

2022
Metro Latino GDP Report
Chicago - Naperville - Elgin MSA



generously funded by
the Bank of America Charitable Foundation

California
Lutheran
University

UCLA Health

Center for the Study of
Latino Health and Culture

Dr. David Hayes-Bautista, PhD

Dr. Hayes-Bautista is a Distinguished Professor of Medicine and the Director of the Center for the Study of Latino Health and Culture at the David Geffen School of Medicine at UCLA. He has spent over 40 years working to improve public understanding of Latinos and their health, history, culture, and contributions to California and the nation.



Dr. Matthew Fienup, PhD

Dr. Fienup is the Executive Director of the Center for Economic Research & Forecasting (CERF) at California Lutheran University. CERF is a nationally recognized forecasting center and a member of the Wall Street Journal Economic Forecasting Survey. His other specialties include applied econometric analysis, the economics of land use and environmental markets.



Latino Gross Domestic Product (GDP)

Why GDP?

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

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 - \$2.6 Trillion in 2018
- U.S. Latino GDP is growing rapidly – 74% faster than Non-Latino GDP (2010-18)
- *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

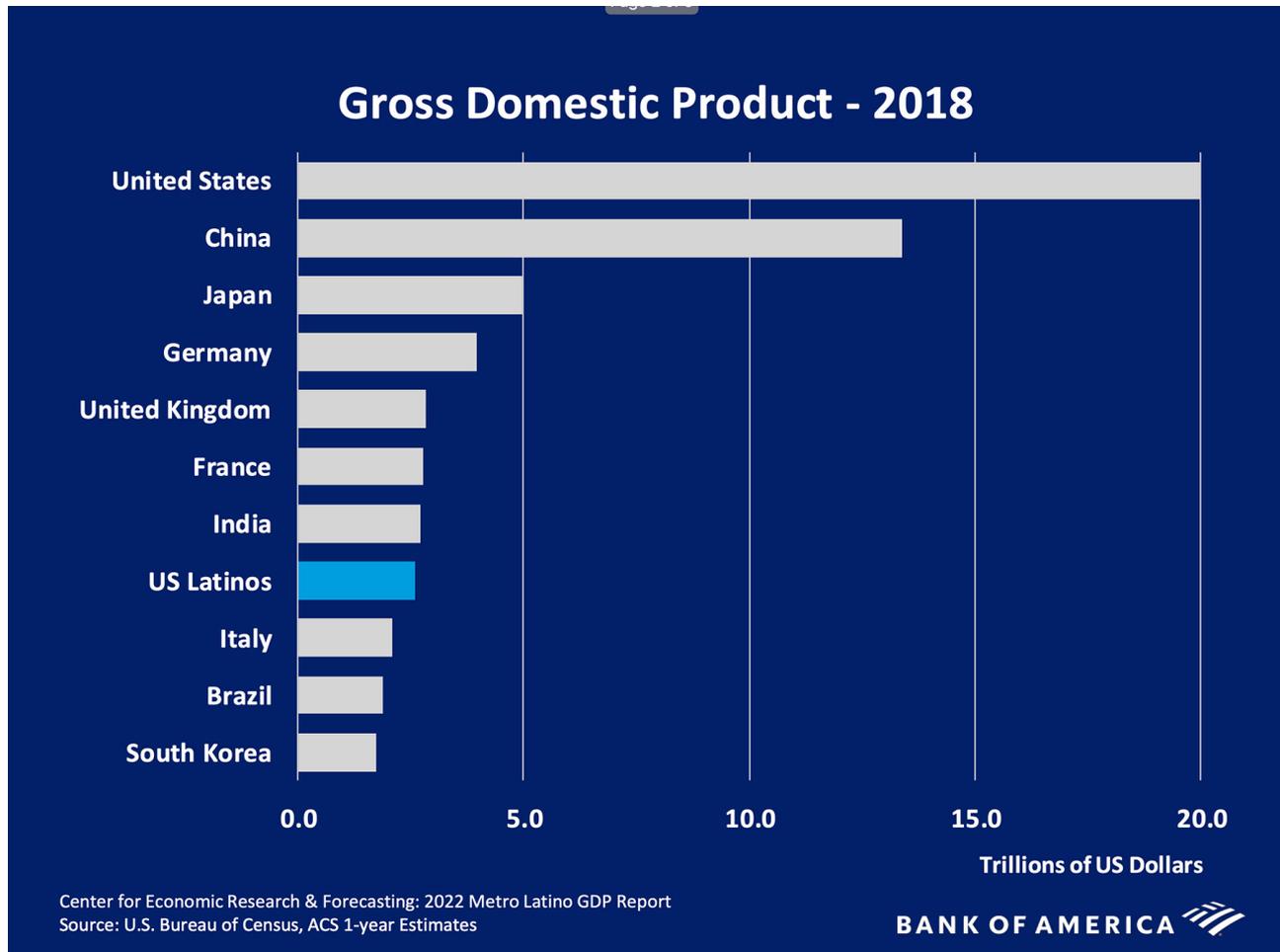
Bureau of Economic Analysis (BEA) provides detailed input-output (I-O) tables

- Broad and deep measure of economic activity across 71 industrial sectors
- The most recent year for which this core building block is available is 2018

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

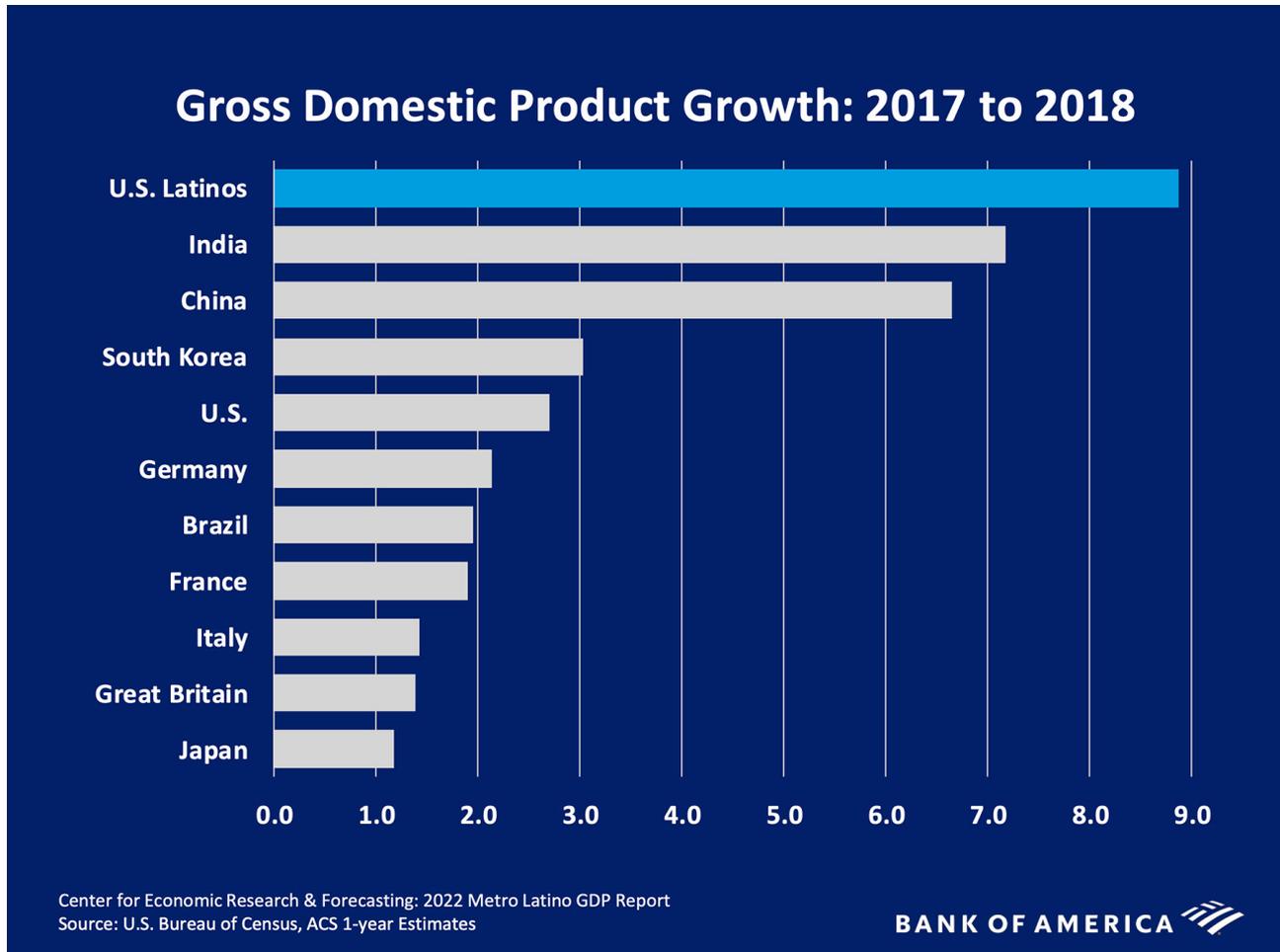
- BOC and BLS provide breakouts of differences in income, spending, home ownership, educational attainment, labor market patterns and demographics

U.S. Latino Gross Domestic Product (GDP)



If it were an independent country, Latino GDP would be 8th largest in the world

U.S. Latino Gross Domestic Product (GDP)



Among the ten largest GDPs, Latino GDP is *single* fastest growing

U.S. Latino Gross Domestic Product (GDP)

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

- From 2010-2018, Latino real consumption grew 135% 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.

