2022
Metro Latino GDP Report

New York Metro Area

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2022 Metro Latino GDP Report:
New York Metro Area

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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.

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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.

In 1524 and 1525, shortly after the Viceroyalty was created, Esteban Gomez, an Afro-Latino navigator, brought New Jersey into the world of New Spain when he mapped the coast onto western cartography for the first time. Nearly a century later, in 1613, Juan Rodriguez, an Afro-Dominicano, became the first non-native settler on the island of Manhattan. New York grew into a center of commerce by leveraging its position as a trading partner with New Spain's global economy, supplying Spanish language newspapers as early as 1824 and other printed material such as sheet music as early as 1851.

New York's Latinos have been leaders in the financial sector since Diego de Gardoqui's company channeled funds to support the American Revolution from 1776 to 1783. Latino thought leaders have congregated in New York, from Francisco de Miranda in the late 18th century, to José Martí in the late 19th century, to Lin-Manuel Miranda today. American music would not be what it is without the ever-growing influence of New York Latino-based "salsa" music, incubated by the Fania All Stars network of musicians.

New York's Latinos come from all regions of New Spain: Puerto Rico, República Dominicana, Mexico, Cuba, El Salvador, Guatemala and Honduras. Latinos also hail from the sister Viceroyalty of Perú: Ecuador, Colombia and Perú.

As we consider the large and rapidly growing economic contribution of Latinos living in the New York Metro Area, it is important to understand that this impact is not new. It is actually the continuation of a 500 year-old tradition – a tradition of Latinos providing economic strength and resiliency for the benefit of all people.
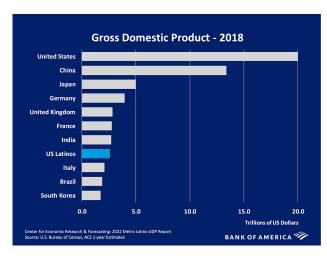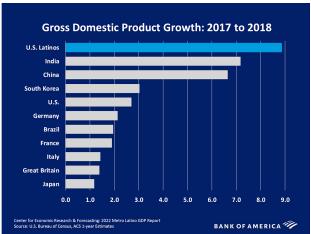
U.S. Latino GDP

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
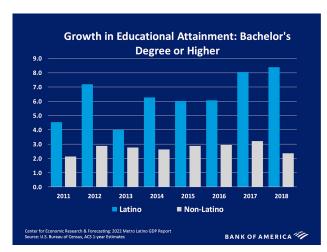
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[1] *2020 LDC U.S. Latino GDP Report*: https://www.clucerf.org/2020/09/28/2020-ldc-u-s-latino-gdp-report/
[2] Author's note: the estimates provided in this report are based on source data that are revised on a regular basis. As source data are revised, these U.S. and State level Latino GDP estimates will also be revised and updated to reflect the latest information.
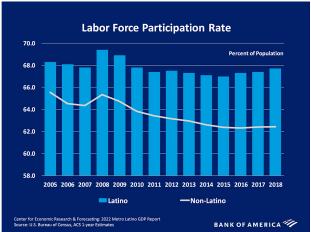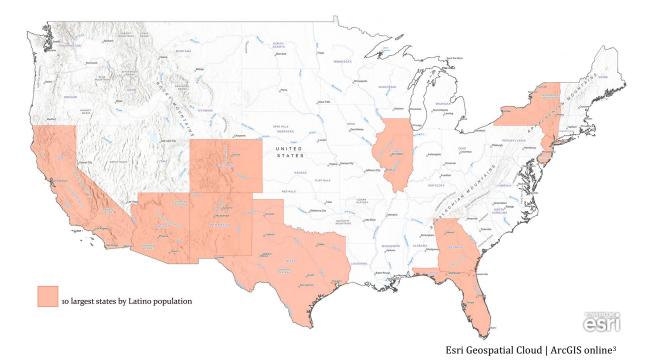
bachelor's degree or higher was 2.6 times more rapid for Latinos than Non-Latinos. And Latino labor force participation in 2018 was 67.8 percent, more than five percentage points higher than non-Latino.

Growth in Educational Attainment: Bachelor's Degree or Higher

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 1-year Estimates
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Labor Force Participation Rate

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 1-year Estimates
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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.

