

Net loss for Mexico by international migration to the US

IMG

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Important facts

- ▶ 97% of Mexicans leaving Mexico go to the US
- ▶ 93-96% of those returning come from the US
- ▶ Mexico is by far the leading country of origin for U.S. immigrants, accounting for a third (32%) of all foreign-born residents and two-thirds (66%) of Hispanic immigrants.
- ▶ Mexican-born population living in the US (thousands):

2007	2008	2009
11.2	11.6	11.5

Source: J. S. Passel and D'Vera Cohn, Jul 2009

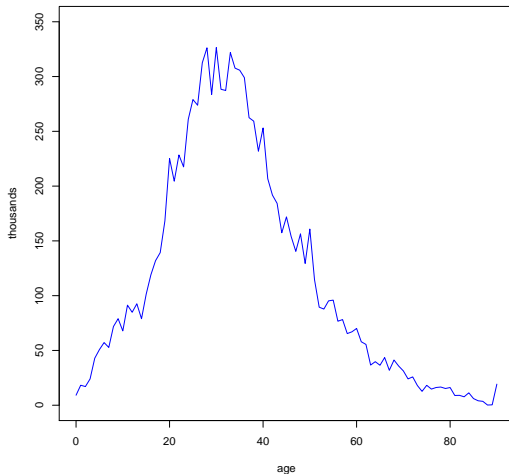
Net loss for Mexico by migration to the US

$$\text{net loss} = \text{popMxUS}(x) * [y(x) - c(x) - R(x)]$$

- ▶ $\text{popMxUS}(x)$: number of Mexicans age x who are in the US
- ▶ $\text{popMxUS}(x) * y_l(x)$: cost in lost production
- ▶ $\text{popMxUS}(x) * c(x)$: gain from not having to fund the consumption of emigrants
- ▶ $R(x)$: per capita remittance by an x year old Mexican living in the US

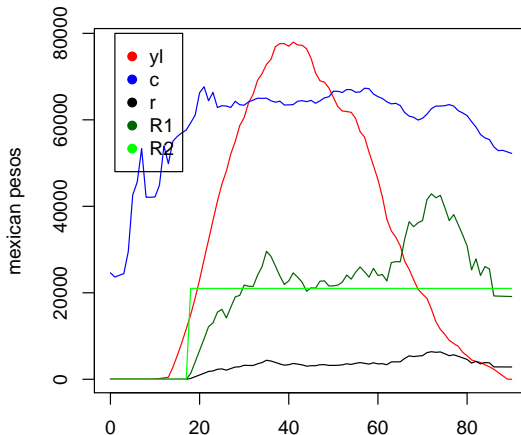
Mexican origin people living the US, 2004

- ▶ Source: IPUMS Online Data Analysis System
- ▶ Filter: country of birth = Mexico