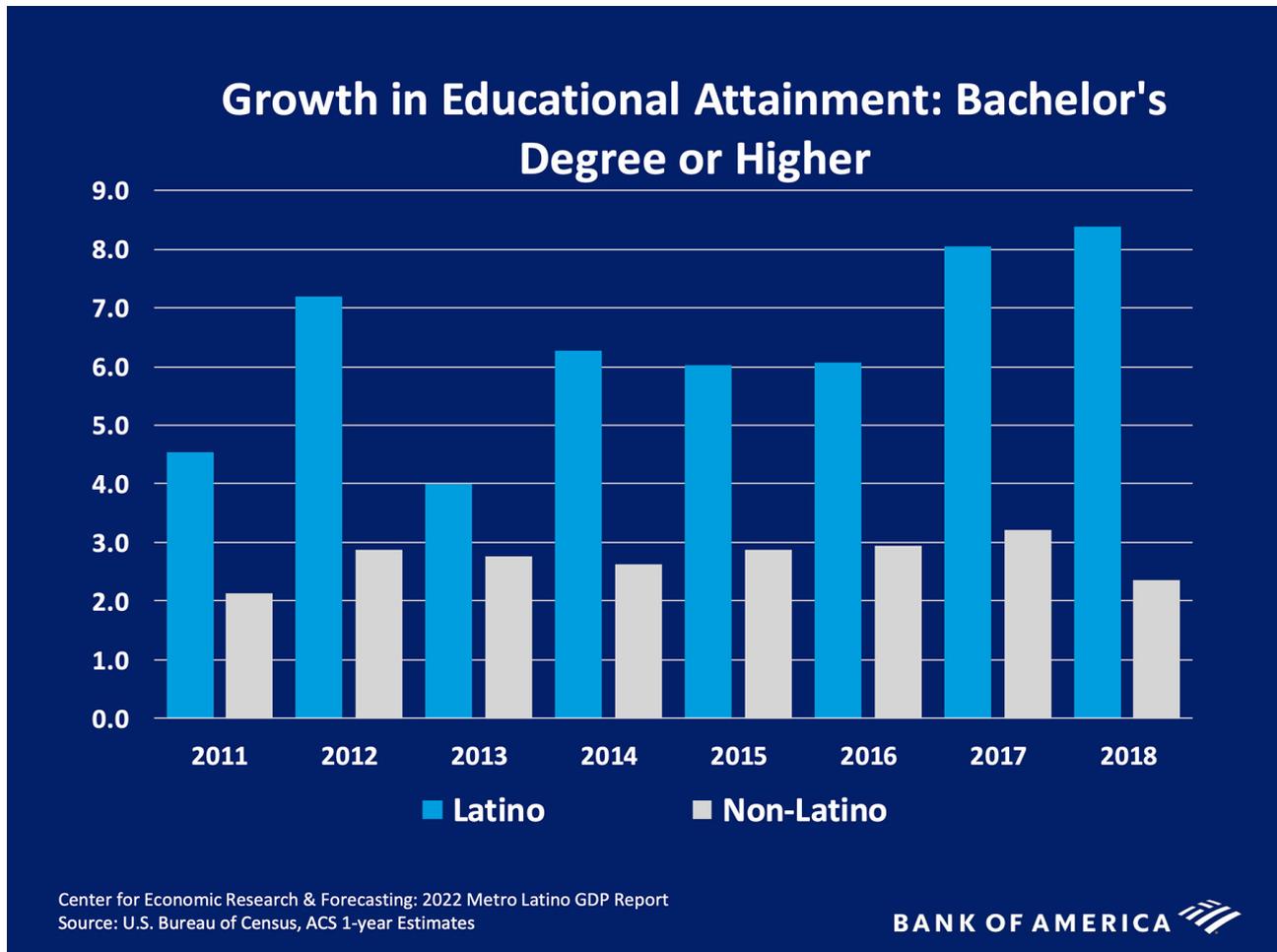
U.S. Latino Gross Domestic Product (GDP)

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

- From 2010-2018, Latino real consumption grew 135% 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.

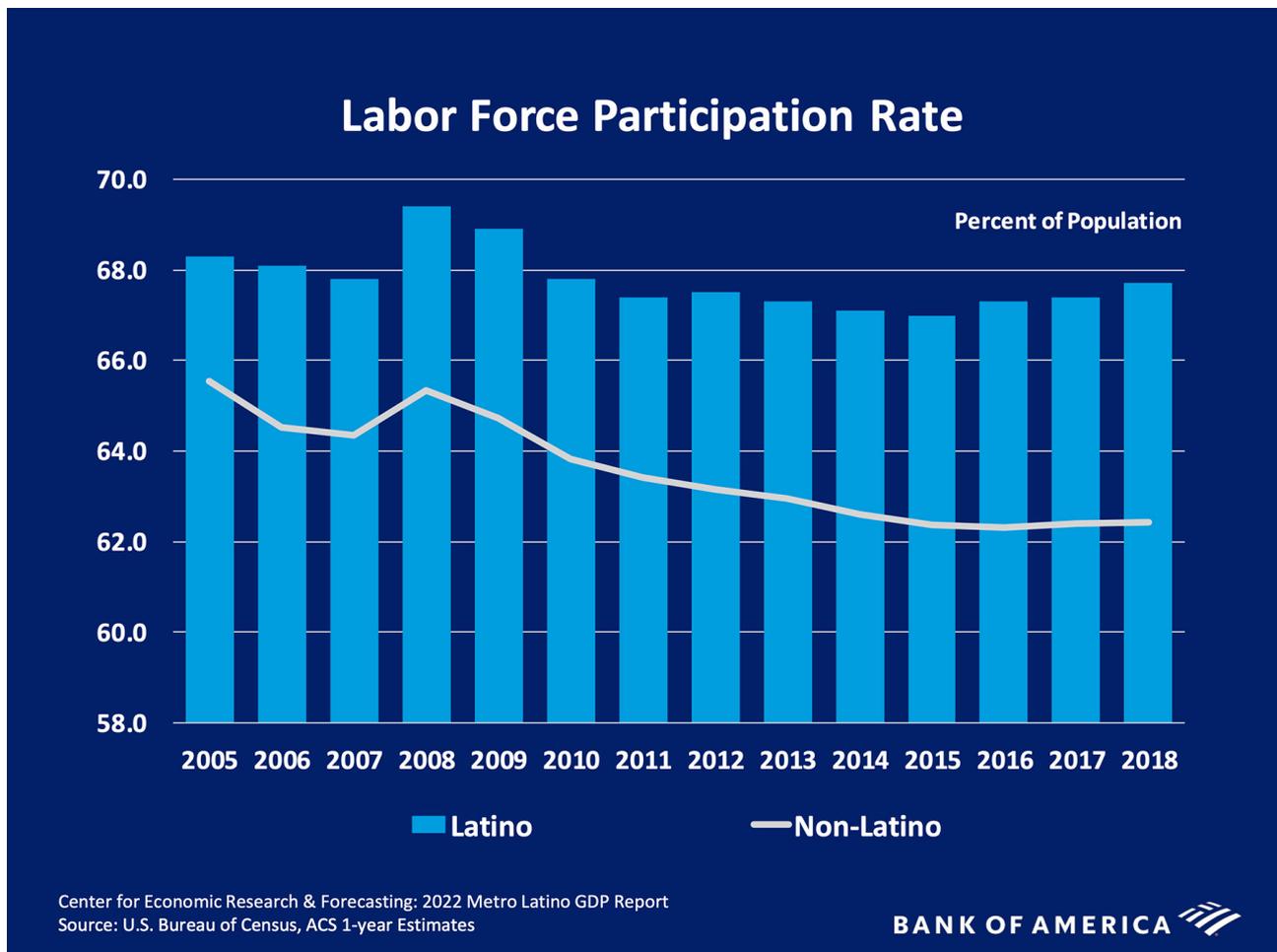
Growth of the Latino GDP is the result of rapid human capital accumulation

