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# Inequality, postgraduate salaries and salaries over 30-40 thousand pesos in Mexico

José Antonio Villalobos López

School of Economics, National University of Technology, Mexico

\*Correspondence: José Antonio Villalobos López (jvillalobosl7500@egresado.ipn.mx)

**Abstract:** In February 2020, a family of four required between \$14,196 pesos and \$15,667 pesos per month to obtain a salary that exceeds the welfare or poverty line. This is an income that most Mexican households do not obtain. There is little social mobility in Mexico, where three quarters of the population born in households at the bottom of the social ladder do not manage to rise above the poverty line, even so, I believe that it is advisable to pursue undergraduate and especially graduate studies. By 2020, a person with a graduate degree will receive 6.6 times more than a person with a primary school education, 4.5 times more than a person with a secondary school education, 3.8 times more than a person with a high school education and 2 times more than a person with a bachelor's degree. In terms of gender, women with high school, undergraduate and graduate degrees receive the equivalent of 70% of the salary of men. In December 2021, more than 1.8 million Instituto Mexicano del Seguro Social (IMSS) affiliates receive a salary higher than \$30,170 pesos, of which more than 830 thousand receive a salary higher than \$47,140 pesos, corresponding to 3.2% and 1.5% of the 56.9 million people that make up the economically active employed population (formal and informal).

**Keywords:** Inequality; Income Distribution; Social Mobility; Wages

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## 1. Introduction

This study is divided into three parts. Each of them seeks to answer a question: 1) How poorly is income distributed in Mexico; 2) Is it convenient to pursue undergraduate and graduate studies in Mexico; and 3) How many people in the country earn more than 30 or 40 thousand pesos?

The first part deals with the subject of unequal income distribution and poverty in our country, where the theoretical and conceptual framework of social inequality is discussed, as well as some of the authors who stand out for their contributions on these issues, then the case of Mexico is analyzed in more detail. The case of what is known as living wage or living or sufficient wage is discussed, where the income poverty lines or welfare lines of the Consejo Nacional para la Evaluación de la Política de Desarrollo Social (CONEVAL) -National Council for the Evaluation of Social Development Policy- [1], the wage considered for a dignified life by the Espinoza Yglesias Study Center [2] and the integrated poverty measurement method developed by Julio Boltvinik [3,4]. This first part also presents some figures that allow us to affirm that income distribution is very unfair and unequal in Mexico, as well as a comparison with previous years, accentuating the concentration of income with the implementation of neoliberal economic policies applied from 1985 to 2018, and finally presenting information on minimum wages and how their purchasing power has been recovering during the last four years of López Obrador's government.

The second part deals with social mobility, where some conceptual aspects are pointed out, as well as the main characteristics and elements that explain the little social mobility that is present in the country. In addition, a table is presented to appreciate the reality of what Mexicans receive monthly, according to their different levels of official studies, highlighting the part of people who have higher education: undergraduate and graduate studies.

The third part addresses the issue of how many people earn more than 30 thousand pesos in the country, this arises from the unfortunate statements of Samuel Garcia, when he was a candidate for governor of the state of Nuevo Leon, and Sofia Niño de Rivera, comedian and stand up. The former stated that she knew people who lived well with a 'little salary' of 40-50 thousand pesos per month [5], while the latter declared that when she worked in the Marketing area she received a salary of 30 thousand pesos per month, which was a very low and 'terrible' salary at her 28 years of age [6]. This answers how many people or what percentage of the population have incomes of more than 30 to 40 thousand pesos in Mexico.

## 2. Inequality and income distribution in Mexico today

Juan Castillo et al [7] mentions that for Seymour Lipset equality is a central and consensual value in modern democracies, such that inequality would be a threat to them. In current times, it would be laudable to try to decrease social inequalities where there are higher concentrations of income, but evidence suggests that this does not happen in practice.

Studies on stratification and social inequality can be studied from two visions or approaches: 1) Distributive inequality or inequality of condition; and 2) Inequality of opportunities [8]. In inequality of condition, the uses of the Gini index and the use of income received by individuals and households measured in extreme deciles stand out. Also in this group, inequality related to social welfare is usually studied, as is the case of education, work, health, environment, meritocracy, among others.

Studies of inequality of opportunities tend to concentrate on the set of ascriptive factors or circumstances, which correspond to social characteristics or destinies and are not entirely the responsibility of individuals, analyzing from perspectives such as family socioeconomic origin, gender, ethnic or racial characteristics, place of birth or residence in the first years of life. The analysis of social mobility is part of this group.

