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Mexico's middle class

By Erika Wurst Special for The Arizona Republic Feb. 14, 2005 12:00 AM

MONTERREY, Mexico-Gabriela del Hoyo stands in the tree-lined street outside her home holding her 2-year old son Rodrigo by the hand.

She's keeping an eye on Rodrigo's big brother, Eugenio, 5, who is peddling away from her as fast as he can on his pint-sized, black and red Mongoose bike.

A red Chevy truck comes coasting by and a pregnant Gabriela hollers at her son to get out of the way. The man in the truck gives the family a friendly wave as he passes, and Eugenio takes off racing after him.

"Every afternoon the kids go out in the street and play with their bikes," says Gloria del Hoyo, Gabriela's sister-in-law, who lives nearby. "The mothers and dads just sit down on the sidewalk and play with the children."

This is the neighborhood that Gloria grew up in and where she still lives; a neighborhood framed by rose bushes and long, neat driveways displaying a Dodge Stratus here, a Chrysler Town and Country car there.

It is a neighborhood that could be found anywhere in the United States, but this one happens to be located in Mexico, a country better known for poverty than suburban middle-class subdivisions.

Compared to the United States, Mexico's middle class is small. But it is growing, especially in Monterrey, one of Mexico's most Americanized cities, located in Nuevo Leon, a Mexican state bordering Texas.

Because more than 50 percent of Nuevo Leon's businesses reside in Monterrey, nearly 85 percent of the state's population chooses to reside there as well. Filled with bustling malls and shopping plazas, car dealerships and factories, McDonalds and Applebees, the thriving industrial city has been coined the "Pittsburgh of Mexico."

Though Nuevo Leon is home to just under 5 percent of Mexico's population, a hefty 9.4 percent of Mexico's manufactured products are produced there, generating about 8 percent of Mexico's gross national product.

As companies like Coca-Cola and Celestica, the world's third largest electronics manufacturing services company, have come to Monterrey, so have jobs. And with jobs have come a rising standard of living.

"The economic spillage has fostered a fairly large middle class," said Javier Bolanos Cacho Martinez of the Office of Economic Development for Nuevo Leon.

In Nuevo Leon, nearly 32 percent of residents earn between two and five times the minimum wage, the income level determined by the federal government to be adequate to meet the basic needs of a typical family, according to an analysis by the World Policy Institute. That is almost 10 percent better than Mexico as a whole and among the best of any state in the country.

Carlos Chavarría, a foreign investment coordinator for the state of Nuevo Leon, said those who started Mexico's big industries many years ago formed monopolies that were protected by the government, which created a very wide economic gap between the haves and the have-nots.

But now, Chavarría said, things are changing.

"At some point we will end up having a medium class. Now [the people of Monterrey] are at medium-low," he said. People are getting better jobs because there is investment going on right now."

In 2003, poverty levels in Mexico were almost quadruple those in the United States; some 40 percent of those living in Mexico live below the poverty line. In the United States, the population of people living below the poverty line is 12 percent.

But what is happening in Del Hoyo's neighborhood and others like it all around Monterrey could change those numbers - and with them, the face of Mexico.

Fueled by education

Inside the Del Hoyo's home, two matching Buzz Lightyear book bags hang on a coat rack in the foyer and Rodrigo's bright, hand-colored school nametag hangs on a door handle in the hall.

Little Rodrigo is barely 2, but he's already learning French and English in preschool. "He understands us now," Gabriella says proudly.

Rodrigo is silent, ignoring his mother's pleas to say something - in any language.

Gabriella decides not to press the issue. "He is just shy," she says.

If Rodrigo follows in the footsteps of his Aunt Gloria, he will one day find himself studying at Tec de Monterrey or one of the state's other nine public and private universities.

Until then, he's in good hands.

The state of Nuevo Leon is widely regarded as having the best elementary and secondary schools in the country.

In Monterrey, more than 60 percent of the city's annual budget is dedicated to education and almost everyone goes to high school, Chavarria said. Forty percent of adults living in the city have some college education.

