2022
Metro Latino GDP Report

Riverside - San Bernardino - Ontario

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2022 Metro Latino GDP Report:
Riverside – San Bernardino – Ontario MSA

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Center for Economic Research & Forecasting (CERF)

CERF is a nationally recognized economic forecasting center, which provides county, state and national economic forecasts and custom economic analysis for government, business and nonprofit organizations. CERF economists Matthew Fienup and Dan Hamilton are members of the Wall Street Journal Economic Forecasting Survey, the National Association of Business Economics (NABE) Economic Outlook Survey, and the Zillow Home Price Expectations Survey (formerly, the Case-Shiller Home Price Expectations Survey). CERF was awarded 2019, 2020 and 2021 Crystal Ball Awards for the Zillow Home Price Expectations Survey. CERF's U.S. home price forecast received multiple top-3 rankings among more than 100 forecasts included in the survey. CERF is housed at California Lutheran University, a federally designated Hispanic Serving Institution.

Center for the Study of Latino Health & Culture (CESLAC)

Since 1992, CESLAC has provided cutting-edge research, education and public information about Latinos, their health and their impact on California's economy and society. CESLAC is a resource for community members, business leaders and policy makers who want to gain insightful research and information about Latinos. It offers unparalleled insight into Latino issues through an approach that combines cultural research, demographic trends and historical perspective. In addition, it has helped the University of California meet its public service goal by increasing the effectiveness of their outreach to the Latino community.

Foreword

Continuing a Centuries-Old Tradition

For three centuries, spanning from 1521 to 1821, the Viceroyalty of New Spain brought increasingly large swaths of today's North American continent into the world's first global economy. For 300 years, New Spain brought together people from the Américas, Africa, Asia and Iberia. Living next to one another, they formed families together and created new mixtures of food, language, music and spirituality – the foundation of Latino society, identity and culture in today's United States of America.

The Inland Empire joined this first global economy as a transportation hub for New Spain. Juan Bautista de Anza's expedition connected the Inland Empire to the Camino Real reaching from San Francisco to Mexico City. The Old Spanish Trail from Santa Fe ran through Barstow and San Bernardino, bringing goods as well as people who settled in places like Agua Mansa.

Beginning in 1819, the two dozen ranchos of San Bernardino and Riverside counties became the foundation of the region's agricultural prominence, known for producing goods from livestock to citrus. Antonio Maria Lugo's Rancho Santa Ana del Chino (1841) was one example of the region's Latino economic base.

After the American Civil War, Latinos continued to form households, set up businesses and maintain cultural continuity via celebrations of Mexican Independence and Cinco de Mayo organized by the local Junta Patriótica.

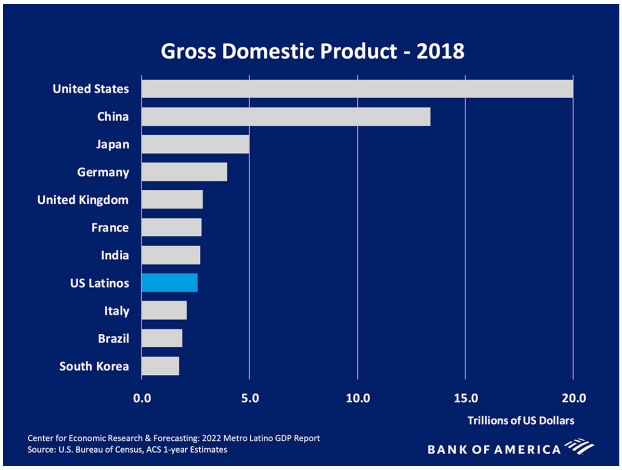
The Inland Empire has enjoyed extremely high population growth rates since 1900, and Latinos have added a large share of the growth. Latinos have contributed so strongly to the Inland Empire's population that they are now the majority of the residents of the region. The rapid Latino population growth, coupled with classic Latino behaviors such as high labor force participation and strong household formation and family growth, has created one of the major economic hot spots in the state. Tomas Rivera, the first Latino chancellor of UC Riverside inspired a generation of intellectual and artistic achievement, culminating in the opening of the Cheech Marin Center for Chicano Art & Culture.

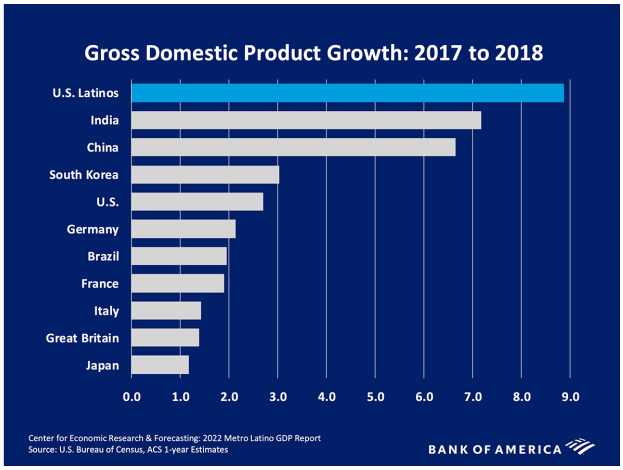
As we consider the large and rapidly growing economic contribution of Latinos living in the Inland Empire and across the entire state of California, it is important to understand that this impact is not new. It is actually the continuation of a 250 year-old tradition – a tradition of Latinos providing economic strength and resiliency to the benefit of all people.

U.S. Latino GDP

The *2020 LDC U.S. Latino GDP Report*[1] provides a factual view of the large and rapidly growing economic contribution of Latinos living in the United States. In that report, we estimate the U.S. Latino GDP based on a detailed, bottom-up construction which leverages publicly available data from major U.S. agencies. At the time of publication, the most recent year for which the core building block was available was 2018. Thus, the report provides a snapshot of the total economic contribution of U.S. Latinos in that year[2].

As a summary statistic for the economic performance of Latinos in the United States, the 2018 Latino GDP is extraordinary. The total economic output (or GDP) of Latinos in the United States was $2.6 trillion in 2018, up from $2.3 trillion in 2017, and $1.7 trillion in 2010. If Latinos living in the United States were an independent country, the U.S. Latino GDP would be the eighth largest GDP in the world. The Latino GDP is larger even than the GDPs of Italy, Brazil or South Korea.



