

Remittances, the only hope left for millions of Mexicans

Despite the crisis caused by the COVID-19 pandemic, the receipt of remittances in 2020 in Mexico was 40 thousand 607 million dollars, 11.4 percent higher than 2019

Although remittances around the world mean hundreds of thousands, or even millions of dollars; the most important thing for millions of families in the world who rely on those, is the fact of receiving 200 or 300 dollars every month. CMT develops initiatives and projects to multiply the efforts migrants make to help their families.

The total amount of remittances that Mexican homes received in 2020 was over 875 thousand million pesos. This amount of resources is much higher than the whole federal budget addressed in Mexico to institutions like the Secretariat of Public Education, Health, Labor and Social Security, Welfare and Culture.

The previous information is explained in the research “Mexico. In 2020 remittances increased 11.4% despite the world crisis caused by the pandemic” developed by BBVA Research. It is also explained that in 2021 the program “Jóvenes construyendo el futuro” will have a budget of 20 thousand million pesos, however, remittances represent 40 times more the total amount used for that program.

The World Day of Family Remittances, declared by the General Assembly of the United Nations is observed every year on June 16. It is observed in recognition of the contributions made by more than 200 million migrant women and men who send money to more than 800 million families in their countries of origin.

This analysis made by BBVA Research explains that in 2020 and despite the world crisis caused by the COVID-19 pandemic, 40 thousand 607 million dollars were sent to Mexico in remittances, 11.4 percent more than in 2019 when we received 36 thousand 439 million dollars.



The top five remittance recipient states

State		2019*	2020*	Increase (%)
Jalisco		3,537	4,15	17.4
Michoacán		3,623	4,056	11.9
Guanajuato		3,322	3,469	4.4
State of Mexico		2,055	2,416	17.6
Mexico City		1,724	2,142	24.3

*Million dollars

Millions of dollars are flowing, but only 200 matter

The United Nations (UN) highlights the small impact COVID-19 had on world remittances. A report made by the World Bank in 2019 shows a decrease in remittances of only 1.6 percent, as it fell from 548 thousand million dollars in 2019 to 540 thousand million dollars in 2020.

“Remittance flows multiplied five times over the last 20 years, and they have helped to combat economic downturns in the countries that received them as they are counter-cyclical. COVID-19 was an acid test for world remittances. In fact, the first predictions of severe falls underestimated the resilience of remittance flows” UN details.

Remittances represent the financial side of the social contract among migrants and their families in their countries of origin. Even if these flows mean thousands of millions, the most important number may be found on the monthly remittances of 200 or 300 dollars that families receive, the international organization affirms.

CMT and migrants, a common effort

Having a decent house or running their own business are some of the dreams of the migrants who cross the border to get to the United States of America.

Congregación Mariana Trinitaria, A.C. (CMT) wants them to know that they are not alone. Through its Welfare Ecosystem Model, it develops programs and strategies to support and potentialize their efforts.

One of the most recent cases took place in the municipality of Zacapu, Michoacán; where 802 families, some of them with migrants abroad, received benefits to be used in their households. By joining forces, migrants, CMT, and the local Secretariat for the Migrant in Michoacán, it was possible to improve the family assets of hundreds of families in that area.

In December 2020, the Government in Zacatecas and CMT promoted the initiative for the Community Development of Migrant Families in Zacatecas, focused on 54 municipalities in the state with groups of people currently working in the US.

Through the CMT Welfare Ecosystem and the Network of Housing, this initiative supports migrants and their families with materials to improve and build their houses. This way, the programs contribute to the efforts and make the dreams of each migrant come true.

In numbers

40 thousand 607 million dollars flowed back into Mexico from remittances in 2020.

36 thousand 439 million dollars flowed back from remittances in 2019.

0.7% of the remittances in Mexico are sent in cash, 77.1% are cashed in non-banking institutions, and 98.5% come from the United States of America.

Jalisco is the largest receiver of remittances in Mexico

In 2020, the state of Jalisco was ranked in the first position on the list of receivers of remittances as it received 4 thousand 153 million dollars, surpassing Michoacán that had been in that position for more than 15 years, and now it was placed in the second position with 4 thousand 056 million dollars.

In order of significance they are followed by: Guanajuato (3 thousand 469 MM), State of Mexico (2 thousand 416 MM), Mexico City (2 thousand 142 MM), Guerrero (one thousand 942 MM), Oaxaca (one thousand 898 MM), and Puebla (one thousand 873 MM).

Regarding municipalities, Tijuana received the highest amount of remittances in 2020 with 626.3 million dollars, Guadalajara (531.4 MM), and Puebla (527.1 MM). The top 50 recipient municipalities for remittances account for more than 30 percent of the remittances received in the country.

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