


Deep Dive: Remittances (ft. Majority)

 Latin America and the \$800B Remesas Market) (Remittances)



[LATINOMETRICS](#)

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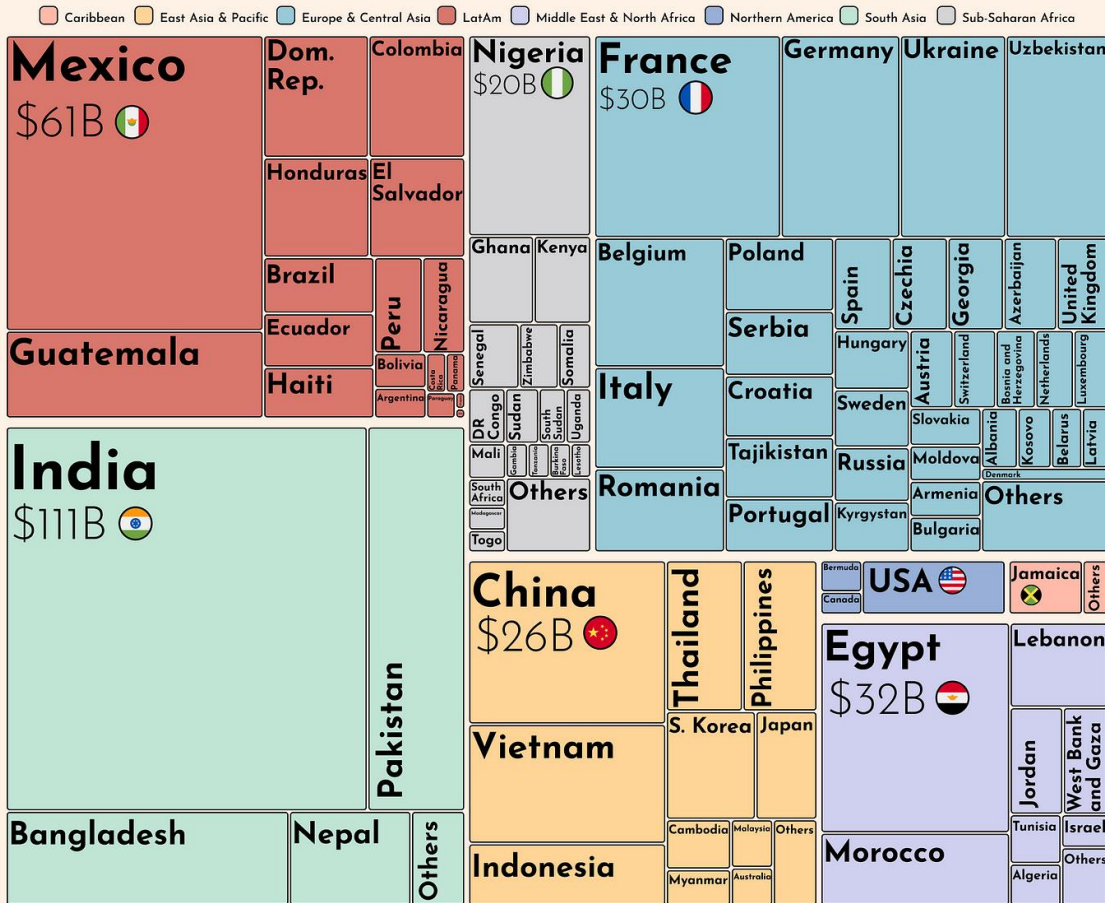
Latinometrics Deep Dive: Latin America and the \$800B Remittances Market

Presented by
MAJORITY

You're a young Colombian who's just secured a job in the San Fernando Valley of Los Angeles as part of a construction team. With the money you earn, you figure, not only can you pay rent and buy groceries—but also send home a portion of your paycheck each month to help provide for your family back in Barranquilla.

Congratulations: you're now contributing to the ~**\$800B remittance industry**.

