

2022
Metro Latino GDP Report
New Jersey Metro Area



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California
Lutheran
University

UCLA Health

Center for the Study of
Latino Health and Culture

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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

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

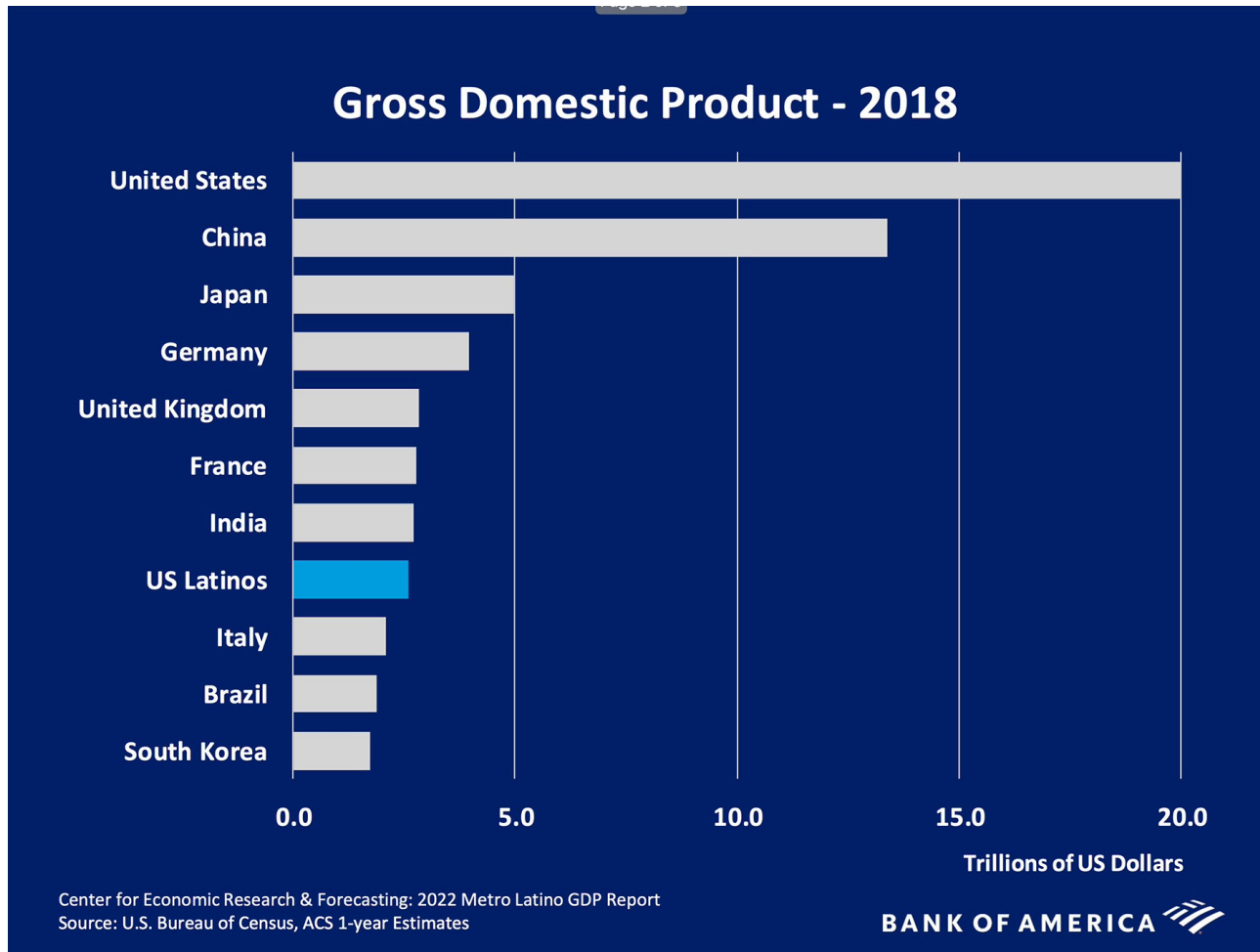
Bureau of Economic Analysis (BEA) provides detailed input-output (I-O) tables

- 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

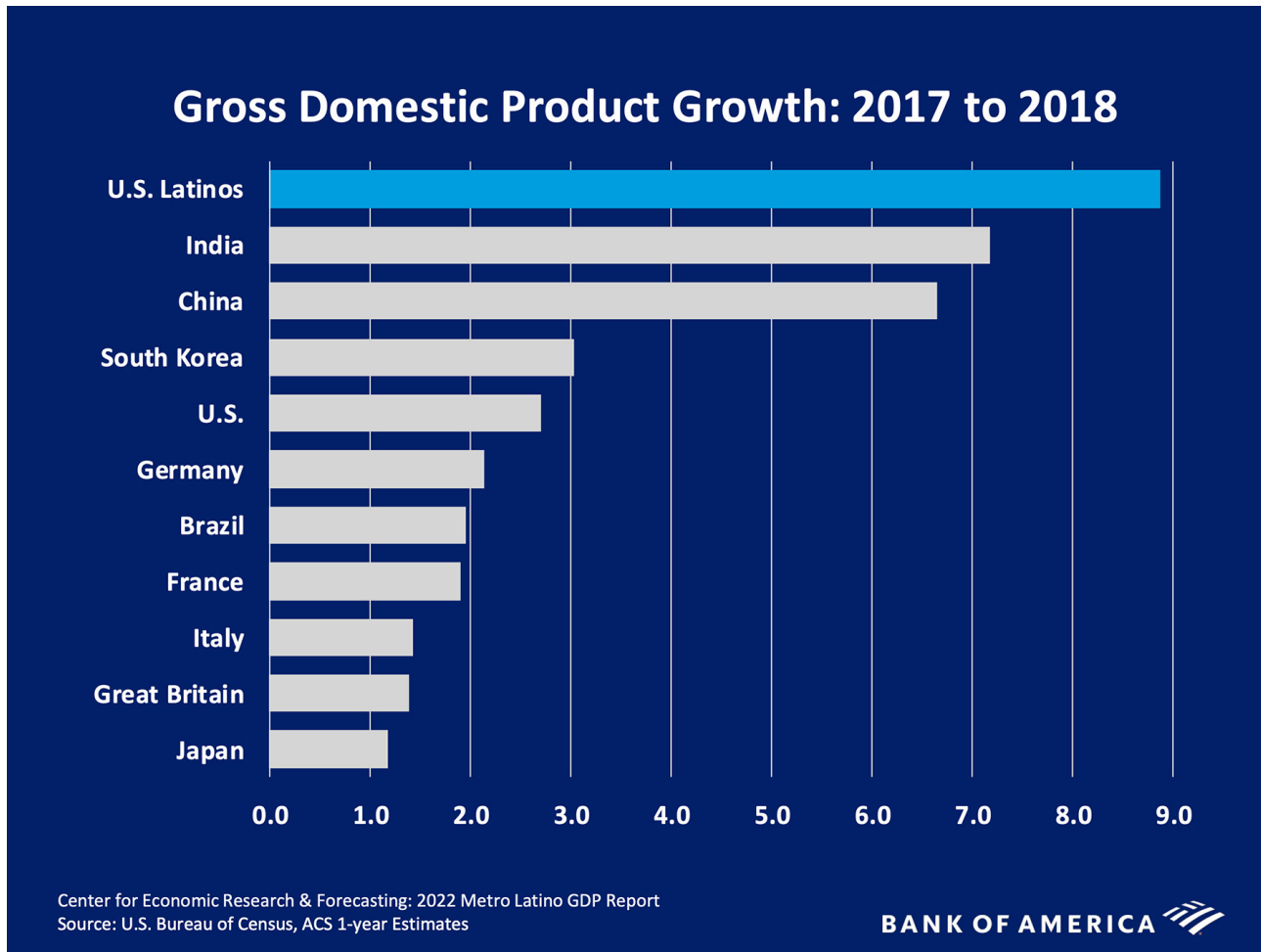
- BOC and BLS provide breakouts of differences in income, spending, home ownership, educational attainment, labor market patterns and demographics