"After they graduate," Chavarría said, "they find they can win more money here than they can where they came from."

On average, residents have three years more education than other Mexicans - 9.5 years compared to 6.8, said Alejandro Gomez, undersecretary of foreign investment for the state.

Higher education levels mean that Nuevo Leon can attract more industries and more jobs, which in turn, raise the standard of living and elevate more people into the middle class, he said.

"Medium-class" values

The sound of cartoons echoes throughout Gabriella's home, thanks to the surround- sound speakers for the oversized Sony TV.

DVDs of Shrek, Toy Story and other Disney classics are perched on a wooden shelf next to portraits of the two young boys, dressed in matching blue- and white-striped shirts and overalls.

Everything in the house, from the leather couch and faux Van Gough paintings to the matching candles on the matching coffee tables, evokes the middle class.

Like most middle-class Americans, Gloria views her family as being comfortable but far from rich.

"We think we are the medium class," she says. The family values simple things, "like a bike, like a boat, summer in the swimming pool," she continues, as she watches Eugenio play in the dirt with his yellow truck.

"They wear normal clothes," Gloria says of her boys. Today it's brightly colored striped shirts, long shorts and high-top sneakers. "Sometimes we go to rich stores, but not every day.

"It's not important if we travel a lot. We care about education and values, if we are together as a family. That kind of thing."

With another boy on the way in just a few weeks, her sister-in-law, Gabriela, stays at home with the children while Gabriela's husband, who earned his master's degree from Stanford University in California, heads off to work in telecommunications at Cemex, a leading global producer of cement founded almost 100 years ago in Mexico.

Not all Cemex workers are as well off.

"In Cemex, there are people with very less income," Gabriela says quietly. "People that live in little houses; that only have money to eat every day."

While both Gabriella and Gloria appreciate what they have, they are quick to make it clear that they are not a rich Mexican family. Just as a thriving middle-class has sprouted in Monterrey, so has a large upper class, full of business executives and the larger-than-life rich.

"There is a big difference between San Pedro and here," Gloria says, still lounging in the backyard of her brother's home, where the sun has begun to set.

Bienvenidos a San Pedro

Just blocks from the del Hoyo home, BMWs and silver Audis replace soccer mommini-vans. It's as if a line has been drawn between Monterrey and its neighboring town, San Pedro: On one side are Nikes; on the other Armani.

Couples jog and stroll through immaculate parks and past mini-mansions, one each to a block. Bridges look like works of art and giant stone fountains rise up out of the streets.

It's the kind of place where you can't get into a club without the right "look," much like in Los Angeles or New York.

"It's very elitist," one 20-year old Monterrey resident says with a tinge of anger. "When I go to a club with my friends, the man standing in front of the door says, 'You, you, you -- enter. You -- no."

In some ways, Monterrey residents seem obsessed with upscale San Pedro and its residents. They drive slowly through the neighborhoods, as if admiring elaborate Christmas displays.

They brag about the people they know who live there and pass on rumors about a woman who lives so high up on a mountain that she must take a helicopter to get to her home. They're pretty sure the story could be true: San Pedro, they note, has the highest per capita income and the highest concentration of billionaires in all of Latin America.

Movie theatres in San Pedro are labeled VIP and serve dinner and alcohol instead of popcorn and Coke. Glitzy shopping malls take hours to cruise through.

While the rich in Mexico are few, they are very rich: In 2000, the wealthiest 10 percent of income earners earned 40 percent of the national income. In contrast, the poorest 10 percent earned a mere 1.1 percent.

It is against that backdrop - of the very rich and the very poor - that the del Hoyos are writing a new script for Mexican families.

Rodrigo and Eugenio have worn themselves out playing in the back yard. The two sip from apple juice boxes while they put together a Lego airplane in front of the TV.

Gabriela shows off her cluttered fridge, decorated with magnets she's collected from her travels, places she's been fortunate enough to visit -- Los Angeles, Switzerland, Australia, Cancun.

"When you have money," Gloria says, "you have a different way of life."

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