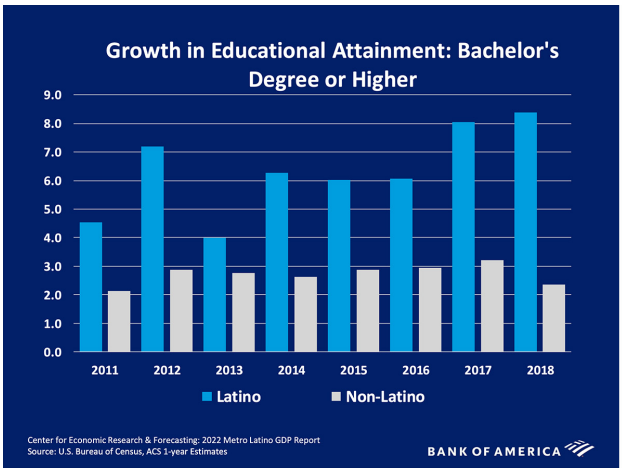


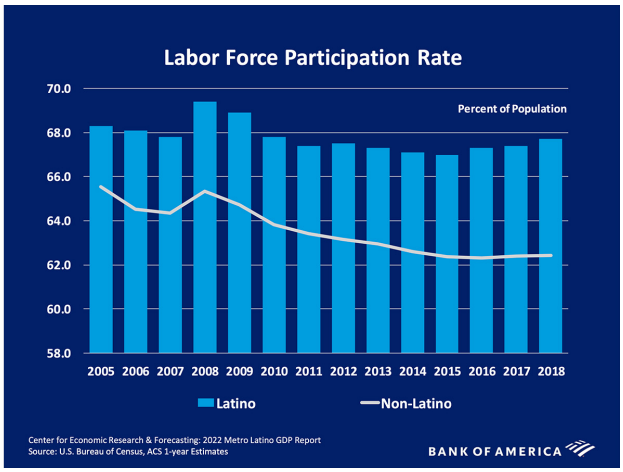
While impressive for its size, the U.S. Latino GDP is most noteworthy for its extraordinary growth rate. Among the world's 10 largest GDPs in 2018, the Latino GDP was the single fastest growing. Latino real GDP grew 21 percent faster than India's and 30 percent faster than China's. Over the entire period from 2010 to 2018, the Latino GDP was the third fastest growing, while the broader U.S. economy ranked fifth. Latino GDP grew a remarkable 74 percent faster than non-Latino GDP from 2010 to 2018.

The single largest component of rapid Latino GDP growth since 2010 is personal consumption growth. From 2010 to 2018, Latino real consumption grew 135 percent faster than non-Latino consumption. 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. Whereas the U.S. had average wage and salary growth of just 5.1 percent over the previous five years, wage and salary growth for Latinos averaged 8.6 percent. From 2010 to 2018, growth in the number of people with a

[1] *2020 LDC U.S. Latino GDP Report*: https://www.clucerf.org/2020/09/28/2020-ldc-u-s-latino-gdp-report/
[2] Author's note: the estimates provided in this report are based on source data that are revised on a regular basis. As source data are revised, these U.S. and State level Latino GDP estimates will also be revised and updated to reflect the latest information.

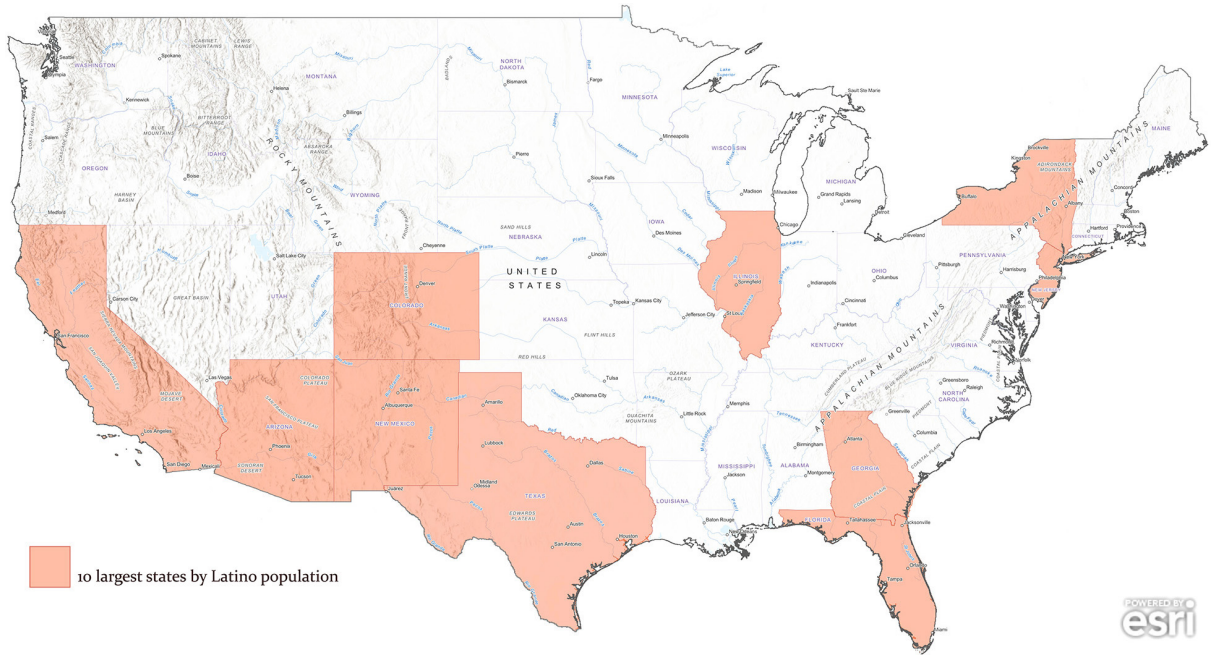
bachelor's degree or higher was 2.6 times more rapid for Latinos than Non-Latinos. And Latino labor force participation in 2018 was 67.8 percent, more than five percentage points higher than non-Latino.





State Latino GDP: 10 Largest States by Latino Population

The 2021 *Bank of America State Latino GDP* Report builds on the U.S. report by providing detailed state-level analysis of the total economic contribution of Latinos, benchmarked against the broader U.S. Latino GDP. Arizona, California, Colorado, Florida, Georgia, Illinois, New Jersey, New Mexico, New York, and Texas collectively contain more than three-quarters of the Nation's Latino population. The economic contribution of Latinos in these 10 states is even more impressive in a number of ways than that of the broader U.S. Latino cohort. The 10 had a combined 2018 Latino GDP of $2.1 trillion dollars, representing nearly 80% of the U.S. Latino GDP.



Esri Geospatial Cloud | ArcGIS online[3]

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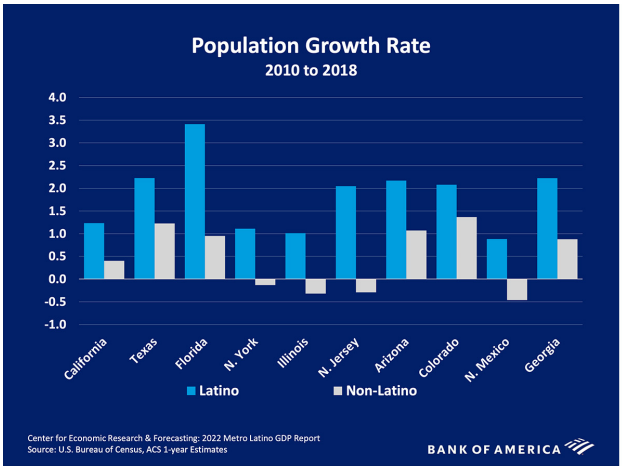
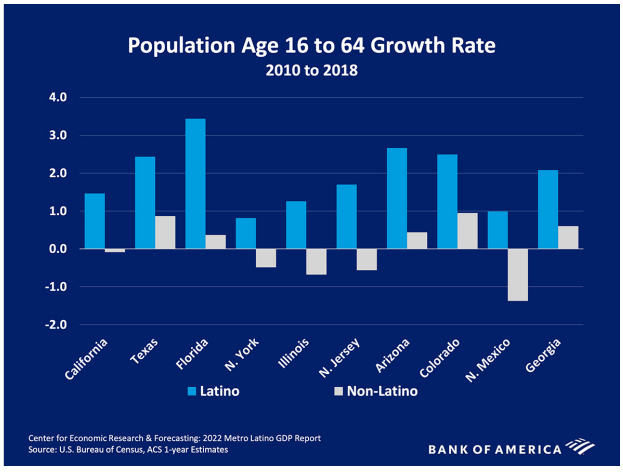
Ten Largest States by Latino Population

