

**Transnational Families:
lives on the edge, but
in pursuit of change**

*"... who is doing well in Haiti? They're not doing well,
nobody is doing well. . ."*

*Haitian responding in reference to his family and country of
origin's situation*

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Introduction

At the heart of money transfers and their intersection with development is the very human face of family remittances. These flows relate to the social condition of senders and recipients and their struggle to meet the basic needs of their families: the interactions and relationships that occur from senders and recipients of money are part of a family affair of transnational nature.

In this report we explore the extent to which transnational families hold shared understandings of the needs and circumstances in their household. To that end, interviews with and analysis of twenty-two pairs of transnational families of various Latin American and Caribbean origins were conducted in order to further understand their needs and gauge the level of mutual understanding that exists between what a remittance sender believes are its needs and what a remittance recipient knows are its needs.

The report explores some of the dynamics that occur within the transnational family regarding economic and financial preferences and communication over such activities. One important issue we stress is that despite the impact of remittances on the receiving side, ultimately, both senders and recipients are families living on the edge of poverty. These are struggling families with a desire to do better but with limited choices on both ends. The report shows that overall, more than one person in a household directly benefits from remittances. Moreover, although the primary beneficiaries are parents, quite often many of the beneficiaries are members of an extended family that includes nieces, nephews, and other individuals.

Another critical issue identified is that while senders and recipients don't necessarily coincide in explaining how many in the household have a job, there are many beneficiaries who are unemployed and others with low paying jobs. Remittances thus help families cope with tight incomes. More importantly, however, is that when facing such challenges as unemployment or the pressure of meeting the costs of basic needs and schooling on a limited budget, health is often neglected or only addressed on conditions of illness or emergencies. Specifically, a lack of employment reduces the chance of any household member having health insurance.

What is more, even when someone is employed with health insurance, the insurance usually only covers the employee himself.

Finally, the report corroborates that only some families are able to save, and even fewer have sources of wealth outside the assistance they receive. Although conditions of precariousness thus exists within the transnational family, people are still able to meet their needs, and some are able to do a bit better. This situation stems from the fact that the cost of living in Latin American countries is at least two or three times the average amount received in remittances. In some countries, like Mexico, a remittance recipient can only afford to meet basic needs provided that someone in the family also has a job. In Central American countries, remittances may help households cope beyond meeting their basic food needs, but they will still need additional income in order to meet other necessities.

The policy implications of this reality further highlight a substantive linkage between the money people send and the offer of services that can improve people's quality of life. We further support the recommendation that financial institutions paying remittances should offer financial education as well as traditional education and health services to recipients in order to help them better cope with their circumstances.

1. Describing Transnational Families

People who send and receive money create families that are separated by distance and reunited by love and the material circumstances that keep them in touch. They become transnational families by virtue of such separation and commitment, and represent different backgrounds. In this sense, a transnational family is a unit with household members across borders that stay in regular contact to maintain their bonds and responsibilities.

There are no typical transnational families; remitters are both men and women, young and old. Senders have varying relationships of kinship with the remittance recipient, from mother or daughter to sister or niece. Remitters can send to several members of their family and even to multiple households. Looking at survey data for remittance senders and recipients, we find four distinct members of a transnational family predominantly identified

by age and gender. These include men and women under the age of forty and men and women over the age of forty.¹

As a common denominator, remittance senders share similar income, education and household size characteristics. About half of both men and women earn less than \$20,000 a year, and annual income levels remain about the same for migrants over forty as for those of their younger cohorts. Only about ten percent of remitters hold a college degree, and seventy two percent have completed high school.

Young males predominantly send to their parents and spouses. About forty two percent of male and female remitters report sending remittances primarily to their parents. Unlike women, twenty percent of males send to spouses, whereas older women generally send to their children.

All migrants who send remittances do so in response to the needs of their transnational family and their perceived duties as members of that family. Women send money under more precarious conditions, which mostly relate to their position in the global economy. Men send more money than women do, which is a direct function of income because men have higher earnings and can afford to send more: women remit 16% of their income, against 20% of men. Another reason this is the case may be because the percentage of married men with families in their home country is higher than it is among women.

On the other side of the transnational family, two thirds of remittance recipients are women. When compared to senders, this means that the decision making process about transnational household needs is handled predominantly by women. Moreover, women remittance recipients manage larger households than men. A young man from El Salvador working in the cleaning industry in the U.S. assesses both his needs in the U.S. and those of his siblings in El Salvador according to his social condition and income, and then decides what the priorities of the transnational household are. A domestic worker from Paraguay will also

¹ The following description is based on a survey analysis to 2800 Latino remittance senders, see: Orozco, Manuel "Transnational Engagement, Remittances and Their Relationship to Development in Latin America and the Caribbean." Institute for the Study of International Migration, Georgetown University, July 2005.

consider certain priorities and conditions for remitting, however, her considerations include remitting to the person who can take care of her children -- a grandmother, aunt or sometimes her father.

