

Mexican Migrants Stay in Border Comfort Zone

By Pia Orrenius and Madeline Zavodny

Limited access to migrant networks and strong geographic preferences may underlie border migrants' willingness to settle for lower wages on the border rather than seek higher wages by venturing into the U.S. interior.

As Mexican immigration to the U.S. rose sharply between 1980 and 2000, a growing number of migrants chose to stay in cities along the border rather than travel inland for better job opportunities.

The Mexican-born share of the U.S. population in the border region rose from about 10 percent in 1980 to more than 15 percent in 2000, with most of the increase taking place in the 1990s. Overall, the Mexican-born share of the U.S. population in 2000 was just 3.3 percent.

Without the more affluent San Diego, per capita income on the U.S. side of the border is \$22,302, or 61 percent of the national average.¹ What factors drive Mexican migration into one of the poorest regions in the U.S.? Why would Mexican migrants pass up more lucrative labor markets in the U.S. interior for life on the border?

Most of what we know about Mexican migration to the U.S. focuses on migrants' experiences in traditional gateway destinations, including Los Angeles, Chicago and Houston. Much less is known about Mexicans who choose to migrate to U.S. border cities. Research suggests border migrants are very different from interior migrants in terms of English fluency, education, occupational distribution and earnings.²

Using data from the Mexican Migration Project (MMP), a long-running survey of Mexican households, we take a fresh look at border migrants' sociodemographic characteristics and migration patterns. We also consider whether migrants who work along the border earn significantly lower wages than those who work in the U.S. interior and why that might be the case.

The results suggest that limited access to migrant networks and strong geographic preferences may underlie border migrants' willingness to settle for lower wages on the border rather than seek higher wages by venturing into the U.S. interior.

Tracking Mexican Migrants

Since 1982, the MMP has surveyed about 200 randomly selected households in each of 114 migration-prone Mexican communities, gathering basic migration and demographic information for all household members as well as complete migration histories for household heads. The MMP data, while not representative of all Mexican migrants to the U.S., is one of the few sources of information on the characteristics and time-varying migration behavior of undocumented and return migrants from Mexico.³

Our analysis focuses on first and last U.S. trips made by males and females ages 12 and over who migrated to the U.S. for work between 1980 and 2005. Survey participants reported on many dimensions of their migration, including where they were in the U.S. and for how long, their occupation and wage, and their legal status. Household heads were also asked about their English fluency and family's migration experience. Fourteen percent of all individuals surveyed had at least one qualifying trip, creating a sample of roughly 17,000 trips.

During the sample period, 7.4 percent of trips were to the U.S. border and the remainder were to the U.S. interior. We define the following cities as border destinations: San Diego; Yuma and Tucson, Ariz.; Las Cruces, N.M.; and El Paso, Laredo, McAllen and Brownsville, Texas.⁴

Top destinations for migrants to the U.S. interior were Los Angeles (26.7 percent), Chicago (10.7 percent), Houston (4.5 percent), Dallas (4.1 percent), California's Orange County (3.6 percent) and Fresno, Calif. (3.1 percent).

Between 1989 and 1997, the data show a rising share of trips to U.S. border cities vis-à-vis the U.S. interior (*Chart 1*). The spike in border migration in 1995 is particularly striking. It coincides with the "Tequila Crisis," the Mexican economic downturn

Chart 1
Percent of Migrant Workers Going to Border Cities
 (Three-year moving average)



SOURCE: Mexican Migration Project 114.

Compared with interior migrants, border migrants have more years of education, tend to come from slightly smaller families and are more likely to have been domestic migrants.

that saw the peso's value drop 49 percent and gross domestic product (GDP) contract 7.1 percent in one year. During this time, the border was an escape valve for Mexicans hurt by the recession.

The drop-off in border migration after 1997 is largely an artifact of the MMP data. The sample sizes become smaller toward the end of the time period as communities fall out of the sampling frame. The decline is particularly severe for border migrants because they're so few.

Migrant Characteristics

Compared with interior migrants, border migrants have more years of education, tend to come from slightly smaller families and are more likely to have been domestic migrants, moving within Mexico before deciding to work in the U.S.