Global Remittances Totaled \$759B in 2022. Here's Where They Went



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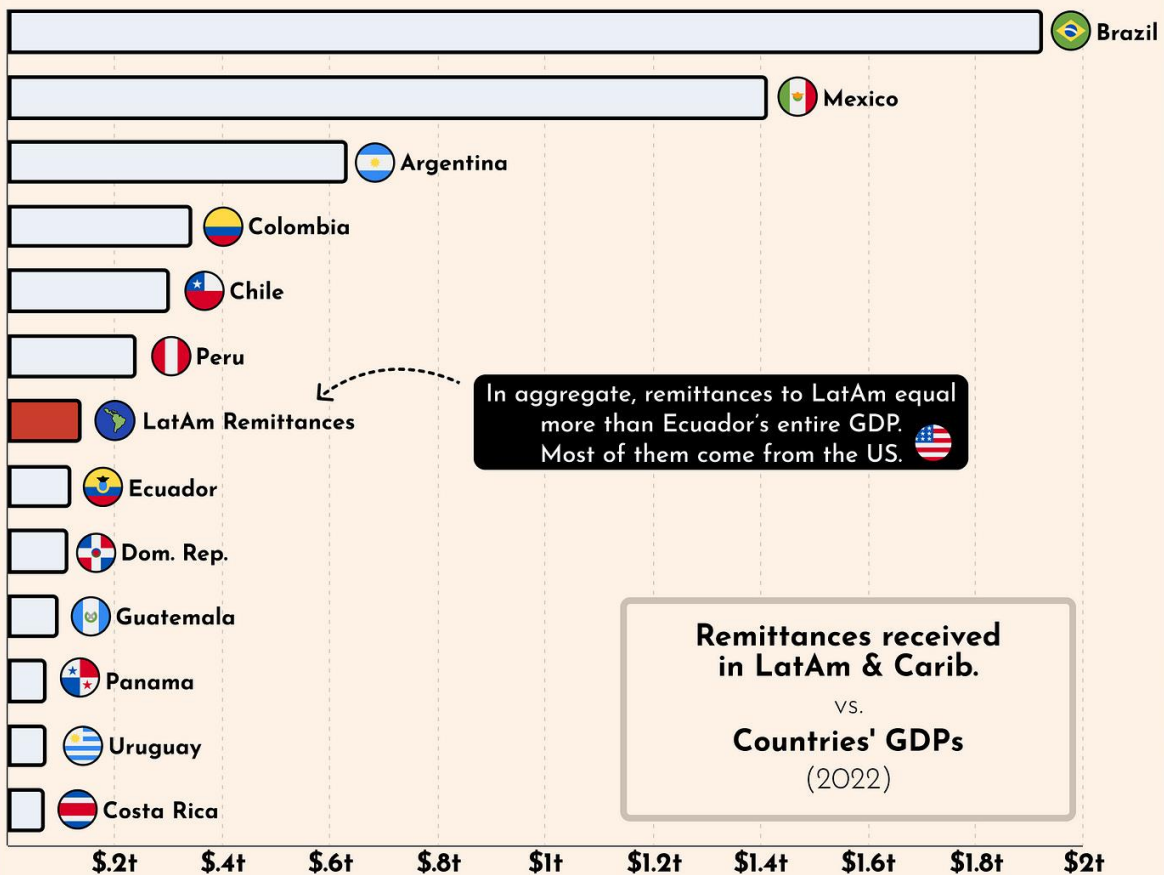
Source: World Bank

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Remittances form a significant economic force in the world today, from the Caucasus and South Asia to the Caribbean. In fact, these financial flows constitute the most important single sector of economic activity for Central American countries such as **Honduras** and **El Salvador**. As the number of migrants increases each year, so does the amount of remittances being sent, creating a capital flow with a profound impact on local communities—in the case of **Haiti**, [more than double](#) the value of all exports.

The World Bank [estimates](#) that Latin America and the Caribbean received **\$144B** in remittances last year, more than double the amount from a decade ago. If this impressive figure represented a country, it would be the 7th-largest economy in the region—**\$16B** more than the combined GDP of Costa Rica and Panama.