Profile of families interviewed

Forty-four people were interviewed for this project – twenty-two remitting members of transnational families living outside their home country and twenty-two remittance recipient members of the same transnational families living in the country of origin. These persons were selected from focus group interviews in various cities in the United States and through random contacts with money transfer companies. The interviewees belonged to different countries in Latin America and their families in the region were similarly interviewed.

Table 1: Nationality and number of people interviewed

Bolivia	2
Colombia	2
Dominican Republic	4
Ecuador	2
El Salvador	6
Guyana	6
Haiti	6
Jamaica	4
Mexico	6
Nicaragua	4
Peru	2
Total	44

The interviewees ranged in age, but their main characteristics showed that senders are usually younger individuals sending predominantly to their parents who are largely over the age of fifty, with some exceptions when the recipient is a youth receiving aid while in school.

Table 2: Demographic characteristics of Transnational Family

		Male	Female	
Sender	Twenties	12.5%	50.0%	25.0%
	Thirties	50.0%		33.3%
	Forties	12.5%	25.0%	16.7%
	Over fifty	25.0%	25.0%	25.0%
Recipient	Twenties	16.7%		7.1%

	Thirties	33.3%	12.5%	21.4%
	Forties	16.7%	37.5%	28.6%
	Over fifty	33.3%	50.0%	42.9%

1. Remittances in the Transnational Family

There is no single type of sender or recipient of remittances in the transnational family. As the previous profile showed, men and women remit to different members of the family. However, as will be shown in this section, one important finding from the family interviews is that both senders and recipients independently point out that the number of beneficiaries is more than one in any given household.

A Dominican immigrant in New York for example said that she sends money to her grandma in Santo Domingo. “My grandmother lives with her sister La Paz, another lady, and La Paz’s husband. La Paz’s husband is the only one in the household that has a job. The money is sent to my grandmother, but all in the household benefit from it because it pays for the house bills and food.”

The table below shows number of beneficiaries in each household as reported by both senders and recipients. As the table shows there is substantive agreement between senders and recipients about the number of people benefiting from remittances. In the majority of cases there are two beneficiaries, but almost half of respondents said that there are more than two beneficiaries in the household.

Table 3: Number of remittance beneficiaries in the household

Number Beneficiaries	Sender or Recipient?		Difference Range
	Sender	Recipient	
One	4.5%	4.5%	0.0%
Two	50.0%	54.5%	4.5%
Three	22.7%	18.2%	4.5%
Four or more	22.7%	22.7%	0.0%
	100.0%	100.0%	

The types of beneficiaries include parents, children, nieces, siblings and other relatives like aunts or uncles. As in most cases, the primary beneficiary is the parent, a person such as the

Dominican grandmother described above. Caring for elderly or retired parents is a typical example of why one remits. A Peruvian migrant said, for example, that he sends money to his mother. Moreover, he reports, “she takes care of all the financial needs of the house. She lives with her husband and daughter.” Both his mother and father are too old to work. His father once worked, but retired because of his age. A similar story is told by a Mexican migrant, who sends money to her elderly mother and father in Mexico. Although they live alone, her sister and sister’s family live very close by and help take care of them. Like other migrants, she sends about \$200 a month; however, she is unlike other remittance senders in that she prefers informal methods of sending money. She says that she never “send[s] through a bank or money transfer organization, MTO, but always with people that I know, like cousins or friends, who are traveling back to my hometown.”

An important aspect of remittance beneficiaries is that, more often than not, the money not only benefits the parents but an extended family, which often includes nieces and nephews. This practice reflects a strong family tradition among Latin Americans (and migrants in general) to care not only for the immediate relatives but for anyone they deem to be family. Kinship is perceived as a cornerstone value among migrants and providing for them is part of their obligation.

Whether because the sender has already met its obligation with its immediate relatives, because the relative is taking care of one’s family, or because there is a concrete need, many of the beneficiaries are a niece or nephew. For example, a Jamaican immigrant expressed that she sends money to her niece in Jamaica who in turn distributes the money to another niece and to her elderly brother and sister that were recently put into a nursing home. In this case, the niece’s husband and child benefit indirectly, but do not receive the benefits unless there is a special need.

Another case is of a direct beneficiary of remittances sent by a Nicaraguan in Los Angeles. In this case, the migrant sends money to a sister and a niece; however, eight people live in the house: two sisters, one niece, her niece’s husband, and four children. Although her two sisters and her niece’s husband have jobs, all benefit from the money. She also has a goddaughter to whom she sends about \$50 monthly to cover things she needs while

attending a university. The table below shows the interview results with regards to the senders' relationship to their remittance beneficiaries. The differences in responses are relatively small. Moreover, when people are asked about who in the household does not receive money, there is consensus that very few people, if any, are not receiving remittances.