10 largest states by Latino population

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.
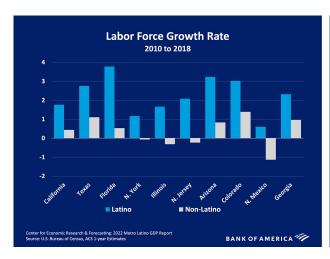

Latino population growth compares very favorably to that of Non-Latinos across all 10 states. Were it not for Latinos, the populations of Illinois, New Jersey, New Mexico, and New York would have contracted between 2010 and 2018. Non-Latino population growth was negative in each of these states, but 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
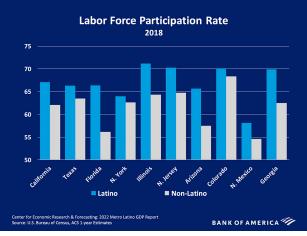
growth enjoys a substantial growth premium between 2010 and 2018. Across all 10 states, population growth among Latinos was 3.8 times faster than population growth among Non-Latinos.

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.
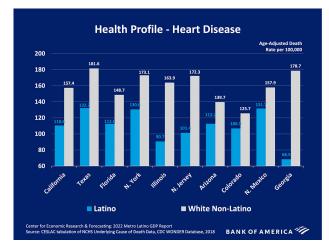

The younger age distribution, strong population growth, and higher labor force participation rate of Latinos in the 10 states have resulted in strong and consistent contributions to each state's labor force. Despite being only 29 percent of the population of the 10 states, Latinos are responsible for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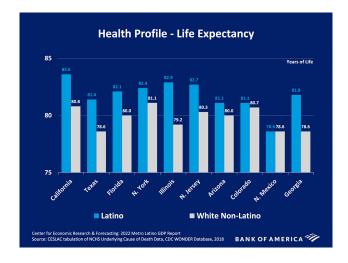

Life expectancy is one of the key summary statistics for the health of a population. In the 10 target states, the average life expectancy for Latinos ranges from being equal to that of non-Latino Whites to being more than three years longer. For the entire U.S., Latinos can expect to live an average 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: New York

New York's 2018 Latino GDP is $202 billion, larger than the entire economic output of the state of Oklahoma. The state's top five 2018 Latino GDP sectors are: Finance & Real Estate (25.2% share of the New York Latino GDP), Government (11.7%), Professional & Business Services (11.4%),
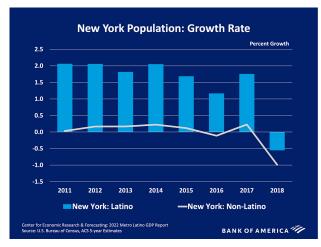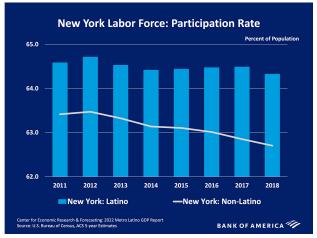
Education & Healthcare (9.6%), and Leisure & Hospitality (8.7%). The largest component of New York's Latino GDP is personal consumption. Latino consumption totaled nearly $151 billion in New York in 2018.

New York: Gross Domestic Product

	Latino GDP Industry Share *percent*	Statewide GDP Industry Share *percent*
Agricultural/Natural Resources	0.1	0.2
Mining/Quarrying	0.0	0.1
Construction	5.2	3.0
Durables Manufacturing	1.3	2.1
Non-Durables Manufacturing	1.8	2.1
Wholesale Trade	5.9	4.3
Retail Trade	6.5	4.3
Transportation/Warehousing/Utilities	4.1	3.4
Information/Technology	5.1	8.2
Finance/Insurance/Real Estate	25.2	33.3
Professional/Business Services	11.4	12.8
Education/Healthcare/Social Assistance	9.6	9.3
Leisure/Hospitality	8.7	4.7
Personal/Repair/Maintenance Svcs	3.4	1.9
Government Services	11.7	10.5
Total All Industries	**100**	**100**

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

Six different industry sectors account for out-sized shares of the state's Latino GDP. For example, while Leisure & Hospitality accounts for only 4.7 percent of New York GDP, it accounts for 8.7 percent of the New York Latino GDP. Five other industry sectors account for a substantially larger share of the New York Latino GDP than the corresponding share of the broader state GDP. These include Construction, Wholesale Trade, Retail Trade, Personal & Repair Services, and Government. In general, New York's Latino economy is highly diversified. 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.

