

Remittance Behavior among Mexican Immigrants in Northwestern South Carolina

A thesis presented to
the faculty of
the Center for International Studies of Ohio University

In partial fulfillment
of the requirements for the degree
Master of Arts

Julieta Barcaglioni

June 2008

This thesis titled
Remittance Behavior among Mexican Immigrants in Northwestern South Carolina

by
JULIETA BARCAGLIONI

has been approved for
the Center for International Studies by

Ann R. Tickamyer
Professor of Sociology and Anthropology

Jie Li Li
Director, International Development Studies

Drew McDaniel
Interim Director, Center for International Studies

ABSTRACT

BARCAGLIONI, JULIETA, M.A., June 2008, International Development Studies
Remittance Behavior among Mexican Immigrants in Northwestern South Carolina
(122 pp.)

Director of Thesis: Ann R. Tickamyer

This research focused on Mexican migrants' remittance behavior in Northwestern South Carolina using framework suggested by the New Economics of Labor Migration (NELM) theory. Survey data were analyzed using logistic regression and OLS models and identified factors that influenced both the propensity to remit and the amount remitted. Interview data were analyzed inductively and deductively and provided evidence of the individual, economic and social contexts under which remittances are sent. The findings of this study supported the NELM theory and exemplified the centrality and importance of the household in Mexican remitting behavior; illustrated how each migration strategy distinctively influenced remittance behavior; and explained how remittance flows react to risks, hardships and other circumstances encountered both in the origin and destination countries. Other findings of this research addressed shortcomings of the NELM theory and particularly highlighted the theory's static nature and its failure to capture intra-household dynamics.

Approved: _____

Ann R. Tickamyer

Professor of Sociology and Anthropology

ACKNOWLEDGMENTS

I would like to thank my committee for their invaluable help in this endeavor. I want to specially recognize Dr. Ann Tickamyer for her patience, support and guidance throughout the whole process. I am also truly grateful to my family and friends – especially my mother, my sister, and Matt – for their constant support and encouragement. I also wish to express my sincere gratitude to all of the participants of this study. Finally and above all, I thank God for all His blessings.

TABLE OF CONTENTS

	Page
Abstract.....	3
Acknowledgments.....	4
List of Tables	7
Chapter One: Introduction	8
Chapter Two: Literature Review and Theoretical Background.....	13
Overview of Mexican Immigration to the United States.....	13
New Settlement States: Mexican Migration to South Carolina.....	15
Remittances in the Mexican Context.....	19
Theory of Remittance Behavior.....	23
Remittance Behavior in the Mexican Context.....	26
Determinants of Remittance Behavior.....	28
Chapter 3: Methodology	33
Selection of Participants	34
Data Collection Procedure	35
Data Analysis.....	38
Definition of Terms	40
Chapter 4: Quantitative Analysis and Results	42
Characteristics of the Sample	42
Data Analysis.....	49
Hypotheses.....	53

	6
Results.....	57
Conclusion	62
Chapter Five: Qualitative Analysis and Results	65
Migration Strategy and Its Impact on Remittance Behavior	66
Remittances as a Responsive Strategy.....	79
The Remittance Process – Reliability, Convenience and Habit	83
Conclusion	88
Chapter Six: Conclusion and Implications	91
Research Significance.....	93
Research Implications.....	96
Policy Implications	98
Social Implications	100
References.....	102
Appendix 3.1: Map of Upstate South Carolina.....	110
Appendix 3.2: Oral Consent Text	111
Appendix 3.3: Questionnaire	113
Appendix 3.4 : Interview Text	119

LIST OF TABLES

	Page
Table 2.1: Selected Characteristics of Mexican Migrants in South Carolina	18
Table 4.1: Selected Characteristics of the Sample	44
Table 4.2: Selected Characteristics of Remittance Behavior	48
Table 4.3: Description of Variables in Regression Analyses	51
Table 4.4: Regression Estimates on the Likelihood to Remit	58
Table 4.5: Regression Estimates on the Amount Remitted	61

CHAPTER ONE: INTRODUCTION

The movement of people across international boundaries has enduring economic, social, and cultural implications in both origin and destination countries. During the last several decades, an increasing number of people have undertaken long journeys not only to find a source of livelihood in foreign lands, but to also support family members left behind through the flow of remittances. Remittances, defined as the quantity of currency that migrants earn abroad and then send home to their families and communities (Adams 2005:53), reached 126 billion dollars in 2004, thereby representing one-third of all financial flows to the developing world (Fajnzylber 2006:x). The magnitude of remittance flows, coupled with their continuing expansion, has provoked a booming interest on the part of academics, financial institutions and policy makers.

These international flows have increased at an annual rate of 7.7 percent since the 1980s, with the highest rate of increase (12.4 percent) in Latin America and the Caribbean (Solimano 2003:9). Latin America, then, is at the top of the ranking of remittance-receiving regions, and is the area with the highest number of remittances per capita (Suro 2003:13). In particular, remittances into Latin America increased from 10 billion dollars in 1996 to 32 billion dollars in 2002. In 2005, there were 22 million Latin Americans in the core countries of North America, Europe and Japan, who sent a total of more than 45 billion dollars in remittances to their countries of origin (Vasconcelos 2005:3; IAD 2004:4).

Remittances have not only become a very important source of national income for Latin America, but they also represent one of the most important forms of linkage among

emigrant Latinos and their countries of origin (Clark et al.2004; Orozco 2002:41-46; IAD 2004:3). In other words, remittances are significant not only because they impact the economic and social development of recipients, but also because they are a form of transnationalism, and therefore, create new forms of social, political and economic interconnections and practices (Orozco et al. 2005:10; Cai 2003:472; Menjivar et al. 1998:98; Vasconcelos 2005:4).

The majority of studies that deal with these international flows focus either on assessing their effects on economic development on labor-sending areas or on estimating whether they contribute to consumption, productive investment, or some combination of the two. On the one hand, scholars argue that remittances lead to dependency and instability. Moreover, advocates of this view state that given that these flows are rarely invested in capital generating activities, they are unlikely to assist in long-term development. On the other hand, analysts argue that remittances constitute a significant source of foreign currency, improve income distribution, and have a powerful impact through the multiplier effect – on GDP, job creation, consumption, income and investment (Vasconcelos 2005; Keely and Tran 1989; Itzingsohn 1995; Meyers 1998; Adams and Page 2003; Fajnzylber 2006).

This research focuses on an equally important, but relatively understudied, aspect of the remittance analysis: migrants' remitting behavior. Increasing the understanding of the senders' patterns, decisions and motivations is important for several reasons. First, even though the migrant is influenced by his/her social ties and a web of obligations, it is ultimately the remitter who shapes the future of the remittance flow. In other words, it is

the remitter who initiates (and terminates) the remittance flow. Second, it is also the remitter who determines the amount and frequency of remittances. Third, given that the remitter is an important source of income, his/her monetary decisions and motivations can have a powerful effect (and potentially exert control) on the expenditure patterns of remittance recipients.

This study analyzes remittance behavior through the lens of the New Economics of Labor Migration theory (NELM). It examines remittances as a household strategy stemming from an implicit contractual agreement with the household and the migrant. In particular, the analysis of this study addresses the impact of certain demographic and socio-economic characteristics of remittance behavior and also examines how remittances are associated with the household, how remittance flows react to the migration strategy, and how remittance flows respond to risks, hardships and other circumstances encountered both in the origin and destination countries.

In particular, this study seeks to answer three main questions: What are the individual, migratory and family characteristics of the immigrants who remit? How much and how often do they send money back home? What are the main motivations or purposes for these remittances? Or in other words, how do remitters want their remittances used? Moreover, inherent in this framework, this study also investigates other questions: Why do some immigrants remit more than others? How much control over these monetary flows does the immigrant have? Do remitters instruct recipients on how these funds are to be spent? Under which circumstances does the immigrant stop remitting? Under which circumstances does the immigrant remit more?

In order to answer the questions examined in the study, the researcher collected data from adult Mexican migrants living in the upstate of South Carolina. The first phase of the data gathering consists of the distribution and collection of 101 short and structured questionnaires. The primary purpose of the questionnaires is to analyze the propensity and decision to remit for the whole sample of Mexican immigrants and to identify factors that influence the amount remitted for the sub-sample of those who remit. The second phase of the methodology consists of the collection of 12 in-depth and semi-structured interviews. The main purpose of the interviews is to provide an in-depth look at the social world of the respondents and to analyze the individual, economic and social context under which remittances are sent.

It is important to mention that this study addresses Mexican immigrants' remitting behavior. Mexico is one of the leading points of origins for migrants in the United States. In 2005, 10.8 million foreign born Mexicans lived in this country (U.S. Census Bureau 2007; CONAPO 2005). Moreover, Mexico also represents one of the three main recipient countries of remittances (Solimano 2003:5). The Bank of Mexico estimates that in 2005 remittances accumulated to 20.35 billion (Bank of Mexico 2005:39). Given the substantial numbers of Mexican migrants in the United States, as well as the magnitude of their flows to their country of origin, studying this ethnic group is important to the overall understanding of remittance patterns to Latin America.

This research seeks to increase knowledge in an understudied academic field. The findings of this study will be particularly useful to increase the understanding of remittance patterns of Mexican migrants in South Carolina; clarify controversies in the

literature regarding determinants of remittance behavior; and provide valuable insight into the individual, social and economic context in which remittances are sent. The results of this study may also be useful for current and future policy makers. By developing policies that take into account migrants' remitting behavior, governments can increase the multiplier effects of remittances and therefore, narrow the gap between remittances and development. Moreover, by understanding the social consequences of migration – such as isolation and discrimination – policy makers can develop support programs for migrants in the United States and enhance their incorporation and engagement in the host country.

CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL BACKGROUND

Overview of Mexican Immigration to the United States

Partly reflecting a strategic location, Mexico has a long history of migration to the United States and continues to be one of the leading points of origin for migrants. Durand and his coauthors (2001) explain that the first large-scale Mexican migration to the United States was triggered in the late 1880s by the expansion of the U.S. railroad into the north of Mexico, which was undertaken in order to connect the railroad systems in both countries. The passage of the Chinese Exclusion Acts, coupled with scarcely populated towns across the border, created a severe shortage of workers for railroad companies. Given these insufficient numbers, both the United States and Mexico encouraged Mexicans from the interior of the country to migrate to the border and find employment with the railroad companies, thus creating the first large Mexican-U.S. migration flow (Durand et al. 2001:109; Rodriguez-Scott 2002).

World War I and changes in U.S. immigration law throughout the 1920s restricted the pool of available workers and again, efforts to recruit Mexican workers increased. According to Durand et al. (2001:109), 621,000 Mexicans entered the United States from 1920 to 1929, representing a number that would not be matched again for decades. In 1929, faced with the Great Depression, the United States began massive waves of deportations of Mexican citizens. However, World War II reversed this trend. Durand and his coauthors (2001:110) explain that “*when Pearl Harbor abruptly thrust the country into war, the government quickly reversed course: rather than seeking to deport*

Mexican immigrant workers, the United States sought actively after 1941 to recruit them”.

These recruitment efforts came to be known as the Bracero Program, which from 1942 to its end in 1964 recruited a total of 4.6 million Mexican workers (Durand et al. 2001; Lacy 2007; Durand et al. 1999). The Bracero Program was conceptualized as a binational and temporary accord whereby the United States filled its labor shortage in the agricultural sector by granting renewable six-month visas to Mexican citizens. Under increasing pressures from labor and religious organizations – who argued that the Bracero Program violated labor and immigration laws and displaced native agricultural workers – the United States Congress discontinued the program after 22 years (Rodriguez-Scott 2002; Durand et al. 2001).

However, neither the end of the Bracero Program nor various amendments to immigration law restricted Mexican immigration. In fact, while legal migration almost doubled from 38,000 in 1964 to 67,000 in 1986, gross undocumented migration grew by more than 40 times during the same period, rising from 87,000 to 3.8 million immigrants per year (Durand et al. 1999:519). One prominent researcher explains that when the Bracero Program ended, the United States “*shifted from a de jure policy of active labor recruitment to a de facto policy of passive labor acceptance, combining modest legal immigration with massive undocumented entry*” (Durand et al. 1999:519).

The passage of the Immigration Reform and Control Act (IRCA) in 1986 put an end to an era of relatively unrestricted or unobstructed illegal immigration. Some of the arrangements and specifications of IRCA included stricter control of the Mexico-U.S.

border, sanctions to employers who intentionally hired undocumented workers, and amnesty possibilities to long-term undocumented immigrants (Durand et al. 1999). While an in-depth discussion and analysis of the consequences of the IRCA is beyond the scope of this study, researchers argue that the passage of the act marked the beginning of a new era of Mexico-U.S. migration (Lacy 2007; Durand et al. 1999). It is important to mention that some characteristics of this new era include the transformation of temporary migrants into permanent settlers (driven by residency requirements), a strong process of family reunification stimulated by newly legal workers, a dispersion of migrants throughout the United States, an underground market for fraudulent documents, and severe wage discrimination among undocumented workers (Durand et al. 1999).

The American Community Survey estimates that in 2006, more than 28.3 million people of Mexican descent lived in the United States, constituting 9.4 percent of the total population. Moreover, 11.3 million (40.1 percent of the total Mexican-descent population) were foreign born, representing a 5.2 percent increase from the previous year and a 30.4 percent increase from the year 2000. Over one-third of the foreign born (37.6 percent) entered the United States before 1990, 34.1 percent entered between 1990 and 1999, and 28.3 percent arrived after the year 2000 (U.S. Census Bureau 2008).

New Settlement States: Mexican Migration to South Carolina

A new characteristic differentiating immigration in recent decades from that of earlier periods is the diffusion of immigrants throughout the United States. Immigrants have started to settle in areas other than the traditional migration states of Arizona, California, Illinois and Texas, dispersing into what is being called “the new settlement

states” (Lacy 2007; Kochher et al. 2005). Of particular importance to this research is the emergence of what Kochher and his coauthors (2005) call “the new Latino south” – the states of Arkansas, Alabama, Georgia, North Carolina, South Carolina and Tennessee. Between the 1990 and 2000 censuses, these states presented the highest rates of Hispanic population growth in the country, rising from a total population of 293,000 to 1.1 million and representing a 308 percent increase.

A report prepared for the Pew Hispanic Center by Kochhar and coauthors (2005) explained that rapid growth and low unemployment provided economic incentives to migrate into the southeast. In particular, job diversification, the addition of manufacturing jobs and the retention of manufacturing and construction labor also created attractive opportunities for Hispanics in the new Latino South (Kochhar et al. 2005:18-23). Also, it is important to mention that 57 percent of the Hispanics in the new settlement areas of the Southeast were foreign-born, 73 percent of these were of Mexican origin and more than half entered the United States between 1995 and 2000 (Kochhar et al. 2005:1-13).

South Carolina registered 30,551 Hispanics in 1990, 95,076 in 2000, and 135,041 in 2005, representing a 342 percent increase in 15 years. The American Community Survey estimates that 61 to 63 percent of those Hispanics are of Mexican origin, totaling between 82,000 or 85,000 people (Kochhar et al. 2005; Woodward 2006; Lacy 2007). Due to this rapid increase, some researchers have called Mexican workers “the new face of the South Carolina labor force” (Woodward 2006:i).

Studies by Woodward (2006) and Lacy (2007) analyzing the economic and social profile of Mexican immigrants in South Carolina have concluded that, similar to national

data, this group is young and male (See Table 2.1). Exhibiting more occupational mobility and diversity than in earlier periods, most Mexican migrants were employed in the construction, manufacturing and restaurant industries and had an average annual income of 20,910 dollars (or 418 dollars a week) – making considerably less than the average American worker. Over half (56 percent) of the males were married and 60 percent considered their presence in South Carolina to be temporary (Woodward 2006; Lacy 2007).

Although the Mexican population in South Carolina had a similar profile to Mexicans at the national level, this group also presented certain distinguishing characteristics. In particular, and compared to other southeastern states, Mexicans in South Carolina were older, had a shorter length of stay in the United States, exhibited slightly higher education levels, and most arrived directly from Mexico rather than from other states (Lacy 2007:27). The last point has serious implications for Mexican immigrants because it implies that *“this group has arrived to a new receiving area with a lack of a multi-generational ethnic population in place”* (Lacy 2007:10). Given such a lack of social capital and networks, Mexican immigrants in South Carolina have to create social networks and locate jobs, churches and transportation on their own. In this situation, *“the process of settlement, incorporation and adaptation are likely to be more lengthy and difficult”* (Lacy 2007:27).

Table 2.1: Selected Characteristics of Mexican Migrants in South Carolina (in percentage)

	Woodward (2006)	Lacy (2007)
a) Individual Characteristics		
Mean Age	33 yrs	29 yrs
Male	79	69
Average Years of Education	9 yrs	9 yrs
Married		56
Monthly Income	-	\$ 1,395
Average Annual Income	\$ 20,910	-
Top Three Industries	Construction Trade Restaurant	Construction Manufacturing Restaurant
Lives in Mobile Home	46.7	40
Has a Bank Account	33.7	-
Has Access to Transportation	70	-
b) Migratory Characteristics		
Years in SC	-	3.5 yrs
Plans to Return to Mexico	60	60
No Return Trips to Mexico in Last 5 Years	72	-
c) Family Characteristics		
Has at Least One Member of Family in US	-	65
Calls Mexico At Least Once a Week	-	68
Only Spanish Spoken at Home	-	90
d) Remittance Characteristics		
Sends Less than Once a Month		20
Sends More than Once a Month	32	
Sends Once a Month	44	57
Average Amount	\$ 283	\$ 435

Remittances in the Mexican Context

Latin America is at the top of the ranking of remittance-receiving regions and is the area with the highest number of remittances per capita (Suro 2003:13). Within this region, Mexico represents one of the three main recipient countries of remittances in the world (Solimano 2003:5). In its Annual Report, the Bank of Mexico estimates that in 2005 remittances accumulated to 20.35 billion, representing a 20.6 percent annual increase. Moreover, in that year inflows from worker's remittances exceeded foreign direct investment, equaled 71 percent of crude oil exports, and 2.6 percentage points of GDP. Also, 58.7 million transactions were carried out in 2005, with an average of 341 dollars each. Almost half (46 percent) of these remittances were sent to five destinations: Michoacán, Guanajuato, Jalisco, Estado de Mexico and the Federal District (Bank of Mexico 2005).