Drivers of the Latino GDP



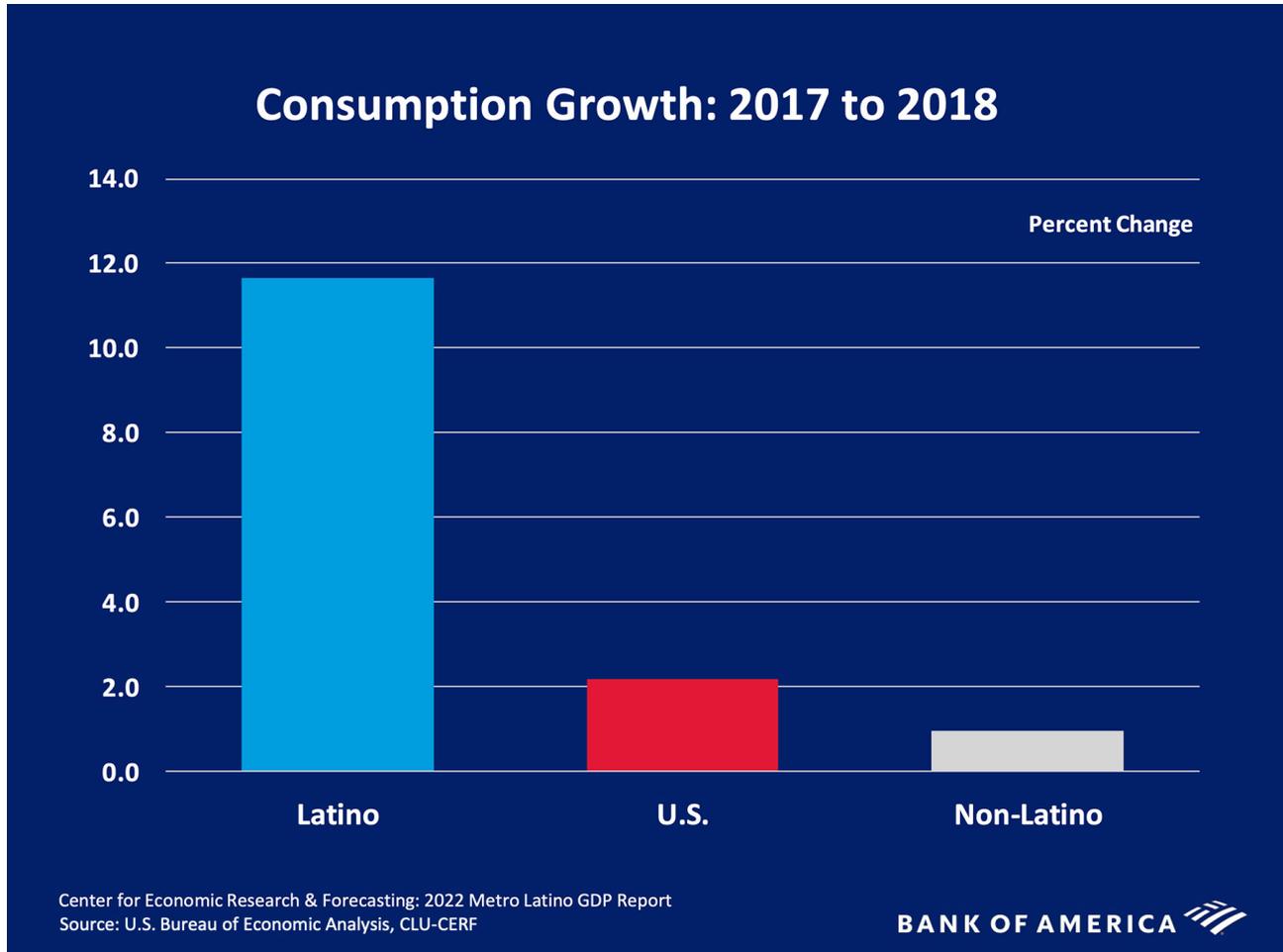
Educational attainment growth is 2.6x faster among Latinos than non-Latinos

Drivers of the Latino GDP



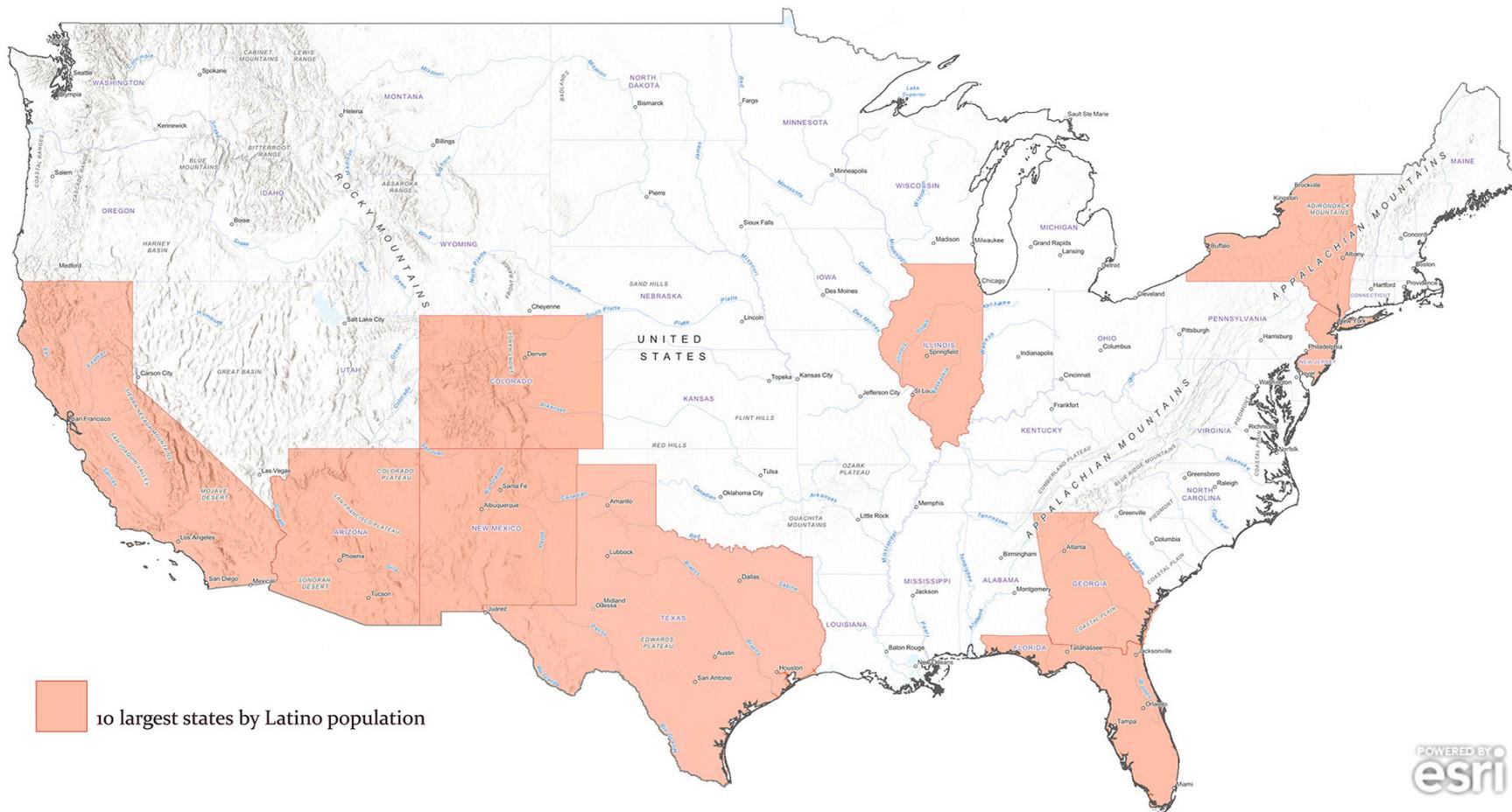
Latinos are significantly more likely than Non-Latinos to be actively working

Drivers of the Latino GDP



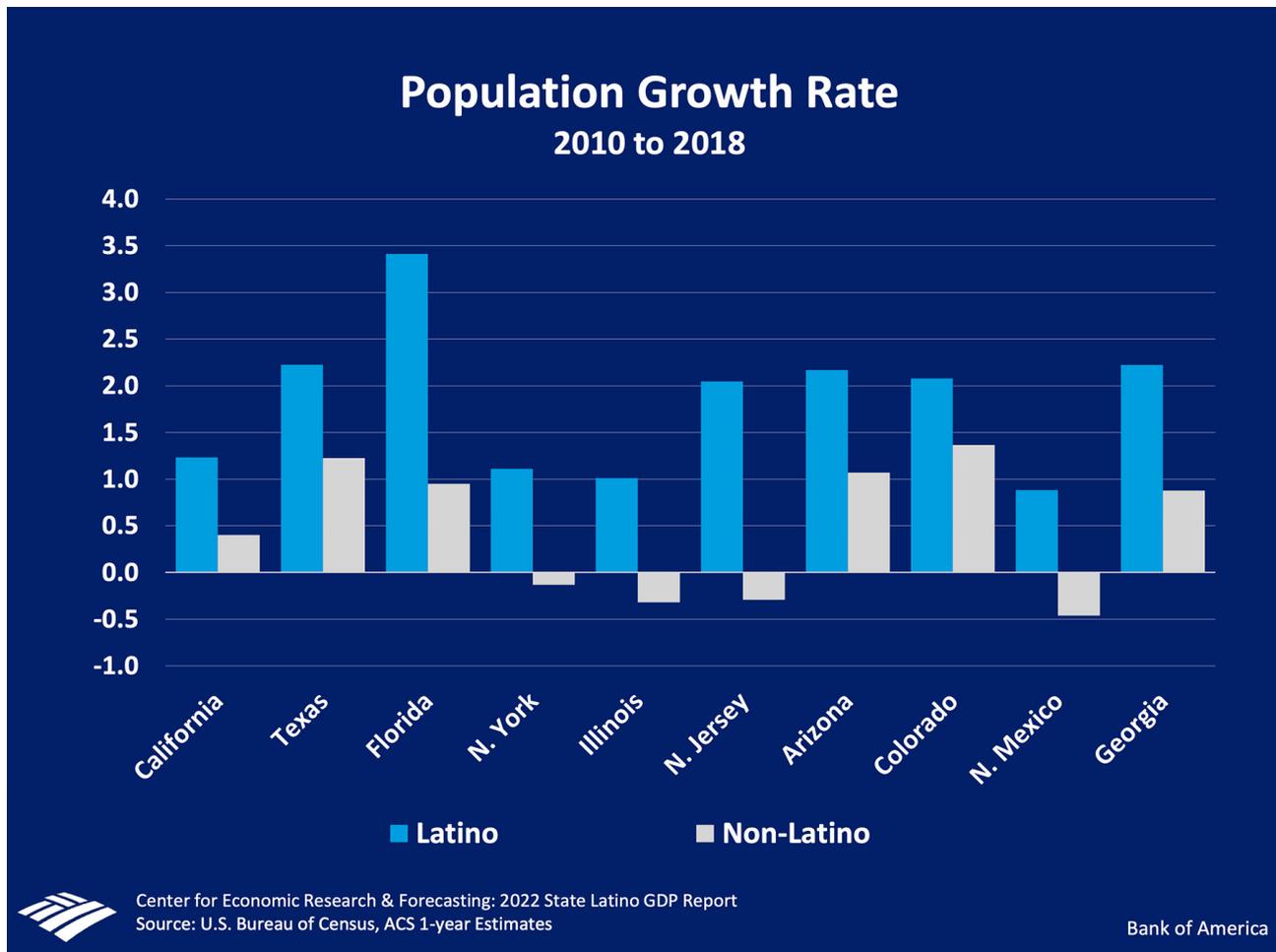
2017-18 Latino real consumption grew 12.2 times faster than Non-Latino