	Latino GDP	Share of U.S. Latino GDP
	billions of dollars	*percent*
California	706.6	27.2
Texas	476.0	18.3
Florida	258.9	10.0
New York	202.3	7.8
Illinois	100.1	3.9
New Jersey	96.9	3.7
Arizona	91.9	3.5
Colorado	55.2	2.1
Georgia	37.9	1.5
New Mexico	36.0	1.4
Total of 10 states	**2,062.0**	**79.4**

Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF 2021 State Latino GDP Report

California's 2018 Latino GDP is $707 billion. If it were its own state, the California Latino GDP would be the 7th largest state GDP, larger than the entire economic output of the state of Ohio. The Texas 2018 Latino GDP is $476 billion, larger than the entire economy of Maryland, Colorado, or Minnesota. Even the smallest of the 10 target states is noteworthy. The Latino GDP of New Mexico is $36 billion, larger than the entire economy of Vermont.



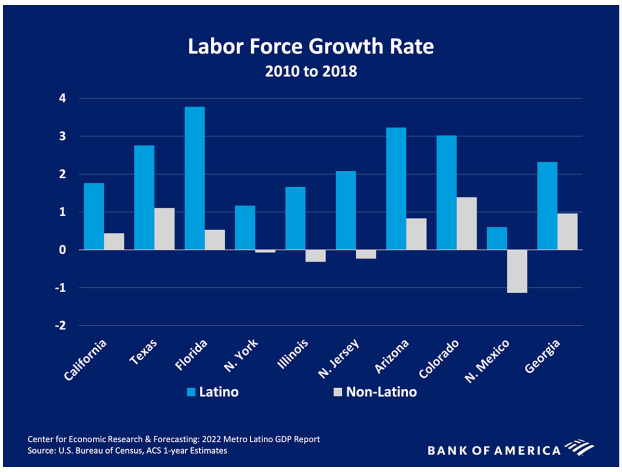


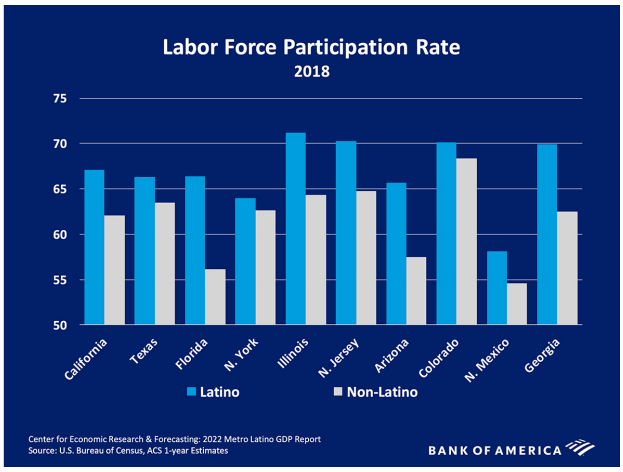
Latino population growth compares very favorably to that of Non-Latinos across all 10 states. Were it not for Latinos, the populations of Illinois, New Jersey, New Mexico, and New York would have contracted between 2010 and 2018. Non-Latino population growth was negative in each of these states, but Latino population growth was strong enough to turn each state's population growth positive overall. Even in those states with strong Non-Latino population growth, Latino population

growth enjoys a substantial growth premium between 2010 and 2018. Across all 10 states, population growth among Latinos was 3.8 times faster than population growth among Non-Latinos.

In addition to having a population that is growing more rapidly, Latinos have a younger median age than Non-Latinos. In 2018, the median age for U.S. Latinos was 29.5 years. For Non-Latinos, it was 40.6 years. Due to their age distribution, Latinos are adding substantial numbers of people in each of the 10 states to the critical category of working age adults, defined as ages 16-64. Meanwhile, Non-Latinos are experiencing a high concentration of population in the 55-64 year age range, the cohort of near-retirees. Were it not for Latinos, the working age populations of California, Illinois, New Jersey, New Mexico, and New York would have contracted from 2010 to 2018. Only five of the 10 states have growing Non-Latino working age populations: Arizona, Colorado, Florida, Georgia, and Texas.

In addition to contributing large numbers to the population of working age adults, Latinos are also significantly more likely to be actively working or seeking work than Non-Latinos. Across all 10 states featured here, the Latino labor force participation rate is substantially higher than that of Non-Latinos. Five of the 10 states enjoy a labor force participation premium that is even larger than the 5.3 percentage point premium enjoyed by Latinos nationally. Florida Latinos are a remarkable 10.3 percentage points more likely to be actively working than their Non-Latino counterparts. The participation premium is an impressive 8.2 percentage points in Arizona and 7.4 percent in Georgia, and 6.9 percent in Illinois.

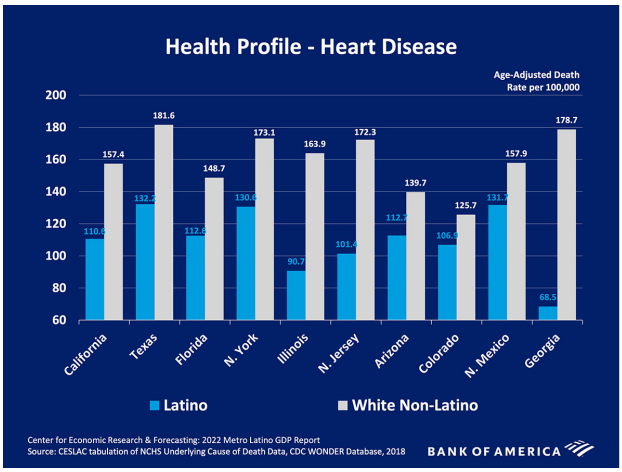


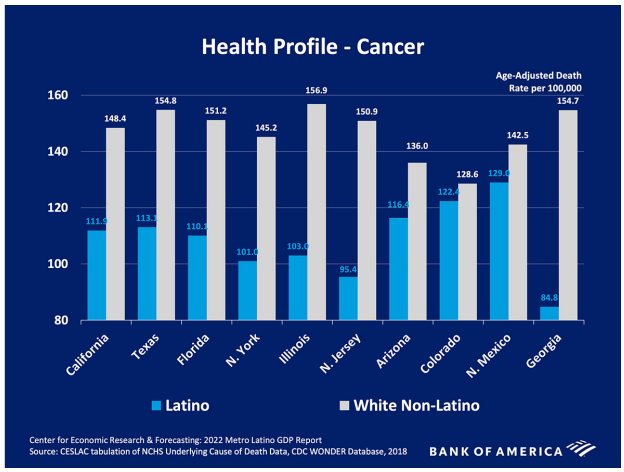


The younger age distribution, strong population growth, and higher labor force participation rate of Latinos in the 10 states have resulted in strong and consistent contributions to each state's labor force. Despite being only 29 percent of the population of the 10 states, Latinos are responsible for 65 percent of the growth of the labor force from 2010 to 2018.

