

2022 LDC U.S. Latino GDP Report

Los Que Superan

California
Lutheran
University



UCLA Health

Center for the Study of
Latino Health and Culture

2022 LDC U.S. Latino GDP Report

Matthew Fienup, PhD

- **Executive Director**, Center for Economic Research & Forecasting,
Associate Professor of Economics, California Lutheran University
- **Project Director**, Latino GDP Project

California Lutheran University

CENTER FOR ECONOMIC RESEARCH
& FORECASTING

Latino Gross Domestic Product (GDP)

Why GDP?

- Broad Measure of Economic Activity
- Nearly-universal *summary statistic* for the performance of an economy

As a summary statistic for the performance of Latinos in the U.S., the Latino GDP is impressive

- Total economic output of U.S. Latinos is very large - \$2.8 Trillion in 2020
- U.S. Latino GDP is growing rapidly – 2.6x faster than Non-Latino GDP (2010-20)
- *Latinos are drivers of economic growth and an important source of economic strength and resiliency for the nation*

Estimating the Latino GDP - Methodology

We conduct a detailed, bottom-up construction of Latino economic activity leveraging publicly available data from major U.S. agencies

Bureau of Economic Analysis (BEA) provides detailed input-output (I-O) tables

- Broad and deep measure of economic activity across 70 industrial sectors
- The most recent year for which this core building block is available is 2020

We combine the BEA I-O tables with data from the Census Bureau (BOC) & Bureau of Labor Statistics (BLS) to produce Latino I-O tables, which yield Latino-specific calculations of the major GDP components

- BOC and BLS provide breakouts of differences in income, spending, home ownership, educational attainment, labor market patterns and demographics

Estimating the Latino GDP - Methodology

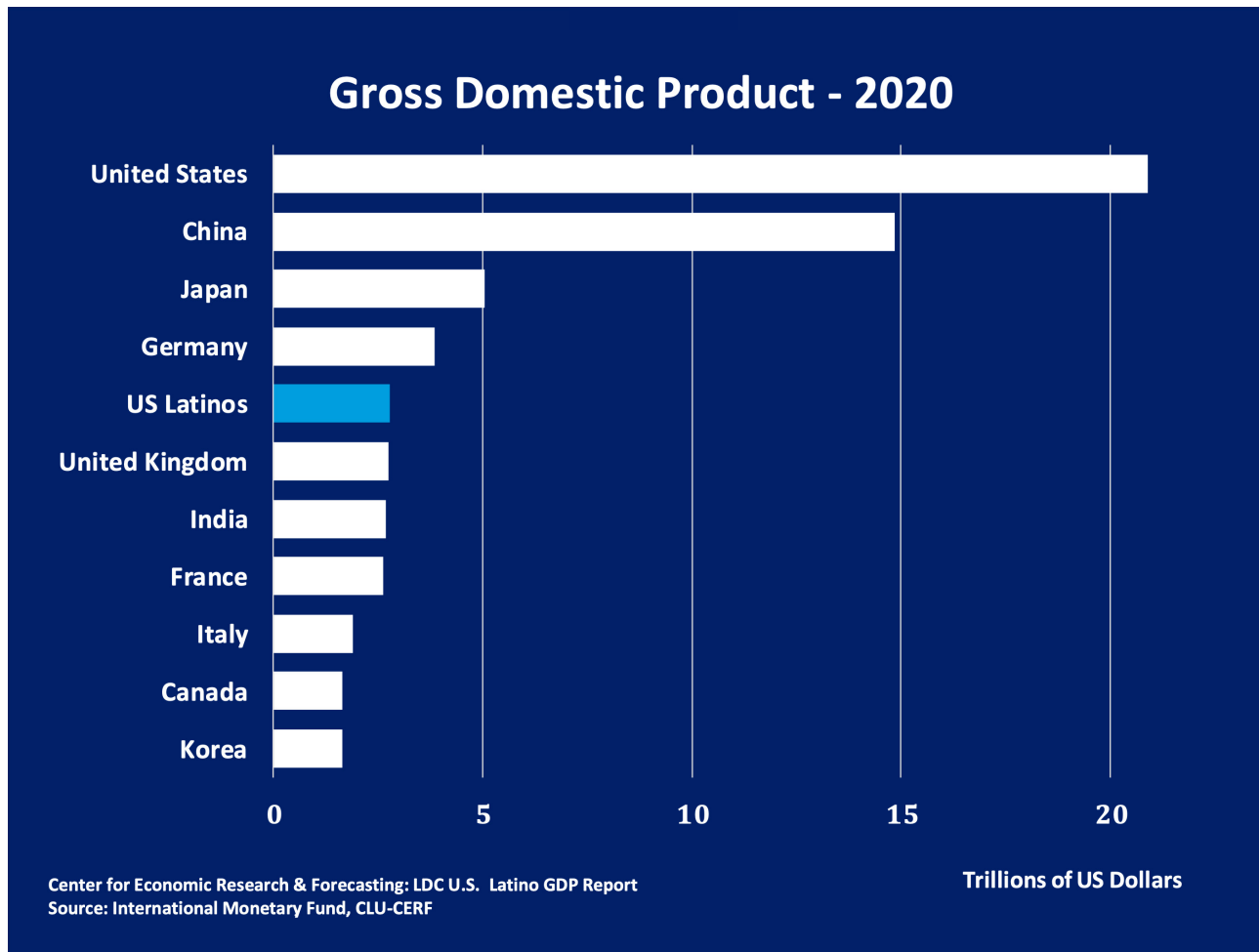
Bureau of Economic Analysis - Input-Output (I-O) Tables

Intermediate Output
Across 70 sectors: from Agriculture to Local Government Services

Final Demands
C+I+G+EX-IM

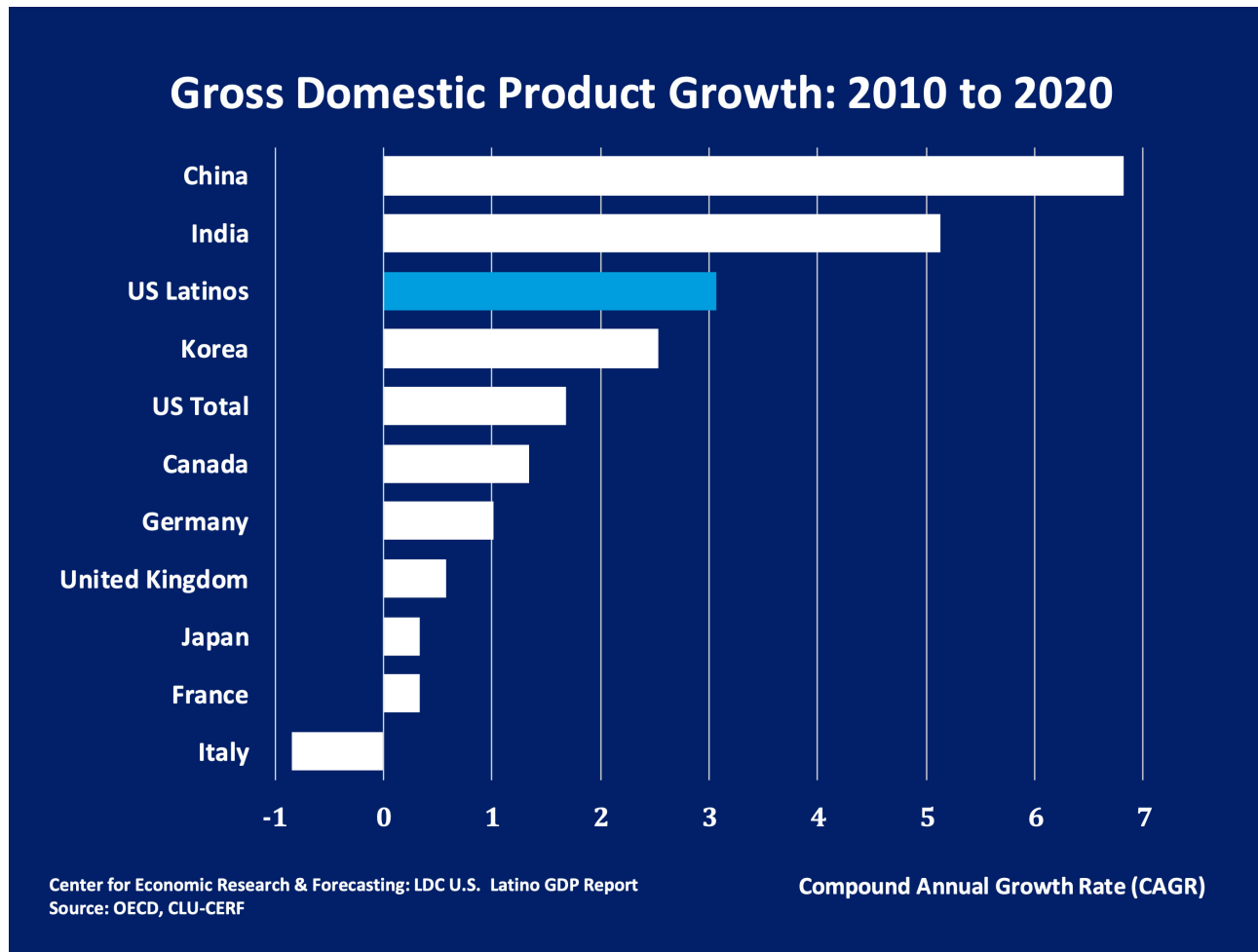
Income by Type
Across 70 sectors: from Agriculture to Local Government Services