The Remittances Market Would Be LatAm's 7th Biggest Economy



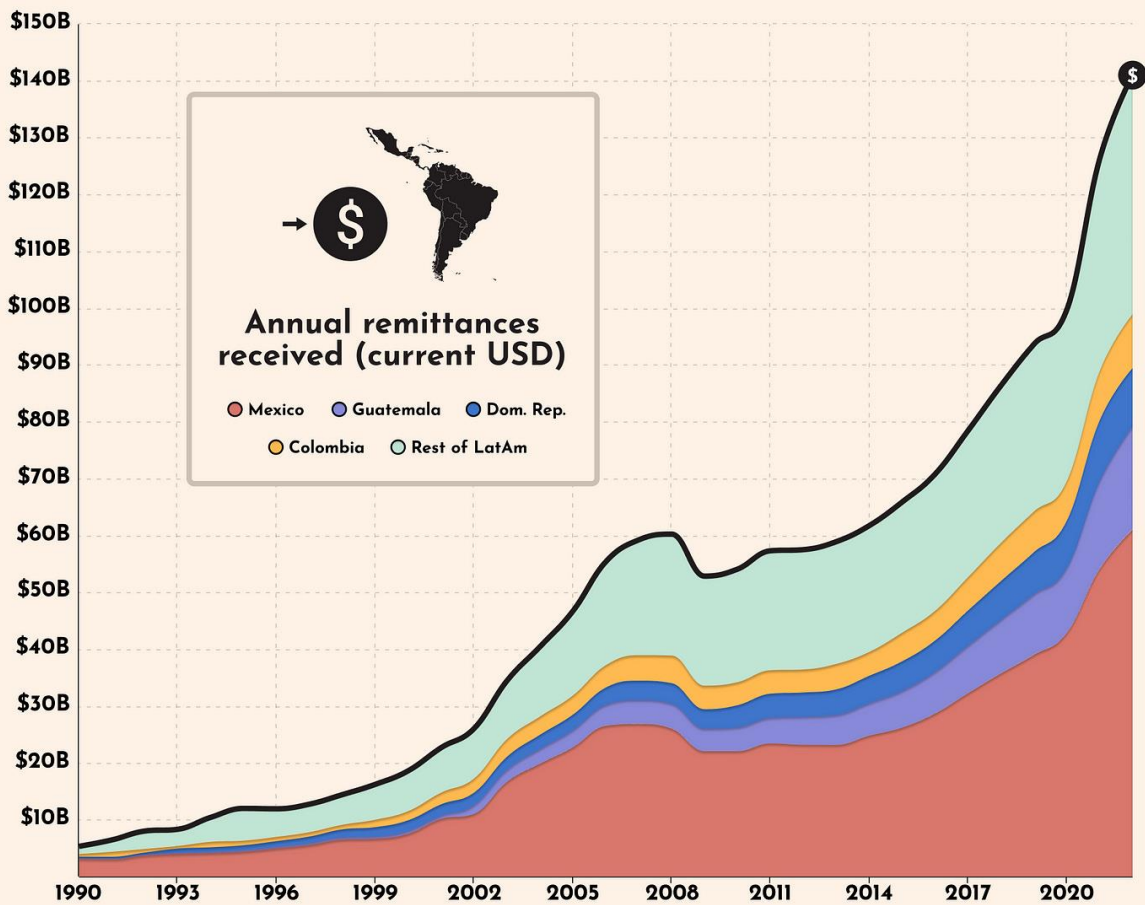
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Source: World Bank, IMF

The Remittances Market Would Be LatAm's 7th Biggest Economy

Unlike Costa Rica or Panama, though, which have presidents, constitutions, and elected local leaders, remittances represent free-flowing, often unregulated money currents. These financial flows have exploded since 1990 on the backs of migrant workers and asylum seekers, with some surprising variations depending on the country. Some countries, like **Mexico** and **Guatemala**, rank among the world's top remittance destinations, the former landing in second place with a mind-numbing **\$61B** received last year—**half of the region's total**.

