

C
N
E

CENTER
FOR THE
NEW
ECONOMY 1998-2008

CENTRO
PARA LA
NUEVA
ECONOMIA



A Transnational Migrant Crossroads

The Circulation of People and Money in Puerto Rico

Jorge Duany

Department of Sociology and Anthropology
University of Puerto Rico, Río Piedras

A research study for the
Restoring Growth Series

C
N
E

CENTER
FOR THE
NEW
ECONOMY 1998-2008

CENTRO
PARA LA
NUEVA
ECONOMIA

Contents

Foreword	5
Acknowledgments	7
Executive Summary	9
Statement of the Problem	12
Significance	17
Related Studies	20
Research Questions and Objectives	22
Research Methods	23
Results and Discussion	28
Conclusion	43
Recommendations	45
References	49
Appendix	57
Biographical Sketch	59

Foreword

A Transnational Migrant Crossroads is the first ever field study on remittance sending and receiving in Puerto Rico. As such, it is an important contribution to the worldwide literature on economic development and remittances. As its readers will note, the data and policy recommendations set forth will be of use to researchers and policymakers alike. We hope that the ideas presented will spur much-needed changes.

This paper is also the first installment for a research series we have titled *Restoring Growth*. The papers to be included in this collection will follow in the footsteps of **The Economy of Puerto Rico: Restoring Growth**, a volume published by the Center of the New Economy and Brookings Institution in 2006 that provided a diagnostic of the island's economy and offered numerous policy solutions to jumpstart economic growth.

Although various aspects of Puerto Rico's economic performance were analyzed through 10 chapters, there were some issues that, although related and certainly no less important, were beyond the scope of the original project. *The Restoring Growth Series* was designed to provide a space for relevant research projects that provide further insights and compliment the previously published works.

We are honored to include Jorge Duany as part of our faculty and include his research in our list of publications. His earlier work on Caribbean migration, race, nationalism and transnationalism has been featured in prominent academic journals and has been highly recognized by academics and policy makers.

It was always our intention to treat the publication of the CNE/Brookings Report as the beginning, and not the end, of our project. This research and policy series is an integral part of the follow-up work we have undertaken to fulfill that obligation. I believe it is an important step in restoring economic growth, and hope, to Puerto Rico.

Miguel A. Soto Class

Executive Director

Center for the New Economy



The Center for the New Economy is a non-partisan, non-profit, research and policy development organization dedicated to creating innovative economic development strategies. www.grupocne.org

Acknowledgements

I would like to thank Deepak Lamba-Nieves, Sergio Marxuach, and Miguel Soto-Class of the Center for the New Economy for encouraging me to initiate a research project on remittances in Puerto Rico. Their recommendations on an earlier draft of this report are also appreciated. I could not have completed the project without the assistance of my wife, Diana Johnson, as well as Sonia Castro, Vivianna De Jesús, Karin Weyland, and Carlos Rutiner. In addition, my daughter, Patricia Duany, helped to enter the results of the survey into a computer database. I also appreciate the support of my longtime friend Brunilda Santos de Alvarez in obtaining information about remittances in Puerto Rico. Douglas S. Massey made helpful comments and authorized the adaptation of the survey instrument designed by the Latin American Migration Project at Princeton University. Finally, I am thankful to João Felipe Gonçalves for his kind invitation to discuss the findings of this report at the Graduate Workshop on the Anthropology of Latin America and the Caribbean at the University of Chicago. I am grateful for the useful observations and suggestions made by Emilia Arellano, Stephan Palmié, Agnes Lugo-Ortiz, João Felipe Gonçalves, and other workshop participants.

Executive Summary

During the 1990s, remittances—the money sent by migrants to their countries of origin—became the second largest source of foreign currency in many Latin American and Caribbean nations. Policymakers have hailed remittances as the most stable form of financial insurance for developing countries, practically immune to the boom and bust cycles of emerging markets, as well as economic and political crises. At the same time, scholars have deemed remittances as one of the strongest transnational economic links between migrant-sending and receiving communities. These issues are particularly relevant for Puerto Rico, a primary source of emigrants to the U.S. mainland since World War II; a destination for a growing number of return migrants and their descendants; and, more recently, a recipient of immigrants from other countries. In 2005, the U.S. Census Bureau estimated that 49.4 percent of all persons of Puerto Rican origin was living in the continental United States. At the same time, 9.1 percent of the Island’s population was born abroad, especially in the United States and the Dominican Republic. One result of this fluid demographic situation is the massive circulation of people and money to and from the Island. Yet the cumulative effects of remittances on the Puerto Rican economy over the last half century, and the Island’s current role as the second largest money sender to the Dominican Republic, have been neglected.

This report presents the results of the first field study of remittance sending and receiving in Puerto Rico. The research summarized herein is based on a survey of 403 randomly selected households and 1,658 persons in four neighborhoods, two located in an urban center, one in a nearby suburban area, and another in a small town. A questionnaire documented the socioeconomic profile of remittance senders and receivers, their economic practices, kinship networks, and migration histories. In addition, 18 key informants, bank executives, and representatives of remittance agencies were interviewed for this project.

The main findings of the study are that:

- Only 5 percent of the sample regularly received money from relatives or friends who live outside Puerto Rico.
- Only one of the households surveyed relied on remittances as its primary source of income.
- Four out of five Dominicans interviewed sent money to their relatives in the Dominican Republic, compared to less than one out of ten Puerto Ricans who sent remittances to the United States.
- On average, Dominicans remitted \$189 per month, compared to \$113 for Puerto Ricans.
- Remittances are used primarily to meet subsistence needs, such as food, shelter, and health care. None of the interviewees sent or received money for investment or savings.

- Only 3.9 percent of the household heads started a business with money earned by migrants, while 3.2 percent acquired property with such funds.
- 12.2 percent of the respondents were business owners and 6.2 percent owned property other than their residences.
- The typical profile of a remittance sender in Puerto Rico is a middle-aged, married Dominican immigrant with nine years of formal education. Most often, he or she is employed as a service or unskilled worker, especially in domestic service or the construction industry, and moved to Puerto Rico in the late 1990s.
- Remittance senders have more relatives outside Puerto Rico, and call and visit them more frequently, than nonsenders.
- More than 60 percent of the Dominicans sampled traveled to the Dominican Republic at least once a year, while less than 12 percent of the Puerto Ricans visited their relatives in the United States as frequently.
- On average, Puerto Ricans moved to the United States much earlier (in 1963) than Dominicans moved to Puerto Rico (in 1991).
- Puerto Rican and Dominican household heads received similar shares of public assistance (21.5 percent and 24.3 percent, respectively) during their last trip outside their country of origin, as well as at the time of the survey (12.6 percent and 13.9 percent, respectively).
- Fifty-three percent of the Dominicans had a bank account in Puerto Rico, compared to only 9.3 percent of the Puerto Ricans during their last trip to the United States.
- During their last move to the United States, only 9.7 percent of the Puerto Ricans had a credit card, whereas 25.2 percent of the Dominicans in Puerto Rico did so.
- Fifty-nine percent of the Dominicans paid taxes in Puerto Rico, compared to 43 percent of the Puerto Ricans during their last trip to the United States.
- Twenty percent of Dominican household heads were business owners, compared to less than 9 percent of the Puerto Ricans.
- Dominicans were four times more likely (12.2 percent) to own property, aside from their residences, than Puerto Ricans (3.3 percent).
- Puerto Ricans were more than twice as likely (65.8 percent) as Dominicans (27 percent) to own their houses.
- A larger proportion of Puerto Ricans (51.6 percent) than Dominicans (40 percent) had health insurance during their last trip outside their country of origin.

- Even though 23.6 percent of the sample were return migrants from the United States, only 13.7 percent of the households headed by Puerto Ricans received or sent money outside Puerto Rico.
- According to the results of this study, Dominicans are more intensely and frequently involved in transnational networks than Puerto Ricans. In particular, Dominicans had more social contacts living in the Dominican Republic—including close relatives as well as cousins, in-laws, and friends—than their Puerto Rican counterparts had in the United States.

The results suggest eleven recommendations for public policies to harness remittances as assets for economic development:

- Encourage the use of bank accounts and other financial products by Dominican immigrants in Puerto Rico.
- Provide a wider variety of financial incentives to remittance senders and receivers.
- Educate the public regarding the benefits of bank accounts that offer affordable financial services.
- Promote the transfer of collective funds to the Dominican Republic, especially through hometown associations in Puerto Rico.
- Do not tax transfers of money between Puerto Rico and other countries.
- Stimulate competition among remittance agencies, banks, and other financial institutions to lower the cost of transferring money abroad.
- Monitor how remittance agencies establish rates as well as the legal requirements to send large amounts of money.
- Improve alternative methods of transferring money to and from Puerto Rico.
- Develop better ways to measure the amount of remittances received in Puerto Rico.
- Assess the broader impacts of remittances on the Puerto Rican economy.
- Evaluate the sociocultural effects of remittances in Puerto Rico and the Dominican Republic.

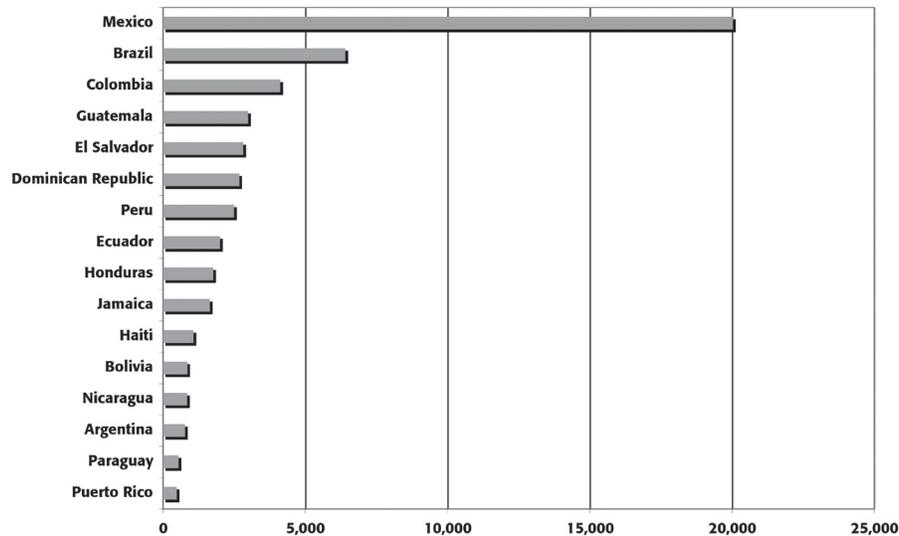
Statement of the Problem

During the 1990s, remittances—the money sent by migrants to their countries of origin—became the second largest source of foreign currency in many Latin American and Caribbean nations, including Mexico, El Salvador, the Dominican Republic, and Cuba. Today, all of the main Latino groups in the United States transfer millions of dollars each year to their nations of origin (figure 1). Most adult Hispanic immigrants regularly send “migradollars” (as they are often dubbed in Mexico) to their families back home (Bendixen and Associates 2001; DeSipio 2002; Orozco et al. 2005). In countries such as Colombia and Ecuador, remittances represent one of the single largest shares of the Gross Domestic Product, rivaling and even displacing major exports such as oil and revenues from agriculture, manufacturing, and tourism. In most cases, private transfers of money exceed direct foreign investment and development aid from wealthier to poorer countries. Everywhere, remittances help sustain local economies, particularly poor households with little access to other sources of income, such as land, capital, and technology.

As a result of the growing significance of remittances, several policy-oriented institutions have sponsored research projects to assess their impact on economic development, especially on small business creation and poverty alleviation. These institutions include the Inter-American Development Bank (2004), the Inter-American Dialogue, the International Organization for Migration, the Latin American Economic System (SELA 2004), the Pew Hispanic Center (2002), the Tomás Rivera Policy Institute, the United Nations Population Fund (2006), and the World Bank (2006) (see also de la Garza and Lowell 2002; Sørensen 2004). Policymakers have hailed remittances as the most stable form of financial insurance for developing countries, practically immune to the boom and bust cycles of emerging markets, as well as economic and political crises. Remittances have also been touted as “a direct benefit to those who may need it the most” (Meyers 2002: 63). In many influential circles, remittances have become the “new development mantra” (Kapur 2003). Nonetheless, they may have harmful effects on receiving economies, such as price inflation, unequal income distribution, labor shortages, and increased demand for expensive imported goods (Guarnizo 2003; Itzigsohn 1995). As a World Bank report (2006: 104) acknowledged, “the evidence on the effect of remittances on long-term [economic] growth is inconclusive.”

Figure 1

Top 15 Recipients of Remittances in Latin America and the Caribbean, 2005 (US\$ Millions)



Sources: Inter-American Development Bank (2006); Junta de Planificación de Puerto Rico (2006).

At the same time, scholars have deemed remittances as one of the strongest transnational economic links between migrant-sending and receiving communities (Basch et al. 1994; Goldring 2003; Levitt and Glick Schiller 2004; Levitt and Nyberg-Sørensen 2004; Vertovec 2004). Such massive transfers of resources are embedded in far-flung webs of solidarity and reciprocity between relatives and friends across national borders. Contrary to other monetary transfers, the bulk of remittances reaches the poorer sectors of the population, especially women, children, and the elderly, often by informal channels. They help meet subsistence needs, such as food, shelter, clothing, and health care, and sometimes generate employment and income. Remittances are also used to settle debts, finance education, save, purchase property, obtain consumer goods, cover the costs of emergencies, and pay for professional services (Durand et al. 1996). Thus, remittances can be considered a classic form of transnationalism “from below” (Guarnizo and Smith 1998; Portes et al. 2003), insofar as they represent grassroots initiatives by the poor. In contrast, transnationalism “from above” refers to the expansionist strategies pursued by powerful transnational corporations, multilateral financial institutions, interstate entities, and some nongovernmental organizations. As Alejandro Portes (1996: 1) has quipped, transnational migrant communities are “labor’s analog to the multinational corporation.”

