



**The social base of hope and fear  
 in Mexico**



Most news stories on demographics and the economy feature percentage movements up or down, but leave us cold on the context. The news ends up alarming us, or offering some sort of comfort, but we are often not quite sure why. This first bulletin of the new series (2010) is an effort to provide some concrete summaries of social categories so that new information has a benchmark.

The economic crisis is about, among other matters, a lack of jobs. Of the potential work force (61m) at least 8% are unemployed, and more than 25% are underemployed.

**A synthesis of population data, in millions of inhabitants**

Mexico base resident data	119 m
Foreigners resident in Mexico	2 m
Mexicans in US	8 m

Mexicans in Mexico	109 m
Children, not school age	15 m
Children, not in school	3 m
Children in school, not working age	20 m
Students, working age	4 m

Potential working population	61 m
Employed population, formal and informal	46 m
(Formal	20 m)
(Informal	26 m)
Unemployed	5 m
Underemployed	10 m
Criminal (incarcerated .2m)	2 m
Idle, ill, aged	4 m

**(Source: INEGI, ENOE, MUND synthesis)**



Of all the countries in Latin America, outside of Haiti, Mexico has the greatest extremes of wealth and poverty. Even those at the top, however, have been feeling the pinch of hard times. It is in the descriptions of each social segment, however, that we find details that inform our sense of what is happening in the society. See Profiles of Market Segmentation in the link: <http://www.mundgroup.com/files20100118.html>

Those above, some 8% of the population in Mexico	INEGI Census data update to the 2000 Census	Hypotheses: adjustments in anticipation of the Census of 2010	Role of the social segment in the consumer economy	Role of the social segment in electoral politics and public opinion
A Upper Class (we anticipate that this group will shrink though by less than 1% in the next census reading)	3%	3% of the total population of the country	They purchase goods and services in both the national and the international markets; they can travel to purchase goods and services abroad. A small group within the elite, some 30 families, controls a disproportionate amount of the national wealth.	In general, they identify with the party in power, and readily assume participation in the governing elite of the moment. Nonetheless, their specific identification with the PRI or the PAN depends on cultural values and immediate personal interests. There is little or no indication that any sector of the elite wishes a fundamental change in the existing order of things.
B Middle Upper Class (this segment has absorbed the less than 1% dropping out of segment A, but at the same time, they have lost some 2% overall, viz. those dropping down into the Middle Class)	7%	5% of the total population of the country	<p>The middle upper segment forms the nucleus of the luxury market in Mexico for prestige goods and services from national providers; at times, they are capable of buying goods and services abroad.</p> <p>This group does not have the secure economic positions they once had; nonetheless, they anticipate a positive social mobility for themselves or their children moving up the ladder. They identify with those above, and imitate patterns of consumption characteristic of Group A. They tend to invest in financial markets more than in the development of new enterprises.</p>	<p>While they identify with the party in power (whichever party that is), some of them feel comfortable participating in the reform traditions of Mexico. At times, as in Mexico City, this may mean voting and identifying with the PRD.</p> <p>By education and necessity, they tend to mix international and national media for information and ideas. Even with this orientation, they tend not to question the dominate idea of the moment. They are not seen as the source for new ideas of public policy.</p>



Different agencies craft different definitions for the social categories in Mexico, depending on the focus of a given study or the targeting of groups for products or services. MUND's categorization fits generally with governmental, NGO and market research summaries. There are differences, particularly with regard to defining and locating the poor, but the broad similarities can be seen in a careful comparison: <http://www.mundgroup.com/files20100118.html> see Comparativo de Niveles Económicos

For example, the government and NGO based segmentation schemes focus on the poor, as the key part of public policy; the market based segmentation schemes is concerned to measure A, B and C+ as the key high-end consumer base.

