



## U.S. - Mexico At a Glance

### Mexico: Poverty At A Glance

January 2010

#### Mexico by Numbers

111,211,000: population of Mexico (World Factbook, July 2009)

44.2%: national poverty rate (CONEVAL 2009)

21.1%: poverty rate in Baja California Sur, Mexico's richest state (CONEVAL 2009)

76.7%: poverty rate in Chiapas, Mexico's poorest state (CONEVAL 2009)

21.7%: national school dropout rate (CONEVAL 2009)

43.9 million: number of Mexicans who lack access to basic health care (CONEVAL 2009)

23.06 million: number of Mexicans who lack access to sufficient food (CONEVAL 2009)

US\$4.45: highest daily minimum wage (2010)

#### Summary

Nearly half the population of Mexico lives in poverty. The number of Mexicans living in poverty is greater than the entire population of Colombia. The lack of economic opportunities – specifically decent jobs – for poor Mexicans is a major source of pressure for migration. Wealth in Mexico is concentrated in the capital city and in the states along the U.S. border, and these areas do not qualify for Mexico's primary poverty alleviation program, *Oportunidades*.

#### Poverty Alleviation Program: *Oportunidades*

*Oportunidades*, the Mexican government's largest **conditional cash transfer program**, has in many ways succeeded in alleviating the suffering of the rural extreme poor through improved nutrition and education. The program was initially intended to be part of a holistic approach to eradicating poverty, but the complementing economic and political reform programs were never fully implemented. As a result, the young adults graduating from *Oportunidades* find themselves healthier and better educated but still unemployed. Mexico is considering expanding *Oportunidades* into urban areas but will need to adapt it first. Some social scientists recommend the study of *Opportunities New York City*, an urbanized program modeled on *Oportunidades*.

#### New Poverty Measurements

Mexico's **overall poverty** rate is 44.2%, but the indicators show that 70% of Mexicans lack at least one of the eight basic needs identified in the new multidimensional system. The new measurements, based on a 2008 survey, show that 36 million Mexicans (33.7%) live in moderate poverty, and 11.2 million (10.5%) live in extreme poverty. According the UN's Human Development Report, 17.6% of Mexicans live below Mexico's own poverty line. In this, Mexico ranks behind Bulgaria (12.8%), Thailand (13.6%), and Kazakhstan (15.4%).

#### Minimum Wage and Inflation

Mexico's daily **minimum wages** for 2010 have increased by around 5% or two pesos to a high of MX\$57.46 (US\$4.45). At the same time, economists and secretariats are announcing increases in the price of fuel (around 25%) and tortillas (increasing by MX\$0.50). The overall basic goods basket is expected to increase by as much as 30% in 2010, leaving Mexico's working poor in dire need of expanded opportunities to earn a living.



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### Mexico's Poverty: Geographic Concentration of Wealth

Mexico's considerable wealth is not evenly **distributed** among its people. The southern region, especially the states of Chiapas, Oaxaca, and Guerrero, is by far the poorest area of the country. The northern states of Nuevo Leon, Baja California, and Coahuila, are among the richest states. The lack of opportunities to earn a living wage spurs migration – both internal and international – and exposes Mexico's poorest people to increased vulnerability and marginalization.

### GDP by State in USD, 4<sup>th</sup> quarter of 2007

