

U.S. Remittances to Mexico Jump to Near-Record Levels



Mexico City, May 4 (RHC)-- Mexico's central bank, Banxico, reported that Mexicans received \$2.5 billion in remittances during the month of March, compared to \$2.2 billion a year earlier. The transfers record one of the biggest ever documented for remittances sent by individuals abroad. It is also the third-largest in U.S.-Mexico remittance history, after October 2008 (\$2.6 billion) and May 2006 (\$2.5 billion).

Remittances traditionally dip in January, after the holiday season, and start climbing again in February. However, this year the pattern changed, with January and February both netting \$2 billion in remittances.

Banxico figures show that the number of operations and the size of each transaction also rose in March. The size of the average transaction increased by 24 percent, from \$291 to \$316, while the total number of operations jumped 6.1 percent, from 7,517 to 7,976.

These cash transfers hold special significance following U.S. President Donald Trump's proposal to tax or impound remittances as an alternative method for funding the U.S.-Mexico border wall.

Transfers last spiked in November of last year when Mexican immigrants in the United States reacted to Trump being elected. But, according to Pew, although transfers have consistently risen, the number of undocumented Mexicans in the United States is on the decline.

Remittances are not taxed because they are transfers of previously owned money rather than payments for goods or services. Mexico does not tax recipients of remittances as long as the transfers are lower than the predetermined amount.

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