Table 4: Family members living in the household who benefit from remittances

Beneficiary	Sender	Recipient	Difference Range
Niece/nephew	40.9%	45.5%	4.6%
Mother	36.4%	31.8%	4.6%
Father	36.4%	31.8%	4.6%
Children	31.8%	27.3%	4.5%
Sister	22.7%	22.7%	0.0%
Aunt/uncle	18.2%	22.7%	4.5%
Spouse	13.6%	9.1%	4.5%
Grandmother	9.1%	9.1%	0.0%
Brother	9.1%	13.6%	4.5%
Other relative	45.5%	45.5%	0.0%

Another important aspect in the consideration of the transnational family is the relationship between remittances, the people in the household, and those with a job. Two key issues that bear mention are that first, senders and recipient do not agree on who is or is not employed in their household. Second, remittances help complement a relatively tight if not precarious income supported by someone working in the household.

Whether or not senders and recipients agree as to who is employed in the receiving household, at least one third of those receiving may not have a job (see table below). However, for those who have jobs, their conditions are not great. Many recipients may have jobs that are not well paid or compensated. One respondent said his son in Guyana who receives remittances is "self-employed doing odd-jobs and labor intensive work whenever he can get them. But he doesn't really have any education and I don't consider him employed." In fact, when the sender's relative was interviewed she stressed a similar position and said that all the beneficiaries of remittances "basically live off of \$100," half of which comes from remittances and the other half from odd-jobs here and there.

The lack of employment is a pervasive issue; when one remittance receiving family was interviewed, they stressed what the sender mentioned earlier, that remittances keep them afloat. In this family, the remittance is sent to Haiti by a father who lives in Miami. The recipient stressed that he is unemployed and so is his wife. He estimates that 70% of his needs, if not more, are covered by the money that his father sends him: “He is the one who helps me and very strongly, so as not to say at 100%.”

It is difficult to explain these differences in opinion regarding the employment status of recipient family members. One cause may be related to the sender’s uncertainty about whom they think has a job or because changing circumstances in the country make job status unreliable. Another explanation may be that those people whom the sender believes are employed are actually doing odd-jobs but they may not want to acknowledge that this income is insufficient.

Table 5: Number of people with a job

	Sender	Recipient
No one	27.3%	45.5%
One	40.9%	27.3%
Two	18.2%	18.2%
More than three	13.6%	9.0%

2. Transnational families and receiving household needs

The more than fifty billion dollars that senders remit to aid their families in Latin America are predominantly spent to ensure that their households’ needs are met. The two to three hundred dollars sent every month go predominantly to cover basic needs. Moreover, both senders and recipients agreed as to how they spend it. There was very little dissonance between what the senders think they are sending aid for and what their relatives said they are spending it on. All family pairs were in full agreement that their money is spent predominantly on fulfilling basic needs, particularly on three main items: food, health and utilities. In households where children were present, there was agreement about how that money was spent in education.

Table 6: Main use of remittances

Uses	Sender	Recipient	Difference range
Food	86.4%	86.4%	0.0%
Health	59.1%	50%	9.1%
Utilities	50%	50%	0.0%
Education	45.5%	50%	4.5%
Clothing	13.6%	9.1%	4.5%
Housing	9.1%	4.5%	4.6%
Business	9.1%	9.1%	0.0%

Covering basic needs is typically an important practice. A Dominican lady remitting to her parents and their adopted daughter said that she sends for food, bills and medicine. “My mother has asthma and constantly needs to pay for medicine and shots.” She also says that her younger sister is in a public school, but she hopes to be able to afford to put her in a private school once she is in junior high. “They barely have enough for basic needs (food, clothing, utility bills).” When her mother was interviewed in the Dominican Republic, her explanation of how they spend the money was more elaborate but described the same practices and circumstances. The mother spends the money on “food, money for transporting Madeline to school, and buying medicine.” Because the mother suffers from asthma she requires a lot of medicine.

A remitter who lives in California and sends money to his parents in El Salvador, believed that his parents’ biggest financial needs are their utility bills, like electricity, telephone and cable bills. “My parents are elderly and don’t have any kind of serious chronic health problems but use the money to buy medicines when they need them.” The remitter’s father in El Salvador explained that “the main needs of the family are paying for food as well as utilities like water, electricity, and phone bills.” He added, however, that they also take care of a nephew and use the remittances for his education. “We have to pay for books, a uniform, and other school fees and expenses; but we use the money that [our son] sends to help cover these food, utility, and school-related expenses.”

Education is also a matter of importance to those households that have children or youth in their formative years. Forty and thirty percent of senders and recipients respectively said they had no education obligations. This was particularly the case for people in households with elderly members or in smaller households. In other cases where educational needs

existed, there was less agreement about what kinds of needs people had other than school fees. Recipients were able to elaborate better than the sender about these needs, but the sender was aware that the money was partly used for educational purposes.

A Guyanese woman living in New York explained that she and her husband send money to her husband's father and sister. The sister has three children who are 15, 19 and 23 years old. The woman said that part of the money goes to helping the youngest child who is still in school "and he needs money for school supplies and uniform. The middle child is studying computer graphics. She covers her own expenses." The sister-in-law who lives in Guyana corroborated that part of the story, but also said that another sister of hers helps pay for her "19 year old girl who studies computer science to be a technician."