One of the central questions in the study of contemporary migration is how frequently migrants participate in transnational activities such as sending money home, especially beyond the first generation (see Levitt and Waters 2002). Researchers have confirmed that foreign-born persons tend to send more remittances than their descendants born in the United States (de la Garza and Lowell 2002; Itzigsohn 2006). However, even second- and third-generation immigrants may retain

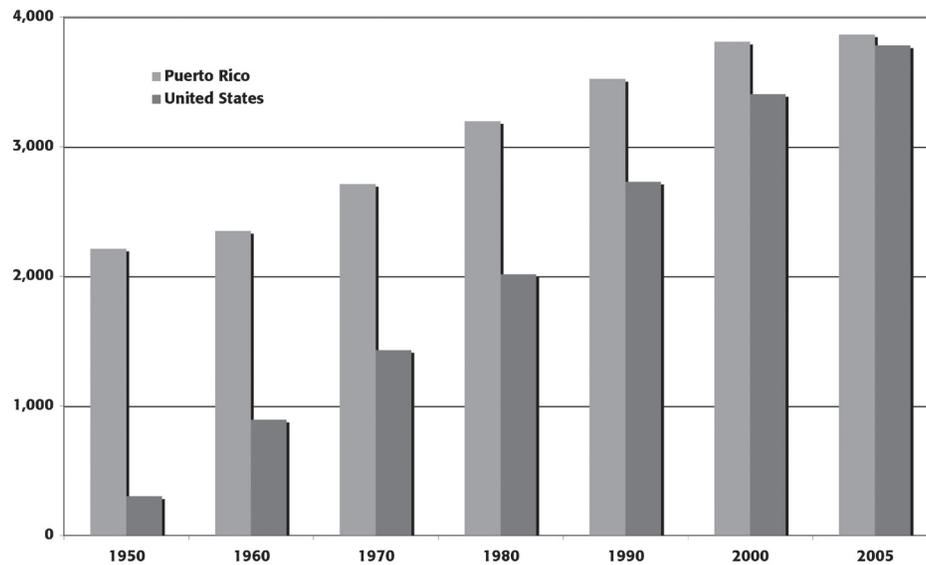
strong transnational attachments and engage actively in economic, social, and political practices oriented toward their ancestral homelands (see Fournon and Schiller 2001; Smith 2006; Toro-Morn and Alicea 2003). For instance, stateside Puerto Ricans and Dominicans frequently visit their places of origin, plan to return to live there, and attend cultural events related to their home countries (DeSipio and Pantoja 2004). The problem of the dual allegiances of transnational communities is not merely academic, but has broader practical implications. How immigrants shed or cling to their national and ethnic identities, while becoming full-fledged citizens in the receiving society, has long concerned scholars and policymakers. During the first half of 2006, the U.S. Congress intensely debated what kind of immigration reform might best incorporate an estimated undocumented population of 12 million.

These issues are particularly relevant for Puerto Rico, a primary source of (legal) emigrants to the U.S. mainland since World War II; a destination for a growing number of return migrants and their descendants; and, more recently, a recipient of immigrants from other countries (see figure 2 and table 1). In 2005, the U.S. Census Bureau estimated that 49.4 percent of all persons of Puerto Rican origin was living in the continental United States. At the same time, 9.1 percent of the Island's population was born abroad, especially in the United States and the Dominican Republic. As Samuel Martínez (2003: 47) has argued, Puerto Rico has become a transnational migrant crossroads, "the scene of multiple, cross-cutting, back-and-forth geographic displacements of people of different national origins." One result of this fluid demographic situation is the massive circulation of people and money to and from the Island. Yet the cumulative effects of migradollars on the Puerto Rican economy over the last half century, and the Island's current role as the second largest money sender to the Dominican Republic after the continental U.S., have been neglected. This is the first field study to systematically address both topics.

Simply put, the Puerto Rican economy cannot be fully understood without taking into account the millions of dollars sent annually by stateside migrants, along with the larger amounts of transfer payments from the federal government. For example, remittances represented about half of the net income generated by the tourist industry in Puerto Rico in 1997 (Junta de Planificación de Puerto Rico 1998). The magnitude of migradollars is probably much greater than can be gauged from official statistics, because of the largely unreported nature of such cash flows. Yet most studies fail to recognize that poor Puerto Ricans may pool resources from remittances, together with wages, government benefits, and odd jobs, to make ends meet. Furthermore, migration to the mainland may help to accumulate capital, skills, and other assets that may eventually be invested back on the Island.

Figure 2

Population of Puerto Rico and Population of Puerto Rican Origin in the Continental United States, 1950-2005 (in Thousands)

**Table 1**

Foreign-Born and U.S.-Born Population of Puerto Rico, 1950-2005

Year	Foreign-born	As % of population	U.S.- born	As % of population
1950	8,453	0.4	14,225	0.6
1960	10,224	0.4	52,116	2.2
1970	80,627	3.0	106,602	4.0
1980	70,768	2.2	199,524	6.2
1990	79,804	2.3	230,384	6.9
2000	109,581	2.9	245,589	6.4
2005 ^a	115,683	3.0	236,461	6.1

^a The figures for 2005 are estimates.

Source: U.S. Census Bureau (1953-1993, 2006a, 2006b).

Moreover, the Dominican economy relies heavily on the continued transfer of funds by Dominicans living in Puerto Rico, as well as in the United States, Europe, and other Latin American and Caribbean countries. The 2002 census of the Dominican Republic found that 10.2 percent of all households regularly received money from abroad (Oficina Nacional de Estadística 2006). Other studies have estimated even higher proportions of remittance receivers, ranging between 29 and 38 percent of Dominican households (Bendixen and Associates 2006; Sana and Massey 2005). Previous research has confirmed that Dominicans in Puerto Rico send a large share of their earnings—averaging about \$150 per month—to their families in the Dominican Republic (Bendixen and Associates 2004; Duany 1990; Pascual Morán and Figueroa 2000; Sana 2003). This practice has created a growing demand for *remesadores*, businesses specializing in the sending of valuables (*envío de valores*), including money, packages, and gifts, to the Dominican Republic (see figure 3). In addition, check cashing agencies (dubbed *cashitos* by local bankers) have mushroomed in neighborhoods with large numbers of Dominican residents in San Juan.

Figure 3

Two Dominican-Owned Remittance Agencies in Santurce, Puerto Rico



Photos courtesy of Karin Weyland.

Seven major Dominican-owned firms compete for the remittance market on the Island: La Nacional, BHD, Ría Envía, Remesas Quisqueyanas, Pronto Envío, Fernández Ventura y Asociado, and Consorcio Oriental (Avilés Inostroza 2006a). One enterprising Dominican photographer, Vinicio Peña, established 40 remittance agencies throughout Puerto Rico (Iturrondo 2000: 392), but apparently sold them to La Nacional. Most remittance agencies are located near the main Dominican settlements in Santurce and Río Piedras, particularly in Barrio Obrero and Barrio Capetillo. Many of them offer multiple services, such as prepaid phone cards, calling booths, money orders, photocopying, fax transmittal, airplane and ferry tickets. Financial conglomerates such as MoneyGram, Western Union, Visa, and Banco Popular de Puerto Rico have recently tapped into the vast money-sending business to the Dominican Republic. In 2004, MoneyGram announced that it would provide money transfer services

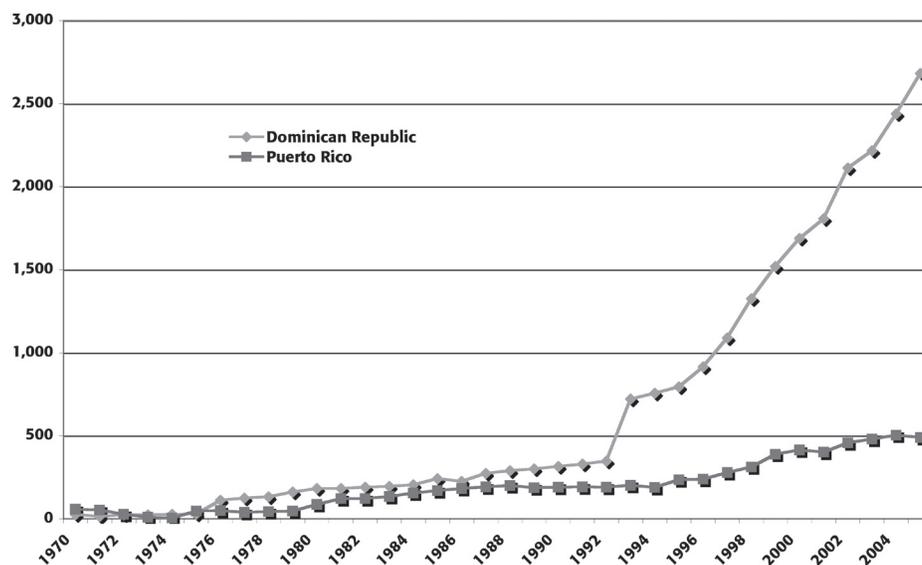
at 350 locations in Puerto Rico, including 12 WalMart stores (MoneyGram International 2004). In 2006, Western Union began to offer door-to-door delivery service in the Dominican Republic at a cost of \$4.99 per transaction, plus a transfer fee (Avilés Inostroza 2006b). This type of transnational linkage between Puerto Rico and the Dominican Republic deserves further study.

Significance

As previously noted, remittances are the largest source of external finance for many countries (Kapur 2003; Orozco 2004). In 2005, according to the Inter-American Development Bank (2006), the Dominican Republic was the sixth largest recipient of remittances in the Americas, after Mexico, Brazil, Colombia, Guatemala, and El Salvador (figure 1). The balance of payments accounts compiled by the Junta de Planificación de Puerto Rico (2006) would place the Island at number 15 in the hemisphere, after Argentina and Paraguay. Even though these are conservative estimates, they show a steady increase over the last three decades, especially since the 1990s (figure 4). Still, according to official figures, Dominicans currently transfer over five times more money than Puerto Ricans to their country of origin.

Figure 4

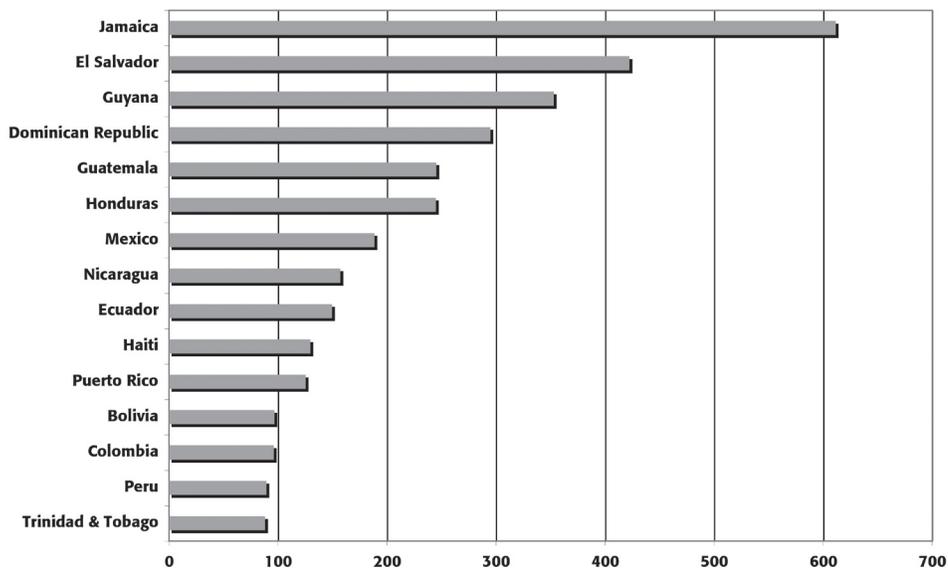
Remittances to the Dominican Republic and Puerto Rico, 1970-2005 (US\$ Millions)



Sources: Inter-American Development Bank (2006); Junta de Planificación de Puerto Rico (1980-1998, 2006); Migration News (2006).

Another way to assess the significance of remittances is to calculate the funds received relative to a country's total population (figure 5). Accordingly, the Dominican Republic is the fourth highest remittance receiver per capita in Latin America and the Caribbean, whereas Puerto Rico ranks eleventh. Note that several Caribbean and Central American countries are among the top receivers of migradollars in the region. In particular, remittances have become the primary source of foreign currency in Jamaica, El Salvador, and Haiti (World Bank 2006).

Figure 5
 Top 15 Countries with the Highest Remittances Per Capita
 in Latin America and the Caribbean, 2005 (US\$)



Sources: For remittances, Inter-American Development Bank (2006); for population estimates, U.S. Census Bureau (2006c).

A third approach to compare remittances is to focus on the average amounts sent home by various immigrant groups. In his doctoral dissertation, Mariano Sana (2003) found that Puerto Ricans sent a monthly average of only \$118, compared to \$148 for the Dominican Republic and \$268 for western Mexico. Similarly, Elizabeth Fussell (2005) estimated that annual remittances from U.S. Puerto Ricans were the lowest (\$1,140 per household) of the five groups she studied (including Costa Ricans, Dominicans, Mexicans, and Nicaraguans). The reasons for the relatively low level of remittances to Puerto Rico are worthy of further investigation.

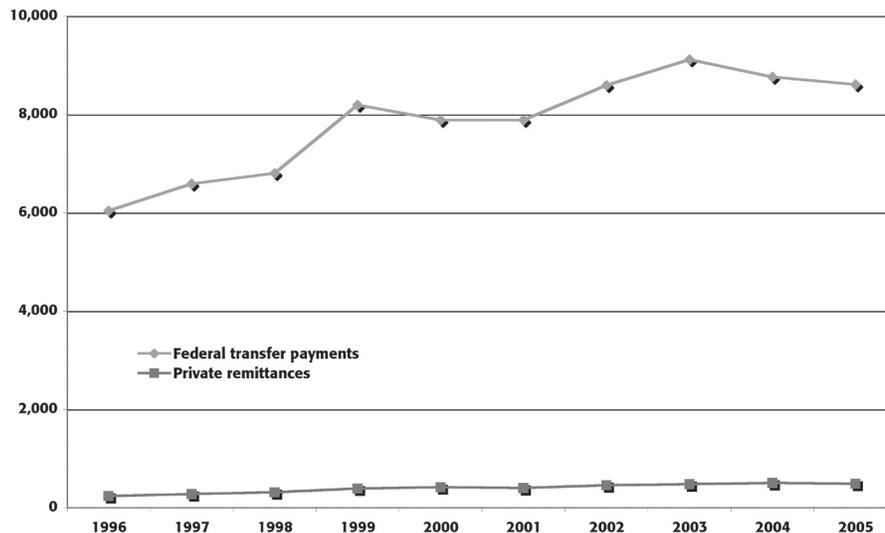
It is important to study remittances to and from Puerto Rico because of the lack of adequate data, analysis, and policies on either of the two flows. Even gross estimates of the monetary transfers vary widely from one source to another. Angelo Falcón (2004) has speculated that stateside Puerto Ricans might send as much as \$1 billion a year to the Island, based on an unpublished survey of Island-born immigrants in the United States. The lower estimates provided by the local Planning

Board—\$489.4 million in 2005—pale before the massive transfers from the U.S. government (\$8.6 billion) (Junta de Planificación de Puerto Rico 2006). (See figure 6.) Federal disbursements, especially for nutritional assistance, housing subsidies, and educational grants, may well play the safety net role in Puerto Rico that remittances do in other countries. In addition, most Puerto Ricans are covered by Medicare, unemployment and disability insurance, and many have earned benefits such as Social Security and veterans' pensions. The latter benefits have displaced the former as the primary form of government subsidies for the Island's low-income population (Duany and Pantojas-García 2005). Contrary to federal transfer payments, remittances are one of the most overlooked variables in academic and public discussions about the Puerto Rican economy (see, for instance, Collins et al. 2006; Irizarry Mora 2001).