The Receiving Side

The National Population Counsel in Mexico estimated that 65 percent of the Mexican households that received remittances in 2005 were located in rural areas, whereas 35 percent were located in urban areas (CONAPO 2005). Eighteen percent of the adult population in Mexico reported that they personally received remittances from a family member living abroad (Suro 2003). Moreover, given that Latin American transnational migration is male dominated, the majority of the households receiving remittances is headed by females (Meyers 1998).

In terms of individual characteristics, 28 percent of remittance receivers had a grade school education or less, while only 7 percent had a university degree or more.

Moreover, 7 percent of the remittance receivers had a monthly income between \$0 and \$150, 44 percent between \$151 and \$370, 25 percent between \$371 and \$600, and 24 percent had more than \$600 of income a month (Suro 2003). A study analyzing the use of remittances in Mexico for 2003 stated that 4 percent of remittances were used for other items (including luxury items), 7 percent for education, 79 percent for household expenditures, 1 percent for real estate, 8 percent for savings, and 1 percent for investments (Suro 2003:11).

The Sending Side

A survey of Latin Americans living in the United States conducted by the Congressional Budget Office in 2004 estimated that, in general, remittance senders tend to be young and married. They also usually exhibit low levels of education, low income and low familiarity with banking systems (CBO 2005). Through analysis of the 2002 National Survey of Latinos, Lozano-Ascencio (2005) indicated that 65 percent of remitters were of Mexican origin, 70 percent were married, 57 percent arrived in the United States after 1990, and 67 percent had an annual household income below 30,000 dollars.

Joint research by the Multilateral Investment Fund and the Pew Hispanic Center (Suro 2003) found that two-thirds of Mexican remitters send money home at least once a month. This report also found that those Mexican remitters who have been in the United States for less than five years sent money most frequently, with three-quarters of them remitting at least once a month. Suro (2003) states that 56 percent of Mexican remitters send between 100 dollars and 300 dollars at a time; while Orozco (2003a) estimates that

Mexicans send an average of 378 dollars a month. A study measuring the emotional connection between Mexicans and their household found that 23 percent of Mexican remitters travel back home once a year, 66 percent call home once a week and 86 percent buy home country goods, such as tamales, bread and cheese (Orozco 2005:55).

Through telephone interviews of Latino immigrants in the United States, a study found that the major motivation of Mexican remittance senders is to help relatives in their countries of origin. Or in other words, “the needs of those left behind play a significant role in shaping immigrants’ remitting behavior” (Cortina and De la Garza 2004:21). In particular, this study found that immigrants from Mexico are primarily motivated to contribute to family maintenance, which includes expenditures for basic consumption, health and education (Cortina and De la Garza 2004:6-21).

Remittances can be sent in a variety of ways, including through money transfer companies, postal services, and banks. Also, remittances can be hand-delivered by the actual sender or by a third party, including friends or family members (Meyers 1998:3-4). Previous research has found that Mexicans are more likely to send their money using electronic transfers or money orders (Orozco 2004; Suro et al. 2002; Meyers 1998). In fact, the Bank of Mexico estimated in its 2005 Annual Report that 89 percent of remittances into the country were in the form of electronic transfers, 9.31 percent were money orders, and 1.36 percent were hand carried (Bank of Mexico 2005). These findings agree with previous studies that have described Mexican remitters as exhibiting a lack of knowledge and experience with banks and usually holding skeptical views of financial institutions (Suro et al. 2002).

Money transfer companies (MTC), such as Western Union, MoneyGram, Giromex, Pronto and Sigue, are particularly relevant to Mexican remittance behavior. Orozco (2004) explains that, by means of these companies, remittances can be sent and received at broadly different forms of establishments. On the sending side, MTC usually contract with another firm or an individual to serve as agents. In the United States, some of these agents include retail stores such as Seven-Elevens and Hispanic *tiendas*. On the receiving side, the MTC also form agreements with establishments in order to ensure coverage and effectiveness. In Mexico, some of the distributing agents include pharmacies, hardware stores and large banks (such as Banamex, HSBC, and BanNorte). Orozco (2004) explains:

“Money dispatched by an agent for a wire transfer operating out of a butcher shop in Chicago might be picked up at a bank in Mexico City. And, likewise money sent from a bank branch in the United States might be retrieved from a small retail establishment in Latin America [...] In terms of the transfer mechanisms involved, the remittance industry remains primarily a cash to cash process, with restricted banking intermediation [...] The most typical mechanism involves senders delivering cash and recipients withdrawing it regardless of whether the venue is a bank or a drugstore” (p.5-8)

Remittances from South Carolina

According to a report by the Inter-American Development Bank, which summarizes remittance data for 37 states in 2004, South Carolina sends 148 million dollars to Latin America, placing 25th in the nation. Each Latino immigrant sent an average of 2,261 dollars in 2004, placing South Carolina in 11th place in the nation (Woodward 2006). The report also mentioned that Hispanics in this state remit an average of 12.9 times per year, sending approximately 230 dollars each time. Also,

remittances are often sent from *tiendas* – which Woodward (2006) describes as “small local general stores that cater to the Latino community” (p.7).

Woodward (2006) found that 44 percent of Mexicans in South Carolina sent money home 12 times a year and remitted an average of 283 dollars. Over 66 percent of remitters did not have a bank account, attributing this situation mainly to a lack of proper documentation, and also to lack of money to save and lack of interest. Lacy (2007), on the other hand, found that 57 percent of Mexican migrants in South Carolina sent money home every month, and that these monthly remitters sent an average of 435 dollars. This author also stated that the majority of the respondents in the study (81 percent) indicated that they remitted money to meet basic expenses in Mexico and to pay off debt.

Theory of Remittance Behavior

Research on remittance behavior suggests that several motives underlie the remittance decision, implying that migrant workers send money home for a variety of reasons. The analytical literature on remittance behavior can be summarized in four main approaches: the altruistic motive, the self-interest motive, loan repayment motive, and co-insurance motive. An increasing number of researchers argue that these models are mutually reinforcing, suggesting that all theories play a role in determining remittance behavior. However, while some do not adhere to the need “to fit all migrants’ remitting behavior into one model” (Amuedo-Dorantes and Pozo 2005), others argue that it is imperative to develop testable hypotheses within a larger theoretical framework of contemporary remittance behavior (Stark and Lucas 1988).

The Altruistic Motive

In this view the migrant sends remittances back home out of concern and care for the well being of the family in the home country. Once the migrant secures stable employment and income, he/she will have the satisfaction of sending remittances for the well being of the family. The main prediction of this model is that as migrants' stay abroad lengthens and as the number of dependents in the country of origin declines, the migrants' family attachments will deteriorate and the motivations to remit will weaken (Solimano 2003; Brown 1997; Agarwal and Horowitz 2002; Stark and Lucas 1988).

The Self-Interest Motive

This model states that when sending remittances home, the migrant is mainly motivated by economic and financial self-interest. The migrant, through remittances, invests in the country of origin by buying property and land to accumulate wealth. During the emigration period, the family (acting as a trusted agent) can administer those assets for the migrant. Another motivation to remit is the desire of the emigrant to receive an inheritance from the parents. In this case, those family members who have contributed to increase the wealth of the family (i.e. by sending remittances) become obvious candidates for receiving an inheritance in the future (Solimano 2003; Brown 1997; Cai 2003).

Family Contract (Loan Repayment)

This model assumes that migrant and non-migrant family members develop an implicit, informal and internal contract. In this view, the family either finances the travel and establishment costs of migrating or finances investments in human capital of the migrating members (i.e. education). As the migrant settles in the host country and

acquires a stable job, he/she is now in condition to start repaying the loan in the form of remittances. This model predicts that the quicker the incorporation of the migrant in the foreign labor market, the faster the remittance flow (Solimano 2003; Poirine 1997).

Family Contract (Risk and Income Diversification)

A different type of implicit contract between the family and the migrant is based on the New Economics of Labor Migration (NELM) theory. This theory states that migration and remittance decisions are not made by an isolated individual, but within the family or the household. In this approach, the pivotal role of the household is highlighted by taking the migrant-sending household as the unit of analysis and analyzing it as the entity that creates and constrains responses to structural conditions. The NELM theory has two key underlying assumptions. First, it assumes a cohesive and communicative family, composed of members who are likely to trust each other and honor family arrangements. Second, it expects the migrant to return home and rejoin the household (Sana and Massey 2005; Massey 1999).

This approach assumes that households make migration decisions not only to maximize income, but also to diversify sources of income and minimize risk. In this view, households diversify sources of income by allocating different family workers to different labor markets. As long as economic conditions in the origin and destination countries are either negatively or weakly associated, sending members abroad becomes a coherent strategy of income and risk diversification. In the event of unforeseen bad local conditions – such as unemployment or loss of income – families can rely on the migrants for financial support through remittances. In this context, remittances become a strategy

in times of hardship and risk. Moreover, in the presence of failure and constraints of local credit and capital markets, remittances also act as a means to accumulate funds or undertake investments (Gubert 2002; Massey 1999; Sana and Massey 2005).

It is also important to mention that, according to the NELM theory, households send workers abroad not only to maximize income in the absolute sense, but to maximize income relative to other households. In other words, households employ this strategy to reduce their relative deprivation to other households in its reference group. A household sense of relative deprivation “depends on the incomes of which it is deprived in the reference group income distribution” (Massey 1999:37). Therefore, the likelihood of migration and remittances is greater where the feeling of relative deprivation is stronger, or in other words, in communities where the distribution of income is more unequal (Sana and Massey 2005; Massey 1999).

Remittance Behavior in the Mexican Context

Sana and Massey (2005) argue that Mexican migrants’ remittance behavior is consistent with the NELM theory. In other words, this group of migrants is a good example of migration and remittances used as a household strategy deriving from an implicit and internal contractual agreement between the migrant and the family. These researchers explain that this theory has found force in the analysis of Mexico-U.S. migration because Mexican migrants satisfy two key NELM assumptions: the cohesiveness of the family and the temporary nature of migration (Sana and Massey 2005).

First, in line with the first assumption, the Mexican family has been described as cohesive, meaning that members of the unit are strongly oriented to the family and that they trust each other, depend on each other, and are committed to each other. Through this perspective, Mexicans identify family as a highly valued institution that provides economic support, emotional support and personal satisfaction (Esteinou 2007). In regards with the second assumption, Sana and Massey (2005) explain that the NELM theory focuses exactly on the type of labor migration that characterizes Mexican migrants. This includes migrants who are usually male and either head of the household or the child of the head of the household. Moreover, these migrants usually identify strongly with the country of origin and plan to return to Mexico within a specified time frame.

However, it is important to mention that while temporary migration continues to dominate among Mexican migrants, migration patterns among this group have progressively changed, demonstrating increases in trip duration and a higher likelihood of settlement in the United States (Reyes 2004; see IRCA discussion in earlier section). Given that temporary and settled migration strategies influence and guide remitting behavior differently, it is imperative to include both kinds of migrants in this analysis (Massey et al. 1987; Glystos 1997). According to Sana and Massey (2005), a settled migration strategy can be “incorporated into the NELM rationale” of temporary migration strategy as long as both strategies are analyzed with the household as the central unit and examined through the risks that the household faces (p.512).

This study, therefore, will analyze Mexican remittance behavior through the lens of the new economics of labor migration theory. It will examine remittances as a household strategy stemming from an implicit and internal contractual agreement with the Mexican household and the migrant. This study expects the household to play a central and significant role in Mexican remittance behavior; it anticipates that remittances will increase during times of household hardships and risks; and it predicts that remitting behavior will differ between temporary and settled migrants.

Determinants of Remittance Behavior

Given the lack of a comprehensive theory, studies analyzing remittance behavior present conflicting and contradictory results. Throughout the literature, results and variables included in the analysis vary according to the ethnicity, culture and migration strategy of the sample group being analyzed. Models and findings also differ depending on the economic, social and political contexts under which migration occurs. This lack of consistency is complicated further by the use of different theoretical and statistical approaches in the analysis of remittance behavior.

Research has presented two alternate approaches for analyzing remittance behavior. On the one hand, the decision to remit and how much to remit are seen as occurring simultaneously, shaping remittance behavior as a one-stage decision process (Brown 1997). On the other hand, researchers argue that the remittance decision is a two-dimensional process, whereby the immigrant decides first whether or not to remit, and subsequently, decides how much (Menjivar et al. 1998; Funkhouser 1995; Cai 2003; Osaki 2003).

Given strong statistical and theoretical basis to expect the relative strength of variables to differ between the two dimensions of remittance behavior, this study will follow the approach chosen by Menjivar and her coauthors (1998), Funkhouser (1995), Cai (2003), and Osaki (2003) and will therefore analyze remittance behavior as a two-stage sequential decision process. Review of these four studies provide useful evidence on how certain individual, migration and family characteristics of migrants may affect remittance flows, but even within these studies models differ and results are sometimes contradictory. In this study, both the likelihood to remit and the amount remitted will be seen as a function of such characteristics described below.

Individual Characteristics

Education has been found to have an inverse relationship with the likelihood to remit, possibly because migrants with better education originate in households which have less need to be supported by remittances. However, among those who remit, there is a positive relationship between education and the amount remitted (Funkhouser 1995:141). Contradictorily, Cai (2003:477) and Menjivar and coauthors (1998:109) found education to have no effect either on the likelihood to remit or on the amount remitted.

Whether or not immigrants remit and the amount that they send may also be affected by their current employment status in the United States and their income level. As hypothesized, studies have observed that migrants who are working are more likely to remit and send more money than unemployed migrants. Just as important, the amount

remitted has also been found to be strongly and positively related to net income (Funkhouser 1995:141; Menjivar et al. 1998:101; Osaki 2003:205; Cai 2003:479).

Some researchers have found age to have no relationship to either dimension of remittance behavior (Funkhouser 1995), while others argue that it is another individual characteristic that strongly influences both the likelihood to remit and the amount remitted (Osaki 2003). For the amount remitted (and consistent with the earnings curve), middle-age migrants tend to remit more money, while much older migrants tend to remit less (Menjivar et al. 1998:114; Osaki 2003:214). Results of the relationship between gender and remittances are among the most contradictory. Some studies predict that males have a higher propensity both to remit and remit higher amounts (Menjivar et al. 1998:141; Cai 2002:474), others observe exactly the opposite (Osaki 2003:212), and yet other studies state that gender is not significantly correlated to either the probability of remitting or the amount remitted (Funkhouser 1995:144).

Migration Characteristics

Remittance behavior has also been proven to differ among temporary migrants and permanent migrants. Studies have found that temporary migrants (those who plan to return home) are more likely to remit and remit higher amounts, partly because they are target earners and because they still maintain strong ties and obligations in the country of origin (Cai 2002:474).

Research has determined that the relationship between years elapsed since migration and the amount of remittances is nonlinear, with remittances initially rising with time away from home and subsequently declining. In particular, length of stay in the

United States has been found to have an inverse relationship to the propensity to remit after the first 5 years (Menjivar et al. 1998:115; Cai 2002:475). This behavior pattern may be due to the weakening of migrants' ties after five years, whereby migrants may begin to feel fewer obligations to relatives in the country of origin. Findings related to the relationship between length of stay and the amount remitted are contradictory. On the one hand, some studies have found that those who identify themselves as members of the household in Mexico are persistent remitters (Funkhouser 1995), implying therefore a positive relationship between the variables. On the other hand, others have found that length of stay is not related to the amount remitted (Cai 2003; Menjivar et al. 1998; Osaki 2003).

Family Characteristics

Studies have demonstrated that the presence of certain relatives (such as spouses, parents and children) in the household of origin positively affects both the likelihood of remitting and the amount remitted (Menjivar 1998:104; Funkhouser 1995:141). Some researchers find that as the number of close family members in the country of origin increases, there is also a strong positive effect on both dimensions of remittance behavior (Menjivar 1998:115). In contrast, others find that such a characteristic has no impact on either dimension of remittance behavior (Osaki 2003:214; Cai 2002:479)

Heads of household, usually those who carry the main financial responsibility of dependents, have a much higher tendency to remit and remit in substantially and significantly higher amounts than those by other migrants (Funkhouser 1995:141). Results also show that when a single household reports multiple adult migrants, each

migrant is less likely to remit and remits less (Funkhouser 1995:141). The emotional connection to the household (measured by the frequency of home visits and phone calls) has also been proven to have a positive relationship to the likelihood to remit and the amount remitted (Cai 2003:477-480). Furthermore, suggesting a strong relationship between the migrant and the family, having received financial assistance from relatives in order to finance the migratory process also positively affects both dimensions of remittance behavior (Cai 2003:477-481).

CHAPTER 3: METHODOLOGY

A mixed approach, using both qualitative and quantitative data and analysis, was adopted in the design of the methodology for this study. While qualitative and quantitative methodologies can be considered alternative approaches to research, they are not mutually exclusive. According to some researchers, the strategy of methodological triangulation, or the use of multiple methods to study a single problem, can yield more illuminating and more reliable findings (Patton 2002; NSF 1997). Triangulation across methods improves the validity and reliability of research and approaches research from different vantage points, thereby revealing different dimensions, contradictions and perspectives of the same phenomenon. This adds breadth and scope to the analysis, and strengthens shortcomings of individual methods (NSF 1997; Tashakkori and Teddlie 1998).

A mixed methodology within this study was adopted by combining short and structured questionnaires and in-depth and semi-structured interviews. The questionnaires were used to provide analysis of variables that influence and determine the likelihood to remit and/or the amount remitted among Mexican immigrants and to develop a quantifiable basis for comparisons with other studies. However, solely assessing or identifying the factors and characteristics that influence remittance behavior is not beneficial unless it is accompanied by an attempt to understand their influence. Moreover, the patterns and motivations of Mexican immigrants for sending money home reflect interaction between complex individual, social, economic and legal worlds that cannot be captured in a formula. For these reasons, the interviews were used as an

instrument to evaluate, in-depth and in-detail, the evolving context in which remittances are sent and to provide analysis and understanding of these circumstances and experiences.

