

Migration and Household Finance: A Different Framing

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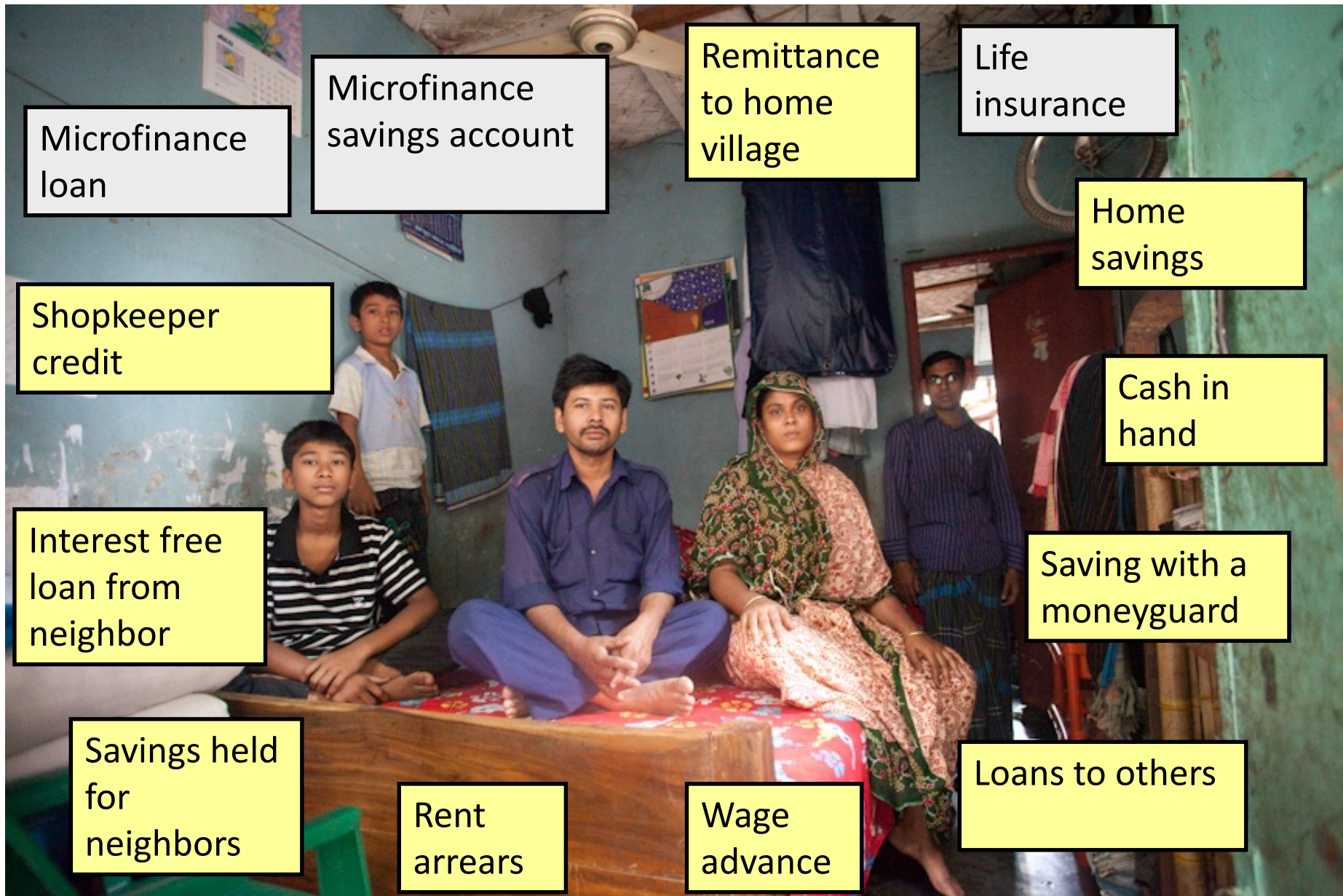
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Household Finance