Border migrants are less likely to report that they speak no English. They typically come from communities with less migration experience, so they have a shorter collective migration history overall and access to fewer migrant networks.

Networks are typically defined as relatives who have migration experience and may even live abroad. These connections provide information to potential migrants about crossing the border and finding employment and housing in the U.S. Networks should matter less to border migrants than to interior migrants. Visa requirements aren't as stringent, so it's easier for Mexican

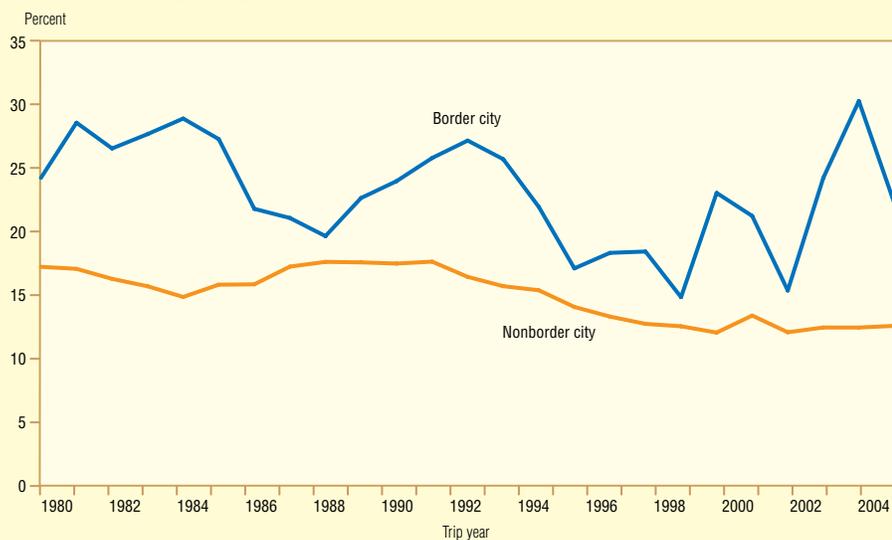
newcomers to enter U.S. border cities, and Spanish is widely spoken, making information more accessible.

Mexican migrants who live along the border are much more likely to be from northern Mexico, with 53 percent from northern nonborder states and 22 percent from border states.⁵ Migrants to the U.S. interior, meanwhile, tend to be from central and western Mexico and from communities with significantly more parent and sibling migrant networks.

The border region likely attracts Mexican migrants who prefer to stay close to home, either because they have family in the northern Mexican states or because they're unwilling to risk venturing into the relative unknown of the U.S. interior. Going past border checkpoints into the interior requires legally admitted migrants to fill out additional forms and illegal entrants to circumvent the Border Patrol, which is stationed along all major roads and highways leading to the interior.

Because the border is a closer and safer destination, it may not be surprising that females are a disproportionate share of migrants to U.S. border cities (*Chart 2*). This trend has also been shaped by the nature of border labor demand. Maquiladoras have traditionally relied on a predominantly female workforce and have acted as a magnet drawing them from all parts of Mexico. Female migrants have also found work opportunities plentiful along the U.S. side of

Chart 2
Percent of Migrant Workers Who Are Female
 (Three-year moving average)



SOURCE: Mexican Migration Project 114.

the border in domestic service industries and, more recently, retail and hospitality.

Border migrants are significantly less likely to cross into the U.S. illegally. The region's high concentration of Border Patrol and other immigration and customs officials suggests the area attracts migrants who can cross the border legally, such as those who have temporary visas, including tourist visas or border crossing cards.⁶

The share of illegal trips has been consistently lower among migrants to border cities than migrants to the interior (*Chart 3*). The only exception was when the share of illegal immigration to the interior hit a historic low in the immediate aftermath of the 1986 amnesty—more formally, the Immigration Reform and Control Act.

Another interesting difference between border and interior migration is the business cycle's influence. Border migration is much more sensitive than interior migration to changes in U.S. and Mexican economic conditions. A migration regression analysis shows that a 10 percent increase in U.S. employment leads to a 15 percent increase in migration to border cities relative to interior destinations.

