Temporary Protected Status Is Critical To Tackling the Root Causes of Migration in the Americas

Remittances From TPS Holders Improve the Lives of Families Abroad

By Silva Mathema and Joel Martinez  
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“I’ve been sending my mom money since I arrived in this country 20 years ago,” said Jesus Perlera, from El Salvador, in an interview with The New York Times, adding that he will not stop helping his mother and disabled brother even if his earnings fall.¹

Remittances, or money immigrants send to their families back home, can be instrumental in lifting their families out of poverty; spurring investment in education, health care, entrepreneurial activities; and even affecting their decision to migrate. Research shows that remittances play a significant role in Latin American countries.² For example, remittances make up anywhere from 14 to 24 percent of the gross domestic product (GDP) in countries such as Honduras, Guatemala, and El Salvador—also known as the Northern Triangle of Central America—with most remittances coming from individuals in the United States.³ Furthermore, remittances to Latin American countries are substantially larger than foreign aid and go directly to people, allowing them to spend on what they need most.⁴ It is no surprise, then, that remittances serve as a lifeline for many families in the region who have come to rely on this source of income to pay for basic needs, ranging from food and medicine to education and health care.

There is intense pressure for people in Central America to migrate north, with communities threatened by gang violence, food insecurity, political instability, and more frequent and catastrophic natural disasters that are only likely to get worse every year as a result of climate change.

Vice President Kamala Harris has been tasked by President Joe Biden to work with El Salvador, Guatemala, Honduras, and Mexico to address the root causes of migration. While the administration pursues different strategies to bring stability in the region, it should not overlook the power of remittances in improving the lives of people. Instead, the administration should view remittances, along with foreign aid
and targeted programs, as an important part of an overall strategy to deal with these migration pressures. Existing policy options—such as designating eligible countries for Temporary Protected Status (TPS), which would boost remittances to these countries—should also be considered for the advantages they provide.

In 2020, the devastation caused by twin hurricanes Eta and Iota in some Central American countries met the statutory requirements for granting TPS. In December of that year, the Center for American Progress called on the incoming Biden administration to exercise its authority to designate, or redesignate, TPS for the affected countries: El Salvador, Honduras, Guatemala, and Nicaragua. However, the administration has yet to act on this issue.

It is not a novel strategy to grant TPS to help improve living conditions and boost economic situations in affected countries. When designating Haiti for TPS after the 2010 earthquake, the United States acknowledged that it had sought to “leverage the power of remittances in enabling economic growth in Haiti.” With TPS, thousands of Haitians in the United States can work and send money back home quickly. Dilip Ratha, head of the Global Knowledge Partnership on Migration and Development (KNOMAD) and lead economist for Migration and Remittances at the World Bank, estimated at the time that if Haiti were designated for TPS and extended, more than a billion dollars in remittances would flow into the country over three years. As of March 2021, there were approximately 320,000 immigrants in the United States from 10 countries who have TPS; among this pool of immigrants, nearly 95 percent are from El Salvador, Honduras, and Haiti. Recently, six countries received new designations or redesignations—Burma, Haiti, Somalia, Syria, Venezuela, and Yemen—and, together, there are an estimated 481,980 new individuals eligible to apply for the TPS status.

Since TPS designations allow recipients to apply for work permits, they give immigrants an opportunity to find stable jobs, make substantial contributions to the United States, and help their families in their home countries. CAP recently estimated that in the United States, TPS holders from El Salvador, Honduras, and Haiti—the three countries with the most recipients—pay $2.3 billion in federal taxes and $1.3 billion in state and local taxes annually, with more than $10.1 billion in spending power.
**TABLE 1**