From the study of Tataret Batalla[9], he took up the three factors that can explain or have an impact on income distribution:

- Institutional determinants (conservative revolution): variations in public policies have determined inequality, highlighting two underlying factors: globalization and technological change. Inequality stems from the increase in the concentration of income and wealth in the hands of a few, the so-called Top Incomes.
- Technological change or skill biased: in the last thirty years there has been a vertiginous advance in the technological tools used, linked to Information and Communication Technologies (ICT), which have benefited the most qualified workers, generating greater inequality in the distribution of income. This is the origin of the skill premium theory.
- Globalization: this leads to the interdependence of economies worldwide, increasing the flow of goods, services and capital between countries. In less developed nations, low-skilled labor-intensive activities are concentrated.

Verónica Amarante & Maira Colacce [10] address the inequality of income or consumption of individuals from household surveys, dividing it into two major groups:

- Global inequality: according to neoclassical theory, in the long run, income convergence between countries and individuals should be seen, while dependency theory predicts greater divergence in incomes.

- Inequality in developed and developing countries: developed countries such as Denmark, Iceland, Norway and Slovenia have a Gini index of 0.25 in 2011, being the nations with the best income distribution. Of developing countries: the Latin American region has high levels of inequality, while the Eastern Europe and Central Asia region has countries with low inequality.

When the question arises: How poorly is income distributed in Mexico, before answering this question In the first place it is convenient to refer that Latin America is considered one of the most unequal regions in income distribution worldwide, in this sense Gómez Rodríguez [11] comment: “This is because this region has one of the highest levels of income inequality on the planet, but on the other hand it is the region where most progress has been obtained reducing such inequality in the last 15 years...In comparative terms Latin American countries have a level of income inequality one and a half to two times higher than that of high-income countries...”.

For their part, Amarante & Colacce [10] observe that globalization and trade liberalization processes, as well as the growing importance of the financial sector and the concentration of capital, have led to an increase in income inequality in recent decades in developing countries, with the exception of the case of Latin America, noting in this regard: “Greater impetus has been given to redistributive policies, such as non-contributory monetary transfers to households with children or the elderly, or the strengthening of labor institutions, such as the minimum wage or collective bargaining”.

In terms of its population and Gross Domestic Product (GDP), Mexico is one of the fifteen largest nations in the world. In 2019 the World Bank placed it among the upper-middle income countries, however Aban Tamayo et al [2] pointed out this consideration: “Mexico has a very inequitable income distribution and one of the highest Gini coefficients in the world: the richest one percent receives 21 percent of the total income of the population each year. In addition, it is also a country with low social mobility, so inequality and the percentage of the population living in low-income poverty -which is almost half- are very persistent over time”.

In order to know what is the objective minimum wage that corresponds to contribute to social mobility and above all to escape from intergenerational poverty, the concept of Minimum Income Standard (MIS) has been used, which Aban Tamayo [2] defined as: “...monthly income required by a household of a given composition to reach the minimum socially acceptable standard of living. From the MIS perspective, the minimum decent standard of living is determined by social consensus on what it means to have such a life in a given place and at a given time”.

The minimum income standard is comparable to the term living wage used by the International Labor Organization (ILO) or living wage. In 1944, in the Declaration of Philadelphia, the ILO [12] stressed the importance of guaranteeing a living wage for all those who are employed and in need of such protection, a postulate it reiterated in the Declaration of Social Justice for a Fair Globalization in 2008.

The minimum level of socially accepted welfare is associated with the development of concepts of dignified life, worked by Peter Townsend, as cited by Araceli Damián [13]: “There is a point on the scale of resource distribution below which, as resources diminish, families find it particularly difficult to participate in the customs, activities and diets that comprise the lifestyles of the societies in which they live...These income points can be identified as the poverty line”.

Regarding the measurement of poverty in Mexico, the Instituto Nacional de Estadística, Geografía e Informática (INEGI) -National Institute of Statistics, Geography and Informatics- and the Economic Commission for Latin America and the Caribbean (ECLAC) began to measure it in 1984, and other studies were carried out in 1989 and 1992. In 2002, the Secretaría de Desarrollo Social (SEDESOL) -Ministry of Social Development- officially systematized and measured poverty in Mexico.

In 2003 the General Law of Social Development was created, where it is established that poverty measurement goes from a unidimensional approach (income only) to a multidisciplinary vision (income; plus food; educational backwardness; access to health and social security services; housing quality, space and services). The CONEVAL has worked for more than 20 years in the calculation of income poverty lines (welfare lines) through food (extreme poverty) and non-food (poverty) baskets.