In addition to U.S. employment, Mexican GDP and interest rates have a significant effect on border migration as well. Relative to interior migration, a 1 percent decline in Mexican GDP and a 10 percent increase in Mexico's short-term interest rate each lead to a 0.4 percent rise in border migration.

Jobs and Pay

The border economy's characteristics help shape the region's labor demand and supply. Despite a high incidence of poverty and low education levels, the area has experienced rapid employment growth. The number of jobs has risen an average of 2.3 percent a year since 1990, compared with 1.4 percent for the U.S., helping push border unemployment rates down from double

to single digits.⁷ Border unemployment reached unprecedented lows in the 2000s.

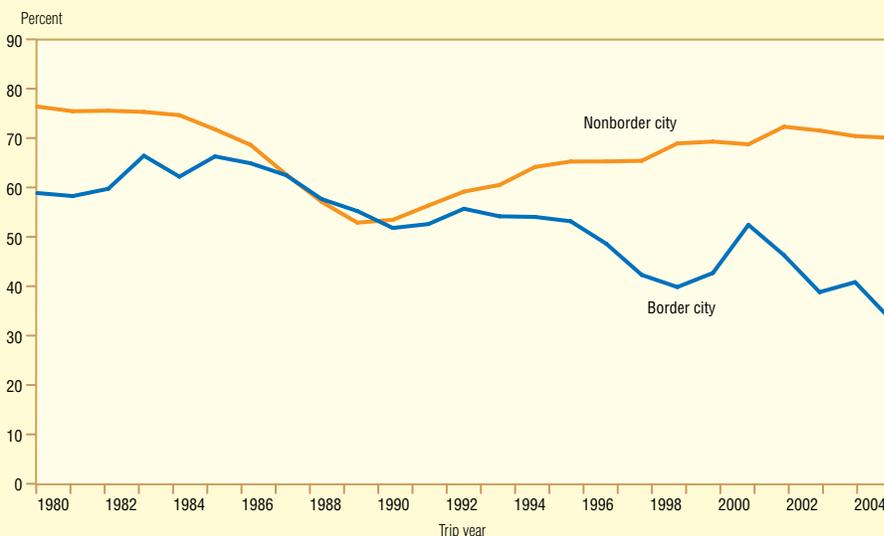
Since the North American Free Trade Agreement's passage in 1993, border job growth has expanded significantly in transportation, government, finance and real estate, and retail and wholesale trade. Many of the new job opportunities are tied to the rise in Mexico-U.S. trade, population growth on both sides of the border, and the strength and stability of Mexico's currency. A strong peso has sustained a growing influx of Mexican shoppers to U.S. border retailers since the late 1990s.

The transformation of the border economy has meant a dramatic decline in the percentage of workers in agricultural occupations and a rise in the fraction of migrants involved in service- and sales-related employment.

The share of border migrants who worked in agriculture declined from 60 percent in 1980 to less than 10 percent in 2004 (*Chart 4*). During the same period, the fraction working in sales nearly tripled to 33 percent. Similarly, the share in service occupations more than doubled, rising from 20 percent in 1980 to over 40 percent in the mid-1990s.

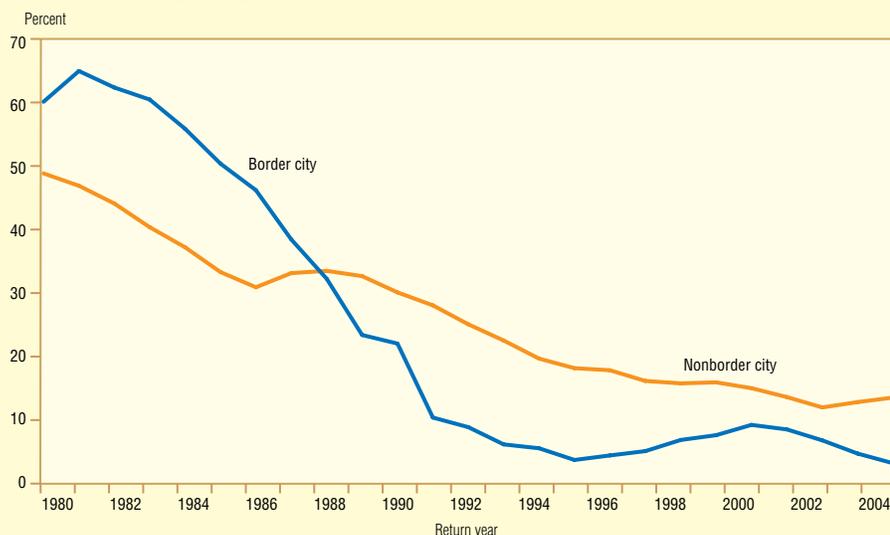
The concentration of migrants who are professionals is slightly higher along the border than in the interior. An important subgroup among Mexican professionals is factory owners, managers and executives, many of whom likely work in maquiladoras