Number of individuals with Temporary Protected Status (TPS) and those eligible under new or redesignations, by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Most recent decision on TPS</th>
<th>Continuously resided in the US since</th>
<th>Expiration date of TPS</th>
<th>Number of individuals with TPS</th>
<th>Number of individuals eligible under new or redesignations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burma</td>
<td>New designation</td>
<td>March 11, 2021</td>
<td>November 25, 2022</td>
<td>N/A</td>
<td>1,600</td>
</tr>
<tr>
<td>El Salvador</td>
<td>Extension</td>
<td>February 13, 2001</td>
<td>December 31, 2022</td>
<td>198,420</td>
<td>N/A</td>
</tr>
<tr>
<td>Haiti (2010)</td>
<td>Extension</td>
<td>January 12, 2010</td>
<td>December 31, 2022</td>
<td>40,865</td>
<td>N/A</td>
</tr>
<tr>
<td>Haiti (2021)</td>
<td>New designation</td>
<td>July 29, 2021</td>
<td>February 3, 2023</td>
<td>N/A</td>
<td>155,000</td>
</tr>
<tr>
<td>Honduras</td>
<td>Extension</td>
<td>December 30, 1998</td>
<td>December 31, 2022</td>
<td>60,350</td>
<td>N/A</td>
</tr>
<tr>
<td>Nepal</td>
<td>Extension</td>
<td>June 24, 2015</td>
<td>December 31, 2022</td>
<td>10,160</td>
<td>N/A</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Extension</td>
<td>December 30, 1998</td>
<td>December 31, 2022</td>
<td>3,200</td>
<td>N/A</td>
</tr>
<tr>
<td>Somalia</td>
<td>Extension and redesignation</td>
<td>July 19, 2021</td>
<td>March 17, 2023</td>
<td>385</td>
<td>100</td>
</tr>
<tr>
<td>South Sudan</td>
<td>Extension</td>
<td>January 25, 2016</td>
<td>May 2, 2022</td>
<td>80</td>
<td>N/A</td>
</tr>
<tr>
<td>Sudan</td>
<td>Extension</td>
<td>January 9, 2013</td>
<td>December 31, 2022</td>
<td>550</td>
<td>N/A</td>
</tr>
<tr>
<td>Syria</td>
<td>Extension and redesignation</td>
<td>March 19, 2021</td>
<td>September 30, 2022</td>
<td>3,945</td>
<td>1,800</td>
</tr>
<tr>
<td>Venezuela</td>
<td>New designation</td>
<td>March 8, 2021</td>
<td>September 9, 2022</td>
<td>N/A</td>
<td>323,000</td>
</tr>
<tr>
<td>Yemen</td>
<td>Extension and redesignation</td>
<td>July 5, 2021</td>
<td>March 3, 2023</td>
<td>1,385</td>
<td>480</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>319,465</strong></td>
<td><strong>481,980</strong></td>
</tr>
</tbody>
</table>

Notes: “Continuously resided in the US since” represents the date from which individuals are required to have continuously maintained a permanent dwelling place in the United States in order to qualify for TPS, as indicated by the most recent TPS designation. As the Congressional Research Service notes, the data on the number of people with TPS are from U.S. Citizenship and Immigration Services and include the total number of people whose TPS applications have been approved as of March 11, 2021, and approved individuals who have left the country or died but exclude those who obtained legal permanent status or U.S. citizenship and who are eligible to receive TPS. The number of TPS holders may not sum to total due to rounding.


New designations and redesignations of countries that clearly meet the conditions for TPS will help prevent countries that are already facing severe issues from experiencing further destabilization. With TPS designations, these countries would not have to integrate hundreds of thousands of people coming back home and would likely see more remittances from newly minted TPS holders who are working and getting better jobs. These remittances can be a significant source of income for families in troubled situations made worse by temporary and devastating conditions. Furthermore, a CAP study shows there is empirical evidence that TPS is not a driver of irregular migration to the United States. The issues facing the Central American region require a multifaceted response, and designating and redesignating countries for TPS should be part of this strategy.
While this issue brief focuses on Central America, the arguments are equally true for other countries in need of TPS in Africa and Asia.

Pressures for migration in the Americas and current U.S. responses

As the Biden-Harris administration continues to try to manage the migration challenges at the U.S. southern border, it is also working well beyond the border to attempt to address the underlying drivers of migration in the Americas. Failed governance, inadequate health care, lack of access to proper education, scarce economic opportunities, weak justice systems, and citizen insecurity are often among the root causes that force people to leave their homes out of desperation—particularly from the Northern Triangle countries of Central America. Although the United States has traditionally provided significant resources to support the region’s development through economic prosperity and security initiatives—critical initiatives that were gutted under the previous administration—such support has produced mixed results and has been incommensurate to the scale of the challenge. For example, the United States provided Guatemala with more than $1.6 billion in aid over the past 10 years, yet poverty rates have risen, malnutrition persists throughout the country, corruption remains rampant, and more unaccompanied children come to the United States from Guatemala than from anywhere else in the world.

Moving forward, any attempts to effectively address the drivers of migration in the Americas must also consider acute factors—such as severe food insecurity and devastated livelihoods due to drought, irregular rainfall, and more frequent and catastrophic natural disasters, along with the impact of the COVID-19 pandemic. In recent years, the slow onset effects of climate change have dramatically shifted migration flows in the region, unsettling regional politics and testing the capacity and political will of governments to address the large-scale dislocations of people. This has been particularly felt in Central America’s “dry corridor,” which has become one of the most susceptible regions in the world to climate change-related weather variability.