A 25x Growth in 30 Years: LatAm & Caribbean's Remittance Income



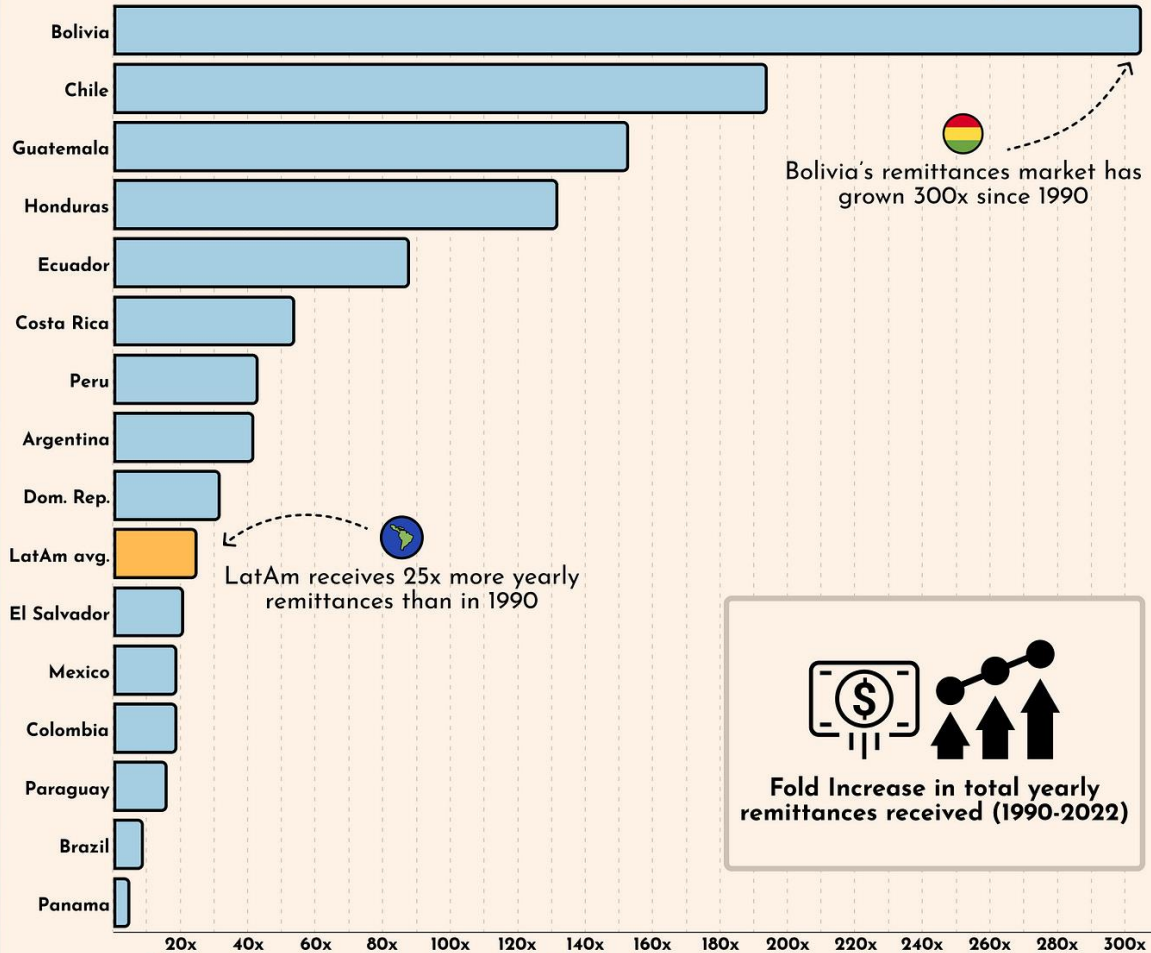
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Source: World Bank

A 25x Growth in 30 Years: LatAm & Caribbean's Remittance Income

While that's astounding on its own, the region has more surprises up its sleeve. As the only Latin American country to border the US, Mexico understandably saw its remittance inflows grow by roughly **20x** in the decades following its 1994 ratification of the North American Free Trade Agreement (NAFTA). However, in comparison, the Northern Triangle countries have seen a far more significant jump in money coming in—to say nothing of complete wildcards such as **Bolivia**, in which relative numbers have soared by **300x** their 1990 figures.

The Explosive Growth of LatAm Remittances by Country



Latinometrics + **MAJORITY**

Source: World Bank

The Explosive Growth of LatAm Remittances by Country

True to the capitalist manifesto, businesses have noticed this enormous cash flow, with an entire industry emerging to facilitate money transfers in exchange for a piece of the pie in recent decades. And in recent years, technology has come to play a crucial role, as workers and diaspora members armed with nothing but smartphones and coffee-shop Wi-Fi networks can ensure the financial security of their loved ones back home.

Based out of Latin America's unofficial US capital of Miami, [**MAJORITY**](#) is attempting to become a key player in this industry by offering other essential services on top of simple remittance payments.

"We've long understood the crucial role remittances play in the economies of Latin American and Caribbean nations and for the families who have loved ones living abroad. Our mission is to facilitate these transactions while providing additional services for immigrants."