Recent estimates of the money sent by Dominican immigrants in Puerto Rico hover around \$240 million, approximately 9 percent of all remittances to the Dominican Republic (Bendixen and Associates 2004; Suki 2004). This figure represents almost half the private transfers of money received in Puerto Rico, according to the Junta de Planificación de Puerto Rico (2006). Clearly, the Island has become a major exporter of migradollars to the Dominican Republic as well as an importer from the United States. To my knowledge, the simultaneous inflow and outflow of remittances has not been scrutinized in a single location such as Puerto Rico. Yet other countries such as the Dominican Republic, El Salvador, Ecuador, Brazil, and Argentina are currently experiencing inflows and outflows of migrants as well as remittances. The large-scale exchange of funds has important repercussions for an open and stagnant economy such as the Island's. Among other reasons, it may help explain increasing expenses in consumer goods even as the local economy contracts as a result of growing public debt and unemployment. It may also attract further migration from the Dominican Republic, as the next section will elaborate.

Figure 6

Federal Transfer Payments and Private Remittances to Puerto Rico, 1996-2005 (US\$ Millions)



Source: Junta de Planificación de Puerto Rico (2006).

Related Studies

To date, research on remittances has concentrated on measuring their increasing volume and contribution to the balance of payments in the receiving countries. Studies have documented well who sends and receives the funds; how often, how much, and by what means they are transferred; and, to a lesser extent, how recipients use them (see, for example, Inter-American Development Bank 2004; World Bank 2006). The pioneering work of Manuel Orozco (2002, 2004, 2005) at the Inter-American Dialogue has monitored the spectacular growth of remittances to Latin America and the Caribbean over the last two decades. Furthermore, Orozco and his colleagues (2005) have assessed the impact of migradollars on income redistribution, their multiplying effects, and the role of banks, credit unions, and other financial institutions. They have also explored the linkages between remittances and other economic activities, such as tourism, air transportation, telecommunications, and what the authors call “nostalgic trade”—purchasing products imported from the home countries. Several studies have recommended public policies to maximize the benefits of remittances, such as reducing the cost of financial transactions; increasing market competition; banking the unbanked sectors of the population; providing better access to credit institutions; and improving the technologies of remittance sending, especially through electronic transfers (de la Garza and Lowell 2002; Kapur 2003; Orozco 2005; Suki 2004; World Bank 2006).

However, basic questions regarding the economic and social dimensions of remittances remain unanswered. Some authors have underlined their use as startup capital for small businesses in countries such as the Dominican Republic and Mexico. In Santo Domingo, thousands of grocery stores (*colmados and pulperías*), cafeterias, beauty parlors, car wash outlets, and auto parts dealers have been established with money from abroad. Many Dominican entrepreneurs are themselves returned migrants who accumulated human capital while living abroad (García and Paiewonsky 2006; Portes and Guarnizo 1991; Ortiz 1997). Still, at least one study (Amuedo-Dorantes and Pozo 2004) has questioned whether remittances promote business ownership in the Dominican Republic. A recent study found that a very small proportion of remittances from Spain to the town of Vicente Noble was invested in buying a vehicle to transport merchandise or passengers. More typically, the funds were used to build or improve local housing structures (García and Paiewonsky 2006). An analysis of Dominican remittances from Switzerland found that only 4 percent was used for savings (Petree and Vargas 2005).

For urban Mexico, researchers have estimated that migradollars finance almost 20 percent of small enterprises. In states with high emigration rates, nearly a third of the capital invested in microenterprises comes from remittances. Most of these businesses specialize in retail trade (particularly restaurants), repair services, manufacturing, and construction (Woodruff and Zenteno 2001). But just how effective and reliable are such forms of “microfinancing” remains unclear. For instance, they are highly vulnerable to external shocks such as the terrorist attacks of September 11, 2001, or the passage of a new immigration law in the United States.

In Mexico, hometown associations from the United States often channel collective funds to their communities of origin, such as Zacatecas, Michoacán, and Puebla (de la Garza and Lowell 2002; Delgado Wise and Favela 2004). Luin Goldring (2003) and Robert Smith (2006) have shown that sports clubs, religious organizations, and regional committees (*comités de pueblos*) have built roads, bridges, and dams; purchased computers for schools and ambulances for hospitals; reconstructed soccer fields and churches; and paved streets and town plazas. Most would concur that such public works are beneficial to the receiving communities, even though they allow the Mexican state to evade part of its responsibility to provide for the basic needs of its citizens. Less studied is the role of Dominican voluntary associations in funneling collective resources to their places of origin (but see Levitt 2001; Orozco 2003; Portes et al. 2005).

Scholars disagree as to whether remittances increase or decrease the long-term potential for migration. In principle, receiving funds from other countries might reduce people's need to move in search of better employment and other economic opportunities. However, some authors have argued that having relatives abroad who send money home enhances the likelihood that others will follow their path. In her comparison of five countries surveyed by the Latin American Migration Project (LAMP), Elizabeth Fussell (2005: 6) found that "in all communities except those in Puerto Rico, larger amounts of remittances sent to households in a given year were associated with higher migration prevalence ratios in the following year." Another author has dubbed remittances "the perpetual migration machine" because they often reinforce mobility across borders (Wucker 2004). According to Peggy Levitt (2001), the continuous circulation of people, money, goods, news, and information encourages further transnational migration from the Dominican Republic. In any case, most scholars agree that remittances improve the living conditions of a growing number of people worldwide. Research has consistently shown that the main purpose of remittances is to cover basic household expenses, especially housing, medicine, and housing (DeSipio 2002; Meyer 2002; Orozco et al. 2005). In the absence or reduction of remittances, poverty would be even more widespread throughout Latin America and the Caribbean than it is now. Whether remittances contribute to the sustained development of migrant-sending communities or to the persistent inequality with migrant-receiving communities is still disputable.

A more recent line of research has turned to social and cultural remittances. As Levitt (1998: 926) defined them, social remittances are "the ideas, behaviors, identities, and social capital that flow from receiving- to sending-country communities." Levitt has elaborated the concept to include several types of norms, values, practices, and ideologies, such as those about democracy, equality, human rights, and community organizing (see also Goldring 2003; Levitt 2001; Levitt and Nyberg-Sørensen 2004; Sørensen 2004). Social remittances are usually transferred through return and circular migration; two-way visits to places of origin and resettlement; and communication by phone, letters, fax, e-mail, videos, and audio cassettes. More recently, Juan Flores (2005) has proposed the term "cultural remittances" to refer to popular discourses, styles, and preferences, including language, music, and literature, that may reflect changes in migrants' class, racial, gender, and sexual identities. Whether one calls them social or cultural remittances, more fieldwork is needed to better understand the

connection between various forms of economic and non-economic resources that move back and forth between the United States and Latin America and the Caribbean.

Unfortunately, few studies have analyzed the relationship between gender and remittances. As a result, very little is known about how men and women differ in their sending patterns and uses of remittances, and their contribution to development in the countries of origin (Ramírez et al. 2005; Vargas-Lundius 2004). Nevertheless, women represent a growing proportion of transnational migrant flows, including those from the Dominican Republic, and often become the primary breadwinners of their households at home and abroad (García and Paiewonsky 2006; Mahler and Pessar 2003; Pessar and Mahler 2006; Petree and Vargas 2005). Recent studies have found that migrant men are more prone to remit for investment and consumption, while women do so primarily to ensure the welfare of their children, parents, and siblings, raising their families out of extreme poverty (de la Brière et al. 2002; United Nations Population Fund 2006). To the extent that women tend to nurture more intense and enduring kinship networks than men, they may send home a larger share of their earnings (Ortiz 1997; Sørensen 2005). This is an empirical question, whose answer could vary from one place to another. Be that as it may, gender affects the amount, frequency, channels, purpose, and beneficiaries of remittances, and should be included in any research project such as the one summarized here.

Research Questions and Objectives

My review of the literature has identified serious gaps in the scarce knowledge about remittances in Puerto Rico. To begin, exactly how much money do Puerto Rican immigrants in the United States and Dominican immigrants in Puerto Rico send to their countries of origin? In particular, why do Dominicans remit more funds than Puerto Ricans? Second, how are such economic resources transferred? Specifically, what role do financial institutions such as remittance agencies and banks play in the transmittal of migradollars? Third, how do men and women use remittances? How significant are they in supporting working-class households in Puerto Rico and the Dominican Republic? Fourth, what are the social and cultural implications of the growing dependence on migradollars by the Puerto Rican and Dominican populations? Finally, what are the larger impacts of remittances on the Puerto Rican and Dominican economies? If they are largely favorable, what public policies would channel migradollars into economic activities such as small and medium businesses?

To answer the previous questions, I propose to:

- Estimate the magnitude of the remittances sent by migrants from the United States to Puerto Rico and from Puerto Rico to the Dominican Republic.
- Determine to what extent remittances meet subsistence needs and finance investments in income-generating activities.

- Assess the significance of migradollars for the livelihoods of working-class households in Puerto Rico and the Dominican Republic.
- Examine the role of key variables that may affect the likelihood of sending money home (including gender, age, birthplace, marital status, occupation, and length of residence abroad).
- Explain why Puerto Ricans tend to remit less than Dominicans.
- Analyze the relationship between migradollars and the migrants' social networks and cultural practices.
- Compare the nature, frequency, and forms of transnational engagement of Puerto Rican immigrants in the United States and Dominican immigrants in Puerto Rico with their countries of origin.

Research Methods

Sample

The survey sample consisted of two census tracts with high concentrations (more than 20 percent) of Dominican-born residents of Puerto Rico and two census tracts with low proportions (less than 10 percent). One of the sites was a middle-income area (with a median household income of \$20,808 in 1999), while the other three were lower-income areas (ranging between \$9,946 and \$12,431 in median household income) (U.S. Census Bureau 2006b). Two of the neighborhoods were located in an urban center, one in a nearby suburban area, and another in a small town. Approximately 100 households were chosen randomly in each site, for a total of 403 households and 1,658 persons.

Overall, the sample represents the basic socio-demographic characteristics of Puerto Rico's population, except that it purposely overrepresents Dominican immigrants (table 2). Also, the sample was slightly older, less likely to be married or divorced, less educated, less skilled, and more concentrated in personal services and the construction industry, than the entire population. Finally, the sample had twice as many female-headed households as the Island at large. The latter contrast may be related to the fact that survey respondents were allowed to choose the head of the household, with or without the husband's presence. The main differences between the sample and the rest of the population are due to the study's focus on lower-income residents, both Puerto Rican- and Dominican-born.

Table 2

Characteristics of the Survey Sample and of the Total Population of Puerto Rico, 2005 (in Percentages)

	Sample	Total Population
<i>Gender</i>		
Male	48.4	47.7
Female	51.6	52.3
<i>Age groups</i>		
0-17	19.1	26.6
18-39	32.8	30.8
40-64	33.7	30.3
65 or more	14.4	12.4
<i>Median age (years)</i>	37.0	34.4
<i>Marital status</i>		
Single	37.7	31.1
Married	41.4	47.3
Free union	7.4	N/A
Widowed	4.6	6.8
Divorced	6.3	11.1
Separated	2.7	3.7
<i>Educational attainment (number of years) ^a</i>		
0-4	8.7	10.2
5-8	12.9	12.3
9-12	41.7	35.3
13-16	32.4	36.9
17 or more	4.3	5.2
<i>Household head</i>		
Male	49.9	76.5
Female	50.1	23.5

<i>Birthplace</i>		
Puerto Rico	69.9	90.9
Dominican Republic	24.0	1.7 ^b
United States	5.2	6.1
Other countries	0.9	1.3
<i>Occupation</i> ^c		
Professionals and technicians	15.1	17.8
Managers and administrators	9.7	14.1
Administrative support	10.3	17.1
Sales	8.0	10.2
Skilled and repair	10.9	10.7
Operatives and laborers	16.7	13.2
Service	28.7	16.3
Agricultural	0.6	0.7
<i>Industry</i> ^c		
Agriculture	0.6	1.5
Transportation	5.5	4.0
Communication	1.2	1.8
Construction	14.3	8.2
Manufacturing	6.4	11.4
Trade	18.8	16.0
Finance, insurance, and real estate	3.2	5.6
Professional services	19.1	29.0
Repair and business services	7.3	N/A
Personal services	14.9	4.8
Public administration	8.7	9.9

^a Persons 25 years and over.

^b Refers to persons born in "other Caribbean" countries, aside from Cuba and Jamaica, according to the 2005 American Community Survey.

^c Employed persons, 16 years and over.

Note: The total of sampled persons depends on the number of valid cases for each variable. Some columns do not add up to 100 percent because of rounding.

Source for column 3: U.S. Census Bureau (2006a).