New York Population: Growth Rate

New York Labor Force: Participation Rate

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates

Latinos are making strong and consistent contributions to New York's population and labor force. In fact, were it not for Latinos, the population of New York would have contracted from 2010 to 2018. From 2010 to 2018, New York Latinos added an average of 52,000 people per year to the state's population, while Non-Latinos subtracted an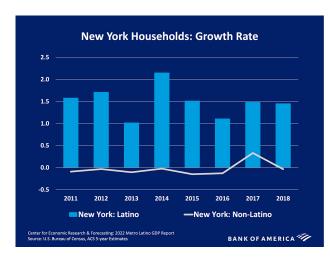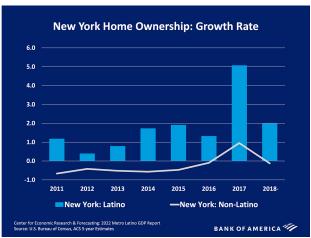 average of 3,500 per year. Over that same period, Latinos in the state's labor force increased nearly 14 percent. During that same time, the Non-Latino workforce increased by less than one half of a percent.

New York Growth in Educational Attainment: Bachelor's Degree or Higher

■ New York: Latino   — New York: Non-Latino

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates
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New York Labor Force: Participation Rate

Percent of Population

■ New York: Latino   — New York: Non-Latino

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates
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The economic contribution of Latinos in New York, 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. From 2010 to 2018, New York Latinos' labor force participation rate was an average of 1.2 percentage points higher than Non-Latinos. In 2018, Latino labor force participation was 1.5 percentage points higher.

New York Households: Growth Rate

■ New York: Latino   — New York: Non-Latino

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates
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New York Home Ownership: Growth Rate

■ New York: Latino   — New York: Non-Latino

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates
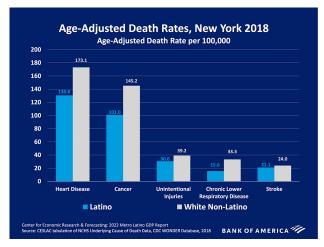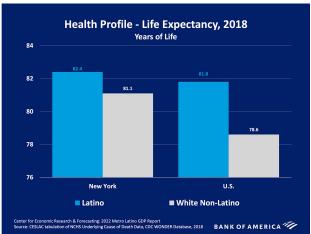BANK OF AMERICA

Latinos provide a very large and positive demographic punch in New York through both the addition of workers and the formation of households. As with population, without Latinos, the number of households in New York would have contracted from 2010 to 2018. During that time, the number of Latino households increased by 12.7 percent, and the number of Non-Latino households

decreased by 0.2 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. The number of Non-Latino homeowners in New York actually declined every year from 2010 to 2018 except for 2017. Meanwhile, Latino home ownership increased in every year. From 2010 to 2018, the number of Latino homeowners increased by 15.3 percent. During that same period, the number of Non-Latino homeowners declined by 1.9 percent.

Latinos in New York 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 New York, 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 12 to 53 percent lower. New York Latinos' age-adjusted mortality rate is 30 percent lower than the state's White Non-Latinos for cancer and 25 percent lower for heart disease. New York Latinos also enjoy greater longevity, with a life expectancy that is more than one year longer than Non-Hispanic Whites (82.4 years compared to 81.1).

New York: Headline Characteristics

	New York		
	Latino Measure	Statewide Measure	Latino Share of State
			(percent)
Gross Domestic Product ($-billions)	202.3	1,705.0	11.9
Personal Consumption Expenditures ($-billions)	150.9	1,025.0	14.7
Population (thousands)	3,752.5	19,542.2	19.2
Labor Force (thousands)	1,819.5	10,029.4	18.1
Employment (thousands)	1,695.3	9,532.2	17.8
Households (thousands)	1,159.2	7,367.0	15.7
Home-Owning Households (thousands)	297.6	3,953.8	7.5
Education of BA/BS or higher (thousands)	468.7	5,091.5	9.2

