

February 10, 2010

REMITTANCES WILL BE CRITICAL TO HAITIANS The U.S. Benefits from Remittances As Well

In the weeks since a devastating earthquake hit Haiti, there has been much discussion of the impact the Haitian diaspora in the United States and the remittances they send to family members will have on the nation's recovery. According to Kristin Johnson, Ph.D., author of the IPC report, *[Many Happy Returns—Remittances and their Impact: How Money Sent Home by Migrant Workers Helps the American Economy](#)*, the remittances Haitians receive will be extremely important to their recovery process. Furthermore, the money that leaves the U.S. in the form of remittances will be used by Haitians to purchase U.S. exports. Over half of Haiti's imports originate in the U.S., and the states with the most Haitian immigrants also have large export markets in Haiti. In this way, the remittances that immigrants in the U.S. send abroad have a positive impact on the U.S. economy and trade.

There are approximately 535,000 Haitians living in the U.S.

- Florida has the largest Haitian population -- 46.4% of Haitians in the U.S. live in Florida. 24.1% live in New York; 7.6% live in New Jersey, and 7.1% live in Massachusetts.

Haitians remittances to family members in Haiti constitute a significant part of the Haitian economy.

- Haitians in the U.S. have maintained ties to their families in Haiti, and the Haitian economy has become increasingly reliant on money sent by Haitians living abroad. Approximately one in five households in Haiti receives remittances.
- According to Haiti's Central Bank, Haitians send approximately \$1 billion per year to Haiti, which is more than a quarter of the country's GDP. Remittances are an increasingly important source of income to Haitians; total remittances are larger than the total annual foreign direct investment and annual revenue from exports.

Impoverished Haitian families use remittances for basic everyday needs.

- The majority of Haitians who receive remittances are very poor. The World Bank found that 55% of remittance-receiving households do not have any other income.¹

- Remittances sent to Haiti are largely spent on the provision of basic needs: housing, food, clothing, and medicine. A survey conducted as part of a World Bank study found that remittances recipients primarily used remittance income to purchase food and household goods.²

Haitian remittances are used to purchase goods from the U.S.

- The US has a positive trade balance with Haiti, indicating that Haiti purchases more imports from the U.S. than it exports to the US. Between 1990 and 2009, between 50-60% of imports into Haiti originated in the United States.
- Rice, wheat, and meat products comprise the largest dollar amounts in terms of exported goods.
- Florida has both the largest Haitian born population in the United States and the largest share of Haiti's export market. In 2008, nearly 24% of Haiti's exports from the United States came from Florida. Haiti was Florida's 37th largest export market in 2008, ranging in value from 34th to 37th between 2000 and 2008, with the 2004 dollar value of these exports reaching \$223,241,000.³
- New York ranks 6th in total US state exports to Haiti, realizing \$34,677,000 in exports to Haiti in 2008.⁴
- New Jersey is 10th largest state exporter to Haiti, with \$22,157,000 in export revenues.⁵
- Massachusetts ranks 22nd in state exports to Haiti, with \$3,550,000 in export revenue.⁶

Endnotes

¹ Orozaco, Manuel. 2006. *Understanding the Remittance Economy*. World Bank. March 15, 2006. <http://isim.georgetown.edu/Publications/RCRCCPubs/Orozco/Understanding%20the%20remittance%20economy%20in%20Haiti.pdf>.

² Ibid.

³ Data are from Florida's Export Markets. 2009. US Department of Commerce and MBG Services.

http://www.uscc.gov/trade_data_and_analyses/state_local_economic/2005/C%20Florida%27s%20Export%20Markets.pdf and

The Foreign Trade Division, US Census Bureau 2010.

<http://tse.export.gov/MapFrameset.aspx?MapPage=SEMapStateDisplay.aspx&UniqueURL=0jul0245nw0dtz55m1t4koiq-2010-1-27-8-15-30>

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.