A note of caution should be made on the sampling frame. Because the study was conducted in Puerto Rico, most Dominicans are immigrants encountered at place of destination and who have many family members still living in the Dominican Republic. They are very unlikely to receive money from their relatives in their country of origin. In contrast, the Puerto Ricans include nonmigrants, relatives of migrants currently in the mainland, returned migrants, and the children of migrants who were born in the mainland and who have moved to the Island. I therefore expected remittance flows among Puerto Ricans to be more diverse and less unidirectional than among Dominicans. For example, some households might receive remittances from a family member living in the United States while others send money to their relatives in the mainland. I should underscore that the two populations are quite different, for Puerto Rico is “home” to the Puerto Ricans but “abroad” for the Dominicans.

Instruments

A questionnaire documented the socioeconomic profile of remittance senders and receivers in Puerto Rico, their economic practices, kinship networks, and migration histories. This was an abridged and revised version of the instrument designed by Douglas S. Massey and his colleagues at the Latin American Migration Project (LAMP, 2006), which has already been adapted to Puerto Rico (Duany 2002: chapter 9; Sana 2003). The questionnaire followed a semi-structured format to generate a flexible, unobtrusive, and nonthreatening interview schedule. Although identical information was obtained for each person, question wording and ordering were left to the interviewers’ judgment.

The questionnaire contained 11 tables focusing on the informants’ experiences with migration and remittances. The first table recorded the socio-demographic characteristics of household heads, their spouses, children, and other household residents, including gender, age, birthplace, education, occupation, and industry. Next, interviewers compiled each person’s migration history. For Puerto Ricans, interviewers asked about all trips to the U.S. mainland and other countries; for Dominicans, they referred to travel to Puerto Rico as well as other destinations outside the Dominican Republic. For each trip outside the country of origin, interviewers recorded the year, destination, duration, and occupation. In addition, the instrument documented the amount, origin, destination, frequency, and use of remittances by each household. Other tables included the household heads’ business and other assets, sources of income, relatives and friends living abroad, contacts with them, and economic activities in other countries.

Furthermore, I interviewed three key informants who lived in the sampled areas. For this purpose, I adapted the open-ended format developed by Rafael Alarcón and his colleagues (1998) to study Mexican remittance senders. Participants were asked about their socioeconomic background, kinship networks, access to bank services, and methods of transmitting money. I also probed into the ideas, practices, identities, and social capital transferred by migrants between the United States, Puerto Rico, and the Dominican Republic.

I also interviewed five bank executives with extensive knowledge of the remittance market in Puerto Rico. I developed an unstructured interview guide, including questions about how banks transfer money abroad, their institution's interest in the remittance market, and their experiences with Dominican and Puerto Rican clients. Moreover, participants were queried on the factors they considered important in providing financial services to remittance senders and receivers.

Finally, I designed a short guide to interview employees of ten remittance agencies. They were asked what services they offered; the cost of sending money abroad; the quantity, mode, and timing of monetary transactions; the prevailing exchange rates; the countries served; and the legal restrictions to send money abroad. The Appendix summarizes the characteristics of the remittance agencies.

Procedure

To begin, I identified the sample areas, according to the criteria outlined before. Then, I mapped and enumerated all the streets in each area. A random sample of dwellings in these streets was chosen for interview. Five local research assistants, including two Dominicans, administered a door-to-door survey in Spanish to all sampled households. The household head served as the principal respondent for all household members. The interview began by identifying the head (as defined by respondents) and then enumerating the spouse and children, whether or not they currently lived at home. Afterwards, other household members were identified and their relationship to the head was noted. When necessary, households were revisited to complete or clarify information.

After the research assistants administered the questionnaire, key informants were recruited among survey respondents. A research assistant invited them to meet in a public place near each neighborhood, such as a community center. Following previous studies of remittances (e.g., Pew Hispanic Center 2002), I attempted to create a casual and trusting environment to facilitate an open dialogue with participants. With their authorization, I tape recorded and transcribed these conversations.

Afterwards, I contacted a high-ranking executive of a local bank and asked for an informal meeting in her office. In turn, the executive recruited several managers to discuss the bank's experiences with remittances, electronic transfers, and other financial transactions across borders.

Lastly, brief interviews were carried out with remittance agencies. For that purpose, I visited the two sites with the highest proportions of Dominican immigrants. Then I canvassed the busiest thoroughfares, containing many remittance agencies. While standing in the reception area, I asked an employee in each agency several questions. Their responses were recorded verbatim on each interview guide.

Informed consent was secured from all participants, ensuring their confidentiality and anonymity. Participants were promised that no personal details—such as their names and addresses—would be disclosed. Due to the sensitive nature of the information, no questions were asked about the

legal status of Dominican immigrants. Moreover, I did not keep any records identifying particular individuals and locations.

Results and Discussion

The Magnitude of Migradollars

The first objective of this research was to estimate how much money migrants send from the United States to Puerto Rico and from Puerto Rico to the Dominican Republic. Contrary to previous predictions (Falcón 2004), only 5 percent of the sample regularly received money from relatives or friends who live outside Puerto Rico (table 3). This proportion is even lower than for Costa Rica, which received the lowest share of remittances (5.4 percent) in a recent comparison of four countries using LAMP data (Sana and Massey 2005). According to the present study, Puerto Ricans received an average of \$160 per month and Dominicans \$175. (These figures include alimony payments as well as other sources of income.) Sons and daughters residing in the United States sent nearly two-thirds of the funds, typically to elderly persons in Puerto Rico. In most cases, remittances helped to meet expenditures in food, medicine, and housing. The preferred mode of transmittal was by mail, usually money orders.

Table 3

Remittances Received by Household Heads in Puerto Rico, by Birthplace (in Percentages) (N=20)

	Puerto Rico	Dominican Republic	Entire sample^a
<i>Frequency</i>			
Once a month	2.2	0.9	2.0
Every three months	0.4	0.0	0.5
Every six months	1.5	1.7	1.5
Once a year	0.4	1.7	0.7
Never	95.1	95.7	95.0
<i>Mean monthly amount (US\$)</i>	160	175	211

<i>Person who sends the money</i>			
Spouse	0.0	0.0	4.8
Parent	7.1	0.0	9.5
Son/daughter	64.3	80.0	61.9
Sibling	7.1	0.0	4.8
Other relative	21.4	0.0	14.3
Friend	0.0	20.0	4.8
<i>Main use of remittances</i>			
Food	27.3	60.0	33.3
Clothes	0.0	20.0	5.6
Housing	18.2	20.0	27.8
Medicine	45.5	0.0	27.8
Education	9.1	0.0	5.6
<i>Main mode of transmittal</i>			
Remittance agency	8.3	40.0	15.8
Bank	8.3	20.0	10.5
Mail or money order	83.3	20.0	68.4
Relatives and friends	0.0	20.0	5.3

^a Includes persons born in the United States and other countries.

Note: Some columns do not add up to 100 because of rounding.

Turning to the sending of money, more than 30 percent of the sample regularly engaged in this practice (table 4). Four out of five Dominicans in Puerto Rico sent money to their relatives in the Dominican Republic, compared to less than one out of ten Puerto Ricans who sent remittances to the United States. The proportion for Dominicans is much higher than for other Latin American immigrants, including Mexicans (45 percent) and Salvadorans (57 percent), according to a previous study (Pew Hispanic Center 2002). Moreover, Dominicans in Puerto Rico remitted more frequently than Puerto Ricans, usually every month. The average monthly amount for Dominicans was \$189, compared to \$113 for Puerto Ricans. For both groups, the main recipients were sons and daughters, but Dominicans sent a larger share to their parents, whereas Puerto Ricans were more prone to transfer money to siblings and spouses. Dominican remittances were intended primarily to buy food, while Puerto Ricans distributed the funds more evenly among medicine, housing, and clothes. Finally, whereas Dominicans preferred Dominican-owned remittance agencies to transfer money, most Puerto Ricans relied on the U.S. postal service.

Table 4

Remittances Sent by Household Heads in Puerto Rico, by Birthplace (in Percentages) (N=121)

	Puerto Rico	Dominican Republic	Entire sample^a
<i>Frequency</i>			
Once a month	3.0	62.8	20.0
Every three months	1.5	14.2	5.5
Every six months	2.2	1.8	2.0
Once a year	2.2	0.9	2.1
Never	91.0	20.4	70.5
<i>Mean monthly amount (US\$)</i>	113	189	175
<i>Person who receives the money</i>			
Spouse	12.5	5.6	6.8
Parent	4.2	35.6	29.7
Son/daughter	54.2	40.0	42.4
Sibling	25.0	11.1	14.4
Grandparent	0.0	2.2	1.7
Other relative	4.2	4.4	4.2
Friend	0.0	1.1	0.8
<i>Main use of remittances</i>			
Food	15.0	73.0	61.6
Clothes	20.0	1.1	5.4
Housing	25.0	4.5	8.0
Medicine	30.0	12.4	16.1
Education	10.0	9.0	8.9
<i>Main mode of transmittal</i>			
Remittance agency	17.4	98.9	80.7
Bank	8.7	0.0	1.7
Money transfer company	4.3	1.1	2.5
Mail or money order	69.6	0.0	15.1

^a Includes persons born in the United States and other countries.

Note: Some columns do not add up to 100 because of rounding.

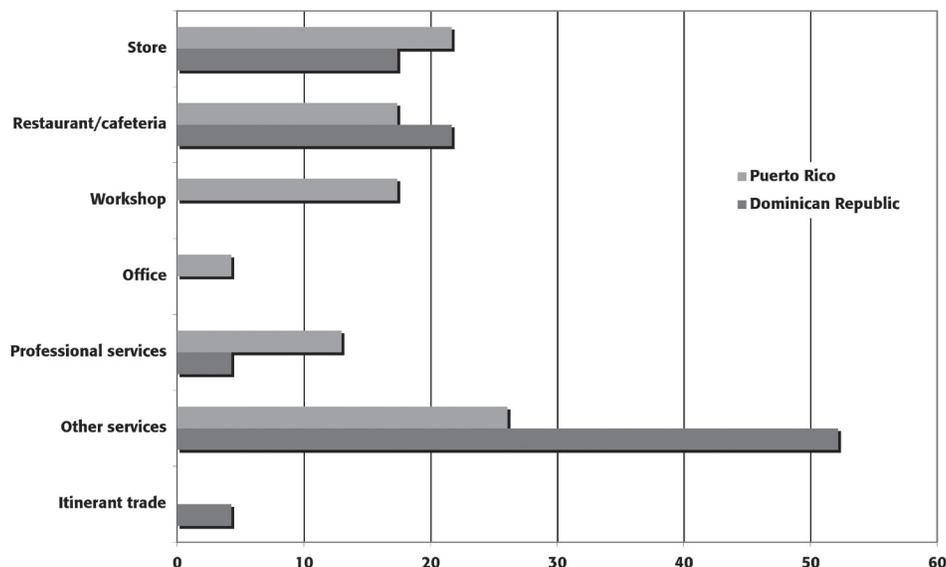
The Uses of Migradollars

The second goal of this project was to determine to what extent remittances meet subsistence needs and finance investments in income-generating activities. As tables 3 and 4 show, none of the interviewees sent or received money for investment or savings. The tabulations included all assets in the country of destination: Puerto Rico and the United States for Puerto Ricans, and Puerto Rico and the Dominican Republic for Dominicans. In addition, only 3.9 percent of the respondents started a business with money earned by migrants, while 3.2 percent acquired property with such funds. Hence, Dominican and Puerto Rican remittances serve almost exclusively to pay for daily household expenses. This finding counters much of the scholarly literature, which portrays remittances as potential input for small business development (e.g., Durand et al. 1996; Meyer 2002; Orozco 2004; Ortiz 1997; Portes and Guarnizo 1991). In this case, they are largely used to purchase food and medicine, and to subsidize the cost of education. Dominican remittances from Spain and Switzerland play a similar role (García and Paiewonsky 2006; Petree and Vargas 2005).

Only 12.2 percent of the respondents had any businesses and 6.2 percent owned property other than their residences. In most cases, these businesses were small grocery stores, restaurants, cafeterias, bars, beauty parlors, and other establishments offering services such as child care, gardening, computer and electrical repair, installment of window bars and curtains, and waste collection (figure 7). Most (64.4 percent) of the businesses were started with the owner’s savings, while some (13.3 percent) began with bank loans. Whether remittances help to accumulate savings is a topic for further research. In any case, remittances were a minor source of financing for small enterprises.

Figure 7

Type of Business Established, by Birthplace of Household Head (in Percentages) (N=49)



The Significance of Remittances

The third basic goal of this research was to assess how important are migradollars for working-class families in Puerto Rico and the Dominican Republic. To begin, only one of the (Dominican) households surveyed in Puerto Rico relied on remittances as its primary source of income. In contrast, nearly 81 percent of the Dominican households sent money to the Dominican Republic. Clearly, migradollars are more critical for poor families in the Dominican Republic than in Puerto Rico. A recent study found that the Dominican Republic received the highest proportion of remittances among ten Latin American countries. The share of recipients ranged from a low of 2 percent in Brazil to a high of 38 percent in the Dominican Republic (Bendixen and Associates 2006). Another survey, based on LAMP data, found that a larger percentage (29.2) of Dominican households received remittances than Nicaraguan, Mexican, or Costa Rican households (Sana and Massey 2005). The sheer amount of money sent, as well as its widespread distribution, suggests that households in the Dominican Republic depend on migradollars more than in Puerto Rico. Below I attempt to explain why.

Who Sends Money?

I examined how several demographic and socioeconomic variables shape remittance behavior. According to the results of this study, the typical profile of a remittance sender in Puerto Rico is a middle-aged, married Dominican immigrant with nine years of formal education (table 5). Most often, he or she is employed as a service or unskilled worker, especially in domestic service or the construction industry, and moved to Puerto Rico in the late 1990s. A similar profile has been observed among other Latin American and Caribbean immigrants (Bendixen et al. 2006; Orozco 2006; Orozco et al. 2005; Pew Hispanic Center 2002; Sistema Económico Latinoamericano 2004; United Nations Population Fund 2006). The main difference is that remittance senders in Puerto Rico are older, on average, than elsewhere. As in the United States, most remitters on the Island have little education and are predominantly low-wage laborers. Given those characteristics, remittances represent a sizeable economic contribution relative to the migrants' earnings. Among Dominicans in Spain, remittances averaged more than 25 percent of the senders' wages (García and Paiewonsky 2006). As elsewhere, most remitters frequently call and visit their relatives outside Puerto Rico.