U.S. Latino Gross Domestic Product (GDP)



If it were an independent country, Latino GDP would be 5th largest in the world

U.S. Latino Gross Domestic Product (GDP)



Among the ten largest GDPs, Latino GDP is *third* fastest growing (2010-20)

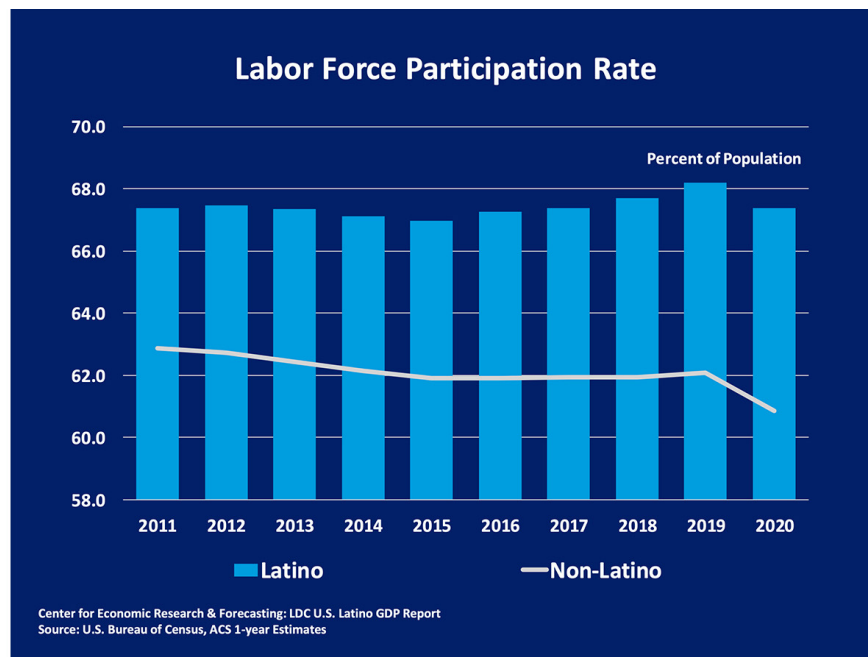
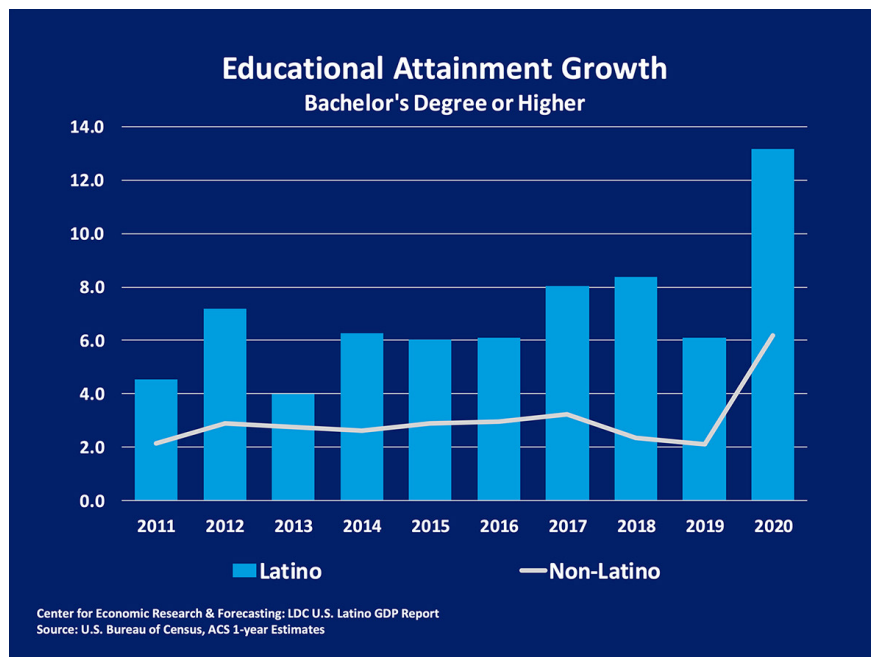
U.S. Latino Gross Domestic Product (GDP)

The single largest component of rapid Latino GDP growth is personal Consumption growth

- From 2010-2020, Latino real consumption grew *3 times* faster than Non-Latino
- This dramatic increase is driven by **large gains in personal income**, which naturally flow from Latinos' **rapid gains in educational attainment** and **strong labor force participation**.

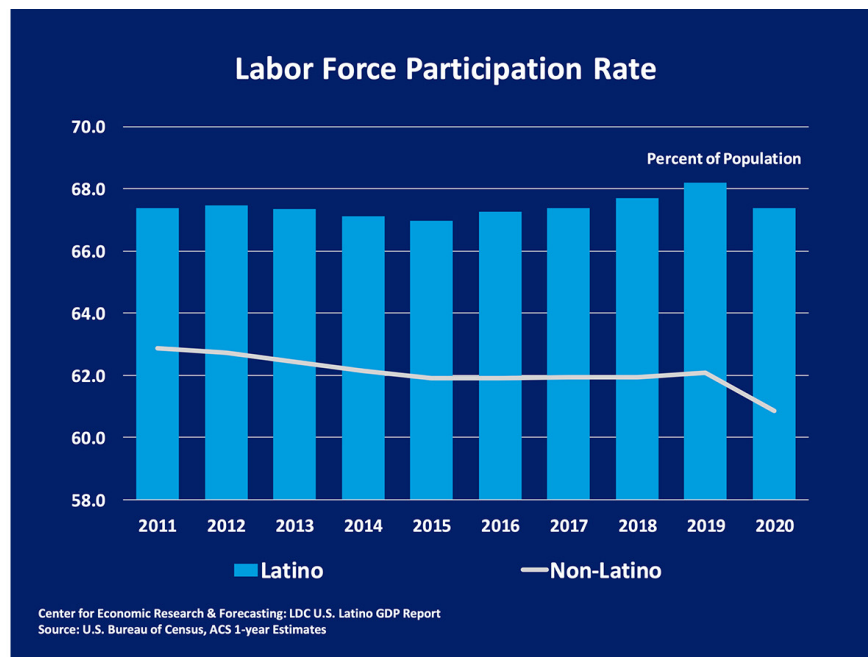
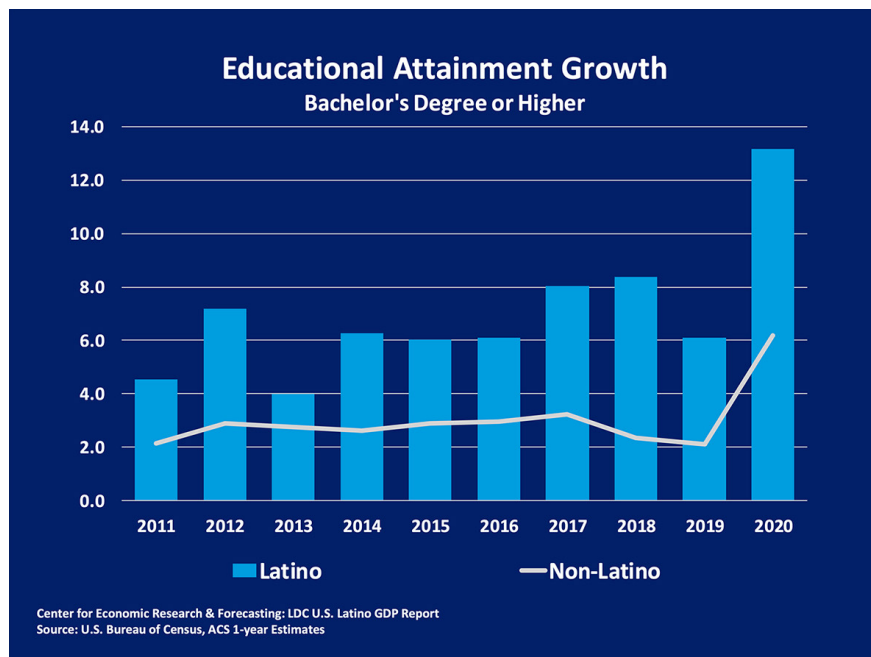
Growth of the Latino GDP is the result of rapid human capital accumulation