Microfinance loan

Microfinance savings account

Remittance to home village

Life insurance

Home savings

Shopkeeper credit

Cash in hand

Interest free loan from neighbor

Saving with a moneyguard

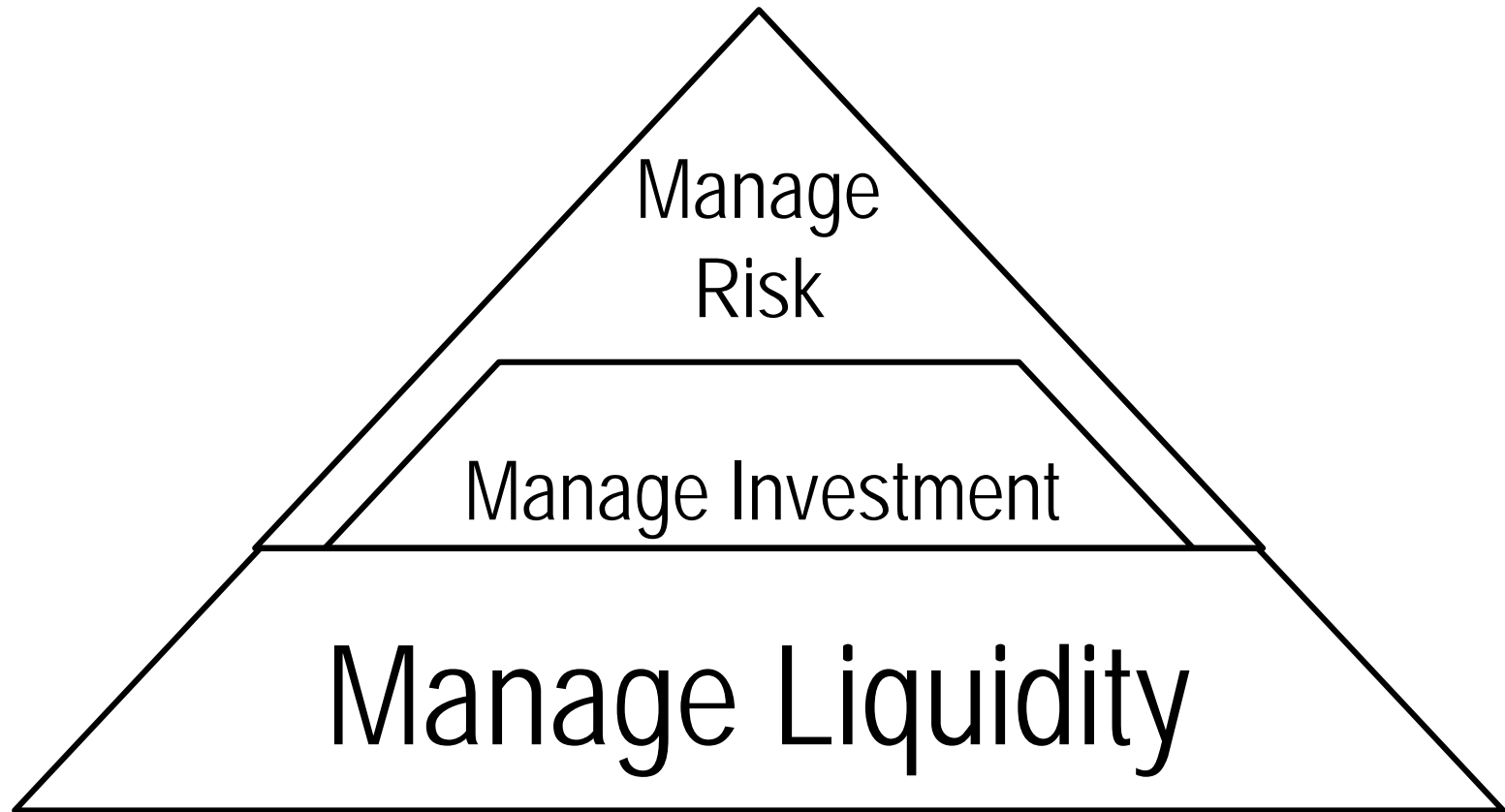
Savings held for neighbors

Rent arrears

Wage advance

Loans to others

Household Finance



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Financial Services and Products

- Credit
- Savings
- Insurance
- Migration

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When is Income not Income?

