

Repaying the Debt: The Case for Extending “Pensión Bienestar” to Older Adults from Mexico Living in the US

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In 2023, Mexico received \$66.2 billion in remittances, marking 10 consecutive years of growth and securing Mexico’s position as the second-highest recipient country in the world.¹ Remittances are vital to the Mexican economy, and they provide a relatively stable source of income that helps reduce poverty and regional economic disparities. These payments primarily are being sent by the estimated 7.4 million immigrants from Mexico who are working in the United States,² many of whom hold low-paying jobs in key growth sectors, such as construction. There are indications that the recent record-setting level of remittances to Mexico is, in fact, being driven by wages from construction industry employment,³ a growing sector that employs large numbers of immigrants yet is plagued by substandard conditions and widespread labor abuses.⁴ Substandard conditions also characterize other industries that employ large numbers of immigrant workers, such as restaurants, domestic work, and agriculture.⁵

The Mexican immigrant population living in the US is aging rapidly, and many older workers are facing the prospect of living their elder years without the benefit of a pension or adequate savings. Most Mexican immigrants are not U.S. citizens,⁶ and the estimated five million Mexican undocumented immigrants are not eligible to receive Social Security payments,⁷ even though most workers have paid into the system.⁸ Many others have been employed in industries where employer-based pension and retirement savings are rare. As a result, many are forced to continue working, often doing so after they should have retired because of ailing health or age, and they face great uncertainty about how they will cover the costs of housing, medical care, and other basic necessities as they grow older.⁹

To better understand these issues, this report examines the challenges facing retirement-aged undocumented immigrants from Mexico who are living in the US. Analyzing the results of a survey of 1,572 undocumented immigrants that was administered by the National Day Laborer Organizing Network (NDLON), this report examines the economic contributions made by these workers to the economies and communities in the US and Mexico, and it documents the economic hardships currently being faced by older immigrant workers.

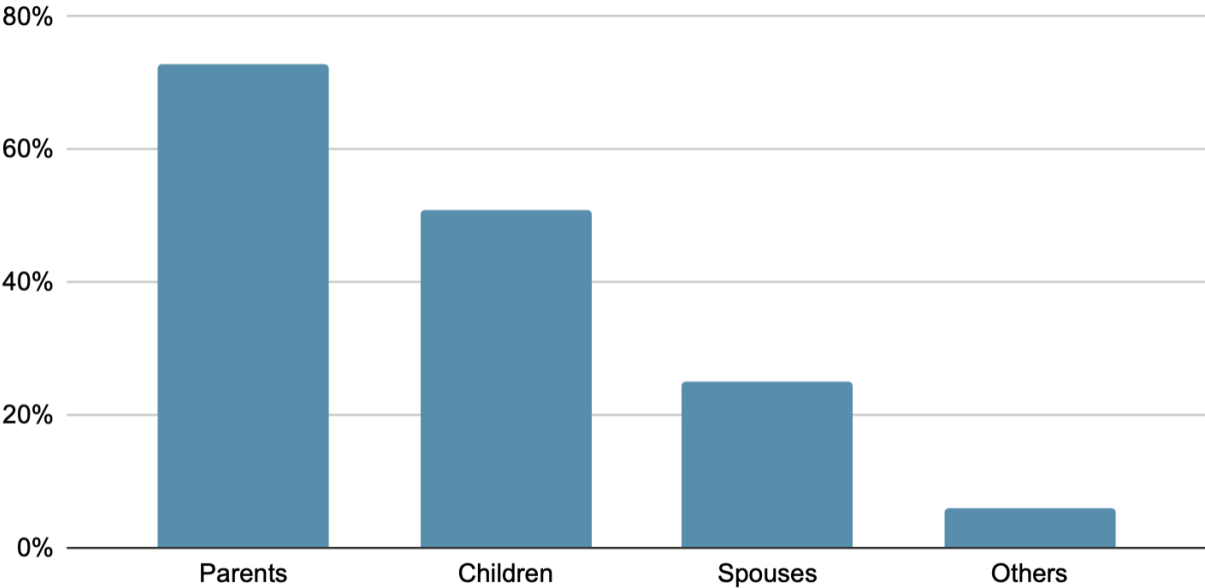
The Economic Contributions of Immigrant Workers