Latino Gross Domestic Product (GDP) by State



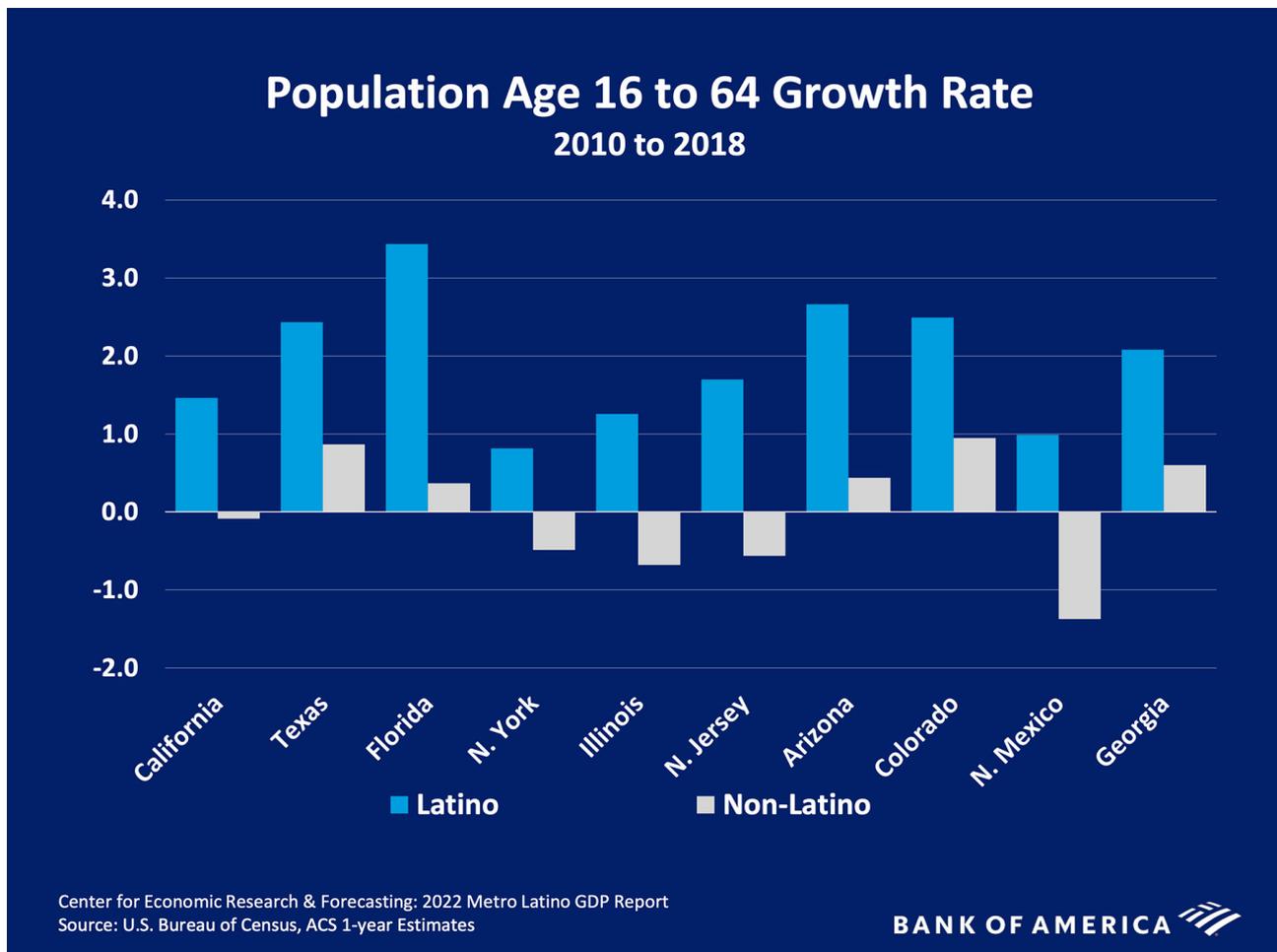
Latinos in 10 U.S. states account for more than $\frac{3}{4}$ of the U.S. Latino GDP. These 10 states have a combined Latino GDP of \$2.1 trillion.

Drivers of the Latino GDP



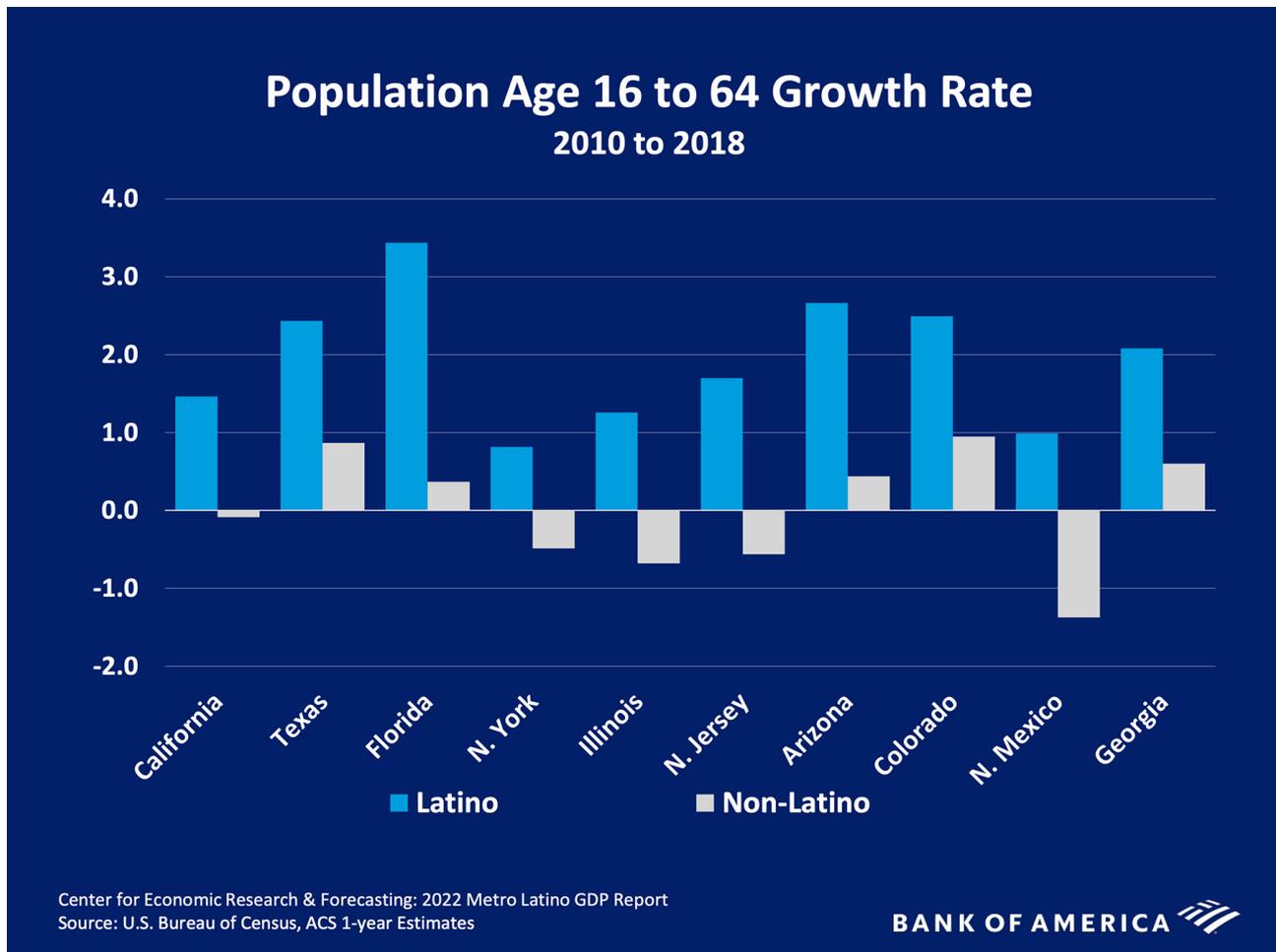
Across all 10 states, Latino population growth is 3.8 times that of Non-Latinos

