Mexicans in the United States: The Importance of Their Contributions

The Mexican Population is an Engine for the US Economy and Society

The 11.7 million Mexicans living in the United States in 2011 represented 29% of immigrants and 4% of the US population. Most Mexicans live in California (37%, 4.3 million) and Texas (21%, 2.5 million), the two largest state economies. According to the Migration Policy Institute, based on data from US Census Bureau, the cities with more Mexican immigrants are Los Angeles (15%, 1.7 million), Chicago (6%, 684,000) and Dallas (5%, 610,000), whose economies grew faster than the national average in 2011. Mexicans, including 2nd and 3rd generations, contribute approximately 8% of US GDP (BBVA Bancomer Foundation, 2012).

Mexican Immigrants are Entrepreneurs that Create Jobs

40% of the companies included in Fortune 500 were founded by first and second generation immigrants, creating 10 million jobs. According to a study by the Partnership for a New American Economy (PNAE), 28% of the businesses established in 2011 are owned by immigrants, and employ 10% of US workers. Mexicans make up 12% of the immigrants that own a small business. Around 570,000 businesses in the United States, more than 1 in 25, are owned by a Mexican immigrant, and together they generate over 17 billion dollars in revenue per year. According to the Center for American Progress, immigrant women are more likely to have their own business than women born in the United States, 9% versus 6.5%.

The Hispanic Market is Critical to US Prosperity

Hispanics are the largest minority market in the country, and global US consumer spending drives 70% of US GDP. According to a study by the Selig Center at University of Georgia, Hispanics’ purchasing power may exceed $1.5 trillion in 2015, about 11% of the US total.

In 2009, the average monthly wage of Mexican workers in the United States was 2,190 dollars, and the average monthly amount of a remittance was 317 dollars. Therefore, more than 87% of Mexican workers’ wages were spent in the US economy (Center for Latin American Monetary Studies, CEMLA and Banco de Mexico).

Immigrants are Important Contributors to US Social Programs

Since 2000, the Social Security Administration has received nearly 90 billion dollars in deductions to the wages of workers who use social security numbers that do not match official records. MEDICARE has received nearly 21 billion dollars. In 2010, households headed by undocumented immigrants paid 11.2 billion dollars in state and local taxes —1.2 billion in income taxes, 1.6 billion dollars in property taxes and 8.4 billion dollars in sales tax (Institute for Taxation and Economic Policy).

Immigrants pay approximately 1,800 dollars more in taxes than what they receive in public benefits (Americas Society / Council of the Americas, February 2013). Of the population aged 20 to 39, the segment that funds most of the social security system, 18% are immigrants and 6% are immigrants born in Mexico (BBVA Bancomer Foundation, 2012).
Immigrants integrate into US society

In 2011, 143,446 Mexicans were granted permanent residence —89% by family relationships with a US citizen. According to the Pew Research Center, the adult children of immigrants are better integrated into US society as a group. In terms of identity, 60% of second-generation Hispanics consider themselves as “typical Americans”, twice as much as first generation immigrants.

According to the Migration Policy Institute (with data from the American Community Survey), out of the 17.1 million children living in a home of immigrants, 7.2 million have at least one parent born in Mexico (42%) and most of them (89%) were born in the United States.

Population trends in North America have changed

Figures from the Department of Homeland Security show that, while the undocumented population from Mexico has remained the largest group, the scale has not changed in recent years (between 7 and 6.5 million). According to a Gallup poll, the percentage of people who would consider emigrating from Mexico declined from 21% in 2007 to 11% in December 2012, the same figure registered in the poll among the US population.

Mexico looks out for its citizens abroad

The Mexican Government has numerous programs to maintain ties with its citizens abroad, and to enable them to improve their standards of living and expand their contributions to the communities in which they live. Together with local authorities and civil society groups, Mexico invests resources in health and education schemes, financial inclusion and economic opportunities, and to enhance civic and cultural participation.

An immigration framework that better responds to our reality will allow North America to remain a region of opportunities for all

The conversation taking place today on immigration reform stands as an enormous opportunity for the future of the United States –and of North America as a whole. The countries compete together in the global markets, and companies established in North America have become successful as they take advantage of the complementarities of the region’s economies. An improved migration framework that meets the needs of the global market could boost economic growth and prosperity in the United States and throughout the region. The contributions Mexicans make to the US economy and society bring our countries together. But ultimately, this discussion is about the lives and aspirations of millions of people. Mexico has an interest in this process, as it is committed to increasing the opportunities and the well-being of its citizens at home and abroad.

Additional information is available at the web page of the Institute for Mexicans Abroad: www.ime.gob.mx.