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

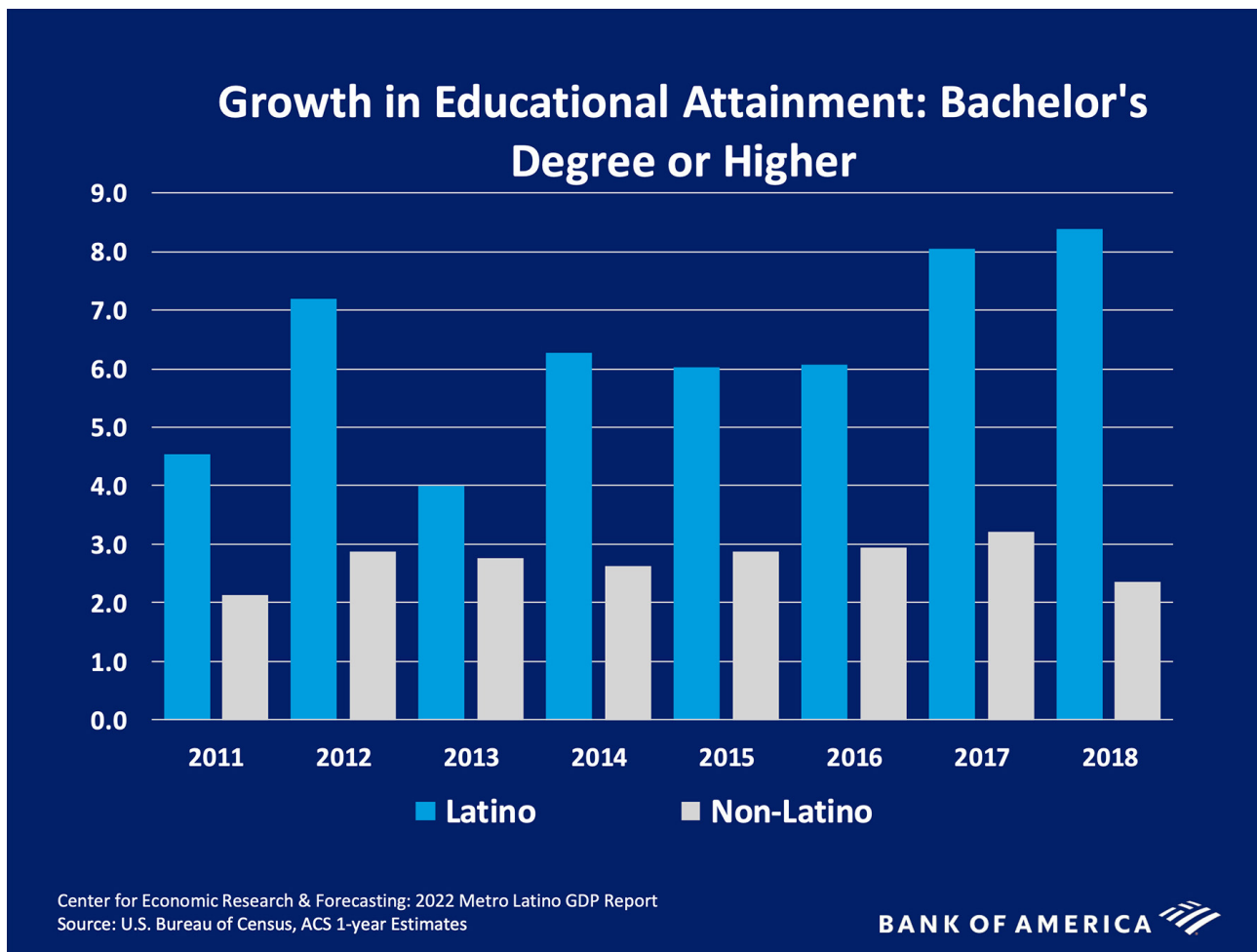
U.S. Latino Gross Domestic Product (GDP)

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 increase is driven by **large gains in personal income**, which naturally flow from Latinos' **rapid gains in educational attainment** and **strong labor force participation**.

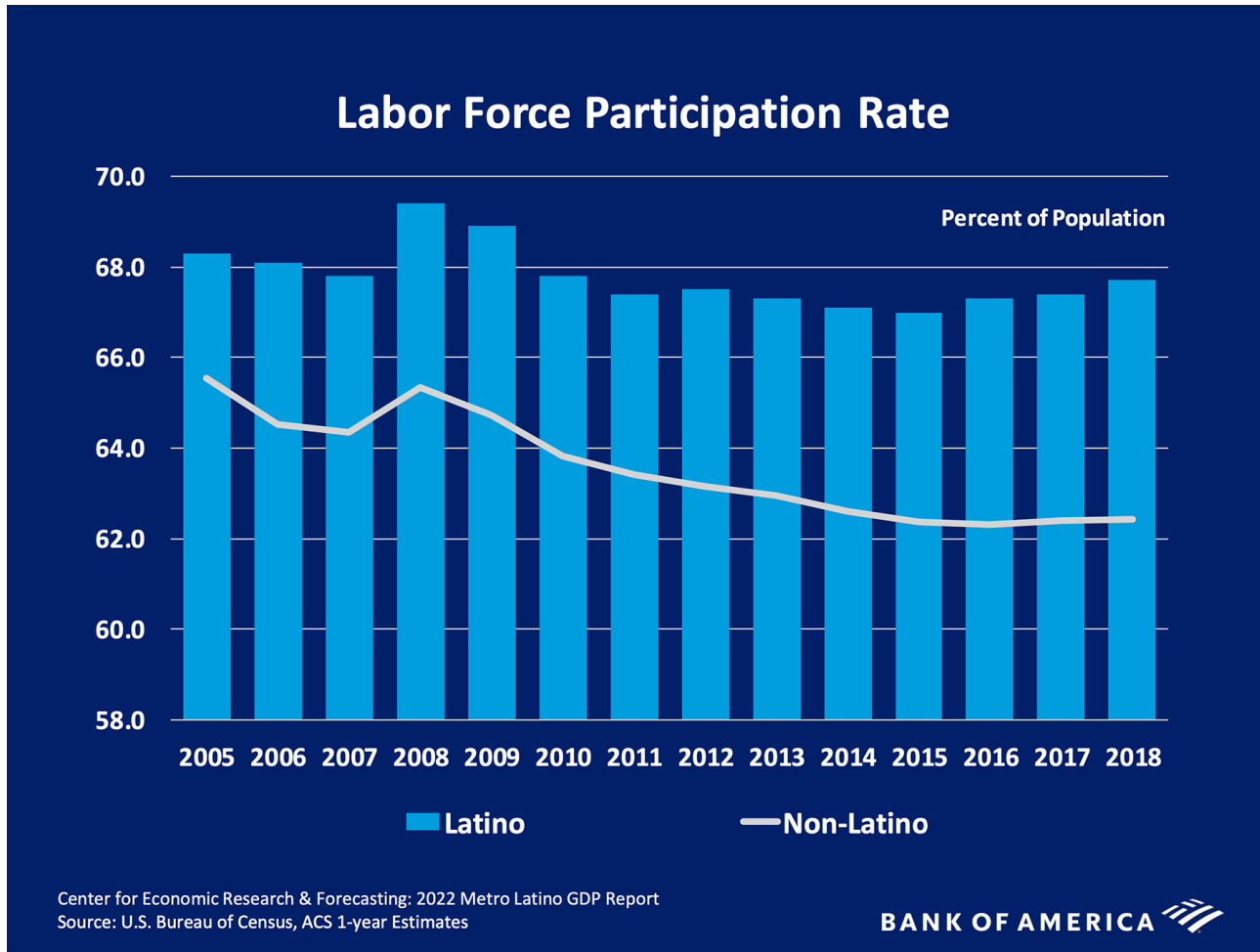
Growth of the Latino GDP is the result of rapid human capital accumulation