However, for Aban Tamayo et al [2] CONEVAL's measurements do not consider the aspects of a dignified and adequate life; they are limited to establishing a minimum below which people are placed in a situation of poverty or deprivation. The reference authors define a dignified life for our country: "A dignified life in Mexico today requires satisfying basic needs, such as food, housing and clothing, as well as having the opportunity to work, access to health and education services and leisure time. It is also about being communicated and informed, living in a stable and safe environment, and being part of society".

From the limitations of the traditional methods of defining poverty lines and unsatisfied basic needs, the Integrated Poverty Measurement Method (IPMM), developed by Julio Boltvinik in 1992 [3,4], was born, where the Latin American experience extols the notion of human dignity. In this way the IPMM highlights the fulfillment of economic, social and cultural rights, Araceli Damián [13] presents her table of thresholds (standards) for 2016, where it stands out: IPMM considers \$4,671.10 pesos for poverty line and CONEVAL \$2,660.40 pesos for basic food and non-food basket for 2016, which speaks of CONEVAL contemplating 57% of what is considered in IPMM.

The human rights of citizens are recognized in Article 1 of the Magna Carta, which gives equal recognition to the human rights enshrined in international treaties to which the country is a party, but the big problem to cover the rights of food or health is that the secondary laws are deficient and above all lack sufficient resources for the State to implement them fully.

Article 23.3 of the Universal Declaration of Human Rights (UDHR) of the United Nations [14] states that everyone who works has the right to just and favourable remuneration ensuring for his family an existence worthy of human dignity; while Article 25.1 establishes that everyone has the right to enjoy a standard of living adequate for the health and well-being of his family in terms of food, clothing, housing, medical care and necessary social services. Article 11.1 of the International Covenant on Economic, Social and Cultural Rights reinforces Article 25.1 of the UDHR.

Undoubtedly, the fundamental human right is the one that stipulates a dignified or adequate life, which implies that one has the right not to be poor, a concept that would be very abstract if it is not specified in detail what resources or what standard of living is required not to be poor [13].

According to the survey of Mexicans residing in the largest cities of the country (Mexico City, Monterrey, Guadalajara and Puebla), in February 2020, sponsored by the Centro de Estudios Espinoza Yglesias [2], these are the main results:

- The Minimum Income Standard (MIS) for a couple with two children aged 3-4 and 5-11 years is \$27,198 pesos per fortnight in Mexico City and \$25,448 pesos per fortnight outside Mexico City. In the case of families without children, it is \$24,718 pesos and \$22,968 pesos per fortnight respectively.
- The calculated MIS includes: a) Rent of housing with three bedrooms, living-dining room, kitchen, bathroom and a half, space for laundry and recreation; b) Semi-new family car, but also uses public transportation; c) Children attend public school and engage in after-school or sports activities; d) Public social security protection is available and an extra budget for private health expenses; e) The household has goods and services that allow them to enjoy study or work and social activities; f) Personal care, clothing and footwear, sometimes they go out to eat outside the home; g) They enjoy free time and can go on vacation eight days a year.

If these were really perceptions of what a family of four in Mexican cities requires, they seem to me to be very high estimates to correspond to what a family expects on a bi-weekly basis.

As a point of comparison for February 2020, CONEVAL [1] estimated its welfare line (food plus non-food basket) for the urban area at \$3,549.11 pesos per month, made up of two major items: food basket (extreme income poverty line) of \$1,663.30 pesos and non-food basket (income poverty line) of \$1,885.81 pesos. By December 2021 (the most recent date CONEVAL presents information), the wellbeing line (food plus non-food basket) is composed for urban places of \$3,916.83 pesos. In the approach of a family of four we would be talking about \$15,667.32 pesos.

There is almost half the difference between what CONEVAL presents for February 2020 as the family welfare line (food and non-food basket) of \$14,196 pesos for a four-member family, versus the \$25,448 or \$27,198 pesos per fortnight that the Centro de Estudios Espinoza Yglesias [2] study marks for four-member families.

Another way to study income distribution is to analyze our nation's minimum wage. As for the share of wages in national disposable income, from 1951 to 1958 they represented 26.3%; from 1960 to 1969 they meant 35.5%; reaching 41.6% from 1970 to 1982; representing only 31.3% from 2010 to 2017, with gradual decreases in each six-year period [15]. Thus, a decrease of ten percentage points is observed from 1983 to 2017 in the participation of wages in the national disposable income, which resulted in a redistribution of income that harms the vast majority of Mexicans.