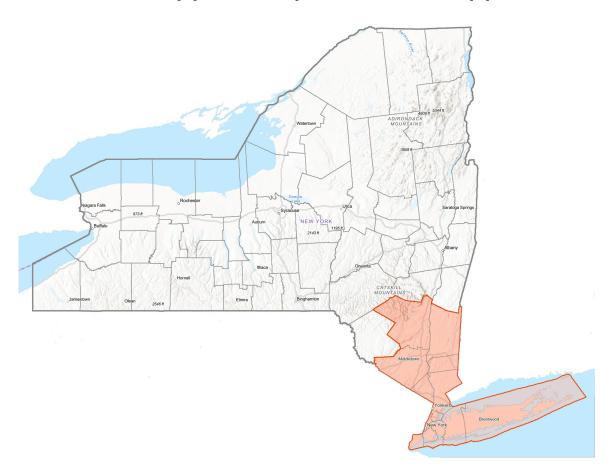*Sources: U.S. Bureau of Census (1-yr ACS), Cal Lutheran University-CERF*

Metro Latino GDP: New York Metro Area

The New York – Newark – Jersey City Metropolitan Statistical Area (MSA) is comprised of 12 counties in the State of New York, 12 counties in New Jersey and one in Pennsylvania. In 2018, the New York – Newark – Jersey City MSA was the single largest MSA in the nation with 20.0 million people of all ethnicities. The MSA is home to 4.9 million Latinos (representing 24.6 percent of MSA population), making it the second largest MSA in the nation by Latino population. Only the Los Angeles – Long Beach – Anaheim MSA is home to more Latinos.

For the purpose of this analysis, we divide the greater New York – Newark – Jersey City MSA into its New York state and New Jersey state components. These are referred to hereafter as the New York Metro Area and the New Jersey Metro Area. The New York Metro Area is home to 67 percent of the broader MSA's all-ethnicities population and 70 percent of the MSA's Latino population.

The 2018 New York Metro Latino GDP is $188.9 billion, larger than the entire economy of Utah or Kansas. The largest component of the New York Metro's Latino GDP is personal consumption. Latino consumption in the New York Metro Area totaled more than $142.4 billion in 2018, representing a consumption market larger than the entire economy of the state of Arkansas or Nebraksa.

New York Metro Gross Domestic Product

	Metro Latino GDP by Industry	Metrowide GDP by Industry
	billions of dollars	*billions of dollars*
Agricultural/Natural Resources	0.1	0.2
Mining/Quarrying	0.0	0.2
Construction	10.3	39.8
Durables Manufacturing	2.3	27.5
Non-Durables Manufacturing	3.3	14.9
Wholesale Trade	11.4	40.5
Retail Trade	12.2	50.9
Transportation/Warehousing/Utilities	7.9	39.2
Information/Technology	9.8	131.0
Finance/Insurance/Real Estate	47.5	468.0
Professional/Business Services	22.2	182.5
Education/Healthcare/Social Assistance	17.8	114.3
Leisure/Hospitality	16.4	65.4
Personal/Repair/Maintenance Svcs	6.4	24.5
Government Services	21.3	116.6
Total All Industries	**188.9**	**1,315.8**

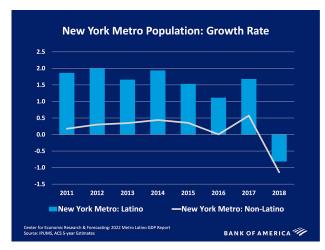*Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF*

The New York Metro's top five 2018 Latino GDP sectors are: Finance & Real Estate ($47.5 billion), Professional & Business Services ($22.2 billion), Government ($21.3 billion), Education & Healthcare ($17.8 billion), and Leisure & Hospitality ($16.4 billion).
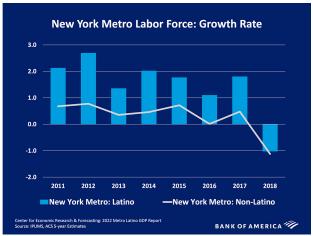
New York Metro Gross Domestic Product

	Metro Latino GDP Industry Share	Metrowide GDP Industry Share
	percent	*percent*
Agricultural/Natural Resources	0.1	0.0
Mining/Quarrying	0.0	0.0
Construction	5.5	3.0
Durables Manufacturing	1.2	2.1
Non-Durables Manufacturing	1.7	1.1
Wholesale Trade	6.0	3.1
Retail Trade	6.5	3.9
Transportation/Warehousing/Utilities	4.2	3.0
Information/Technology	5.2	10.0
Finance/Insurance/Real Estate	25.1	35.6
Professional/Business Services	11.7	13.9
Education/Healthcare/Social Assistance	9.4	8.7
Leisure/Hospitality	8.7	5.0
Personal/Repair/Maintenance Svcs	3.4	1.9
Government Services	11.3	8.9
Total All Industries	**100**	**100**

