

***Economic Impact
of the
Mexico-Arizona
Relationship***



THUNDERBIRD
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Thunderbird, The American Graduate School of International Management has been preparing men and women for the complexities of international business for more than 50 years. Every activity, program and initiative in which the School engages is designed to help our students become more effective leaders of global businesses and organizations, through an understanding of the interaction of business, cultural, regional and communication differences, as well as languages. Thunderbird is a global village, where our faculty, students, clients and other stakeholders work together in what is arguably the most culturally diverse population of any business school.

Thunderbird is pleased to be the home of the Thunderbird Mexican Association, an organization created for students and alumni to bring together representatives of Mexico and the School to enhance business and cultural relations. The Thunderbird Mexican Association has almost 200 active members from all over the world, people who are interested in Mexico, its culture, its people and its business community. The Association also maintains contact with the approximately 600 Thunderbird alumni living in Mexico.

This report is the product of members of the Thunderbird community, including members of the Thunderbird Mexican Association, students, professors, alumni and staff along with the Consulate General of Mexico in Phoenix. It does what has not been done previously – provides in a single document detailed information about the Hispanic, particularly the Mexican, community living in Arizona and its importance in the economy of the state. The report also measures the impact of commerce, immigration, investment and tourism on both sides of the Arizona-Mexico border.

Projects such as this one benefit the community because they help us understand the intricacies of the relationships between Arizona and Mexico. And, as sister governments, the more we know about each other, the better our relationships will be in the future.

Dr. Roy A. Herberger Jr.
President, Thunderbird, The American Graduate School of International Management



I would like to express my appreciation to the Graduate Students and Faculty from Thunderbird, The American Graduate School of International Management, for their tremendous effort in putting together this study entitled "Economic Impact of the Mexico-Arizona Relationship." After having read the document, I believe that its findings are very positive and reflect the Arizona-Mexico relationship within the context of our entire region.

I would also like to thank "Wells Fargo" for having the vision to sponsor such an ambitious project. This kind of joint effort proves how much our nations have come together over the years.

The Ministry of Foreign Affairs is extremely pleased with the hard work, dedication and professionalism that went into the forging of this study. This paper is the reflection of many years of bilateral work and joint efforts on both sides of the border.

The participants of this study, who happen to come from different backgrounds and countries, have provided us with a valuable analytical tool that allows us to assess the importance of the Arizona-Mexico relationship. To prove just how important Arizona is to Mexico, we should keep in mind that Mexico's trade balance with Arizona alone, approximately 8 billion dollars, is equal to the trade balance between Mexico and South America as a whole.

Trade and economic development have always been an important part of our relationship; but in the last couple of years we have been able to adapt in order to meet the needs of the current global order. With this in mind, we are now able to see how our joined efforts are aimed not only to the individual development, but the development of our entire region. Goals are now shared and sought after through interaction and mutual assistance. We are becoming interdependent.

However, in order to better appreciate the magnitude of the Mexico-United States relationship this study proposes taking an in depth view on the impact that Mexico, as a country, can have on one state; in this case, Arizona.

It is fairly easy to analyze the trade balance between Mexico and the United States as a whole. Our historic ties have allowed us to considerably document our trade throughout the years. But this study does more than that. It gives us the tools to truly appreciate how, by just being neighbors, our countries interact and participate in each others' development. It is clear that our common border does not divide us, it brings us together.

We can see how Arizona has greatly benefited from the simple fact of being a Border State. The impact that Mexico has had on Arizona's population, labor force and economy can not be overlooked. Just consider that in the year 2002 Mexican Immigrants accounted for over 4 billion dollars in buying power in Arizona and generated \$57.9 million dollars in bank fees by sending remittances back to Mexico.

These are issues that have to be taken into consideration when considering both our countries' relationship. Our ties are even stronger than we once considered. We can now see that our very societies depend on each other in a way never before seen. It is in our mutual benefit and interest to grow and develop together; as a region.

With this in mind we can expect both Mexico and the United States to continue working together to develop our region; and we must not forget that our entire bilateral agenda stems from one simple fact: We are neighbors in the same neighborhood.

Dr. Luis Ernesto Derbez
Secretary of Foreign Affairs

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Gerrit van Huisstede

President and Chief Executive Officer

Though separated by an international border, Arizona and Mexico have much that binds us together. Our histories, our cultures, our economies and – most importantly – our futures are inextricably entwined.

To understand how we can move forward together for mutual benefit, we must develop a deep understanding of the dynamics that have shaped and will continue to shape our relationships. This report, “The Economic Impact of the Mexico-Arizona Relationship,” provides invaluable background and context to help us reach that understanding.

We thank Ruben Beltran, Consul General of Mexico in Phoenix, for his leadership with this project and his commitment to developing stronger and deeper ties between our countries.

We also thank the graduate students and faculty of Thunderbird, The American Graduate School of International Management, for their rigorous scholarship and high level of professionalism. Their research and analysis have produced a document that for years to come will be enormously beneficial to other scholars as well as planners and policy makers in the public and private sectors.

Wells Fargo is honored to partner with them and to sponsor this report.

For more than 150 years, our company has helped the Latino community succeed. At the turn of the century Wells Fargo was the only U.S. express company with direct service to Mexico and Central America, and as early as 1855 we were advertising in Spanish. More recently, Wells Fargo was the first major financial services company to announce it would accept the Matricula Consular as a form of primary identification for people opening accounts.

The primary vision of Wells Fargo is to serve *everyone* in our communities and to provide the financial services that will help them succeed. We look forward to future opportunities for partnering on both sides of our borders to foster understanding and greater prosperity for all our people.

Gerrit van Huisstede



May 2003

The entire Consular network set up by Mexico in the United States has the same fundamental mission. On the one hand, we must look after the well being of our fellow countrymen; on the other, we must promote our culture and strengthen our commercial ties by gathering information that will contribute to a better understanding of Mexico's current situation. Promoting the image of Mexico and Mexicans abroad constitutes the core of the latter task.

While carrying out this mission in Arizona, the Consulate General of Mexico in Phoenix was pleased to learn that the Arizona Town Hall, which met in October 2002 at the Grand Canyon, had echoed our task and was striving toward the same goals. Several recommendations were enacted during that session that mirrored the interests and concerns of Mexico and Arizona. This should not come as a surprise since we both share the most basic of missions: We want our community to grow and prosper.

However, after the conclusions of the Arizona Town Hall we were able to see that not only did we have common goals but we also shared the same vision for the future.

I am referring to three very precise recommendations made at that time: a) The need to create a comprehensive economic impact study regarding the influence of Hispanics on the economy of Arizona; b) The need to gather data regarding the economic impact of undocumented migrants in Arizona; and c) The need to promote education in order to dispel stereotypes and teach about the need for controlled migration.

Inspired by these points of convergence, we began to create a study that would comprehensively present what we can call "The Mexico Factor" in Arizona's Economy. For the first time, we have created a document that shows every facet of our complex relationship; we have included tourism, trade, housing, and health.

But this is only a snapshot of what we are living now. Our relationship will undoubtedly continue to grow and evolve in the coming years. This study will provide everyone involved in this relationship (government, businessmen, scholars, corporations) with the tools needed to strengthen themselves individually and in doing so, strengthen both our nations.

I want to thank the entire team who worked on "Economic Impact of the Mexico-Arizona Relationship;" their efforts are reflected in the document itself and they deserve recognition. I also want to personally thank Hector Gutierrez, the Project Manager; whose vision and enthusiasm made the project a reality; Alfonso Ramos, Antonio Soto and Federico Vargas the Team Leaders who brought the best out of each team member and coordinated all the information and activities; and I am particularly thankful to Gerrit Van Huisstede and Al Montoya whose support through Wells Fargo's sponsorship made the project possible. I am proud to have worked with this tremendous team. Thank you all.

*Rubén Beltrán-Guerrero
Consul General of Mexico, Phoenix, Arizona*

ECONOMIC IMPACT OF THE MEXICO-ARIZONA RELATIONSHIP

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The analysis of the economic impact of the Mexico-Arizona relationship has been the focus of this project. The Thunderbird research team has created a document that examines the most relevant aspects of the social and economic areas of the relationship and has calculated the balance for each area on both sides of the equation.

This project analyzes the following areas: Mexicans in Arizona, Commerce, Investment and Tourism. We understand these areas to be of vital economic importance to the Mexico-Arizona relationship, and have examined public domain information.

By dividing the study in areas it has been possible to assess how the impact of the Mexican immigrant affects the economy, and in the same way how the commercial relationship influences both economies. Other areas of significant importance for the relationship and the economy of both regions considered are: remittances and real estate. Each one of these areas is addressed in this document as a major source of income for Arizona due to strong Mexican expenditures within the state.

In 2001 Mexican immigrants had an estimated US\$3.86 billion in purchasing power equivalent to 3.3% of the total purchasing power of the state. Although these immigrants generated costs to the state, their expenditures within the local economies generated a fiscal surplus of approximately US\$106 million for that year.

The commerce and trade is of significant importance to the bilateral relationship due to the over US\$8.1 billion worth of commercial transactions generated between Arizona and Mexico during 2001 and similar trends over the years, generating thousands of jobs for each partner.

Mexican immigrants sent approximately US\$490 million back to Mexico as remittances from Arizona in 2002. Of this amount the local economies earned over US\$58 million in fees and other transactional costs which are retained by remitters and banks.

Finally, in 2001 Mexican tourists brought close to US\$1.6 billion into the local economies of Arizona. Based on estimates for the same year, Mexico received approximately US\$328 million from Arizona visitors.

The study concludes that the relationship between Mexico and Arizona is worth over US\$13.6 billion per year according to the areas of economic impact of this study; US\$8 billion for Arizona and US\$5.5 billion for Mexico. The resulting balance is in favor of Arizona by US\$2.5 billion.

We focused our research in the four principal areas due to their economic importance to the relationship between Mexico and Arizona. The estimates of this project are conservative and reflect what could be a lower total value of the current relationship. In 2001, according to *The Arizona Republic*¹, the undocumented population in Arizona was approximately 400,000 immigrants; for the analysis of the economic impact of the Mexico-Arizona relationship the figure used was based on the US Census 2000 data. Some additional facts, which we were not able to verify, were the Federal Income Tax paid by the undocumented immigrants who do not have a social security number, and the taxes paid via the Individual Tax Identification Number (ITIN). In addition, we were not able to verify data related to the indirect expenditures by Arizona's tourists in Mexico.

Nevertheless, the project's conclusion regarding the value of the relationship of close to US\$13.6 billion dollars, identifies the importance of pursuing common growth strategies to be developed by Mexico and Arizona in the future.

¹ *The Arizona Republic*, August 2001

2 INTRODUCTION

The objective of the “Economic Impact of the Mexico-Arizona Relationship” project is to present economic information and facts related to Immigration, Commerce, Investment and Tourism.

The most representative factors in the economy of both regions are described and analyzed in the following order: Mexicans in Arizona, Commerce, Investment and Tourism. The document establishes a base for and describes some facts on immigration. Furthermore, the document analyzes the flow of goods across the border and presents important indicators on investments within Mexico and Arizona. Finally the document assesses the impact of tourism.

The methodology used for the development of this study is based on public domain information research data relevant to the assessment and analysis of the economic impact of the Mexico-Arizona relationship. The document integrates this information into a single publication which presents the analyzed figures of the economic relationship. The study summarizes the balance of the main economic indicators and sets the basis for readers to analyze and derive their own conclusions on the Mexico-Arizona relationship.

To accomplish the objectives of this study a team of professors, students and alumni from Thunderbird, The American Graduate School of International Management, was selected. The team included participants from the United States, Mexico, Colombia and Chile, all of them with special interest in the Mexico-Arizona region. This group of international business professionals integrated skills in finance, economics, demographics, research, analysis, banking, international trade and commerce, and tourism.

HIGHLIGHTS OF THE MEXICO - ARIZONA RELATIONSHIP			
MEXICANS IN ARIZONA	COMMERCE	INVESTMENT	TOURISM
Mexican immigrant purchasing power US\$3.9 billion in 2001	Bilateral trade US\$8.1 billion in 2001	US\$486 million in remittances to Mexico from Arizona	Mexican tourists spent close to US\$1.6 billion in Arizona per year
Mexican immigrant estimated tax contribution in Arizona was approximately US\$355.7 million in 2001	Arizona exports to Mexico was US\$3.4 billion in 2001	Arizona banks and other institutions received US\$57 million in transaction costs and fees	Arizona tourists spend close to US\$328 million in Mexico per year
Mexican immigrant cost to Arizona was US\$250 million in 2000	Mexico exports to Arizona was US\$4.7 billion in 2001	Mexican immigrants spent approximately US\$1.5 billion in mortgages and rent during 2001 in Arizona	Indirect expenditures of Mexicans in Arizona surpassed US\$500 million in 2001
Mexican immigrants generated a fiscal surplus estimated at US\$106 million in 2001	Approximately 50,000 jobs in 2001 in Arizona are tied to exports to Mexico	Mexican companies doing business in Arizona, and Arizonan companies doing business in Mexico accounted for global sales of around US\$15.6 billion in 2001	Mexican tourist expenditures in Arizona create 35,200 jobs

1. POPULATION

This section details the demographic figures of Hispanics in Arizona, specifically Hispanics of Mexican origin and Mexican immigrants.²

For a greater understanding of the study, we present some of the definitions pertaining to the different population segments:

Hispanics: this segment is defined as the total population with backgrounds from all different Latin American countries and who live in Arizona. These people can either have been born in the USA and be descendants of Latin American immigrants or may have been born in any country in Latin America.