Undocumented immigrants from Mexico to the US have made substantial contributions to the economies of both countries: 95% of respondents have held employment in the US and 92% worked in Mexico prior to emigrating to the US. Those working in the US have been employed, on average, for 34.3 years, while those who worked in Mexico were employed on average 16.2 years. In the US, most held jobs in growing industries such as construction, domestic work (nannies, housecleaners, and caregivers), and restaurants, as well as agricultural production and manufacturing. Although demand for workers in these industries

is strong, jobs in these sectors tend to be low-paid and very few provide health insurance or other benefits. Respondents were employed in a similar range of industries in Mexico, though they were more likely to work in agriculture.

Income from employment in the US, in turn, has supported families in Mexico through remittances, which were sent to Mexico by 93% of respondents. These remittances supported parents (73%), children (51%), spouses (25%), and other family and friends (6%). This income was used to pay for food (62%); medical expenses (61%); basic needs (47%); buying, building, or fixing homes (38%); school or university studies (34%); to start businesses (18%), and other expenses such as to cover funeral costs.

Remittances Recipients



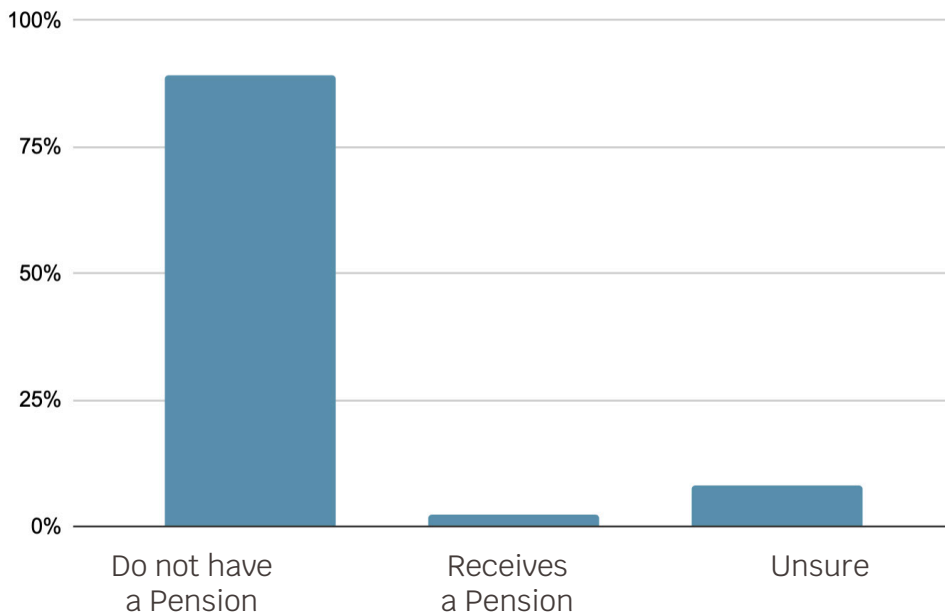
The responsibility to those in the US and Mexico compelled many workers to continue employment through the health and safety crisis of the early 2020s. One-third of respondents (33%) reported that they were forced to work during the height of the COVID-19 pandemic. Among these “essential workers,” 90% were required to work jobs that were unsafe and put them at risk of infection, and 94% of these respondents indicated that they continued working because they were not eligible for government-provided pandemic assistance due to their immigration status (95% would have declined the unsafe work if they had access to government-provided pandemic relief). One-third of respondents (32%) lived with someone who was forced to work outside of their home during the pandemic, 94% of whom worked jobs that they felt were unsafe and put themselves at risk of infection. Again, the absence of government assistance played a role in the decision to continue working; 94% would have

been able to decline the work if they had more access to government benefits. Among all respondents, one-quarter (24%) had someone in their home who died from COVID-19.