Selection of Participants

The data in this study were gathered in the upstate of South Carolina during the months of June, July and August of 2007. In particular, fieldwork took place in the cities of Clemson, Easley, Greenville, Greer, Seneca, Spartanburg and Walhalla (See Appendix 3.1). These cities were chosen because of the prevalence of Mexican immigrants, the number of Hispanic businesses, and because they were located within a 70 mile radius of the researcher's residence in South Carolina.

Participants were contacted in three main ways. Initial respondents were solicited through the researcher's established connections mainly in the restaurant business, which were formed during an eight-year stay in South Carolina. Subsequent participants were contacted through a snowball sampling technique whereby each respondent was asked to recommend other Mexican migrants who might agree to participate. Finally, a great number of respondents were selected in places where Mexican immigrants work or frequently visit, such as Mexican restaurants and Hispanic *tiendas*.

In order to participate, respondents had to meet the following criteria for inclusion: to be a Mexican immigrant (defined as having been born in Mexico), reside in northwestern South Carolina, and be at least 18 years of age. A total of 101 adult Mexican migrants participated in this study. Prospective participants for both the questionnaire and the interview were advised in their native language (Spanish) of the

purpose, procedures and risks of their participation in the research (See Appendix 3.2). They were reminded that any information provided would be confidential, that they could refuse to answer any question, and that they could terminate their participation at any moment. Oral consent was considered the most appropriate way to ensure confidentiality and was therefore used to assess the respondents' willingness to participate.

Data Collection Procedure

The first phase of this study consisted of the distribution and collection of short and structured questionnaires to 101 adult Mexican immigrants (See Appendix 3.3). The researcher constructed the questionnaires in Spanish and English; however, the questionnaires were conducted in Spanish and the data were later translated into English by the researcher. Questionnaires were administered to immigrants who remitted money home and to immigrants who did not remit money home. The primary purpose of this instrument was to examine the propensity and decision to remit for the whole sample of Mexican immigrants and to identify factors that influence the amount remitted for the sub-sample of those who remit.

The questionnaire consisted of 34 questions for remitters and 30 questions for non-remitters and gathered basic demographic, migration and remittance data. The participants always completed the questionnaire with the assistance of the researcher, not only because some respondents could not read or write, but also to ensure a higher response rate, better understanding of the questions, and increased accuracy of the data. Questionnaires took approximately ten minutes to complete and were collected in four places: Mexican restaurants, Hispanic *tiendas*, private homes, and one Hispanic church.

Questionnaires completed at Mexican restaurants (35.6%, n= 36) were done either before the start of the respondents' shift or during the respondents' break. Participants in this setting were either a part of the researcher's network of friends and acquaintances or were contacted through the snowball sampling technique. Questionnaires collected at Hispanic *tiendas* (32.7%, n=33) were completed during the *tienda's* business hours and were usually administered to employees. In two different cases, however, the owner's permission was granted and the researcher was also able to administer the questionnaire to any willing customer of the *tienda*.

Questionnaires gathered in private homes (27.7%, n=28) were usually completed either on the respondents' day off or before or after the respondents' work shift. Participants who completed the questionnaire at their homes were from the researcher's social network or were contacted through the snowball sampling technique. In the latter case and for reasons of safety, the researcher was always accompanied by the friend who provided the contact. Finally, the questionnaires collected at the Hispanic church (4%, n=4) were done after obtaining permission from the church's pastor to collect data for one day. The questionnaires were done after the Sunday service.

The researcher's background as a Latin American and as a native Spanish speaker played a key role in guiding interaction and cooperation and in developing trust between the respondents. The technique of snowball sampling was specifically necessary and helpful to the data collection. However, due to the sensitivity of migration issues (especially for those who might have entered the country without authorization) the researcher did encounter some level of ambivalence, and in some cases, resistance.

Overall, 7 people refused to be part of the research and two people refused to provide information on specific questions. Some of the immigrants who declined participation stated that they feared answering the questionnaire because of '*la migra*' - or immigration authorities. Also, there were instances where respondents asked to look at the questionnaire before providing consent, and in one case, the researcher was asked for proof of identification. In the majority of cases, however, participants became more cooperative after understanding that the project was to fulfill requirements for the researcher's education and that no incriminating or identifiable information would be inquired.

The second phase of the methodology consisted in the collection of in-depth and semi-structured interviews of 12 Mexican immigrants who had previously completed the questionnaire and who were willing to participate in the interview (See Appendix 3.4). The researcher constructed the interview guide in Spanish and English; however, the interviews were conducted in Spanish, transcribed in Spanish and the data were later translated into English by the researcher. In order to gain further insight and details about remittance behavior, the interviews only focused on those migrants who do remit money home. Moreover, given that previous research has determined that remittances initially rise during the first five years and exhibit a significant reduction thereafter, the researcher selected six respondents who had been in the United States for five years or less and six who had been in the United States for more than five years.

The main purpose of the interviews was to provide an in-depth look at the social world of the respondents and to analyze the individual and social contexts under which

remittances are sent. Based on responses to a variety of structured and open-ended questions, the length of the interviews varied from 20 minutes to 45 minutes. Half of the interviews was conducted at private homes during the respondents' day off or work break. The other half of the interviews was conducted at the respondents' place of work during work breaks or before the start of the respondents' work shift. While private homes were more conducive to uninterrupted conversations, the interviews were always conducted at a time and place chosen by the respondent.

It is important to note that, due to busy schedules and sensitivity of migration issues, obtaining consent for the interview was troublesome. The researcher did seek participation from available respondents who were eligible and cooperative, but as already mentioned, lack of time and lack of trust were common impediments. Given these circumstances, the researcher depended mainly on her network of friends and contacts in the restaurant business to find participants for the interviews. Compared to the rest of the sample, the interview participants exhibited a severely limited range of occupational classifications. In particular, eleven interviewees were employed as waiters or busboys and one interviewee had a sales-related occupation as the supervisor and owner of a Mexican *tienda*.

Data Analysis

As already mentioned in a preceding chapter, this study will analyze Mexican remittance behavior through the lens of the new economics of labor migration theory and will therefore examine remittances as a household strategy stemming from an implicit and internal contractual agreement with the Mexican household and the migrant. The data

obtained through the questionnaires will be used to provide a basic profile of the sample and describe respondents' individual, migration and family characteristics. Moreover, using this data, this study will analyze the propensity and decision to remit for the whole sample of Mexican migrants using logistic regression. For the sub-sample of those who remit, it will use an ordinary least squares model to identify factors determining the amount remitted. Both dimensions of remittance behavior are assumed to be dependent upon three sets of variables: individual, migration and family characteristics. Also, given that previous research highlights the centrality and cohesiveness of the household in Mexican culture, this study will pay particular attention to the influence of family characteristics (See Chapter Four).

The data obtained through the interviews will be used to capture the dynamic context under which remittances are sent, paying particular attention to the interaction between the household and complex individual, social and economic worlds that affect remittance behavior. The data will be analyzed deductively – whereby the researcher will follow premises and characteristics suggested by the NELM theory – and also inductively – whereby the researcher will search for patterns and common behavior among the interviewees. The main purpose of the analysis of qualitative data will be to evaluate more in-depth the centrality and importance of the household in the remittance behavior of Mexican migrants; to address how migration strategies impact remittance behavior; and to examine how remittance flows react to risks, hardships and other circumstances in both the origin and the destination (See Chapter Five).

Definition of Terms

Mexican Household: Given that the concept of household is affected by personal and cultural circumstances, a definition of household was particularly important in order to simplify the questionnaire and obtain accurate and consistent answers throughout the process. Also, given that the household is affected by events such as time, migration, marriage, death, and birth, and that this research deals with recent remittance behavior, a time frame for the definition of household was also central. For these reasons, the household in Mexico was defined as “the people who the respondent lived with before his or her most recent arrival to the United States”. It is important to mention that in some cases, the household underwent dramatic transformations since the respondent’s most recent arrival. Such changes were usually due to marriage, death and principally migration.

Remitters: Remitters were questionnaire respondents who had sent remittances to Mexico since their most recent arrival to the United States. On the other hand, *non-remitters* were questionnaire respondents who have not sent remittances to Mexico since their most recent arrival to the United States. It is important to mention that key individual, migratory and family data were asked of the respondent before asking the remittance question: “Have you sent money to Mexico since your most recent arrival to the United States?” This was done so that the researcher was able to get a quick understanding of the respondent’s circumstances and to identify special circumstances or exceptions. For example, in several instances, respondents who were faithful remitters had not remitted since their most recent arrival because they had just (a week or a month

ago) arrived from Mexico. In these situations, having an understanding of the respondents' stories was useful, and for this reason, the researcher was able to correctly categorize those respondents into remitters, instead of non-remitters (See Appendix 3.3).

Frequent remitters: Remitters were classified as frequent remitters if they sent money home at least once a month. Remitters in this category also sent remittances once a week and twice a month. On the other hand, *non-frequent remitters* were those who sent money home less frequently than once a month. Members of this group usually sent money to Mexico once every two months, once every three months, twice every year, or once a year or less often.

Intent to return: In order to determine the respondents' intent to return, the questionnaire included the question: "Do you plan to return to Mexico permanently?" In some cases, respondents answered the question without hesitation. However, in those cases where the respondent doubted, the researcher gave a specific time line and asked "Do you plan to return to Mexico permanently within the next five years?" See Chapter Four and Five for a more in-depth discussion of temporary and settled migration strategies.

CHAPTER 4: QUANTITATIVE ANALYSIS AND RESULTS

Characteristics of the Sample

Individual Characteristics

In general, the characteristics of the sample confirm findings from previous research of Mexican immigrants in the United States and in South Carolina, which were discussed in Chapter Two (see Table 2.1 and Table 4.1 in this chapter). The sample in this study was predominantly male (87.1 percent, n=88), young (mean of 31 years) and relatively uneducated (only 26.7 percent had finished high school, n=27). Also, 53.5 percent (n=54) was married and more than half (53 percent, n=53) migrated from the states of Distrito Federal, Guanajuato, Michoacán and Puebla, which according to the Mexican Population Council (CONAPO), were among the top 6 remittance receivers in 2004 (Zúñiga et al. 2005).

Consistent with recent reported patterns of employment among Mexican immigrants, 56.7 percent (n=55) of the sample was concentrated within three occupations: construction laborers, waiters and cooks (see Table 4.1). It is important to mention that the higher-than-average number of respondents employed in the restaurant industry was due to the nature of the researcher's network. Slightly higher than previous findings, the average income for the sample was 440.99 dollars a week or 21,167 dollars a year, indicating a significant difference from the state's wages estimate of 33,400 dollars (U.S. Department of Labor 2006).

Migratory Characteristics

For this sample, the average length of stay in the United States was 9.16 years (see Table 4.1). This finding, considerably higher than other results, was greatly affected by the researcher's social network, which contained respondents who had been in the United States for a significantly longer period of time than their counterparts. Overall, 57.4 percent (n=58) received financial help with their last migratory trip and 72.3 percent (n=73) said they had plans to return to live in Mexico permanently. In terms of return migration, 64.4 percent (n=65) has not returned to their country of origin in the last 5 years, which was undoubtedly influenced by stricter migration and border control policies after the terrorist attacks of September 11th.

Family Characteristics

As Table 4.1 shows, the majority of respondents (70.3 percent, n=71) said they were the only immigrant in the Mexican household who was living or working in the United States at the time of the questionnaire. Also, 30.7 percent of respondents (n=31) experienced change in the household since their most recent arrival, meaning that someone else from the same household migrated after the respondent. Households in Mexico had an average size of 3.90 people and 26.7 percent of the sample (n=27) considered himself/herself the head of household in Mexico.

Almost 42 percent of respondents (n=42) lived with friends and co-workers in South Carolina. Moreover, of the whole sample, 76.2 percent (n=77) had parents living in Mexico, 21.8 percent (n=22) had a spouse living in Mexico and 21.8 percent (n=22) had children living in Mexico. The overwhelming majority of the sample (94.1 percent, n=95)

Table 4.1: Selected Characteristics of the Sample (in percentage)

	Sample N= 101	Remitters N=88	Non-remitters N=13
a) Individual			
Mean Age	31 yrs	30.95 yrs	31.54 yrs
Male	87.1	86.4	92.3
Married	53.5	50	76.9
No Formal Education	3	2.3	7.7
Finished at Least High School	26.7	25	38.5
Most Common Occupation	construction	construction	construction
Second Most Common Occupation	waiter	waiter	waiter /
Weekly Income	\$ 440.99	\$ 440.54	\$ 444.17
Average Annual Income	\$ 21,167	\$ 21,145	\$ 21,320
b) Migratory			
Average Years in US	9.16 yrs	8.76 yrs	11.85 yrs
5 or Less Years in US	42.6	46.6	15.4
10 or More Years in the US	35.6	38.6	53.8
Financial Help with Last Migratory Trip	57.4	60.2	38.5
Plans to return to Mexico	72.3	77.3	38.5
No Return trips to Mexico in Last 5 Years	64.4	64.8	61.5
c) Family			
Only Migrant in Mexican Household	70.3	72.7	53.8
Has at Least One Member of Family in US	92.1	92	92.3
Change in Household Composition	30.7	28.4	46.2
Average Size of Household in Mexico	3.90 ppl	3.94 ppl	3.64 ppl
Head of Household in Mexico	26.7	30.7	none
Lives with Coworkers/Friends in SC	42	45.5	15.4
Parents in Mexico*	76.2	79.5	53.8
Spouse in Mexico*	21.8	25	none
Children in Mexico*	21.8	25	none
Calls Mexico At Least Once a Month	94.1	98.9	61.5
Calls Mexico At Least Once a Week	74.3	46.6	15.4
Calls Mexico Every Day	11.9	13.6	none

*among the whole sample, among all remitters, among all non-remitters, respectively

made at least one phone call a month to Mexico, 74.3 percent (n=75) called at least once a week, and 11.9 percent (n=12) called Mexico every day (see Table 4.1).

Remitters vs. Non-remitters

Of the sample, 87 percent (n=88) were remitters – respondents who have sent remittances to Mexico since their most recent arrival to the United States – and 13 percent (n=13) were non-remitters. Compared to remitters, non-remitters were more educated, had a higher income, and performed managerial occupations (see Table 4.1). As a group, non-remitters had a longer stay in the United States and had fewer plans to return to Mexico. In terms of family characteristics, non-remitters showed significantly fewer social ties to the country of origin. They communicated via phone significantly less often than remitters, none of them was the head of household in the country of origin and none had a spouse or a child living in Mexico.

Almost half (46.2 percent, n=6) of the non-remitters, however, stated that they have previously sent remittances to Mexico. The most common reasons for not remitting included not having any spare money, not having anyone of the immediate family still living in Mexico, and considering those who have stayed behind to be economically self-sufficient.

Moreover, it is interesting to note that exploratory statistics and research presented three general and dominant groups of remitters. The first group was composed of married respondents who remitted to their household (spouse and/or children) in Mexico. The second included married respondents with a household (spouse and/or children) in the United States, but who sent to their former household (usually parents) in

Mexico. And the third group involved those unmarried respondents who remitted to their household (usually parents and siblings) in Mexico.

Characteristics of Remittance Behavior

Given that temporary and settled migration strategies have been found to influence and guide remitting behavior differently (Massey et al. 1987; Glystos 1997), this section divides remitters into two different groups: those who plan to return to Mexico permanently (temporary migrants) and those who do not plan to return to Mexico permanently (settled migrants). Of the remitters, 77.3 percent (n=68) were temporary migrants and 22.7 percent (n=20) were settled migrants (See Table 4.2). The overwhelming majority (83.7 percent, n=57) of temporary migrants were frequent remitters – meaning that they sent money home at least once a month – while slightly more than half (55 percent, n=11) of settled migrants were frequent remitters. The average monthly remittance for temporary migrants was 692.05 dollars and 467.55 dollars for settled migrants. These findings were considerably higher than others studies of Mexican immigrants in South Carolina – Woodward (2006) estimated that remitters sent an average of 283 dollars a month and Lacy (2007) calculated an average of 435 dollars a month.

Differences in these results can be due to myriads of reasons. First, compared to the studies in South Carolina, the sample's slightly higher educational level, significantly longer length of stay in the United States, and higher yearly income can play an important role in the observed average of remittances sent. Second, a human tendency to both forget and overestimate the amount sent to the country of origin could also have an effect on

these findings. On various occasions, the researcher had to re-administer certain questions to those respondents who claimed to remit more than 80 percent (and in some cases 100 percent) of their income. Finally, it is important to keep in mind that the amount the remitter claimed to have sent does not necessarily represent the amount that he or she usually sends. The amount of money sent during the previous month of the questionnaire (frequent remitters) and sent before the previous month of the questionnaire (non frequent remitters) could have been influenced not only by increased or decreased income, but also by a greater or lesser need of the household in Mexico. In fact, on several occasions respondents explained that they had recently sent more than usual due to occurrences like an unexpected illness or death, among others.

As Table 4.2 shows, the intended recipients of these flows were almost always the members of the respondent's current or former household in Mexico. The majority (85 percent, n=17) of settled migrants stated that they sent remittances to their parents in Mexico, while temporary migrants' remittances were distributed among parents, spouses and other immediate relatives. These findings agree with the three dominant group of remitters mentioned earlier: married migrants who remit to their household in Mexico; married migrants with a household in the United States, but who remit to their former household in Mexico; and unmarried migrants who remitted to their household in Mexico. It is also important to mention that a group of respondents stated that they also sent remittances for themselves. In these cases, the handler of the money in Mexico usually either deposited the remitter's money in a bank or performed financial transactions for the remitter, such as buying a house, land and/or appliances.