Table 5

Selected Characteristics of Remittance Senders and Nonsenders in Puerto Rico

(in Percentages, Unless Otherwise Noted) (N=201)

	Senders	Nonsenders
Gender		
Male	49.6	50.2
Female	50.4	49.8
Median age (years)	46.0	57.0
Marital status		
Single	13.2	20.6
Married	42.1	39.9
Free union	24.0	6.8
Widowed	5.8	18.1
Divorced	9.9	9.3
Separated	5.0	5.3
Birthplace		
Puerto Rico	19.8	86.8
Dominican Republic	76.9	7.8
United States	1.6	4.3
Other countries	1.7	1.1
Median education (years)	9.0	12.0
Occupation		
White-collar	14.1	41.1
Blue-collar	34.1	25.9
Service	51.8	33.0
Industry		
Transportation	3.7	9.3
Construction	30.4	0.6
Manufacture	0.0	7.4
Trade	17.1	18.5
Personal services	28.0	15.7
Other services	24.4	60.2

Mean number of trips outside the country of origin	1.03	0.58
Median year of first trip outside the country of origin	1999	1968
Primary source of income		
Regular employment	64.5	35.8
Retirement/disability pension	17.4	47.3
Public assistance	3.3	9.0
Other sources	14.8	7.9
Calls relatives living outside Puerto Rico		
More than once a month	89.2	34.8
Less than once a month	9.2	31.1
Never	1.7	34.1
Visits relatives outside Puerto Rico		
More than once a year	60.3	11.8
Less than once a year	26.4	23.9
Never	13.2	64.3

Note: Some columns do not add up to 100 percent because of rounding.

Table 6 compares the remittance practices of male and female heads of households. (The tabulations include both Puerto Ricans receiving money from their relatives in the United States and Dominicans sending money to the Dominican Republic.) Altogether, female heads were four times more likely than male heads to receive migradollars, especially from children, siblings, and other relatives. Second, women tended to spend the funds in food, medicine, and education more often than men. A similar pattern was observed for remittance senders, except that men intended their remittances for clothes, medicine, and education more often than women. Finally, women were more prone than men to keep in touch with their relatives outside Puerto Rico. These findings corroborate my expectations regarding gender differences in sending and receiving money, especially the higher priority placed by migrant women on ensuring food and housing for their families. Still, men and women had similar proportions of senders to nonsenders.

Table 6
Remittance Practices of Household Heads in Puerto Rico, by Gender
(in Percentages) (N=201)

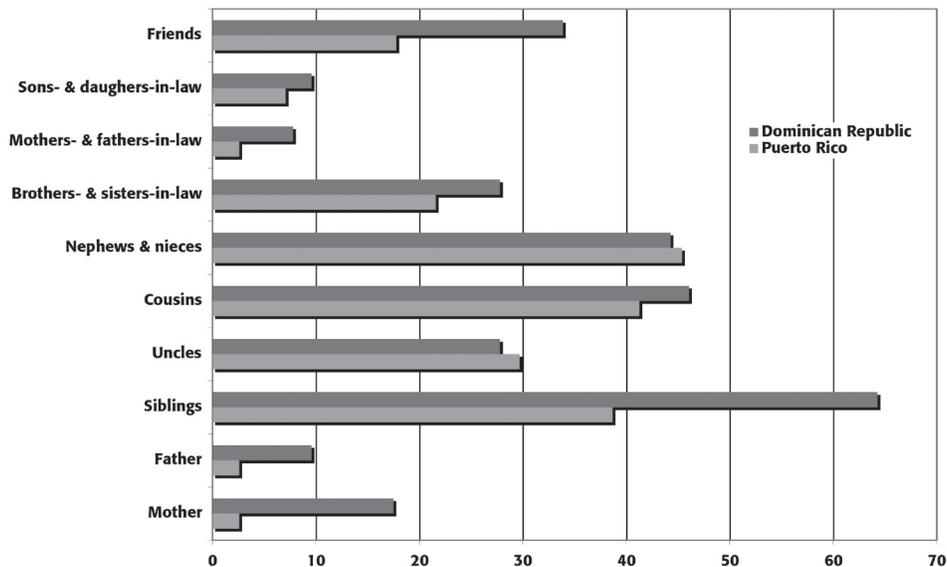
	Male	Female
<i>Receives remittances</i>	2.0	8.0
<i>Who sends the money</i>		
Spouse	0.0	5.9
Parent	25.0	5.9
Son/daughter	50.0	64.7
Sibling	0.0	5.9
Other relative	0.0	17.6
Friend	25.0	0.0
<i>Main expense</i>		
Food	25.0	35.7
Housing	25.0	7.1
Medicine	25.0	28.6
Education	25.0	28.6
<i>Sends remittances</i>	29.9	30.3
<i>Main expense</i>		
Food	56.4	66.7
Clothes	9.1	1.8
Housing	7.3	8.8
Medicine	18.2	14.0
Education	9.1	8.8
<i>Who receives the money</i>		
Spouse	6.7	6.9
Parent	30.0	29.3
Son/daughter	41.7	43.1
Sibling	15.0	13.8
Grandparent	3.3	0.0
Other relative	1.7	6.9
Friend	1.7	0.0

Visits relatives outside Puerto Rico	49.3	52.7
Calls relatives living outside Puerto Rico	72.1	79.4

Why Do Puerto Ricans Remit Less Than Dominicans?

I would propose seven interrelated reasons why U.S. Puerto Ricans send less money (per capita) to their country of origin than Dominicans do. To begin, Dominicans in Puerto Rico were more likely to have close relatives (especially siblings and parents) and friends in the Dominican Republic than Puerto Ricans did in the United States (figure 8). Second, Dominicans tended to maintain family connections across borders more often than Puerto Ricans. More than 60 percent of the Dominicans in the survey traveled to their country of origin at least once a year, while less than 12 percent of the Puerto Ricans visited their relatives in the United States as frequently. Third, on average, Puerto Ricans moved to the United States at a much earlier date (1963) than Dominicans moved to Puerto Rico (1991). These findings confirm that the likelihood of sending (or receiving) remittances declines as kinship ties and norms of reciprocity between migrants and nonmigrants weaken over time.

Figure 8
Household Heads' Social Networks Living Outside Puerto Rico, by Birthplace (in Percentages)
(N=383)



Fourth, Puerto Ricans have access to more varied sources of income than Dominicans in their country of origin, including retirement and disability pensions, as well as public assistance. As U.S. citizens, Puerto Ricans on the Island qualify for a host of federally-funded social programs, such as the Nutritional Assistance Program, Temporary Aid for Needy Families, Section 8, Medicare, and Medicaid (see Burtless and Sotomayor 2006). As an elderly Puerto Rican woman noted, “now there is federal aid [in Puerto Rico]. There are more opportunities here [than in the Dominican Republic]. Nobody works here anymore” (personal interview, July 19, 2006). Many Dominican migrants, who are not U.S. citizens or permanent residents, cannot receive federal government benefits. In the Dominican Republic, much of the population is not even covered by medical insurance or social security. Consequently, migradollars represent a key survival strategy for low-income Dominican households (Itzigsohn 1995; Sana and Massey 2005).

Fifth, Puerto Rican and Dominican migrants differ on some of their basic economic practices. According to the results of this study, the two groups received similar shares of public assistance during their last trip outside their country of origin as well as at the time of the survey. However, Dominicans in Puerto Rico were much more likely to have a bank account or credit card, as well as to pay taxes, than Puerto Ricans who had lived in the United States (figure 9). Also, Dominicans had a larger share of assets, such as businesses and other properties, than Puerto Ricans. Conversely, Puerto Ricans owned their current homes and had health insurance more often than Dominicans (figure 10). Except for the latter two practices, Dominicans are better positioned financially than Puerto Ricans to send money to their country of origin.

Figure 9

Economic Practices of Household Heads During their Last Trip
Outside their Country of Origin,^a by Birthplace (in Percentages) (N=383)

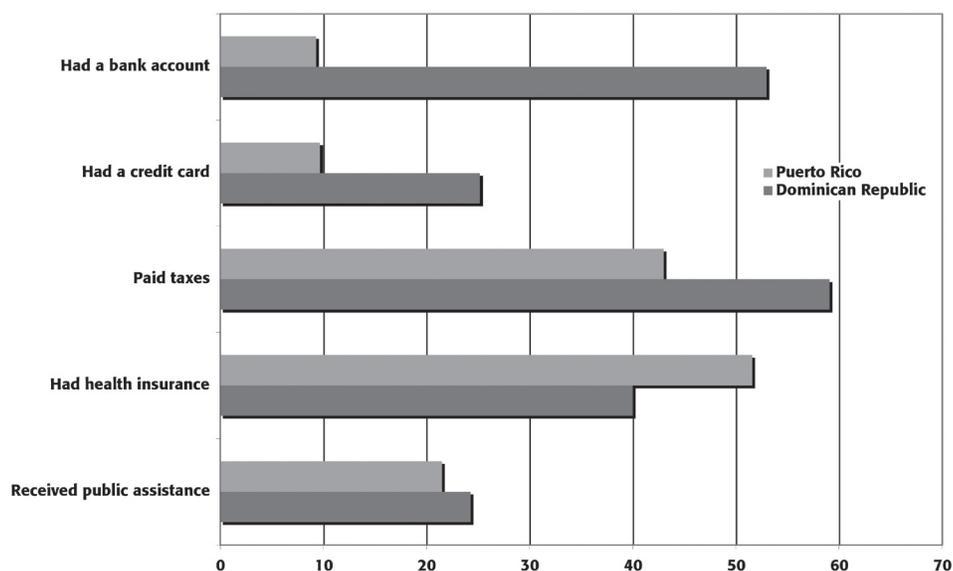
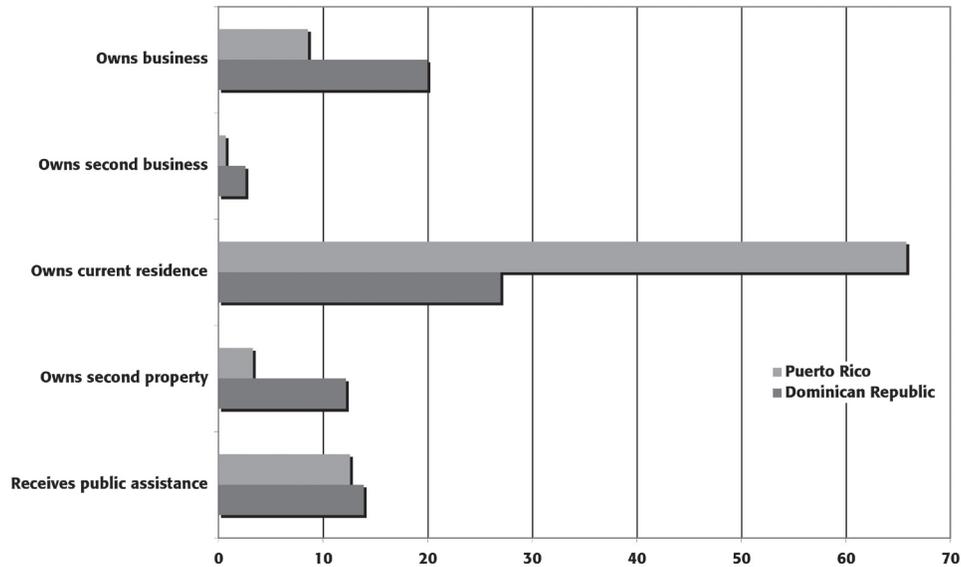


Figure 10

Current Economic Practices of Household Heads in Puerto Rico, by Birthplace (in Percentages)
(N=383)



Sixth, the socioeconomic profile of Dominicans in Puerto Rico is more closely associated with remittance senders than that of Puerto Ricans in the United States (table 7). According to the 2000 census, Dominican immigrants in Puerto Rico were more likely to be female, older, married, born abroad, and less educated than stateside Puerto Ricans. Furthermore, Dominicans in Puerto Rico had a higher unemployment rate and tended to have less skilled occupations, earn less income, and be poorer than Puerto Ricans in the United States. Despite their low socioeconomic status, working-class immigrants send the bulk of migradollars to their country of origin.

Table 7

Selected Characteristics of Puerto Ricans in the United States
and Dominicans in Puerto Rico, 2000 (in Percentages Unless Otherwise Noted)

	Puerto Ricans in the U.S.	Dominicans in P.R.
Male	48.8	44.6
Median age (years)	27.7	37.3
Married	40.4	58.4
Born abroad	40.3	91.4
Unemployed	6.3	7.6
Service workers	19.8	34.4
Construction, extraction, and maintenance workers	8.1	20.7
Median household income (US\$)	30,644	15,181
Families below poverty level	23.4	43.9

Source: U.S. Census Bureau (2006b).

Finally, although I could not directly measure the effect of this variable, the favorable exchange rate for U.S. dollars vis-à-vis Dominican pesos means that remittances have greater economic value in the Dominican Republic than in Puerto Rico. (In late October 2006, the prevailing rate was 34.9 pesos per dollar.) Stateside Puerto Ricans do not have that incentive to send money, because the Island uses the U.S. dollar as its only currency.

The Circulation of Economic, Social, and Cultural Remittances

Unfortunately, the data gathered for this report do not allow for a systematic analysis of the links between migradollars and migrants' ideas, values, and practices. However, the results suggest a nonlinear relationship between the circulation of people and money between Puerto Rico and the United States. To my surprise, the large-scale return of Puerto Ricans from the United States was not strongly associated with remittances. Even though 23.6 percent of the sample were return migrants, only 13.7 percent of the households headed by Puerto Ricans received money from, or sent money to, their relatives in the United States. Returnees were slightly more likely to receive migradollars than those who never moved outside Puerto Rico (table 8). They also tended to send more money to family members in the United States. But having relatives outside the Island was not

a reliable predictor of remittances among Puerto Ricans. In sum, two-way population movements have produced a much smaller flow of migradollars, per capita, to Puerto Rico than to the Dominican Republic.