Drivers of the Latino GDP



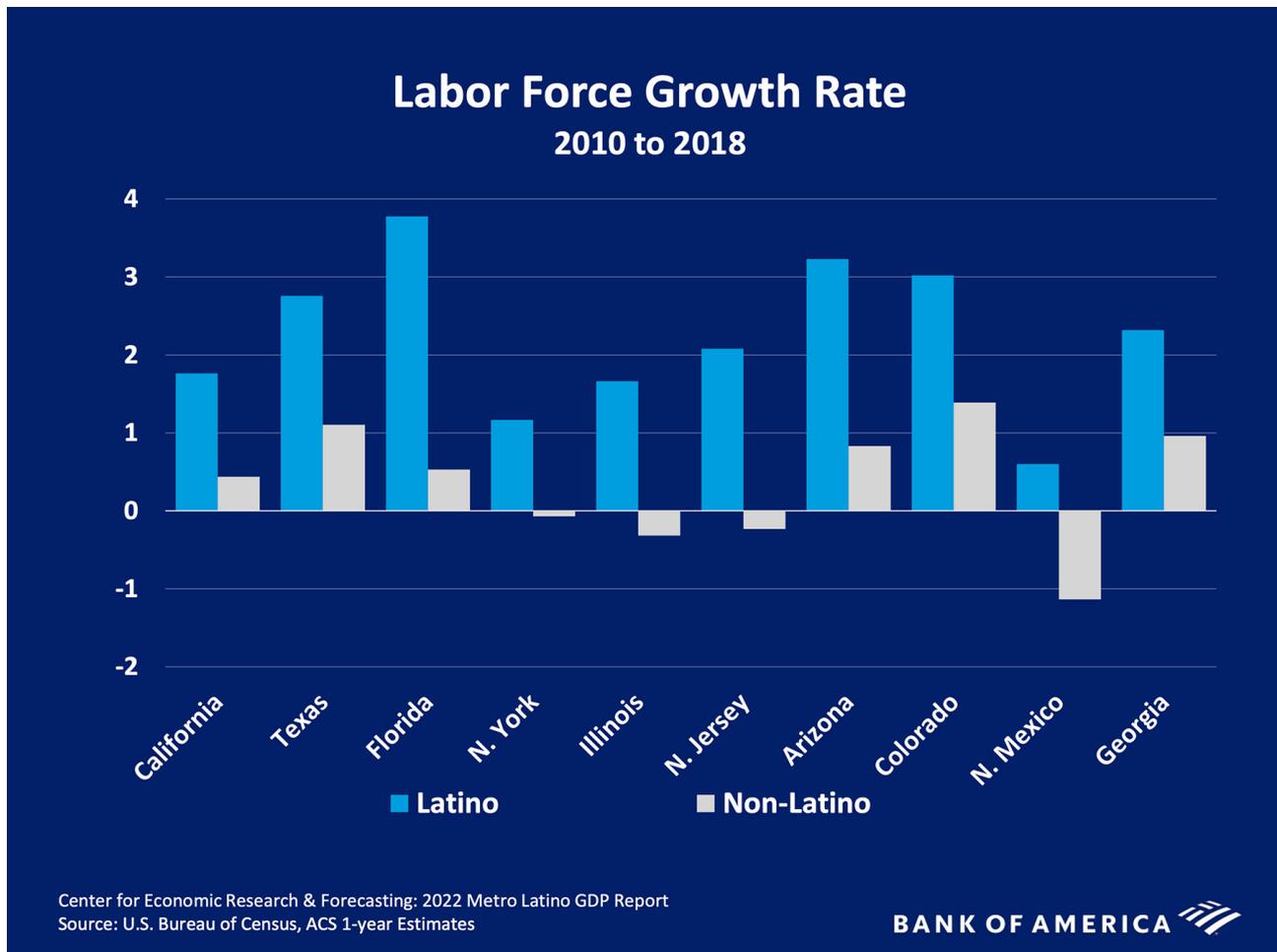
Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos

Drivers of the Latino GDP



2060: Latinos projected to contribute 30 million additional working age adults

Drivers of the Latino GDP



Latinos are responsible for 78% of U.S. labor force growth since Great Recession

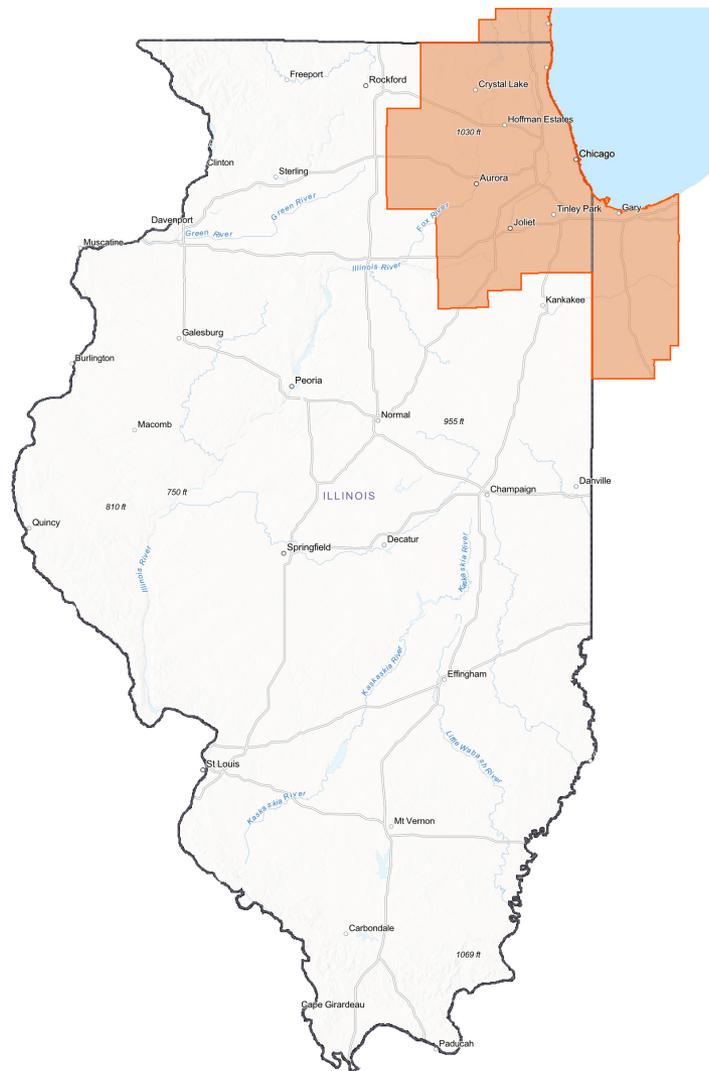
Latino GDP: Chicago - Naperville - Elgin MSA



Chicago Metro Area

- Illinois - 9 counties
 - 90.9% of Metro population
 - 93.7% of Metro Latino population
- Indiana - 4 counties
 - 7.4% of Metro population
 - 5.3% of Metro Latino population
- Wisconsin - 1 county
 - 1.8% of Metro population
 - 1.0% of Metro Latino population

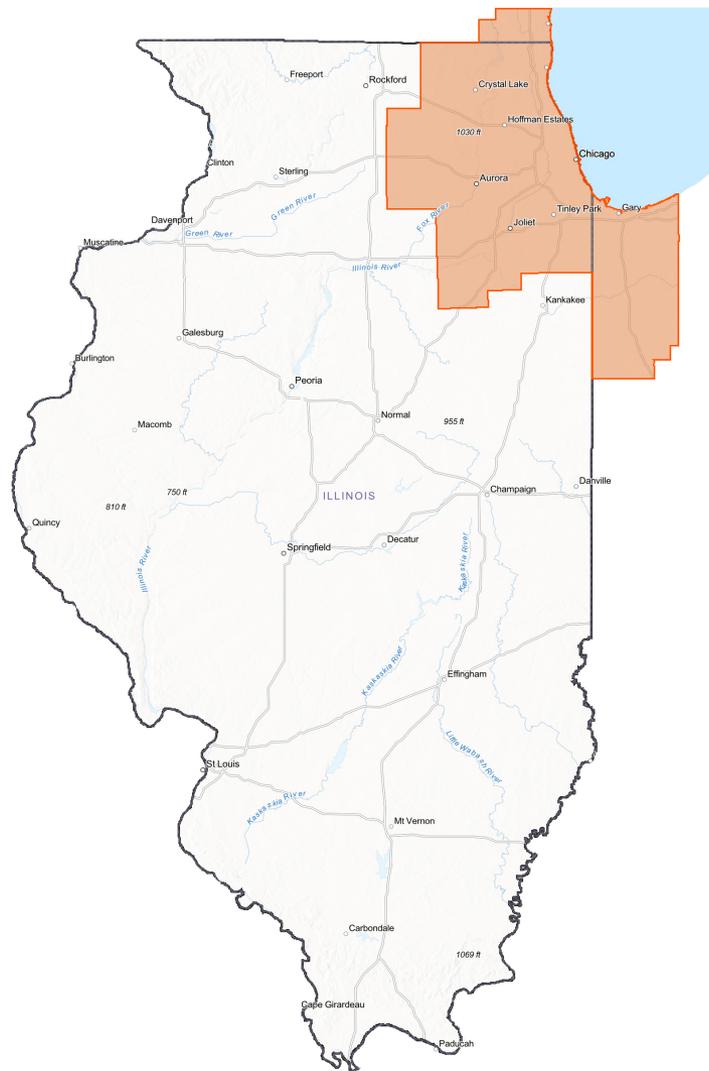
Latino GDP: Chicago - Naperville - Elgin MSA



Chicago Metro Area (2018)

- 9.5 million people of all ethnicities
 - Nation's third largest MSA
- Latino population: 2.1 million
 - 7th largest MSA by Latino population
 - Latinos are 22% of total metro area population