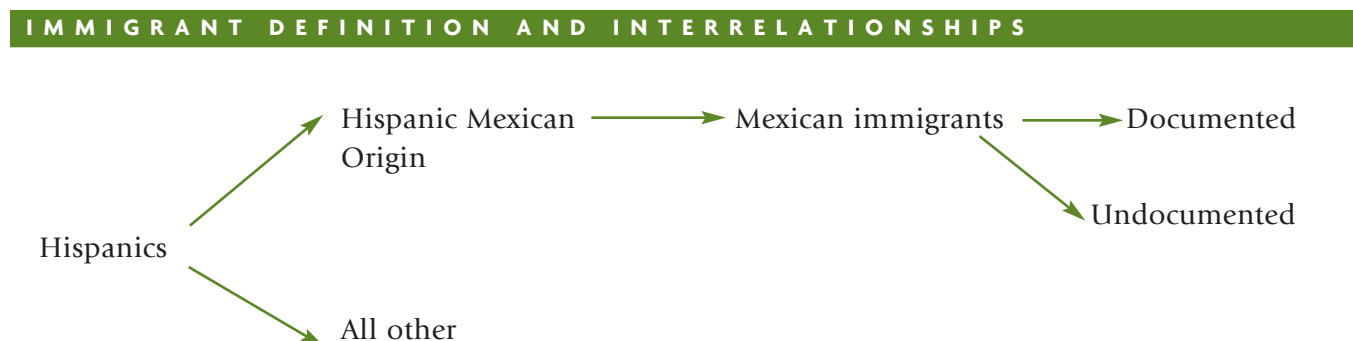
Hispanic Mexican Origin: this is a sub-segment of Hispanics and is defined as Hispanic people who live in Arizona and who are descendants of Mexican immigrants or who were born in Mexico.

Mexican Immigrants: this segment is defined as Mexican people who were born in Mexico and who now live in Arizona.

Documented Mexican Immigrants: this is a sub-segment of the Mexican immigrant category listed above. These people are documented by the Arizona or Federal government with visas or work permits, and they are allowed to be in Arizona for a certain period, or they have Resident status.

Undocumented Mexican Immigrants: this is a sub-segment of the Mexican immigrant category listed above. These people have crossed into Arizona and are working and living in the state without documentation. This segment is hard to track and difficult to define.

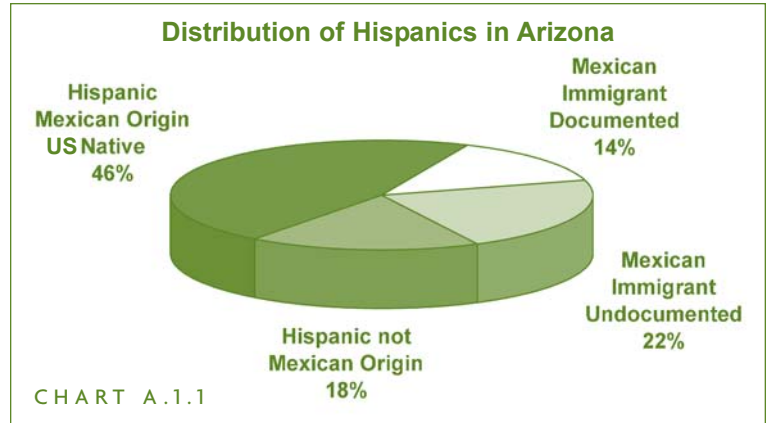
The figure below represents these segments as defined. It shows their relationship to one another.



² Note: The analysis is based on the 2000 Census; figures for 2002 and 2007 have been estimated from the Census data.

Population characteristics and growth: Based on the 2000 Census, it has been determined that 1.295 million people or 25% of the total population in Arizona is Hispanic. Of the total Hispanic population, approximately 1.06 million or 82.2% are of Mexican origin. Within the segment, the Hispanic population of Mexican origin, approximately 464,000 or 44% are estimated to be Mexican immigrants. Out of the total 464,000 Mexican immigrants, it has been determined that more than 280,000³ or approximately 61% are undocumented immigrants. (Refer to Chart A.1.1.)

Based on the 2000 Census forecast of the Hispanic population in Arizona, the growth of the population within the Mexican origin segment and immigrant segment is estimated to be at a rate of 3.7% per year through 2005 and at a rate of 2.9% from 2006-2007. At this rate in 2007, there will be 1.35 million people of Mexican descent living in Arizona.



Source: Census Bureau 2000

According to Census data, it has been determined that approximately 32% of the documented Mexican immigrants are under the age of 15, and 61.5% are under the age of 30.

2 . LABOR

This section takes into account issues of immigrant employment by industry, revenue generation, and overall, the benefit that Arizona companies receive by employing Mexican immigrants.

Labor Force Estimates: Out of the documented Mexican immigrants in Arizona, 63% are eligible to work; this number consists of people ages 15-64. It has been difficult to assess the actual number of undocumented Mexican immigrants who are of working age, but it has been assumed that approximately 90% of these undocumented immigrants are of working age, since most Mexican immigrants cross the border in search of work.

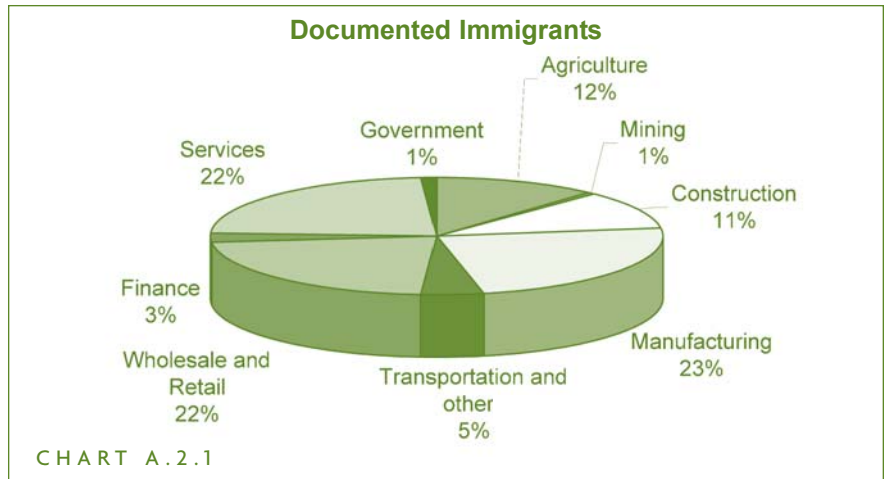
³ Estimate based INS figures, Census 2000 Information 2001 Report from Census Bureau and INS Report

Temporary Migrant Workers: It must be noted that there are different estimates indicating that there are approximately 65,000 to 100,000 migrant workers in Arizona each year who work in the state for, on average, 120 days and, after this period, they return to Mexico. We mention this fact due to the uncertainty of whether these workers were counted in the 2000 Census.

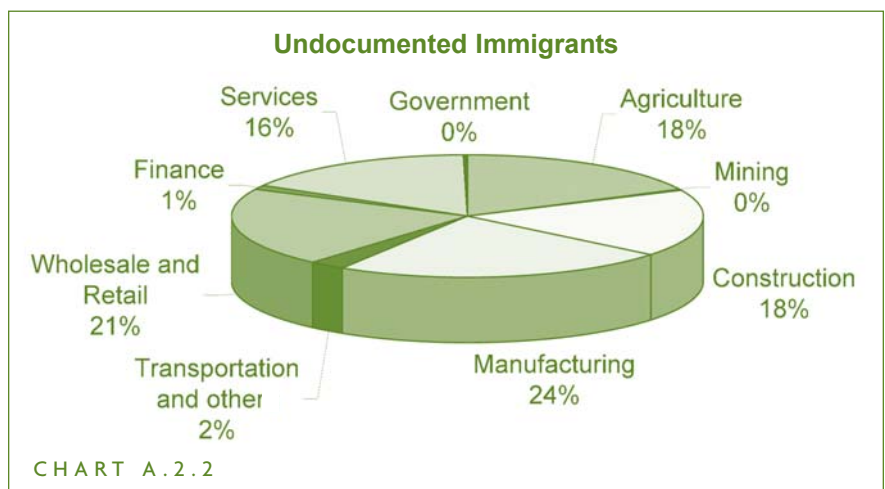
Employment of Mexican Immigrants by Industry: The data presented are based on the Mexican immigrant worker distribution across various industries within the US. This study has estimated the distribution of the immigrants across Arizona’s industry base. Further research should be done to determine the specific employment numbers of Mexican immigrants in Arizona.

The employment of these immigrants is equally predominant for documented and undocumented persons in industry categories, such as retail and wholesale, manufacturing and construction. In addition, the concentration of both types of immigrants differs by the industry in which they work.

In the construction and agriculture industries, it is found that 18% of the undocumented immigrants work in each sector. On the other hand, 11% and 12% of the documented immigrants work in these industries respectively. (Refer to Charts A.2.1 and A.2.2)



Source: Camarota, Steve. "Immigration from Mexico: Assessing the Impact on the United States." July 2001. Center for Immigration Studies.



Source: Camarota, Steve. "Immigration from Mexico: Assessing the Impact on the United States." July 2001. Center for Immigration Studies.

Payroll and Salaries: Several studies have analyzed differences in average salaries and income between the non-Hispanic and the Hispanic population. In the state of Arizona, the wage differentials among recent Mexican immigrants, earlier Mexican immigrants, and Hispanics of Mexican origin of second and third generation have been estimated relative to a third generation of the white (Anglo-Saxon) population.

Based on these estimates, and assuming both documented and undocumented Mexican immigrants are early and recent immigrants, respectively, in the year 2000, the 369,296 Mexican immigrant workers represented 18% of all of Arizona’s workers, and their payroll of US\$4.7 billion represented 8% of the total payroll in Arizona. Continuing with these figures, the average annual wage in Arizona was US\$28,355 compared to the US\$12,963 earned by the Mexican immigrants. The wages varied among industries. (Refer to Table A.2.3 below)

A . 2 . 3 TOTAL EMPLOYEES AND PAYROLL (2 0 0 0)					
TYPE OF EMPLOYEE	EMPLOYEES	% OF TOTAL EMPLOYEES	PAYROLL (000)	% OF TOTAL PAYROLL	AVERAGE ANNUAL WAGE (000)
Total employed including Undocumented Mexican Immigrants (UMI)	2,092,977	100%	59,346,332	100%	28,355
Mexican Immigrants (MI)	369,296	18%	4,787,019	8%	12,963
Documented Mexican Immigrants (DMI)	114,596	5%	1,942,033	3%	16,947
Undocumented Mexican Immigrants (UMI)	254,700	12%	2,844,987	5%	11,170

Source: Census Bureau

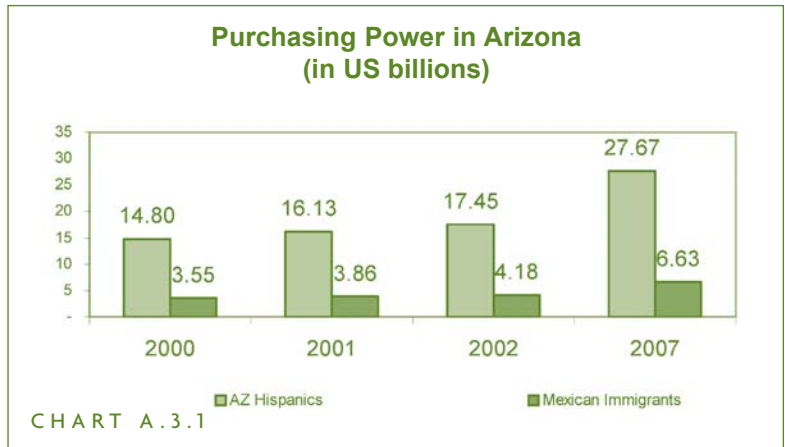
3 . PURCHASING POWER

Purchasing Power: Based on a previous analysis of the Hispanic purchasing power in Arizona done by the University of Georgia, population analysis and adjustments made in the salary conditions, the total buying power estimated for Mexican immigrants in Arizona is US\$3.5 billion for the year 2000 (Refer to Chart A.3.1).

In the year 2000, 369,296 Mexican immigrant workers represent 18% of all of Arizona’s workers. Their US\$4.7 billion payroll represents 8% of the total payroll in Arizona.

Moreover, major findings for 2000 purchasing power are: ⁴

- Arizona Hispanic purchasing power represents 13.4% of Arizona purchasing power
- Mexican immigrant purchasing power in Arizona represents 3.2% of purchasing power in the state of Arizona.
- Mexican immigrant purchasing power per capita in Arizona is US\$7,635 against US\$11,425 for Arizona Hispanic purchasing power per capita and US\$21,603 Arizona purchasing power per capita.



