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Fewer Latin Migrants Send Money Home, Poll Says

Slowing Economy, Legal Crackdown Said to Cut Flows

By **MIRIAM JORDAN**
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The economic downturn and efforts to crack down on illegal immigrants in many U.S. communities are prompting fewer Latin American immigrants to send money back home, a survey found.

The survey, released Wednesday by the Inter-American Development Bank, found that the percentage of immigrants who report sending remittances to their country of origin has dropped to half in early 2008 compared with 73% two years ago, even though migrants continue to flock to the U.S.

Also Wednesday, the Central Bank of Mexico reported that remittances from the U.S. dropped 2.9% for the first three months of the year compared with the first quarter of 2007.

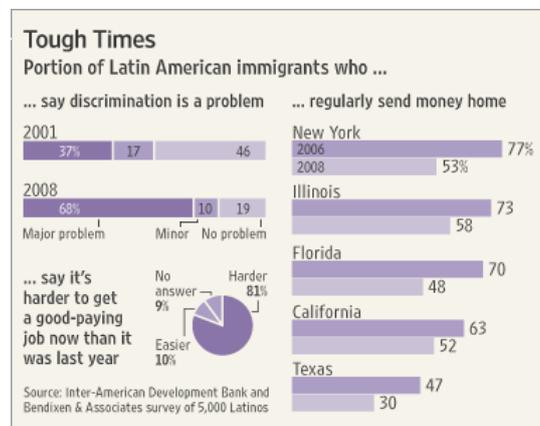
The findings by the Inter-American Development Bank marked the first decline in the number of immigrants sending money home since the institution began tracking them eight years ago. "Since 2000, increasing numbers of Latin American immigrants had been sending money home," said Donald Terry, a senior bank official who studies remittances. "That pattern has now stopped."

If the trend is borne out the rest of the year, the number of immigrants sending money to Latin America will drop to an estimated 9.4 million in 2008 from 12.6 million in 2006, the bank said. Such a decline would adversely impact millions of families from Mexico to Argentina.

"You will see an increase in poverty levels in Latin America that perversely could lead more people to leave" for the U.S., said Mr. Terry.

The bank, which finances infrastructure and other projects in Latin America, surveyed about 5,000 Latin American immigrants, both legal and illegal, in February.

It found that immigrants who have continued to send money home are sending larger sums and with greater frequency, as longtime U.S. residents contribute more and as the cost to transmit money falls. Thus, the total value of remittances to Latin America could still reach last year's \$45.9 billion, the bank said.



Myriad factors influence the ability of migrants to send home money, which they normally wire through a money-transfer company or retail bank for a fee. Rising costs of fuel and food are placing disproportionate pressure on blue-collar wages.

The U.S. economic decline, particularly the construction slump, has contributed to a rise in unemployment among Hispanics, to 7.1% in the first quarter of 2008 from 5.2% in 2006. Construction employs one in five Latin American immigrants, Mr. Terry said.

The U.S. is home to 18.8 million Latin American adults, of whom nearly half are illegal immigrants, the survey said. The immigrants send home, on average, \$325 per remittance about 15 times in a year.

For countries such as El Salvador and Mexico, remittances represent an influx of U.S. currency that is vital to the economy. But the dramatic surge in remittances to Latin America in recent years slipped to single-digit growth in 2007 and could stagnate or fall in 2008 if the economic and political scenarios deteriorate further.

Finding a good-paying job has become more difficult, said 81% of the respondents. In Maryland, for example, the value of remittances sent home this year is projected to drop 11% compared with 2006, according to the bank. Joel Fernandez, who had steady construction work for five years, says that until late last year he earned about \$1,400 a month. He sent a third of that to his two daughters in Peru.

Now that he works with less regularity, "I am sending home money [only] when I can," says the 39-year-old, who was seeking work Tuesday at a day-labor center run by the Casa de Maryland advocacy group in Silver Spring, Md.

To save on rent and free up money to send home, he is recruiting three more immigrants to move into his apartment -- already occupied by three men -- to split the \$1,000 monthly payment. "I have to provide for my girls," he says. "That's what I came here for."

Ricardo Mejia, a day-laborer organizer at Casa, says that workers who once accepted only a full day's work at \$15 an hour are now accepting a morning or afternoon job at \$10. "They'll take any small job to earn cash for food and housing," he says. "A lot of people aren't managing to send money home."

The survey also spotlights a spate of laws introduced by towns and states, from Virginia to Arizona, to crack down on illegal immigration. About half of the respondents cited what they said was a general anti-immigrant climate. More than two-thirds said that discrimination constitutes a major problem for them, compared with only 37% in 2001.

Manuel Orozco, an expert on remittances at the Inter-American Dialogue, a Washington think tank, says that, while it is difficult to quantify, "there are psychological factors that inhibit you from sending money more often when there is anti-immigrant sentiment." Those include immigrants

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choosing to keep money in their own pockets rather than send it home because they fear losing their jobs or being deported.

In Georgia, a state that has passed anti-illegal immigrant laws and also been hit by the housing crisis, remittances are expected to drop 17% this year, compared with 2006. In Virginia, where towns and counties have passed laws to give local police the authority to enforce immigration and punish employers of undocumented workers, the value of remittances is expected to drop 8% in 2008 relative to two years earlier.

The hostility makes us very uneasy," says Ricardo Nava, who moved to Prince William County, Va., from Mexico in 1995. Still, Mr. Nava and others report that they are unlikely to leave the U.S. in the foreseeable future.

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