For example, two back-to-back Category 4 hurricanes—Eta and Iota—hit Central America in November 2020, bringing with them high winds, landslides, mudslides, and flooding. An estimated 6.8 million people were affected and hundreds of thousands of people were displaced from their home communities. Families lost their homes, belongings, and livelihoods, making the prospect of seeking refuge or better opportunities abroad that much more of a necessity. In the aftermath of Eta and Iota, the U.S. government provided humanitarian and financial assistance, along with logistical support, to aid recovery and rebuilding efforts across the region. However, such a response is not enough considering that the
devastating impacts of natural disasters are not new to Central America; the Biden administration must also consider designating or redesignating the affected countries—El Salvador, Honduras, Nicaragua, and Guatemala—for TPS.\(^9\)

TPS has long been used as a humanitarian solution for people living in the United States who were unable to return to their home countries due to unprecedented situations. For example, 1998’s Hurricane Mitch, the second-deadliest hurricane ever recorded in the Atlantic, left more than 11,000 people dead and caused more than $5 billion in damages in the region—sweeping mainly through Honduras and Nicaragua.\(^0\) The United States granted TPS to Honduran and Nicaraguan nationals in the United States on the grounds that their countries were temporarily unable to accept the return of any nationals.\(^1\)

To date, the Biden-Harris administration, understanding the need to address both root causes and acute factors in its approach to manage migration in the Americas, has rightfully placed this challenge as a priority, with Vice President Harris leading efforts both at home and in the region.\(^2\) For example, in addition to a broader $4 billion aid package toward addressing root causes, the vice president recently announced $310 million in increased assistance to get at the acute factors forcing people out of Guatemala, Honduras, and El Salvador; $115 million in cooperation aid was also granted to El Salvador to help them manage the challenge.\(^3\)

The efforts of the Biden-Harris administration are a step in the right direction, and while it is essential to continue funding citizen security and economic prosperity initiatives in the region in order to improve on-the-ground conditions for Central Americans, U.S. policymakers must also continue to consider how the slow onset effects of climate change will influence migration outflows from the Americas going forward. Traditional U.S. foreign assistance will not be a cure-all solution to the challenges facing the region; however, U.S. policymakers have an opportunity to mitigate migration pressures through principled, well-resourced, and coordinated efforts that actively seek to enhance partner capacity and accommodate migrant flows both in the United States and throughout the Americas. CAP has previously advocated for the U.S. government to support a regional approach to migration that allows for the fair, safe, and humane movement of people in the Americas and that upholds legal obligations to refugees seeking asylum in the United States.\(^4\)

TPS should also have a larger role among the policy tools in the overall U.S. strategy to help tackle both root and acute causes of migration in the Central American region. TPS-designated countries gain from billions of dollars in remittances, which are known to alleviate some of the same issues that force people to leave their homes in the first place.
Remittances have a large economic impact on Central American countries

While providing strategic foreign aid and funding effective programs are important strategies to improve the lives of people in the Central American region, the foreign aid the United States sends to the Northern Triangle countries pales in comparison to the remittances received by those countries. Remittances have a significant impact on the economies of Central American nations and make up a high share of their GDP. For example, according to a report by Manuel Orozco, director of the Center for Migration and Economic Stabilization and an expert in remittances, citizens abroad sent a total of $24.5 billion in remittances to just four countries in the Central American region in 2020; this made up 24 percent of the GDP in Honduras, 23 percent of the GDP in El Salvador, and 14 percent of the GDP in both Guatemala and Nicaragua. In addition, about 90 percent of the remittances to El Salvador and Guatemala and 80 percent sent to Honduras in 2020 came from the United States.

As a result of the COVID-19 crisis, remittances to El Salvador from the United States dropped by 40 percent early on in the pandemic, but then climbed back up to a record-high of $5.92 billion by the end of 2020—approximately 4.8 percent higher than the 2019 figure. In comparison, the United States sent slightly more than half a billion in official development assistance to El Salvador, Guatemala, Honduras, and Nicaragua in 2019—way less than the nearly $20 billion in remittances sent that year. Remittances from the United States to these countries are an important source of international funds that complement other types of foreign aid and go directly to people’s pockets, rather than through other government or nongovernmental channels.

Approximately 200,000 Salvadorans and 60,000 Hondurans have TPS currently, making up 80 percent of total TPS holders in the United States. This is about 14 percent of the 1.4 million foreign-born Salvadorans and 8 percent of the 745,838 foreign-born Hondurans in the United States. According to a 2017 survey of Salvadoran and Honduran TPS holders—conducted by the University of Kansas’ Center for Migration Research—these individuals have exceptionally high labor force participation rates, with nearly 90 percent reporting that they were employed. In comparison, the U.S. Bureau of Labor Statistics estimates that the average civilian labor force participation rate in 2017 was 62.9 percent, with a slightly higher 66 percent labor force participation rate for the foreign-born population.