Table 7: educational obligations of recipients

	Sender	Recipient	Difference range
No obligations	40.9%	31.8%	9.1%
School fees	40.9%	36.4%	4.5%
School supplies & uniform	18.2%	40.9%	22.7%
Transportation	9.1%	13.6%	4.5%

Issues about health were also included in the interviews and focused on information about who had health problems, how they were addressed, and what kind of health insurance they had. With regards to the health condition of recipients, both sides of the transnational families seemed to point out when there were some illnesses the family faced and the fact that remittance were used to deal with the illness. However, senders and recipients varied substantially when asked to classify their family as predominantly healthy. Senders stressed that the family was in overall good health more often than did recipients.

Table 8: Health status of remittance beneficiaries

	Sender	Recipient	Difference range
Predominantly healthy	45.5%	31.8%	13.7%
Cancer	13.6%	9.1%	4.5%
Heart problems	4.5%	4.5%	0.0%
Other	36.4%	54.5%	18.1%

Among those with regular health needs, the focus of attention was on older recipients or people with chronic illnesses. For example, a Nicaraguan remittance sender helping her daughter reported that she worries more about health because her daughter has asthma and needs regular medical attention and medication to keep it under control. In the town where the daughter lives, described as being very rural and remote, “there are no doctors or places to get the medicine, so my daughter frequently goes to Leon to see her regular doctor. Any kind of medical attention or things that they need to buy, they have to go to Leon for.” She would really like her daughter to have health insurance because her priority is her daughter’s health, but she does not know where she could purchase health insurance in Nicaragua.

In fact, a critical issue that emerged from these interviews was the fact that over two thirds of respondents said that their recipient relatives have no insurance. The reasons given for their lack of insurance varied. In some cases the interviewee would remark that there was no need for health insurance because they were healthy, whereas in other cases they would answer that it was due to unemployment or limited coverage at work. A Jamaican recipient explained that while some in the family have health care through their jobs, “the insurance does not cover medications, which are very expensive and hard to come by.”

Table 9: Percent of people said to have or not health insurance

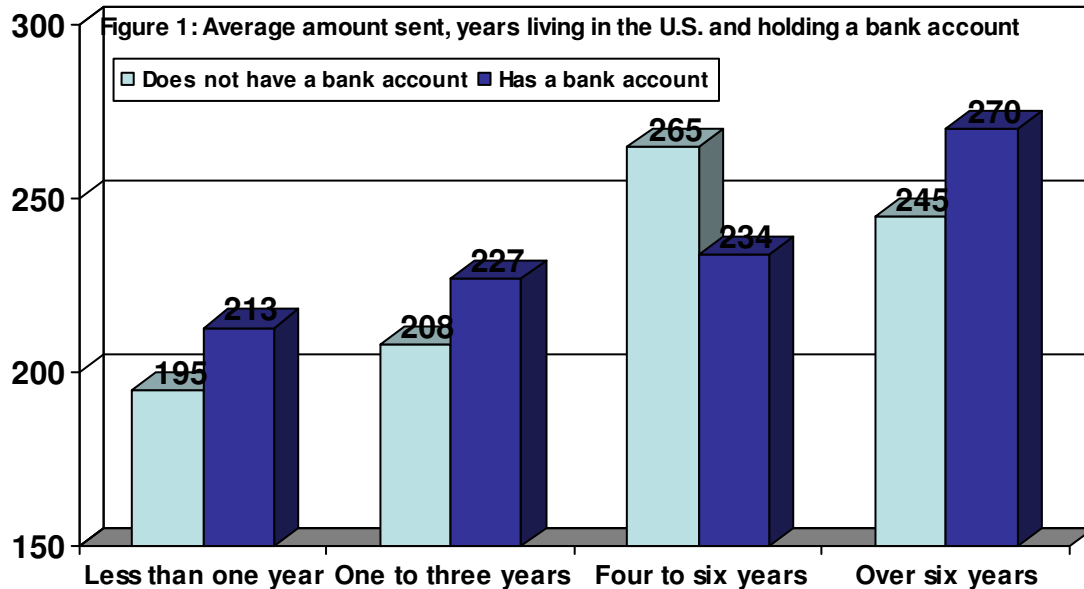
	Sender	Recipient
Yes	27.3%	31.8%
No	68.2%	68.2%
DK (99)	4.5%	0

The responses on health raise two main problematic issues. First, those who think they are in good health do not seriously consider preventative medical care. This problem reflects a poor understanding of people’s quality of life both among suppliers and consumers. Secondly, those in need of medical help face problems that stem from a lack of affordable services. Cross-selling remittance payments with affordable insurance products may help address the two problems raised here.

3. Financial condition in the receiving household

The financial situation of the beneficiary, more so than the income of the sender, defines the extent to which a person can afford items other than food from the remittances they receive.

We have learned that remittance transfers are generally inelastic; people send almost the same amount and changes are usually relative on the range of 50 dollars (see figure below). However, the uses of the money may vary depending on the availability of additional resources that permit spending the remittance on other activities. Thus, people with lesser housing obligations may spend more on medicine or education, for example.