Family Economic Insecurity

Just 24% of respondents aged 65 and older have retired, and of these, 72% have a disability that prevents them from working, suggesting they would have continued their employment if not for the disability. One-quarter (25%) of these respondents report that the disability is due to an accident, injury, or chronic condition caused by their work. This underscores the physically difficult and often hazardous working conditions endured by many undocumented immigrants.

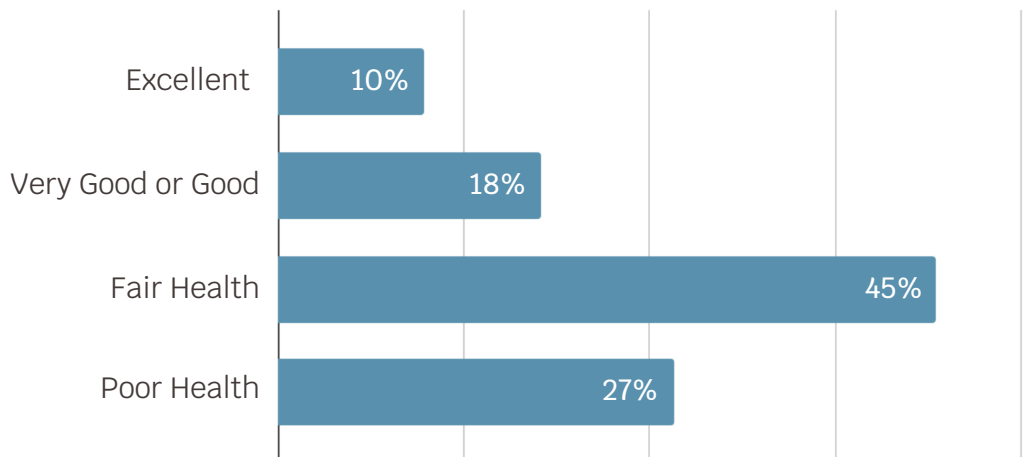
The primary reason those who are 65 years and older continue to work is to provide income support to family members (66%). However, the ongoing need to provide financial assistance to their families is just one dimension of the economic insecurity facing older undocumented immigrants. Among respondents aged 65 and older, just 2.5% report that they have a pension that could support them in retirement, while 89% report that they do not and 8% are unsure.



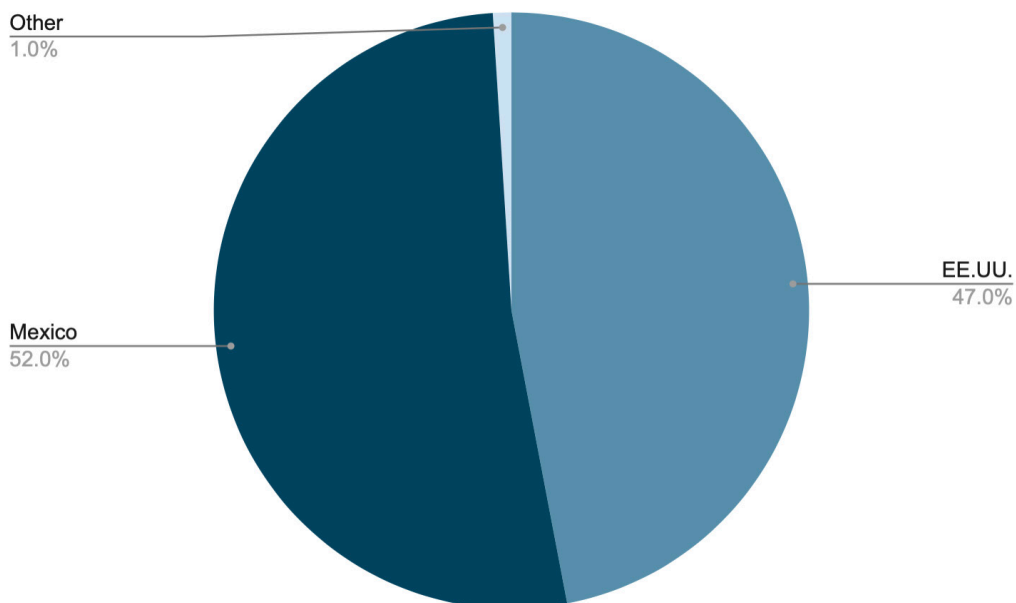
In the absence of a pension, few respondents aged 65 and older believe they can turn to family members for support in their elder years, with just 10% of those without a pension indicating that their families could care for them once they have stopped working. As a result of this financial insecurity, only 2.4% of undocumented immigrants aged 65 and older indicate that they will have enough money to cover their basic expenses during retirement, 1.6% will have the resources to cover their medical expenses, and just 1.2% will have enough money for the rest of their lives.