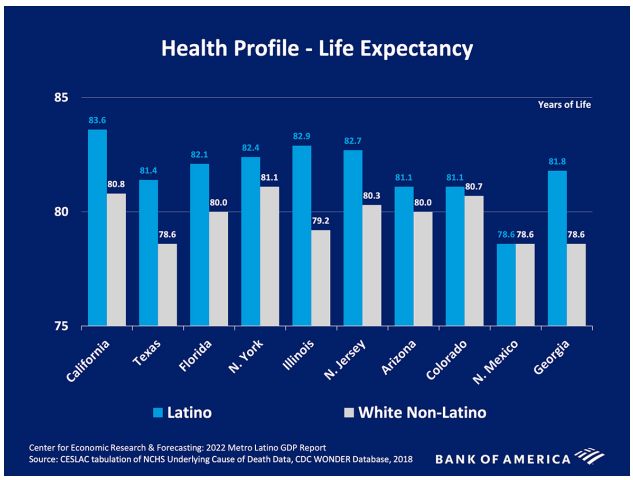
On top of more rapid population and labor force growth, more rapidly increasing educational attainment and incomes, Latinos in both the 10 states and the broader country enjoy stronger health outcomes than their non-Latino counterparts. In 2018, the top four causes of death in the U.S. were heart disease, cancer, unintentional injuries (accidents), and chronic lower respiratory

diseases. Compared to non-Hispanic Whites, Latinos in each of the 10 target states have an age-adjusted death rate that is significantly lower for each of these causes of death.





Life expectancy is one of the key summary statistics for the health of a population. In the 10 target states, the average life expectancy for Latinos ranges from being equal to that of non-Latino Whites to being more than three years longer. For the entire U.S., Latinos can expect to live an average of 81.8 years compared to 78.5 years for non-Latino Whites. Illinois boasts the largest Latino life expectancy premium. At birth, a Latino living in Illinois can expect to live a full 3.7 additional years than a non-Latino White counterpart.



From lower mortality for chronic and other noncommunicable causes of death to longer life expectancy, the strong Latino health profile provides a foundation for decades of continued Latino GDP growth.

State Latino GDP: CALIFORNIA

California's 2018 Latino GDP is $706.6 billion, larger than the entire economic output of the state of Ohio. The state's top five 2018 Latino GDP sectors are: Finance & Real Estate (15.8% share of the California Latino GDP), Government (12.7%), Professional & Business Services (9.1%),

Construction (7.1%), and Education & Healthcare (6.8%). The largest component of California's Latino GDP is personal consumption. Latino consumption totaled more than $489.4 billion in California in 2018.

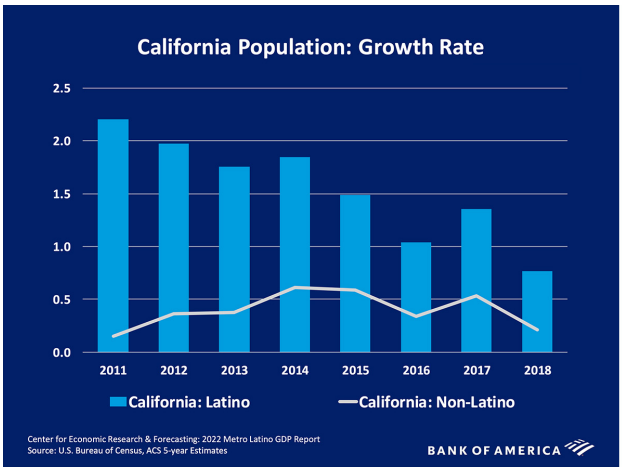
California: Gross Domestic Product

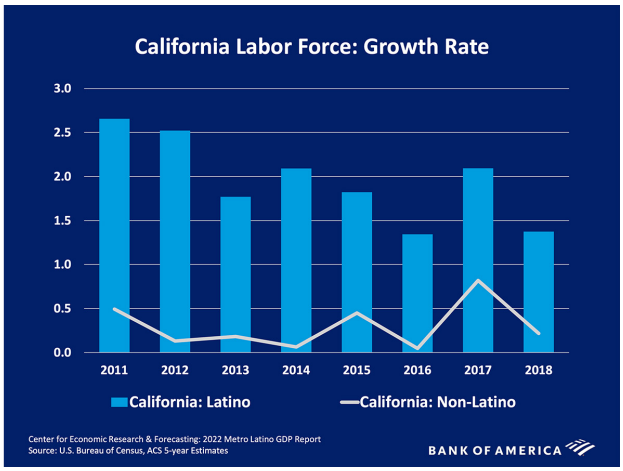
	State Latino GDP Industry Share *percent*	*Statewide GDP* Industry Share *percent*
Agricultural/Natural Resources	3.8	1.3
Mining/Quarrying	0.4	0.4
Construction	7.1	3.8
Durables Manufacturing	6.4	6.6
Non-Durables Manufacturing	6.2	4.1
Wholesale Trade	5.5	5.3
Retail Trade	6.2	4.9
Transportation/Warehousing/Utilities	6.2	4.0
Information/Technology	4.9	9.4
Finance/Insurance/Real Estate	15.8	22.2
Professional/Business Services	9.1	13.3
Education/Healthcare/Social Assistance	6.8	7.3
Leisure/Hospitality	6.4	4.4
Personal/Repair/Maintenance Svcs	2.6	1.9
Government Services	12.7	11.2
Total All Industries	**100**	**100**

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

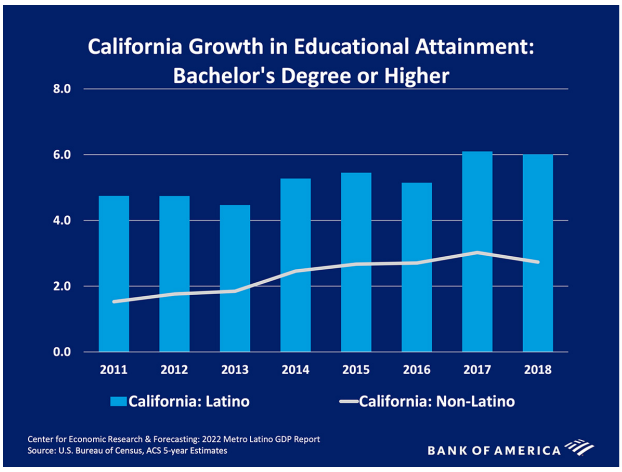
Seven different industry sectors account for out-sized shares of the state's Latino GDP. For example, while Construction accounts for only 3.8 percent of California GDP, it accounts for 7.1 percent of the California Latino GDP. Six other industry sectors account for a larger share of the California Latino GDP than the corresponding share of the broader state GDP. These include Agriculture, Non-Durable Manufacturing, Retail Trade, and Leisure & Hospitality, and Government. In general, California's Latino economy is more diversified than the broader state economy. In this way, not only are Latinos an engine of economic growth, but they also provide a broad foundation of support for the state's economy.

Latinos are making strong and consistent contributions to California's population and labor force. While the population of California increased steadily from 2010 to 2018, Latino population growth was more than four times that of Non-Latinos. From 2010 to 2018, California's Non-Latino population grew by 3.2 percent. Over that same period, the state's Latino population grew by 13.1 percent. The Latino labor force growth premium is even more impressive. From 2010-18, California's Latino labor force grew nearly seven times as quickly as the Non-Latino labor force (16.8 percent growth for Latinos compared to 2.4 percent for Non-Latinos).