Table 4.2: Selected Characteristics of Remittance Behavior (in percentage)

	Temporary Migrants N=68	Settled Migrants N=20
a) Amount of Remittances		
Average Amount Sent	\$ 692.05	\$ 467.55
400 dollars or less	38.2	50
401 to 800 dollars	30.9	30
801 to 1,200 dollars	20.6	15
1,201 or more dollars	10.3	5
b) Frequency of Remittances		
1) Frequent Remitter		
Once a Week	16.2	5
Twice a Month	29.4	10
Once a Month	38.2	40
2) Non-Frequent Remitter		
Once every Two Months	11.8	10
Once Every Three Months	1.5	10
Twice every Year	1.5	20
Once a Year or Less Often	1.5	5
c) Recipient of Remittances		
Parents	48.5	85
Siblings	32.4	25
Spouse	32.4	none
Children	38.2	none
Respondent	7.4	5
d) Transmittal Method		
Money Transfer Companies	85.3	75
Other	14.8	25
e) Number One Motive of Remittances		
1) Maintenance		
Food, Clothing, and Rent	42.6	25
Education	7.4	10
Health	16.2	45
2) Investments		
Accumulate Savings	13.2	-
Pay Debt	7.4	5
3) Contingencies		
Improve Family Home	1.5	-
Buy or Build Family Home	8.8	5
Establish or Expand a Business	1.5	-
4) Other		
As present	1.5	10

Remittances from both groups were overwhelmingly sent using money transfer companies (see Table 4.2). Also, the number one motive for sending remittances for both groups was family maintenance. Within this category, temporary migrants sent more for immediate needs such as food, clothing and rent, while settled migrants sent more money for health purposes (probably for the aging parents). Moreover, temporary respondents were more likely to remit to accumulate savings or for certain investments – such as remodeling a house or establishing a business. On the other hand, settled respondents were more likely to send money to Mexico as a gift.

Data Analysis

Although discussed in a preceding chapter, it is important to restate that given the lack of a comprehensive theory, studies analyzing remittance behavior present conflicting and contradictory results. Throughout the literature, results and variables included in the analysis vary according to the ethnicity, culture and migration strategy of the sample group being analyzed. Models and findings also differ depending on the economic, social and political contexts under which migration occurs.

As already mentioned, this lack of consistency is complicated further by the use of different theoretical and statistical approaches in the analysis of remittance behavior. On the one hand, remittance behavior is seen as a one-stage decision process, whereby the immigrant decides simultaneously whether or not to remit and how much to remit. On the other hand, researchers like Menjivar and coauthors (1998), Funkhouser (1995), Cai (2003) and Osaki (2003), argue that the remittance decision is a two-dimensional process, whereby the immigrant decides first whether or not to remit, and consequently, decides

how much. As already stated, given strong statistical and theoretical basis to expect the relative strength of variables to differ between the two dimensions of remittance behavior, this study will follow the approach chosen by the four studies abovementioned and will analyze remittance behavior as a two-stage sequential decision process.

Model Specification

This study analyzed the propensity and decision to remit for the whole sample of Mexican migrants using logistic regression. For the sub-sample of those who remit, this study used an ordinary least squares model to identify factors determining the amount remitted. Both dimensions of remittance behavior were assumed to be dependent upon three sets of variables: individual, migration and family characteristics (See Table 4.3). Given that previous research highlights the centrality and cohesiveness of the household in Mexican culture and describes remittances as a household strategy between the family and the migrant, this study paid particular attention to the influence of family characteristics.

The small sample of this study limited the number of variables that could be incorporated in the data analysis. For this reason, exploratory analysis was used to trim and improve the model by testing different measures and their association with the independent variables. Thus, the variables included in the abovementioned models were included based on a combination of practicality and prior empirical work by Menjivar and coauthors (1998), Funkhouser (1995), Cai (2003) and Osaki (2003), who analyzed remittance as a two-stage sequential decision and found such variables to be significant

Table 4.3: Description of Variables in Regression Analyses

	Measurement	Mean	St.	Min.	Max
a) Dependent Variables					
Model One Remittance Status	1= remitted 0= not remitted	0.87	0.337	0	1
Model Two Amount of Remittances	logarithm of remittances sent*	2.66	0.373	1.70	3.48
b) Individual Characteristics					
Income	logarithm of weekly income times fifty*	4.30	0.122	4.00	4.58
Education	1=preparatory school 0= otherwise	0.27	0.445	0	1
c) Migratory Characteristics					
Length of Stay in the United States	number of years	9.16	8.474	0 ¹	44
d) Family Characteristics					
Presence of Immediate Relatives in Mexico	1= yes 0=otherwise	0.28	0.450	0	1
Head of Household	1=yes 0= otherwise	0.27	0.445	0	1
Number of Migrants from Household	number of migrants	1.53	0.944	1 ²	4
Number of Monthly Phone Calls to Mexico	number of phone calls	8.75	9.013	0	30

¹ Value of zero means that respondent has been in the United States for less than a year

² Includes respondent, value of one means the respondent was the only migrant in household

* Missing values were replaced by the mean

and among the most important determinants of remittance behavior. The means, standard deviations, range and measurement of these variables are shown in Table 4.3.

The dependent variable for the logistic regression model was set equal to one if the migrant has remitted and equal to zero otherwise. In the OLS model, the dependent variable was measured by the logarithm of the observed value of monthly remittances to Mexico. It is important to mention that the abovementioned dependent variable includes both the monies sent during the previous month of the questionnaire (mostly by frequent remitters) as well as the monies sent before the previous month of the questionnaire (mostly by non-frequent remitters).

Given that the sample was predominantly male and young, the variables measuring age and gender were not included in the model due to their lack of variance. Also, exploratory analysis showed that variables such as prospects of returning to Mexico permanently, having received financial help in migratory trip and the size of the household in Mexico were insignificant and insensitive to explaining both dimensions of remittance behavior for this sample.

As done in previous studies analyzing remittance behavior as a two-stage decision, both models included the same set of predictor variables (See Table 4.3). The first individual-level characteristic included was education, which was set equal to one if the respondent finished preparatory school and equal to zero otherwise. Income earned was also incorporated and was measured by the logarithm of yearly income, which was itself estimated by multiplying the observed value of weekly income by fifty. The migration-level characteristic utilized was the observed value of length of stay in the

United States as of the time of the questionnaire. The family-level characteristics incorporated in the analysis were the observed value of the number during the previous month of the questionnaire. The presence of immediate relatives in Mexico was also included in the model, and was set equal to one if the respondent had parents or children or spouses in Mexico and equal to zero otherwise. The last family characteristic considered was the status as head of household in Mexico, which was set equal to one if the respondent was the head of household and set equal to zero if the respondent was not. Consequently, the conceptual models can be specified as follows:

Likelihood of remitting = f {income, education, length of stay in the United States, presence of any immediate relatives in Mexico, head of household in Mexico, number of migrants from household in Mexico, number of monthly phone calls to household in Mexico}

Logarithm of amount remitted = f {income, education, length of stay in the United States, presence of any immediate relatives in Mexico, head of household in Mexico, number of migrants from household in Mexico, number of monthly phone calls to household in Mexico}

Hypotheses

Likelihood of remitting

In order to provide a cohesive analysis and to avoid contradictions present in the remittance behavior literature, the following hypotheses have conformed to results found by Menjivar and coauthors (1998), Funkhouser (1995), Cai (2003) and Osaki (2003), who analyze remittance behavior as a two dimensional decision process. Controlling for other factors, income is considered a key factor in determining the capacity of the migrant to remit and is therefore hypothesized to be positively related to the likelihood to remit (Cai 2003; Funkhouser 1995, Menjivar et al. 1998). Given that migrants with better

education are anticipated to originate in households with a lesser need for remittances, education is expected to have a negative effect on the likelihood to remit (Osaki 2003; Funkhouser 1995). However, based on results by Menjivar et al. (1998) and Cai (2003), an alternative hypothesis is to expect that education will not be significant in explaining the propensity to remit.

As mentioned in Chapter Two, length of stay in the United States is expected to have an inverse relationship to the propensity to remit after the first 5 years (Cai 2003, Menjivar et al. 1998). This behavior pattern may be due to the weakening of migrants' ties after five years or to the accomplishment of financial targets within this time period, whereby migrants may begin to feel fewer obligations to relatives in the country of origin.

The presence of immediate relatives in the country of origin is expected to positively affect the first dimension of remittance behavior because it represents the strength of social ties in Mexico and implies a degree of dependence from those who have stayed behind, suggesting greater financial responsibility (Menjivar et al. 1998; Funkhouser 1995). Moreover, a stronger emotional connection to the household, which in this study will be quantified by a higher number of monthly phone calls, is also expected to have a strong and positive correlation to the propensity to remit (Cai 2003). Being the head of the Mexican household suggests that the migrant carries a greater obligation to provide for the needs of the family left behind (Funkhouser 1995). For this reason, those who are heads of household are expected to be more likely to remit. Finally, a greater number of migrants from the household is expected to negatively affect the propensity to

remit, given that as the number of migrants in the household increases, economic obligations are distributed among other migrants (Funkhouser 1995). Controlling for other factors in the model, the hypotheses can be summarized as follows:

- *Hypothesis 1: Income will have a positive relationship to the likelihood to remit*
- *Hypothesis 2: Education will have a negative relationship to the likelihood to remit*
- *Hypothesis 2a: Education will have no relationship to the likelihood to remit*
- *Hypothesis 3: After the first five years, length of stay in the United States will have a negative relationship to the likelihood to remit*
- *Hypothesis 4: The presence of immediate relatives in Mexico will have a positive relationship to the likelihood to remit*
- *Hypothesis 5: A higher number of monthly phone calls to Mexico will have a positive relationship to the likelihood to remit*
- *Hypothesis 6: Being the head of the household in Mexico will have a positive relationship to the likelihood to remit*
- *Hypothesis 7: A higher number of migrants from the Mexican household will have a negative relationship to the likelihood to remit*

Amount Remitted

Given that the individual's income determines the ability of the migrant to remit, the amount earned is expected to be positively related to the amount remitted (Cai 2003; Funkhouser 1995; Menjivar et al. 1998). Unlike the effect on the propensity to remit and given that educational accomplishment is associated with earnings potential, those with higher education are anticipated to remit higher amounts (Funkhouser 1995). However,

given a difference in language and educational systems, education obtained in Mexico might not necessarily be useful or rewarded in the United States and therefore it is also reasonable to expect that it will not be correlated to the amount remitted (Menjivar et al. 1998; Cai 2003).

Although length of stay is expected to have an inverse relationship to the propensity to remit after the first 5 years, those who identify themselves as members of the household in Mexico have been found to be persistent remitters in previous studies (Funkhouser 1995) Therefore, this variable is expected to have a positive relationship with the amount remitted. However, other researchers have found that length of stay is not related to the amount remitted. For this reason, an alternative hypothesis is to expect no correlation between the two (Cai 2003; Menjivar et al. 1998; Osaki 2003).

The presence of immediate relatives in the country of origin and the number of monthly phone calls are expected to follow the same pattern of correlation as the first dimension of remittance behavior. Those who have more immediate relatives in Mexico and who call on a regular basis are expected to have a greater financial responsibility and a greater emotional connection to the household in Mexico and are therefore expected to remit higher amounts (Menjivar et al. 1998; Cai 2003; Funkouser 1995). As already mentioned, being the head of the Mexican household implies a greater responsibility to the family left behind, and is therefore anticipated to also positively affect the amount remitted (Funkhouser 1995). Finally, those who come from a household with a greater number of migrants are predicted to remit less due to the sharing of economic obligations

with other migrants (Funkhouser 1995). Net of other factors, the hypotheses can be summarized as follows:

- *Hypothesis 8: Income will have a positive relationship to the amount remitted*
- *Hypothesis 9: Education will have a positive relationship to the amount remitted*
- *Hypothesis 9a: Education will have no relationship to the amount remitted*
- *Hypothesis 10: Length of stay in the United States will have a positive relationship to the amount remitted*
- *Hypothesis 10a: Length of stay in the United States will have no relationship to the amount remitted*
- *Hypothesis 11: The presence of immediate relatives in Mexico will have a positive relationship to the amount remitted*
- *Hypothesis 12: A higher number of monthly phone calls to Mexico will have a positive relationship to the amount remitted*
- *Hypothesis 13: Being the head of the household in Mexico will have a positive relationship to the amount remitted*
- *Hypothesis 14: A higher number of migrants from the Mexican household will have a negative relationship to the amount remitted*

Results

Likelihood of remitting

Table 4.4 reports the results of the logistic regression analysis. In terms of goodness-of-fit statistics, this model presents a log likelihood of 46.074 and a Cox and Snell R Square of .268. Although marginally significant, yearly income showed the

Table 4.4: Regression Estimates on the Likelihood to Remit

Model 1				
Logistic Regression – Likelihood to Remit				
	B	S.E.	Sig.	Exp(B)
Logarithm of Yearly Income	5.488	3.333	.100	241.835
Completed Preparatory School	-.864	.850	.310	.420
Length of Stay in the United States	-.008	.046	.057	.916
Presence of Immediate Relatives in Mexico	2.862	1.092	.009	17.488
Head of Household	19.550	6258.35	.998	3.1E+00
Number of Migrants from Household	-.130	.372	.727	.878
Number of Monthly Phone Calls to Mexico	.200	.109	.067	1.222

N= 101
-2 Log Likelihood= 46.074
Cox & Snell R Squared= .268

expected effect, suggesting that the propensity to remit does depend on the economic circumstances of the immigrant. As hypothesized by Menjivar and coauthors (1998) and Cai (2003), having finished preparatory school was not significant and had no effect in explaining the likelihood of remitting. As expected – and providing evidence of remittance decay with time – the variable connoting years in the United States was negative and statistically significant in explaining the likelihood of remitting. Those migrants with a longer length of stay are 0.91 times less likely to remit than those with a shorter length of stay. It is important to mention that the odds-ratios for the predictors (Exp(B)) shown in Table 4.4 are an exponentiation of the coefficient B, whereby the coefficient is converted from log-odds units to odds-ratios in order to facilitate interpretation in analysis.

As expected, the presence of immediate relatives in the country of origin and the number of monthly phone calls were significant in predicting the decision to remit, indicating that these variables do capture a certain level of emotional connection and ties to the country of origin. The odds ratios in Table 4.4 show that those migrants who made phone calls to the household in Mexico during the month prior to the questionnaire were 1.22 times more likely to remit than those who did not. Also, those who had parents, and/or children, and/or a spouse in Mexico were 17.48 times more likely to remit than those who did not.

Contrary to expectations, being the head of household did not affect the inclination to remit (see Table 4.4). This finding suggests that any member of the household is equally likely to participate in, and honor, the family-migrant contractual

agreement and is therefore equally likely to send remittances. The number of migrants from the household was not significant and had no effect in explaining the likelihood of remitting (see Table 4.4). This finding could suggest that certain individual commitments and intentions, such as paying back a personal loan or sending money to Mexico every year for mother's day and the mother's birthday, are powerful, not contingent upon anything but the individual and therefore do not affect the migrant's decision to remit in a statistically significant way.

Amount Remitted

Table 4.5 provides the results of the OLS regression analysis, suggesting that a variety of factors are significant in determining the amount remitted. Model two has an R Square of .251, meaning that 25.1 percent of the variance in the dependent variable is explained by its linear relationship to the independent variables. As expected, yearly income was positively related to the amount remitted. Although it was marginally significant, this finding suggests that income does indeed determine the ability of the migrant to remit. Unlike both hypotheses, having finished preparatory school had a significant negative association with the amount remitted. This suggests that having finished preparatory school implies a greater potential for adaptation to the destination country, leading to a weakening of ties with the origin country and a lower amount of remittances.

Contrary to the original hypothesis expecting a positive association between years in the United States and amount remitted, but conforming to the alternative hypothesis,

Table 4.5: Regression Estimates on the Amount Remitted

	Model 2		
	OLS – Amount Remitted		
	B	S.E.	Sig.
Logarithm of Yearly Income	.498	.347	.155
Completed Preparatory School	-.154	.087	.079
Length of Stay in the United States	.002	.005	.610
Presence of Immediate Relatives in Mexico	.435	.249	.085
Head of Household	.118	.091	.196
Number of Migrants from Household	-.105	.046	.026
Number of Monthly Phone Calls to Mexico	.010	.004	.030

N= 88
R Squared = .251

length of stay exhibited no relationship with the amount remitted (see Table 4.5). Also as anticipated, having immediate relatives in the country of origin and calling Mexico on a monthly and regular basis were positive and significantly correlated to the amount remitted. It is important to mention that, unlike its lack of association to the likelihood to remit, being the head of household showed the predicted effect (although marginally significant) on the amount remitted, suggesting that those who carry the main financial responsibility remit higher amounts. In other words, those who exhibited emotional connections and ties, as well as financial responsibility for the ones left behind, remitted higher amounts. Finally, as hypothesized, having a greater number of migrants from the household of origin had a significant negative effect on the amount remitted, suggesting lesser urgency and economic obligations (see Table 4.5).

Conclusion

The analysis of remittance behavior of this sample suggests that a range of variables play a role in determining the likelihood of remitting and the amount remitted. The results of this analysis have conformed – for the most part – to previous research and findings of remittance behavior as a two dimensional decision process by Menjivar and coauthors (1998), Funkhouser (1995), Cai (2003) and Osaki (2003). In summary, income had a marginal positive relationship with both the propensity to remit and the amount remitted. Having finished preparatory school had no relationship with the likelihood of remitting, but had a significant negative correlation with the amount remitted. The length of stay in the United States exhibited a negative and significant correlation with the propensity to remit, but had no relationship with the amount remitted. Both the presence

of immediate relatives in Mexico and making monthly phone calls to Mexico were positively and statistically significant in predicting the likelihood of remitting and to the amount remitted. Being the head of the household showed no correlation to the inclination to remit, but those who were the head of household remitted higher amounts. Finally, having a greater number of migrants from the household in Mexico had no correlation to the propensity to remit, but was negatively and statistically related to the amount remitted.

It is important to mention that, although this study has presented suggestive findings, such findings lose power in a limited sample size. Given that small and non-probability samples increase the possibility of error, these results cannot be accepted as definitive. Nonetheless, the results of this analysis have conformed – for the most part – to previous research and findings of remittance behavior as a two dimensional decision process. Most importantly, the findings in this study have agreed with the NELM theory and have testified to the centrality of the household in Mexican remitting behavior. Variables that highlighted the Mexican household need and dependence level, as well as those variables that identified the migrants' economic obligations and emotional connection to Mexico (such as presence of immediate relatives and the number of monthly phone calls) were among the most important in predicting and explaining remittance behavior among respondents of this study.