Table 8

Remittance Receiving and Sending, by Household Heads' Birthplace and Number of Trips Outside their Country of Origin (in Percentages) (N=403)

	Receives Remittances	Sends Remittances
<i>Puerto Rico</i>		
No trips to the U.S.	0.0	6.4
1 trip to the U.S.	0.0	13.3
2 or more trips to the U.S.	4.8	9.5
<i>Dominican Republic</i>		
1 trip to P.R.	2.9	84.3
2 or more trips to P.R.	15.4	53.8
<i>United States</i>		
1 trip to P.R.	0.0	25.0
2 or more trips to P.R.	0.0	0.0
<i>Other countries</i>		
1 trip to P.R.	0.0	33.3
2 or more trips to P.R.	0.0	50.0

Part of the difference between Dominican and Puerto Rican remittances is related to sociocultural norms. Most Dominicans in Puerto Rico share a strong moral obligation to send money home. As a Dominican informant noted, "everyone [in the Dominican community] is committed to sending money there, because one has relatives there." She gave a personal example to prove her point: "When I was working, I sent [money] every year on Mother's Day to two elderly persons. I sent each of them fifty dollars, making sacrifices to do so, taking it out from what one needed to buy, not buying something to send them money because they need it. But they are two elderly persons who don't have any resources for anything." Another Dominican immigrant added that "they have a great need over there [in the Dominican Republic]. We're here; we're not like them there, because here... at least one receives [some money]. They don't receive anything." Furthermore, for most Dominicans, migration does not break up family ties, even after long periods of physical separation. In contrast, many Puerto Ricans interviewed for this study had lost touch with close family members, including parents, siblings, and children, once they resettled in the United States. Overall, Dominicans in

Puerto Rico sustained more dense long-distance kinship networks with the Dominican Republic than Puerto Ricans with their stateside counterparts.

In addition, living conditions are more precarious in the Dominican Republic than in Puerto Rico. Table 9 shows that Puerto Rico's Gross Domestic Product (GDP) is nearly three times larger than the Dominican Republic's; that GDP per capita in Puerto Rico is more than six times that of the Dominican Republic; and that the unemployment rate in the former country (though relatively large) is well below that of the latter. Lastly, average wage levels are almost five times higher in Puerto Rico than in the Dominican Republic. This marked discrepancy in the price of labor is one of the basic motivations for the massive movement of Dominicans to Puerto Rico. It might also help to explain the higher level of remittances to the Dominican Republic than to Puerto Rico.

Table 9

A Brief Economic Comparison between Puerto Rico and the Dominican Republic, ca. 2005

	Puerto Rico	Dominican Republic
Gross Domestic Product (US\$ billions)	82.0	29.3
GDP per capita (US\$)	20,969	3,247
Unemployment rate (%)	10.6	17.5
Poverty rate (%)	44.9	44.9
Average hourly wage (US\$)	8.08	1.67

Sources: Banco Central de la República Dominicana (2006); Central Intelligence Agency (2006); Junta de Planificación de Puerto Rico (2006); U.S. Census Bureau (2006b).

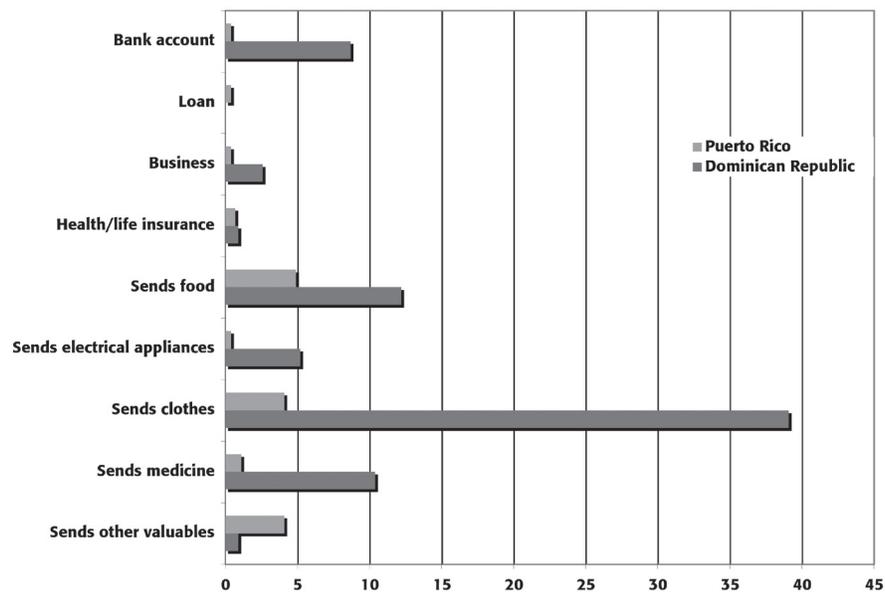
Migradollars as a Sign of Transnationalism

The survey documented various types of transnational engagement among Puerto Ricans in the United States and Dominicans in Puerto Rico with their countries of origin. In general, the results support previous work about the persistent connections between Puerto Ricans on and off the Island (Alicea 1997; Aranda 2006; DeSipio and Pantoja 2002; Pérez 2004; Toro-Morn and Alicea 2003). Elsewhere I have argued that Puerto Rican communities in the United States remain in touch with the Island through a steady circulation of people, money, cultural practices, and identities (Duany 2002). This is especially true of recent migrants to the mainland and return migrants to Puerto Rico, who tend to have more social ties in the United States than those who have never moved outside the Island. As U.S. citizens, Puerto Ricans can move frequently between the Island and the mainland without any legal impediments, such as those faced by undocumented Dominican immigrants.

The data also suggest that, as a group, Dominicans in Puerto Rico are more involved in transnational networks than Puerto Ricans on the Island. As noted before, Dominicans had more personal contacts living in the Dominican Republic—including cousins, in-laws, and friends—than Puerto Ricans did in the United States (figure 8). In addition, proportionally more Dominicans than Puerto Ricans sent packages of clothes, food, medicine, and electrical appliances to their relatives (figure 11). Dominicans in Puerto Rico were also more likely to hold assets, such as bank accounts, businesses, and other properties in the Dominican Republic, than Puerto Ricans did in the United States. In sum, the socioeconomic field of transnationalism was more extensive for Dominicans than for Puerto Ricans.

Figure 11

Household Heads' Socioeconomic Activities Outside Puerto Rico, by Birthplace (in Percentages)
(N=383)



Compared to other groups, most of the Puerto Ricans surveyed in this study had a low level of transnationalism, while many Dominicans displayed a relatively high level. This finding supports the claim that Dominicans maintain stronger ties to their country of origin than Mexicans, Salvadorans, or Puerto Ricans (DeSipio and Pantoja 2004; Pantoja 2005). For many Dominican households, nurturing transnational connections has become customary and even necessary for survival. In a recent study, Dominicans traveled to their country of origin most often among eleven groups of Latin American and Caribbean immigrants. Dominicans also made more frequent long-distance telephone calls to their relatives than any of the other groups (Orozco et al. 2005). It is no wonder that Dominican migrants have often been considered a paradigmatic case of transnationalism (Sagás and Molina 2004).

Alternatively, one might argue that most Puerto Ricans participate in a system of “broad” or “expanded” transnational practices, such as occasionally attending ritual gatherings—especially baptisms, weddings, anniversaries, and funerals—celebrated by extended kin in Puerto Rico and the United States. Moreover, many Puerto Rican women travel back and forth to take care of elderly parents, pregnant daughters, and small children (Alicea 1997; Aranda 2006). However, less than 4 percent of the Puerto Ricans in this study had moved two or more times between the Island and the mainland. In contrast, Dominican migrants exemplify a more institutionalized and habitual engagement with their country of origin, a pattern that some analysts have dubbed “narrow” or “core” transnationalism (Guarnizo 2000; Itzigsohn et al. 1999; Portes et al. 2003). For example, Dominicans often belong to hometown clubs, vote in Dominican elections, and retain religious ties to parishes in the Dominican Republic (DeSipio and Pantoja 2004; Levitt 2001). This conceptual distinction might help explain why Dominicans send migradollars more frequently than Puerto Ricans do. Future studies should further probe the differences and similarities between Dominican and Puerto Rican transnationalism (see Duany 2004, 2005).

Conclusion

This report has presented the results of the first field study of remittance sending and receiving in Puerto Rico. Like many Latin American and Caribbean countries, Puerto Rico has experienced a massive displacement of its population to the United States over the last six decades. Unlike other migrant-sending countries, the Island has also received a growing influx of immigrants, particularly from neighboring Dominican Republic. In addition, a substantial number of people has returned from the United States or moved back and forth between the Island and the mainland. Thus, the circulation of people and money in Puerto Rico follows more complex and diverse routes than elsewhere.

According to the results of this study, the migradollars sent by Puerto Ricans in the United States are more voluminous than those sent by Dominicans in Puerto Rico. However, proportionally more Dominican immigrants than Puerto Rican immigrants send money home. Furthermore, the share of households receiving remittances in the Dominican Republic greatly exceeds the share in Puerto Rico. Although Puerto Rico has more than three times as many migrants, the Dominican Republic receives more money from its citizens living in the United States, Puerto Rico, and other countries. One of the main reasons for this contrast is the substantial amount of government subsidies for low-income families on the Island. Federal transfer payments in Puerto Rico ensure a minimum level of public welfare, which migradollars sustain in poorer countries such as the Dominican Republic. Thus, remittances are a secondary source of support for the lower-class Puerto Rican households that participated in this research. In this regard, Puerto Rico differs from other migrant-sending countries of Latin America and the Caribbean, such as Mexico, El Salvador, Guatemala, the Dominican Republic, Jamaica, Haiti, and even Cuba. The Island is closer to the experience of Costa Rica, with a very low percentage of remittance receipts and a relatively high level of economic development. Unlike Costa Rica, the Island has exported almost half of its population to the United States.

The data presented in this report confirm that most remittances help meet subsistence needs in the recipient communities. In the Puerto Rican neighborhoods studied here, the main purpose of the money received and sent from abroad was to purchase basic items such as food, medicine, and clothes. A very small proportion of migradollars was used to save, start a business, buy a house, or acquire land. Likewise, few households invested remittances in human capital, as measured by expenses in formal education. The research did not find evidence of collective funds sent to the Dominican Republic by grassroots organizations such as hometown clubs in Puerto Rico. Thus, remittances should not be considered a primary engine for economic development on the Island, but rather a basic mechanism for the social reproduction of poor households, especially in the Dominican Republic.

On average, Puerto Ricans remit less than Dominicans. This finding can be explained by the demographic, socioeconomic, and historical characteristics of the two population flows, such as the timing of the migration and the persistence of kinship ties across borders. It also suggests that most Puerto Ricans in the United States currently engage in transnational practices less commonly than Dominicans in Puerto Rico. One of the basic causes of this difference is that Puerto Ricans moved to the United States en masse decades before Dominicans began to move to Puerto Rico. As migrant flows mature, social ties between those who left and those who remained behind tend to wane. Consequently, Dominicans maintain more tightly-knit networks with their country of origin than Puerto Ricans do. This seems to be the primary reason why Dominican immigrants send such a large sum of migradollars to the Dominican Republic.

Recommendations

I would suggest eleven practical measures by appropriate government authorities, academic researchers, and other interested parties in Puerto Rico and the Dominican Republic:

1. **Encourage the use of bank accounts and other financial products by Dominican immigrants in Puerto Rico.** Here, Banco Popular de Puerto Rico's initiative, Envía ATH, might serve as a benchmark. Established in 1997, this program addressed the financial needs of Dominicans in Puerto Rico by issuing low-cost debit cards to transfer money to the Dominican Republic. By 2003, Envía ATH customers sent more than \$647,000 a month, at an average of \$207 per transaction. However, to open an account, Dominicans had to present personal documentation such as social security numbers and drivers' licenses (Williams and Nieman 2003). This requirement excluded most undocumented immigrants. In addition, relatives had to draw cash from ATM machines, which are not as accessible in the Dominican Republic as in Puerto Rico. As a result, today only about 700 Envía ATH accounts are active (personal interview with bank representatives, September 6, 2006). Other ways of reaching the unbanked sectors of the Dominican population should be explored.
2. **Provide a wider variety of financial incentives to remittance senders and receivers.** Checking and savings accounts, personal and business loans, home mortgages, credit and debit cards, insurance, and pension plans may be offered at discounted prices to clients who use a bank's transfer services. As in other countries, local banks could promote savings accounts with higher interest rates for low-income families. These measures would help direct migradollars into savings and investments. Other studies have found that working-class migrants respond well to such incentives (Williams and Nieman 2003), but they have not been implemented systematically in Puerto Rico.
3. **Promote the transfer of collective funds to the Dominican Republic, especially through hometown associations in Puerto Rico.** The most successful model for this initiative is the Mexican program Tres por uno, where local, federal, and state governments match migradollars for infrastructural development. Although this study could not document any instances of collective remittances in Puerto Rico, local bank executives noted that some of their customers are churches and foundations, which send small amounts of money to the Dominican Republic (personal interview, September 6, 2006). Other studies have identified dozens of Dominican voluntary associations in Puerto Rico, including hometown clubs from Cotuí, Jarabacao, La Vega, Puerto Plata, and La Romana (Iturrondo 2000). As the Mexican case has shown so well (Delgado Wise and Favela 2004; Orozco 2002; Portes et al. 2005; Smith 2006), such community groups can play a decisive role in channeling funds for economic development and investment projects in their home country.

4. **Do not tax transfers of money between Puerto Rico and other countries.** At the height of the Island's budget crisis in June of 2006, the local legislature briefly entertained this proposal to raise additional funds for the government. In February 2007, Puerto Rico's House of Representatives again discussed the possibility of taxing remittances (Associated Press 2007). This would be a regressive policy measure and should not be passed. Most immigrants already pay income and sales taxes in Puerto Rico. Furthermore, it would be practically impossible to monitor the millions of dollars that move from Puerto Rico to the Dominican Republic and other countries. Lastly, taxing this financial flow would encourage the proliferation of illegal mechanisms, such as those connected to money laundering, or informal ones, such as sending money through personal couriers (mulas).

5. **Educate the public regarding the benefits of bank accounts that offer affordable financial services.** Improving training in computer and financial skills among lower-income migrants should decrease their resistance to alternative methods of sending money, such as bank-to-bank electronic transfers (Suki 2004). Increasing access to Internet technology by disadvantaged groups may also lower the costs of sending money and communicating with relatives abroad. Hence, it would be in the migrants' interests to have a bank account, credit card, or debit card to access such services.