U.S. Latino GDP - Education & Labor Force Participation



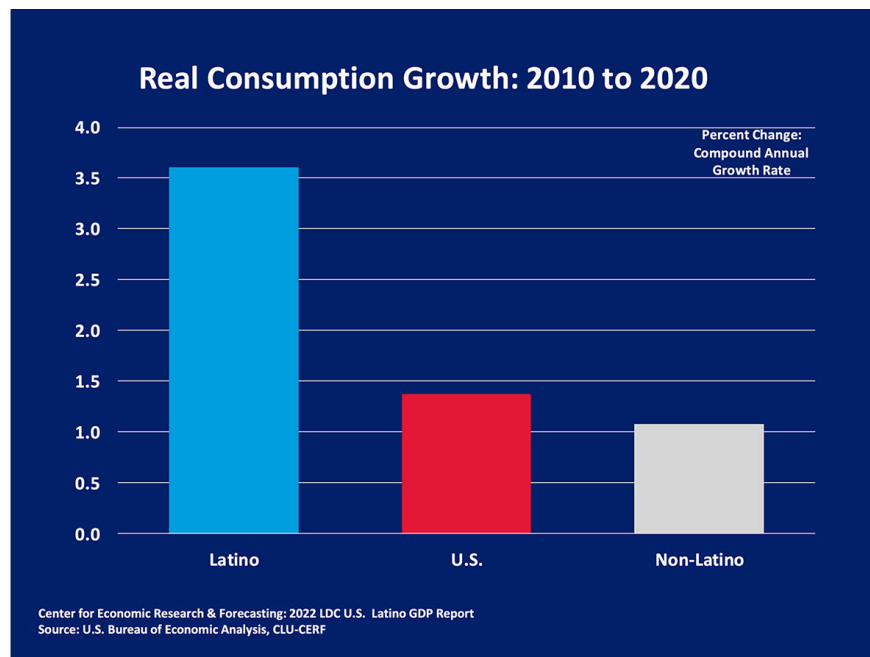
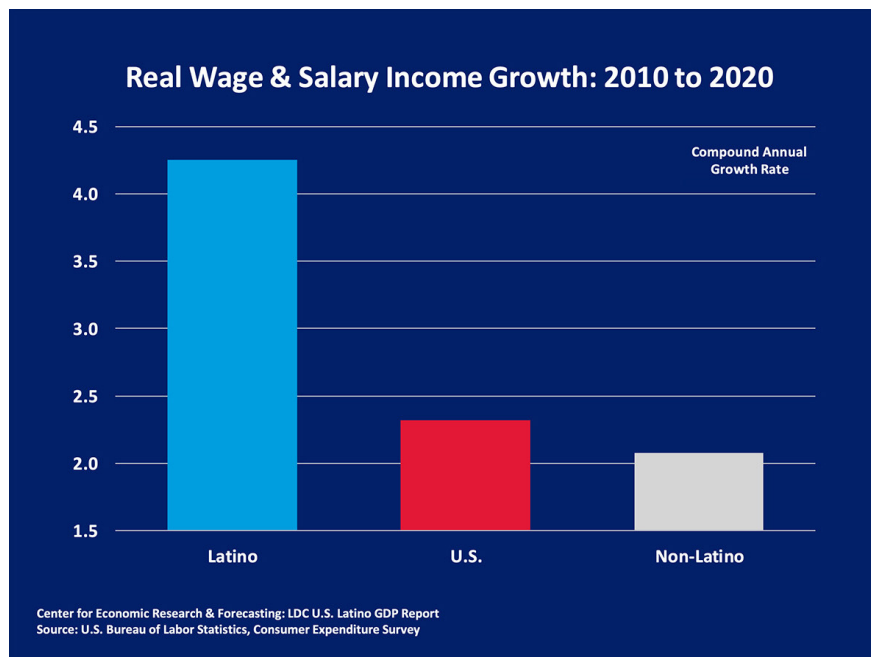
Educational attainment of U.S. Latinos is growing *2.8 times* as fast as that of Non-Latinos

U.S. Latino GDP - Education & Labor Force Participation



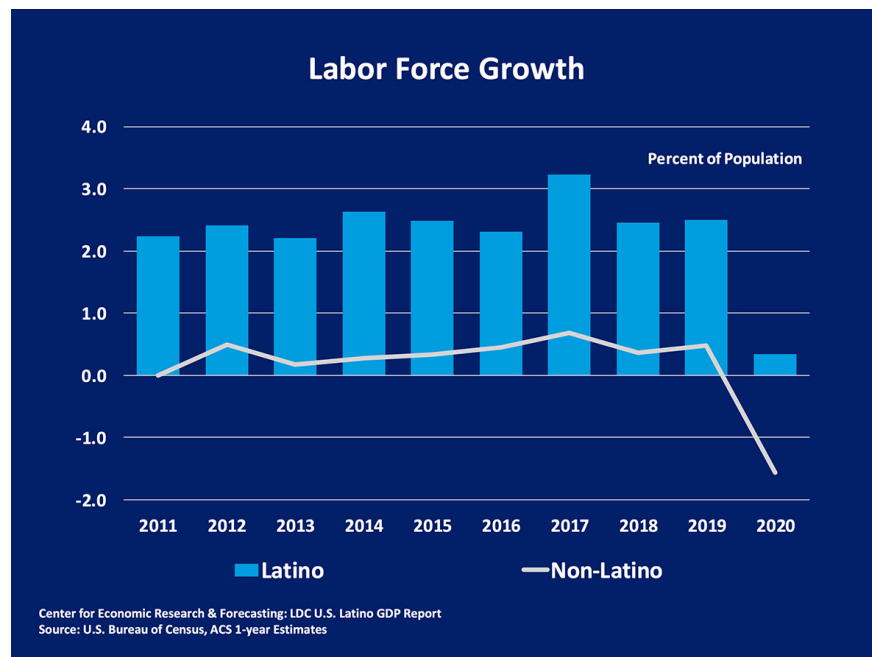
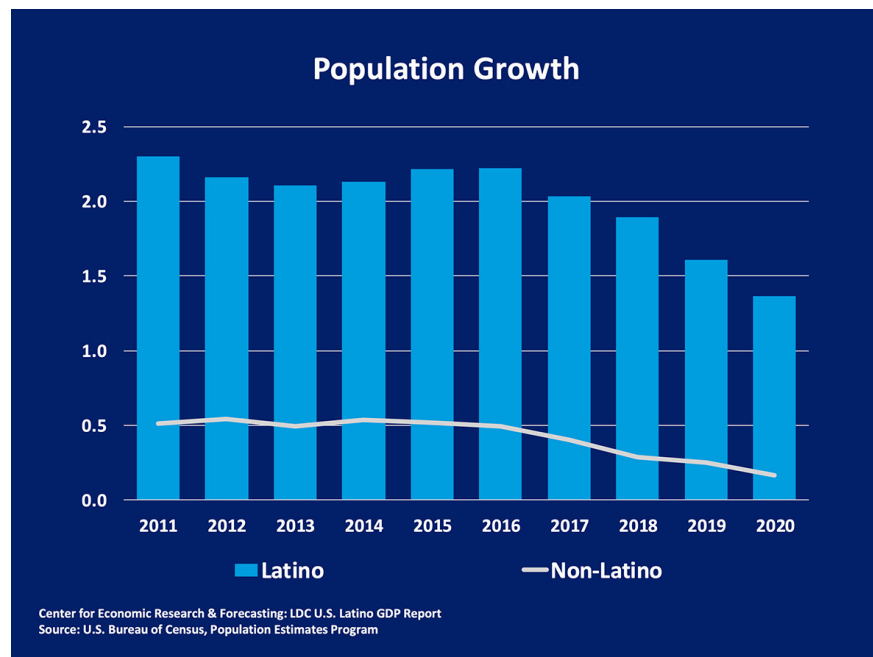
In 2010, Latino's were 4.5 percentage points more likely to be working than Non-Latinos. That premium increased every year from 2010 to 2020