Source: Orozco, Manuel.

When families were asked about the housing situation of beneficiaries, both senders and recipients were in agreement when the recipient owned a house. However, several senders also stated that recipients owned their home in cases where recipients were not in agreement. Moreover, those who owned homes but reported that they needed to further invest in home repairs differed from sender to recipient. This is perhaps the case where less correspondence existed between what senders and recipients said about a similar issue.

Table 10: Current housing situation of the beneficiary

	Sender	Recipient
Owens	81.8%	63.6%
Rents	13.6%	9.1%
Owens but needs repairs	4.5%	13.6%
Neither owns nor rents	0	13.6%

When looking at their financial and economic situations, most people agreed that their situations were not very good and explained why they believed it to be the case. Even among those people who have jobs, their reliance on remittances is quite important. Even people who are in relatively good situations in their home country can rely on remittances and/or live without medium or long term security. One example of this scenario is the case of a Colombian sender who remits to his wife, an accountant in Colombia. His mother-in-law also receives a pension (retirement income). Although the family is mostly in good health, the remittance money is spent on medicine and to cover the schooling of the daughter. Both his wife and mother-in-law have health insurance, but the mother-in-law said that the daughter has additional health insurance to cover her granddaughter, which is paid for out of the remittance. Most people stressed that basic goods are costly; “food is too expensive” the senders often reported. The recipients said that their situation is very bad, “life is very hard for us and we have trouble making ends meet.”

Table 11: How would you describe their financial situation?

	Sender	Recipient
Very bad	9.1%	27.3%
Bad	63.6%	18.2%
On and off	13.6%	31.8%
Fine	9.1%	22.7%
Good	0	0
Excellent	0	0
DK (99)	4.5%	

Few recipients have other cushions to fall back on apart from remittances. First, only a third have a savings account, and the large majority do not have any other type of investment. As a result, remittances are often the main resource available to them. When asked how their needs are met, every one said they meet their needs first through the remittances that were in discussion, second through jobs and third through remittances sent from other relatives.

Table 12: People with other types of investment?

	Sender	Recipient
No	72.7 %	72.7%
Land	9.1%	9.1%
Livestock	4.5%	6.8%
Other property	2.3%	0
Business	11.4%	11.4%

Table 13: Sources of income to meet needs

	Sender	Recipient
Through the remittance	100%	95.5%
Remittance from other family	27.3%	22.7%
Employment/business	59.1%	36.4%
Pension	22.7%	13.6%
In kind remittance	9.1%	13.6%

The relationship between salaries and cost of living in most of these countries helps explain why remittances are critically important to these families and countries. Even despite the hardship that people face, good results come out of the assistance. Migrants send their families an average of US\$250 (and a median of US\$200), for households that earn no income, one minimum-wage salary, or up to two minimum-wage salaries. In Haiti, for example, over sixty percent of remittance recipients are unemployed, and in Central America one third are unemployed (Orozco 2005; Orozco 2006).

A look at the cost of the basic food basket shows that through remittances people are given the opportunity to afford the extended basic food basket.² The table below shows the cases of El Salvador and Mexico where, through remittances, people are able to afford the extended basic food basket or the minimum to survive. Unless more than one person works in the household and earns above minimum wages, people will still struggle to make ends meet.

Table 14: Cost of living in selected Latin American countries

	El Salvador		Mexico	
	Expenses	Income	Expenses	Income
Minimum salary		101		110
Remittances		250		350
Basic food basket	137		450	
Extended basic food basket	274		900	
Market food basket	674		1500	

Source <http://www.ecumenico.org/leer.php/365>; http://www.lainsignia.org/2002/abril/econ_023.htm

Despite these circumstances, remittance recipients have been able to do better because of the money sent by their relatives. People have been able to invest in the education of their children or acquire equipment or transportation for small business activities, thus enhancing

² The extended basic food basket is estimated to be double the basic food basket and in addition of food staples, it includes utility payments, schooling, clothing, and rent or housing.

their opportunities for achieving greater self-sufficiency. One Nicaraguan family explained that through the remittances received, they have been able to look for jobs and open small businesses. In their particular case, remittances enabled the family to buy a truck, which has helped their son-in-law find some work in the community since there is a lot of construction in the area. Moreover, they said, “the truck has also helped us with the store because now we go into the city to buy provisions to sell and things to work the land.” Supporting small businesses controlled by family members, when they exist, is a regular practice of remittance senders. A Salvadoran migrant explained that she helps her former brother-in-law who owns a small retail store. “I help him purchase merchandise for the store, and [I] also send him used clothes to sell in his store. He sometimes travels to Guatemala to buy goods for the store and I provide the capital to purchase those goods.”