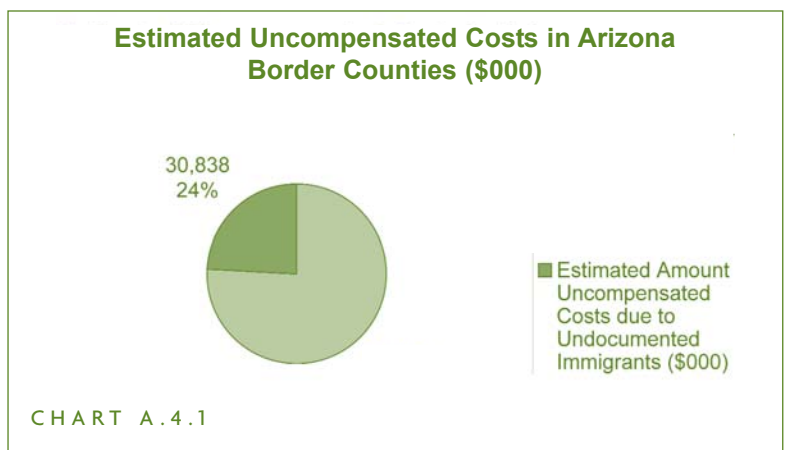
Source: Humphreys, Jeffrey M. "The Multi-Cultural Economy, 2002: Minority Buying Power in the New Century." *Georgia Business and Economic Condition*, Vol. 62. No. 2. Second Quarter, 2002. University of Georgia.

4. SERVICES AND COSTS

The objective of this section is to estimate the costs of services pertaining to the Mexican immigrants.

Services: Based on services used by documented Mexican Immigrants in the US: ⁵

- 53.5% of Mexican immigrants do not have health insurance.
- 34% of Mexican immigrants are on welfare.
- Major means tested programs used by Mexican immigrants (percent of use): Social Security Income (4.1%), Public Housing Rent Subsidiary (5%), TANF/ General Assistance (5.5%), Food Stamps (10.2%), and Medicaid (27.2%). ⁶ (Undocumented immigrants do not have access to these services.)



Source: MGT of America, May 2002.

⁴ Humphreys, Jeffrey M. "The Multi-Cultural Economy, 2002: Minority Buying Power in the New Century." *Georgia Business and Economic Condition*, Vol. 62. No. 2. Second Quarter, 2002, University of Georgia.
⁵ Camarota, Steve. "Immigration from Mexico: Assessing the Impact on the United States." July 2001. Center for Immigration Studies.
⁶ Ibid.

Total Cost: Based on the average lifetime burden of Mexican immigrant in US, it has been estimated that the total burden cost in the year 2000 for Arizona’s immigrants was US\$250 million.⁷

Among the costs associated with immigrants in the US, healthcare costs for undocumented immigrants have been of great concern for the border states. “According to the American Hospital Association annual survey, southwest border county hospitals reported uncompensated care totaling nearly \$832 million in 2000. Using an advanced statistical modeling approach, MGT determined that almost \$190 million or “about 22%” of the uncompensated costs these hospitals incurred resulted from emergency medical treatment provided to undocumented immigrants.”⁸

The cost of healthcare for the state of Arizona is US\$31 million per year on undocumented immigrants in border counties, accounting for only a 24% of the total costs of uncompensated health care in the state (Refer to Chart A.4.1).

5. TAX CONTRIBUTIONS

This section provides an analysis of the payroll and purchasing power of the Mexican immigrants in Arizona; it also estimates tax payments made and forecasts these payments for future years.

Tax: In the year 2000, Mexican immigrants paid approximately US\$539 million in both income and sales taxes. (Refer to Table A.5.1 below).

A.5.1 TAX CONTRIBUTION BY MEXICAN IMMIGRANTS (IN MILLIONS)				
MEXICAN IMMIGRANT	2000	2001	2002	2007 (estimate)/1
Income Tax/2	83.8	85.3	86.9	92.2
Sales Tax/3	248.2	270.4	292.6	463.9
Total Taxes	332.0	355.7	379.5	556.1

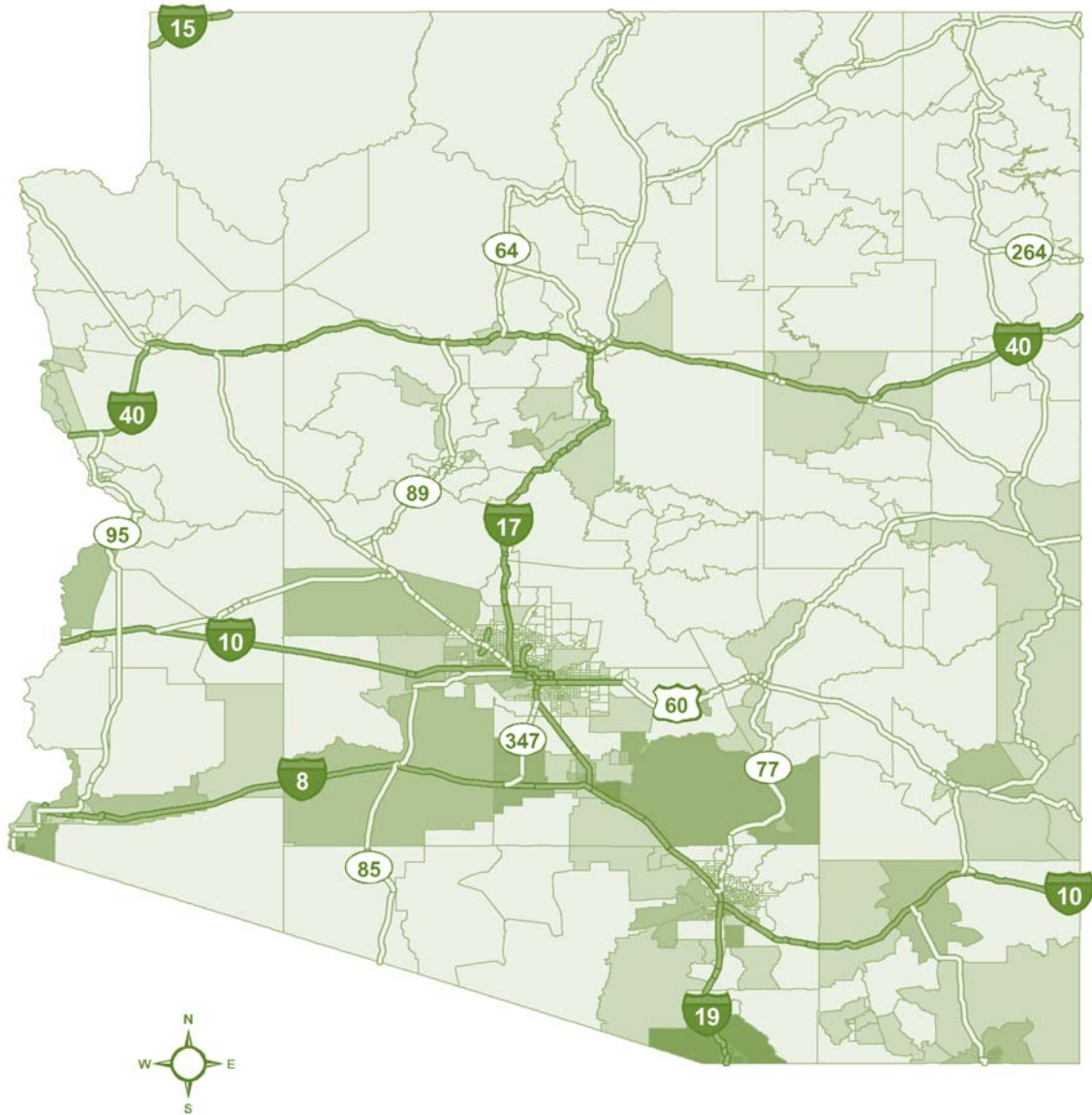
Notes: 1. Based on 2.5% increase in average annual wages and the lowest tax bracket of 10%; 2. Assumes 50% of tax payers are single filers and 50% are married with two children; 3. Based on Purchasing Power estimated in Chart A.2.4 and 7% Sales Tax

Based on the 2000 Census and the tax projections of the Mexicans in Arizona, the sales tax and federal income tax contributions from Mexican immigrants are approximately US\$599 million for 2002. If we subtract the total burden costs of services for the Mexican immigrants of US\$250 million and US\$31 million of uncompensated health care costs of undocumented Mexicans, we still have fiscal surplus resources of US\$318 million.

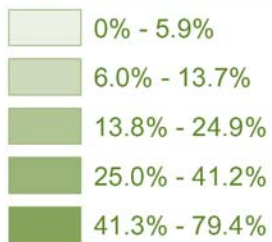
⁷ Ibid.

⁸ MEDICAL EMERGENCY: Costs of Uncompensated Care in Southwest Border Counties submitted to: The United States/ Mexico Border Counties Coalition. Submitted by: MGT of America. 502 East 11th Street, Suite 300, Austin, Texas 78701, (512) 476-4697. www.mgtofamerica.com.