U.S. Latino GDP – Income & Consumption



Latino personal income and Latino personal consumption each grew more than 3x faster than Non-Latino from 2010 to 2020

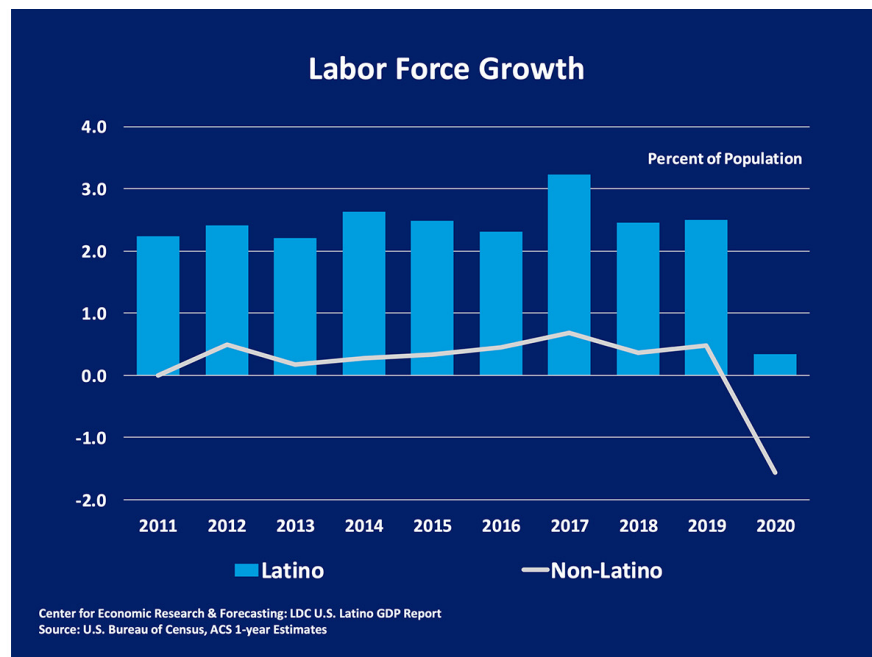
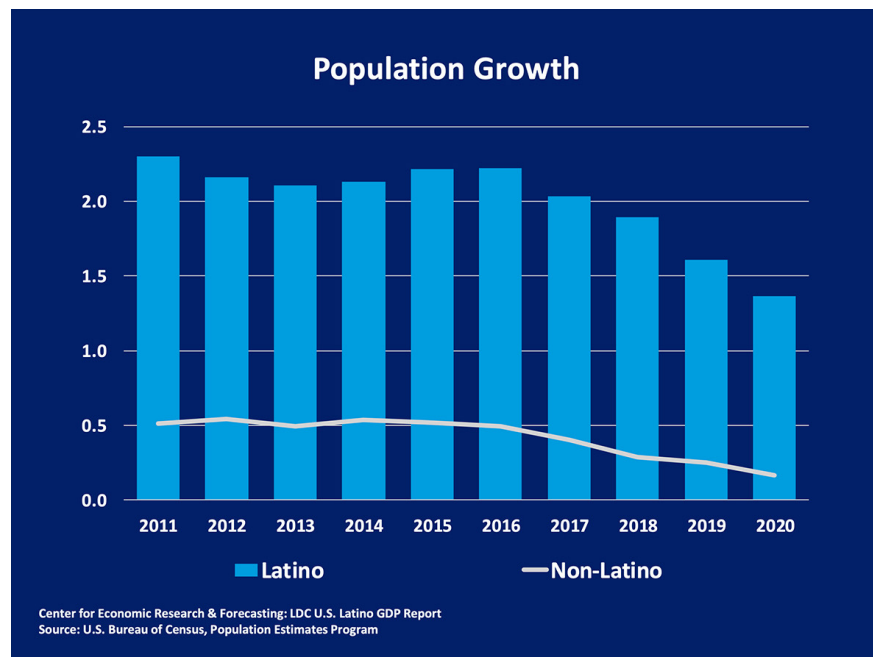
U.S. Latino GDP - Population & Labor Force



Latinos are making strong and consistent contributions to U.S. population and labor force

- Latino population growth is 5x that of Non-Latino from 2010-20. Despite being just 18.7% of population, Latinos are responsible for 65% of U.S. population growth, 2010-20
- Latino labor force growth is 15x that of Non-Latino from 2010-20. Despite being just 18.7% of population, Latinos are responsible for 73% of growth of the U.S. labor force