The high levels of labor participation among TPS holders may mean that more people are able to send money back home to support their families. Among the respondents of the 2017 survey, 77 percent of TPS holders sent an average of 9.5 percent of their monthly earnings back home. Another recent study on El Salvador reported that Salvadorans with TPS send 6 percent more funds back than do
undocumented workers, and their transfers were estimated to be $620 million per year. This difference in remittances may be attributable to the increase in income that immigrants experience after they get work authorization.

The money received by families back home can have major impacts on their day-to-day lives, from providing economic stability to helping them afford basic services such as education and health care. Research on their macroeconomic impact find that, while differences among countries exist, remittances reduce poverty, lower income inequality, and boost economic growth in the receiving countries. For example, a 2005 study found that a 10 percent increase in per capita official international remittances leads to a 3.5 percent decline in the share of people living in poverty. Another study found that remittances in Latin American and Caribbean countries have decreased poverty and inequality and increased growth. Poverty is one of the main reasons people decide to migrate, along with the existence of large diasporas in the host country; better access to health care systems; and the ability to send back money to insure against uncertainties at home. In addition, results from two surveys of Hondurans and Guatemalans find that not receiving remittances increases the probability of migration. These findings suggest that remittances could be a sustainable source of income for many and could potentially be a factor that prevents them from leaving their homes.

Remittances are a lifeline for communities across TPS-designated countries

Remittances from TPS holders often serve as a lifeline for their families back home. This source of funding is protected from the ups and downs of personal circumstances or larger country situations, and most importantly, it does not go through government channels; recipients are free to use this cash in ways that best meet their needs.

Indeed, some communities are so heavily reliant on remittances from the United States as a source of income that slight changes in U.S. immigration policy can directly affect recipients’ ability to buy food or send their kids to school. For example, Intipucá is a small town in El Salvador that relies heavily on remittances. According to a report by Al-Jazeera, almost half of the town’s population was living in the United States and sending family members money to pay for medicine and school and to invest in development projects. When the Trump administration indicated that it was ending TPS for El Salvador, a sense of panic spread through the town. The mayor of Intipucá expressed that even a small decrease in remittances could have a major negative impact on school enrollment, cultural programs, and small businesses; he added that the town could not handle returnees if too many people were forced to come back home. His fears were not unfounded: Moody’s reported that almost 20 percent of the $5 billion sent to El Salvador last year was sent by TPS holders.
In another example, NPR reported that after a 2001 earthquake hit El Salvador, people such as Edyt Mendoza de Urqilla and their families, who were already struggling, lost their homes. But since the United States granted TPS to Salvadorans already living in the country, Mendoza de Urqilla’s eldest son was able to get TPS and work authorization and can now send money back home to help his family. With that money, Mendoza de Urqilla rebuilt her house and paid off her debts. With her husband now retired, the monthly money that her son sends has been keeping the family afloat.

Even as the COVID-19 pandemic brought on economic challenges for people everywhere, remittances have defied the grim prediction of economists and have rebounded as immigrants continue to provide support for their struggling families back home. Jesus Perlera, for example, supported his mother in El Salvador even when his income decreased due to the pandemic. He remarked, “If I don’t support her, how will she eat?”

Stories like these are many. They illustrate the potential that remittances may have to help families who are facing multidimensional challenges in not just countries in Central America but all over the world.

Conclusion

The Biden-Harris administration has rightly renewed the United States’ commitment to tackle the root and acute causes of migration, especially in Central American countries. As it continues to address this issue, the administration should view TPS as yet another tool to add to its overall strategy. The contributions of TPS holders to the U.S. economy are well-documented, and research shows that these contributions have far-reaching consequences beyond the United States. Indeed, much of these remittances end up going to those immigrants’ families in Central American countries.

In addition to using TPS designations for eligible countries to protect those nationals residing in the United States and help those countries stay stable during challenging times, the U.S. government should also consider the additional, undeniable advantages of granting TPS that comes from remittances TPS holders send directly to their families. Through remittances, TPS holders can help families meet their basic needs, fund recovery efforts, and build economic security.

Silva Mathema is an associate director for policy on the Immigration Policy team at the Center for American Progress. Joel Martinez is the Mexico policy analyst for National Security and International Policy at the Center.
Endnotes


4 Fajnzylber and López, “The Development Impact of Remittances in Latin America.”


19 Mathema and Jawetz, “TPS Can Promote Stability and Recovery for Central American Countries Hit by Recent Hurricanes.”


21 Wilson, “Temporary Protected Status and Deferred Enforced Departure.”


29 Wilson, “Temporary Protected Status and Deferred Enforced Departure.”


38 Orozco, “Migration, the Economy and Remittances in Central America.”


40 Ibid.

41 Ibid.


43 Jordan, “Even When They Lost Their Jobs, Immigrants Sent Money Home.”