Another indicator that shows us the unfair distribution of national income and the fall in employment levels and impressive salary drops, is the migratory balance that was registered in the country, according to the National Population Council, cited by J. Luis Calva [15] the migratory balance from 1983 to 2018 was 10.9 million people who left Mexico, which is equivalent to 303,904 people leaving the country each year.

During the stabilizing development stage, especially from 1959 to 1970, nominal minimum wages increased 9% on average per year, while the observed inflation was 2.5% on average per year, resulting in increases to minimum wages of 6.5% on average per year in real terms, noting Calva [15] that despite the fact that wages increased to a greater extent than price indicators, inflationary pressures were not generated in the Mexican economy during the stabilizing development; compared to the accumulated loss of 68.3% registered in Mexico's real minimum wages from 1983 to 2018, which implies that on average they registered a fall in real terms of 1.9% in almost six six-year of neoliberal governments.

Neoliberal currents sought to repress workers' real wages in the first years of their application, adopting the outward economic development model, trying to turn the external sector into the economic engine, seeking to generate more jobs over the years, which they were unable to achieve. The implementation of neoliberal economic policies from 1985 to 2018 have been disastrous in trying to improve the distribution of national income, presenting poverty and inequality greater than those recorded in the mid-seventies [13].

Neoliberal policies began to be applied after the first third of Miguel de la Madrid's six-year term, which is why I affirm that they began in 1985, since in the first two years of his six-year term the inactive role of the State was still not clearly defined.

The proportion of poor Mexicans decreased from 77.5% in 1963 to 48.5% in 1981, according to Julio Boltvinik [15], a diagnosis very similar to that estimated in the 1990 Programa Nacional de Solidaridad -National Solidarity Program-, where he pointed out that the proportion of Mexicans below the poverty line decreased from 76.9% in 1960 to 45% in 1981. In 1981 there were 33.8 million Mexicans in income poverty, reaching 91 million Mexicans in 2014, which increased by more than 47.2 million poor people in the span of 33 years (1982 to 2014), reaching 48.5% of Mexicans in 1981 and 76% in 2014 [15].

Since López Obrador assumed the presidency, it is unquestionable that the minimum wage has been recovering in its purchasing power, with the increases to wages from 2019

to 2021, Cárdenas Cabello [16] expresses in this regard: “With the percentage increase of the minimum wage by the current Mexican federal administration, we observe a visible eagerness to revalue salaried work, and that its retribution constitutes a better tool to solve the subsistence requirements of the population. As can be seen, the evolution of the current minimum wage in Mexico has recovered relative purchasing power compared to that promoted by previous federal administrations, as it has increased by more than the rate of inflation”.

Table 1 shows that since Lopez Obrador became president, there has been a gradual recovery of the purchasing power of the minimum wage received by Mexican workers, with increases in much greater proportion than those registered in annual inflation.

**Table 1. Minimum Daily Wage 2019-2022**

Year	Daily Wage		Inflation
	Amount	%	Annual
2019	\$102.68	16.2%	2.8%
2020	\$123.22	20.0%	3.2%
2021	\$141.70	15.0%	7.4%
2022	\$172.87	22.0%	5.0% <sup>e</sup>
Acum.19-22	\$84.51	95.6%	19.6%

Source: Own elaboration. Whit data from the Comisión Nacional de los Salarios Mínimos 2019-2022. Banco de México: National Consumer Price Index 2018-2022.

From 2019 to 2022 we observe a nominal growth of 95.6% in the amount of the minimum wage, with an inflation of 19.6% accumulated for the same period (if inflation for 2022 were to close at 5% annually as I am estimating), such that we would have a minimum wage growth of 76% in real terms (discounting inflation). Since 1982, this would be the first six-year period in which minimum wages have grown in real terms.

Some authors have highlighted the phenomenon known as the 'lighthouse effect', which consists of the effect that increases in minimum wages will have on the mass or distribution to higher-income workers or on national economic activities.

Regarding the lighthouse effect and the gradual increases seen in recent years to the minimum wage, Raymundo Campos & James Rodas, cited by Cárdenas, [16] express: “This is positive for the family economy in general, since a good valuation of the minimum wage usually results in a decrease in working poverty and an improvement in wage income, which specialists call the lighthouse effect”.

At the international comparative level and especially with Latin American countries, Moreno Brid et al (2014; cited by Cárdenas, 2021: 103) notes that the minimum wage in Mexico is one of the lowest in the region, in addition to having the least purchasing power, despite the fact that average labor productivity in Mexico in 2011 is among the highest in the region, ranking only below Chile.

In December 2019, the US Cable News Network [16] compared the monthly minimum wage of thirteen Latin American nations, expressed at the corresponding dollar exchange rate, finding Chile and Uruguay in first place with wages equivalent to 490 and 416 dollars, placing Mexico in eleventh place with 198 dollars per month.