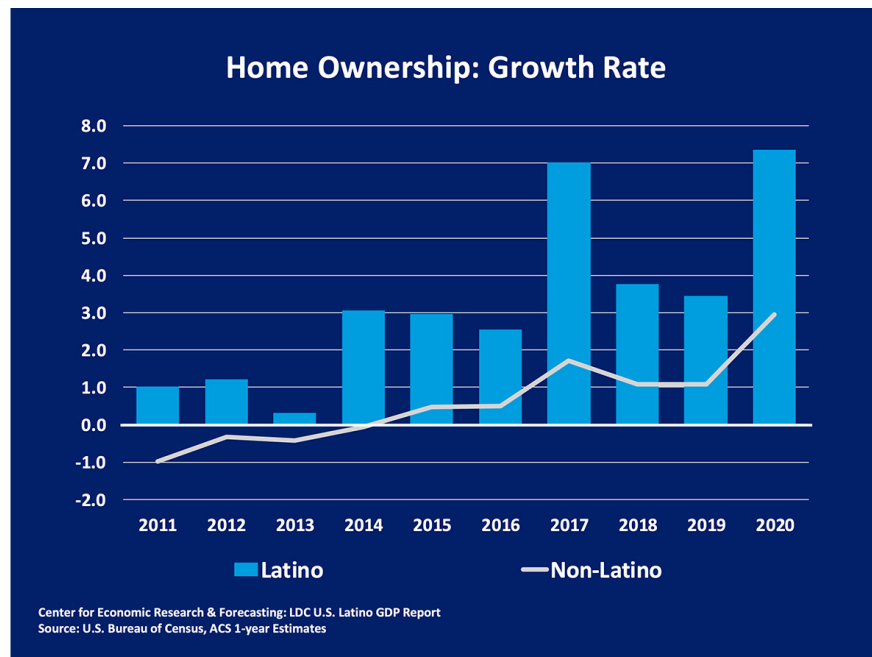
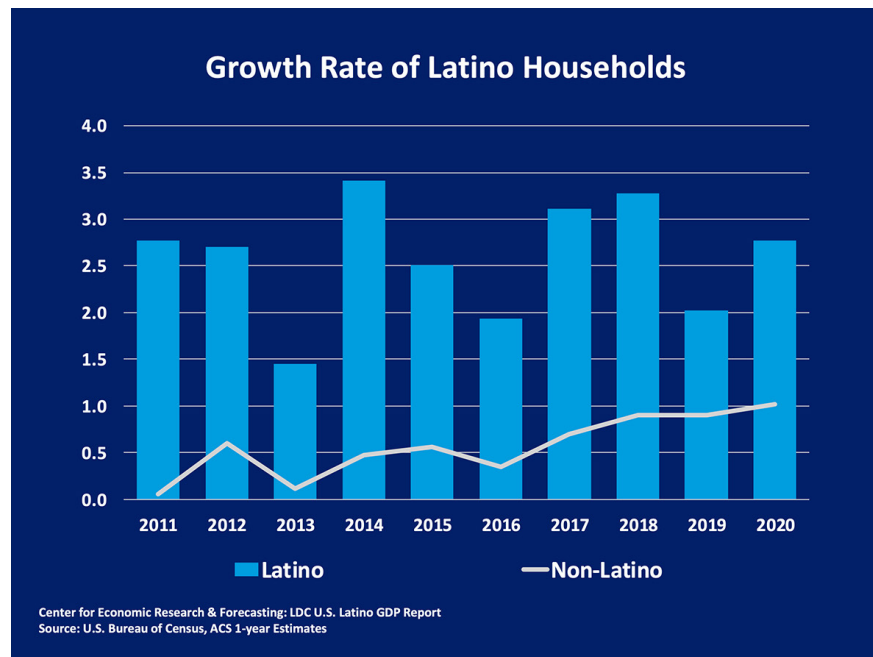
U.S. Latino GDP - Population & Labor Force



Latinos are making strong and consistent contributions to U.S. population and labor force

- Latino population growth is 5x that of Non-Latino from 2010-20. Despite being just 18.7% of population, Latinos are responsible for 65% of U.S. population growth, 2010-20
- Latino labor force growth is 15x that of Non-Latino from 2010-20. Despite being just 18.7% of population, Latinos are responsible for 73% of growth of the U.S. labor force

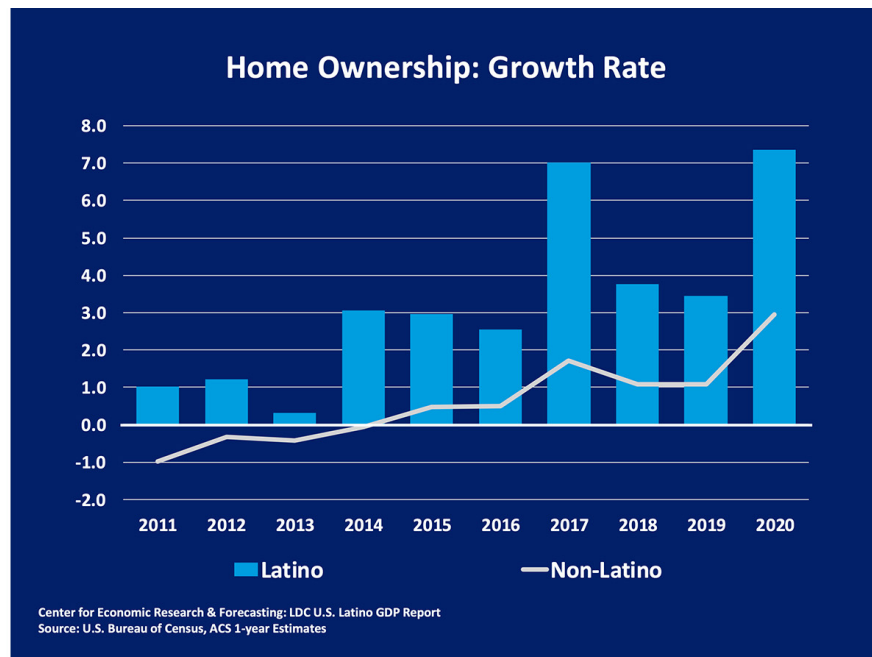
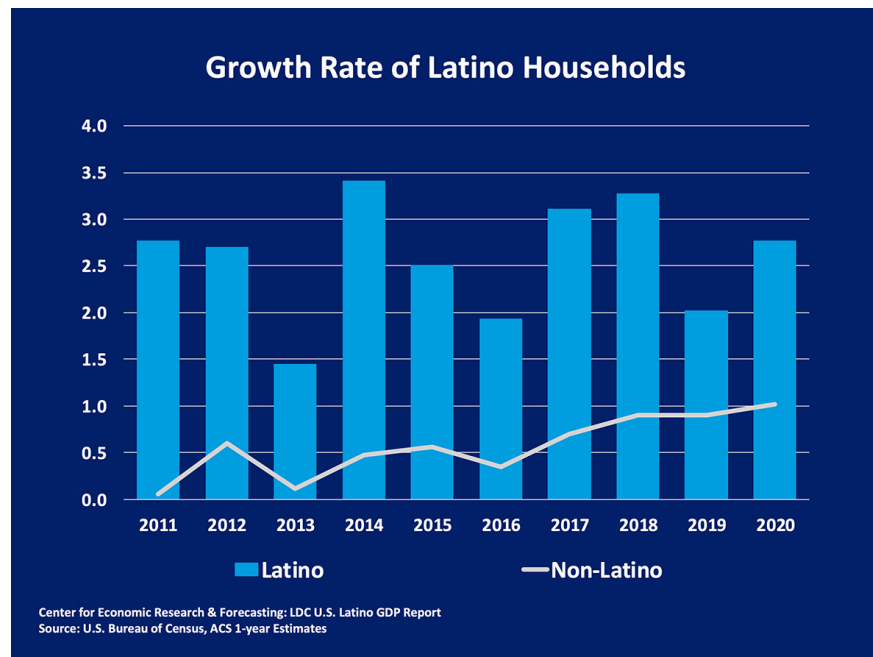
U.S. Latino GDP – Households & Ownership



Latinos provide a very large and positive demographic punch through both the addition of workers and the formation of households

- Growth of Latino Households was 5x that of Non-Latinos from 2010-20
- Despite being just 18.7 percent of the population, Latinos are responsible for 40% of the growth of U.S. Households from 2010-20