Drivers of the Latino GDP



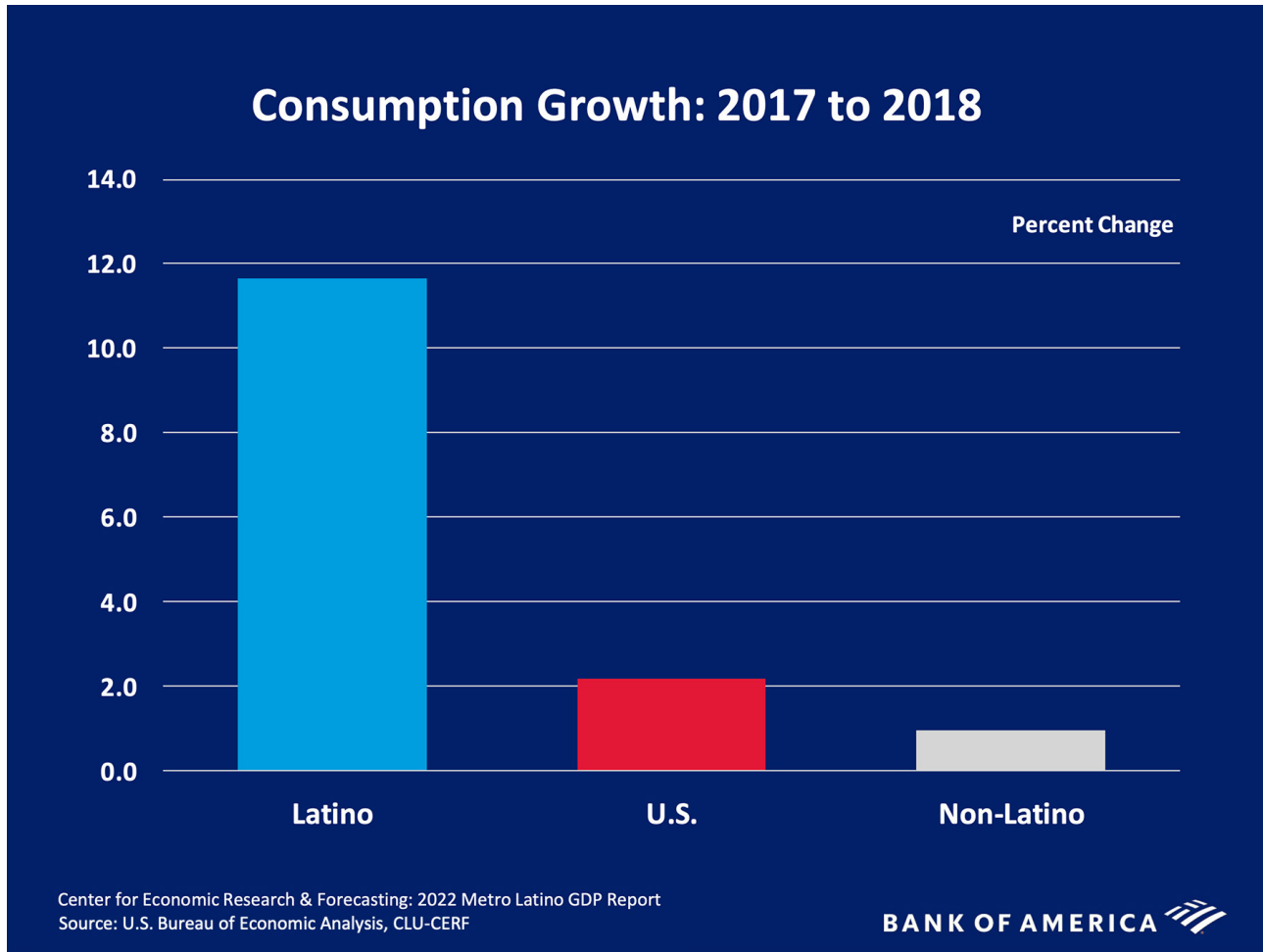
Educational attainment growth is 2.6x faster among Latinos than non-Latinos