In another comparison between the two largest countries in Latin America: Mexico and Brazil, it is observed that when converting the Brazilian minimum wage to Mexican pesos it would be equivalent to \$4,891.02 Mexican pesos, with the Mexican minimum wage at \$3,819.82 as of November 2019 [16], representing 78.1% of the Brazilian minimum wage, with a little more than a thousand Mexican pesos difference.

Although these two comparative indicators are not wrong, it does not give an idea of the average salary obtained by people in each country, because in some Latin American nations they may earn few or more multiples of the respective minimum wage.

In response to the question generated at the beginning of this section, Mexico is a very unequal country in terms of income distribution among the population, especially since the mid-1980s when neoliberal public policies began to be implemented. To reinforce my point of view on the unequal distribution of income in the country, I made my statement based on the data and indicators.

### 3. Social mobility and graduate and postgraduate salaries

A question always arises in the minds of young people: Is it convenient to continue studying undergraduate and postgraduate degrees in Mexico? Before answering this question, it is useful to outline some conceptual aspects of social mobility.

In general, social mobility is defined as the change experienced by individuals with respect to their initial economic and social condition. Social mobility implies that it is possible to obtain a decent job, starting from the least favored sectors of society and climbing up the ladder thanks to educational preparation.

The planes or dimensions of social mobility are three: a) Educational; b) Occupational; and c) Income. Patricio Solís [8] writes about the dimensions of social mobility: "The analysis of social mobility is a particular strand of studies of inequality of opportunity, in that it seeks to determine the degree of association or "inheritance" between the characteristics of parents and children in some of these dimensions (e.g., schooling, occupation or income)...."

Similarly, Flores Crespo & Rodríguez Arias [17] raise us on the subject: "The study plans also have a foundation in Ganzeboom, De Graaf and Treiman (1992), who state that income results from education applied to a certain occupation, with which social mobility can be achieved, since in addition, empirically, this can be measured from the dimensions of wealth -income-, education and occupation, which together with perception, are the dimensions of social mobility (Vélez et al, 2015)".

The direction of social mobility can lead us in two directions: 1) Vertical or intergenerational mobility, changes occurring between strata or in relation to the conditions observed in the parents (family background); and 2) Horizontal or intra-generational mobility, observed between the same group and stratum or within a person's life cycle (occupation).

From the first studies of social mobility, it was recognized that it was achieved by improving education, but this does not always lead by itself to a reduction in the impact of the origin of the destiny of children through future occupations [18]. In the first stage of the study of social mobility, neither the educational issue nor the female sex were taken into account; it was not until after the 1990s that these two issues began to gain relevance, recognizing education as the main channel that would allow social mobility, where women had full access to educational expansion and where at the same time they increased their presence in the labor markets.

The role of education in reducing unequal income distribution has advocates and detractors, Tataret Batalla [9] expresses on this controversy: "According to the OECD (2011a), education has a clear role in reducing inequality, since by increasing the average qualification of the population they will have access to higher incomes. But for Castelló-Climent and Doménech (2014) and Martínez García (2013) greater educational equality does not always lead to greater income equality...."

As bases of income distribution, ascriptive characteristics (inherited wealth, social class, ethnic group and nepotism system), begin to be set aside to focus on individual merit criteria: such as effort and talent. Juan Castillo et al [7] posits: "Thus, meritocracy can be defined in a general way as the idea (implied or explicit) that we will receive a compensation proportional to our merits...."

Recalling that Michael Young at the end of the 1950s pointed out that individuals can earn a place among the social elite through the formula of effort plus talent (intelligence), while those who make less effort are condemned to lower incomes and poverty.

Education should occupy a key place in social mobility, because through it meritocracy would be legitimized (those who study the most, the greater the rewards await them), which would mean that the most intelligent and hard-working would be able to climb the social hierarchy, but for most authors meritocracy does not actually entail mobility, but rather a reproduction of the already existing status, since meritocracy in turn would generate inequalities in access to opportunities for their descendants [7].

In our country, until the nineties of the last century, the subject of mobility was scarcely dealt with. P. Solís [8] notes that the subject of educational mobility was addressed from this century onwards, among others, by the following authors: Behrman, Gaviria and Szekely, Silvia Schmelkes, E. Blanco, Ana Pereyra and the author himself.

Huerta Wong [17] finds that the wealth of the home of origin and the educational achievement that is reached maintain positive relationship in Mexico, emphasizing the role that the national education system has ceased to play on the destiny of individuals, where the most favored layers have gone to private educational centers.