It is important to restate the fact that the quantitative analysis of this study was not able to address differences in remitting behavior among temporary migrants and settled migrants. As mentioned before, the variable connoting respondents' plans to return to

Mexico permanently was not significant in the exploratory analysis and was therefore not included in the final models. Such statistical insignificance can be explained by the fact that the intent to return to Mexico permanently (or not) was hard to capture through one ‘yes or no’ question, and was therefore, a major limitation of the questionnaires (See Appendix 3.3 and Chapter Two for further clarifications).

In fact, researchers state that temporary and settled migration strategies can be problematic and hard to identify in some cases (Massey et al. 1987:179). As circumstances, opportunities and restrictions change over time, the permanence or temporality of migrants can never be guaranteed. In some cases, the decision to return to Mexico or settle in the United States can be a conscious decision made by the individual or the household. But in some other cases, such a decision can be a “*product of circumstances that accumulate over the years [...] or [an] option of returning [that] never materializes*” (Massey et al. 1987:180). For example, some migrants might expect to settle in the United States, but can be suddenly deported; others might expect to return to Mexico permanently, but may become terminally ill and be forced to stay in the United States for treatment. Responses to such a complex question proved to be more conclusive through the qualitative analysis of this study, and will therefore be analyzed in the next chapter.

CHAPTER FIVE: QUALITATIVE ANALYSIS AND RESULTS

As explained in Chapter Two, previous research has described the Mexican family as cohesive and as likely to honor family arrangements that ensure remittance flows. For this reason, remittance behavior in this study is analyzed through the lens of the new economics of labor migration (NELM) theory as an implicit and internal contract between the migrant and the family. The results of the analysis reported in Chapter Four agree with this theory, showing that household variables are among the most important in predicting remittance behavior. Both the likelihood of remitting and the amount remitted are influenced by variables that highlight the Mexican household need and dependence level, as well as by variables that identify the migrants' economic obligations and emotional connection to Mexico (such as presence of immediate relatives and the number of monthly phone calls).

The purpose of this chapter is to evaluate more in depth the centrality and importance of the household in the remittance behavior of Mexican migrants; to address how migration strategies impact remittance behavior; and to examine how remittances react to risks, hardships and other circumstances in both the origin and the destination. In particular, this chapter attempts to capture the always evolving context under which remittances are sent, paying particular attention to the interaction between the household and complex individual, social and economic worlds that affect remittance behavior. The data were analyzed deductively – whereby the researcher followed premises and characteristics suggested by the NELM theory – and also inductively – whereby the researcher searched for patterns and common behavior among the interviewees. Overall,

three themes emerged in the deductive and inductive analysis of the interview data. The first theme explains how a specific migration strategy impacts remittance behavior; the second illustrates remittances as a responsive strategy; and the third explains how reliability, convenience and habit affect the remittance process. Each will be discussed in depth in the following sections.

In general, the demographic characteristics of the interviewees agreed with the characteristics of the rest of the sample (see Chapter Four). Similar to the other respondents, the interviewees were relatively young (mean age of 30 years), had an average length of stay in the United States of 8.58 years and had an average income of 456.67 dollars a week. Compared to the sample, the interviewees exhibited higher education levels: 41.7 percent (n=5), as opposed to only 26.7 percent (n=27), finished at least high school. It is important to restate that, as mentioned in Chapter Three, obtaining consent for the interview was troublesome. For this reason, the researcher depended mainly on her network of friends and contacts in the restaurant business to find participants for the interviews. Compared to the rest of the sample, the interview participants were all male and exhibited a severely limited range on occupational classifications. In particular, eleven interviewees were employed as waiters or busboys and one interviewee had a sales related occupation as the supervisor and owner of a Mexican *tienda*.

Migration Strategy and Its Impact on Remittance Behavior

Given that temporary and settled migration strategies influence and guide remitting behavior differently (Massey et al. 1999; Glystos 1997; Sana and Massey

2005), the main purpose of this section is to highlight the theoretical distinction (and similarities) between these strategies. In particular, this section will discuss how each migration strategy is demarcated by different decisions regarding the duration, frequency and regularity of migration, thereby defining and influencing the location of settlement, the intent to return, and most importantly to this study, remittance behavior. This section will also introduce another group of migrants that became apparent throughout the analysis – those who were in a transitional stage between a temporary strategy and permanent settlement; or in other words, those who were beyond the stage of employing a temporary strategy but had not yet become permanent settlers. Lastly, this section will incorporate three case studies exemplifying each group of migrants discussed.

Temporary Migrants

Also called target earners, migrants who employ this strategy usually make one to three trips at different points in their lives and in the household life cycle, usually coinciding with either the period of biggest economic need in the household (after the birth of children) or with the period where the number of workers and migrants in the household peaks (usually after the children turn 13 years old and begin contributing to the support of the household). Temporary migrants often come for a specific purpose, usually set specific targets – in terms of money and time – and restrain their expenditures as much as possible in the destination country (Glytsos 1997; Massey et al. 1987).

Migrants within this group identify strongly with the Mexican household, are likely to be male and are usually either the head of the Mexican household or the child of the head (Sana and Massey 2005). Moreover, given their temporary view of migration,

members of this group exhibit a low level of adaptation to the destination country – they usually do not know or learn how to speak English, most are illegal, and they limit their social interaction to members of the same citizenship (Massey et al. 1987).

Five of the 12 interviewees in this study were perfect examples of a temporary strategy and fit the description found in the literature. Migrants within this group were either the head of household or the child of the head of household and were in constant communication with family in Mexico – calling home at least three times a week. All had arrived in the United States within the past five years and were either on the first, second or third migratory trip. At the time of the interview, they were all the only migrant from the Mexican household.

The interviewees in this group had specific targets in terms of time – all of them planned to return to Mexico in two years, with the majority planning to do so within six months after the interview. This group also presented clear and specific targets in regards to the purpose of migration. The heads of household migrated in order to buy a house – or fix and improve their current one – and to save money for the possibility of a business in the future. Similarly, the children of the heads migrated in order to help their parental household out of financial difficulties and also to save money for a future in Mexico, which usually included the plan of buying a house and opening a business.

In terms of remittances, this group remitted often and in high quantities. All but one remitted either every week or every two weeks, totaling an average of 1,100 dollars a month. The exception was one migrant who remitted 1,500 to 2,000 dollars every two to three months for two reasons: first, because the household had become economically

stable and second, because it was more convenient for the recipient to pick up the money in Mexico intermittently. (This exception sheds light on to the issue of how targets adjust and evolve according to changing and abrupt circumstances in both Mexico and the United States, which will be addressed later in this chapter).

All of the temporary migrants in this study admitted to making an effort to spend as little as possible in order to save and send as much as possible. The remittance purpose was in harmony with the migration purpose. Those who migrated to build a house spent remittances on construction materials and the like; those who wanted to open a business in the future saved and set apart at least a portion of the remittances; and those who migrated to help the parental household gave remittances to the parents, who usually spent funds on subsistence items such as food and clothes.

It is important to mention that remittances sent for investment purposes were under greater control from the remitter. Heads of households who sent money to buy or fix a house were in constant communication with the recipient in Mexico and oversaw the expenditure and administration of funds. All of the heads of households in this study were married, and in all instances, the intended recipient and administrator of the funds was the wife. Children of heads of household also controlled the portion of the remittances sent towards their own savings or investments, but the money sent to lift the burden of financial pressures was left to the discretion of the recipient and the expenditure and administration of such funds was not inquired nor questioned. All of the children of the head of the households in this study were single, and in all instances, the intended recipient and administrator of the funds was the father.

Settled Migrants

Migrants who employ this strategy settle in the United States but keep social and economic connections to Mexico. Given that in the majority of cases all close family members eventually join the migrant in the destination country, in these circumstances remittances for family support are very limited (Glytsos 1997). Migrants in this category are characterized by long years of residence in the United States and often times by legal status, though the latter is not always present. This group focuses on preparing a better life in the host country. Settled migrants present a high degree of integration in the economic, social and cultural life in the United States. This implies having a permanent job, a good command of the English language, usually having children who are legal residents of the United States, and the tendency to not only make investments but also to direct them towards the United States (Massey et al. 1987).

Three interviewees in this study can be classified as settled migrants. As a group, they have lived in the United States for an average of more than 17 years and all had invested in houses and cars in the United States, and in once case, had opened a business. All were the heads of their own households in the United States; two got married in the United States and had American children, and the other was still single. None had plans to return to live in Mexico (neither in the near future nor in the far future) and all attributed this decision to the fact that their lives belonged in the United States now.

In one case, the decision to settle was conscious and gravitated towards a good and bilingual education for the children of the household. In the other cases, as the literature explains, the decision to settle was more of an unplanned or unconscious act,

implicit after marriage, or the purchase of a home or the opening of a business in the United States. Nonetheless, they usually returned to Mexico every year and took this trip as a vacation and as an opportunity to see family again. One migrant started traveling more frequently after his father died in order to help the elderly mother and administer assets.

Since the first arrival to the United States, the original parental households of this group had undergone dramatic transformations due to marriage, death and migration, and were usually at the last stage of the household life cycle – where all children have left home, formed their own households and elderly parents have retired. Excluding the members of their own household in the United States, the settled migrants in this study had a significant number of relatives – especially brothers, sisters, cousins, and uncles and in some cases parents – living and working in the destination country at the time of the interview. Nonetheless, they still maintained frequent communication with those who never left Mexico, calling at least twice a month.

Although they used to send remittances in bigger quantities and with a higher frequency, the group still sent an average of 216 dollars a month. Two of the interviewees sent money every month to their parents, and the other sent every two or three months to his grandmother. Among this group, the unifying purpose for sending remittances was, in their own words, out of respect and consideration for the elderly and principally for those who raised them. The remitters felt an obligation to remit and in two cases budgeted for this expense every month. Two of the migrants classified their remittances as gifts for the recipients and the third one saw the flow as extra help. No one, therefore, gave

instructions or inquired about the use of the money, arguing that the money was the recipient's.

Transitional Migrants

This section will introduce a third group of migrants that has not been adequately addressed by the literature. The researcher argues that this group is composed of those migrants who are in a transitional stage (hence the name) between a temporary approach and permanent settlement; or in other words, those who are beyond the stage of employing a temporary strategy but had not yet become permanent settlers. This third group does not represent a strategy in and of itself or apart from the two discussed above; it is rather a grouping of migrants who did not fully belong to either of the other groups. This section argues that the future of this group is dependent upon the location and occurrence of certain defining events. For example, if a transitional migrant married a Mexican wife during a return trip to Mexico, the focus would immediately shift and the migrant would probably return to the country of origin. However, if a transitional migrant married an American wife while in the United States, the focus would be in the destination country and the migrant would most likely become a settled and permanent migrant.

Although these transitional migrants represented a very heterogeneous group, the four interviewees in this group shared certain key characteristics. As a group, these migrants have been in the United States for an average of 7 years – longer than the temporary migrants, but not as long as the permanent migrants. Unlike the target migrants, none planned to return to Mexico in the near future or within the next five

years. Also unlike the settled group, they did expect and hoped to return in the far future, although some admitted that it will depend on their circumstances. Moreover, the members of this group invested some of their savings into buying a car, showing a higher tendency to invest in the United States than the temporary migrants, but not as high as their transnational counterparts.

Although all of the transitional migrants originally migrated to the United States in a time of financial difficulties for the Mexican household, the economic situation of all of the migrants' families in Mexico had considerably improved since their first trip. All were single and children of heads of household. All of the migrants of this group are still sending remittances, but are also investing in their own future. In fact, all of them tried to spend as little as possible while in the United States in order to save (not remit) as much as possible. Plans for the future were diverse and sometimes uncertain, but included the intention of going back to school (in Mexico or the United States) and opening up a business (in Mexico or the United States).

While only a couple of the transitional migrants returned to Mexico to visit, all of them called at least once a week. Although this group exhibited a mixed strategy, this strategy still affected remittance behavior. As a group, these migrants sent an average of 362 dollars a month and the frequency of the remittances varied from once every month to once every two months. Two of the migrants sent remittances as a gesture or as extra help for the family and, as in the case of remittances sent for maintenance or gifts, exercised no control over the flows. The other two migrants sent money home for very specific purposes. One remitted to his sick brother in order to help him afford the cost of

his medicines; the other sent money home to pay for his brothers' education expenses. These two remitters did not exercise control over the funds either, indicating that they trusted the recipient and that they knew that their wishes for the expenditure of the flows were being honored and the funds well-administered.

Similarities and Differences

Regardless of the particular strategy, all of the migrants in this study demonstrated a sense of duty for their families in Mexico and maintained strong and stable ties with the household, even after decades of settlement in the destination. In every case, remittances represented "long-distance social ties of solidarity, reciprocity, and obligation" (Guarnizo 2003:671). As shown in the above section, the purpose, amount and frequency of the remittance flow varied according to the migration strategy. However, all migrants adjusted their remittance flows to the level of dependence and need of the Mexican household. For example, some migrants placed a high priority in sending money home in the presence of school-age children or an elderly parent, or in the occurrence of sickness or financial misfortune (This response to household situations and shocks will be analyzed in more detail later in this chapter).

However, each strategy distinctively influenced remittance behavior and implied a different attitude towards migration, a different spatial focus, and a different intensity of duty and obligation towards Mexico. Remittances for temporary migrants weighed heavily on their income, were regarded as obligatory income flows, were the main product of migration (and were therefore heavily tied to the purpose of migration), and were usually sent frequently and in high amounts. Remittances for settled migrants were

secondary to expenses in the United States, were regarded as gifts, were a byproduct of migration, and were usually sent less frequently and in lower amounts.

The following case studies have the purpose of humanizing theory and providing more concrete and tangible examples of the strategies discussed above.

Daniel – A Temporary Migrant

Daniel came to the United States for the first time in 2002 with the purpose of buying a house in Mexico. He arrived in Las Vegas, where his older brother was living, but immediately noticed that employers “asked for lots of papers” and for this reason, he could not get a steady job. With the help of his uncle in South Carolina – his second and last contact in the United States – he arrived at his new destination shortly after and started working as a dishwasher in a Mexican restaurant. Daniel stayed in the United States for a little over a year and returned to Mexico to see his wife and two daughters.

Upon his return to Mexico, he worked as a welder in a company and finally bought his “dream house for his family” with his savings. Daniel stayed in Mexico for three years until he decided to come to the United States for a second time in order to improve his house – this included adding a few rooms, nicer and bigger closets, and buying more furniture. He arrived in South Carolina in 2006 and started working as a cook in the same Mexican restaurant as before.

Daniel has been working twelve-hour days and six days a week for over a year. He is bored and tired, but tries to maintain a positive attitude. He explains that he decided to stay an extra six months in the United States in order to save more money for the future and possibly open a business in Mexico. At the time of the interview, Daniel lived

with four other people in an apartment, all of whom tried to minimize expenses in order to send as much money as possible and “return to their lives in Mexico”.

He calls his wife and daughters every single day and usually sends between 700 and 750 dollars every 15 days (or 1,400 and 1,500 dollars a month). He explains that he remits every two weeks because his family in Mexico needs it and so that he will not spend any more than necessary. He and his wife are in constant communication about decisions regarding the house, but he states that he has the last word on any decision regarding the expenditure or investment of the money.

Alfonso – A Settled Migrant

Alfonso was born 37 years ago in Hidalgo, Mexico. After completing sixth grade, he stopped going to school and started working as a day laborer on his father’s farm. At the age of 17 and shortly after his older brother migrated, Alfonso decided to cross the border. Amid structural changes in Mexico and the devaluation of the Mexican peso, his family was no longer able to survive on agriculture. Following the path of his brother and a few friends, he arrived directly in South Carolina and has stayed there ever since. With the help of family and contacts, Alfonso found a place to live and a job. He started working in the restaurant industry as a busboy and over the years he also worked as a dishwasher, as a cook and now as a waiter.

In South Carolina, Alfonso married another Mexican immigrant and now is the father of three daughters and a newborn son. His older brother and two younger sisters are also married with children and living in South Carolina. In terms of extended family, he says he has “too many relatives to count and in too many different places to

remember”. At the time of the interview, Alfonso had recently purchased a van “big enough to fit all of the members of the family” and was buying clothes and school supplies for all of his daughters who were starting another school year. In fact, a good and bilingual education for his children is the one of the main reasons why Alfonso and his wife have decided to permanently stay in the United States.

During his twenty years in the United States, he has gone back to Mexico every year. At first, he returned with the purpose of seeing his family, and his trips tended to last between 4 and 6 months. He continues to return to Mexico every year, but given that he has family and responsibilities in the United States, his trips never last more than 3 weeks. Moreover, after his father died, he and his siblings faithfully return to Mexico to take care of the aging mother (who is the only immediate relative living in Mexico) and to administer family assets.

At the beginning of his migratory career, Alfonso remitted a large part of his income to Mexico in order to rescue his family from financial difficulties. Throughout the years, even as his Mexican household experienced changes – such as the marriage of his sisters and the retirement of his father – he faithfully and diligently continued to remit, although he remitted a lower amount with less frequency. He explains that he never forgot about his family.

After his father died, Alfonso felt a greater moral obligation to help his mother in Mexico. The mother is alone and old, and while she could live comfortably from her late husband’s pension, he explains that all of the brothers and sisters come together to “support the mother, emotionally and financially”. He strongly believes adult children

have a moral and familial duty to take care of aging parents. Alfonso calls his mother at least three times a week and always sends her 250 dollars each month. Out of respect, he does not give his mother instructions on how to spend the money and does not ask either. However, Alfonso imagines that the mother usually spends that money on food, clothes and other things like medicines and church tithes.

Irai – A Transitional Migrant

Irai, now 25 years old, first arrived in the United States in 2003. He made a decision to stop going to school after completing 9th grade because his family was not doing well economically and because his father had incurred a preoccupying amount of debt. Unfortunately, the job that he found in Mexico, with the purpose of helping, paid very poorly (he was making an equivalent of 60 dollars a week) and he could not even support himself. He came to the United States, then, not only to help his family, but also to earn more money for himself.

He arrived in South Carolina following his cousin, who was the only contact he had in the United States at that time. Since then, however, more family members have emigrated. He immediately got a job as a waiter in the same restaurant as his cousin and has been working there ever since. At the beginning of his trip, Irai remitted most of his income. He says that he felt obligated and intensely pressured to send as much as he could. With time, the situation in his household improved, and his father “started making better business decisions”.