Drivers of the Latino GDP



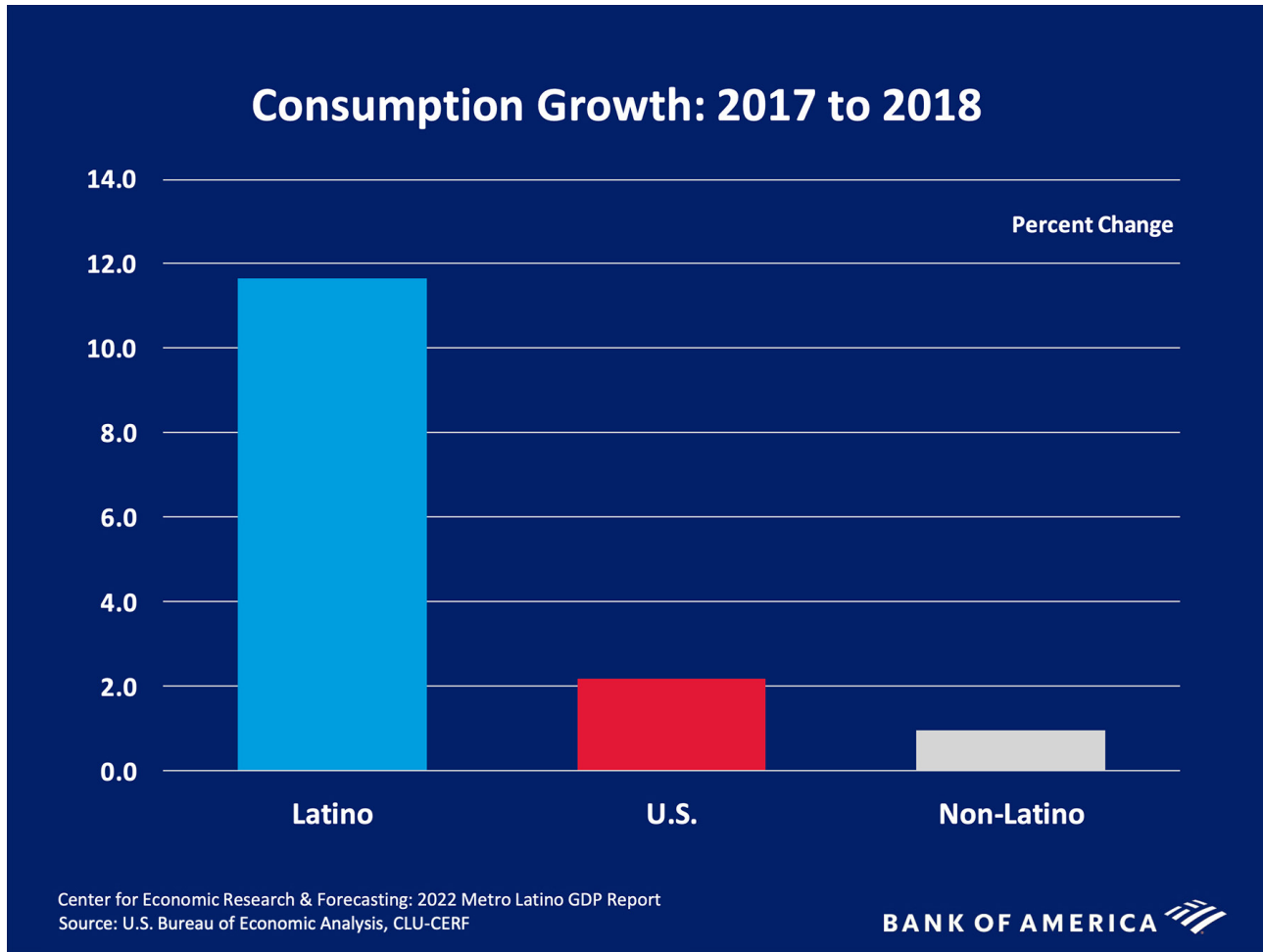
Latinos are significantly more likely than Non-Latinos to be actively working

Drivers of the Latino GDP



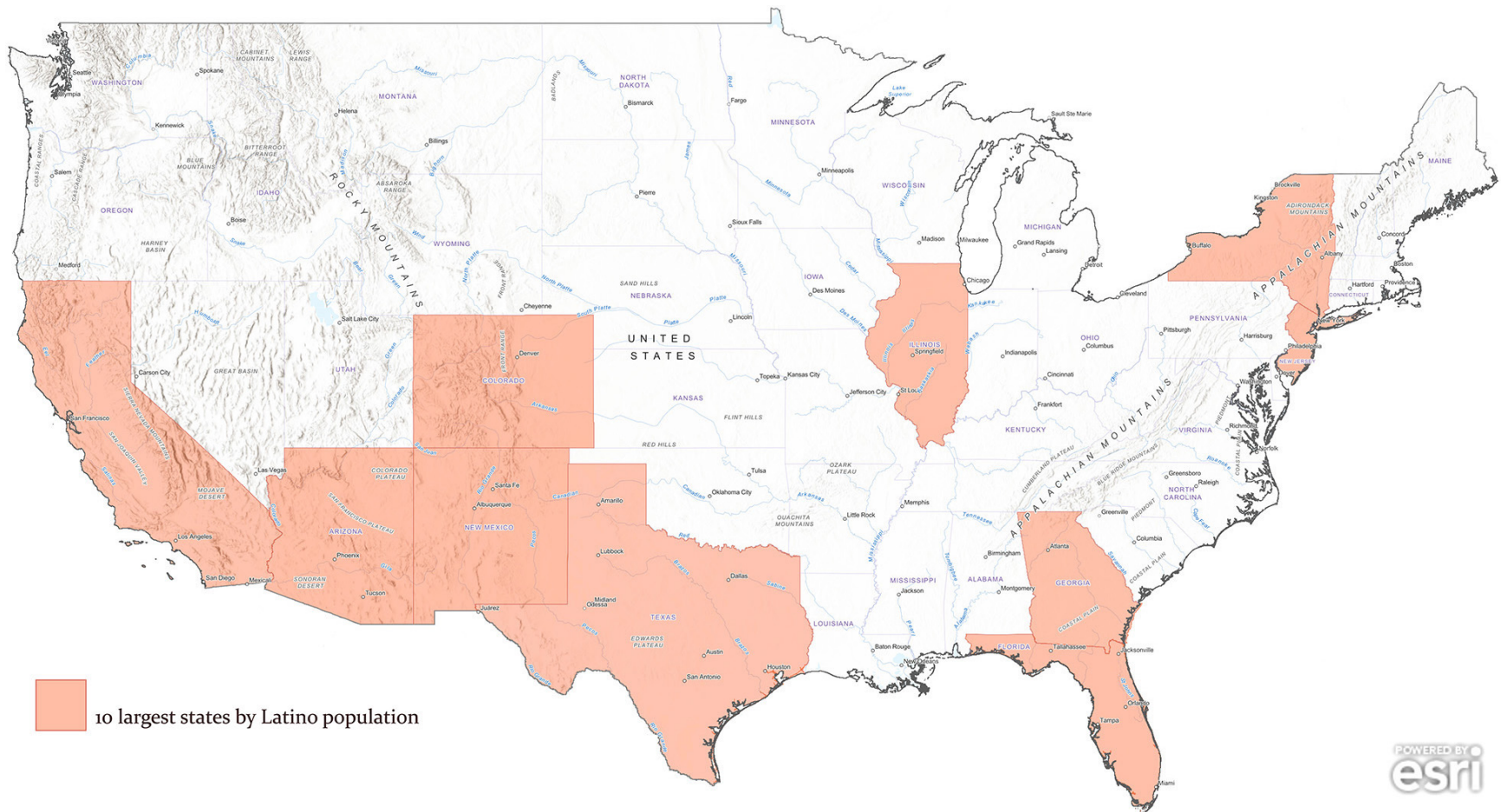
2017-18 Latino real consumption grew 12.2 times faster than Non-Latino