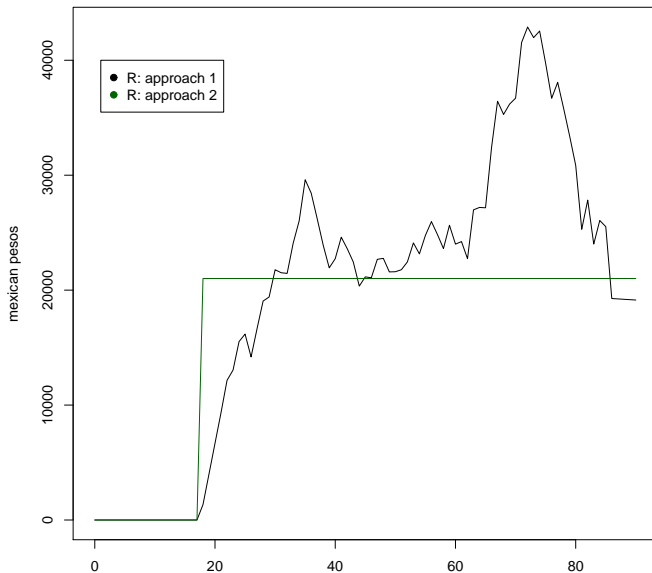


Age distribution of labor income, consumption and net remittances: Mexico 2004

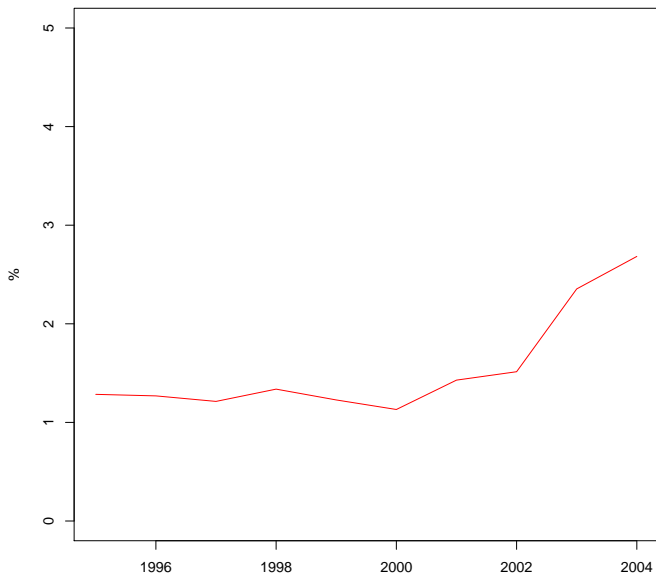
- r : age distribution of people receiving remittances in Mexico
- R1: same distribution of r , but adjusted to the Mexican origin population living in the US using the macro control for remittances
- R2: assuming only 18+ year old Mexican origin living in US send the same constant amount of remittances



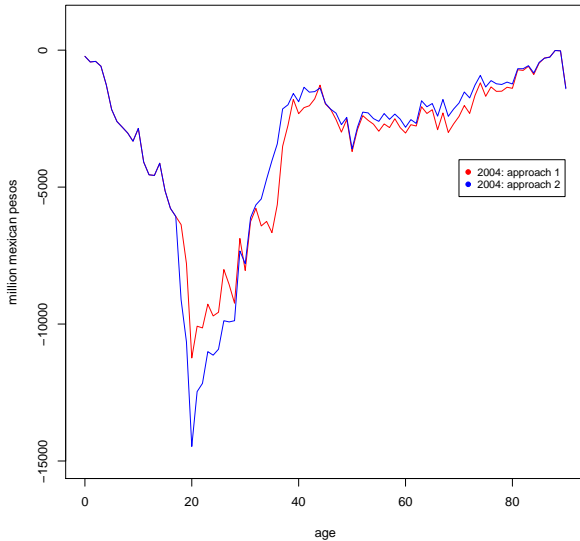
Mean remittances by age: Mexico 2004



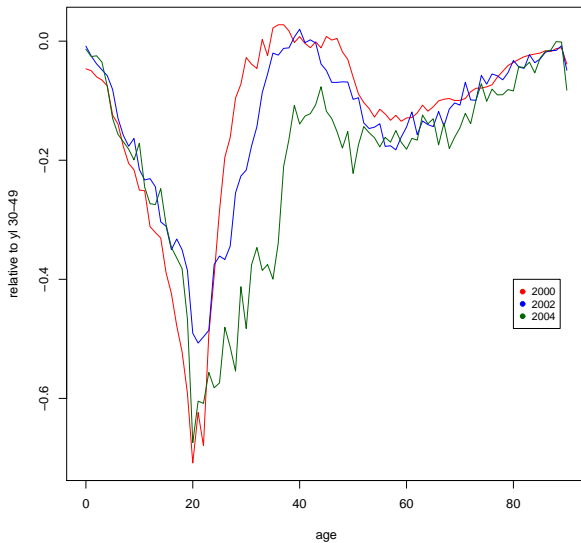
Remittances / GDP: Mexico 1995-2004



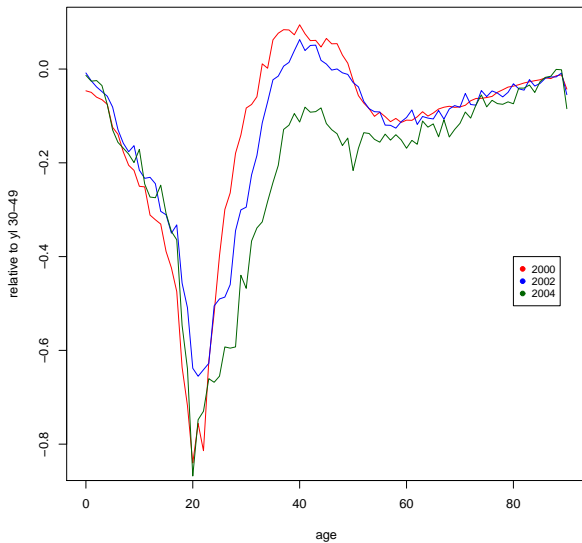
Net loss by international migration: Mexico (million mexican pesos)