Now, Irai is “more focused on himself”. He likes working as a waiter and enjoys the opportunities he has in the United States. He does not plan to return to Mexico in the

next five years and is unsure and indecisive about the far future. He says that for now, he wants to better himself in the United States. He just bought a pick-up truck and is considering the possibility of going back to school and obtaining a high school diploma. Some goals for his future include getting married (to a “nice Mexican girl”) and maybe even opening up a business.

Despite his plans for the United States, Irai is still connected to his Mexican household. He calls his parents and siblings every week and returned to Mexico in 2005 with the one and only goal of seeing them. Irai now sends 600 dollars once a month with the sole purpose of helping to pay for his brothers’ education. His mother expects his money on the first day of every month and uses it to pay for school fees, transportation, books, and clothes for school. Irai says that he gives no instructions on how to spend the money because the mother has proven to be a good administrator of the funds and because she is aware of, and agrees with, the purpose of the remittance. The only direction that he gives to his mother is to keep any extra money and spend it for the household.

Remittances as a Responsive Strategy

The present analysis will examine remittances beyond their relationship to specific migration strategies and focus on these monetary flows as a reaction to other stimuli. In particular, this section will exemplify how remittances adjust to the occurrence of emergencies or unexpected circumstances, as well as in the improvement (or deterioration) of the household economic situation.

As mentioned earlier, regardless of the migration strategy, all migrants in this study adjusted their remittance flows to the level of dependence and need of the Mexican household. In particular, all of the interviewees adjusted remittance flows in the light of emergencies or sudden and unexpected circumstances involving the household and the family in Mexico. Examples of such experiences included funeral costs incurred from a sudden death in the family or extra medical costs from an unexpected sickness. Other circumstances included purchasing new shoes and financing (or contributing with) another family member's trip to the United States.

In general, when an emergency or special circumstance occurred, the migrant was informed of the financial need during a phone conversation with the household in Mexico. In all cases it was the remitter's decision to send extra money for that particular circumstance, meaning that the remitter was not obligated to do so. The migrant usually sent money soon after becoming aware of the situation, and such remittance was, most of the time, sent one time only. In some cases, family members living in the United States came together and remitted for the same cause. Three migrants explain their experiences:

“A year ago, my grandma died. They called us and told us that she had died, so all of the brothers came together and we gathered money to cover all of the costs [of the funeral]” – Angel

“If someone is going through a rough moment, I make an effort [...] One time there was an emergency in Mexico. My brother had to have a big operation and they needed money for it. I sent more money then” – Jose

“When my dad came to the United States, he did not find a job right away. So I had to support my mother [in Mexico] somehow. I couldn't do much, but I had to do something. So, I sent 40 more dollars each month and I told my wife to give them to my mother until my father found a job” – Beto

Migrants also adjusted remittances in light of emergencies or abrupt circumstances encountered in the United States. A group of migrants – usually target migrants – recalled decreasing the amount of money sent to Mexico due to a sudden drop of income. Such a decrease in earnings was attributed to becoming unemployed or working less than 40 hours a week because of sickness or an accident. For example, Daniel, a target migrant who usually sent 1,400 to 1,500 dollars a month, suffered a severe cut on his hand and could not work for almost two weeks. While the restaurant paid all medical expenses, he could not send the usual amount that particular month.

Another group of migrants – usually settled migrants – explained that they have adjusted remittances to Mexico at times when expenditures in the United States have increased. This group identified certain times that were particularly expensive for the household, including periods where new investments are made (such as buying a new car), the beginning of the school year, or summer time vacations. For example, Poncho, who has been here for 22 years, explained that at the beginning of the school year the household expenses increase noticeably and therefore limit his ability to remit during that time. He explains:

“There are times when I have extra expenses here. I need to buy clothes, school supplies, shoes and books for my kids when they start school. For my three kids. Three. With all that, I send less to Mexico”

Migrants also adjusted their remittance flows in light of more prolonged and lasting changes in household circumstances. In this study, such changes were related to the household life cycle or dependency (such as the marriage of a sibling or the death of a parent) and also related to household economic conditions or need (such as the

liquidation of debt or the devaluation of the Mexican peso). These changes and situations were of particular relevance to transnational and transitional migrants, who during their lengthier (or permanent) stay abroad have had more time to witness changes in the Mexican household.

It is important to restate that the majority of interviewees in this study (regardless of the migration strategy) came to the United States for the first time during a moment of financial need of the household. During this time, the remitters placed a high priority on sending remittances to Mexico: they sent a high proportion of their income and remitted frequently and in high amounts. However, the main point of this section is to explain that as the household condition improved, remitters adjusted their remittance flow accordingly – meaning that they started sending less quantity with less frequency.

A group of migrants – mostly settled and transitional – shared that, usually at the beginning of their migratory trip, they used to remit much more money and much more often when the level of dependency and need of the household was high. However, as the economic condition of the household improved, as debts were paid off, as members married and left the household, the remitters stated that need to send remittances and the pressure to do so decreased significantly. Several migrants share this experience:

“Now I don’t anymore [try to spend as little as possible to send as much as possible]. Years ago I did. When the economic situation of my family was less stable [...] I had young siblings, and several were in school... it just wasn’t stable [...] But now I don’t feel that pressure anymore” – Jose

“I don’t feel pressured anymore. I don’t send that much for them anymore, now I can save [for myself]. The economic situation [of my family] is not what it was when I first came. Before we were too many [siblings]. Before I came. And my dad struggled a lot to keep us all in school and all that. But when I came, my dad was relieved. He was able to work with more

calm because I was helping him out [...] And then, some of my brothers started working too and some of my sisters got married, so then it got even easier” – Memo.

It is important to mention that the level of need and dependence from the household is constantly changing. In other words, the condition of the household can worsen, change, or improve several times over its lifetime. All of the interviewees in this study were aware of such changes and adjusted the amount, frequency and purpose of the remittances accordingly, for a second, third, or fourth time. Irai, a transitional migrant who has already been introduced in this study, is a good example of this. At the beginning of his migratory trip, Irai placed a high priority on sending money home in order to relieve financial constraints of the household. As the condition improved, Irai adjusted the remittance flow downward and started focusing on his own financial future. However, as his two younger brothers started attending school, he adjusted the remittance flow upward to cover school costs. Over the lifetime of his parental household, Irai will probably change and adjust the amount, frequency and purpose of his remittances at least once more. Some circumstances that could prompt changes include the completion of his brothers' education and the retirement or death of one his parents.

The Remittance Process – Reliability, Convenience and Habit

This section describes Mexican migrants' attitude towards the transmittal process. In particular, it describes how reliability, convenience and habit have an effect on the method, frequency and amount dimensions of remittance behavior. This section also addresses how certain restrictions (such as the lack of proper documentation and

transportation) in the United States shape the remittance behavior of Mexican migrants in this study.

Eighty-three percent of the interviewees (n=10) used money transfer companies (MTC) as the transmittal method of choice. This finding agrees with previous research, which has explained that such preference is attributed to Mexican immigrants' lack of knowledge and experience with banks and financial institutions, as well as to their lack of proper documentation to open bank accounts in the United States (Orozco 2004; Suro et al. 2002). It is not surprising, therefore, that the choice of transmittal method was not made based on effective cost or exchange rate comparisons, but rather it was based on reliability and convenience. The most commonly used MTC in this study were Giromex, Pronto and Sigue (see discussion in Chapter Two). Like Western Union, these financial services companies market remittance transfers to the Hispanic population and offer thousands of exclusive agents in Latin America (specifically Mexico) and the United States.

Although money can be remitted in several ways, the transmittal protocol employed by the MTC Sigue is a good example of how Mexican migrants send money home. Sigue customers initiate the money transfer to Mexico by picking up a red phone at an agent location (usually at a Mexican *tienda*) and speaking with a Sigue call operator in the company's headquarters in California. As soon as the call ends, the operator sends a fax to the agent location, which is to be completed by the remitter and usually includes pertinent information, such as the remitter's and the recipient's name and address, as well as the preferred location to collect the money (such as a pharmacy, a bank, or a hardware

store). Once the form is completed and signed, the agent faxes the form to the company's headquarters and the remitter gives the money to the agent. The recipient in Mexico, showing proper identification, can collect the money within 2 or 3 days. The cost of sending money varies according to the MTC. For example, some charge 10 dollars to remit up to 300 dollars (like Sigue), while others charge 10 dollars to remit up to 1,000 dollars (like Pronto).

A major concern for the respondents who sent money home was the reliability of the transmittal method. For remitters, reliability involved the speed with which the money arrives in Mexico and the ease with which the intended recipient can collect the money. In every single case, once the remitter found a method that satisfied the abovementioned requirements, he continued to use such method without exploring any further. Chilo, a 30-year-old transitional immigrant, explains:

"... I use Pronto Envios because that is what I used the first time that I sent money [...] I have not had any problems. The money always gets there in days, it has always arrived..."

Reputation and word of mouth were also important components of reliability when choosing a transmittal method. The respondents did not attempt to use an MTC unless it was recommended by someone of trust – usually a family member. Some respondents admitted that they were not familiar with other available options for sending remittances. This group attributed such unfamiliarity to a general lack of knowledge of “how these things work” (the banking industry), to a lack of time and transportation, and to the high risk of encountering a failed transmittal. Angel, who has been an immigrant for 8 years, is a perfect example of the above.

“... I have never sent with another company. I don't even know how. I got here, used Sigue for the first time, and since then I have stuck with it [...] I use the same method because I don't have time or a car to be looking around...”

The convenience component of the transmittal decision had different meanings to each respondent and varied according to different circumstances. Although MTC have a wide network of agents both in the United States (as explained in Chapter Two), all of the remitters who sent money via MTC did so from Mexican *tiendas* and all of them attributed this decision to convenience. For all, these *tiendas* are convenient because they are owned or managed by fellow Hispanics and therefore they can communicate in Spanish; for some, Mexican *tiendas* are convenient because they are within walking distance, and yet for others, these establishments allow them to do several things at once: send money, buy Mexican products (such as candy and CDs) and also get phone cards to call home.

Convenience is so important to immigrants that some have started catering to this need. In a case relevant to this study, a Mexican immigrant who was well known among the interviewees started offering his services as an intermediary between the remitter and the MTC for a small fee. Having worked as a cook before, this intermediary knew that a lot of his compatriots and friends in the restaurant industry usually work 10 to 12 hours a day, have only one 2-hour break a day, and that the majority of the times they do not have a car or a driver's license. Aware of the lack of time and transportation, he went to several restaurants every Sunday morning and collected money and pertinent information to send other people's remittances himself. He then came back to each restaurant and

gave each remitter a receipt of the transaction. Daniel, a target immigrant, explains why he uses this “service”.

“... it is a matter of trust. And also that there is no time to get out of this restaurant. I know how to send money myself and everything. The problem is time. I am not going to be in the tienda waiting in line, looking for a ride, I will waste the only break I have...”

Convenience not only affects the choice of transmittal method, but it also has an effect on the frequency of the remittance. For example, those immigrants who used the intermediary described above admitted to remitting every week because the “service” was always available. In contrast, those remitters who lacked convenience – who had to find transportation to the *tienda* – stated that they would remit more often if they had their own cars or another type of arrangement. Convenience for the recipient in Mexico also played a role in some respondents’ decisions. Memo, a target immigrant who is planning to return home within the next six months, says that he remits once every two or three months. He attributes this decision first, to the fact that his family is in good economic and financial conditions and therefore does not have an urgent need for the money, and second, to the fact that it is an easier and safer process for the father (the recipient).

“... I don’t want my dad to be traveling that much. Where he picks up the money is not very far, but he does have to go to another town [...] And also because it is unsafe. There are people who know where the money is picked up and they go there to rob. I tell my dad to go on a specific day and to take a friend or my uncle so that he is not alone...”

Habit, or recurrent and customary behavior, also has an effect on the frequency and amount components of the remittance process. In this study, some respondents demonstrated two different kinds of recurrent behaviors: one that is formed based on the

need of the household in Mexico, and another one that is shaped after the remitter's peace of mind. Angel, a 27-year-old target immigrant, is a perfect example of the former. When he came to the United States with the goal of saving enough money to establish a business in Mexico, Angel left his wife and his two-year old daughter behind. Given that his wife does not work, Angel explains that he has to send money every week to cover the basic costs of food and clothes. Therefore, every Thursday – his days off – he walks to the Mexican *tienda* and always sends half of what he has made that week (which is usually 250 dollars) to his wife.

Beto, on the other hand, is a perfect example of those immigrants who form a habit for peace of mind. Beto came to the United States with the dream of buying a house in Mexico. Even though his mortgage payments are due once a month and his wife is working and can feed their two daughters on her salary, he remits 300 dollars every week. Beto has set a goal to send the same amount every week and he explains that he does this for his own peace of mind and tranquility. He wants to make sure that the mortgage payments are paid on time and he also admits that he is scared to lose or spend part of the money if he keeps it.

“... I send it once a week so that the money is already there when the [mortgage] payment comes. So that it will get there for sure. So that I will not be pressured with time [...] I also send it every week because if I keep it I spend it [laughs]...”

Conclusion

The findings of this chapter have testified to the consistency between the NELM theory and Mexican remitting behavior. The qualitative analysis of this chapter has testified to remittances as a household strategy stemming from an implicit and internal

contractual agreement with the Mexican household and the migrant. This chapter has illustrated the cohesiveness of the Mexican family and has also exemplified the significance and centrality of the household in Mexican remitting behavior. All of the migrants in this study demonstrated a sense of responsibility for their families in Mexico and maintained fluent and constant communication with the household. Moreover, all migrants adjusted their remittance flows to the level of dependence and need of the Mexican household, paying particular attention to the household economic situation and the occurrence of emergencies or unexpected circumstances.

The analysis has also illustrated how each migration strategy distinctively influenced remittance behavior. Temporary migrants, transitional migrants and settled migrants had different attitudes towards migration, exhibited different spatial foci, and also presented different levels of responsibility and obligation towards Mexico. For example, remittances from temporary migrants were regarded as obligatory flows and were usually sent frequently and in high amounts. In contrast, remittances from settled migrants were regarded as gifts and were usually sent less frequently and in lower amounts.

This chapter has also introduced another group of migrants that has not been adequately addressed by the existing literature. This group, called transitional migrants, was composed of those migrants who were in a transitional stage between a temporary strategy and permanent settlement. Finally, this chapter also addressed Mexican migrants' attitude towards the transmittal process, paying particular attention to how

reliability, convenience, and habit – as well as certain restrictions – shaped the remittance behavior of Mexican migrants.

This chapter has shown that migrants' decision making is linked to, and depends on, an array of characteristics and circumstances, demonstrating therefore that the remittance decision is not made in a vacuum. Migrants are conscious economic actors who make conscious decisions regarding remittances amidst certain individual, social, and economic circumstances, constraints and opportunities. These findings, analyzed together, shed considerable light into the always evolving context under which remittances are sent.

CHAPTER SIX: CONCLUSION AND IMPLICATIONS

This research focused on analyzing Mexican migrants' remittance behavior in Northwestern South Carolina. In particular, it sought to increase understanding of the remitters' patterns, decisions and motivations for sending money back home. The researcher collected data from adult Mexican migrants living in the upstate of South Carolina during the summer of 2007. The first phase of the data gathering consisted in the distribution and collection of 101 short and structured questionnaires. The primary purpose of the questionnaires was to analyze the propensity and decision to remit for the whole sample of Mexican immigrants and to identify factors that influence the amount remitted for the sub-sample of those who remit. The second phase of the methodology consisted in the collection of 12 in-depth and semi-structured interviews. The main purpose of the interviews was to provide an in-depth look at the social world of the respondents and to analyze the individual, economic and social context under which remittances are sent.

This study analyzed remittance behavior through the lens of the new economics of labor migration theory. It examined remittances as a household strategy stemming from an implicit contractual agreement with the household and the migrant. In particular, the analysis of this study addressed the impact of certain demographic and socio-economic characteristics of remittance behavior and also examined how remittances are associated to the household, how remittances vary according to the migration strategy and how remittance flows respond (increase or decrease) to risks, hardships and other circumstances encountered both in the origin and destination countries.

In particular, the analysis of this research testified to the importance and centrality of the household in Mexican remitting behavior. All of the migrants in this study demonstrated a sense of duty for their families in Mexico and maintained strong and stable ties with the household. As Chapter Four showed, both the likelihood of remitting and the amount remitted were influenced by variables that highlighted the Mexican household need and dependence level, as well as by variables that identified the migrants' economic obligations and emotional connection to Mexico. For example, the presence of immediate relatives in the country of origin and the number of monthly phone calls were significant in predicting the decision to remit and the amount remitted.

Moreover, further indicating the importance of this unit, all the migrants who were interviewed adjusted (increased or decreased) their remittance flows to the level of dependence and need of the Mexican household, paying particular attention to the household economic situation and the occurrence of emergencies or unexpected circumstances. As Chapter Five showed, some migrants placed a high priority on sending money home in the presence of school-age children or an elderly parent, or in the occurrence of sickness or financial misfortune.

The analysis of this study also illustrated how each migration strategy distinctively influenced remittance behavior and implied a different attitude towards migration, a different spatial focus, and a different intensity of duty and obligation towards Mexico. Remittances for temporary migrants weighed heavily on their income, were regarded as obligatory income flows, were the main product of migration (and were therefore heavily tied to the purpose of migration), and were usually sent frequently and

in high amounts. Remittances for settled migrants were secondary to expenses in the United States, were regarded as gifts, were a byproduct of migration, and were usually sent less frequently and in lower amounts.

The qualitative component of this study also allowed for the introduction of transitional migrants, which was defined as a group composed of those migrants who were in a transitional stage between a temporary approach and permanent settlement; or in other words, those who were beyond the stage of employing a temporary strategy but had not yet become permanent settlers. This group of migrants had certain key characteristics that set it apart from the other two migration strategies discussed. In particular, this group had a longer average length of stay in the United States than temporary migrants, but not as long as settled migrants; this group had no plans to return to Mexico permanently in the near future (unlike temporary migrants) but hoped to return in the far future (unlike settled migrants); and finally, this group had a higher tendency than temporary migrants to invest in the United States, but did not invest as much as settled migrants. Finally, this study also addressed Mexican migrants' attitude towards the transmittal process, paying particular attention to how reliability, convenience and habit – as well as certain restrictions – shaped the remittance behavior of Mexican migrants.