4. “La vida es dura”: Resilience in the transnational family

Although remittances have been the most well known component of the transnational commitment to families, the stories and narratives that tell of the endurance of distance and struggle to make ends meet are the fabric that explains the sending of the money itself. In other studies, we have shown that families stay in touch on a regular basis and call each other by phone, four times a week, for a total of 120 minutes a month.³

People interviewed for this study agreed that they talk on a regular basis with their transnational relatives. We asked if they consult with each other about financial needs related to household issues, such as the education of children, illnesses, or emergencies. Overall, there was some agreement about the issues they discussed, but more importantly, in most cases telephone conversations are about substantive issues and not simply about asking for more money for intangible or unknown situations.

Matters of daily life are signifiers of the extent of interpersonal relationships through which people understand each other and share their experiences. Families in particular share those

³ Orozco, Manuel “Transnational Engagement, Remittances and Their Relationship to Development in Latin America and the Caribbean.” Institute for the Study of International Migration, Georgetown University, July 2005.

matters of 'la vida cotidiana' that often involve discussions about the hardship of being there, a child's school performance or utility bills. Transnational families do not escape this reality but rather are wedded to it. Although remittance senders trust how their relatives spend the money, they still talk about household matters that involve reviewing expenditures.

One of the senders who was interviewed commented on an experience relating to a utility bill charge that was also retold by the recipient. The remittance sender said that the mother, who receives the money, called frantically alarmed because she had received a US\$100 charge for electricity when she usually pays less than \$30. "She explained that she didn't have the money to pay the bill, but that the company was going to turn off the electricity if she didn't pay." As a result, the relative sent her some money to pay the bill. When the mother was interviewed and asked to describe a recent conversation, she also told the story of the utility bill. "I complained to the [electricity] company, but they said there was nothing they could do about it. They threatened to cut off the water and electricity if I didn't pay."

In fact, in some circumstances and families, some relatives want more involvement in daily affairs back home and want to make certain that the money is spent well. A Peruvian immigrant tells of how during his first two years living in New York he asked his mother for receipts for all her expenses and sent money according to those purchases, essentially determining how the money he sent should be spent. He no longer asks his family to do that. He feels that there are always circumstances when his family might need more money for a specific service over another. He leaves his mother in charge of paying the bills and buying food.

Conversations about health are also disheartening matters that involve financial decisions in the midst of a migrant's emotional distress of not being able to be present to take care of matters in person. Sometimes the relatives do not fully express their angst because they understand that their relative in the United States might be in a difficult situation as well. For example, one Mexican migrant expressed that her mother doesn't tell her if they are having financial problems. "This is because my mother doesn't want me to worry. I just returned to work after two years of unemployment because of a battle with breast cancer. During that time my mother knew that I was ill and struggling financially and so she tried to

spare me from worrying and tried not to talk so much about their needs unless it was unavoidable.”

Table 16: Example a discussion on household issues

	Sender	Recipient
Health problems	29.4%	30.8%
House repair problems	0	15.4%
Every day expenses	41.2%	23.1%
Natural disaster related problems	5.9%	0
Educational obligation problems	23.5%	7.7%
Other	11.8%	30.8%

5. Implications for public policy

Life is hard for migrants and their families. Both live in precariousness and on the margins of poverty; yet, these transnational families communicate and relate their problems more substantially and perhaps more systematically than previously thought. They support each other emotionally while holding onto the dollars they can spend on the family. We used Richardson’s⁴ index of agreement (IA) to test the extent to which these families share similar issues and keep their experiences close. The index of agreement (IA) is a procedure employed in international relations to capture pairwise voting behavior between donor and recipient countries on resolutions voted at the General Assembly of the United Nations.

The measurement of the variable is obtained in the following way:

$IA = [f + \frac{1}{2}g] / t$; where f = number of votes on which the pair agrees (Yes-Yes, No-No, Abstain-Abstain); g = number of votes on which that pair partially agrees (Yes-Abstain, No-Abstain); and t = total number of votes on which the pair voted.

The IA was applied to the data from the 22 paired families to 41 sets of issues, from agreement on the number of people in the household, to the beneficiary’s kin, to the uses of remittances, financial resources and extent of consultation with the families. The results show that 78% of senders and recipients agree with each other on the range of issues (the full display of topics is presented in the appendix, with an explanation on how we applied the index).

⁴ Richardson, Neil R. *Foreign Policy and Economic Dependence*. Austin: University of Texas Press, 1978.

These results validate the fact that people keep in touch with each other on substantive issues, but also that there are some specific needs that they face. In that respect, these hardships, needs and aspirations are matters of public policy and further highlight the need to continue a transnational policy approach that promotes financial democracy.

In accordance with surveys conducted by the author and Bendixen and Associates, the recipients interviewed have little access to financial institutions, partly because of their limited resources. However, they also express a desire and demand to have access to financial services, including different kinds of insurance products as well as affordable savings accounts. The current work leveraging remittances through financial institutions, predominantly through credit unions and microfinance institutions, MFIs, is of vital importance. Many of those interviewed reported that they withdraw their remittances at banks and MFIs like Procredit in Nicaragua or Integral in El Salvador.