—**Juan Pablo D'Alessandro**, Head of New Markets

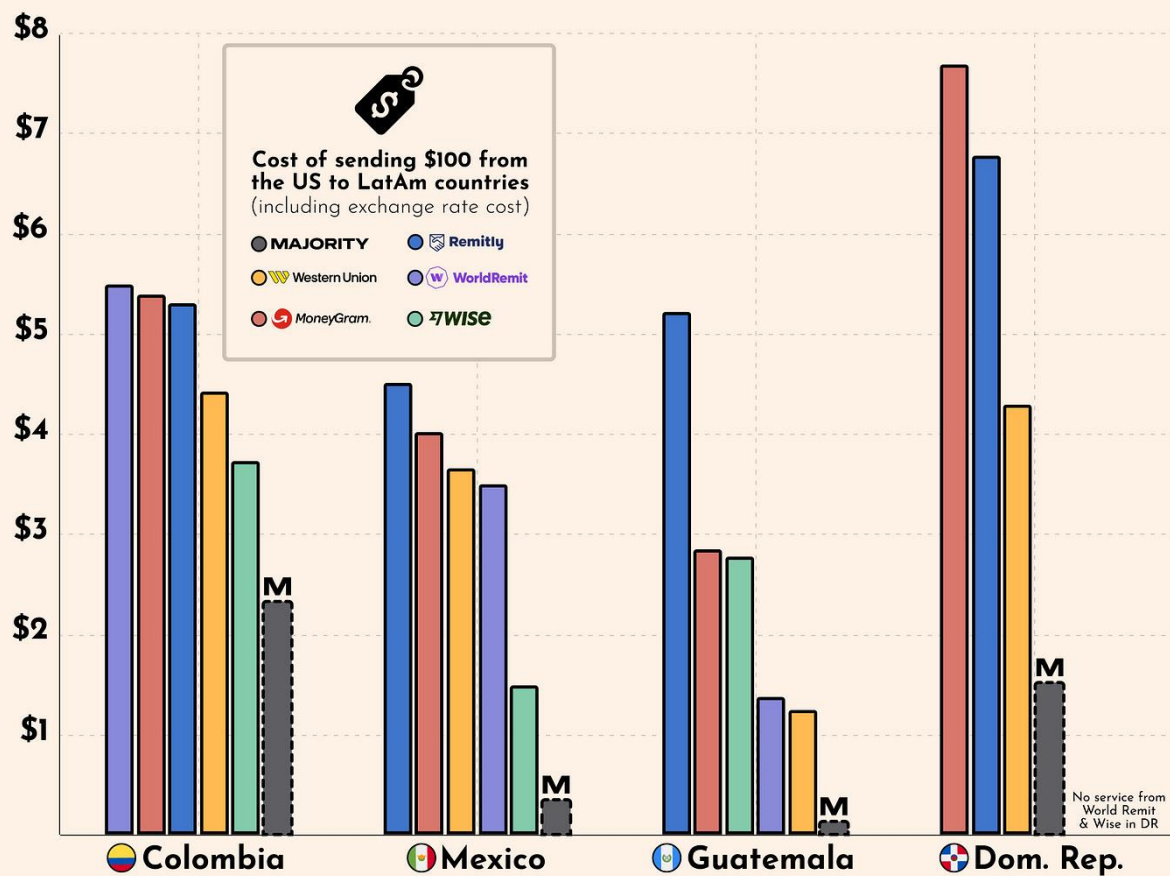
The fintech, founded in 2019, seeks to become a one-stop mobile banking solution for US-based migrants, offering them services that they're unlikely to get from your typical Western Union or MoneyGram branch:

- An **FDIC-insured account** (and connected Visa card), even for those missing a Social Security number
- **Fee-less remittances** to make sure more money reaches home
- **Unlimited free international calling** to select countries, including Mexico & Colombia
- **Mobile top-ups** to help migrants with families overseas stay connected

MAJORITY offers all these features while providing an intuitive and user-friendly interface—an increasingly competitive edge in the digital era where many companies are eager to be immigrants' first choice.

Migration can be complicated enough before even considering how to send money overseas. To see how different companies compare in terms of cost-effectiveness across key countries, let's dive into the numbers.

Real Remittance Cost: How Does Majority Compare?



Latinometrics + MAJORITY

Source: Websites tested by Latinometrics

Remittance Fees: How Does Majority Compare?

For unbanked and underbanked people with little access to traditional financial institutions, it can seem like there are no reasonable solutions for sending money back home. This can be doubly the case for those who lack a Social Security number or live in remote areas with minimal banking options. Meanwhile, some companies claim to be cheap but charge exorbitant fees for each transfer, nibbling away an additional **\$4-15** for each transaction.