Research Significance

One of the main contributions of this research is the fact that it introduces a group of migrants, called transitional migrants, that has not been adequately addressed by the existing literature. The introduction of this group is a very important finding and provides

other directions for future research. The most important implication of this group of transitional migrants is the fact that, although this group does fit in with the NELM theory, the mere existence of it testifies to the contingent nature of remittance behavior and highlights a shortcoming within the NELM theory. This study argued that the future of this group was dependent upon the location and occurrence of certain defining events. For example, if a transitional migrant married a Mexican wife during a return trip to Mexico, the focus would immediately shift and the migrant would probably return to the country of origin. However, if a transitional migrant married an American wife while in the United States, the focus would be in the destination country and the migrant would most likely become a settled and permanent migrant. The reality of this transitional stage, which highlights the contingent nature of remittance behavior, emphasizes the fact that any theory analyzing this behavior cannot be static and has to account for, and respond to, change. Given that remittances cannot be analyzed as isolated events, premises in the NELM theory should therefore focus on remittances as a developmental and dynamic process and should analyze these flows as events that can only be understood over time or from a *“longitudinal perspective”* (Massey et al. 1987:320).

A main reason why the NELM theory is static is because it fails to capture intra-household dynamics. The finding of transitional migrants highlights the fact that the household is not a monolithic entity, but is rather composed of rational actors who make decisions amidst changing circumstances and opportunities. Moreover, the finding that being the head of household does not affect the inclination to remit is another testimony to intra-household dynamics and suggests that any member of the household is equally

likely to participate in the family-migrant contractual agreement and is therefore equally likely to send remittances. The NELM theory also fails to explain divisions within the household and differences in power or in authority (based on age or gender for example) that could affect intra-household distributions or benefits of remittances. Moreover, the NELM theory does not capture how the remittance contract between the household and the migrant is altered through changing household dynamics. For example, the theory does not address how this contract can become obsolete or how, through marriage for example, this contract can be transformed from an alliance to the immediate household to an agreement with the paternal household.

Another important contribution of this research is the fact that this is the first study that analyzes remittance behavior in a qualitative manner among Mexican migrants in South Carolina. Analyzing remittance behavior among Mexicans in South Carolina is important, not only because of its rapid increase in numbers, but also because of the distinguishing characteristics of this group. Compared to their counterparts in other states, Mexicans in South Carolina tend to be older, exhibit a shorter length of stay in the United States, and have slightly higher education levels. Moreover, most come directly from Mexico rather than from other states, which indicates a lack of social capital and established social networks. Analyzed together, these characteristics imply a more difficult process of settlement, incorporation and adaptation, which influences the migrants' ability to produce and save income, shapes migrants' attitude and attachment with the destination country, and inevitably impacts remittance behavior.

The final contribution of this research is the fact that the qualitative component of this study helped to give more tangible meaning to abstract concepts and premises in the literature. In particular, it exemplified the responsive nature of remittances and gave real-life examples of the kinds of risks and circumstances that remittances react to – including the presence of school-age children or an elderly parent, or the occurrence of sickness or financial misfortune in the household. The qualitative component also shed light on migrants' attitude towards the transmittal process and included more than the usual factors addressed in the literature – migrants' financial illiteracy and lack of documentation. In particular, this study addressed how other real-life and unique circumstances impact the choice of transmittal method and the frequency of the remittance – including lack of transportation, lack of time and peace of mind. This research also addressed a new player in the transmittal process: migrants who have started catering to the needs of remitters and have started offering services as intermediaries.

Research Implications

The challenge of addressing migrants' remitting behavior requires research to fill in the voids within the literature. In order to do so, the analysis of remittance behavior should consider the role of economic indicators and employment opportunities for the household in the country of origin as well as address the role of both gender and social class (Vanwey 2004; Menjivar et al. 1998). While many single Mexican women participate in migration, the gender selectivity of migration is still high. Principally due to the patriarchal nature of Mexican society and to the customary ideas about women's

vulnerability and family norms, prospective female migrants need to overcome not only economic barriers, but also social barriers to migration (Curran and Fuentes 2003; Livingston 2006). These socioeconomic and structural differences clearly impact the initiation and viability of migration according to sex. For example, in research that examined sex differences of migration between Mexico and the United States, it was found that the husband's movement across borders was strongly correlated to labor force considerations, whereas the wife's migration was connected to the prior movement of relatives and the acquisition of documentation (Cerrutti and Massey 2001).

For these reasons, those who advocate a gendered approach to the analysis of remittance behavior argue the need to address women's different patterns and motivations for migrating and remitting and to also include the different structural dynamics that shape their behavior (Vanwey 2004). Moreover, given that Mexican migration is still predominantly male and that the majority of households receiving remittances are headed by females, researchers have also emphasized the importance of studying the role of women as recipients of remittances (Meyers 1998:15-16).

Although it is clear that the most important challenge for future research in remittance behavior is addressing the weaknesses – or the static nature – of the NELM theory, another challenge for future research in remittance behavior is addressing conflicting and contradictory results. It is imperative to recognize that findings related to the determinants and characteristics of remittance behavior vary according to the ethnicity, culture and migration strategy of the sample group being analyzed and also differ depending on the economic, social and political contexts under which migration

occurs. However, more research is needed to clarify contradictory results within the same ethnic group. In other words, more quantitative and qualitative research is needed to identify, and clarify, which are the most important determinants and factors of Mexican remittance behavior

Policy Implications

Researchers and policy makers who recognize the magnitude and the developmental potential of these flows agree that remittances should be channeled toward investment and development projects. In particular, there are two main (and interconnected) recommendations for improving the impact of remittances: increasing the flow of remittances into official channels and increasing the productive use of the funds.

Particularly relevant to the remitters' perspective of remittance behavior, some policy makers and researchers argue that increasing the flow of remittances through official channels is important because, regardless of how they are spent, remittances that enter the financial banking system are used more productively. In particular, this group explains that when remittances enter a bank, the pressure on the exchange rate and inflation decrease and banks have more funds to use for loans and investments (Meyers 1998:13).

Appropriate policy, however, depends on the factors that affect and shape remittance behavior. Increasing the flow of remittances through official channels does not take into consideration the characteristics of the Mexican population. Mexican migrants in the United States – as well as their families in Mexico – demonstrate a general mistrust towards, and a lack of knowledge and experience with, banking and financial institutions.

Furthermore, both remitters and receivers tend to exhibit low levels of financial literacy and poor education. Moreover, banks in Mexico demonstrate low levels of outreach and sustainability, while in the United States migrants lack the proper documentation to open bank accounts. Although the benefits of channeling remittances into the banking industry are undisputable, given the characteristics of the Mexican migrant population and the motivations behind remittances, the implementation and success of this policy presents substantial challenges.

On a more positive note, Hometown Associations (HTAs) have, in the last several years, proven to be innovative ways of channeling remittances for development projects, thereby increasing the productive use of these funds (Vasconcelos 2005:16; Cortina and De la Garza 2004:35). Defined as organizations of immigrants who raise funds for the betterment of their places of origin, HTAs are known for funding projects that focus on economic and socio-cultural dimensions of inequality and pay special attention to underserved, vulnerable and low-income populations. By promoting the well-being of their communities of origin and providing access to health, education and infrastructure, HTAs have a direct impact on equity and development (Orozco and Lapointe 2004:36; Alarcon 2000:4; Orozco and Welle 2005:1).

The majority of HTA projects targets basic assistance for health and education services, town beautification, church support, and construction and improvement of public infrastructure. Projects can extend services (such as electricity and sewage treatment) to the entire community or improve access to larger cities by building and paving roads in order to facilitate transportation. In 2003, the aggregate amount of annual

HTA donations reached 30 million (Orozco 2003b). These remittances channeled to community development, otherwise called collective remittances, are perceived as having a triple value. According to Zamora (2005) they “*unite the community of origin with the community of destination, they turn the migrant organizations and their communities into spokespersons at the three levels of government and allow the realization of projects, that without them would never been carried out*” (p.83).

Social Implications

Immigration can be an extremely stressful process and can bring serious family changes. In fact, immigrants have been described as perpetual mourners who continuously suffer having left behind people and places central to their lives (Lacy 2007). In particular, in a culture where members are oriented to the family and identify this unit as a highly valued institution – such as the Mexican culture – the issue of family separation across borders can have important consequences. Studies that have addressed the severity of separation problems among Mexican migrants in the United States have described this group as having “frequent cases of loneliness, depression and crying spells” (Stodolska and Santos 2006).

Apart from issues of family separation, many Mexican migrants remain culturally and socially isolated, partly due to their short duration in the United States and their poor English language abilities (Lacy 2007). Moreover, studies have shown that a substantial percentage of Mexican migrants perceive themselves as the victims of some form of discrimination in the United States (Lacy 2007; IAD 2008), including:

“being ignored and/or passed over in stores, governmental offices and health care facilities, being called derogatory names, being assigned

heavier workloads than non-Latinos in the workplace, having people making faces at them, and being accused of taking jobs from native-born Americans” (Lacy 2007:18)

Feelings and stress associated with family separation, isolation and discrimination have a profound effect on the quality of life of the migrants, impacting their emotional health and delaying their process of incorporation and engagement in the destination country (Stodolska and Santos 2006; Lacy 2007). The psychological and social well-being of migrants requires more research and urges for the development of support and intervention programs. In particular, these programs should provide skills to cope with cultural and language barriers, should help with post-immigration changes (such as family separation), and should include direct counseling services, among others.

Taken together, these recommendations call for the recognition that migration is an important agent of social and economic change; that migration and remittances are vital to the survival of migrants and their families; that the decision of whether or not to remit, and consequently, how much to remit, is made by conscious economic actors; and that remittances play a significant role in development process. In particular, these recommendations call for the recognition that Mexico-U.S. migration is a constant and widely accessible opportunity and a dependable socioeconomic resource that perpetuates itself with each movement across the border.

REFERENCES

- , 2004. "All in the Family: Latin America's Most Important International Financial Flow." Report prepared by the Inter-American Dialogue's Task Force on Remittances, Washington D.C.
- , 2005. "Remittances: International Payments by Migrants." Report Prepared for the Congressional Budget Office, Washington D.C.
- , 2008. "The Changing Pattern of Remittances. 2008 Survey of Remittances from the United States to Latin America." Report prepared by the Inter-American Dialogue and the Multilateral Investment Fund, Washington D.C.
- , 1997. "User-Friendly Handbook for Mixed Methods Evaluations." Report prepared by the National Science Foundation, Arlington, VA.
- Adams, Richard. 2005. "Remittances, Poverty and Investment in Guatemala". In *International Migration, Remittances and the Brain Drain*, edited by C. Ozden and M. Schiff. Washington D.C.: Palgrave Macmillan and the World Bank.
- Adams, Richard and John Page. 2003. "International Migration, Remittances and Poverty in Developing Countries." World Bank Policy Research Working Paper 3170, Washington D.C.
- Agarwal, Reena and Andrew Horowitz. 2002. "Are International Remittances Altruism or Insurance? Evidence from Guyana Using Multiple-Migrant Households." *World Development* 30(11):2033-2044.

- Alarcon, Rafael. 2000. "The Development of Home Town Associations in the United States and the Use of Social Remittances in Mexico." Report prepared for El Colegio de la Frontera Norte, Mexico.
- Amuedo-Dorantes, Catalina and Susana Pozo. 2006. "Remittances as Insurance: Evidence from Mexican Immigrants." *Journal of Population Economics* 19:227-254.
- Bank of Mexico. 2005. "Annual Report." www.banxico.org.mx/sitebanxicoingles/index.html; accessed April 16, 2008.
- Brown, Richard. 1997. "Estimating Remittance Functions for Pacific Island Migrants" *World Development* 25(4): 613-626.
- Cai, Qian. 2003. "Migrant Remittances and Family Ties: A Case Study in China." *International Journal of Population Geography* 9: 471-483.
- Cerrutti, Marcela and Douglass Massey. 2001. "On the Auspices of Female Migration from Mexico to the United States." *Demography* 38(2): 187-200.
- Clark, Ximena, Timothy Hatton, and Jeffrey Williamson. 2004. "What Explains Emigration Out of Latin America?" *World Development* 32(11):1871-1890.
- Consejo Nacional de Población. 2005. <http://www.conapo.gob.mx/prensa/carpeta2005.pdf>; accessed May 2, 2007
- Cortina, Jerónimo and Rodolfo De la Garza. 2004. "Immigrant Remitting Behavior and Its Developmental Consequences for Mexico and El Salvador." Report prepared for The Tomas Rivera Policy Institute, Los Angeles, CA.

- Curran, Sara and Estela Rivero Fuentes. 2003. "Engendering Migrant Networks: The Case of Mexican Migration." *Demography* 40(2):289-307.
- Durand, Jorge, Douglas Massey, and Jorge Parrado. 1999. "The New Era of Mexican Migration to the United States." *The Journal of American History* 86(2): 518-536.
- Durand, Jorge, Douglas Massey, and Rene Zenteno. 2001. "Mexican Immigration to the United States: Continuities and Changes." *Latin American Research Review* 36(1):107-127.
- Esteinou, Rosario. 2007. "Strengths and Challenges of Mexican Families in the 21st Century." *Marriage and Family Review*, 41 (3), p. 309-334.
- Fajnzylber, Pablo. 2006. "Close to Home: The Development Impact of Remittances in Latin America." Conference Report for the International Bank for Reconstruction and Development and the World Bank, Washington D.C.
- Funkhouser, Edward. 1995. "Remittances from International Migration: A Comparison of El Salvador and Nicaragua." *The Review of Economics and Statistics* 77:137-146.
- Glystos, Nicholas. 1997. "Remitting Behaviour of "Temporary" and "Permanent" Migrants: The Case of Greeks in Germany and Australia." *Labour* 11(3):409-435.
- Guarnizo, Luis. 2003. "The Economics of Transnational Living." *International Migration Review* 37(3):666-699.
- Gubert, Flore. 2002. "Do Migrants Insure Those who Stay Behind? Evidence from Kayes Area (Western Mali)." *Oxford Development Studies* 30(3):267-287.

- Itzigsohn, Jose. 1995. "Migrant Remittances, Labor Markets, and Household Strategies: A Comparative Analysis of Low-Income Household Strategies in the Caribbean Basin" *Social Forces* 74(2):633-655.
- Keely, Charles B. and Bao Nga Tran. 1989. "Remittances from Labor Migration: Evaluations, Performance and Implications." *International Migration Review* 23(3) 500-525.
- Kochhar, Rakesh, Roberto Suro, and Sonya Tafoya. 2005. "The New Latino South: The Context and Consequences of Rapid Population Growth." Report Prepared for the Pew Hispanic Center for Presentation at the "Immigration to New Settlement Areas Conference", Washington D.C.
- Lacy, Elaine. 2007. "Mexican Immigrants in South Carolina: A Profile." Report Prepared for the Consortium for Latino Immigration Studies, University of South Carolina, SC.
- Livingston, Gretchen. 2006. "Gender, Job Searching, and Employment Outcomes among Mexican Immigrants." *Population Research and Policy Review* 25:43-66.
- Lozano-Ascencio, Fernando. 2005. "Remittance Behaviour among Latin American Immigrants in the United States." Report Prepared for the XXV International Union for the Scientific Study of Population International Population Conference, France.

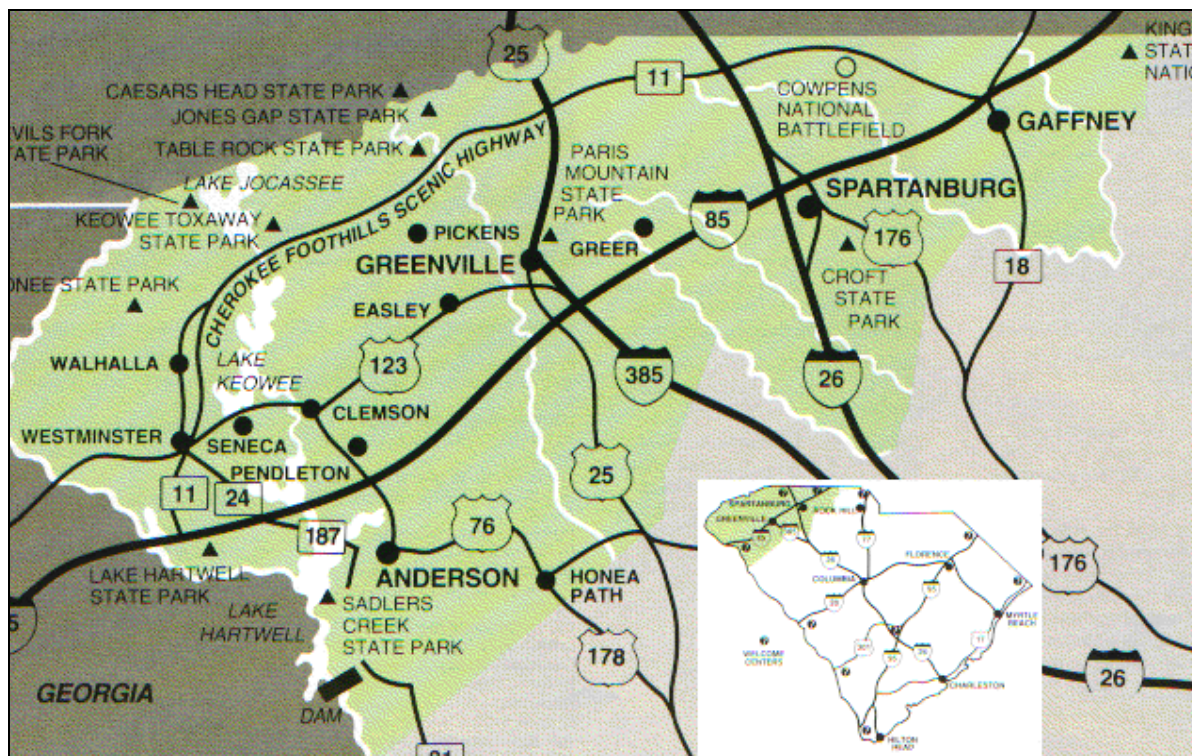
- Massey, Douglas. 1999. "Why Does Immigration Occur? A Theoretical Synthesis." In *The Handbook of International Migration: The American Experience*, edited by Charles Hirschman, Philip Kasinitz, and Josh DeWind. New York: Russell Sage Foundation.
- Massey, Douglas, Rafael Alarcon, Jorge Durand and Humberto Gonzales. 1987. *Return to Aztlan. The Social Process of International Migration from Western Mexico*. Los Angeles, CA: University of California Press.
- Menjivar, Cecilia et al. 1998. "Remittance Behavior Among Salvadoran and Filipino Immigrants in Los Angeles." *International Migration Review* 31(1):97-126.
- Meyers, Deborah. 1998. "Migrant Remittances to Latin America". Report for the Inter-American Dialogue and the Tomas Rivera Policy Institute, Washington D.C.
- Orozco, Manuel. 2002. "Globalization and Migration: The Impact of Family Remittances in Latin America." *Latin American Politics and Society* 44(2) 41-66.
- . 2003a. "Costs, Economic Identity and Banking the Unbanked." Report Presented before the Congressional Hispanic Caucus, Washington D.C.
- . 2003b. "Hometown Associations and their Present and Future Partnerships: New Development Opportunities?" Report prepared for the Inter-American Dialogue, Washington D.C.
- . 2004. "The Remittance Marketplace: Prices, Policy and Financial Institutions." Report Prepared for the Institute for the Study of International Migration, Georgetown University, Washington D.C.