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

The New York Metro Area's Latino economy is highly diversified. Seven different industry sectors account for out-sized shares of the New York Metro Latino GDP. For example, while Wholesale Trade accounts for only 3.1 percent of the overall New York Metro GDP, it accounts for 6.0 percent of the New York Metro Latino GDP. Six other industry sectors account for a substantially larger share of the New York Metro Latino GDP than the industry's corresponding share of the broader Metro Area GDP. These include Construction, Retail Trade, Transportation & Warehousing, and Leisure & Hospitality, Repair & Maintenance, and Government.

As in the state of New York at large, Latinos are making strong and consistent contributions to the New York Metro Area's population and labor force. The Non-Latino population of the New York Metro grew just 1.0 percent from 2010 to 2018. During those same years, the Metro Area's Latino population grew by 11.5 percent. From 2010 to 2018, Latinos added an average 43,501 people per year to the Metro Area population. Non-Latinos added an average of just 12,834 people per year. In other words, despite being just 25.3 percent of the Metro Area population, Latinos are responsible for 77 percent of the Metro Area's population growth since 2010.
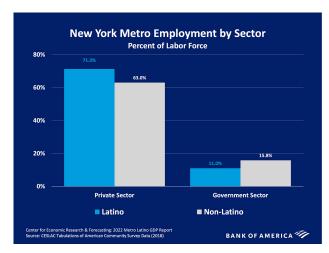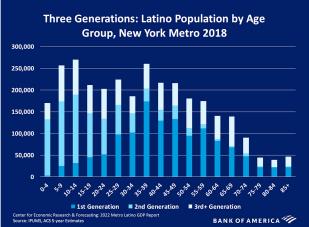

Following a similar trajectory to population, the Non-Latino component of the New York Metro's labor force grew weakly from 2010 to 2018. The New York Metro's Non-Latino labor force grew just 2.4 percent from 2010 to 2018. During those same years, the Metro Area's Latino labor force grew by 12.4 percent. From 2010 to 2018, Latinos added an average 22,955 workers per year to the Metro Area labor force. Non-Latinos added an average of just 15,124 workers per year. Despite being just 24 percent of the New York Metro labor force, Latinos are responsible for 60 percent of the Metro Area's labor force growth since 2010.

In addition to growing more rapidly, the composition of the New York Metro Latino labor force is different in meaningful ways than the Non-Latino labor force. First, New York Metro Latinos 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 New York Metro 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 New York Metro Area, the state and the nation.

New York Metro Employment by Sector
Percent of Labor Force

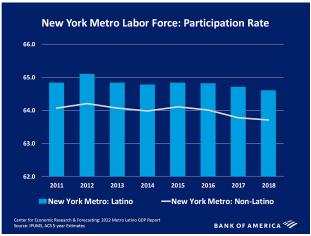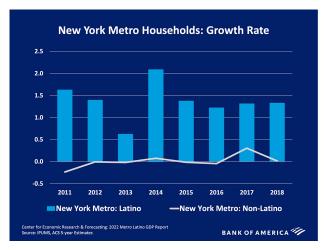**Three Generations: Latino Population by Age Group, New York Metro 2018**

As with larger geographies, the economic contribution of Latinos in the New York Metro Area is driven by rapid gains in human capital and a strong work ethic. From 2010 to 2018, Latino educational attainment grew at a rate 2.4 times faster than the educational attainment of New York Metro Non-Latinos. Over those same years, New York Metro Latinos' labor force participation rate was an average of 0.8 percentage points higher than Non-Latinos. In 2018, Latino labor force participation was 0.9 percentage points higher.

New York Metro Growth in Educational Attainment: Bachelor's Degree or Higher

New York Metro Labor Force: Participation Rate

Latinos provide a very large and positive demographic punch in the New York Metro Area through both the addition of workers and the formation of households. The number of Non-Latino households in the New York Metro Area actually shrank in 5 of the 8 years considered in this analysis. Over the entire period from 2010 to 2018, the number of Non-Latino households in the New York Metro Area increased just 0.1 percent. Meanwhile, the number of Latino households grew by 11.5 percent.