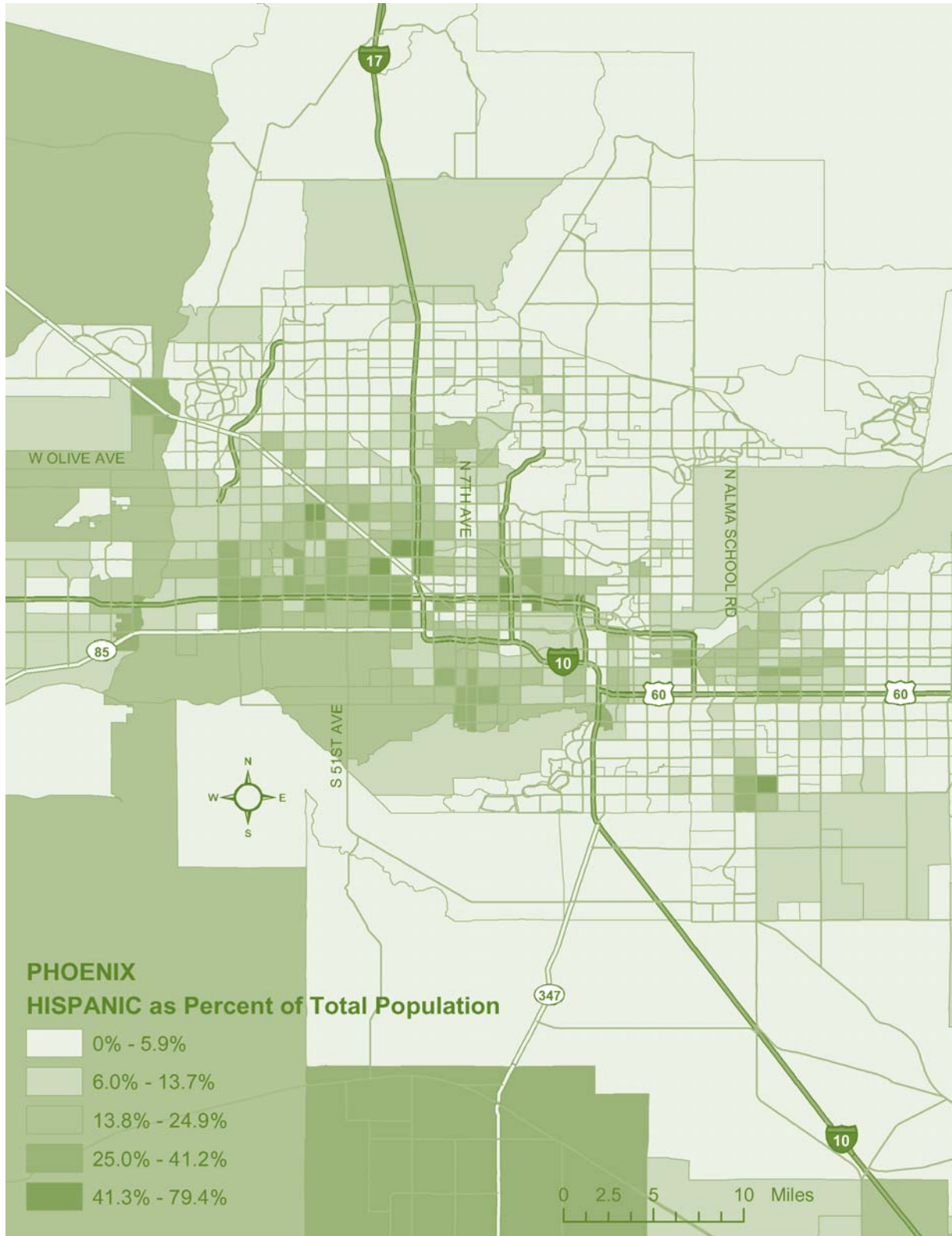
HISPANIC POPULATION IN ARIZONA



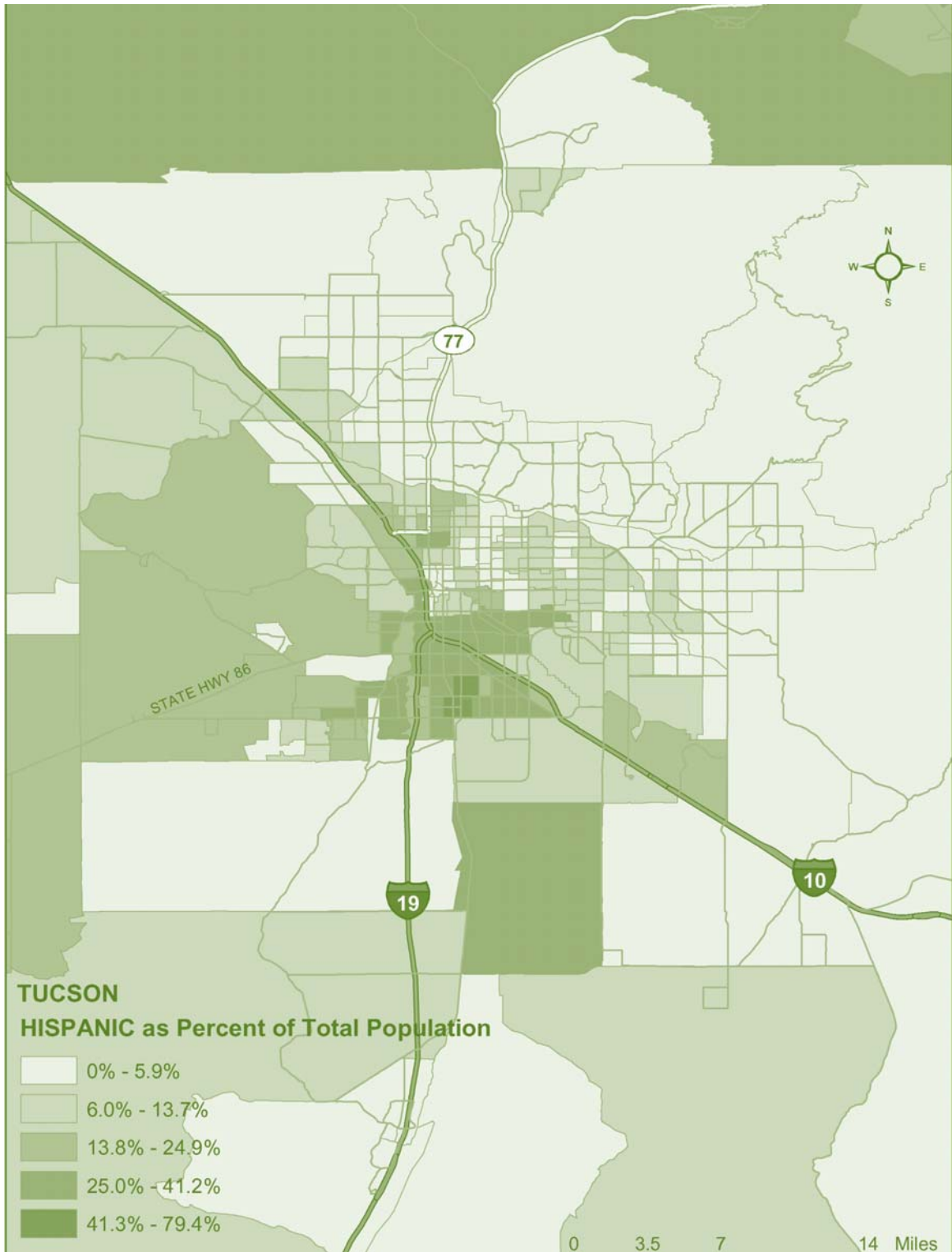
ARIZONA
HISPANICS as Percent of Total Population



HISPANIC POPULATION IN THE PHOENIX METROPOLITAN AREA



HISPANIC POPULATION IN THE TUCSON METROPOLITAN AREA



1. EXPORTS ARIZONA - MEXICO

According to Banco de México, bilateral commerce between Mexico and the US during 2001 was approximately US\$220 billion. During this time the Mexico-Arizona commerce relationship was worth around US\$8.1, billion which is higher in magnitude to the Mexico-South America commerce relationship valued at approximately US\$7.6 billion.

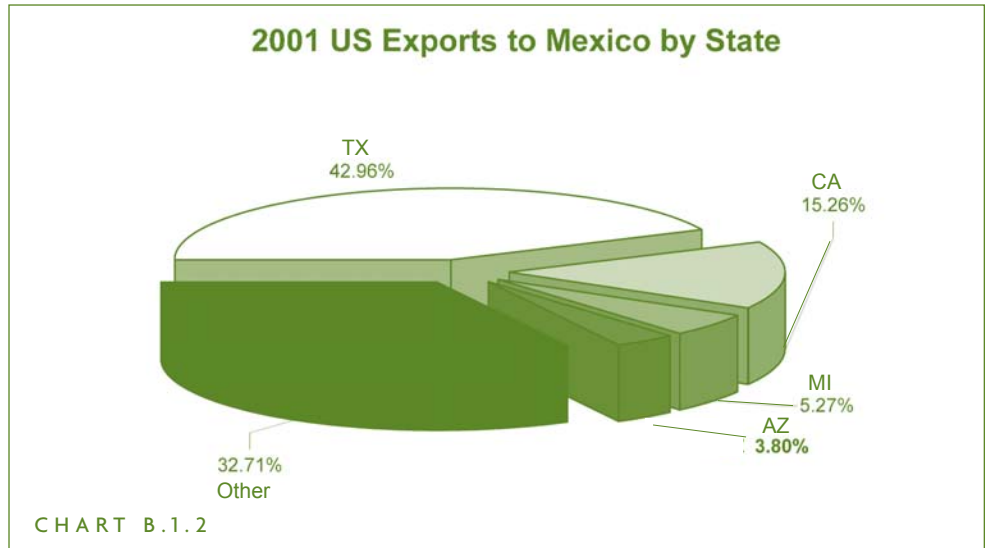
Arizona is ranked as the 4th largest exporting state in the transfer of goods and services to Mexico from the US. (Refer to Table B.1.1 below) Arizona exports amount to 3.8% of total US exports to Mexico (Refer to Table B.1.2). However, the slowdown of the American economy has affected US-Mexico trade as US exports to Mexico have decreased by US\$8,232,493,110 from 2000, which represents an 8.47% decrease. Of this total decrease, Arizona's exports to Mexico decreased by US\$1,061,534,609 or 23.90%. This decrease in exports can be partially explained by the reduction in the maquiladora activity in Sonora, Mexico.

B.1.1 2001 U.S. EXPORTS TO MEXICO BY STATE ALL SURFACE MODES

STATE OF ORIGIN	CODE	VALUE	%
Texas	TX	\$38,201,277,094	42.96
California	CA	\$13,568,178,318	15.26
Michigan	MI	\$4,688,434,558	5.27
Arizona	AZ	\$3,379,851,559	3.80
All other states	Others	\$29,088,637,345	32.71
TOTAL -		\$88,926,378,874	100.00

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.

In 2001, 80.06% of Arizona's exports to Mexico went to Sonora.

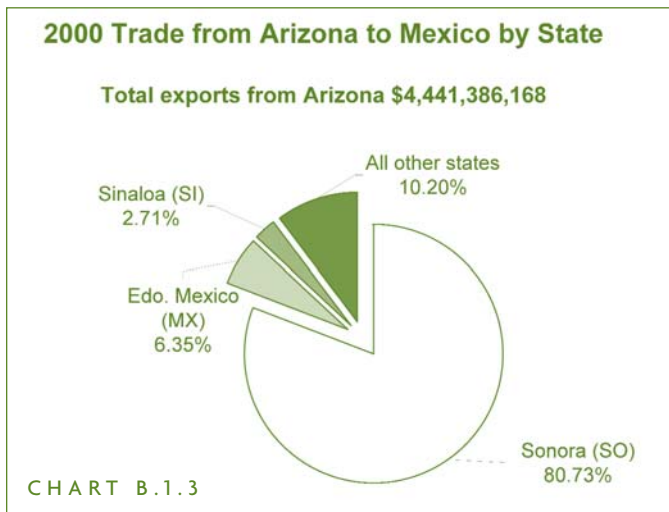


Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.

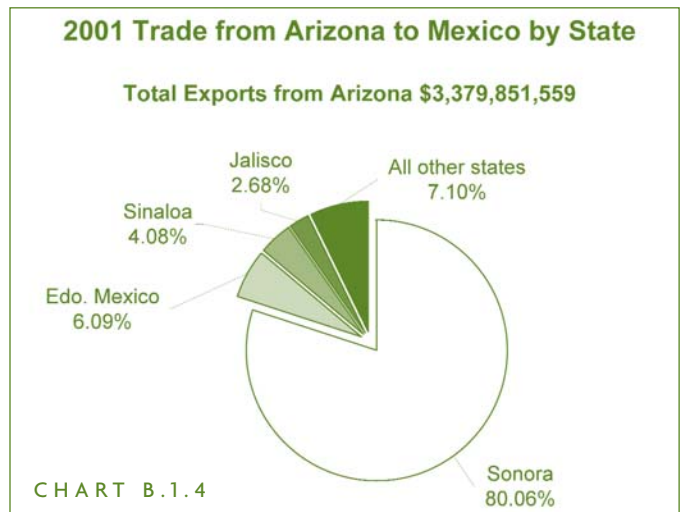
ARIZONA

In 2000, 80.73% of Arizona's exports to Mexico were directed to Sonora, a pattern which can be justified due to the geographic proximity of the two states (Refer to Chart B.1.3).

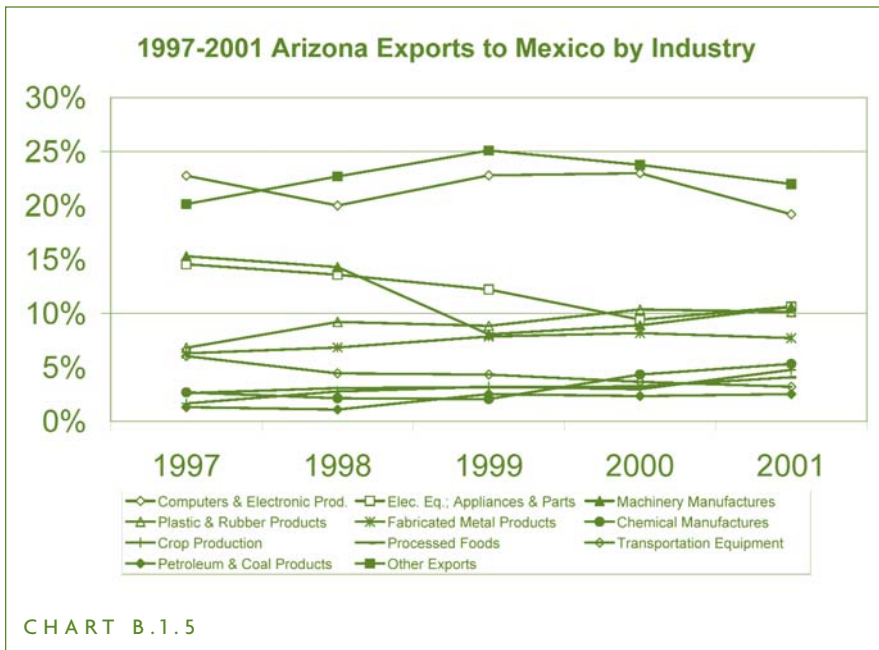
In 2001, 80.06% of Arizona's exports to Mexico went to Sonora. This 0.67% decrease translates into a total export decrease of US\$1,061,534,609 or 23.90% of the 2000 figures. Of this total, Sonora's exports decreased by US\$879,800,420, a figure which represents 24.54% of the 2000 figure (Refer to Chart B.1.4).



Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.

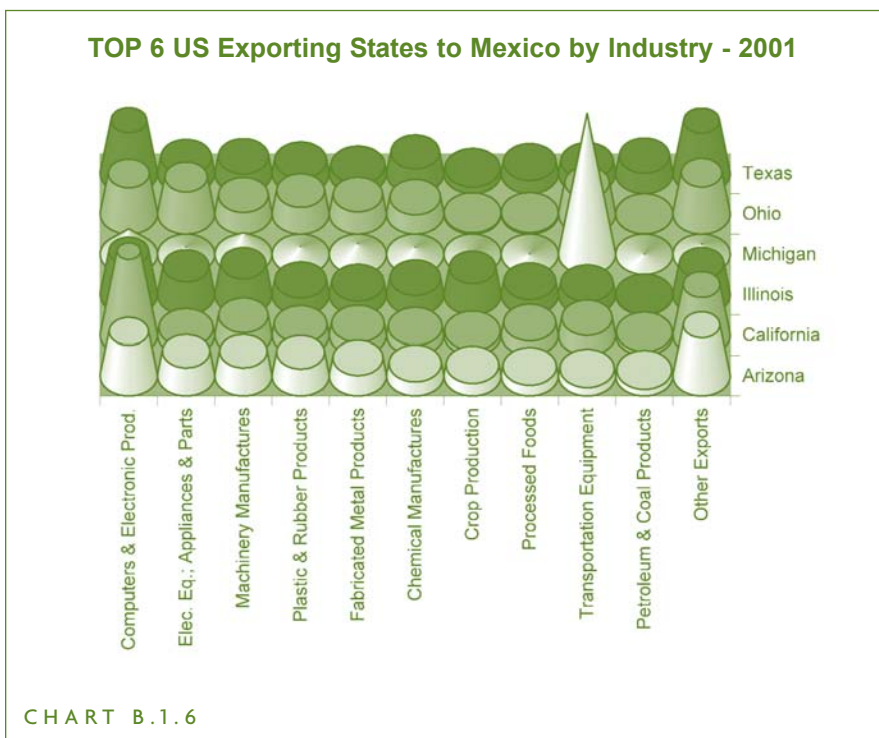


Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.



Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.

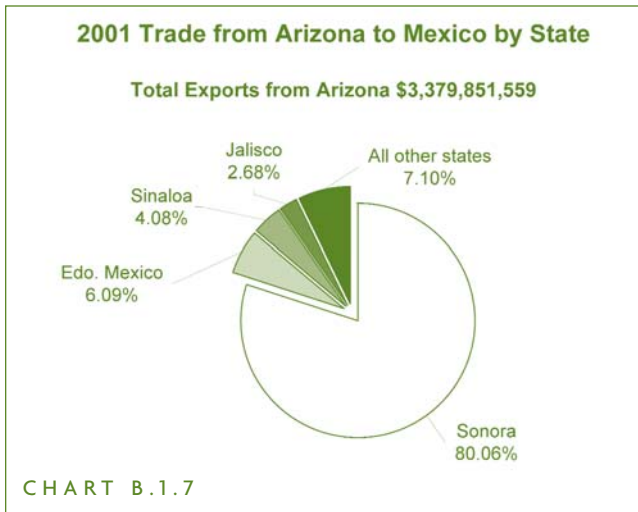
Regarding the main export industries, machinery-manufacturing related exports declined dramatically in 1999. The electrical equipment, appliances and parts industry experienced a decline from 1997 until 2000. This decrease was partially offset by an increase in plastic and rubber products for the same period (Refer to Chart B.1.5).



Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.

From Chart B.1.6, it is evident that computers and electronic products are the major components for Texas, Ohio, Illinois, California and Arizona in the export mix to Mexico, while transportation equipment plays a critical role for the state of Michigan.

When comparing the main exporting U.S. states to Mexico, we observe that the export composition is highly concentrated in Sonora and Baja California for Arizona and California, respectively (Refer to Charts B.1.7 and B.1.8).

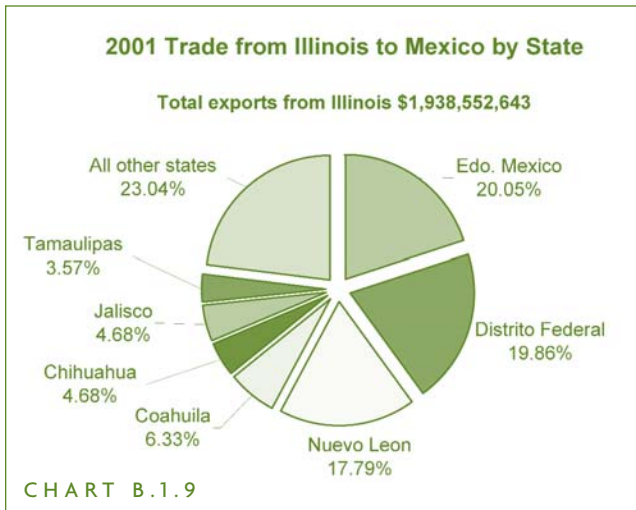


Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.



Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.

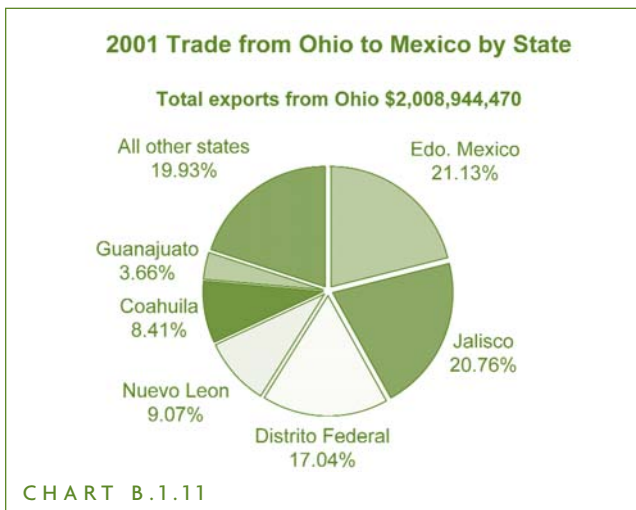
On the other hand, Illinois, Michigan, Ohio and Texas exports to Mexico are diversified primarily throughout the Northern and Central Mexican States (Refer to Charts B.1.9, B.1.10, B.1.11, and B.1.12).



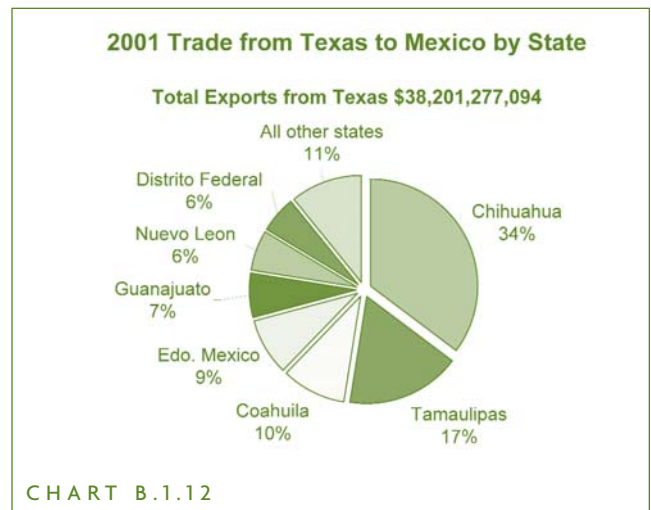
Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.



Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.



Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.



Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.

2. TOTAL SURFACE IMPORTS FROM MEXICO

Arizona is also ranked 4th among the importer states of Mexican goods. However, it accounts only for 4% of all Mexican imports as compared to Texas at 22% and Michigan at 20% (Refer to Table B.2.1). Total imports from Mexico to Arizona have grown inconsistently over time while Texas and California growth rates have been linear and predictable (Refer to Charts B.2.2 and B.2.3).

B.2.1 RANK AS IMPORTER OF GOODS FROM MEXICO 2001

Texas	1	24,150.96	22%	Total Imports 2001 — \$111,870.32
Michigan	2	22,851.74	20%	
California	3	18,654.30	17%	
Arizona	4	4,756.82	4%	
New Mexico	35	120.64	0.11%	



CHART B.2.2

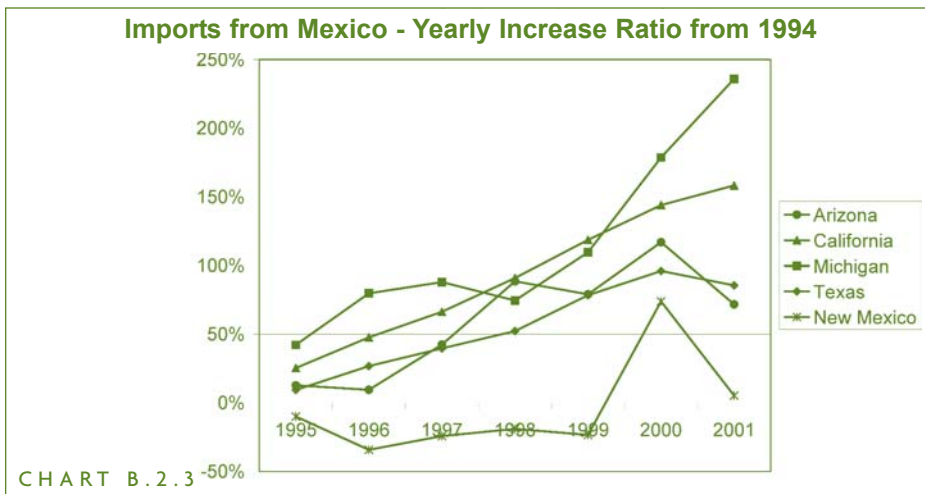


CHART B.2.3

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data.

3. ARIZONA JOBS RELATED TO EXPORT STATISTICS

University of Arizona economists last year estimated that 50,000 Arizona jobs were tied to exports to Mexico.

- In 2001, Arizona's production of goods for export to Mexico directly supported approximately 17,069 jobs. State exports to Canada directly supported an additional 6,366 jobs, for a total of over 23,435 jobs. The actual number of jobs benefiting from trade with NAFTA partners is much higher, after including jobs in transportation, banking, finance and other sectors.⁹

- Arizona exports globally to 170 countries. The state's leading markets are the NAFTA partners (Mexico with 21% and Canada with 15% of 2000 exports). The state's leading export category, computers and electronic products, accounted for \$5.1 billion, or slightly more than 50% of Arizona's total merchandise exports in 2000.

computers and electronic products, accounted for \$5.1 billion, or slightly more than 50% of Arizona's total merchandise exports in 2000.

- Arizona's export sales were \$1,948 per state resident in 2001.
- More than 111,000 Arizona jobs depend on the exports of manufactured goods.
- 3,909 companies — including 3,268 small and medium-sized businesses — export from Arizona.¹⁰
- University of Arizona economists last year estimated that 50,000 Arizona jobs were tied to exports to Mexico. Most of those exports were linked to maquiladora activity.
- More than 90,250 workers are employed by the 282 maquiladoras in the state of Sonora. About 88 of these plants are located in Nogales, while 32 are located in Agua Prieta.¹¹

More than 90,250 workers are employed by the 282 maquiladoras in the state of Sonora.

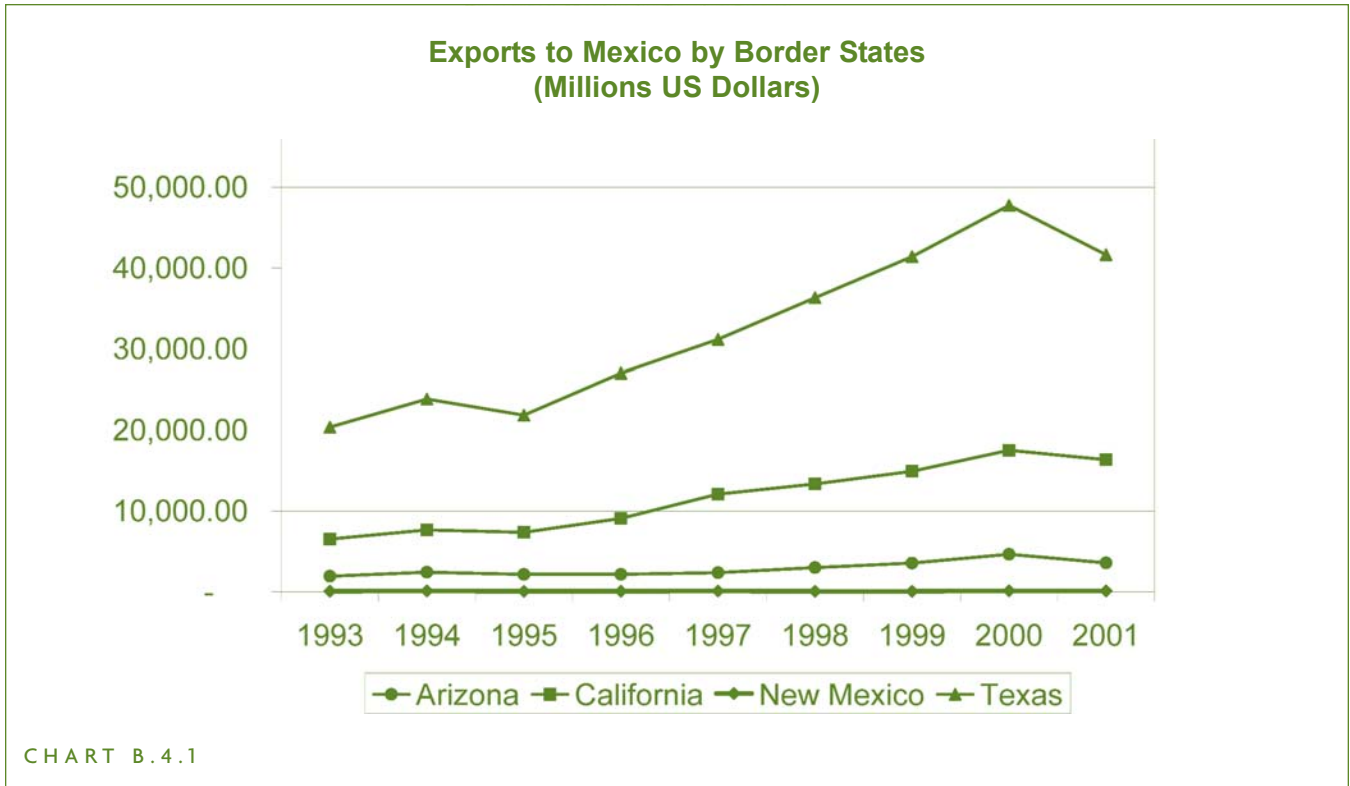
⁹ Trade Partnership, Washington DC. NAFTA Delivers for Arizona 2001. September 2002.

¹⁰ US Department of Commerce — International Trade Administration. "Arizona benefits from exports." August 2001.