Net loss by international migration: Approach 1, Mexico (relative to mean YL 30-49)

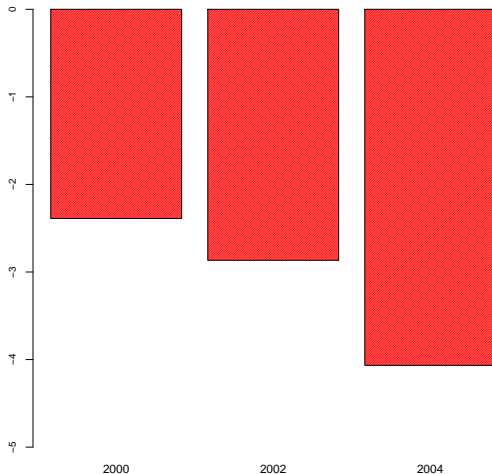


Net loss by international migration: Approach 2, Mexico (relative to mean YL 30-49)



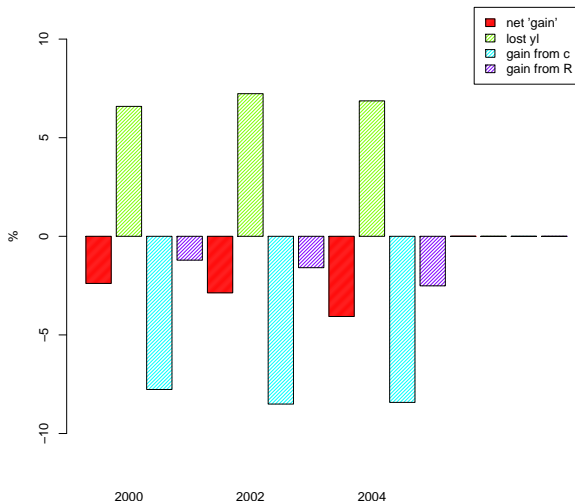
Net loss by international migration (% GDP)

- Net gain between 2% and 4% of GDP due to international migration in 2000, 2002 and 2004

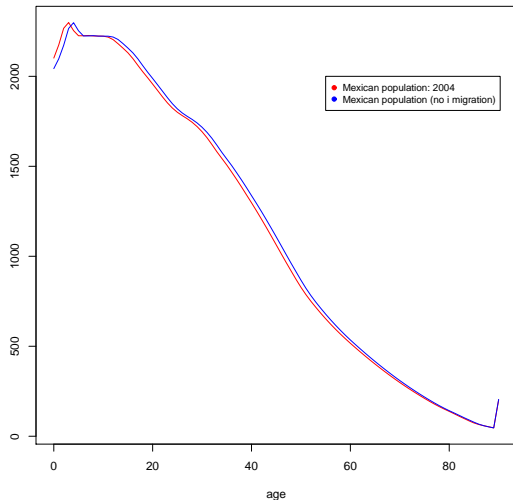


Net loss by international migration (% GDP)

- ▶ The main contribution from the net gain comes from not having to fund their consumption
- ▶ Remittances contribution to the net gain amounts 50% to 62% from 2000 to 2004.

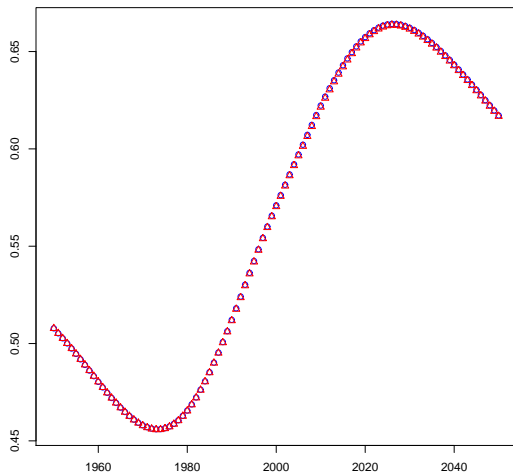


Age distribution of the Mexican population WITH and WITHOUT international migration: 2004



Support ratio WITH and WITHOUT international migration

- ▶ Almost no impact in the support ratio when the population does not account for net international migration [2004- $yl(x)$ and $c(x)$ constant along the whole period]



First demographic dividend WITH and WITHOUT international migration

- ▶ Almost no impact in the first demographic dividend when the population does not account for net international migration [2004- $yl(x)$ and $c(x)$ constant along the whole period]