Drivers of the Latino GDP



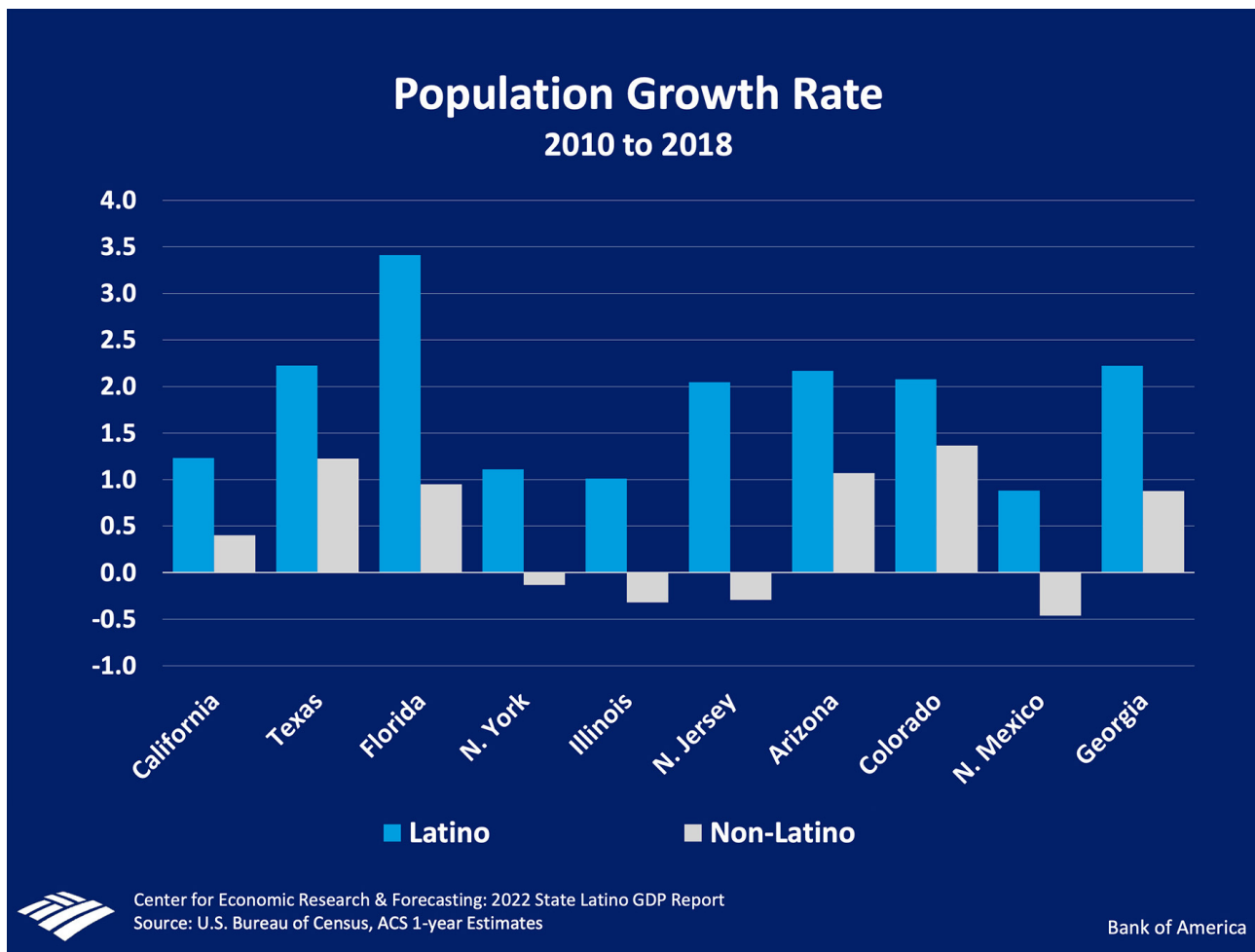
Over the past 5 years, Latino income grew nearly 70% faster than Non-Latino

Latino Gross Domestic Product (GDP) by State



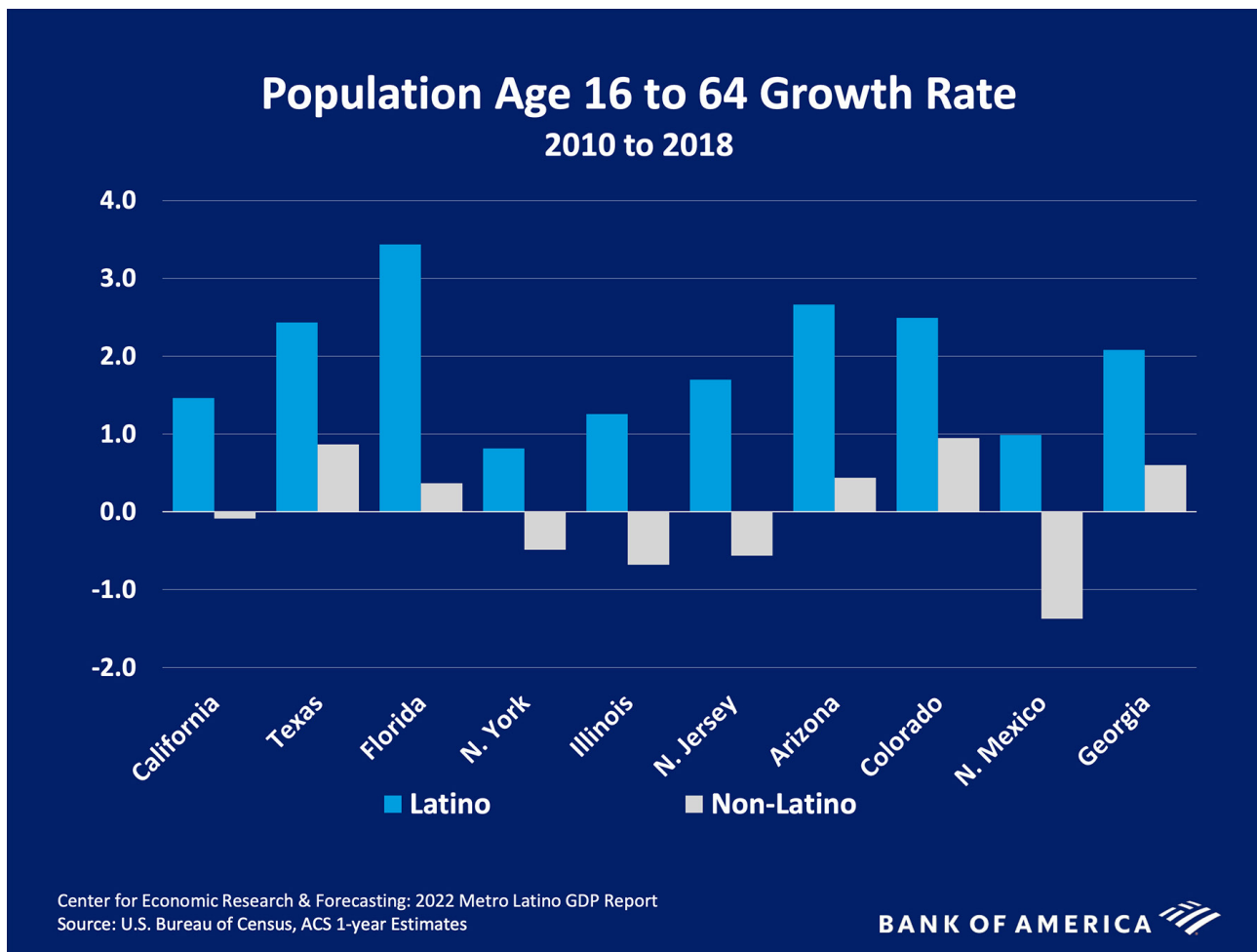
Latinos in 10 U.S. states account for more than $\frac{3}{4}$ of the U.S. Latino GDP. These 10 states have a combined Latino GDP of \$2.1 trillion.