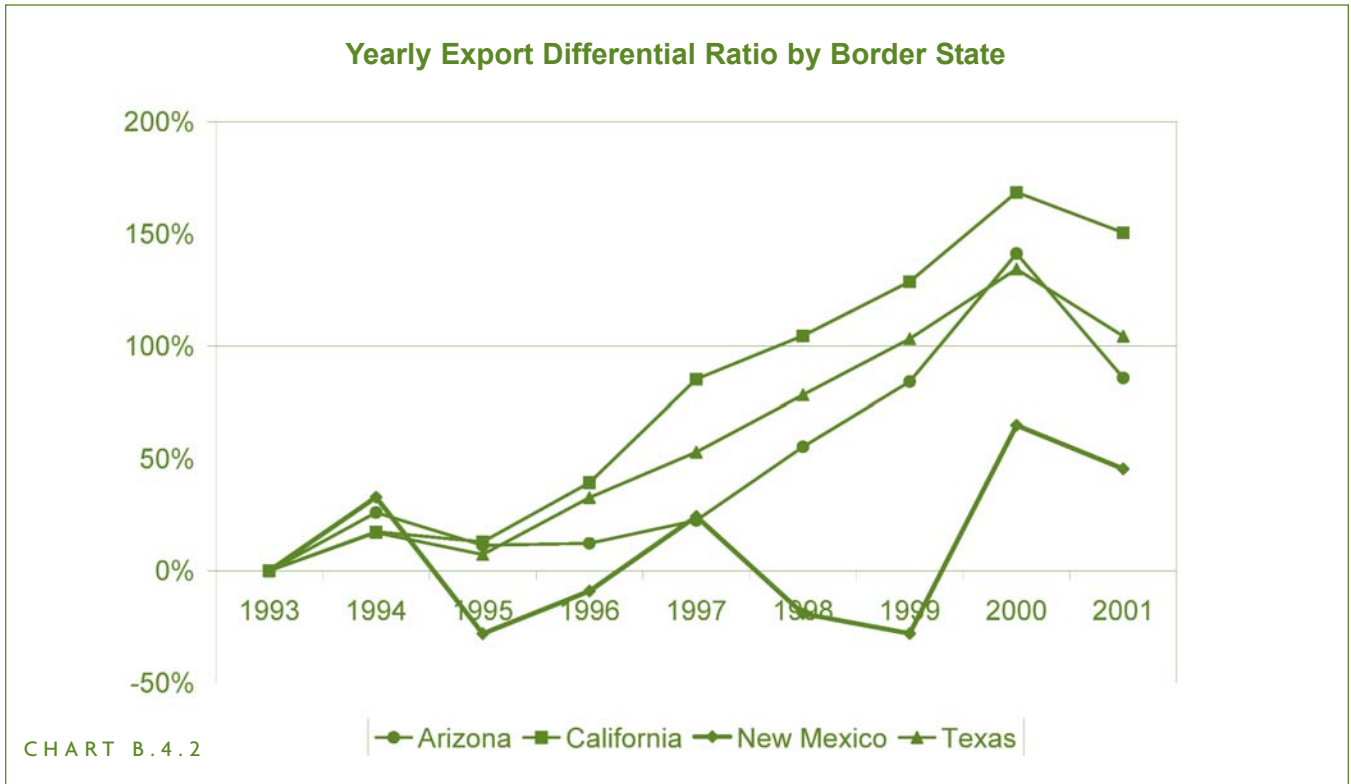
¹¹ *Arizona Daily Star*. <http://www.azstarnet.com/star200/trends3.html>

4. NAFTA TOTAL EXPORTS VIA ALL MEANS OF FREIGHT

Rank as Exporter of Goods to Mexico (2001)	Mexico Rank as Market of Goods (2001)
Arizona 4	Arizona 1
California 2	California 1
New Mexico 39	New Mexico 3
Texas 1	Texas 1

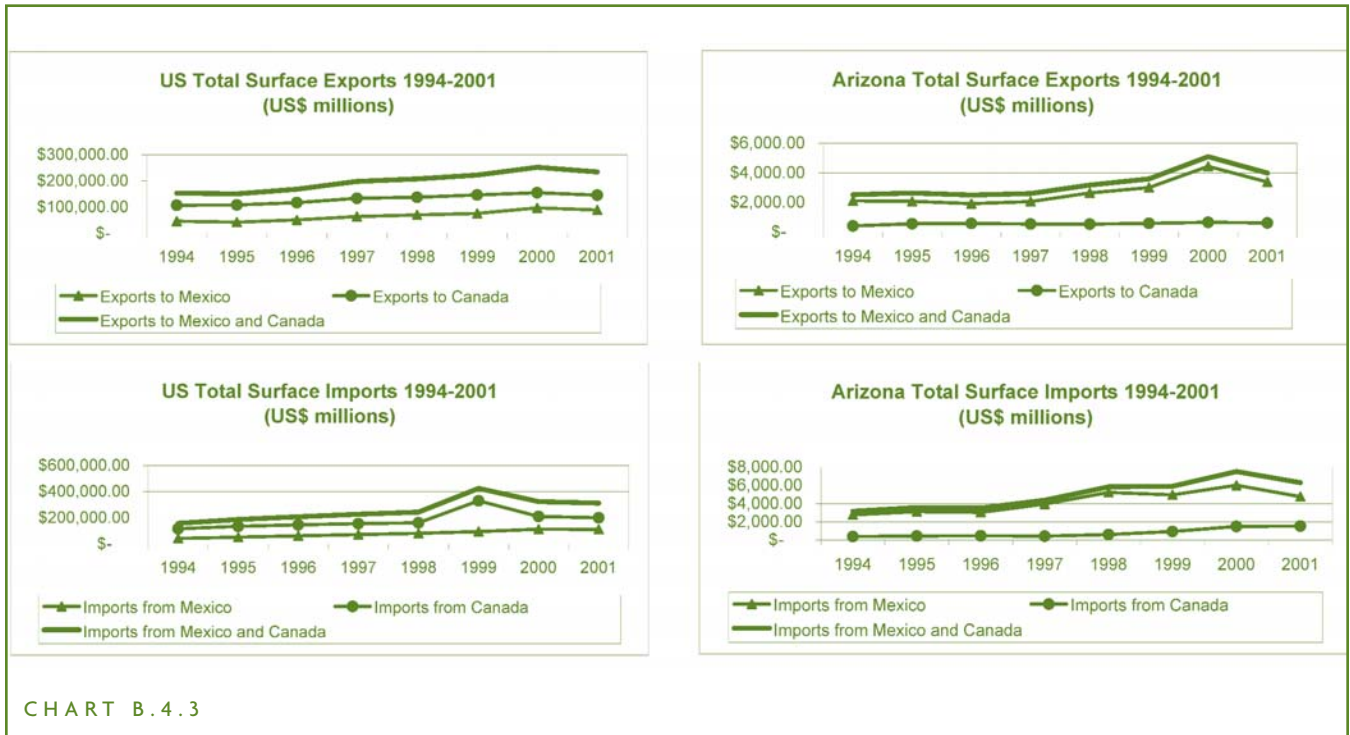


Sources: NAFTA Works for Arizona - Mexico Trade, NAFTA Works for California - Mexico Trade, NAFTA Works for New Mexico - Mexico Trade, NAFTA Works for Texas - Mexico Trade



Sources: NAFTA Works for Arizona - Mexico Trade, NAFTA Works for California - Mexico Trade, NAFTA Works for New Mexico - Mexico Trade, NAFTA Works for Texas - Mexico Trade

NAFTA TOTAL EXPORTS/IMPORTS TOTAL SURFACE MODE



Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data, NAFTA Works for Arizona-Mexico Trade

Mexico is by far Arizona’s main NAFTA partner. However, we observe that, in 2001, Arizona imports from Mexico declined significantly while imports from Canada remained stable.

5. CANAMEX CORRIDOR

“The CANAMEX Corridor is a north-south trade corridor that, when complete, will be a continuous four-lane highway from Mexico City to Edmonton, Canada. In Arizona, CANAMEX includes I-19 in Nogales to I-10 in Tucson, to Phoenix and US 93 (Phoenix) to Las Vegas.”¹²

The Canamex region includes the states of Arizona, Nevada, Utah, Idaho and Montana in the United States; the states of Sonora, Sinaloa, Nayarit, Jalisco, Guanajuato, Querétaro, Estado de Mexico, and the Federal District in Mexico; and the Canadian province of Alberta.

“CANAMEX is the only trade corridor with engaged participation by official representatives from the three countries and the contiguous states in-between.”¹³

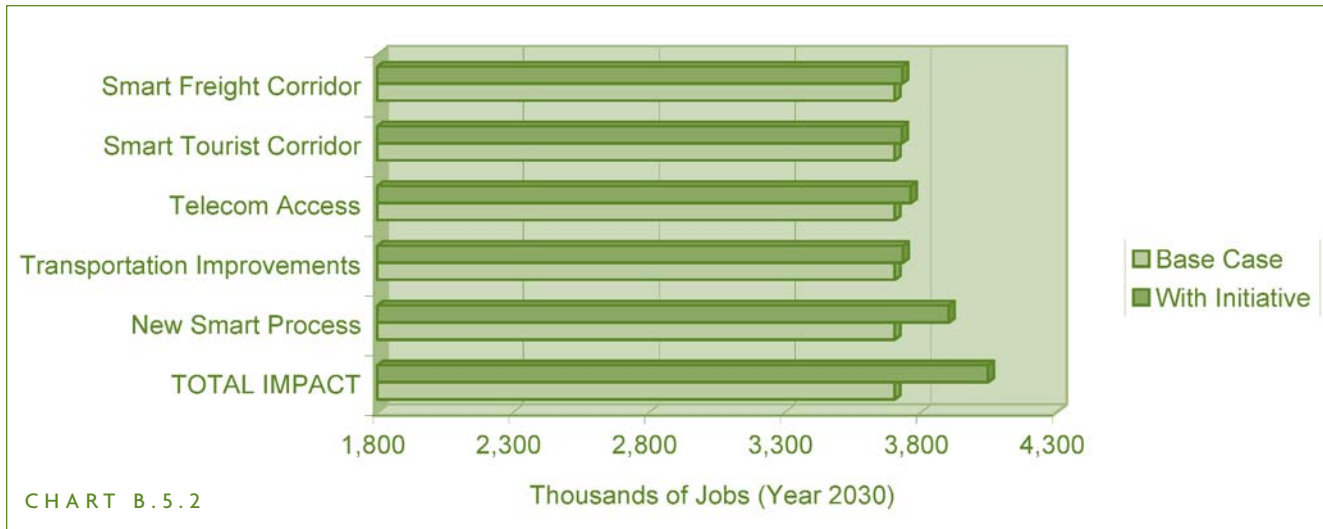
B.5.1 IMPACT OF CANAMEX INITIATIVES ON STATE OF ARIZONA

(AS MEASURED BY EMPLOYMENT IN THOUSANDS)

CANAMEX INITIATIVES	BASE CASE		WITH INITIATIVE		
			TOTAL	GAIN OVER BASE CASE	
	2000	2030	2030	NUMBER	PERCENTAGE
Smart Freight Corridor	2,675	3,704	3,732	28	0.8
Smart Tourist Corridor	2,675	3,704	3,731	27	0.7
Telecom Access	2,675	3,704	3,763	59	1.6
Transportation Improvements	2,675	3,704	3,734	30	0.8
New Smart Process	2,675	3,704	3,903	199	5.1
TOTAL IMPACT	2,675	3,704	4,047	343	9.3

¹² www.CANAMEX.org

¹³ Canamex Task Force, Office of the Governor of Arizona, Strategic Plan For Development Of The Canamex Corridor. December 2002.



Sources: <http://www.canamex.org>

STATISTICS AND TIMETABLE 2000¹⁴

\$0.25 Average hourly manufacturing wage in India and China

\$2.10 Average hourly manufacturing wage in Mexico

\$17.20 Average hourly manufacturing wage in US

70% Winter produce supplied by Mexico through Mariposa, Nogales port

7 to 12 Number of state and federal inspection agencies sharing international border compounds

2007 Completion of Hoover Dam Bypass

2007 Completion of Valley Freeway System

2007 Completion of Alberta's CANAMEX highway to four-lane divided

\$200 million Cost of Hoover Dam Bypass Construction

\$14.2 billion Projected cost of "Big Dig" in Boston

¹⁴ Source: <http://www.canamex.org>

6. TRADE BALANCE ARIZONA - MEXICO

After reaching a peak in 1998, the trade balance between Arizona and Mexico has leveled (Refer to Chart B.6.1).

The value of the trade relationship between Arizona and Mexico has been approximately US\$7.8 billion since 1998, peaking at US\$10.5 billion in 2000 (Refer to Chart B.6.2).