Patricio Solís [8] analyzes intergenerational mobility in Mexico for 2016, based on results from INEGI's Intergenerational Social Mobility Module, concluding that structural changes in Mexican society during the last decades have favored to a greater extent upward educational mobility, to a lesser extent upward occupational mobility, and little or no economic mobility.

In Mexico, attempts have been made to use higher education as an instrument to increase social mobility, despite this, no substantive improvements have been achieved in its indicators, since there is a high persistence of the economic position of origin combined with a low probability of ascending the social ladder [17]. Becerra Pérez et al [19] found in their study on social mobility in Mexico:

1. Educational attainment and labor performance are closely linked to socioeconomic conditions of origin (parents' educational and labor background).
2. High dropout rates at the high school level, inadequate targeting of training for the first job and insufficient provision of continuing education.
3. The higher the level of education, the greater the stability, remuneration and promotion in working life. At the same educational levels, the labor trajectory is determined by the socioeconomic conditions of origin.
4. Low schooling, age discrimination and gender inequality exclude vulnerable groups from the labor market. It should be noted that younger people have higher levels of schooling than older groups.
5. Human capital is limited, which makes the labor market conditions not very conducive to decent work (low job creation and increased unemployment).
6. Any effort or public policy that seeks to improve labor trajectories should be aimed at compensating the disadvantages of origin and promoting permanence in the middle level of higher education, as well as encouraging first employment.

As an argument that the more studies the more income can be received in the future, Orozco Becerra et al [17] states: "49 out of every 100 people who are born in households in the lowest group of the social ladder, stay there all their lives...And although the other half manages to move up, 25 of them do not manage to overcome Mexico's poverty line. This means that 74 out of every 100 Mexicans born at the bottom of the social ladder do not manage to overcome poverty. On the other hand, 57 out of every 100 of those born in households at the upper end of the social ladder remain there for the rest of their lives".

In a study conducted at the Centro de Estudios Espinoza Yglesias (CEEY) on social mobility in Mexico, presented by Becerra Pérez et al [19] point out: "Social mobility in our country is very low and the origin of individuals marks their destiny. Since 2006, the CEEY has conducted three national surveys to determine the degree of social mobility in our

country, and the evidence indicates that only 4% of the poorest Mexicans manage to move up from the low socioeconomic stratum where they were born to the upper stratum as adults”.

Thus, we see that Mexico has a closed society at the extremes of the social ladder, both those at the bottom and those at the top do not seem to move socially [17].

In spite of the little social mobility that is present in the country. We are now in a position to answer the question posed, for this I will make use of the National Survey of Household Income and Expenditures (ENIGH) presented by INEGI.

**Table 2. Average Monthly Income in Mexico. 2020 Pesos**

Schooling	2018			2020		
	Total	Men	Women	Total	Men	Women
Primary School	3,053	3,965	2,110	3,517	4,435	2,533
Secondary School	4,956	6,221	3,417	5,094	6,267	3,587
High	6,913	8,083	5,555	6,174	7,127	5,033
Professional	13,335	15,449	10,930	11,614	13,448	9,536
Graduate	31,347	39,531	22,289	23,111	27,277	18,924

Source: Own elaboration. Partially taken from INEGI. National Survey of Household Income and Expenditures 2018 y 2020. Page 19 (Table 1).

From Table 2 it can be seen that the real income of people with professional studies fell 13% in 2020 compared to 2018, while the fall of people with postgraduate studies registered a real fall of 26%.

With postgraduate studies a person obtains 10.3 times more income in 2018 than someone who has primary school, 6.3 times more than someone who has secondary school, 4.5 times more than someone who has high school and 2.4 times more than someone who has a bachelor's degree. The multiples of income observed in both years are preserving the perceived difference between men and women.

By 2020, those who have graduate studies obtain incomes 6.6 times higher than those who studied elementary school, 4.5 times higher than those who finished high school, 3.8 times higher than those who have high school and 2 times higher than those who have a bachelor's degree.

Looking at the income received by those with higher education, it is undoubtedly convenient to continue studying. Considering that a young person who finishes high school at the age of 18 could work and earn an income from that moment on, studying for a bachelor's degree would mean not having that income for four or five years, continuing to study for a master's degree for at least another two years without having that income, and continuing with a doctorate for another two additional years without earning an income.

It would be worth weighing whether this income from nine or ten years of work would be compensated by higher future income if the undergraduate and graduate studies were to continue. In 2020, three years of work and postgraduate studies would compensate for those nine or ten years of lost income if one were to work at the end of high school.