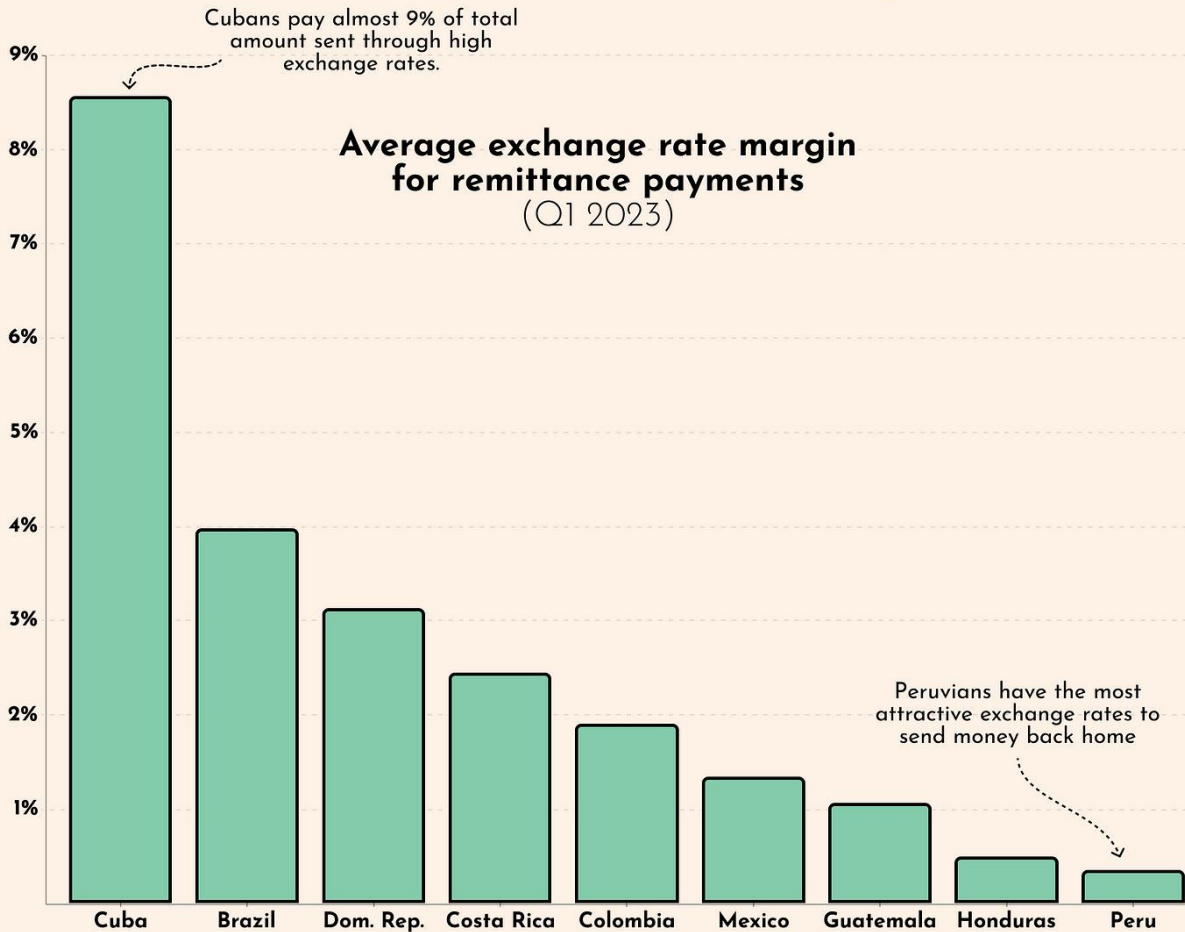
"We aim to streamline and simplify transactions, keeping them fee-free and accessible for every immigrant in the US, thereby contributing to the economic growth of their home countries and their families' financial stability."

—**Juan Pablo D'Alessandro**, Head of New Markets

D'Alessandro and the MAJORITY team correctly understand that when migrants send money home to families or loved ones, each lost centimo is simply too expensive. That's why they constantly strive to be the cheapest option on the market, in part through competitive exchange rates and minimal transaction fees. In fact, for users sending remittances home to countries like Mexico or Colombia, MAJORITY offers **fee-free sending**. When you factor in some of the strongest FX rates to be seen throughout the industry, you see why so many migrants work with them.

As part of our own research for this story, we did some independent testing by verifying the cost to send money internationally through different avenues. And the results look pretty great: at the time of Latinometrics testing, **MAJORITY was the cheapest option to send money across all markets that we tested.**

Sending Remittances Has an Invisible Cost: Exchange Rates



 **Latinometrics** + **MAJORITY**

Source: World Bank

Sending Remittances Has an Invisible Cost: Exchange Rates