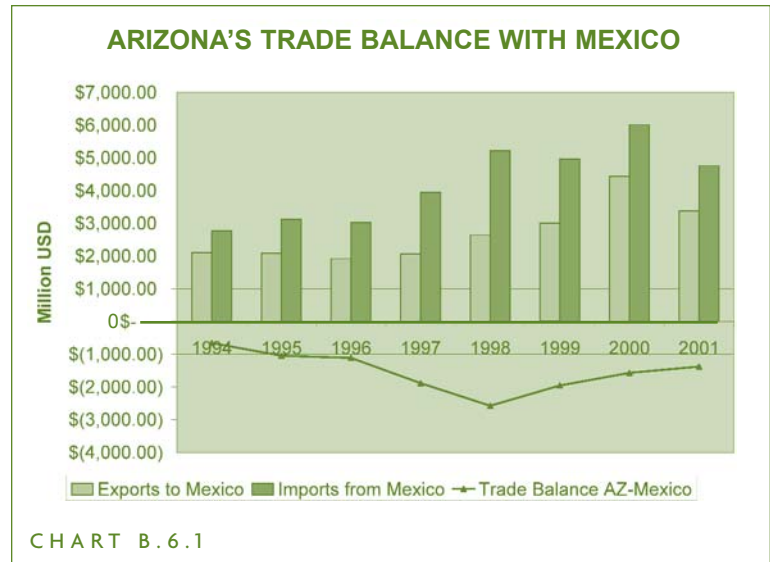


CHART B.6.1

SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data. NAFTA Works for Arizona-Mexico Trade



CHART B.6.2

SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics, Transborder Surface Freight Data. NAFTA Works for Arizona-Mexico Trade

The value of the trade relationship between Arizona and Mexico has been approximately US\$7.8 billion since 1998, peaking at US\$10.5 billion in 2000.

1. REMITTANCES

In 2002, remittances from the U.S. to Mexico totaled US\$9.81 billion, generating approximately US\$1.16 billion in revenues for the U.S. economy due to transaction costs incurred by the remitter (Refer to Chart C.1.1).

According to a survey conducted by the Pew Hispanic Center and the Multilateral Investment Fund, 45% of the Mexican immigrants in the US send remittances back to Mexico (Refer to Chart C.1.2); therefore, it is estimated that 4.14 million immigrants were responsible for the US\$9.81 billion sent. (For the purposes of this study, we have assumed that only Mexican immigrants send remittances to Mexico).

Assuming the above relationships are constant, we can conclude that out of the 464,000 Mexican immigrants, 208,800 sent remittances home (45%). This represented US\$490 million being sent from Arizona to Mexico during 2002, leaving US\$57.9 million in the state due to money-transfer fees.

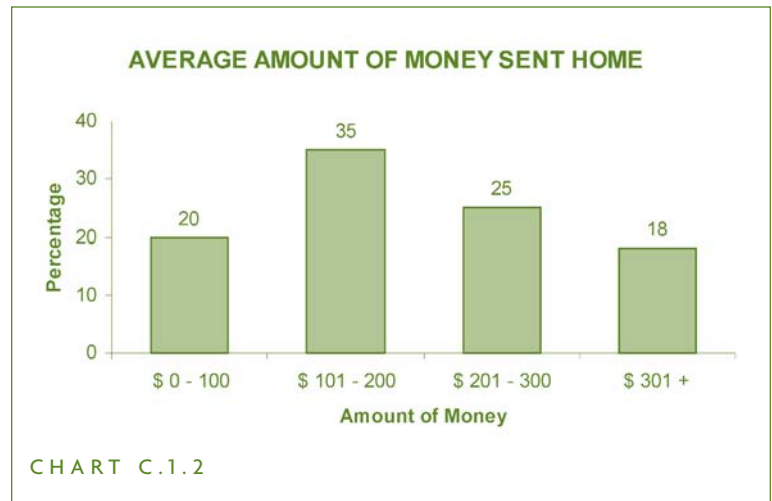
Based on the above numbers, we conclude that, on average, every immigrant sent US\$2,346 last year or US\$195 per month, paying 11.82% as an average transaction percentage cost. These numbers are in line with the findings of the *Pew Hispanic Center and the Multilateral Investment Fund*, which revealed that, on average, immigrants send US\$200 per

US\$490 million was sent from Arizona to Mexico during 2002, leaving US\$57.9 million in the state due to money-transfer fees.

	Remittances (millions)	Fees (millions)	Mexican Immigrants	Mexican Immigrants sending remittances
U.S.	9,810.0	1,160.0	9,200,000	4,140,000
AZ	490.5	57.9	464,000	208,800

CHART C.1.1

Source: The Pew Hispanic Center and the Multilateral Investment Fund / Primary



Source: The Pew Hispanic Center and the Multilateral Investment Fund / Primary

month back to Mexico.

Regarding transaction costs, we estimate an average charge of 11.82% per transaction; i.e. the cost of sending US\$1,000 to Mexico is US\$111.82. This figure is lower than the 12.5% transaction cost charged by a major money transfer service company to send an average amount of US\$200. In this respect, it is important to consider that the remittance industry works in a competitive framework. Banks have entered the market by offering alternative products to send money to Mexico at an average flat fee of US\$10. Additionally, not all remittances are sent via electronic transfers: 7% is sent via money order, and 3.3% via cash or other means. This last number includes cash in the pockets of Mexicans going home for the holidays.

2. BANK ACCOUNTS AND CREDIT CARDS

It is important to note that information to assess the value of Mexican immigrants for the banking industry, through checking, savings accounts and credit cards is not publicly available. However, some banks have moved toward offering these services at no charge by waiving their fees when accounts hold a minimum amount, usually within the range of US\$300 to US\$500. Others have moved forward by charging only for overdrafts.

According to the Pew Hispanic Center/Kaiser Foundation National Survey of Latinos, 60% of Mexican remittance senders declared having a bank account, 47% a credit card. As a result, banks are creating new products to send money home in order to attract non-bank and credit card users via remittance services.

3. REAL ESTATE IN ARIZONA

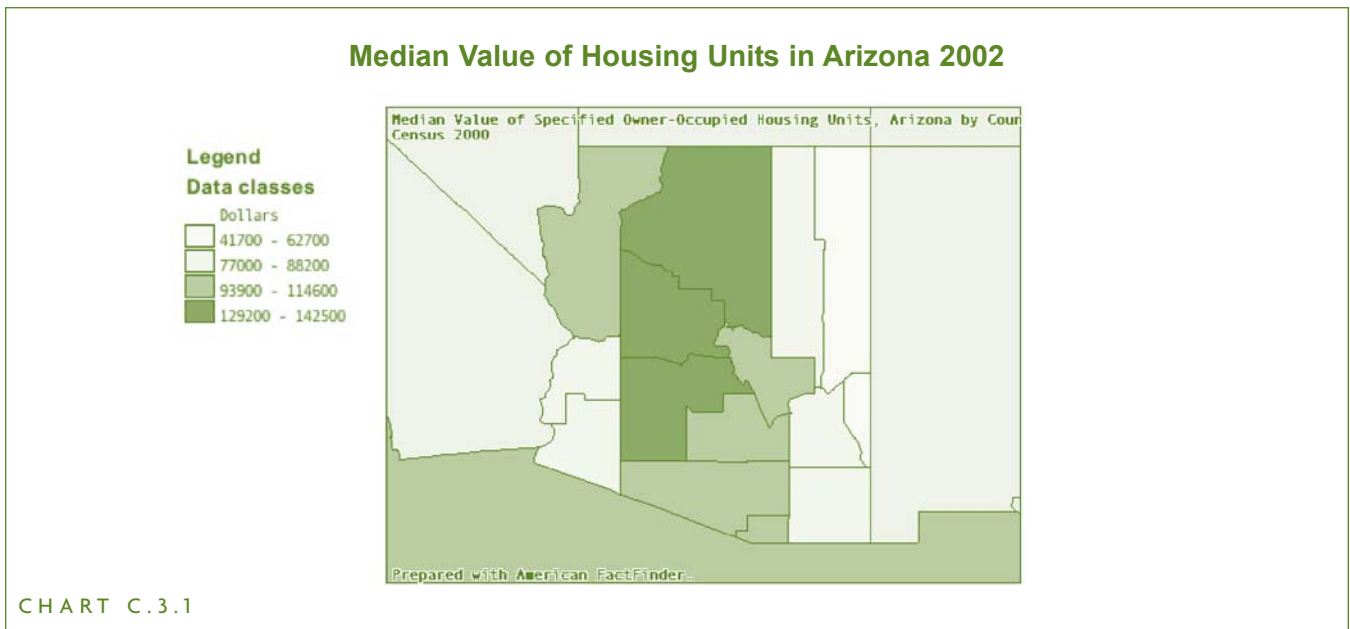
Real estate development in Arizona has shown an important increase within the last two to five years. According to the 2000 Census the state had a little over 1.9 million housing units with an average housing unit selling for US\$121,300 and renting for US\$650 per month. The City of Phoenix has a higher cost of living than the state as a whole, with average housing unit sale prices at US\$159,900 and average monthly rent at US\$704. The resulting total value of the housing market in Arizona by 2000 according to the median house unit price, reached an estimated amount of more than US\$230 billion.¹⁵

Based on the information in the 2000 US Census, the Hispanic origin population living in the state of Arizona (both Mexican and other nationalities) is 1.3 million people. The Mexican population, which includes those born in the U.S. and immigrants, totals 1 million people. Of this number, approximately 464,000 are immigrants and 600,000 were born in the US. Of these Mexican immigrants, an estimated 180,000 are documented.

¹⁵ Source: Thunderbird Research Team

Hispanic home occupancy patterns in Arizona are split, showing that more than half (57%) of this population are homeowners; with the remaining 43% renters of units. Considering that the median value of a housing unit in the state of Arizona is US\$94,025, the median monthly gross rent payment is US\$475 and that the average household size in Hispanic homes is 3.66 people we can estimate that Mexican immigrants spend close to US\$1.5 billion in mortgage payments and rent, split approximately US\$800 million on mortgage payments and US\$700 million in rent.*

**The assumption is that all undocumented Mexicans are renters.*



Source: <http://factfinder.census.gov/>

Mexican immigrants spend close to US\$1.5 billion in mortgage payments and rent.

Median Monthly Gross Rent of Housing Units in Arizona 2002

Legend
Data classes
 Dollars

- 291 - 342
- 396 - 475
- 501 - 559
- 600 - 666

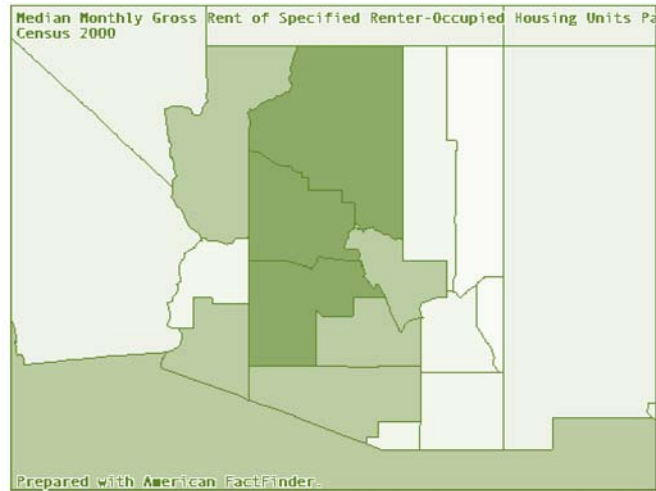
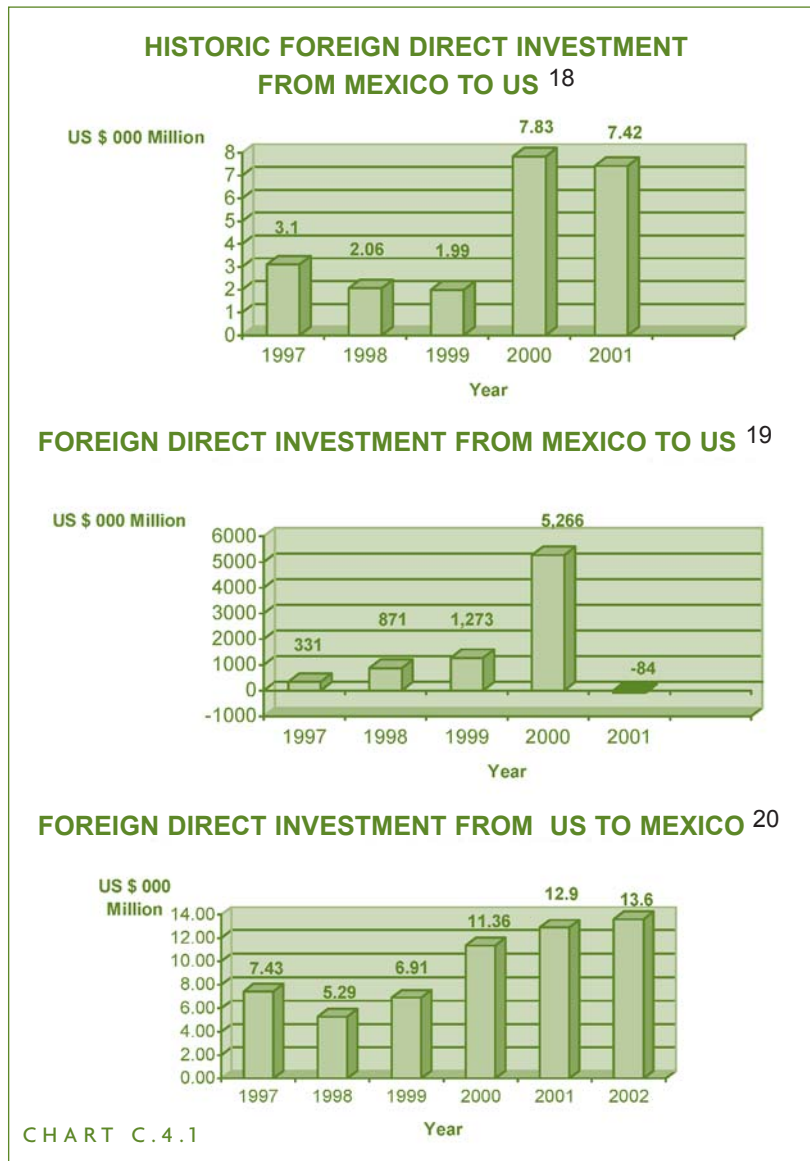


CHART C.3.2

Source: <http://factfinder.census.gov/>

4. BILATERAL MEXICO - U.S. FOREIGN DIRECT INVESTMENT

FDI flows across both sides of the border. The Mexican stock of direct investment into the US, on a historical cost basis for the year 2001 was US\$7.4 billion, according to figures published by the Bureau of Economic Analysis of the US Department of Commerce¹⁶ (Refer to Chart C.4.1). However, the flow for that year was negative US\$84 million, after a peak of US\$5.3 billion during 2000.