In terms of household income, the classes or segments can be summarized:

#### **A Upper Class, about 3% of the population**

##### **Monthly household income**

More than \$55,000 USD, o or more than \$715,000 MN

#### **B Middle Upper Class, about 5-7% of the population**

##### **Monthly household income**

From \$11,500 USD to \$55,000 USD, or from \$149,500 MN to \$715,000 MN

#### **C Middle Class, about 19-25% of the population**

##### **Monthly household income**

From \$3,000 USD to \$11,500 USD, or from \$39,000 MN to \$149,500 MN

#### **D Working class, working poor, about 25-35% of the population**

##### **Monthly household income**

From \$600 USD to \$3,000 USD, or from \$7,800 MN to \$39,000 MN

#### **E Marginal sectors, about 30-48% of the population**

##### **Monthly household income**

Up to \$600 USD, or \$7,800 MN



In the following charts we look at the size, some parts of the segment's economic role, and also their significance in electoral politics and public opinion. For example, from 1975 through 1994, the all important middle categories (C+, C, C- and D+) grew, and hope for social mobility became concrete; from 1995 to the present these same categories have been buffeted by insecurity and fear of falling into a lower segment. The 4 sectors (29% of country, 50% of likely voters) are the core of voter independence, the target of most political advertising.



The most dynamic sectors, 44% of the population	INEGI Census data update to the 2000 Census	Hypotheses adjustments in anticipation of the Census of 2010	Role of the social segment in the consumer economy	Role of the social segment in electoral politics and public opinion
<b>C Middle classes (these segments absorb some 2% falling down from sector B, the Middle Upper; at the same time they lose a net of 6% dropping down to sector D below)</b>	C+ 5% C 10% C-10%	4% 7% 8% 19% of the population of the country	The subgroup C+ (Upper Middle) shares values and habits with Group B. The subgroups C and C-, Middle and Lower Middle, are the most vulnerable sectors with regard to debt. Their incomes are now determined almost exclusively by salaries. Members of their households often include participants in the formal and the informal economies.	The C segments represent, along with D+, the site of the political transition since the middle of the 1980s. Households in these groups have abandoned their traditional loyalties, voting since 1985 for different parties, exploring the split vote with candidates for different offices, and accepting alternancy in results - all as "natural" aspects of politics. The 3 categories of C, and D+, are the center of hope to move hope, and fear of moving down socially.
<b>D Working sectors (receiving the 6% of the middle classes coming down, and at the same time losing a net of 10% going down to category E)</b>	D+15% D 10% D-10%	10% 7% 8% 25% of the population of the country	The working classes appear to be headed by a D+ category with aspirations of moving up to the lower middle class. This group is the core of unionized workers, now on the defensive. Categories D and D- current show a slippage down. Together at this moment they are more motivated by fear than hope. As consumers, they search for products and services based on cost, not brand.	There still exists something of the traditional corporatist vote in this sector, mixed with forms of a client-vote, responding to direct support or payment. In any event, there is a significant fluidity of preference, and alternancy in results is visible at the level of many municipalities. Young adults in this sector are the largest demographic with a recent history of voting in non-traditional patterns -- in some areas, young adults have voted for 3 or more distinct party options in the past decade and a half.



Contrary to some protestations, it is not absurd to have so many definitions of poverty in Mexico. The poor, whether measured in absolute or percentage terms, are a necessary focus of governance and development.



By way of the link <http://www.mundgroup.com/files20100118.html> see the extremely useful discussions of poverty by the Observatorio de Política Social y Derechos Humanos (third document) and the CONEVAL, Consejo Nacional de Evaluación de la Política del Desarrollo Social (fourth, fifth and sixth documents).

Those at the bottom, 48% of the population	INEGI updates of Census since 2000	Hypotheses of adjustments, anticipating Census of 2010	Role of the social segment in the consumer economy	Role of the social segment in electoral politics and public opinion
E Marginal and impoverished segments, (growth from those who are downwardly mobile, also a higher birth rate than others)	30%	48% of the population of the country	The poor are almost out of the formal consumer economy in Mexico, except for some types of beverages, food stuffs and supplies. This sector expands and contracts over time, but the core remains - a core of poverty. With few prospects in the current period, the poor do not have much hope in upward social mobility.	Historically, the poor have been the clients of social programs designed in part to procure political support for the party in power (whether at the federal or state levels). Each of the three main parties has continued this client-style relation with the poor, though with some variations. It should be noted that the client-vote-purchase does not always assure support for the party in power.

We hope this bulletin and the complementary links are useful for you in the discussion of the coming elections, economic developments, the crises of authority and social discontent, and other matters of interest this year. They were designed to be preserved in electronic format as a ready reference.

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