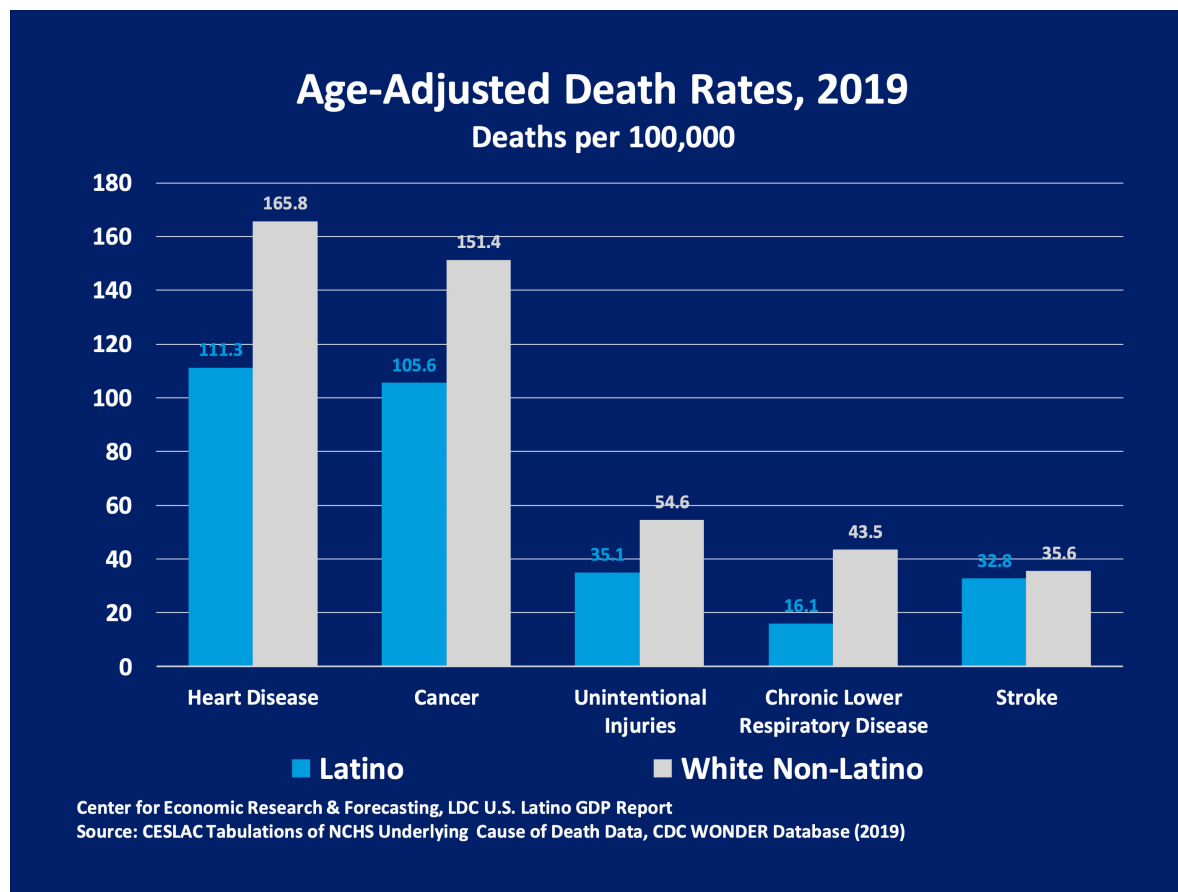
U.S. Latino GDP – Households & Ownership



Trends in income growth and household formation extend to homeownership

- The growth of Latino homeownership has significantly outpaced Non-Latino in every year since 2010.
- According to the Federal Reserve's Survey of Consumer Finances, from 2016-2019, Latino median wealth increased 60%, compared to only 4% for Non-Latinos.

U.S. Latino GDP – the Latino Health Premium

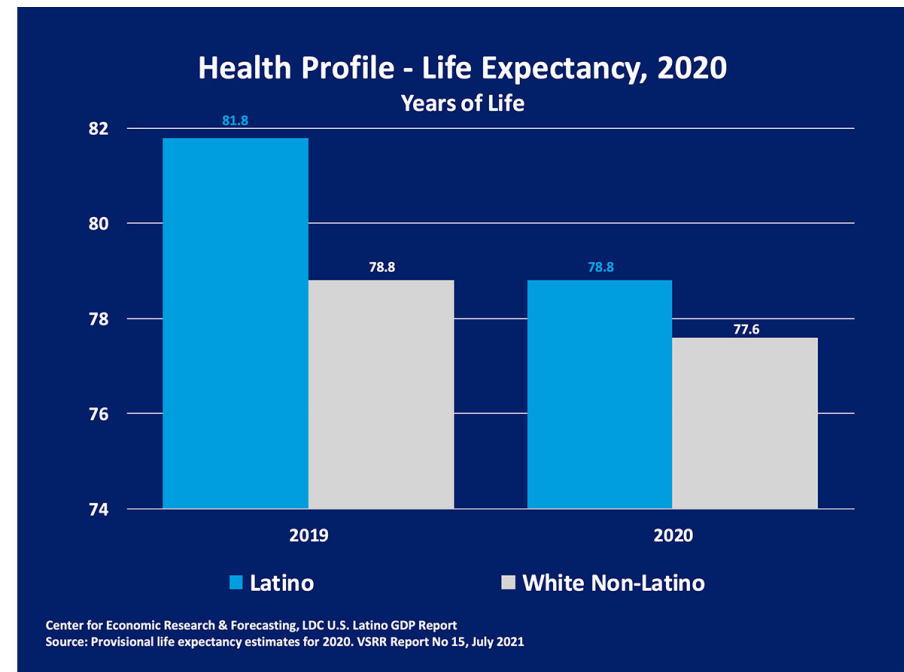
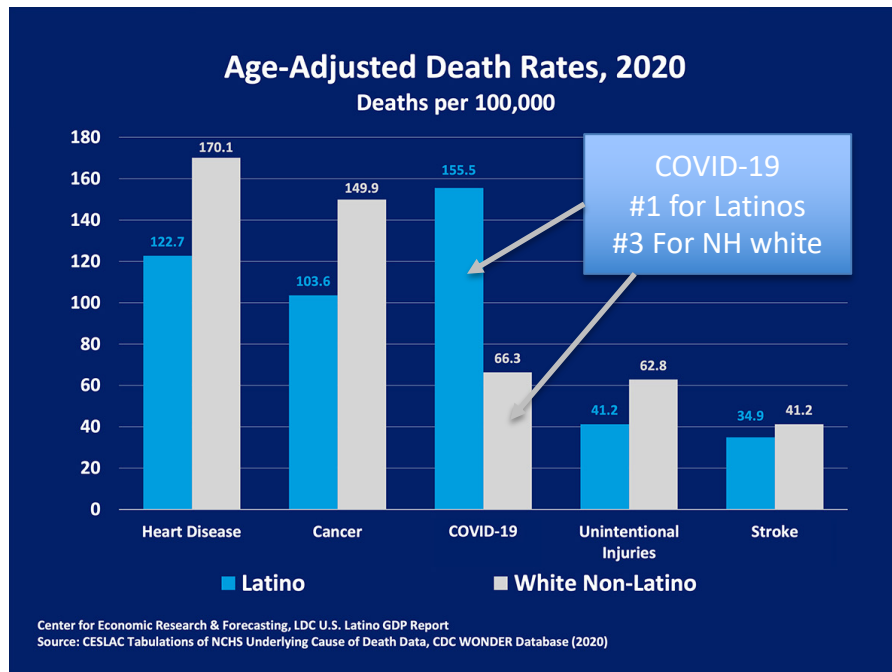


Prior to COVID, Latinos enjoyed lower age-adjusted mortality across all five leading causes of death