Chart 3
Percent of Migrant Workers Illegally Entering the U.S.
 (Three-year moving average)



SOURCE: Mexican Migration Project 114.

Chart 4
Percent of Migrant Workers in Agriculture Occupations
 (Three-year moving average)



SOURCE: Mexican Migration Project 114.

in Mexico while living on the U.S. side of the border.

What about pay? Wage regressions show border migrants earn 16 percent less than interior migrants. The border wage penalty appears to be largely related to the nature of border labor supply.

Female migrants in the interior earn 25 percent less than men with similar characteristics, but on the border, the female wage deficit is 41 percent. Some of the earnings differential is due to the type of jobs Mexican immigrant women along the border tend to hold—nannies, housekeepers and retail workers.

Illegal immigrants in the interior earn about 13 percent less than similar workers who cross the border legally, but illegal immigrants on the border earn 29 percent less. Undocumented workers presumably face a border-related wage penalty because they have to compete with a large binational pool of workers who have similar skills and backgrounds but can work legally in the U.S.

Wages are significantly higher for workers with more years of education, although an additional year of education is associated with only a 1 percent rise in wages. While education is relatively scarce on the border, the regression suggests that returns to education aren't higher on the border—at least not for Mexican migrants. This result could be related to the limited transferability of education credentials or

the low quality of schooling in migrants' origin communities.

In sum, the need for fewer migrant networks and a desire for proximity to Mexico probably outweigh the wage penalty in border migrants' minds and help account for their concentration in these areas. The cost of living is also lower along the border, which somewhat shrinks the real wage gap with the interior.

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Notes

This article is based on research Orrenius and Zavodny conducted with Leslie Lukens of the University of Texas at Austin. Their article, "Differences Between Mexican Migration to the U.S. Border and the Interior: Evidence from Mexican Survey Data," is forthcoming in *Labor Market Issues Along the U.S.–Mexico Border: Economic and Demographic Analyses*, ed. Marie T. Mora and Alberto Dávila, University of Arizona Press.

¹ If San Diego is included, per capita income on the U.S. side of the border is \$30,904, or 85 percent of the U.S. average.

² See "English Skills, Earnings, and the Occupational Sorting of Mexican Americans Along the U.S.–Mexico Border," by Alberto Dávila and Marie T. Mora, *International Migration Review* 34, Spring 2000, pp. 133–57.

³ For information and data, see Office of Population Research, Princeton University, <http://mmp.opr.princeton.edu>.

⁴ Tucson and Las Cruces are not generally considered border cities since they are not located adjacent to Mexico. However,

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they are in counties that are adjacent to the border and, given our small sample sizes, we chose to include them as border cities.

⁵ The majority of MMP migrants are from western states, including Jalisco, Guanajuato, Michoacán, Colima and Aguascalientes—states in a region that has traditionally contributed large numbers of migrants to the U.S. The other MMP states include Baja California Norte, Chihuahua and Nuevo León (border states); Sinaloa, Durango, Nayarit, Zacatecas and San Luis Potosí (northern states); and Oaxaca, Puebla, Guerrero, Hidalgo, Tlaxcala, Veracruz and the state of México (central states).

⁶ Being able to cross the border legally does not mean that these migrants can work legally in the U.S., although many of them work anyway. It is also common to overstay these visas, at which point the migrant loses legal status.

⁷ See "Border Region Makes Progress in the 1990s," by Eric Dittmar and Keith R. Phillips, *Federal Reserve Bank of Dallas Vista*, December 1999.