6. **Stimulate competition among remittance agencies, banks, and other financial institutions to lower the cost of transferring money abroad.** Admittedly, the Dominican Republic has developed one of the most efficient systems of delivering cash "from door to door" (Avilés Inostroza 2006a). But it is also one of the most expensive ways to send money across borders. Currently, the cost of transferring US\$200 from Puerto Rico to the Dominican Republic ranges from \$6 to \$10 through one of the remittance agencies in Santurce and Río Piedras (see the Appendix). In contrast, drawing cash from an ATM machine only costs \$3 per international transaction. Increasing the share of local banks in the remittance market would probably reduce the overall price of monetary transfers.

7. **Monitor how remittance agencies establish rates as well as the legal requirements to send large sums of money.** Personal observation suggests that remittance agencies in Puerto Rico rarely require a client's employment verification or documentation of sources of income. In contrast, federal authorities closely scrutinize local banks, particularly when transfers exceed \$10,000. This seems an unfair practice, especially since some remesadores have long been linked to money laundering in the Dominican Republic (Boly 1996). Efforts to enhance financial transparency should apply to both small and large enterprises. In particular, all money transmitters should be required to report large-scale transactions with other countries to the U.S. government.

8. **Improve alternative methods of transferring money to and from Puerto Rico.** According to local bank executives, the U.S. postal service is the single largest cash depositor in Puerto Rico, mostly from money orders (personal interview, September 6, 2006). Purchasing postal money orders is usually less expensive (currently 95 cents per order under \$500) than other forms of transferring currency. Likewise, international money orders are much cheaper than wire transfers. At the time of this writing, the U.S. postal service charges only \$3.45 for an international money order up to \$700. However, money orders are increasingly subject to fraud and may take time to reach their destination.
9. **Develop better ways to measure the amount of remittances received in Puerto Rico.** The results of this study suggest the need to improve the quality of data on private transfers of money to the Island. Given that much of the money is transferred through unofficial channels such as postal orders and visiting relatives, people are likely to underreport the value of remittances. Alternatively, such funds might be officially overestimated because they are usually calculated as a residue from other monetary inflows and outflows. The government of Puerto Rico should quantify more precisely the role of remittances in its balance of payments accounts.
10. **Evaluate the broader impacts of remittances on the Puerto Rican economy.** According to the bank executives interviewed for this study, migradollars benefit the Dominican Republic more than Puerto Rico. They concurred that sending money abroad drains the local economy. However, remittance agencies in Puerto Rico employ approximately 250 persons, according to journalistic reports (Avilés Inostroza 2006a). In addition, local banks, credit unions, and other businesses—such as those offering courier services, telephone and cellular communications, Internet access, and air and maritime transportation—also profit from the remittance market. In other words, migradollars have many multiplying effects in the local economy. A balanced inventory of the financial costs and benefits of remittances in Puerto Rico remains to be done. Moreover, the results of this study suggest that more migradollars are received from the United States than are sent to the Dominican Republic. In the end, the economic tradeoffs of this multimillion dollar flow might be positive for the Island.
11. **Assess the sociocultural effects of remittances in Puerto Rico and the Dominican Republic.** The massive circulation of people and money has numerous effects on “the ideas, behaviors, identities, and social capital” that flow between transnational communities (Levitt 1998: 926). Among other non-economic impacts, migradollars might transform gender discourses, racial categories, youth attitudes, consumption preferences, popular lifestyles, political ideologies, and relations between migrants and nonmigrants. The survey reported here has only scratched the surface of this wide-ranging topic. More research is needed to document precisely which, how, and why cultural practices travel back and forth between the United States, Puerto Rico, and the Dominican Republic.

References

- Alarcón, Rafael, Raúl Hinojosa-Ojeda, and David Runsten. 1998. *Money Transfer Mechanisms between Los Angeles and Jalisco, Mexico. Research Report Series No. 8, North American Integration and Development Center, School of Public Policy and Social Research, University of California, Los Angeles.* <http://naid.sppsrl.ucla.edu/pubs&news/public/rr_008_98/jrep.pdf>. Retrieved on April 13, 2006.
- Alicea, Marixsa. 1997. "A Chambered Nautilus": *The Contradictory Nature of Puerto Rican Women's Role in the Social Construction of a Transnational Community.* *Gender & Society* 11 (5): 597-626.
- Amuedo-Dorantes, Catalina, and Suzan Pozo. 2004. *Workers' Remittances and Business Ownership in the Dominican Republic. Paper presented at the Annual Meeting of the Population Association of America, Boston, Mass., April 1-3.* <<http://paa2004.princeton.edu/download.asp?submissionId=41225>>. Retrieved on October 13, 2006.
- Aranda, Elizabeth M. 2006. *Emotional Bridges to Puerto Rico: Migration, Return Migration, and the Struggles of Incorporation.* Lanham, Md.: Rowman & Littlefield.
- Associated Press. 2007. ¿Impuesto a remesas? *La Prensa*, February 8, p. 51.
- Avilés Inostroza, María. 2006a. A la cabeza República Dominicana en el envío de remesas. *Primera Hora*, April 3. <<http://www.primerahora.com/noticia.asp?guid=6604F78BFAF4483BA6FDC38C15A678E9>>. Retrieved on September 20, 2006.
- Avilés Inostroza, María. 2006b. Al enviar dinero al exterior. *Primera Hora*, April 3. <<http://www.primerahora.com/noticia.asp?guid=20868CCC99134B3FA60B605008A61AC7>>. Retrieved September 30, 2006.
- Banco Central de la República Dominicana. 2006. Estadísticas económicas. <http://www.bancentral.gov.do/estadisticas.asp?a=Sector_Real>. Retrieved on October 28, 2006.
- Basch, Linda, Nina Glick Schiller, and Cristina Szanton Blanc. 1994. *Nations Unbound: Transnational Projects, Postcolonial Predicaments, and Deterritorialized Nation-States.* New York: Gordon & Breach.
- Bendixen and Associates. 2001. *Survey of Remittance Senders: U.S. to Latin America.* <<http://www.bendixenandassociates.com/Presentations%20and%20Reports%20-%20website/IDB%20Remesas%202001.pdf>>. Retrieved on April 12, 2006.
- . 2004. *Remittances and the Dominican Republic: Survey of Recipients in the Dominican Republic. Survey of Senders in the United States.* <<http://www.bendixenandassociates.com/Presentations%20and%20Reports%20-%20website/IDB%20Dominican%20Republic%20Presentation%20FINAL%202004.pdf>>. Retrieved on April 11, 2006.
- . 2006. *The Remittance Process in Brazil and Latin America.* <<http://www.bendixenandassociates.com/studies/IDB%20-%20Belo%20Horizonte.pdf>>. Retrieved on September 29, 2006.

- Boly, Richard C. 1996. *Money Transmitters, Remittances, Exchange Rates and Mechanisms for Money Laundering in the Dominican Republic*. Unpublished manuscript. Santo Domingo: Economic Section of the United States Embassy, Santo Domingo, Dominican Republic.
- Burtless, Gary, and Orlando Sotomayor. 2006. *Labor Supply and Public Transfers*. In *Restoring Growth in Puerto Rico: Overview and Policy Options*, edited by Susan M. Collins, Barry P. Bosworth, and Miguel A. Soto-Class, pp. 19-30. Washington, D.C.: Brookings Institution/San Juan: Center for the New Economy.
- Central Intelligence Agency. 2006. *The World Factbook 2006*. <<https://www.cia.gov/cia/publications/factbook/index.html>>. Retrieved on October 13, 2006.
- Collins, Susan M., Barry P. Bosworth, and Miguel A. Soto-Class, eds. 2006. *The Puerto Rican Economy: Restoring Growth*. Washington, D.C.: Brookings Institution/San Juan: Center for the New Economy.
- de la Brière, Benedictine, Elizabeth Sadoulet, Alain de Janvry, and Sylvie Lambert. 2002. *The Role of Destination, Household, and Gender in Explaining Remittances: An Analysis for the Dominican Sierra*. *Journal of Development Economics* 68 (2): 309-328.
- de la Garza, Rodolfo O., and Briant Lindsay Lowell, eds. 2002. *Sending Money Home: Hispanic Remittances and Community Development*. Lanham, Md.: Rowman & Littlefield.
- Delgado Wise, Raúl, and Margarita Favela, eds. 2004. *Nuevas tendencias y desafíos de la migración internacional México-Estados Unidos*. Mexico City: Miguel Ángel Porrúa/Universidad Autónoma de Zacatecas.
- DeSipio, Louis. 2002. *Sending Money Home... for Now: Remittances and Immigrant Adaptation in the United States*. In *Sending Money Home: Hispanic Remittances and Community Development*, edited by Rodolfo O. de la Garza and Briant Lindsay Lowell, pp. 157-187. Lanham, Md.: Rowman & Littlefield.
- , and Adrián Pantoja. 2004. *Puerto Rican Exceptionalism? A Comparative Analysis of Puerto Rican, Mexican, Salvadoran, and Dominican Transnational Civic and Political Ties*. <perg.tamu.edu/lpc/DeSipio&Pantoja.pdf>. Retrieved on April 12, 2006.
- Duany, Jorge. 2002. *The Puerto Rican Nation on the Move: Identities on the Island and in the United States*. Chapel Hill: University of North Carolina Press.
- . 2004. *Los países: Transnational Migration from the Dominican Republic*. In *Dominican Migration: Transnational Perspectives*, edited by Ernesto Sagás and Sintia E. Molina, pp. 29-52. Gainesville: University Press of Florida.
- . 2005. *Revisiting the Cuban Exception: A Comparative Perspective on Transnational Migration from the Hispanic Caribbean to the United States*. In *Cuba Transnational*, edited by Damián J. Fernández, pp. 1-23. Gainesville: University Press of Florida.
- , ed. 1990. *Los dominicanos en Puerto Rico: Migración en la semi-periferia*. Río Piedras, P.R.: Huracán.

- , and Emilio Pantojas-García. 2005. *Fifty Years of Commonwealth: The Contradictions of Free Associated Statehood in Puerto Rico*. In *Extended Statehood in the Caribbean: Paradoxes of Quasi Colonialism, Local Autonomy, and Extended Statehood in the USA, French, Dutch, & British Caribbean*, edited by Lammert de Jong and Dirk Krujit, pp. 21-58. Amsterdam: Rozenberg Publishers.
- Durand, Jorge, Emilio A. Parrado, and Douglas S. Massey. 1996. *Migradollars and Development: A Reconsideration of the Mexican Case*. *International Migration Review* 30 (2): 423-444.
- Falcón, Angelo. 2004. *Atlas of Stateside Puerto Ricans*. Washington, D.C.: Puerto Rico Federal Affairs Administration.
- Flores, Juan. 2005. *The Diaspora Strikes Back: Reflections on Cultural Remittances*. *NACLA Report on the Americas* 39 (3): 21-26, 40.
- Fouron, Georges, and Nina Glick Schiller. 2001. *Georges Woke Up Laughing: Long-Distance Nationalism and the Search for Home*. Durham, N.C.: Duke University Press.
- Fussell, Elizabeth. 2005. *The Initiation and Growth of Migration Streams from Communities in Five Latin American Countries*. Paper presented at the Annual Meeting of the Population Association of America, Philadelphia, Pa., March 31-April 2. <<http://paa2005.princeton.edu/download.aspx?submissionId=50619>>. Retrieved on April 15, 2006.
- García, Mar, and Denise Paiewonsky. 2006. Género, remesas y desarrollo: El caso de la migración femenina de Vicente Noble, República Dominicana. Santo Domingo: Instituto Internacional de Investigaciones y Capacitación de las Naciones Unidas para la Promoción de la Mujer (INSTRAW). <http://www.un-instraw.org/es/docs/remesas/Remesas_RD_Esp.pdf>. Retrieved on October 23, 2006.
- Goldring, Luin. 2003. *Re-thinking Remittances: Social and Political Dimensions of Individual and Collective Remittances*. Working Paper Series, Centre for Research on Latin America and the Caribbean, York University. <<http://portal.rds.org.hk/download.php?id=558&sid=656903636730448d4ca43d0bdc8ba7cd>>. Retrieved on April 12, 2006.
- Guarnizo, Luis. 2000. *Notes on Transnational*. Paper presented at the workshop on "Transnational Migration: Comparative Theory and Research Perspectives." University of Oxford, Oxford, United Kingdom, July 7-9.
- . 2003. *The Economics of Transnational Living*. *International Migration Review* 37 (3): 666-699.
- Inter-American Development Bank. 2004. *Sending Money Home: Remittances to Latin America and the Caribbean*. <<http://www.iadb.org/mif/v2/files/StudyPE2004eng.pdf>>. Retrieved on April 11, 2006.
- . 2006. *Remittances to Select LAC Countries in 2005 (US\$ Millions)*. <<http://www.iadb.org/mif/remittances/#>>. Retrieved on April 11, 2006.