At a minimum, remittance payers should explore the financial needs of recipients and provide financial and remittance literacy outreach that educates people about money management. Moreover, there are ways in which financial institutions can take advantage of the demand for services such as housing loans and medical insurance, a product nearly half of the interviewees expressed interested in obtaining. One way to meet this demand is by offering mortgage lending and affordable medical insurance as well as educational services. One remittance sender expressed that her brother-in-law wants to buy a house, “but he is having trouble financing it. He is not able to take out a loan.” This is something that concerns many immigrants.

The exercise by suppliers of offering a range of services and convincing people that health and education involve a number of steps and considerations that further improve a person’s quality of life is a critical challenge that also falls in the purview of development players.

Table 17: Type of insurance needed

	Sender	Recipient
None	36.4%	45.5%
Life	9.1%	0

Health	40.9%	45.5%
Home insurance	0	4.5%
Other	9.1%	4.5%
DK (99)	4.5	0

Within this idea of financial intermediation and training is the fact that some transnational households feel hesitant about investing, while others are eager to invest, but lack appropriate knowledge to begin and make informed decisions. Some senders don't feel comfortable investing back home because they aren't certain that they will obtain a good return or because the economy is not in great shape. However, other remittance senders and recipients are more open to investing in small business activities. Many of these individuals need business focus, training, and financing before entering the market.

Table 18: Considerations about investing as part of a long term plan

	Sender	Recipient
Yes	27.3%	4.5%
Help to Start a business	36.4%	31.8%
Invest in education	9.1%	0
Real estate investment	9.1%	4.5%
Help with a pension plan	4.5%	0
Other	4.5%	0

For example, one recipient with a degree in agricultural engineering wants to invest in a farm. However, he said that getting a loan from a bank is too complicated and they will only give loans to people with salaries higher than his own. He might qualify for enough money to have something small like a *pulperia*, but he wants a farm in order to apply his skills and training. He has not thought about asking his sister to invest in such a venture. He is too embarrassed to tell her about it because he does not want to insult her by making her think that he does not want her help. He does not want to hurt her feelings. This is an example of a person with the desire and skill to be productive, but lacks the necessary assistance to plan accordingly— something with which donors with expertise can help.

Thus, the opportunities to leverage remittances are mixed and many. They reflect the financial and economic preferences and needs that people have of what they think they can afford. Businesses and policy makers should be able to offer a menu of choices to recipients

with the broader range of investment and development opportunities available to them.
Should add a few more lines to this that tie it back to the transnational family.

Interview Methodology

This project consisted in conducting interviews with 24 families who send and receive remittances. The selection process followed two steps. First, using a comprehensive survey of senders and recipients previously conducted by the author, transnational family profiles and patterns among senders and recipients were identified.⁵ The profiles contained information about the transnational family's demographic characteristics (some of which are highlighted in the first section).

Second, four volunteers from six focus group interviews in Miami, New York and Los Angeles were asked to volunteer to participate in an additional set of person to person interviews that likewise included the participation of their recipient relatives. These focus group interviews conducted by Bendixen and Associates are part of a project about the preferences of senders and recipients regarding specific financial products. Upon acceptance, volunteers were interviewed first followed by their relative in the home country. Four sets of questions were asked to the sender about the recipient: (1) relationship to the sender and number of beneficiaries; (2) uses of remittance money; (3) education and health, financial interests and condition; and (4) description of recent conversations and consultations with the relative.

These thirty minute interviews were subsequently codified to identify patterns in the relationship and level of agreement between senders and recipients. The coding procedure used these sample interviews as well as previously existing questionnaires.

⁵ Orozco, Manuel "Transnational Engagement, Remittances and Their Relationship to Development in Latin America and the Caribbean." Institute for the Study of International Migration, Georgetown University, July 2005.

Appendix

Agreement or disagreement responses on family issues Indicator	Percent responding		Convergence range	Score
	Sender	Recipient		
Beneficiary--Children	0.318	0.273	0.045	1
Beneficiary--Father	0.364	0.318	0.046	1
Beneficiary--Mother	0.364	0.318	0.046	1
Beneficiary--Niece/nephew	0.409	0.455	0.046	1
Consult regularly about needs	0.818	0.591	0.227	0
Desires to have health insurance for family	0.591	0.5	0.091	1
Every day expenses	0.412	0.231	0.181	0.5
Experiences other health problems	0.364	0.545	0.181	0.5
Family is predominantly healthy	0.455	0.318	0.137	0.5
Family member has health problems	0.294	0.308	0.014	1
Family member other investments	0.727	0.727	0	1
Financial situation is Bad	0.636	0.182	0.454	0
Financial situation is On and off	0.136	0.318	0.182	0.5
Financial situation is Very bad	0.091	0.273	0.182	0.5
Has medical insurance	0.273	0.318	0.045	1
Has savings account	0.364	0.409	0.045	1
House repair problems	0	0.154	0.154	0.5
Other sources of income	0.118	0.308	0.19	0.5
Owens his own house	0.818	0.636	0.182	0.5
Pension is a source of income	0.227	0.136	0.091	1
People living in household: Children	0.364	0.273	0.091	1
People living in household: Father	0.318	0.318	0	1
People living in household: Mother	0.409	0.364	0.045	1
People living in household: Niece/nephew	0.409	0.455	0.046	1
Receives remittance from other family members	0.273	0.227	0.046	1
Rents	0.136	0.091	0.045	1
Solves his needs through in kind remittance	0.091	0.136	0.045	1
Solves his needs through the remittance	1	0.955	0.045	1
Sour of income include employment/business	0.591	0.364	0.227	0
Spends money on Clothing	0.136	0.091	0.045	1
Spends money on Education	0.455	0.5	0.045	1
Spends money on Food	0.864	0.864	0	1
Spends money on School fees	0.409	0.364	0.045	1
Spends money on School Transportation	0.091	0.136	0.045	1
Spends money on Utilities	0.5	0.5	0	1
Spends on school supplies & uniform	0.182	0.409	0.227	0
Talk about natural disaster related problems	0.059	0	0.059	1
Talk to family once a week to twice a month	0.591	0.455	0.136	0.5
Talks about educational obligation problems	0.235	0.077	0.158	0.5
Talks to family less than twice a month	0.227	0.273	0.046	1
Talks to family more than once a week	0.182	0.227	0.045	1