- Orozco, Manuel and Michelle Lapointe. 2004. "Mexican Hometown Associations and Development Opportunities." *Journal of International Affairs* 57(2):31-49.
- Orozco, Manuel, Lindsay Lowell, Micah Bump and Rachel Fedewa. 2005. "Transnational Engagement, Remittances and their Relationship to Development in Latin America and the Caribbean." Prepared for the Institute for the Study of International Migration, Georgetown University, Washington DC.
- Orozco, Manuel and Katherine Welle. 2005. "Hometown Associations and Development: A Look at Ownership, Sustainability, Correspondence and Replicability." Report prepared for the Inter-American Dialogue, Washington D.C.
- Osaki, Keiko. 2002. "Migrant Remittances in Thailand: Economic Necessity or Social Norm?" *Journal of Population Research* 20(2):203-222.
- Patton, Michael Quinn. 2002. *Qualitative Research and Evaluation Methods*. 3rd ed. Thousand Oaks, CA: Sage Publications.
- Poirine, Bernard. 1997. "A Theory of Remittances as an Implicit Family Loan Arrangement." *World Development* 25(4):589-611.
- Reyes, Belinda. 2004. "Changes in Trip Duration for Mexican Immigrants to the United States." *Population Research and Policy Review* 23:235:257.
- Rodriguez-Scott, Esmeralda. 2002. "Patterns of Mexican Migration to the United States." Report Prepared for the 82nd Annual Meeting of the Southwestern Social Science Association, New Orleans, LA.

- Sana, Mariano and Douglas Massey. 2005. "Household Composition, Family Migration, and Community Context: Migrant Remittances in Four Countries." *Social Science Quarterly* 86(2): 509-528.
- Solimano, Andres. 2003. "Remittances by Emigrants: Issues and Evidence." Report Prepared for the Economic Development Division of the United Nations, Santiago, Chile.
- Stark, Oded and Robert Lucas. 1988. "Migration, Remittances and the Family." *Economic Development and Cultural Change* 36(3):465-481.
- Stodolska, Mokika and Carla A. Santos. 2006. "You Must Think of *Familia*: The Everyday Lives of Mexican Migrants in Destination Communities." *Social and Cultural Geography* 7(4):627-647.
- Suro, Robert. 2003. "Remittance Senders and Receivers: Tracking the Transnational Channels." Report prepared for the Multilateral Investment Fund and the Pew Hispanic Center, Washington D.C.
- Suro, Robert, Sergio Bendixen, Lindsay Lowell and Dulce Benavides. 2002. "Billions in Motion: Latino Immigrants, Remittances and Banking." Report Prepared by the Pew Hispanic Center and the Multilateral Investment Fund, Washington D.C.
- Tashakkori, Abbas and Charles Teddlie. 1998. *Mixed Methodology: Combining Qualitative and Quantitative Approaches*. Thousand Oaks, CA: Sage Publications.
- U.S. Census Bureau. 2008. http://factfinder.census.gov/home/saff/main.html?_lang=en; accessed April 14, 2008.

- U.S. Department of Labor. 2007. "May 2006 State Occupational Employment and Wage Estimates – South Carolina" http://stats.bls.gov/oes/current/oes_sc.htm#b00-0000; accessed February 8, 2008.
- Vanwey, Leah K. 2004. "Altruistic and Contractual Remittances between Male and Female Migrants and Households in Rural Thailand." *Demography* 41(4):739-756.
- Vasconcelos, Pedro. 2005. "Improving the Development Impact of Remittances." Paper prepared for the United Nations Expert Group Meeting on International Migration and Development for the United Nations Secretariat, NY.
- Woodward, Douglas. 2006. "Mexican Immigrants: The New Face of the South Carolina Labor Force." Report Prepared for the Moore School of Business, University of South Carolina, SC.
- Zamora, Rodolfo. 2005. "Mexico: International Migration, Remittances and Development." In *Migration, Remittances and Development*. Paris, France: OECD Publishing.
- Zúñiga, Elena, Paula Leite and Alma Rosa Nava. 2005. "The New Era of Migrations 2005. Characteristics of International Migrations in Mexico". Report Prepared for the Mexican Population Council (CONAPO), Mexico.

APPENDIX 3.1: MAP OF UPSTATE SOUTH CAROLINA



Source: Department of Marketing, Clemson University
<http://business.clemson.edu/market/upstmap.htm>

APPENDIX 3.2: ORAL CONSENT TEXT

Title of Research: “Remittance Behavior among a Mexican Diaspora in Northwestern South Carolina”

Principal Investigator: Julieta Barcaglioni

Co-Investigator: Not applicable

Department: International Affairs

Federal and university regulations require consent for participation in research involving human subjects. After reading the statements below, please indicate your consent orally.

The main goal of this study is to understand remittance behavior among Mexican immigrants. I am interested in three important questions: Who remits money back to Mexico? How much and how often do they send this money? What are the main purposes or motivations for sending this money?

In order for me to answer these three questions, I would like to collect some data from you in the form of a questionnaire. This questionnaire will only take about 20 minutes to complete. Then, if you qualify and if you have time, I will ask you if you would like to participate in an interview.

If you feel uncomfortable or are unsure at any time of the process you can either 1) refuse to answer a certain question or 2) choose to terminate the study altogether.

Even though there are no immediate benefits for you, your participation is very important. You can help researchers and governments to better understand immigration and remittance behavior among Mexican immigrants.

It is very important for you to know that all the information that you give me will be confidential **and any reports of the data will be done without identifiers**. I will **NOT** ask your name. Instead, I will identify you using a **random** number (such as 103). While I will **NOT** release this information to anybody else, **it is important for you to know that my advisor will also have access to this data. This is important because this person, who knows more than me, needs to make sure that I will do a good job in my research.** Also, I will **NOT** ask anything relating to your legal status and I actually encourage you to **NOT** mention or make a reference to it. All of the notes that I take will be secured in a locked box in my house and they will be destroyed **within 18 months. More specifically, all the information will be destroyed after allowing sufficient time to finish my research and to prepare for potential scholarly publications.**

Unfortunately, I cannot give you money or anything else in exchange for your participation. This is a way of ensuring that I am not pressuring you to participate in this study.

In order to make sure that you understand the purpose of your participation in this study, I will ask you if you have any questions or concerns and I will gladly answer those.

More importantly, I need to go over the most important things again:

- You are free to decline participation in this study; there are no penalties
- You are free to terminate participation at any moment and to refuse to answer certain questions
- I will **NOT** ask your name and I am **NOT** interested in your legal status.
- The information that you give me will not be given to anyone else; I will be the **ONLY** one that reads it
- The information that you give me will be **secured** in a locked box in my home and will be **destroyed within 18 months. More specifically, all the information will be destroyed after allowing sufficient time to finish my research and to prepare for potential scholarly publications.**

If you decide to participate in the interview:

- This process will take around an hour to an hour and a half to complete
- I will need to know if you agree for the interview to be tape-recorded
 - If you do not agree; there are no penalties
 - If you do agree, you can choose to not be tape-recorded for certain questions or to terminate the tape-recording at any moment
 - The tape-recording will also be secured in a locked box in my home and destroyed **within 18 months. More specifically, all the information will be destroyed after allowing sufficient time to finish my research and to prepare for potential scholarly publications.**

If you have any questions regarding this study, please contact

Me - **Julietta Barcaglioni** at 864-506-5316 - 864-646-3887 – jb267006@ohio.edu

Or a professor that is helping me who can both understand and speak Spanish - **Professor Brad Jokisch** at 740-593-1143 - jokisch@ohio.edu

If you have any questions regarding your rights as a research participant, please contact Jo Ellen Sherow, Director of Research Compliance, Ohio University, (740)593-0664.

I certify that I have been read this information and that I understand this consent form and agree to participate as a subject in the research described. I agree that known risks to me have been explained to my satisfaction and I understand that no compensation is available from Ohio University and its employees for any injury resulting from my participation in this research. I certify that I am 18 years of age or older. My participation in this research is given voluntarily. I understand that I may discontinue participation at any time without penalty or loss of any benefits to which I may otherwise be entitled. I certify that I have been given a copy of this consent form to take with me.

APPENDIX 3.3: QUESTIONNAIRE

Unique ID

1. **Where were you born in Mexico? (specify city and state)**

2. **What year were you born?**

3. **Gender (check ONLY one)**

Male
Female

4. **Marital Status (check ONLY one)**

Never Married
Married
Separated
Divorced
Widowed
Other

5. **Please check your highest level of education COMPLETED (check ONLY one)**

No education
Some primary school
Completed primary school
Some secondary school
Completed secondary school
Some preparatory school
Completed preparatory school
Formal education beyond preparatory school

6. **Employment status (check ONLY one)**

Not employed
Full-time
Part-time

7. **What is your primary occupation?**

8. Industry (check ONLY one)

- Agriculture
- Services
- Construction
- Landscaping
- Other (please, specify) _____

9. Do you currently have more than one job?

- Yes
- No

10. How much money did you make the last week that you worked? (in dollars)

_____ DOLLARS

11. When did you arrive in the United States? (your most recent arrival)

_____ MONTH _____ YEAR

12. When did you arrive to the United States for the first time?

_____ MONTH _____ YEAR

13. Do you plan to return to Mexico permanently? (check ONLY one)

- Yes
- No

14. Who constitutes your household in Mexico? Prior to your most recent arrival to the United States, who did you live with in Mexico?

15. Who do you live with in the United States?

16. Where do your parents live? (check ONLY one)

- In Mexico
- In the United States
- Other (please, specify) _____
- Not applicable

17. Where does your spouse live? (check ONLY one)

- In Mexico
- In the United States
- Other (please, specify) _____
- Not applicable

18. Where do your children live? (check ONLY one)

- In Mexico
- In the United States
- Other (please, specify) _____
- Not applicable

19. Are you the head of household in Mexico? (i.e. financially responsible for your dependents) (check ONLY one)

- Yes
- No

20. Do you or your household own any of the following in Mexico? (check all that apply)

- House
- Land
- Business

21. How many people in your Mexican household are currently working/living in the United States? (check ONLY one)

- I am the only one
- 2
- 3
- More than 3

22. How many people in your family are currently working/living in the United States? (check ONLY one)

- I am the only one
- 2
- 3
- More than 3

23. In the past 5 years, how many times have you gone back to Mexico?

_____ TIMES

24. In the last month, how many phone calls did you make to Mexico?

_____ PHONE CALLS

25. Did your family or friends help you finance your trip to the United States? (check **ONLY one**)

Yes

No → *Go to question 27*

26. How much did they loan you? (check **ONLY one**)

Less than \$1,000

\$1,000 - \$5,000

\$5,000 - \$10,000

More than \$10,000

27. Since you arrived to the United States the last time, have you sent money to your family or others in Mexico? (check **ONLY one**)

Yes

No → *Go to question 35*

28. How much money did you send last month?

_____ DOLLARS

29. Since you arrived to the United States the last time, how often have you sent money back to Mexico? (check **ONLY one**)

Once a week (every 7 days)

Twice a month (every 15 days)

Once a month (every 30 days)

Once every two months

Once every three months

Twice every year

Once a year

Other (please, specify) _____

30. What is the main transmittal method you use? (check **ONLY one**)

Hispanic Store (through Giramex, Sigue, or Pronto-envios)

Bank (like Bank of America or Wachovia)

Post-office

Personally

Through a third party

Other (please, specify)

31. In the last year, who was the person that handled the money you sent the most often? (check all that apply)

My father
 My mother
 My wife
 My husband
 My son
 My daughter
 Other (please, specify) _____

32. In the last year, who was the intended recipient of the money you sent? (check all that apply)

My father
 My mother
 My wife
 My husband
 My son
 My daughter
 Other (please, specify) _____

33. In the last year, did you send money to Mexico for any of the following? (check all that apply)

Food, rent, clothing, etc.
 Education
 Health
 Pay debt
 Accumulate savings
 Parties, baptisms, vacations
 Improve family home
 Build or buy a home
 Buy land or agricultural tools
 Establish or expand a business
 Buy a vehicle
 Buy appliances (like TV, stoves, etc.)
 Other (please, specify)

34. Out of the reasons listed above, which was the NUMBER ONE reason for sending money to Mexico since you arrived to the United States?

35. Why did you not send money to Mexico?

36. What did you do with the money in the United States? (check all that apply)

Used in it necessities (rent, food, clothes, etc.)

Saved it in a bank

Kept it at home

Invested it (home, car, business)

Other (please, specify) _____

37. In previous trips to the United States (excluding your most recent arrival), have you sent money to Mexico? (check ONLY one)

Yes

No

---- End of Questionnaire ----

APPENDIX 3.4 : INTERVIEW TEXT

Unique ID**Migration Questions**

1. Tell me about your first trip to the United States
 - a. Why did you decide to come? / What was your main migration motive?
 - b. Who made the decision?
 - c. What were your ideas about the United States before coming for the first time?
What did you expect to find here?
 - d. Where did you arrive? (state)
 - e. Did you have any type of difficulties in order to come here? (example: financial problems or a family member who was apprehensive)
2. Tell me about your most recent trip to the United States
 - a. Why did you decide to come? / What was your main migration motive?
 - b. Who made the decision?
 - c. Why did you pick South Carolina?
 - d. Did you have any type of difficulties in order to come here? (example: financial problems or a family member who was apprehensive)
3. What are your goals for this trip? How long are you planning on staying?
4. How old were you when you first arrived to the United States?
 - a. How many total years of work experience do you have in the United States?
5. How many total years of work experience do you have in Mexico?
 - a. What was your main economic activity in Mexico before migrating for the last time?
6. How many times have you returned to Mexico? (since your first trip to the United States)
 - a. For how long?
 - b. What factors/circumstances make you go back to Mexico?
 - c. What did you do in between trips?

- d. What do you usually take with you when you go back to Mexico? (money, appliances, cars, clothes, etc.)
 - e. What factors/circumstances make you come back to the United States?
7. Do you plan to return to Mexico permanently? (Plan to return to live?)
- a. What are you planning on doing once you return?
 - b. Although you do plan to return to Mexico permanently, would you consider the possibility of returning to the United States again?
 - c. If you do not plan on returning to Mexico permanently, why not?
8. Do you feel/think that in your community in Mexico there are a lot of people who have come to the United States?
- a. Is it easy to distinguish those who have been to the United States from those who have not?
9. How do you feel in the United States?

Family Questions

10. The people who constitute your household in Mexico: who are they and how old are they?
11. What is your Mexican household main economic activity?
- a. How many people in your household work?
12. How many people from your household in Mexico are currently living/working in the United States?
- a. How many? How old are they? What their relationship to you? Where are they? How long have they been in the United States?
13. Do you plan to bring the people in your household to the United States?
- a. Why or why not?
14. Does your family visit you in the United States?
15. How many people from your family in Mexico are currently living/working in the United States?
- a. How many? How old are they? What their relationship to you? Where are they? How long have they been in the United States?

Social Capital Questions

16. Since your last trip, were you able to get a job quickly?
17. If so, who helped you?
18. What kind of help have you received from friends/family/acquaintances while in the United States?
19. Have you helped anybody with their migratory trip?
 - a. If yes, who and how?

Remittances Questions

20. Why do you send money to Mexico?
 - a. Do you have a specific reason?
21. Who is the person that handles the money you send the most often? Who is the intended recipient of the money you send?
22. Do you know how all the money that you send is spent or used?
 - a. Who makes the decision of how the money will be spent? Do you give recipients expenditure instructions?
 - b. In the past, how has your household used the money that you have sent?
 - c. Do you agree with the way the money that you send is spent or used?
23. What are your expenditures in the United States? Are you in debt? (either in the United States or in Mexico?)
24. Does the amount of money that you send home vary?
 - a. Why does it change?
 - b. Why does it not change?
25. When your household is going through a rough time (loss of job, death, etc) do you send more money?
 - a. Why or why not?
 - b. Has this happened?
26. How do you think remittances have helped your household (or the person that receives your remittances) in Mexico?

27. What do you think would happen if you stopped sending money home?
28. According to what you earn, do you feel that you are sending enough money? Would you like to send more? Do you think you already send enough?
29. How often do you send money to Mexico? Why?
30. What is the main transmittal method that you use to send money?
 - a. Why do you use this particular method?
 - b. Have you used different transmittal methods?
 - c. Where do you send the money? Where is the money picked up?
 - d. Do you think it is expensive to send money home?
31. Have you ever sent collective remittances?
 - a. If so, tell me about the project and your experiences
 - b. If not, why?

--- End of Interview ----