Drivers of the Latino GDP



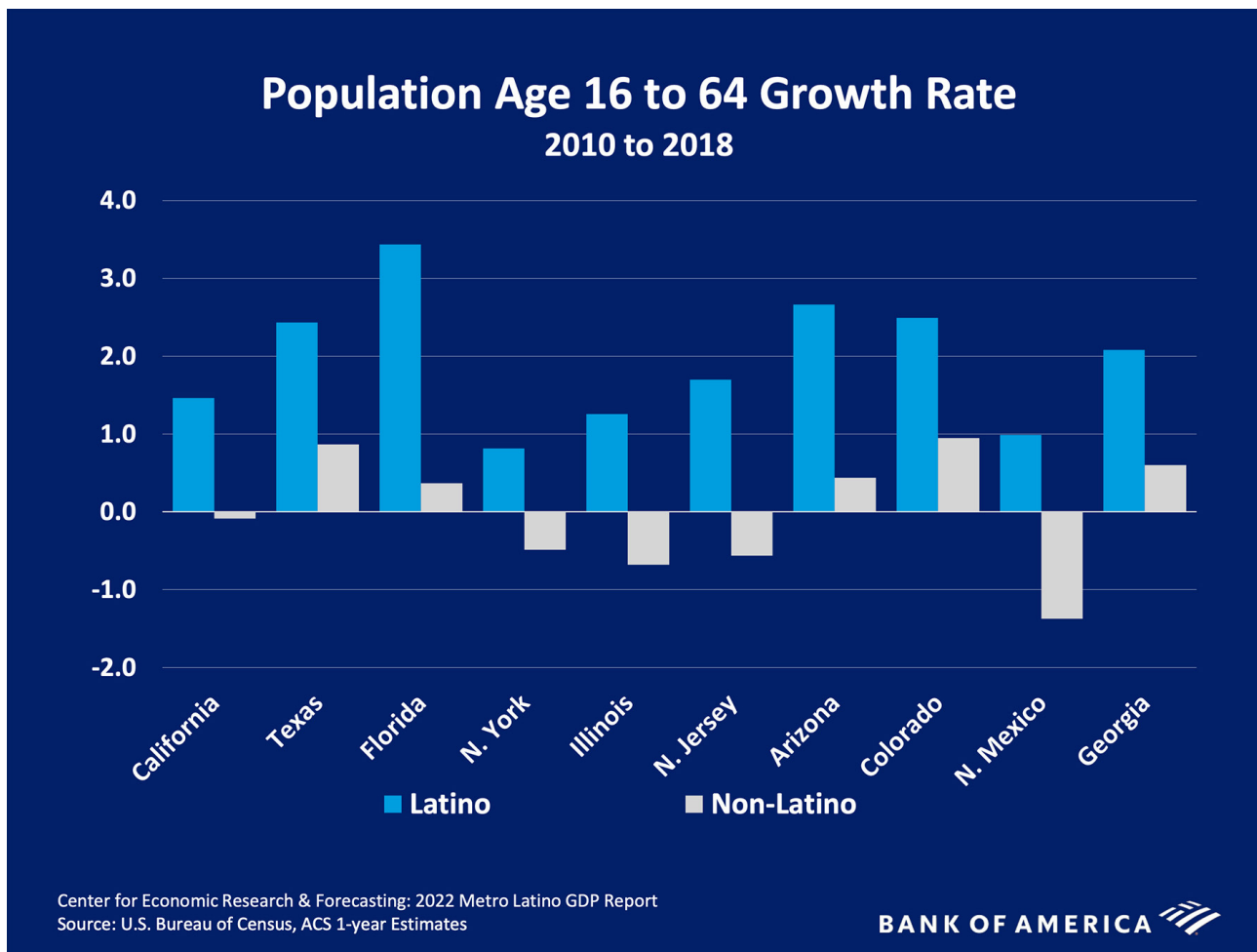
Across all 10 states, Latino population growth is 3.8 times that of Non-Latinos

Drivers of the Latino GDP



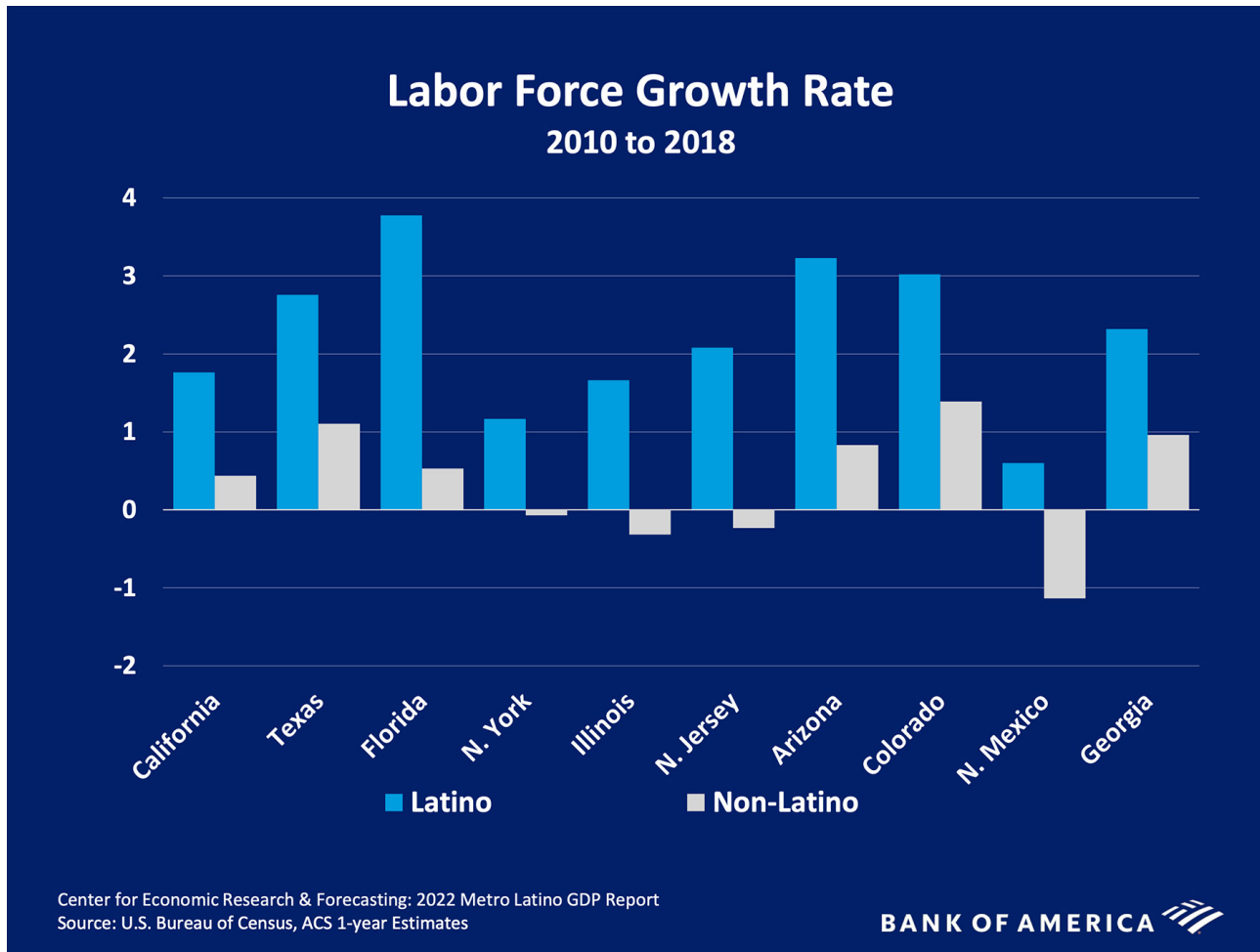
Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos

Drivers of the Latino GDP



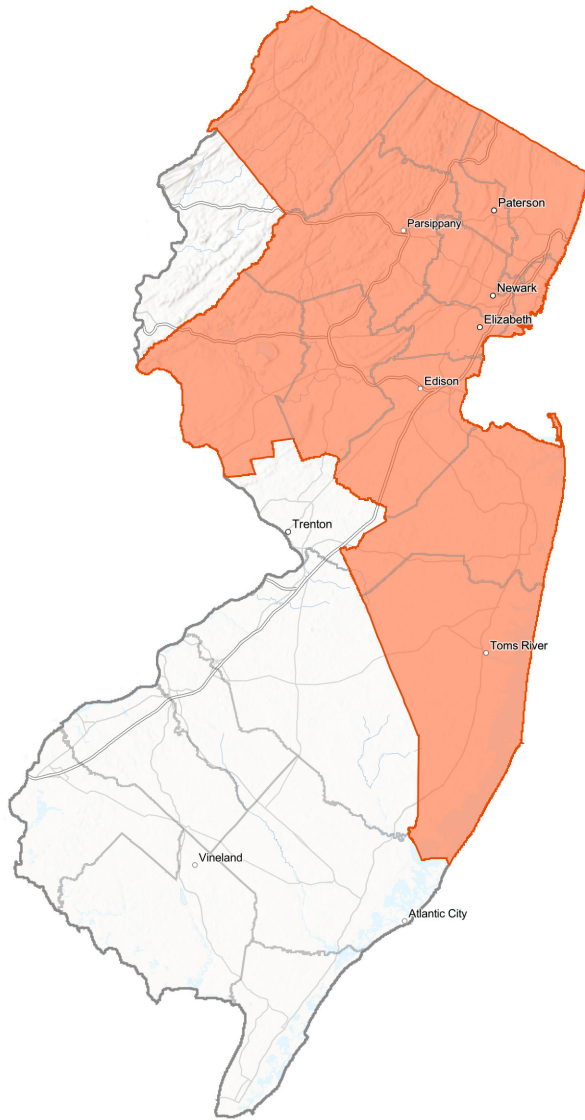
2060: Latinos projected to contribute 30 million additional working age adults

Drivers of the Latino GDP



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

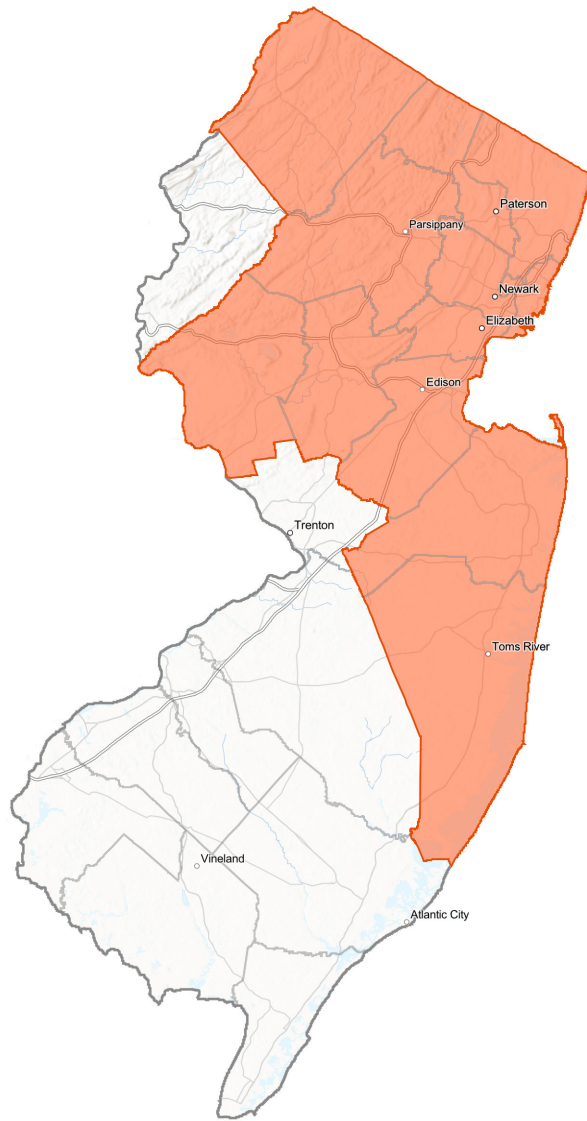
Metro Latino GDP: New Jersey Metro Area



New York - Newark - Jersey City MSA

- **New Jersey - 12 counties**
 - 32.9% of Metro population
 - **30.0% of Metro Latino population**
- **New York - 12 counties**
 - 66.8% of Metro population
 - 69.9% of Metro Latino population
- **Pennsylvania - 1 county**
 - 0.3% of Metro population
 - 0.1% of Metro Latino population