Furthermore, many older undocumented immigrants from Mexico currently are facing economic hardships. Among respondents aged 65 and older, during the last three months, 28% ate less than they should because there wasn't enough money for food, and 34% could not afford to eat healthy meals. More than one in ten respondents had been hungry because they could not get food. In terms of housing, 19% have stable housing, 72% have insecure housing that they are worried about losing in the future, and 8% do not have a steady place to live (they are temporarily staying with others, in a hotel or emergency shelter, living outside or in a car, etc.).

Finally, with regard to the physical health of respondents aged 65 and older, 10% report that they are in excellent health, 18% say they are in very good or good health, 45% say they are in fair health, and 27% say they are in poor health.



When respondents are able to retire, 47% hope to do so in the US, while 52% hope to retire in Mexico (1% would like to retire in another country). The primary reason for this decision is to be close to family (94% of respondents).



Repaying the Debt

Undocumented immigrants from Mexico who have lived and worked in the United States have made substantial contributions to the economies of both countries, yet in their elder years, far too many face severe financial hardships. Millions have worked in low-wage industries that lack employer-provided pensions and healthcare insurance. Yet they have sacrificed and saved to ensure that remittances can be sent to Mexico to support family members. And countless older workers continue to work and remit portions of their income well after they should have retired.

To be clear, both the US and Mexico owe a debt to these workers for the contributions they have made, and both countries should implement policy changes that extend pension benefits to undocumented immigrants. To be clear, both the US and Mexico owe a debt to these workers for the contributions they have made, and both countries should implement policy changes that extend pension benefits to undocumented immigrants. In the US, workers should not face structural legal barriers to achieving political and economic equality (for example, minimally, they should be able to access the Social Security contributions they have made), while Mexico should make the Pensión Bienestar available to emigrants who are residing in the US. Without these vital policy changes, elder undocumented immigrants will continue to be denied the social safety net they not only deserve but have earned, with immeasurable attendant consequences for sending and receiving communities.

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To ensure successful implementation, NDLOM’s National Council of Elders (Macehualli) offers the following recommendations to the Mexican government:

1. Provide the community a checklist of requirements that will be needed for recipients to confirm their eligibility for the Pensión Bienestar.
2. Conduct forums in collaboration with trusted immigrant-serving organizations throughout the US to educate the community about the program and its eligibility requirements.
3. Create a dedicated telephone hotline and website focused on program implementation, and open dedicated window in the consulates to receive applications for the Pensión Bienestar.
4. Ensure that the consular staff who will assist community members in registering for the Pensión Bienestar and verifying their eligibility is well-trained and speak Indigenous languages.