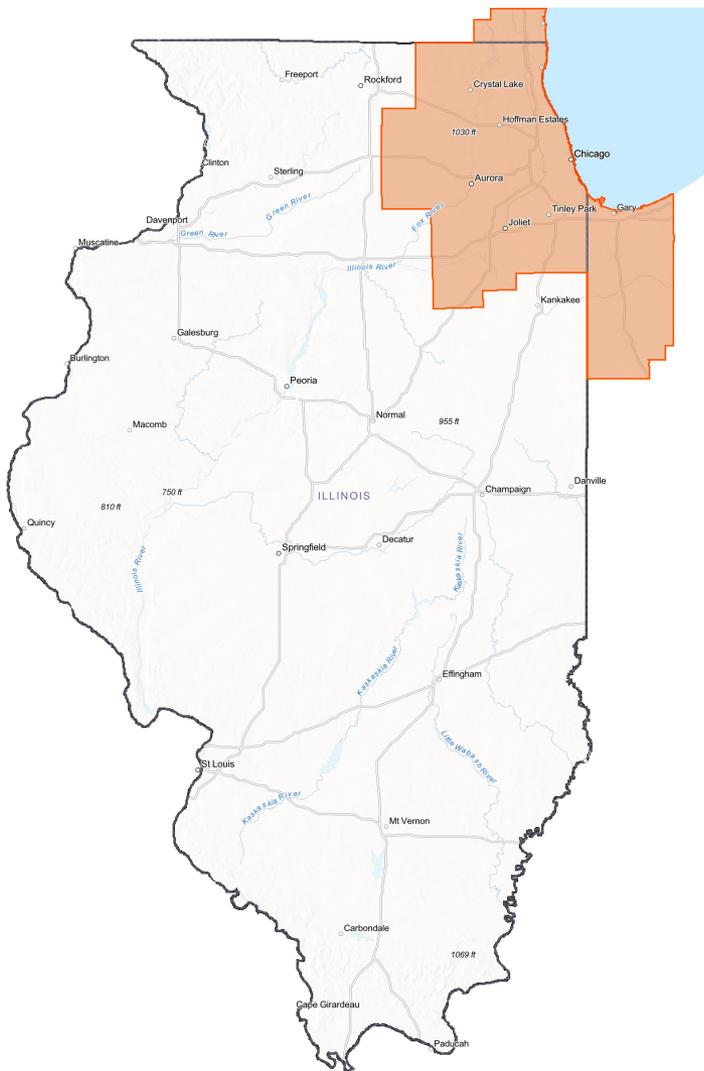
Latino GDP: Chicago - Naperville - Elgin MSA



Chicago Metro Area

- Were it not for Latinos...
 - population
 - labor force
 - number of households
 - number of homeowners
- all would have contracted in the Chicago Metro Area from 2010 to 2018

Latino GDP: Chicago - Naperville - Elgin MSA



2018 Chicago Metro Latino GDP

- **\$97.5 billion of economic activity**
 - Larger than the entire economy of the state of Hawaii or Idaho
 - Largest component is personal consumption, which equals \$73.0 billion

Latino GDP: Chicago - Naperville - Elgin MSA

Chicago Metro: Gross Domestic Product	Metro Latino GDP by Industry <i>billions of dollars</i>	Metrowide GDP by Industry <i>billions of dollars</i>
Agricultural/Natural Resources	0.2	0.3
Mining/Quarrying	0.1	0.4
Construction	5.7	23.7
Durables Manufacturing	9.8	39.8
Non-Durables Manufacturing	8.4	46.1
Wholesale Trade	5.5	56.8
Retail Trade	5.8	33.8
Transportation/Warehousing/Utilities	7.7	36.0
Information/Technology	2.0	25.3
Finance/Insurance/Real Estate	9.3	164.4
Professional/Business Services	11.1	108.4
Education/Healthcare/Social Assistance	14.1	60.5
Leisure/Hospitality	8.9	30.6
Personal/Repair/Maintenance Svcs	2.6	16.4
Government Services	6.5	59.6
Total All Industries	97.5	702.0

Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF

The Chicago Metro's top 4 Latino GDP sectors are Education & Healthcare, Professional & Business Services, Durables Manufacturing, and Finance

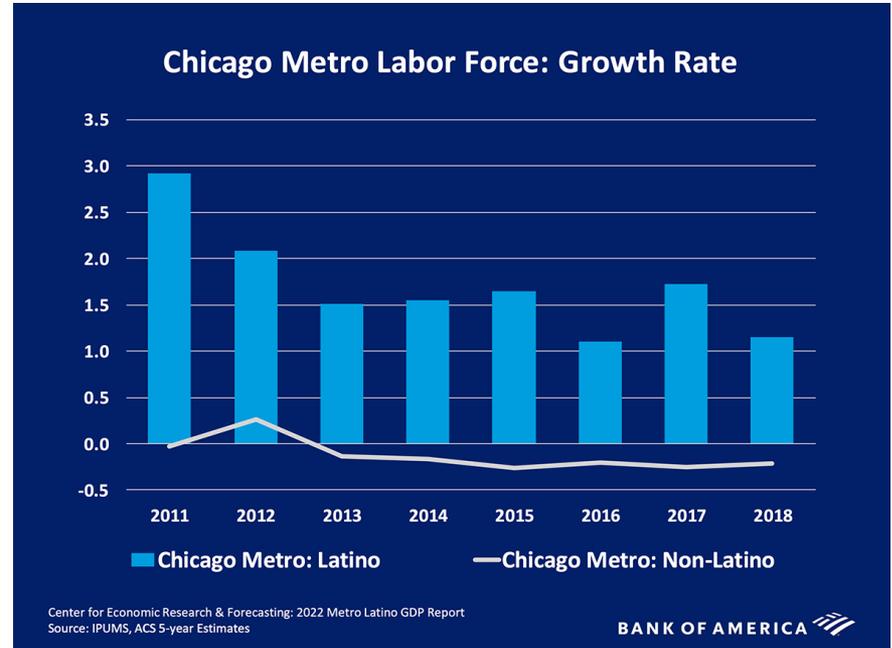
Latino GDP: Chicago - Naperville - Elgin MSA

Chicago Metro: Gross Domestic Product		
	Metro Latino GDP Industry Share <i>percent</i>	Metrowide GDP Industry Share <i>percent</i>
Agricultural/Natural Resources	0.2	0.0
Mining/Quarrying	0.1	0.1
Construction	5.8	3.4
Durables Manufacturing	10.0	5.7
Non-Durables Manufacturing	8.6	6.6
Wholesale Trade	5.6	8.1
Retail Trade	5.9	4.8
Transportation/Warehousing/Utilities	7.9	5.1
Information/Technology	2.0	3.6
Finance/Insurance/Real Estate	9.5	23.4
Professional/Business Services	11.4	15.4
Education/Healthcare/Social Assistance	14.4	8.6
Leisure/Hospitality	9.2	4.4
Personal/Repair/Maintenance Svcs	2.6	2.3
Government Services	6.7	8.5
Total All Industries	100	100

Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF

The Chicago Metro Area's Latino economy is highly diversified. Seven different sectors account for out-sized shares of the Chicago Metro Latino GDP.

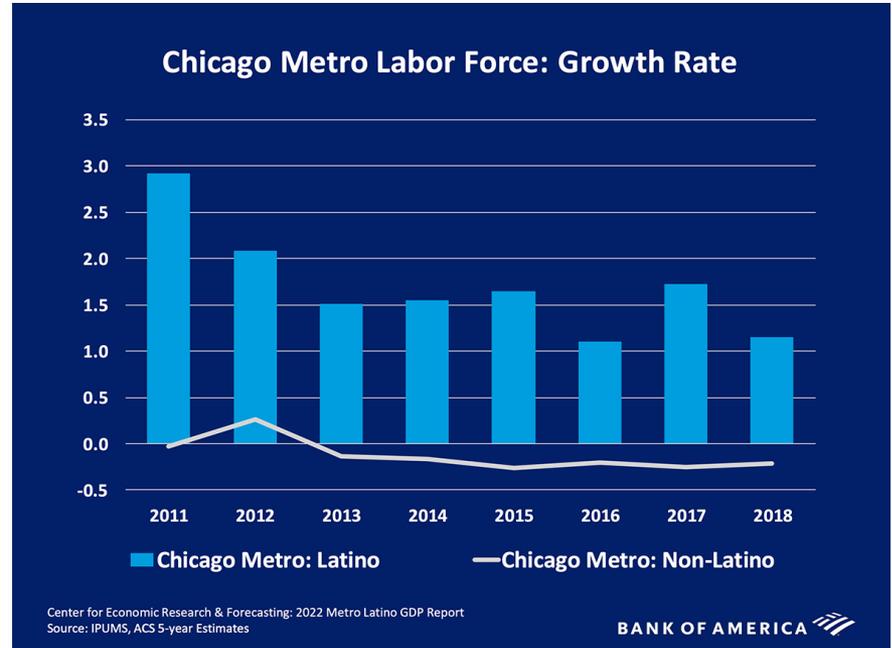
Chicago Metro Latino GDP - Population & Labor Force



Latinos are making strong and consistent contributions to the Chicago Metro's population and labor force

- Non-Latino population declined in every year from 2010 to 2018 (subtracting an average of 12,500 people per year)
- Latinos made strong contributions, turning total population growth positive (adding an average of 26,800 people per year)