- Home production
- Employee in small firm across town
- Employee in multinational firm with client in another country
- Employee in multinational firm working in another country
- Employee temporarily relocates to perform job in another country
- <https://youtu.be/YIVKAPRjSw0>

Better Questions

- What limits the amount migrants remit?
- How can financial development facilitate remittances?
- What are the true costs and risks of migration and how can they be reduced/mitigated?
- How can more families invest in migration?

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Better Questions

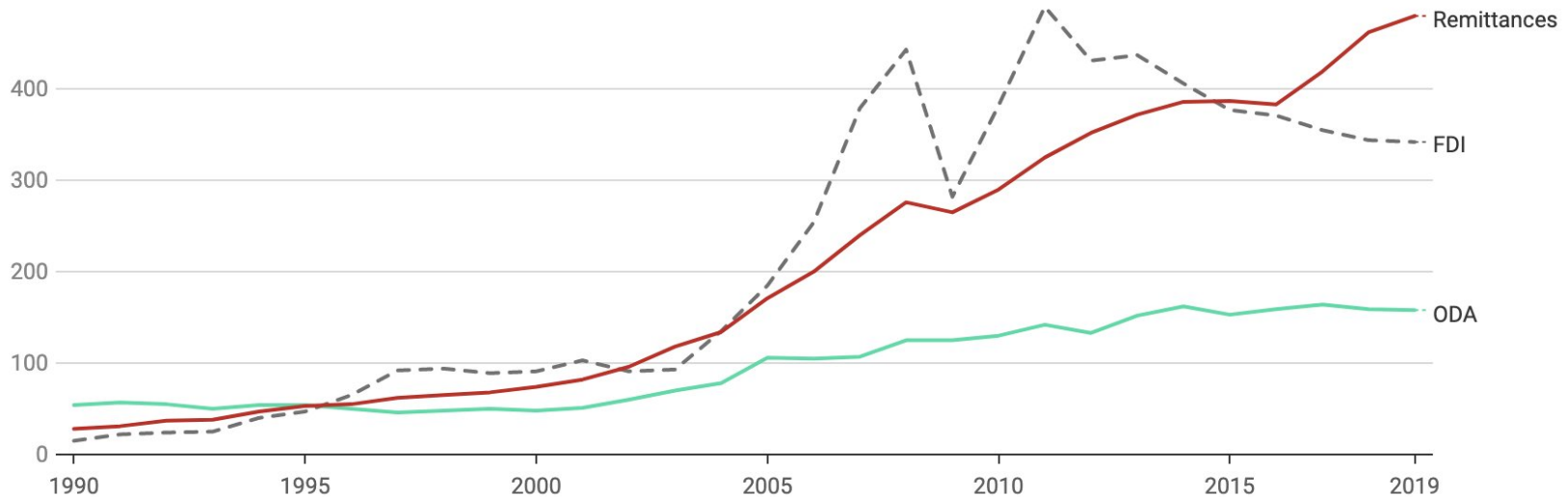
	If remittances are a ...	
Topic:	... <i>windfall</i>	... <i>return on investment</i>
<i>Investment</i>	<p>Do migrant families invest remittances?</p> <p>How can policy get migrants to invest remittances?</p> <p>Do migrant families become dependent on remittances?</p> <p>What do families sacrifice to engage in migration?</p> <p>What can be done so families need remittances less?</p>	<p>How can more families invest in migration?</p> <p>How can policy reduce barriers to all kinds of investment?</p> <p>Can families now earn decent income without remittances?</p> <p>What do families sacrifice when they cannot migrate?</p> <p>What limits the amount migrants remit to their families?</p>
<i>Payments</i>	Do remittances cause financial development?	How can financial development facilitate remittances?
<i>Taxation</i>	What is the right tax on remittances?	What is the right subsidy/tax on the migration investment?
<i>Insurance</i>	Do remittances help insure against shocks?	How can more families use migration to recover from shocks?

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The Great Reverse Migration

Remittance flows to Low- and Middle-Income countries (excluding China) are now larger than FDI and Development Assistance



FDI = foreign direct investment. ODA = Official Development Assistance; Data for 2018 are estimates and data for 2019 are forecasts

Source: [Global Knowledge Partnership on Migration and Development \(KNOMAD\)](#)

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