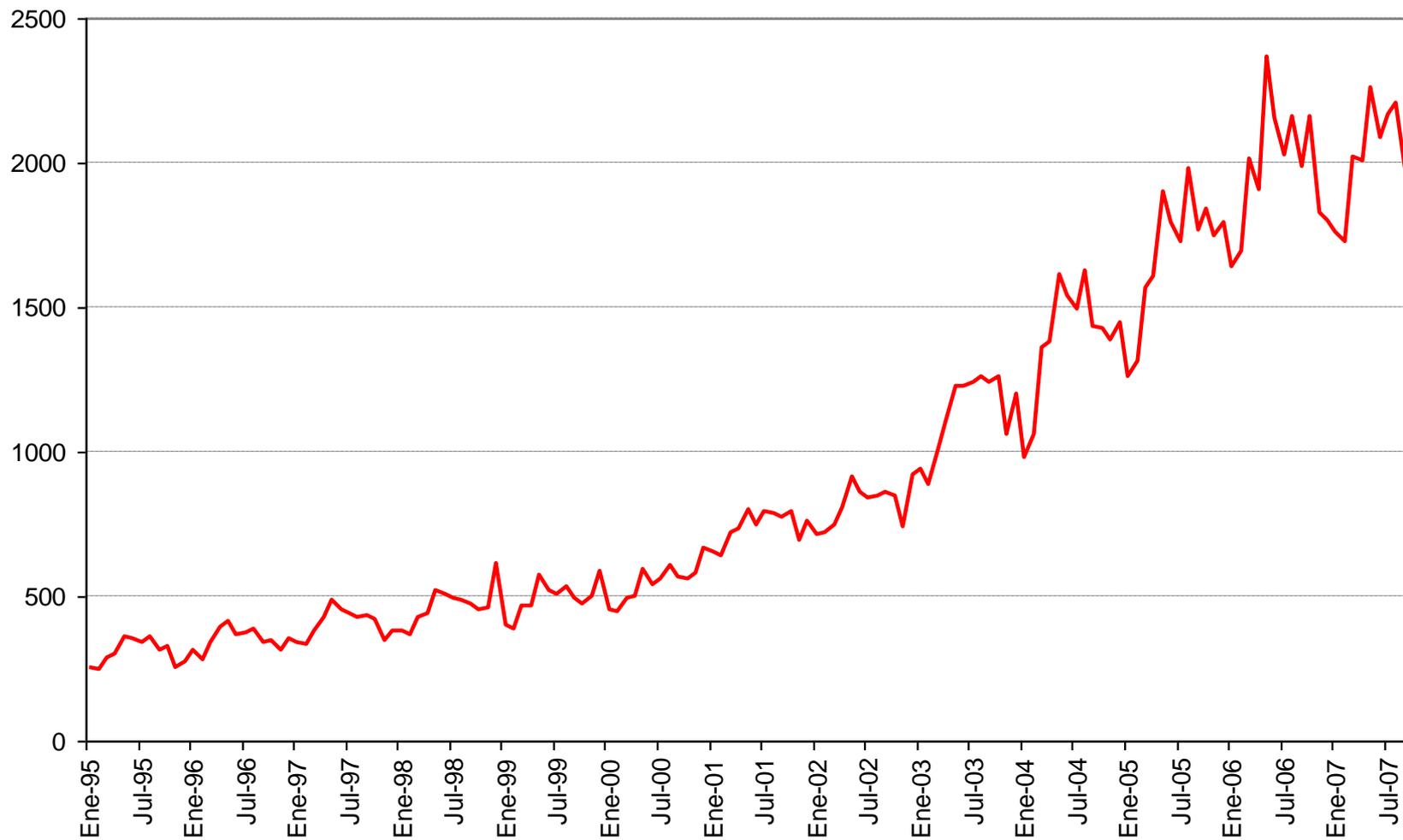
## Income from abroad (2004 Profile)



**Income from Abroad,  
relative to average YL 30-49, Mexico, 2004-2006 (prelim)**



### Remittances, Mexico Ene 95-Jul-07 (US millions)



# Remittances, Mexico 2004

	Thousands of mex\$
<b>Compensation of Employee</b>	<b>2,390,000,889</b>
Compensation of Employee	2,341,995,759
Imputed Social Contributions	30,713,853
Net Compensation of Employees from ROW	17,291,277
<b>Net Other Current Transfers from ROW</b>	<b>192,718,502</b>

Source: NIPA 2004

<b>Remittances (mill US\$)</b>	<b>16,730</b>
<b>Remittances (Thousands of mex\$) ER=11.27</b>	<b>188,487,896</b>

Source: Central Bank of Mexico

## 4. Future work

LCD Profiles for 2000 and 2002

Remittances Profile

Asset reallocations and Transfers 2004

**Thank you!**



**Chichen-Itza, Yucatán, México**