COVID-19 – *a Perfect Storm?*

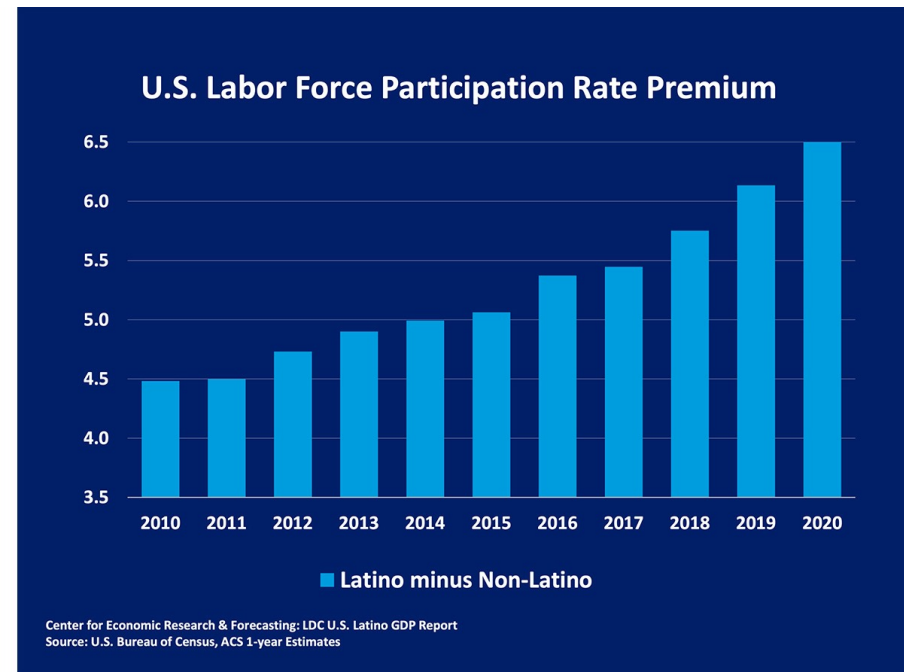
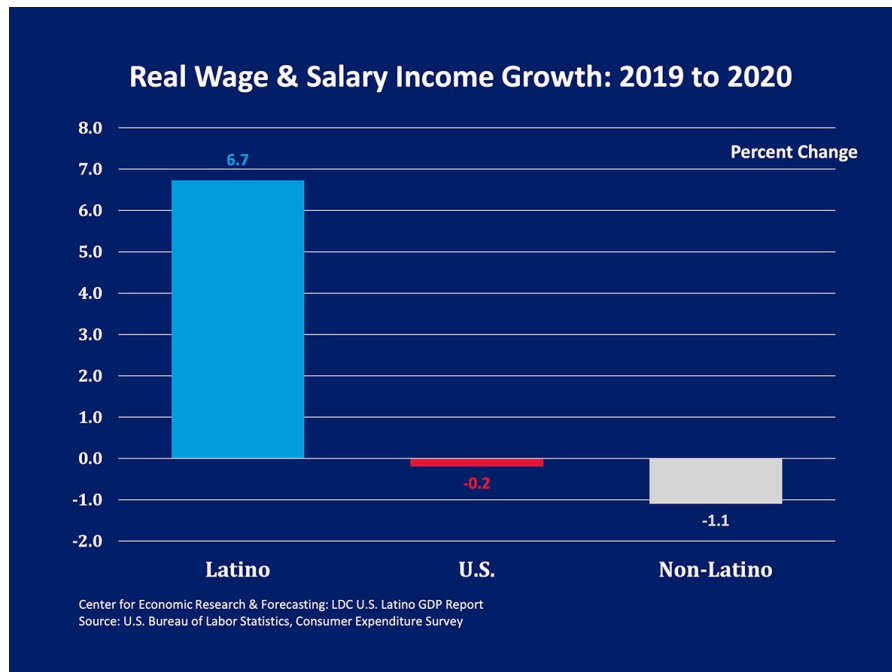
U.S. Latino GDP & COVID-19



Chronic vs. Communicable Diseases

- Chronic or “style of life” diseases are the long-term result of how a person *lives*
- Communicable diseases are transmitted between individuals, regardless of how they live

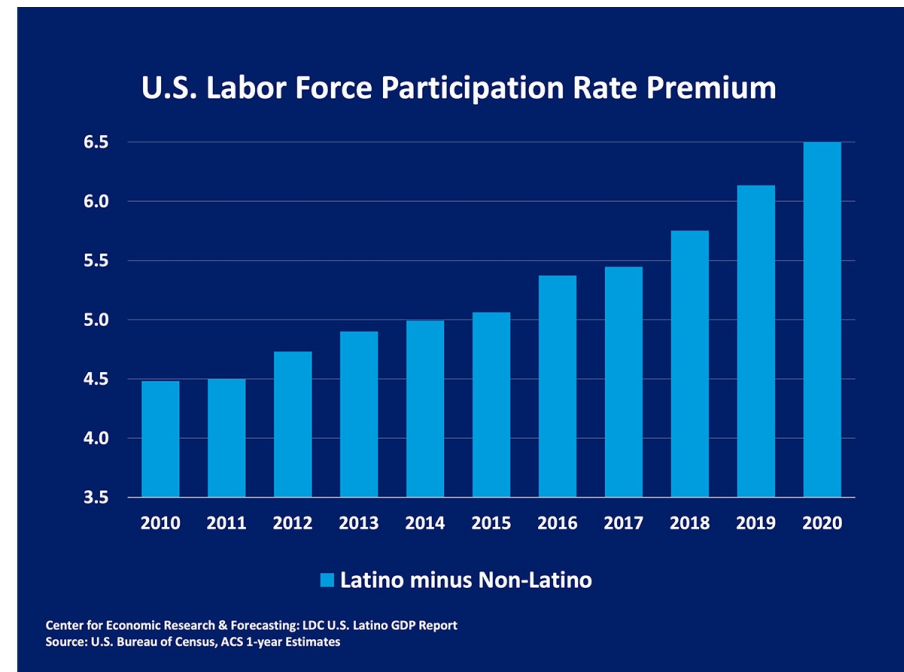
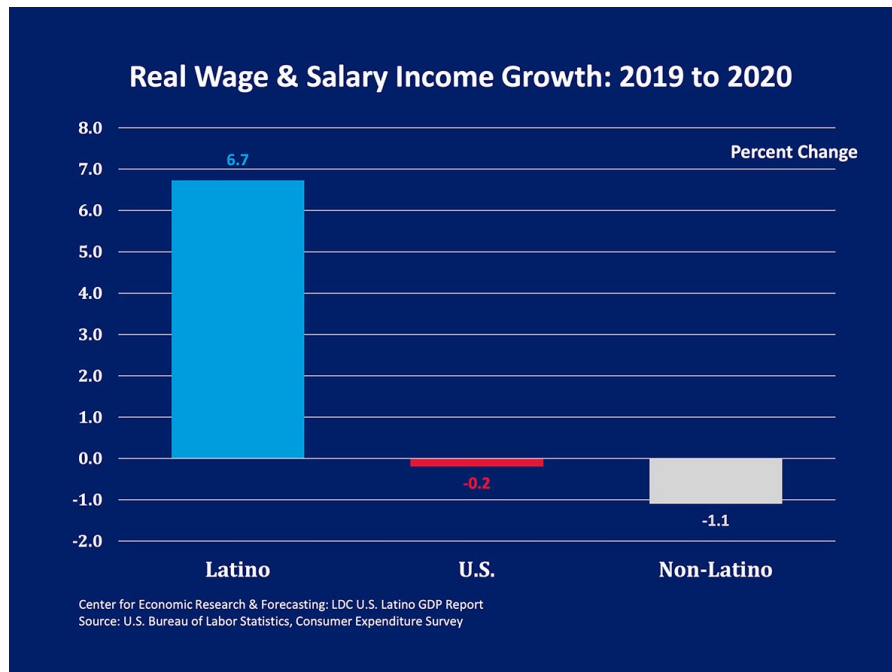
U.S. Latino GDP & COVID-19



The COVID-19 Pandemic revealed that Latinos are a critical source of resilience for the U.S. economy

- 2010-19: Latino real income grew 4.3% per year, compared to only 2.1% for Non-Latinos
- In the face of the COVID-19 pandemic, Latino income surged 6.7%, while Non-Latino income declined by 1.1%

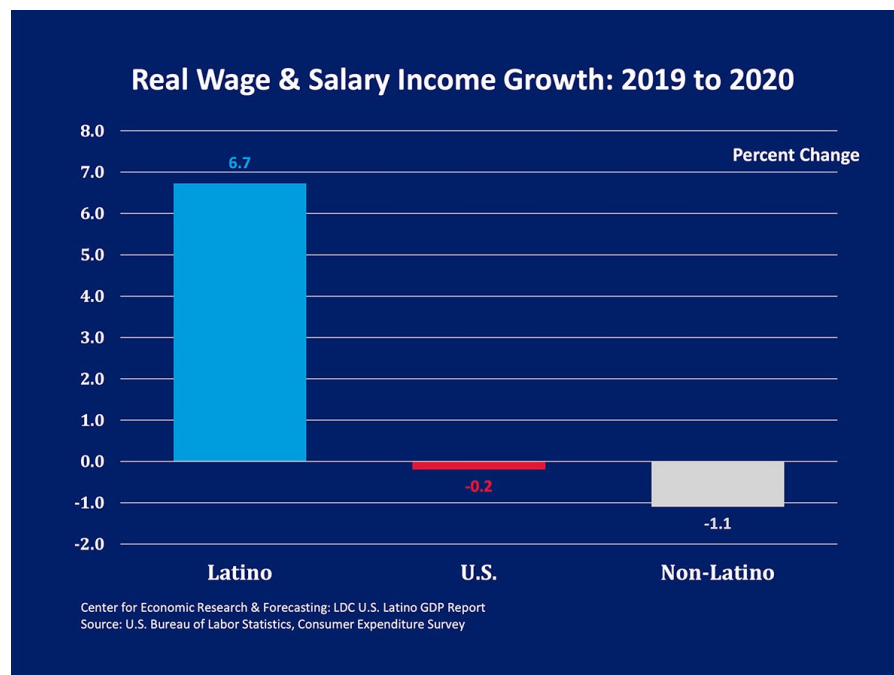
U.S. Latino GDP & COVID-19



The COVID-19 Pandemic revealed that Latinos are a critical source of resilience for the U.S. economy

