



California Immigration
Research Initiative (CIRI)

CIRI Research Brief Series

CIRI RB# 7 SPRING 2018

The California
Immigration Research
Initiative is a project
funded by the University
of California Office of the
President

Remittances among Second-Generation Mexican- and Filipino-Americans

Armand Gutierrez
University of California, San Diego

When discussing the economic impact of migration, public discourse in the U.S. tends to focus on what effects migrants have on only the U.S. Financial estimates tend to revolve around how first-generation migrants are contributing to the country; how much they pay into taxes, utilize social services etc. However, there is a flip side, in which countries that migrants originate from must contend with the economic consequences of losing members of their population that potentially contribute to the economy. In order to remedy these potential financial losses, sending countries (countries that migrants originate from) have sought to tap into the income gains of migrants by incentivizing the act of migrants sending money back to family members, community members, organizations, etc. still residing in the country. These funds, also known as remittances, form a major component of many countries' economies, particularly for those coming to the U.S. Countries, such as India, China, the Philippines, and Mexico, make up the top four remittance-receiving countries, respectively (World Bank 2016). However, the discussion of economic impact often centers on first-generation migrants, while ignoring the contributions sent from their children born in the U.S., i.e. second-generation migrants.

This study looks to address this gap by exploring what factors encourage second-generation Filipino- and Mexican-Americans, individuals whose parents originate from the 3rd and 4th largest remittance receiving countries, respectively, to send remittances (World Bank 2016). A good number of second-generation Filipino- and Mexican-Americans have sent remittances, as seen in approximately 40% reporting having sent money to those in their ancestral country of origin (Rumbaut et al. 2004). However, that rate is surprising given that both groups have a wide differential in regards to their income levels, as seen in second-generation Filipino-



Americans having almost double the household income of second-generation Mexican-Americans (Rumbaut et al. 2004). While household income does have a positive influence on the decision to remit, I find that remittances among the second-generation are also driven by social and familial connections. Remittances are just as much of social connections as they are financial ones.

By personally interacting with those residing in the Philippines and Mexico, second-generation Filipino- and Mexican-Americans develop the roles, actions, and statuses associated with the decision to remit. In addition, parents help to pass down the competency to remit during second-generation migrants' childhood. By using Tagalog or Spanish in the household, first-generation migrant parents help their children to be able to communicate with those in their ancestral country of origin. In addition, by first-generation migrants remitting themselves, they help to pass down the skills and relationships needed for their children to remit.

While there are commonalities in which factors influence second-generation Mexican- and Filipino-Americans' decisions to remit, I also find that there are important differences between the two. Overall, when controlling for financial capacity, social connections to those back in the ancestral home country, and factors related to the parental household during childhood, second-generation Filipino-Americans are more likely to remit. In addition, household size influences the decision to remit in different ways with Filipino-Americans being more likely to remit with each additional family member living in the household than with Mexican-Americans.

This study has implications for how researchers understand the burgeoning second-generation and the financial futures of developing countries that rely on remittances. First, the money being sent from the U.S. is not only coming from immigrants, as it is typically assumed in remittance databases and scholarship. As such, future research should look into the policy and economic implications of second-generation migrant contributions. Second, the decision to remit for second-generation

Mexican- and Filipino-Americans is intertwined with their social and familial relationships spanning from the U.S. to their ancestral home country. Rather than these ties disappearing after the first-generation, the importance of family continue to influence second-generation migrants' lives, even when family may also be in a different country.

REFERENCES

- Rumbaut, Rubén G., Frank D. Bean, Leo R. Chávez, Jennifer Lee, Susan K. Brown, Louis DeSipio, and Min Zhou. 2004. Immigration and Intergenerational Mobility in Metropolitan Los Angeles (IIMMLA).
- World Bank. 2016. "Migration and Remittances Factbook 2016. Third Edition." Retrieved from <https://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/4549025-1450455807487/Factbookpart1.pdf>