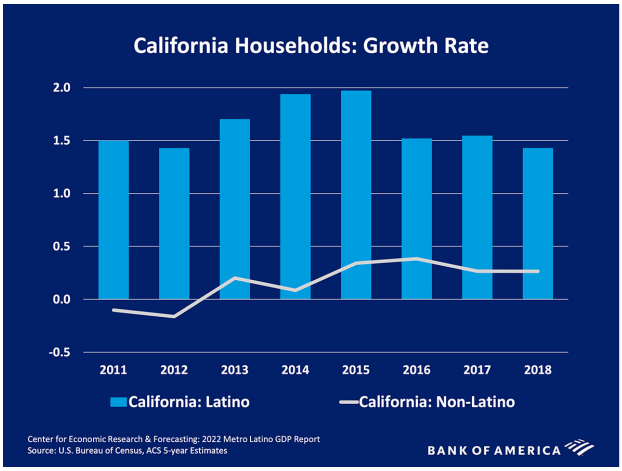
The economic contribution of Latinos in California, as with U.S. Latinos broadly, is driven by rapid gains in human capital, strong work ethic, and a positive health profile. From 2010 to 2018, Latino educational attainment grew at a rate 2.5 times faster than the educational attainment of Non-Latinos. Over those 9 years, California Latinos' labor force participation rate was an average of 4.6 percentage points higher than Non-Latinos. In 2018, Latino labor force participation was 5.0 percentage points higher.

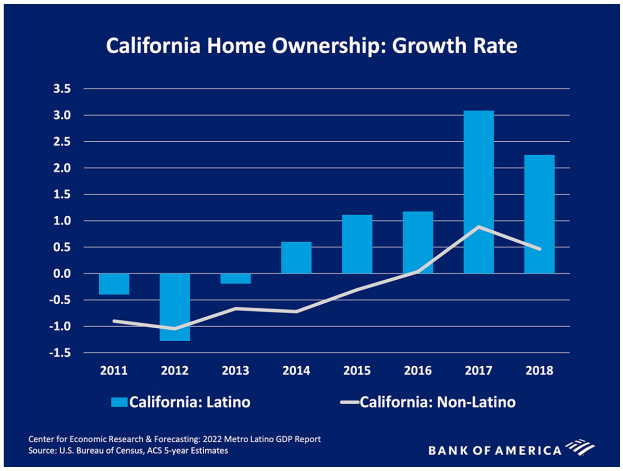


Latinos provide a very large and positive demographic punch in California through both the addition of workers and the formation of households. The number of Latino households grew at a rate nearly 11 times that of Non-Latinos. From 2010 to 2018, the number of Latino households in California grew nearly 14 percent, while the number of Non-Latino households grew just one percent. A healthy rate of household formation is vital to economic growth, as new households increase current and future economic activity.

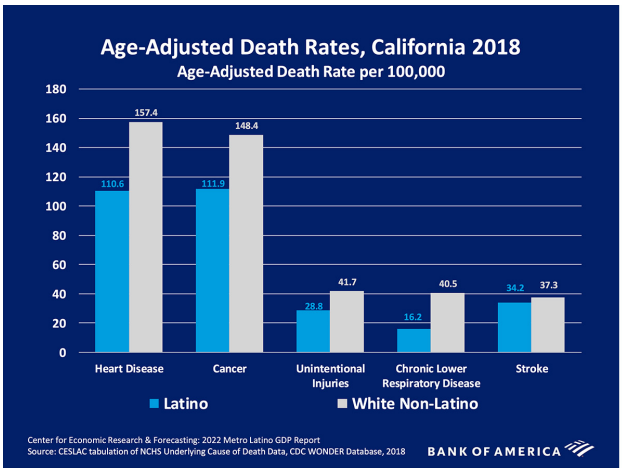
The growth of Latino households is accompanied by strong growth of Latino home ownership. While both Latino and non-Latino home ownership declined during the years following the Great Recession, since 2014, growth of Latino home ownership has been consistently positive and significantly higher than that of Non-Latinos. By comparison, the number of Non-Latino homeowners in California actually decreased from 2010 to 2018. From 2010 to 2018, the number

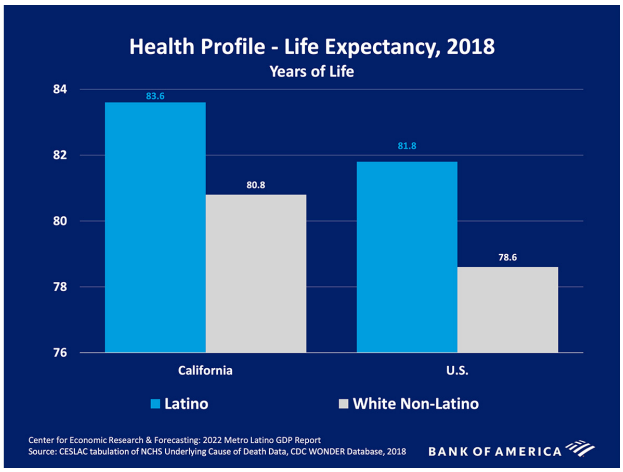
of Latino homeowners in California grew by 6.5 percent. During those same years, homeownership among Non-Latinos shrank by 2.3 percent.





Latinos in California also boast stronger health outcomes than their non-Latino counterparts. In the United States in 2018, the top causes of death were heart disease, cancer, unintentional injuries, chronic lower respiratory disease and stroke. In California, the Latino age-adjusted mortality rates for all top five causes of death are lower than Non-Hispanic White rates. Latino rates range from approximately 8 to 60 percent lower. California Latinos' age-adjusted mortality rate is 25 percent lower than the state's White Non-Latinos for cancer and 30 percent lower for heart disease. California Latinos also enjoy greater longevity, with a life expectancy that is nearly three years longer than Non-Hispanic Whites (83.6 years compared to 80.8).





The family values, hard work, and strong health profile of Latinos in California and in the U.S. are a tremendous source of economic vitality.

Metro Latino GDP: Riverside – San Bernardino – Ontario MSA

The Riverside – San Bernardino – Ontario Metropolitan Statistical Area (MSA), is comprised of San Bernardino and Riverside counties and covers a wide geographic area that stretches from the eastern edge of Los Angeles County to the Arizona border. In 2018, the Inland Empire, as the MSA is also known, was the 13th largest metro area in the nation with 4.6 million people of all ethnicities.

The 2018 Inland Empire Latino population is 2.4 million people, representing 51.6 percent of the total Metro Area population. In 2018, the Inland Empire ranked fifth among the nation's largest MSAs by Latino population, just behind the Houston Metro Area (with 2.63 million Latinos) and just ahead of the Dallas Metro Area (with 2.19 million Latinos). While the Inland Empire is the 3rd largest Metro Area in California by total population, it is the second largest by Latino population.

The 2018 Inland Empire Latino GDP is $71.7 billion, larger than the entire economy of states like Maine, Rhode Island or North Dakota. The largest component of the Inland Empire's Latino GDP is personal consumption. Latino consumption in the Inland Empire totaled $49.4 billion in 2018, representing a consumption market larger than the entire economy of the state of Wyoming.

The Inland Empire's top five 2018 Latino GDP sectors are: Government Services ($11.1 billion), Finance & Real Estate ($10.6 billion), Transportation & Warehousing ($7.2 billion), Retail trade ($6.0 billion), and Construction ($6.0 billion).