In this way, undergraduate and graduate studies reinforce what is known as human capital theory [18], according to which employers are willing to pay higher salaries to workers who increase the productivity of their companies, encouraging individuals to train, finding support in their parents to continue their formal education for more years. In the opinion of Sandra Fachelli et al [18]: "they are willing to transfer rents to their children by delaying as much as possible their entry into the labor market".

In the logic of human capital theory, entrepreneurs always look for personnel with the highest human capital accumulation (qualification), so that the employment of the latter will tend to ensure the process of innovation and technological development, generating a virtuous circle of need for more qualified workers, a process known as Skill Biased Technical Change.

From technological innovation comes the term Skill Premium, which is recognized as the wage gap between skilled and unskilled workers, thereby increasing the wage inequality between workers who master ICTs and those who are not up to date in their management, i.e., technological change has favored jobs related to non-routine tasks over those that perform routine tasks. For Dabla Norris and K. Lochhar [9] the growth of the skill premium is the main factor explaining the increase in inequality in developed countries.

As for the sex of working people and the income they receive, the presented table also allows us to see that women receive lower incomes than men, which implies the non-existence of equal opportunities for equivalent income between men and women.

In 2018 women perceived 53% of the income received by men with primary education; 55% of what men received with secondary education; 69% with high school, 71% with bachelor's degree; and 56% with postgraduate studies. In 2020, women received 57% of the income received by men with elementary and secondary education; 71% of what men received with high school and bachelor's degrees; and 69% of what they received with graduate degrees.

As can be seen, in elementary education (high school and middle school), women's income increased by a few percentage points; in higher education (high school and undergraduate), the same percentages of women's income were maintained with respect to men's; and in graduate education, there was a substantial increase in women's income compared to men's, from 56% to 69%, which increased the comparison of women's income in relation to men's by thirteen percentage points.

For the Organization for Economic Cooperation and Development [9] the incorporation of women into the labor markets has been able to influence in some way to the growth of wage inequality, since women occupy part-time jobs, linked to lower wages and fewer working hours, contributing to the existing wage gap between men and women.

#### **4. Salaries higher than 30 or 40 thousand pesos in Mexico**

Recalling that Samuel Garcia, current governor of Nuevo Leon, made some regrettable statements when he was a pre-candidate of political party Movimiento Ciudadano for the governorship of that state, who said in a YouTube video [5]: "I have come across very valuable people who live with a little salary of 40, 50 -thousand pesos a month-, and they are happy; they have enough for their family, for school fees".

The standup comedian Sofía Niño de Rivera, in the same way, in superficial and out of place statements, said that when she worked in marketing areas and at 28 years of age, she received a salary of 30 thousand pesos per month, which was poorly paid and 'terrible' [6].

From these two examples of unfortunate statements, another question arises: Who in Mexico earns \$30,000 pesos or \$40,000 pesos or more?

To begin with, a study conducted by the Centro de Estudios Espinosa Yglesias (CEEY) and the Colegio de México, financed by the French Agency for Development, according to Aurora Ramírez [20] there is a very close estimate of poverty in the country, while the knowledge of wealth is very far from reality, noting in this regard: "On average, Mexicans think that a rich person earns 38 thousand 248 pesos per month and that 35 percent of the population is in that condition, when in reality, official data indicate that less than one percent in the country receives that income".

According to the National Occupation and Employment Survey (ENOE) conducted by INEGI in December 2021 [21], these general figures are presented for Mexico:

- Total population over fifteen years old able to work in 2020: 96'826,654 and in 2021: 99'165,320 people. The male population represents 47.1% in 2020 and 47.2% in 2021, while the female population represents 52.9% and 52.8% respectively.
- The economically active population (EAP) is 54.7 million people in 2020 and 59 million in 2021, representing 56.5% and 59.5%, while the non-economically active population (NEAP) represents 43.5% and 40.5% of the total.
- The employed EAP amounts to 52.6 million people in 2020 and 56.9 million in 2021 (96.2% and 96.5%), while 3.8% are unemployed in 2020 and 3.5% in 2021.
- Of the employed EAP, 32.2 million are men in 2020 and 34.5 million in 2021, while women are 20.4 million in 2020 and 22.4 million in 2021. Men represent 61.1% of the employed EAP in 2020 and 60.6% in 2021. Thus, women represent 38.9% of the employed EAP in 2020 and 39.4% in 2021.
- 60.7% of the EAP is concentrated in 32 cities with more than 100 thousand inhabitants.