Scoring: Full agreement: 1 (under 10%); Partial agreement: 1/2 (11-20%); No agreement: 0 (Over 20%)

Index of Agreement: Full agreement: 27; Partial agreement: 10; No agreement: 4; $IA = (27 + 5) / 41 = 0.78$

Questionnaire

Coding for Transnational Family Interviews

ID#:		COUNTRY:	
GENDER:		LOCATION:	
AGE:		TYPE:	
RELATION:		CODER	

- 1) Who are the family members living in the household to which you send money in your home country?

Grandmother	1
Grandfather	2
Mother	3
Father	4
Spouse	5
Sister	6
Brother	7
Children	8
Niece/nephew	9
Aunt/uncle	10
Other relative	11

- 2) Who benefits directly from your help?

Grandmother	1
Grandfather	2
Mother	3
Father	4
Spouse	5
Sister	6
Brother	7
Children	8
Niece/nephew	9
Aunt/uncle	10
Other relative	11

- 3) How many of them are employed?

0	0
1	1
2	2
3	3
4	4
5	5

- 4) Which of them are employed?

None	0
Grandmother	1
Grandfather	2
Mother	3
Father	4
Spouse	5
Sister	6
Brother	7
Children	8
Niece/nephew	9

Aunt/uncle	10
Other relative	11

- 5) Are there other persons or relatives living in the household who don't directly receive money?

Yes	1
No	0

- 6) What do you think are the basic needs of those to whom you send money?

Food	<input type="checkbox"/> 1
Clothing	<input type="checkbox"/> 1
Health	<input type="checkbox"/> 1
Education	<input type="checkbox"/> 1
Housing	<input type="checkbox"/> 1
Business	<input type="checkbox"/> 1
Savings	<input type="checkbox"/> 1
Utilities	<input type="checkbox"/> 1
Other	<input type="checkbox"/> 1
Unknown/NR	<input type="checkbox"/> 99

- 7) Do they have any educational obligations? (explain)

No	0
School fees	1
School supplies & uniform	1
Transportation	1
Other	1

- 8) Do any of the recipients have recurrent or chronic health needs or are they predominantly healthy?

Predominantly healthy	1
Cancer	2
Heart problems	3
Other	4

- 9) Do any of the recipients have some kind of medical insurance to take care of themselves?

Yes	1
No	0

- 10) Is there any other type of insurance they would need?

No	0
Life	1
Health	2
Home insurance	3
Other	4

11) What is the current housing situation of the beneficiary?

Owens	1
Rents	2
Needs repairs	3
Neither owns/rent	4
In market to buy	5

12) How would you describe their financial situation?

Very bad	1
Bad	2
On and off	3
Fine	4
Good	5
Excellent	6

13) Do they have a savings account?

No	0
Yes	1
DK	99

14) Other types of investment?

No	0
Land	2
Livestock	3
Other property	4
Business	5
Stock	6
Other	7

15) Do you know how your relative meets these needs?

Through the remittance	1
Remittance from other fam.	2
Employment/business	3
Investments	4
Pension	5
In kind remittance	6

16) Do you keep in touch?

No	0
Greater than 1x/week	1
1x/week-2x/month	2
Less than 2x/month	3

17) Do you consult regularly about their needs?

Yes___ No___

18) Can you give me an example where you have had a conversation to discuss some of their household problems?

No	0
Health problems	1
House repair problems	2

Every day expenses	3
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Natural disaster related problems	4
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Educational obligation problems	5
---------------------------------	---

Other	7
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19) Have you considered investing some of your resources to address your relatives' needs as part of a long term plan?

No	0
----	---

Yes	1
-----	---

Help to Start a business	2
--------------------------	---

Invest in education	3
---------------------	---

Real estate investment	4
------------------------	---

Help with pension plan	5
------------------------	---

Other	6
-------	---

20) Explain