Inland Empire: Gross Domestic Product

	Metro Latino GDP by Industry *billions of dollars*	***Metrowide GDP*** by Industry *billions of dollars*
Agricultural/Natural Resources	0.7	1.1
Mining/Quarrying	0.1	0.4
Construction	6.0	11.6
Durables Manufacturing	4.5	8.8
Non-Durables Manufacturing	3.1	5.4
Wholesale Trade	4.2	14.2
Retail Trade	6.0	14.5
Transportation/Warehousing/Utilities	7.2	13.3
Information/Technology	0.9	2.7
Finance/Insurance/Real Estate	10.6	34.2
Professional/Business Services	5.0	13.0
Education/Healthcare/Social Assistance	5.3	16.1
Leisure/Hospitality	3.9	8.1
Personal/Repair/Maintenance Svcs	2.8	5.2
Government Services	11.1	30.6
Total All Industries	**71.7**	**179.1**

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

The Inland Empire's Latino economy is highly diversified. Strikingly, six different industry sectors account for out-sized shares of the Inland Empire Latino GDP. For example, while Transportation & Warehousing account for only 7.4 percent of the overall Inland Empire GDP, they account for 10.1 percent of the Metro area's Latino GDP. While Construction accounts for only 6.5 percent of the overall Inland Empire GDP, it accounts for 8.4 percent of the Metro Area's Latino GDP.

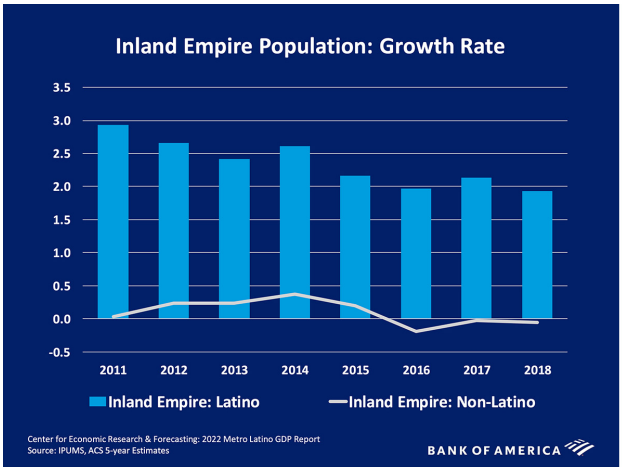
Four other industry sectors account for a substantially larger share of the Inland Empire Latino GDP than the industry's corresponding share of the broader Metro Area GDP. These include Durables Manufacturing, Non-Durables Manufacturing, Leisure & Hospitality, and Personal & Repair Services. It can be argued that the Latino component of the Inland Empire economy is broader and more diversified than the Non-Latino component.

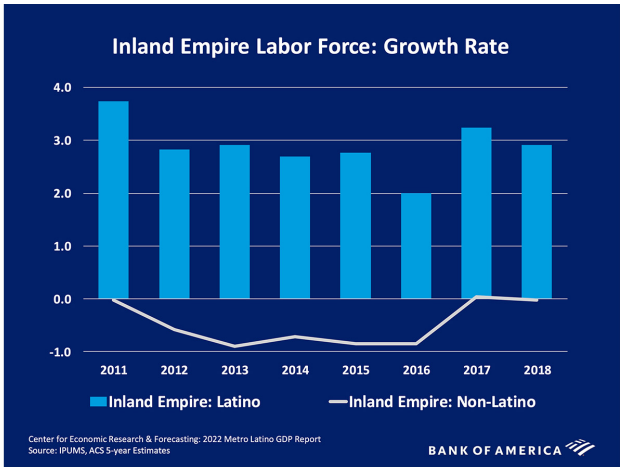
Inland Empire: Gross Domestic Product

	Metro Latino GDP Industry Share *percent*	***Metrowide GDP*** Industry Share *percent*
Agricultural/Natural Resources	1.0	0.6
Mining/Quarrying	0.2	0.2
Construction	8.4	6.5
Durables Manufacturing	6.3	4.9
Non-Durables Manufacturing	4.4	3.0
Wholesale Trade	5.9	7.9
Retail Trade	8.3	8.1
Transportation/Warehousing/Utilities	10.1	7.4
Information/Technology	1.2	1.5
Finance/Insurance/Real Estate	14.8	19.1
Professional/Business Services	7.0	7.3
Education/Healthcare/Social Assistance	7.5	9.0
Leisure/Hospitality	5.5	4.5
Personal/Repair/Maintenance Svcs	3.9	2.9
Government Services	15.5	17.1
Total All Industries	**100**	**100**

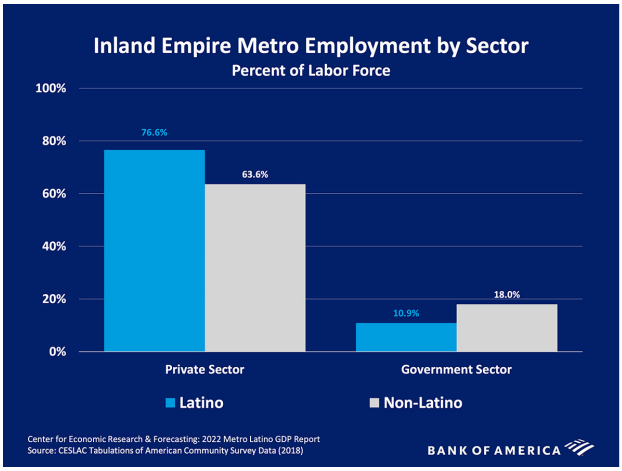
Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF

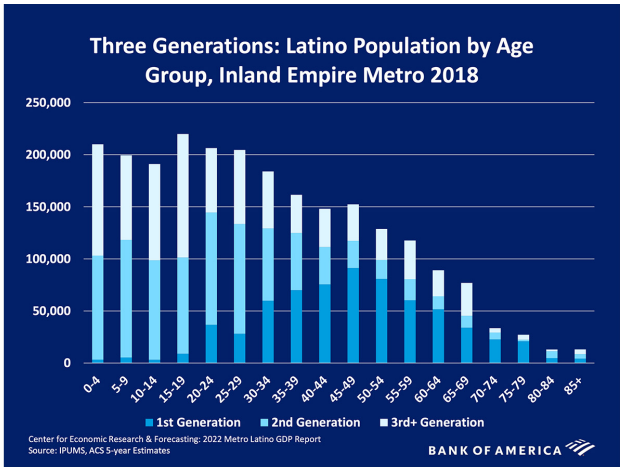
As in the state of California at large, Latinos are making strong and consistent contributions to the Inland Empire's population and labor force. The Non-Latino population of the Inland Empire declined in each year from 2016 to 2018, after making only small gains from 2010 to 2015. Over the entire period from 2010 to 2018, the Inland Empire's Latino population grew robustly, adding an average of more than 48,400 people per year.