INEGI [21] indicates that in Mexico 1'354,893 people earned more than five minimum wages in 2020 (equivalent to \$18,740 pesos of that year), while 1'320,095 people earned more than five wages in 2021 (\$21,550 pesos of that year), which meant 2.6% of the total employed EAP in 2020 and 2.3% of the employed EAP in 2021. According to the INEGI information consulted: 12.6% in 2020 [22] and 12.4% in 2021 did not specify their income in the Encuesta Nacional de Empleo (ENOE) -National Occupation and Employment Survey-, which tells us that there are many more people who earn more than five salaries per month, as we will see in the following paragraphs with information from the IMSS.

Of the total number of people in formal employment in the country (24.8 million people), the Mexican Social Security Institute (IMSS) had 20,620,148 workers registered as of December 31, 2021; in November it registered 20,933,050 contributors, registering a loss of 312,902 in the month of December 2021.

The total number of workers registered in the IMSS in December 2021 represents 83.2% of all the people in the country who have a formal job, so the universe of IMSS co-contributors is very significant. From Tableau Public's data [23], I draw these figures of the highest salaries that will be co-contributed to the IMSS as of December 2021:

- In the range of 7 to 11 minimum wages (\$30,170 to \$47,410 pesos) 971,785 contributors are located, representing 4.7% of the total IMSS insured.
- In the range of more than 11 to 15.8 minimum wages (\$47,411 to \$68,149 pesos) are 386,634 workers, representing 1.9% of the IMSS total.
- In the maximum ceiling or range of 15.81 minimum wages or 25 UMA: \$68,149 pesos, there are 443,561 insured workers, representing 2.2% of the total number of IMSS workers.
- Adding the three categories of \$30,170 pesos and above, there are 1,801,980 workers in the IMSS, corresponding to 8.7% of the total.

In response to the question, with these data we see that a little more than 1.8 million people who have formal employment in the country and who are registered with the IMSS will earn more than \$30,170 pesos per month as of December 2021, while of these there are a little more than 830,000 workers who earn more than \$47,410 pesos per month.

The 1.8 million people, as mentioned above, represent 8.7% of the total number of workers contributing to the IMSS as of December 31, 2021. In the ratio of these insured workers to the total population with formal employment in the country (24.8 million), they represent 7.3% of formality.

### Conclusions

- The poverty limit or family welfare line set by CONEVAL for February 2020 consisted of \$14,196 pesos for a family of four members, including the food and non-food basket, by December 2021 that family welfare line would be \$15,667 pesos. The

Espinoza Yglesias Center for Studies determined the minimum income standard for a family of four: \$27,198 pesos per fortnight in Mexico City and \$25,448 pesos for the rest of the country's cities.

- Since López Obrador became president, the minimum wage has been recovering its purchasing power in the country, registering nominal increases of 95.6% in the period from 2019 to 2022, while inflation could be estimated at 19.6% for the same period, if an annual inflation rate of 5% is reached in 2022, which would mean a real growth rate (discounting inflation) of 76% in the period.
- In spite of the low social mobility in the country, where three quarters of the population born in households in the lowest group of the social ladder do not manage to rise above the poverty line, it is still possible to answer the second question that it is advisable to continue pursuing undergraduate and, above all, graduate studies in Mexico, given the very different salary ranges between the different educational levels observed in the country.
- With postgraduate studies in 2018 a person in Mexico obtained 10.3 times more income than someone studying primary school; 6.3 times more than with secondary school studies; 4.5 times more than someone with high school studies and 2.4 times more than someone studying a bachelor's degree. In 2020 the person with postgraduate studies would receive 6.6 times more than someone with primary school studies; 4.5 times more than with secondary school studies; 3.8 times more than with high school studies and 2 times more than with bachelor's studies. From 2018 to 2020, the income of professionals with postgraduate studies will fall in real terms by 13%.
- With the information presented, it can be seen that women receive less income than men, which speaks of a lack of equal opportunities for both sexes. Between 2018 and 2020, women earned between 53% and 57% of what men earned with primary and secondary education; between 69% and 71% with high school and undergraduate studies. Where there was significant progress was at the postgraduate level, where women in 2018 received incomes equivalent to 56% of men, receiving 69% in 2020.
- More than 1.8 million people who have formal employment in the country and who are registered with the IMSS earn more than \$30,170 pesos per month with data from December 2021, of them just over 830 thousand receive salaries of more than \$47,410 pesos per month. These 1.8 million workers represent 8.7% of the total IMSS contributors and 7.3% of the 24.8 million people formally employed in the country at that time.
- 3.2% of the employed EAP earns more than \$30,170 pesos per month and 1.5% of the employed population earns more than \$47,410 pesos per month in Mexico.

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