- 2010-19: Latino real income grew 4.3% per year, compared to only 2.1% for Non-Latinos
- In the face of the COVID-19 pandemic, Latino income surged 6.7%, while Non-Latino income declined by 1.1%

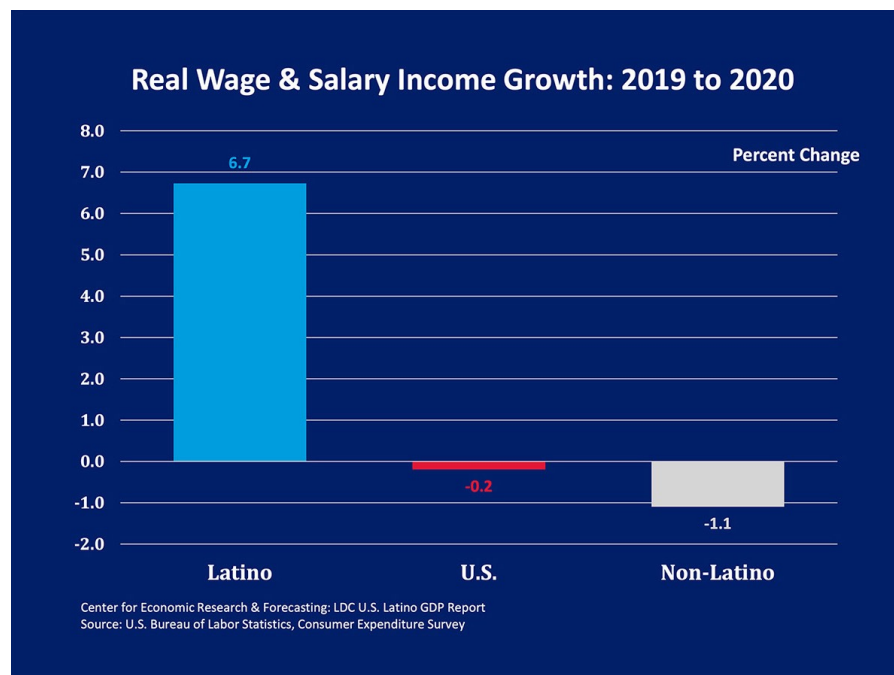
U.S. Latino GDP & COVID-19



Los que superan – Latinos pressed through the pandemic challenges

- 2019: Latino labor force participation premium hit an all-time high of 6.1%
- 2020: In the face of pandemic challenges, Latino labor force participation premium hit a new, record high of 6.5%

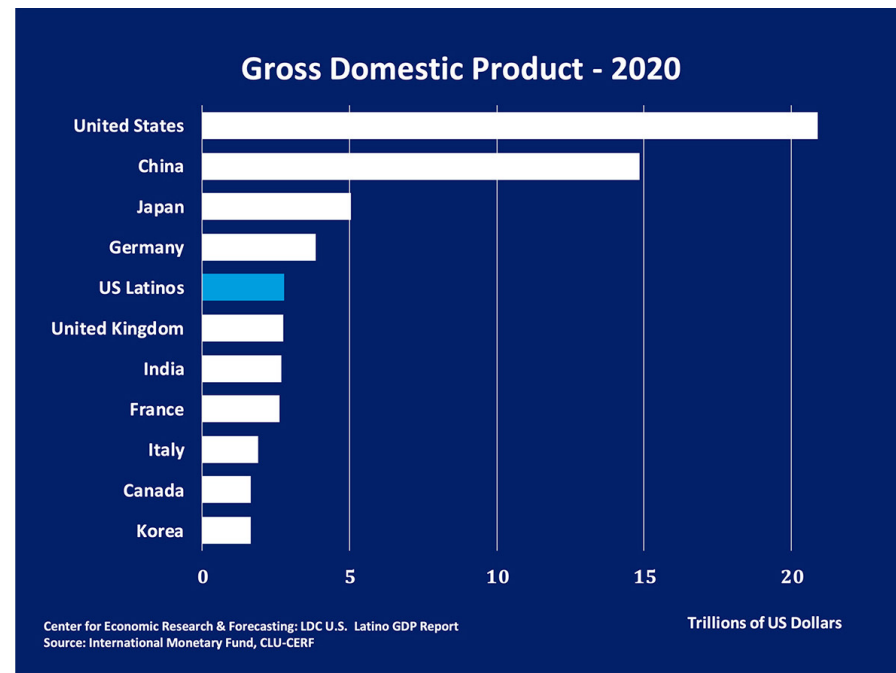
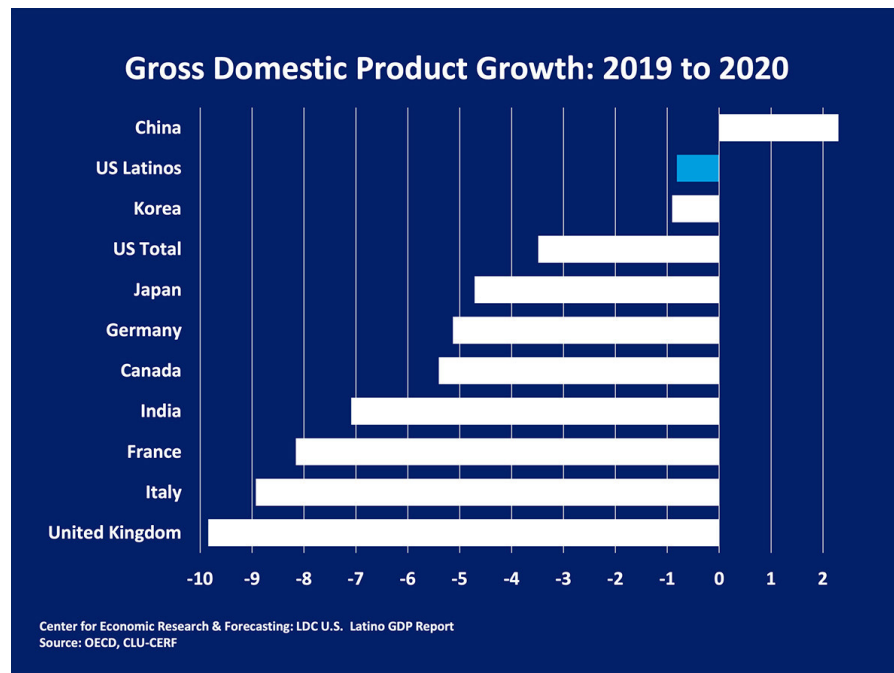
U.S. Latino GDP & COVID-19



Los que superan – Latinos pressed through the pandemic challenges

- 2019: Latino labor force participation premium hit an all-time high of 6.1%
- 2020: In the face of pandemic challenges, Latino labor force participation premium hit a new, record high of 6.5%

U.S. Latino GDP – *those who overcome*



Los que superan – Latinos pressed through the pandemic challenges

- In 2020, the U.S. Latino GDP was the 2nd fastest growing among the 10 largest GDPs
- Latino strength & resilience resulted in the Latino GDP jumping three spots, passing France, India, and the U.K.

2022 LDC U.S. Latino GDP Report



California Lutheran University

CENTER FOR ECONOMIC RESEARCH
& FORECASTING