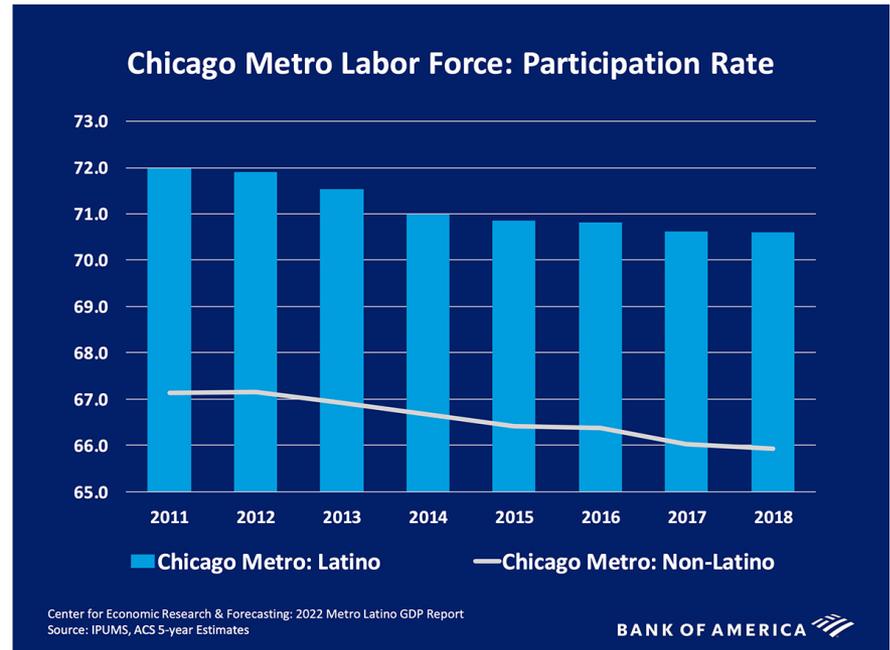
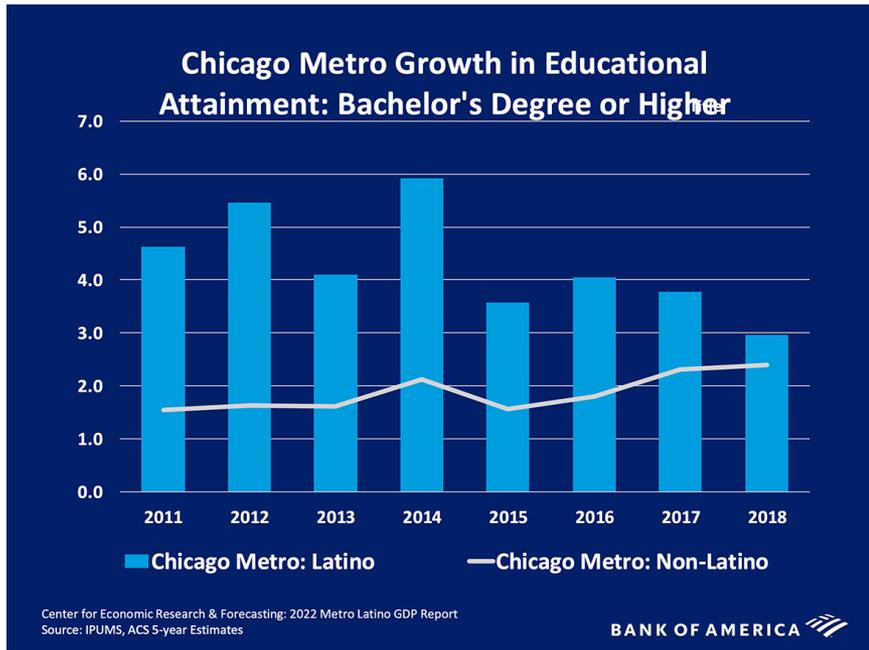
Chicago Metro Latino GDP - Population & Labor Force



Latinos are making strong and consistent contributions to the Chicago Metro's population and labor force

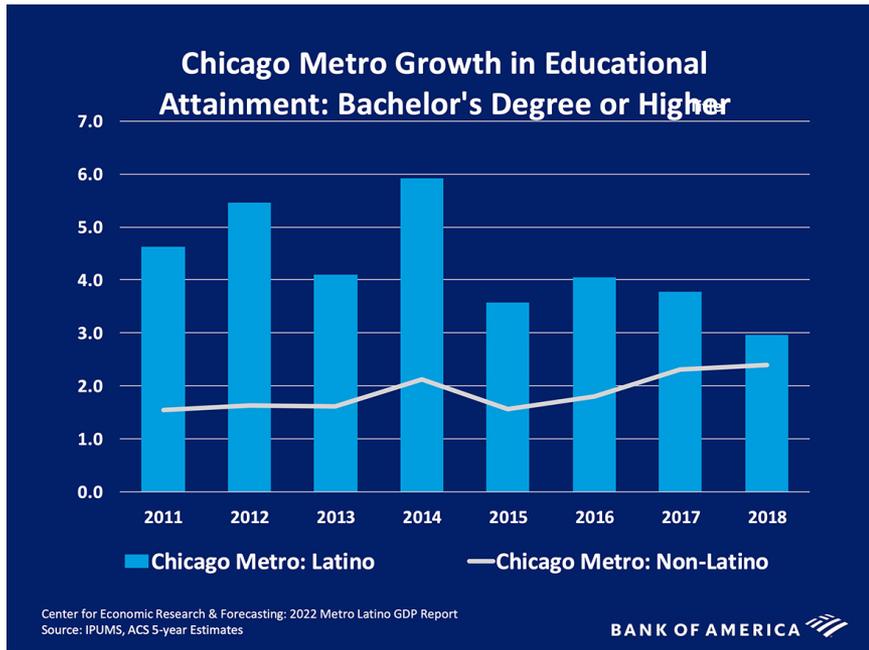
- Number of Non-Latino workers declined in every year from 2013 to 2018 (subtracting an average of 5,100 workers per year)
- Latinos made strong contributions, turning total labor force growth positive (adding an average of 16,600 workers per year)

Chicago Metro Latino GDP - Education & LFP



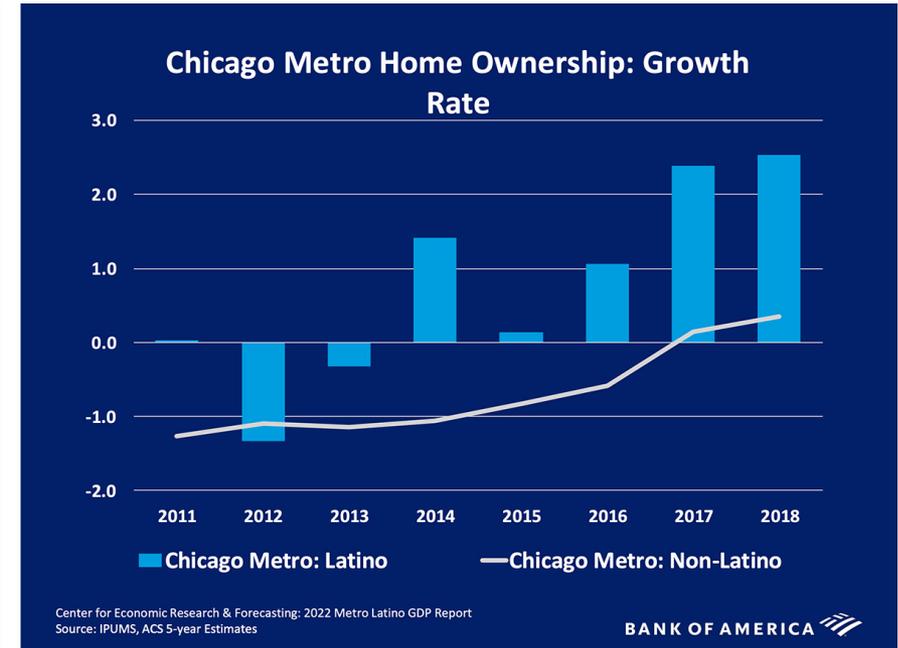
Educational attainment of Chicago Metro Latinos is growing 2.5 times as fast as that of Non-Latinos

Chicago Metro Latino GDP - Education & LFP



From 2010-2018, Latino's labor force participation rate was an average of 4.6 percentage points higher than Non-Latino. In 2018, it was 4.7 percentage points higher.

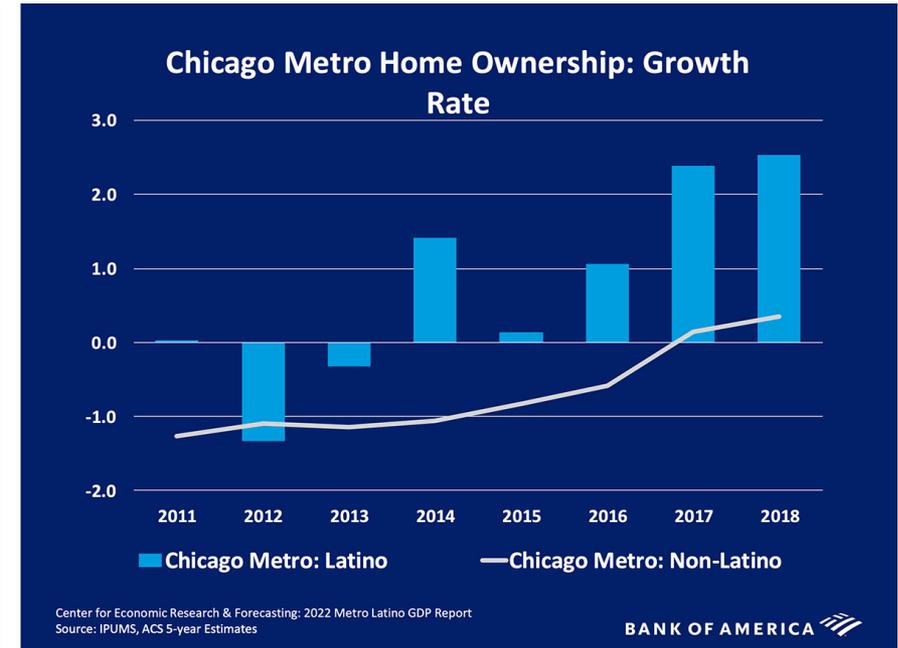
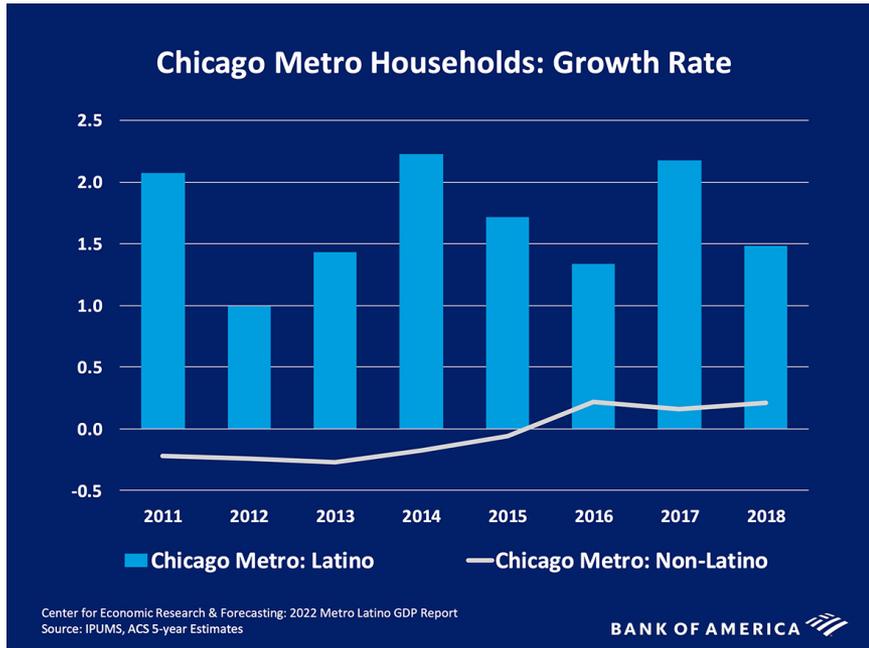
Chicago Metro Latino GDP – Households & Ownership