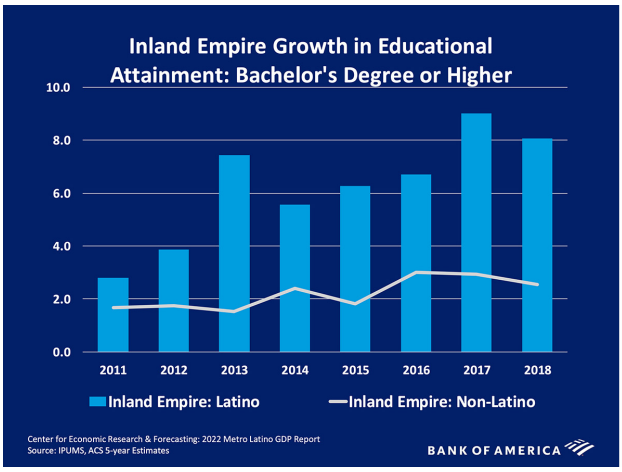


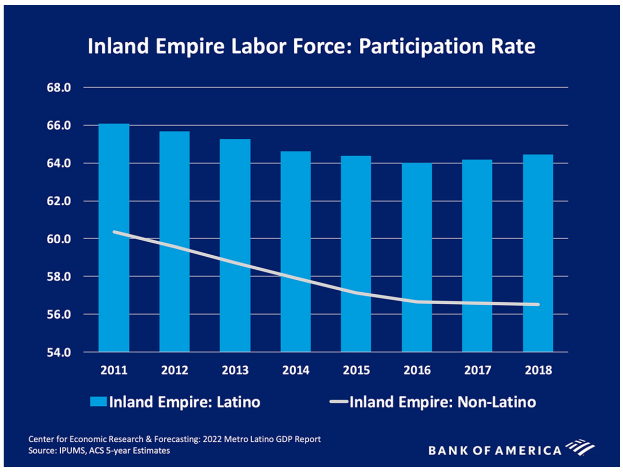
Were it not for Latinos, the labor force of the Inland Empire would have contracted from 2010 to 2018. In fact, the Non-Latino component of the Inland Empire's labor force shrank in every year from 2010 to 2018, with the exception of 2017. Meanwhile Latinos added to the Metro Area labor force in every year. From 2010 to 2018, Latinos added an average of 26,700 workers per year to the Inland Empire's labor force. Non-Latinos subtracted an average of nearly 5,200 workers per year.





In addition to growing more rapidly, the composition of the Inland Empire Latino labor force is different in meaningful ways than the Non-Latino labor force. First, Inland Empire are significantly more likely than Non-Latinos to choose work in the private sector compared to the government sector. Latino workers are also younger on average. In the Inland Empire Area, Latinos coming of age and entering the labor force are overwhelmingly second- and third-generation Americans. These children and grandchildren of immigrants are combining the extraordinary and selfless work ethic of their elders with rapid educational attainment to propel not just Latino GDP but overall GDP growth in the Inland Empire, the state and the nation.

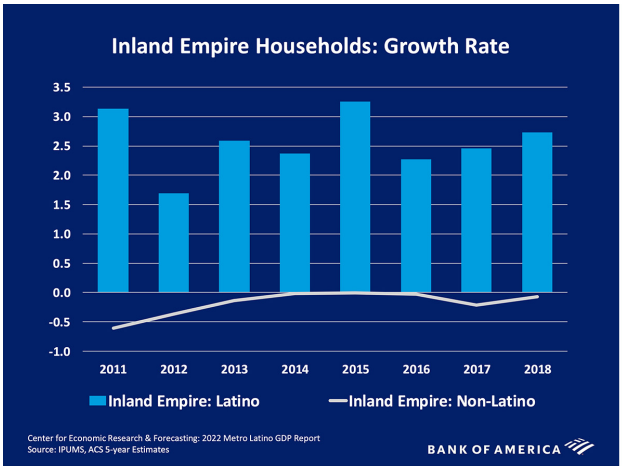


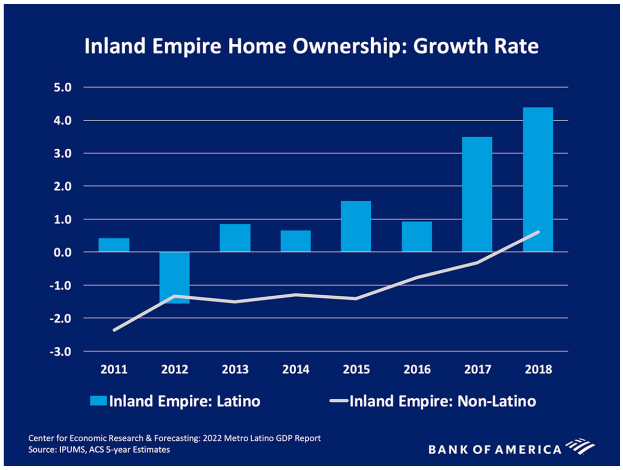


As with larger geographies, the economic contribution of Latinos in the Inland Empire is driven by rapid gains in human capital and a strong work ethic. From 2010 to 2018, Latino educational attainment grew at a rate 3.3 times faster than the educational attainment of Inland Empire Non-Latinos. Over those same years, Inland Empire Latinos' labor force participation rate was an

average of 6.7 percentage points higher than Non-Latinos. In 2018, Latino labor force participation was a remarkable 7.9 percentage points higher.

As with the larger geographies already highlighted in this report, Latinos provide a very large and positive demographic punch in the Inland Empire through both the addition of workers and the formation of households. From 2010 to 2018, were it not for Latinos, the number of households in the Inland Empire would have declined. During those years, the number of the Inland Empire's Latino households grew by 22.4 percent even as the number of Non-Latino households declined by 1.5 percent.





The growth of Latino households is accompanied by strong growth of Latino home ownership. From 2010 to 2018, the number of Non-Latino homeowners in the Inland Empire declined by an average of nearly 6,000 per year. During those same years, the number of Latino homeowners increased by an average of just over 3,700 per year. Declines among Non-Latinos were so strong from 2010 to 2018 that the total number of homeowners declined despite strong contributions from Latinos.

Inland Empire: Headline Characteristics

	Riverside-San Bernardino-Ontario - MSA		
	Latino	All Ethnicities	Latino Share of MSA
			(percent)
Gross Domestic Product ($-billions)	71.7	179.1	40.0
Personal Consumption Expenditures ($-billions)	49.4	n/a	n/a
Population (thousands)	2,386.4	4,622.4	51.6
Labor Force (thousands)	1,125.4	2,174.4	51.8
Employment (thousands)	1,043.3	2,030.9	51.4
Households (thousands)	559.8	1,366.8	41.0
Home-Owning Households (thousands)	331.7	882.8	37.6
Education of BA/BS or higher (thousands)	153.6	649.2	23.7