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5. Documenting one's Mexican nationality could be challenging for some elders. Fee waivers should be granted for elders in need so they can access documents, such as birth certificates, passports, and the Matrícula Consular.
 6. President Andrés Manuel López Obrador announced that the Pensión Bienestar will be extended to US residents. This has created confusion in the community about when the benefits will be received, with some believing that this policy change has already been implemented. The Mexican government needs to clarify the timeline for implementation.

In addition, the Council issued this initial list of recommendations for the US:

1. The US president should use executive action to grant renewable deferred action status to elders who have worked 20 or more years in the United States; and proof of labor violations within the last 20 years should result in eligibility for President Biden's Deferred Action for Labor Enforcement policy announced on January 13, 2023. All those receiving deferred action should be given parole allowing them to travel to and from their communities of origin.
2. The Government Accountability Office should conduct studies on: (a) the contributions of undocumented immigrant workers to the US Social Security system and the negative impact of maintaining this exclusion rather than allowing workers to access their contributions; (b) the disproportionate death rates experienced by elderly migrant workers during the COVID-19 pandemic; and (c) predatory practices in remittance industry.
3. The receipt of Pensión Bienestar should not negatively impact elders' eligibility for social programs in the US.

Appendix: Methodology

In December 2023, volunteers and staff of member organizations of the National Day Laborer Organizing Network (NDLON) began administering surveys to undocumented immigrants from Mexico who are aged 62 and older. The purpose of the survey was to better understand how elders are faring now that they are approaching retirement age. By July 2024, completed responses were recorded for 1,572 immigrants (Table A1). Respondents were recruited through NDLON member organizations across the US and a media campaign that included NDLON’s internet radio network, Radio Jornalera. No identifying information was collected.

Total	1,572
Gender	
Men	63%
Women	37%
Age	
62-64	37%
65-69	34%
70-74	18%
75+	12%
Average years living in the US	34.9

Endnotes

- 1 Ratha, Dilip, Vandana Chandra, Eung Ju Kim, Sonia Plaza, and Akhtar Mahmood (2024) Remittances Slowed in 2023, Expected to Grow Faster in 2024. Washington, DC: World Bank-KNOMAD.
- 2 Cervantes González, Jesús A., Denisse Jiménez, and Rodolfo Ostolaza (2023) Determinantes del Porcentaje de su Ingreso que Envían Como Remesas los Mexicanos Inmigrantes en Estados Unidos a sus Familiares en México. Mexico City: CEMLA.
- 3 Cañas, Jesus and Ana Pranger (2023) Strong U.S. Labor Market Drives Record Remittances to Mexico. Dallas: Federal Reserve Bank of Dallas.
- 4 Theodore, Nik, Bethany Boggess, Jackie Cornejo, and Emily Timm (2017) Build a Better South: Construction Working Conditions in the Southern US. Workers Defense Project, Partnership for Working Families, and the University of Illinois at Chicago.
- 5 Bernhardt, Annette, Ruth Milkman, Nik Theodore, Douglas Heckathorn et al. (2009) Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America’s Cities. New York: National Employment Law Project; Burnham, Linda and Nik Theodore (2012) Home Economics: The Invisible and Unregulated World of Domestic Work. National Domestic Workers Alliance; Costa, Daniel, Philip Martin, and Zachariah Rutledge (2020) Federal Labor Standards Enforcement in Agriculture. Washington, DC: Economic Policy Institute.
- 6 Rosenbloom, Raquel and Jeanne Batalova (2022) Mexican Immigrants in the United States. Washington, DC: Migration Policy Institute.
- 7 Ibid.
- 8 Mehta, Chirag, Nik Theodore, and Marielena Hincapie (2003) Social Security Administration’s No-Match Letter Program: Implications for Immigration Enforcement and Workers’ Rights. Chicago: Center for Urban Economic Development, University of Illinois at Chicago.
- 9 Flores, Adolfo and Arian Campo-Flores (2024) “Many Aging Migrants Pay Taxes. They Stare Down a Retirement With No Benefits.” Wall Street Journal, July 13.