- Irizarry Mora, Edwin. 2001. *Economía de Puerto Rico: Evolución y perspectivas*. México City: Thomson Learning.
- Iturrondo, Milagros. 2000. *Voces quisqueyanas en Borinquen*. San Juan: Ediciones Camila.
- Itzigsohn, José. 1995. *Migrant Remittances, Labor Markets, and Household Strategies: A Comparative Analysis of Low-Income Household Strategies in the Caribbean Basin*. *Social Forces* 74 (2): 633-655.
- . 2006. *Immigrant Incorporation among Dominicans in Providence, Rhode Island: An Intergenerational Perspective*. In *Latinos in New England*, edited by Andrés Torres, pp. 253-272. Philadelphia: Temple University Press.
- , Carlos Dore-Cabral, Esther Hernández Medina, and Obed Vázquez. 1999. *Mapping Dominican Transnationalism: Narrow and Broad Transnational Practices*. *Ethnic and Racial Studies* 22 (2): 317-339.
- Junta de Planificación de Puerto Rico. 1980-1998. *Informe económico al gobernador*. San Juan: Junta de Planificación de Puerto Rico.
- . 2006. Apéndice estadístico. <http://jpop02.jp.gobierno.pr/portal/page?_pageid=133,34471,133_46103&_dad=portal&_schema=PORTAL>. Retrieved on October 13, 2006.
- Kapur, Devesh. 2003. *Remittances: The New Development Mantra?* G-24 Discussion Paper Series, United Nations Conference on Trade and Development. <http://www.unctad.org/en/docs/gdsmdpbg2420045_en.pdf>. Retrieved on April 11, 2006.
- Latin American Migration Project (LAMP). 2006. Methodology. <<http://lamp.opr.princeton.edu/methodology-en.aspx>>. Retrieved on April 18, 2006.
- Levitt, Peggy. 1998. *Social Remittances: A Local-Level, Migration-Driven Form of Cultural Diffusion*. *International Migration Review* 32 (124): 926-949.
- . 2001. *The Transnational Villagers*. Berkeley: University of California Press.
- , and Nina Glick Schiller. 2004. *Conceptualizing Simultaneity: A Transnational Social Field Perspective on Society*. *International Migration Review* 38 (3): 1002-1039.
- , and Ninna Nyberg-Sørensen. 2004. *The Transnational Turn in Migration Studies*. Global Migration Perspectives No. 6. Geneva: Global Commission on International Migration. <<http://www.gcim.org/gmp/Global%20Migration%20Perspectives%20No%206.pdf>>. Retrieved on April 11, 2006.
- , and Mary C. Waters, eds. 2002. *The Changing Face of Home: The Transnational Lives of the Second Generation*. New York: Russell Sage Foundation.
- Mahler, Sarah, and Patricia R. Pessar. 2003. *Transnational Migration: Bringing Gender In*. *International Migration Review* 37 (3): 812-846.
- Martínez, Samuel. 2003. *Identities at the Dominican and Puerto Rican International Migrant Crossroads*. In *Marginal Migrations: The Circulation of Cultures within the Caribbean*, edited by Shalini Puri, pp. 141-164. Oxford: Macmillan Caribbean.

- Meyer, Deborah Weller. 2002. *Migrant Remittances to Latin America: Reviewing the Literature*. In *Sending Money Home: Hispanic Remittances and Community Development*, edited by Rodolfo O. de la Garza and Briant Lindsay Lowell, pp. 53-81. Lanham, Md.: Rowman & Littlefield.
- Migration News. 2006. *Remittances: Dominican Republic*. <<http://migration.ucdavis.edu/mn/data/remittances/remittances.html>>. Retrieved on April 12, 2006.
- MoneyGram International. 2004. *MoneyGram Services Expanded in Puerto Rico*. <http://www.moneygram.com/servlet/DefaultApplyXSL?xslURL=/Display/temgweb.xsl&URL=/Document/s2_2_PuertoRico.xml>. Retrieved on April 17, 2006.
- Oficina Nacional de Estadística, República Dominicana. 2006. VIII censo nacional de población y vivienda 2002. <<http://celade.cepal.org/cgibin/RpWebEngine.exe/PortalAction?&MODE=MAIN&BASE=CPVDOM2002&MAIN=WebServerMain.inl>>. Retrieved on October 14, 2006.
- Orozco, Manuel. 2002. *Globalization and Migration: The Impact of Family Remittances in Latin America*. *International Migration Review* 44 (2): 41-66.
- . 2003. *Hometown Associations and their Present and Future Partnership: New Development Opportunities*. <http://www.thedialogue.org/publications/country_studies/remittances/HTA_final/pdf>. Retrieved on April 11, 2006.
- . 2004. *Remittances to Latin America and the Caribbean: Issues and Perspectives on Development*. Washington, D.C.: Organization of American States. <<http://www.frbatlanta.org/news/CONFEREN/payments04/orozco.pdf>>. Retrieved on April 11, 2006.
- . 2005. *Transnationalism and Development: Trends and Opportunities in Latin America*. In *Remittances: Development Impact and Future Prospects*, edited by Samuel Munzele Maimbo and Dilip Ratha, pp. 307-330. Washington, D.C.: World Bank. <http://www.thedialogue.org/publications/2005/fall/part_six.pdf>. Retrieved on April 11, 2006.
- . 2006. *Migrations and Remittances in Latin America and the Caribbean: Intra-Regional Flows and Macroeconomic Determinants*. Caracas: Sistema Económico Latinoamericano. <http://www.thedialogue.org/publications/2005/fall/orozco_migrations.pdf>. Retrieved on October 23, 2006.
- , B. Lindsay Lowell, Micah Bump, and Rachel Fedewa. 2005. *Transnational Engagement, Remittances, and their Relationship to Development in Latin America and the Caribbean*. Washington, D.C.: Institute for the Study of International Migration, Georgetown University. <http://www.thedialogue.org/publications/2005/summer/trans_engagement.pdf>. Retrieved on April 11, 2006.
- Ortiz, Marina. 1997. *Microempresas, migración y remesas en la República Dominicana, 1996-1997*. Santo Domingo: Fondomicro.
- Pantoja, Adrián D. 2005. *Transnational Ties and Immigrant Political Incorporation: The Case of Dominicans in Washington Heights, New York*. *International Migration* 43 (4): 123-144.

- Pascual Morán, Vanessa, and Delia Ivette Figueroa. 2000. *Islas sin fronteras: Los dominicanos indocumentados y la agricultura en Puerto Rico*. San Germán, P.R.: CISCLA/Revista Interamericana.
- Pérez, Gina M. 2004. *The Near Northwest Side Story: Migration, Displacement, and Puerto Rican Families*. Berkeley: University of California Press.
- Pessar, Patricia R., and Sarah Mahler. 2006. *Gender Matters: Ethnographers Bring Gender from the Periphery toward the Core of Migration Studies*. *International Migration Review* 40 (1): 27-63.
- Petree, Jennifer and Tahira Vargas. 2005. *Dominicanos en Suiza: Pautas, prácticas e impactos de la migración transnacional y el envío de remesas que vinculan República Dominicana y Suiza*. Cahier du LaSUR no. 7. École Polytechnique Fédérale de Lausanne, Switzerland. <http://lasur.epfl.ch/download/Final_Dominican_Report_Spanish.pdf>. Retrieved on October 25, 2006.
- Pew Hispanic Center. 2002. *Billions in Motion: Latino Immigrants, Remittances, and Banking*. <<http://pewhispanic.org/files/reports/13.pdf>>. Retrieved on April 11, 2006.
- Portes, Alejandro. 1996. *Global Villagers: The Rise of Transnational Communities*. *The American Prospect* 25. <<http://www.prospect.org/print/v7/25/portes-a.html>>. Retrieved on April 11, 2006.
- , Cristina Escobar, and Alexandria Walton Radford. 2005. *Immigrant Transnational Organizations: A Comparative Study*. CMD Working Paper #05-07. Princeton, N.J.: Center for Migration and Development, Princeton University.
- , and Luis Guarnizo. 1991. *Capitalistas del trópico: La inmigración en los Estados Unidos y el desarrollo de la pequeña empresa en la República Dominicana*. Santo Domingo: FLACSO.
- , Luis Guarnizo, and Patricia Landoldt, eds. 2003. *La globalización desde abajo: Transnacionalismo inmigrante y desarrollo. La experiencia de Estados Unidos y América Latina*. Mexico City: FLACSO.
- Ramírez, Carlota, Mar García Domínguez, and Julia Miguez Morais. 2005. *Crossing Borders: Remittances, Gender, and Development*. Working Paper, United Nations International Research and Training Institute for the Advancement of Women. <http://www.un-instraw.org/en/images/stories/remittances/documents/crossing_borders.pdf>. Retrieved on April 14, 2006.
- Sagás, Ernesto, and Sintia E. Molina, eds. *Dominican Migration: Transnational Perspectives*. Gainesville: University Press of Florida.
- Sana, Mariano. 2003. *International Monetary Transfers: Three Essays on Migrant-Decision Making*. Ph.D. dissertation, University of Pennsylvania.
- , and Douglas S. Massey. 2005. *Household Composition, Family Migration, and Community Context: Migrant Remittances in Four Countries*. *Social Science Quarterly* 86 (2): 509-528.

- Sistema Económico Latinoamericano (SELA). 2004. Tendencias actuales de las remesas de migrantes en América Latina y el Caribe: Una evaluación de su importancia económica y social. Caracas: Secretaría Permanente del SELA. <http://www.sela.org/public_html/AA2K4/ESP/docs/Poleco/di3.pdf>. Retrieved on October 23, 2006.
- Smith, Michael Peter, and Luis E. Guarnizo, eds. 1998. *Transnationalism from Below*. New Brunswick, N.J.: Transaction.
- Smith, Robert Courtney. 2006. *Mexican New York: Transnational Lives of New Immigrants*. Berkeley: University of California Press.
- Sørensen, Ninna Nyberg. 2004. *The Development Dimension of Migrant Remittances*. Working Paper Series No. 1, Migration Policy Research, International Organization for Migration. <<http://www.iom.int/documents/publication/en/mpr1.pdf>>. Retrieved on April 12, 2006.
- . 2005. *Migrant Remittances, Development, and Gender*. DIINS Brief, Danish Institute for Development Studies, Copenhagen. <http://www.diis.dk/graphics/Publications/Briefs2005/nns_migrant_remittances.pdf>. Retrieved on April 14, 2006.
- Suki, Lenora. 2004. *Financial Institutions and the Remittances Market in the Dominican Republic*. New York: The Earth Institute, Columbia University. <http://www.iadb.org/mif/v2/files/Suki_NYNov04.pdf>. Retrieved on April 11, 2006.
- Toro-Morn, Maura I., and Marixsa Alicea. 2003. *Gendered Geographies of Home: Mapping Second- and Third-Generation Puerto Ricans' Sense of Home*. In *Gender and U.S. Immigration: Contemporary Trends*, edited by Pierrette Hondagneau-Sotelo, pp. 194-214. Berkeley: University of California Press.
- United Nations Population Fund. 2006. *A Passage to Hope: Women and International Migration*. UNPF State of the World Population 2006. <<http://www.unfpa.org/swp/index.html>>. Retrieved on September 29, 2006.
- U.S. Census Bureau. 1953-1993. *Census of Population and Housing*. Washington, D.C.: U.S. Government Printing Office.
- . 2006a. 2005 American Community Survey. <<http://factfinder.census.gov>>. Retrieved on September 30, 2006.
- . 2006b. Census 2000. <<http://factfinder.census.gov>>. Retrieved on October 12, 2006.
- . 2006c. International Date Base. <<http://www.census.gov/ipc/www/idbnew.html>>. Retrieved on October 23, 2006.
- Vargas-Lundius, Rosemary. 2004. *Remittances and Rural Development*. Discussion paper, Latin America and the Caribbean Division, International Fund for Agricultural Development (IFAD). <<http://www.ifad.org/events/gc/27/roundtable/pl/discussion.pdf#search=%22Remittances%20and%20Rural%20Development%22%22>>. Retrieved on October 1, 2006.

- Vertovec, Steven. 2004. *Migrant Transnationalism and Modes of Transformation*. *International Migration Review* 38 (3): 970-1001.
- Williams, Marva, and Kimbra Nieman. 2003. *The Foundation of Asset Building: Financial Services for Lower-Income Consumers*. Chicago: Woodstock Institute. <http://www.woodstockinst.org/component/option,com_docman/Itemid,0/task,doc_download/gid,33>. Retrieved on September 30, 2006.
- Woodruff, Christopher, and René Zenteno. 2001. *Remittances and Microenterprises in Mexico*. Working Paper, Center for International Economics, University of California, Santa Cruz. <http://sccie.ucsc.edu/documents/working_papers/2001/Remittances_Mexico.pdf>. Retrieved on April 14, 2006.
- World Bank. 2006. *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*. Washington, D.C.: World Bank. <<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/GEPEXT/EXTGEP2006/>>

Appendix

Main Characteristics of the Sample of Remittance Agencies (N=10)

	Number
<i>Type of service offered</i>	
Sending money	10
Prepaid phone cards	8
Fax services	5
Photocopies	5
Phone booths	3
Sending packages	2
Airplane tickets	1
Mail stamps	1
Cashing checks	1
<i>Cost of sending \$200</i>	
\$3	1
\$5	3
\$6	3
\$8	1
\$10	2
<i>Usual amount sent</i>	
\$10 or more	1
\$50-100	1
\$100-200	2
Unknown	6

Exchange rate used 30.5 pesos per dollar 30.7 pesos per dollar	9 1
Mode of transmittal Home delivery Office pickup	10 10
Time it takes for money to reach destination Half an hour or less 1-3 hours Same day, unspecified	5 4 1
Main destination of financial transactions Dominican Republic United States Colombia Venezuela Peru Other countries	10 8 6 4 2 2
Documents required to send large amounts of money (more than US\$2,000) Photo ID card Employment or income verification Tax return Social Security card Bank account	7 6 5 4 1

Biographical Sketch

Dr. Jorge Duany is Chair and Professor of the Department of Sociology and Anthropology at the University of Puerto Rico in Río Piedras. He has been named the Bacardí Family Eminent Scholar in Latin American Studies at the University of Florida in Gainesville for spring 2007. He previously served as Director of the journal *Revista de Ciencias Sociales*; as Visiting Professor of Anthropology and American Studies at the University of Michigan; and as Assistant Director of the Center for Latin American Studies at the University of Florida. He has also been a Research Fellow at the Smithsonian Institution in Washington, D.C., and a Visiting Scholar at the Population Studies Center at the University of Pennsylvania. He earned his Ph.D. in Latin American Studies, with a concentration in anthropology, at the University of California, Berkeley. He also holds an M.A. in Social Sciences from the University of Chicago and a B.A. in Psychology from Columbia University. Dr. Duany has published extensively on Caribbean migration, ethnicity, race, nationalism, and transnationalism in major academic journals and professional books in the United States, Puerto Rico, the Caribbean, Latin America, Europe, and Asia. His current work is a coedited volume tentatively titled *U.S. Racialization of Latina/os: At Home and Abroad*. His latest book is *The Puerto Rican Nation on the Move: Identities on the Island and in the United States* (2002). He is the coauthor of *Cubans in Puerto Rico: Ethnic Economy and Cultural Identity* (1997) and *El Barrio Gandul: Economía subterránea y migración indocumentada en Puerto Rico* (1995). He is also the author of *Quisqueya on the Hudson: The Transnational Identity of Dominicans in Washington Heights* (1994). Since February 2003, he writes a monthly editorial column for the newspaper *El Nuevo Día*.