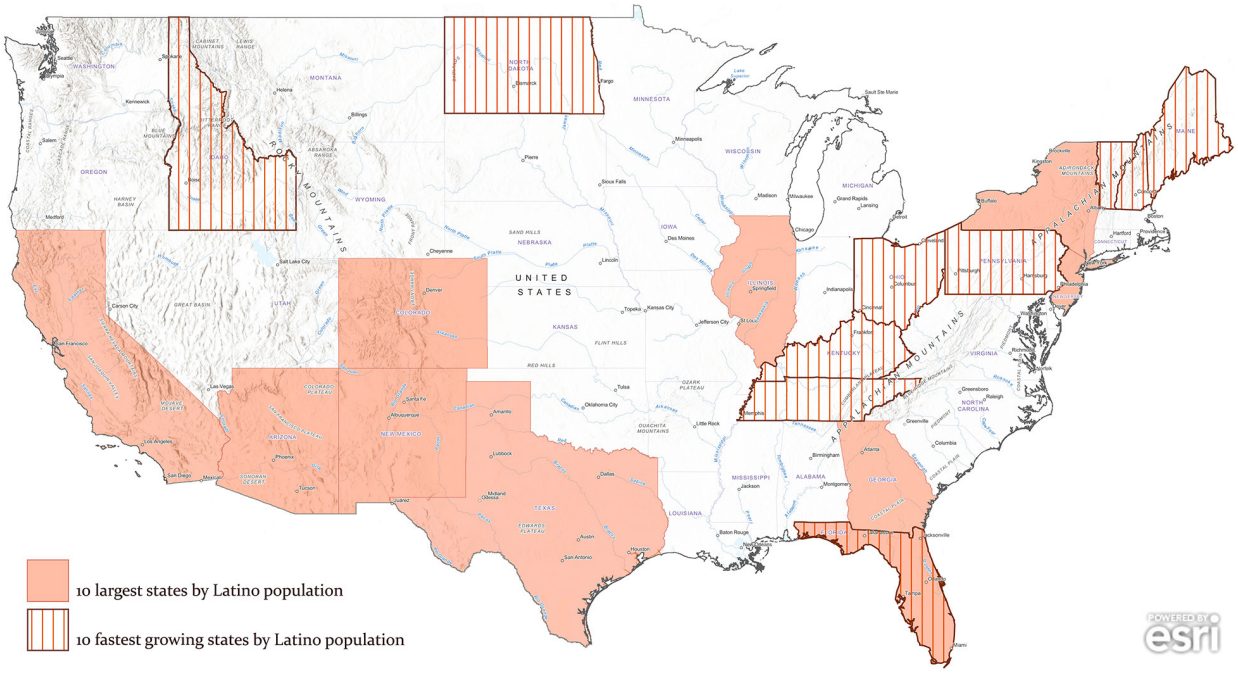
Sources: U.S. Bureau of Census (1-yr ACS), Cal Lutheran University-CERF

The Geography of the Latino GDP

Seeing the dramatic economic impact of Latinos living in the Inland Empire and the state of California more broadly, one might be misled to think that this extraordinary impact must be concentrated within a narrow geographic region. In fact, the Inland Empire and the state of California are merely examples of a nationwide phenomenon.

As we have noted for years, the story of the dramatic economic contribution of Latinos in the U.S. is foremost a story of extraordinary growth. The largest states by Latino population, in many instances, are adding the largest numbers of Latinos on an annual basis. In terms of people added, the fastest growing Latino populations are Texas, California and Florida. Texas added 852 thousand Latinos from 2015 to 2019. Florida added 700 thousand, and California added 390 thousand[4]. But ranked by percentage growth, we see that the fastest growing state Latino populations are spread far and wide across the United States. Comparing all 50 states, the three fastest growing states by Latino population are New Hampshire, Vermont and North Dakota. These three, along with Tennessee and Kentucky have Latino populations which grew 15 percent or more between 2015 and 2019. Of the ten fastest growing states by Latino population, only Florida (the ninth fastest growing) is among the 10 largest states by Latino population.

Largest & Fastest Growing States by Latino Population



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With the exception of Florida, the major hotspots for the growth of Latino population and thus the growth of the Latino GDP are *outside* of the 10 states highlighted in this report. Thus, Latinos will continue to drive economic growth and be a source of economic resilience in places like California, Arizona and Texas. But the biggest impact of Latinos in the years ahead is likely to be seen in places less obvious, places like Idaho, North Dakota, Ohio and Tennessee.

[4] U.S. Bureau of Census, ACS 1-year Estimates

Methodology

The starting point for the MSA-specific Latino GDP estimates in this report is the U.S. Latino GDP calculations undertaken by Hamilton, Fienup, Hayes-Bautista, and Hsu in the *LDC U.S. Latino GDP Report* (Hamilton et al. 2019, 2020, 2021b) and the State Latino GDP calculations undertaken by the same authors in the *Bank of America State Latino GDP Report* (Hamilton et al. 2021a). The U.S. calculations are based on publicly available national income and product accounts (NIPA) data as well as a wide set of nation-wide measures of Latino-specific demographic, housing, labor market, and other economic activities. The state-specific Latino GDP calculations start with the U.S. Latino GDP estimates and add state-level income and product account data, along with a wide set of state-specific measures of Latino demographics, housing, and labor market activity. Likewise, the MSA-specific Latino calculations start with the corresponding State Latino GDP estimates and utilize MSA-level income and product account data along with Latino specific measures of demographics, and housing market and labor market activities.

For national, state and MSA Latino GDP, we compute Latino versions of seven major expenditure components across many commodity definitions of economic activity. The level of detail includes 71 categories of commodities for the U.S. analysis. Those categories are aggregated into 21 broader commodity categories for the state- and aggregated into 15 categories for the MSA-level analyses.[5] Our analysis requires detailed data from the U.S. Bureau of Economic analysis on GDP, income, expenditure, employment, and prices across all of the states and the nation. We also utilize the U.S. Input-Output (I-O) table, the foundation for the national income accounting system that produces GDP breakouts by expenditure type, income type, and industry sector. This effort also requires data on economic and demographic activity broken out by ethnicity, so that we can compute Latino shares of expenditures at a detailed industrial sector level. The Latino-specific data are sourced from the American Community Survey (BOC-ACS), integrated public use microdata series (BOC-UMN-IPUMS), the American Housing Survey (BOC-AHS), the Current Population Survey (BOC-CPS), the Population Estimates program (BOC-POPEST), the Housing Vacancy Survey (BOC-HVS), and the Consumer Expenditure Survey (BLS-CEX). The Latino GDP is calculated as the sum of Latino-specific measures of the seven major expenditure categories.

To compute the industry breakdowns of Latino GDP, for the MSAs, states and nation, we utilize BEA measures of income by type for all ethnicities, along with IPUMS data on Latino income by type. These data provide a way to calculate Latino-specific versions of three major income categories across 21 industries. The sum of these major income categories provides the industry breakdown of Latino GDP.

As with standard GDP estimates by the BEA, our Latino GDP estimates are based on a detailed bottom-up calculation. The Metro Latino measures can be decomposed to seven major expenditure components, and they can be split out into 15 separate industrial sectors. The seven expenditure categories are: Personal Consumption, Residential Investment, Nonresidential Investment, Change

[5] Commodities and industries both follow the NAICS classification scheme, but are conceptually different in that industries are the outputs of the production processes by sector, and commodities are the inputs to the production process by sector.

in Inventories, Exports, Imports, and Government Consumption and Investment. The 15 industrial sectors are provided in the following table:

Table 1: Latino GDP Industry Categories

Agriculture/Natural Resources
Mining/Quarrying
Construction
Durables Manufacturing
Non-Durables Manufacturing
Wholesale Trade
Retail Trade
Transportation/Warehousing/Utilities
Information/Technology
Finance/Insurance/Real Estate
Professional/Business Services
Education/Healthcare/Social Assistance
Leisure/Hospitality
Personal/Repair/Maintenance Services
Government Services

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Hamilton, D., M. Fienup, D. Hayes-Bautista, and P. Hsu. 2019. "LDC U.S. Latino GDP Report: Quantifying the New American Economy." Latino Donors Collaborative (LDC), September 2019.

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