From 2010-18, were it not for Latinos, the number of households in the Chicago Metro Area would have declined

- During those years, number of Latino households increased 14.3 percent
- The number of Non-Latino households declined by 0.4 percent

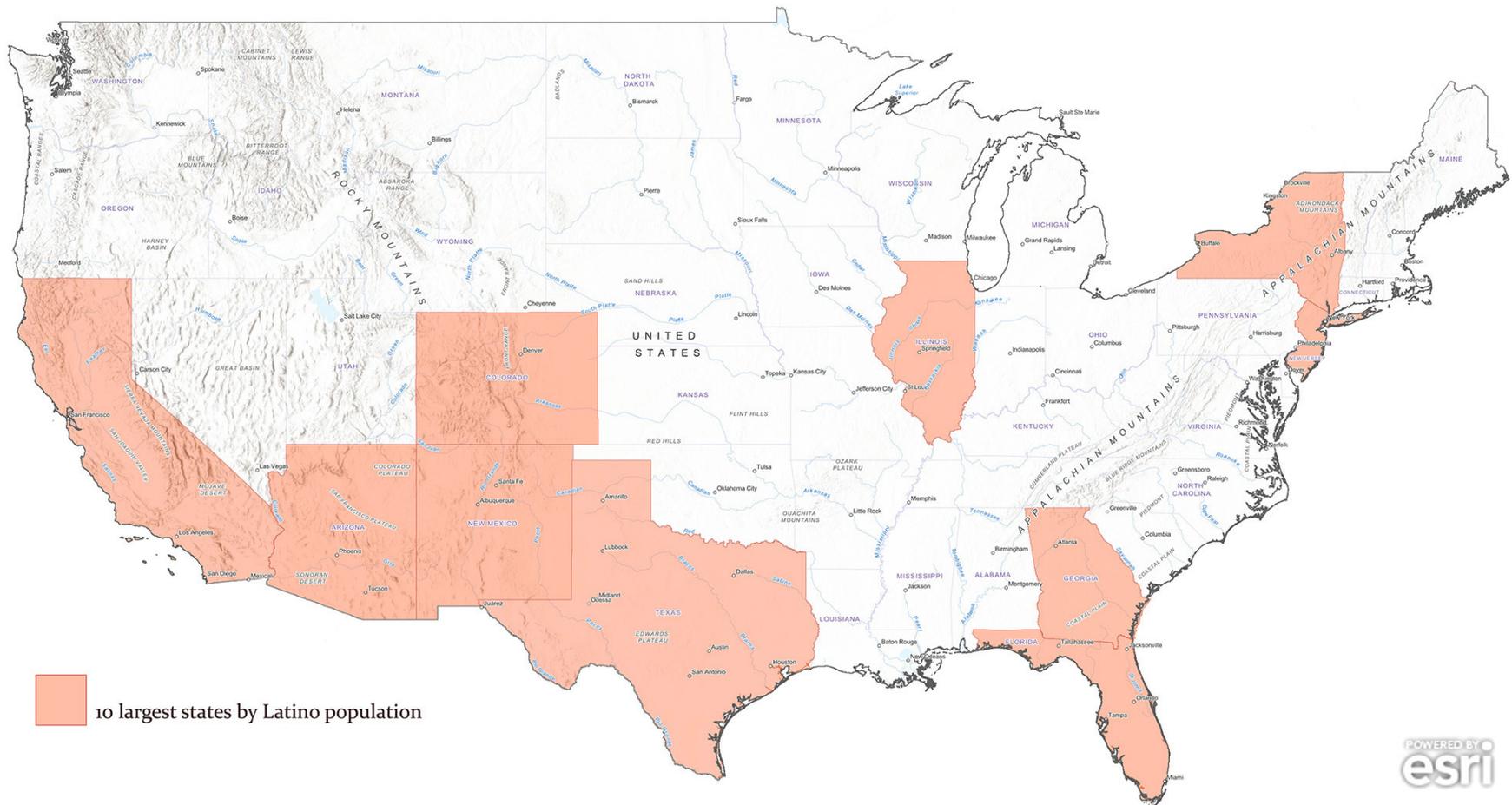
Chicago Metro Latino GDP – Households & Ownership



The growth of Latino households is accompanied by strong growth of Latino home ownership

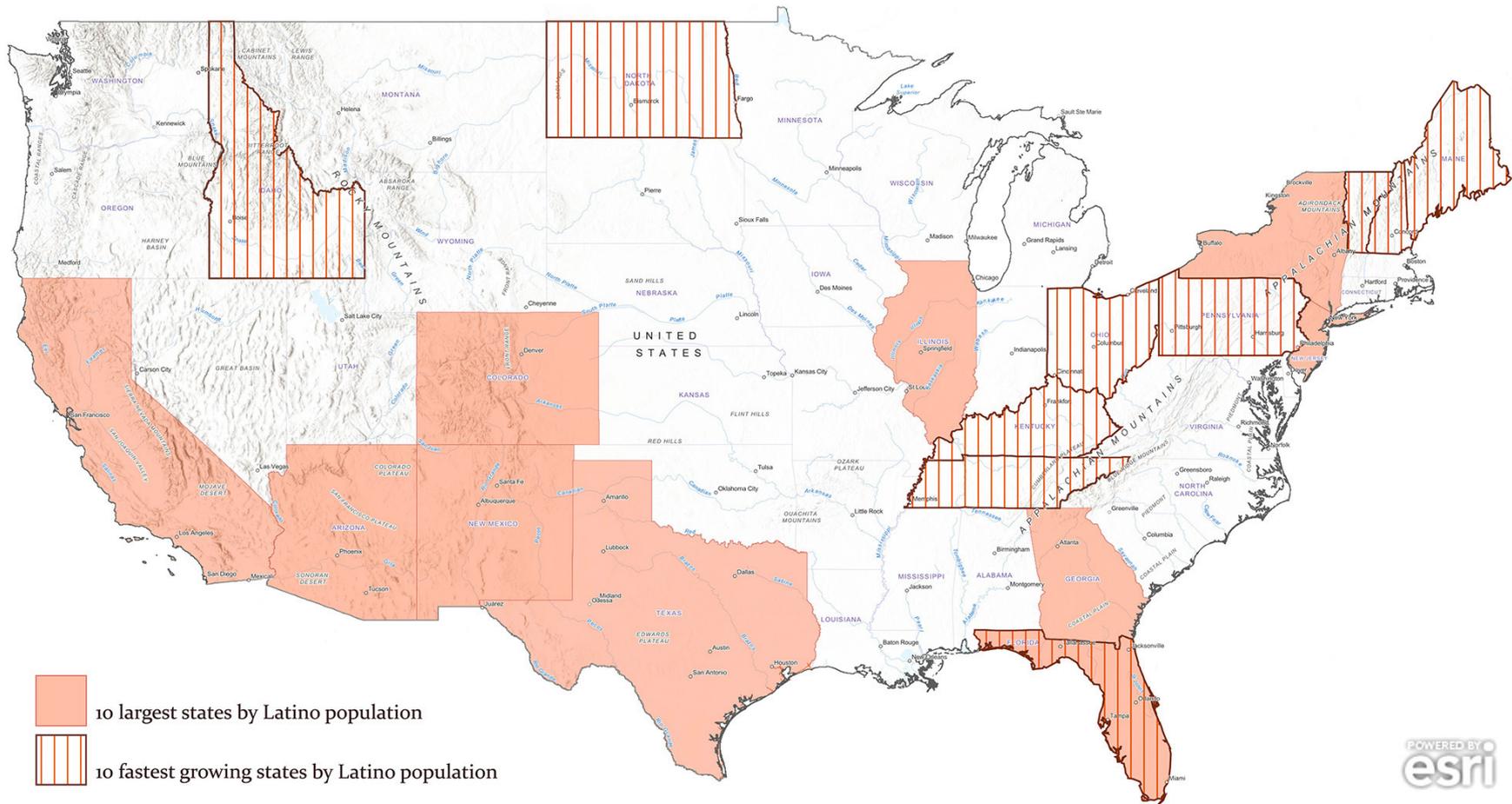
- From 2010-18, the number of Latino homeowners increased 6.0 percent
- During those years, the number of Non-Latino homeowners decreased by 5.4 percent

Latino Gross Domestic Product (GDP)



The story of the extraordinary economic contribution of Latinos is not unique to a handful of states...

Latino Gross Domestic Product (GDP)



This is a story that touches every corner of the nation

2022
Metro Latino GDP Report
Chicago - Naperville - Elgin MSA