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New York Metro Households: Growth Rate

New York Metro: Latino
New York Metro: Non-Latino

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: IPUMS, ACS 5-year Estimates

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New York Metro Home Ownership: Growth Rate

New York Metro: Latino
New York Metro: Non-Latino

Center for Economic Research & Forecasting: 2022 Metro Latino GDP Report
Source: IPUMS, ACS 5-year Estimates

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The growth of Latino households is accompanied by strong growth of Latino home ownership. The number of Non-Latino homeowners declined in every year from 2010 to 2015. Over the entire period from 2010 to 2018, the number of Non-Latino homeowners declined by 2.5 percent. Meanwhile, homeownership among Latinos grew in every year from 2013 onward. Over the entire period from 2010 to 2018, the number of Latino homeowners grew by 12.0 percent.
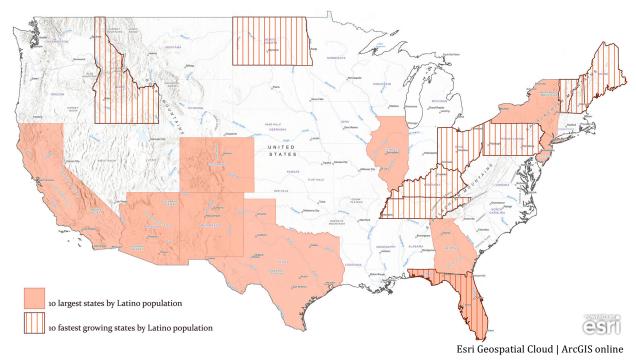
New York Metro‡ Headline Characteristics

	New York Metro Area		
	Latino	All Ethnicities	Latino Share of MSA
			(percent)
Gross Domestic Product ($-billions)	188.9	1,315.8	14.4
Personal Consumption Expenditures ($-billions)	142.4	n/a	n/a
Population (thousands)	3,417.2	13,362.0	25.6
Labor Force (thousands)	1,659.1	6,907.1	24.0
Employment (thousands)	1,532.8	6,474.5	23.7
Households (thousands)	1,061.3	4,875.2	21.8
Home-Owning Households (thousands)	263.5	2,285.0	11.5
Education of BA/BS or higher (thousands)	435.9	3,747.0	11.6

Sources: U.S. Bureau of Census (1-yr ACS; labor market data is 5-yr ACS), Cal Lutheran University-CERF
‡ Defined as the portion of the NY-Newark-Jersey City MSA that resides in the state of New York

The Geography of the Latino GDP

Seeing the dramatic economic impact of Latinos living in the New York Mero Area and the state of New York more broadly, one might be misled to think that this extraordinary impact must be concentrated within a narrow geographic region. In fact, the New York Metro Area and the state of New York 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

10 largest states by Latino population

10 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.

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[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.

The Latino GDP estimates for the New York – Newark – Jersey City metropolitan statistical area (full-MSA) have been broken down into the New York and New Jersey portions of that MSA. The full MSA mostly spans two states, New York and New Jersey, thus the analysis starts with merging the

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[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.

Latino GDPs for these two states into a two-state combination geography.[6],[7] From this geography, the full-MSA Latino GDP was calculated.

There are 12 counties in the New Jersey portion of the full-MSA, the *New Jersey Metro*, comprising 30 percent of the full-MSA Latino population, and for those 12 counties detailed data sets on Latino and Non-Latino demographics and income, as described above in this section, were collected, county-by-county. To estimate Latino GDP for this area, these measures were aggregated and the methods above were used to compute Latino GDP estimates for the *New Jersey Metro*. With the two sets of Latino GDP estimates, the full-MSA and the *New Jersey Metro*, the *New York Metro* Latino GDP estimates were derived using the definition that each of these metros, the New Jersey portion, and the New York portion, comprise the entirety of the full-MSA. This method accounts for the GDP estimates based from the other 70 percent of the Latinos living in the full-MSA.

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 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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[6] There is one county, Pike County, with a Latino population of 5,900 persons, in Pennsylvania, which is 0.1 percent of the overall MSA population.

[7] The Latino GDPs for these states are from the Bank of America State Latino GDP Report (Hamilton et al 2021a).

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