Session 5
Part I: Senders and Receivers: Socioeconomic Profiles and Remittance Behavior, Social and Political Context
Course Lecture: Lenora Suki
Guest Lecturer: Francisco Rivera-Batiz

Course Lecture

A Comparative Look at Spain and the US

1. Latino Communities in the US vs. Spain - Comparing characteristics of migrant communities in receiving countries provides an interesting contrast of migration experience. The US experience with Latin American migrants is very different than Spain's experience with the same demographic.
    a. In Spain migrants form a relatively small percentage of total population, 2.7%. However, in the US, this percentage is a relatively large 12%.
    b. Also a large absolute difference in numbers: approx. 1 million foreigners in Spain in 2001 vs. 32 million in the US
    c. Immigrants from Latin America make up just less than half of all foreigners in both countries.
    d. Aside from Moroccans, groups from Latin America in Spain are still the largest and most visible. Also, substantial numbers of migrants from EU.
    e. More migrants are undocumented as a proportion of the total in the US – 29% vs. 20%.
    f. The larger percentage of migrants in the US population results in equally different policy responses.
    g. Latin population in Spain quadrupled in a decade whereas in the US, it doubled.
    h. In Spain, Colombia and Ecuador are the most important migrant-sending countries. In the US, Mexico is the largest.
    i. The US response has been more reactionary than Spain's, which over time has oriented more towards normalization and integration
2. Socio-economic comparisons –very different profiles for migrants in the two countries. Spain may be a much more attractive destination for more educated and established migrants than the US for a host of reasons.
    a. US
        i. Generally, low income jobs and living in substandard conditions.
        ii. High vulnerability to economic downturns.
        iii. Large numbers of unskilled labor with low educational attainment.
        iv. Limited access to social services.
    b. Spain
        i. New migration regime moving towards normalization and assimilation.
        ii. Shared language makes integration easier.
        iii. Large demand for foreign workers because of rapid growth, aging population and low average number of hours worked

iv. standards of living are often better than in home countries.
v. Better access to social services.
vi. Higher economic activity and educational attainment.
vii. Overall male-female ratio even for Latin migrants to Spain.
viii. Mostly female migration to Spain from the Caribbean and Central America whereas male migration dominates from South America.
ix. Europeans and Americans tend to be age 64+.
x. Latin immigrants are mostly in their economically active years – 16 to 64 years old.

3. Economic situation/standard of living in Spain
    a. Substantially lower life expectancy than Spaniards or W. Europeans in Spain
    b. Large income differential between Spaniards and Latin immigrants
    c. Higher rates of illiteracy among Latin migrants although N. Africans have the highest followed by Dominicans.
    d. Far higher rates of economic activity than Spaniards.
    e. Differentials between male/female economic activity are high. Dominican women have the same low level of participation as Spanish.
    f. Ecuadorians and Peruvians have the lowest unemployment.
    g. Lower rates of school attainment, especially at higher levels
4. Geographic and Spatial Characteristics. More concentrated migrant areas in the US than in Spain.
    a. US
        i. Concentrations around a few states: California, Texas and New York with increasing dispersal
        ii. In these areas, migrants can make up as much as 50% of a city's population – Los Angeles, for example.
    b. Spain
        i. Migrants are concentrated particularly around major cities and high tourist destinations (Madrid, Catalunya, Andalucia, Valencia)
        ii. Even in most population regions, migrants only make up about 5% or 6%.

Guest Lecturer
Francisco Rivera-Batiz
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1. Overview of Latino Community in the US and their socio-economic status.
    a. 41 million Latinos in the US, as of 2004, which makes Latinos the largest minority in the US. Compare to other Latin American Countries:
        i. Brazil, 179 million
        ii. Mexico 104 million
        iii. Colombia 45 million
    b. This makes US the fourth largest home to Latinos. Over the last 20 years, this number has grown.
2. What explains this rapid growth?
    a. Two factors influence population increase:
        i. immigration; and
        ii. natural increase.
    b. Latinos tend to have higher total fertility rates (TFR) than other ethnic groups in the US. More than 50% higher than US, overall.
3. Which are the countries that send most countries to the US from LAC? As of 2004, 70% of all Latino immigrants come from the following five countries:
    a. Mexico (50%),
    b. Dominican Republic (7%),
    c. Colombia (3%),
    d. El Salvador (6%),
    e. Cuba (4%).
        i. These are census numbers, but there are a number of counting problems with regard to the census – undercounting or attempts to over-represent. Most of the numbers we see are conservative.
4. Where are they concentrated?
    a. Typical border states and major metropolitan areas.
    b. Population growth in cities has grown primarily as a result of Latino and Asian communities. Whites have been leaving inner cities for several decades, so percentages of migrant populations are increasing even faster. In fact, in the last decade, many major city's populations would have decreased but for migration.
5. What is their socioeconomic status?
    a. The Latino population has the lowest per capita income of any ethnic group in the US. Within this group, the Mexican population has the lowest per capita income and the Cuban population has the highest.
    b. Poverty rates:
        i. US overall average, 12%
        ii. Latinos average, 22%
        iii. White average, 8%
6. What forces explain these numbers?
    a. The labor market is one of the first places we look because it is where income is determined. There are three relevant factors to look at:

i. How many people are in the labor force?
    1. This includes the employed and unemployed (but looking for work). These percentages are very similar for the US overall and Latinos, approximately 65%.
ii. How many of those people are working?
    1. From 2000 census, the US overall unemployment rate was approximately 3.9% for men and 4.1% for women. In the Latino community it was 5.4% for men and 7.6% for women.
iii. Among those working, how much do they earn?
    1. In New York City, the average was $29,155 for men and $24,469 for women. In the Latino community it is $20,938 for men and $16,300 for women.

b. What explains the differences in labor related statistics?
    i. Age. Typically, the older a person is, the more they make. Average earnings in NYC display this. Latinos have a very large portion of younger people in their population in NYC, so one would expect this to result in lower earnings.
        1. Median age in US is 35, among Latinos it is 26.
    ii. Education. Education is used by employers as a screening device. Latinos have a much smaller college attainment level than most: US average is 25% while among Latinos it is 11%. Latinos also tend to have some of the lowest high school completion rates.

Questions

What are the different costs of living in an established immigrant community versus non-immigrant community?

It is difficult to move someplace without information or contacts, but there are many other aspects that drive employment opportunities and social absorption of new migrants. For example, in New York, there is virtually full employment for undocumented men, but there are higher unemployment rates for women. Women need to be in areas where there are large demands for undocumented labor, as in the garment industry. This typically only happens in large cities, which makes it difficult to move to small towns, whether or not there is an established Latino community in those small towns.

What are the connections between remittance patterns and recessions?

In post-9/11 there was a huge unemployment shock in the NYC. It would be surprising if this didn't affect remittances. It would be interesting to see what the impact was on remittances coming out of NYC. Additionally, when times get tough, often the first people to be fired will be immigrants. There is also a difficulty

What is the impact on employment of interactions between different migrant groups?

Patterns are incredibly ethnically driven. There are some parts of the city that see this sort of diverse pockets, but otherwise, integration and cooperation into one Pan-Latino neighborhood is not very prevalent. However, a Latino mayoral candidate had a very strong showing across all Latino communities in New York's last mayoral election.