On the other hand, the US invested in Mexico US\$13.6 billion in 2002, 10.9% more than in 2001 (excluding the US\$12.4 billion Citigroup-Banamex acquisition in 2001), according to the Mexican Economy Ministry.¹⁷

About US\$6.6 billion of last year's total was fresh investment with US\$2.2 billion representing reinvested profits and the rest coming from transfers between companies and fixed assets imported by maquiladora (in-bond assembly) plants. Breaking down the investment by sector, manufacturing received the bulk of new investment (42.2%), followed by financial services (30.3%), transportation and communications (7.7%) and other sectors (19.8%). More than 73% of last year's inflows were from the US.

¹⁶ These figures were last updated in of July 10, 2002.

¹⁷ Further reference can be found in "Mexico Economy: FDI stayed strong last year," *Economist Intelligence Unit — Country Economic News*, March 7, 2003.

¹⁸ Information from the Bureau of Economic Analysis

¹⁹ Information from the Bureau of Economic Analysis

²⁰ Source: Secretaría de Economía México. Dirección General de Inversión Extranjera.

MEXICAN FOREIGN DIRECT INVESTMENT IN ARIZONA

There are a number of foreign companies that participate in the economy of the state of Arizona. The estimated global sales of the more relevant Mexican corporations based in Arizona and Arizona corporations based in Mexico total close to US\$15.6 billion. Some of these corporations are: ²¹

- Aci Distribution
- Asarco Incorporated
- Cemex USA
- McKinley Recycling
- Swift Transportation

ACI DISTRIBUTION

3836 W Buckeye Bldg C Phoenix AZ 85009	Industry Wholesale Construction Part of Vitro Americas Inc.
Employee range:	Worldwide 33,378 ²²
Sales range per year:	Worldwide \$3,078 million ²³

ASARCO INCORPORATED

2575 E Camelback Rd., Ste. 500 Phoenix, AZ 85016	Industry Mining Part of Grupo Mexico
Employee range:	Worldwide: 23,769 ²⁴ Arizona: 1,423 ²⁵
Sales range per year:	Worldwide: \$3,011 million ²⁶

²¹ Source: Arizona Department of Commerce

²² Hoovers Online, 2001 Vitro

²³ Hoovers Online, 2001 Vitro <http://80-www.hoovers.com.ezproxy.t-bird.edu/co/capsule/9/0,2163,47689,00.html>

²⁴ Hoovers Online, Grupo Mexico, 2001 <http://80-www.hoovers.com.ezproxy.t-bird.edu/co/capsule/5/0,2163,95095,00.html>

²⁵ Clay Alan, HR Asarco Arizona

²⁶ Hoovers Online.,Grupo Mexico, 2001 <http://80-www.hoovers.com.ezproxy.t-bird.edu/co/capsule/5/0,2163,95095,00.html>

C E M E X U S A

426 N 44th St Ste 250	Industry
Phoenix, AZ 85008-6592	Minerals and Mining
	Cement Wholesale and Manufacturing

Employee range:	Worldwide: 25,919 ²⁷
-----------------	---------------------------------

Sales range per year:	Worldwide: \$6,543 millions
-----------------------	-----------------------------

M C K I N L E Y R E C Y C L I N G

425 S 15th Ave	Industry
Phoenix, AZ 85007-3349	Wholesale scrap and recycling
	Part of Grupo Durango

Employee range:	Worldwide: 8,000 approx ²⁸
-----------------	---------------------------------------

Sales range per year:	Worldwide: more than \$1,000 million ²⁹
-----------------------	----------------------------------------------------

S W I F T T R A N S P O R T A T I O N C O , I N C .

2200 S 75th Ave	Industry
Phoenix, AZ 85043	Transportation

Employee range:	Worldwide: 20,400 approx ³⁰
-----------------	----------------------------------------

Sales range per year:	Worldwide US\$2.1 billion ³¹
-----------------------	-----------------------------------------

²⁷ Hoovers Online. Employees in 2001 <http://80-www.hoovers.com.ezproxy.t-bird.edu/co/capsule/8/0,2163,95018,00.html#KEYNUMBERS>

²⁸ Issac Rosas, Production Manager, McKinley Recycling, Tucson AZ, 505 876 2146

²⁹ Ibid

³⁰ Hoovers Online. Swift Transportation Co. Inc. 2002

³¹ Swift Transportation Co. Inc. 2001 Annual Report

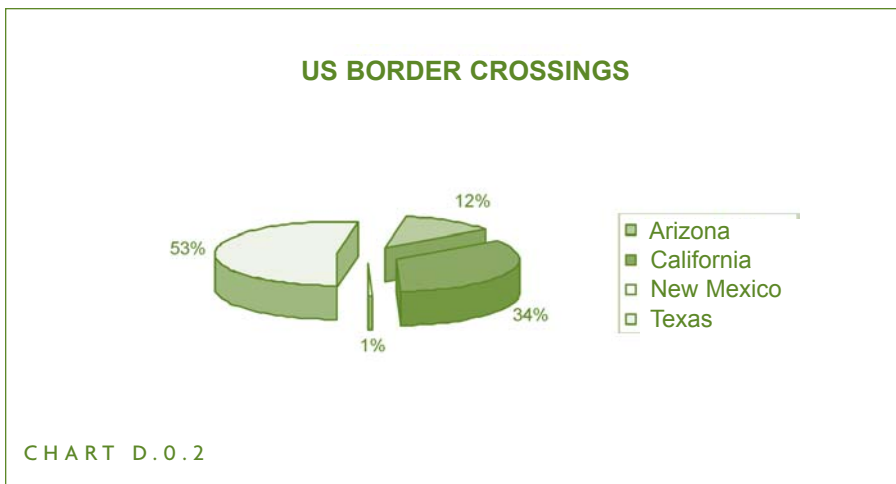
Tourism accounts for close to 6% of the US GDP generating approximately \$582 billion dollars in revenues, \$92 billion dollars in federal, state and local taxes, and approximately 18 million jobs nationwide.³² For US states bordering Mexico, tourism accounts for 5 to 8 percent of the total GDP of each state. This important revenue stream creates hundreds of thousands of jobs in each state adding to the ripple effect of consumption by tourists.

The flow of people is active across the entire border. Table D.0.1 and Chart D.0.2 show the distribution of Mexican tourists per US border state for the year 2001:

D.0.1 ENTRIES INTO THE US, US-MEXICAN BORDER 2001

ARIZONA, CALIFORNIA NEW MEXICO AND TEXAS

PORT NAME	TOTAL
Arizona	32,898,914
California	90,519,922
New Mexico	1,543,602
Texas	139,030,419
U.S. Mexico Border Total	263,992,857



Source: U.S. DOT, BTS based on data from US Customs Service, Mission Support Services, Office of Field Operations, Operations Management Database.

³² www.tinet.ita.doc.gov

Mexican tourists enter Arizona via five main means of transportation. The majority of these visitors cross the border on foot (pedestrians) followed by crossings in passenger vehicles, buses and trains. Finally, a smaller number of tourists cross the border by air.

For the purposes of this report, tourism is defined as the flow of people crossing into Arizona from the Mexican border who spend a minimum of one day in the state and return to their country of origin. Although some 2002 figures are available, this study utilizes 2001 data in order to maintain a congruent standard of the economic impact of tourism in the Arizona-Mexico relationship and to enhance comparability.



Source: Charney, Alberta H., Ph.D. and Vera K. Pavlakovich-Kochi, Ph.D. *The Economic Impacts of Mexican Visitors to Arizona: 2001*. July 2002. Economic and Business Research Program. Karl Eller College of Business and Public Administration. University of Arizona.

BALANCE OF TRADE IN TOURISM INDUSTRY

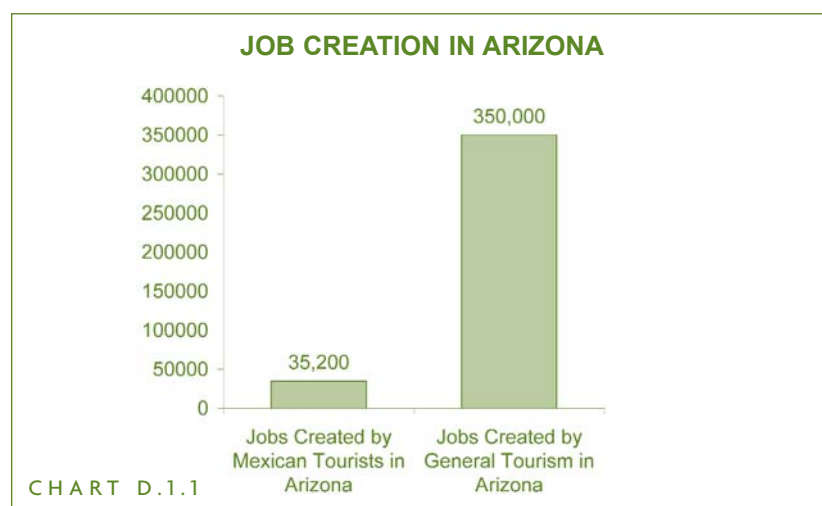
- Arizona ³³ US\$962 million in direct expenditures for the year 2001
US\$1.6 billion including direct and indirect expenditures
- Mexico ³⁴ US\$328 million in direct expenditures for the year 2001

Mexican tourists spend close to US\$1 billion dollars in the Arizona economy, while Arizona tourists spend close to US\$330 million in visits to Mexico (Refer to Chart D.0.3). The tourism industry is worth over US\$1.8 billion in the bilateral, Mexican-Arizona region. The balance shifts in favor of Arizona, given that Mexicans spend over US\$630 million more in the US than Arizonans spend in Mexico. Table D.0.4 shows the main expenditures of Mexicans in Arizona:

TABLE D.0.4 TOTAL EXPENDITURES

\$962.9 million
\$399 million department stores and other clothing and apparel
\$239.7 million in grocery stores
Average per party spending (party = 2.2 people)
Average party spends \$91.7 in Arizona
\$39 per pedestrian's party
\$99 per party for visitors entering by motor vehicles
\$1,317 per visitor party traveling by air

Source: Charney, Alberta and Vera Pavlakovich-Kochi. *The Economic Impacts of Mexican Visitors to Arizona: 2001. Economic and Business Research Program. Karl Eller College of Business and Public Administration. University of Arizona.*



Source: Charney, Alberta H., Ph.D. and Vera K. Pavlakovich-Kochi, Ph.D. *The Economic Impacts of Mexican Visitors to Arizona: 2001. July 2002. Economic and Business Research Program. Karl Eller College of Business and Public Administration. University of Arizona and Source: http://www.canamex.org/Existing_Infrastructure.pdf*

³³ Charney, Alberta and Vera Pavlakovich, *The Economic Impacts of Mexican Visitors to Arizona: 2001. Economic and Business Research Program. Karl Eller College of Business and Public Administration. University of Arizona. July 2002.*
³⁴ www.datatur.sectur.gob.mx

July 2002.

1. JOB IMPACTS IN ARIZONA

- Mexican visitor spending generates close to 35,200 jobs equal to 10% of the total jobs tourism generates. Tourism is the number one employer of the state of Arizona (Refer to Chart D.1.1).
- Mexican visitors generate \$628.4 million in wages.

“These figures include direct jobs and associated wages in retail establishments, eating and drinking places and other sectors directly serving Mexican visitors, as well as jobs and wages generated as these moneys are re-spent in the local economy.” ³⁵

Chart D.1.2 illustrates Mexican tourist expenditures in the state of Arizona.

2. TOTAL SALES IMPACT

- Mexican visitor spending generates a total of \$1.584 billion in sales.

“This amount includes direct expenditures of \$962.9 million and the ripple effect as these moneys were re-spent in the local economy.” ³⁶

Mexican visitor spending generates a total of \$1.584 billion in sales.

Lodging	12,096,000
Total Food	331,498,000
Restaurants	91,782,000
Groceries	239,717,000
Total Transportation	128,739,000
Gasoline or Auto	72,515,000
Air Travel	42,918,000
Car Rental	13,306,000
Department Stores	399,086,000
Total Medical	7,012,000
Doctors	2,449,000
Hospitals	3,611,000
Medicine	953,000
Total Business	61,480,000
All Other	22,958,000
Total	962,870,000

CHART D.1.2

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US Foreign Commercial Service

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