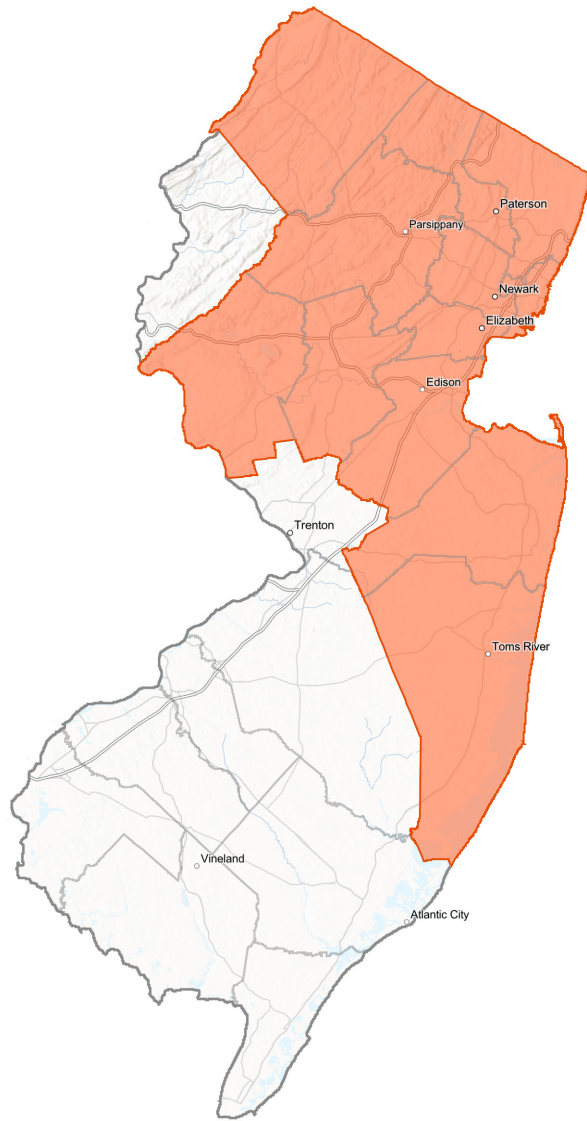
Metro Latino GDP: New Jersey Metro Area



New York - Newark - Jersey City MSA

- **20 million people of all ethnicity**
 - Single largest MSA in nation
- **4.9 million Latinos**
 - 25% of total MSA population
 - 2nd largest MSA by Latino Population

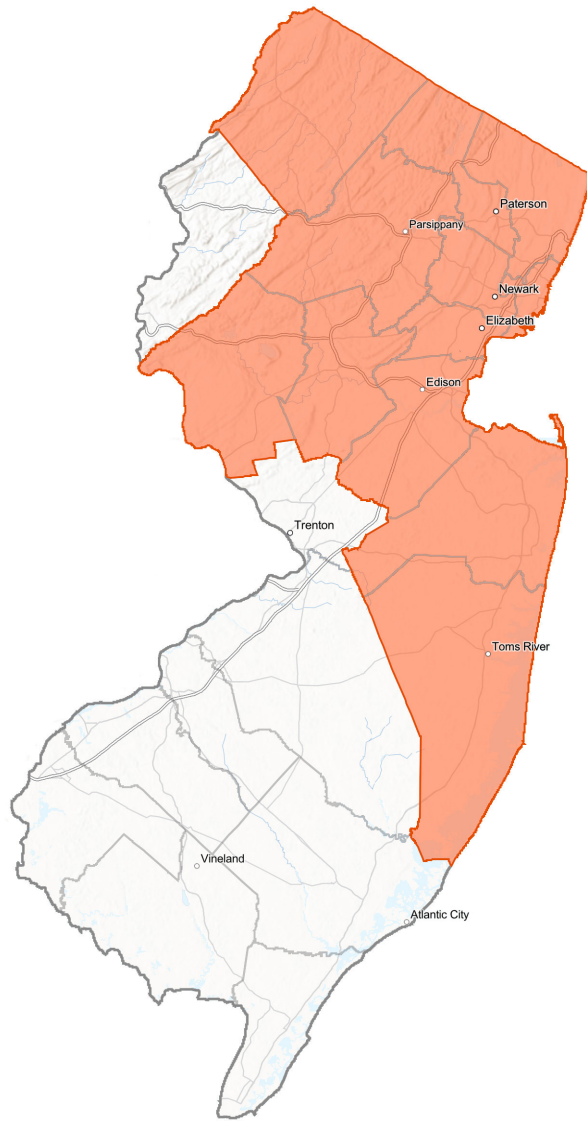
Metro Latino GDP: New Jersey Metro Area



New Jersey State component of broader MSA

- **6.6 million people of all ethnicity**
- **1.5 million Latinos**
 - 22.8% of Metro Area population

Metro Latino GDP: New Jersey Metro Area



New Jersey State component of broader MSA

- Were it not for Latinos...

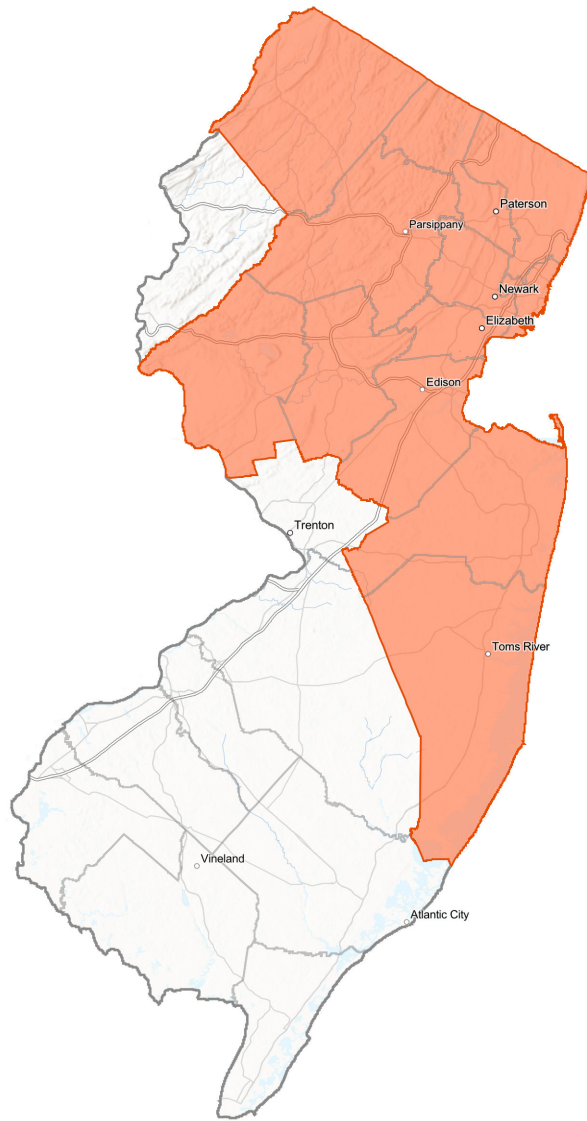
population
number of households

would have contracted in the New Jersey Metro Area (2010 to 2018)

labor force
number of homeowners

would have contracted sharply in New Jersey Metro Area (2010 to 2018)

Metro Latino GDP: New Jersey Metro Area



2018 New Jersey Metro Latino GDP

- **\$82.3 billion of economic activity**
 - Larger than the entire economy of the state of Idaho or West Virginia
 - Largest component is consumption which totals \$62.8 billion

Metro Latino GDP: New Jersey Metro Area

New Jersey 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	0.1	0.3
Mining/Quarrying	0.0	0.2
Construction	4.7	15.6
Durables Manufacturing	3.1	14.2
Non-Durables Manufacturing	3.9	29.2
Wholesale Trade	7.6	41.9
Retail Trade	5.1	26.4
Transportation/Warehousing/Utilities	8.7	25.3
Information/Technology	2.3	22.4
Finance/Insurance/Real Estate	11.1	106.7
Professional/Business Services	13.3	81.9
Education/Healthcare/Social Assistance	7.4	41.6
Leisure/Hospitality	3.9	14.8
Personal/Repair/Maintenance Svcs	2.1	9.4
Government Services	8.9	45.1
Total All Industries	82.3	475.1

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

The state's top 5 Latino GDP sectors: Professional & Business Services, Finance & Real Estate, Government, Transportation & Warehousing, and Wholesale Trade

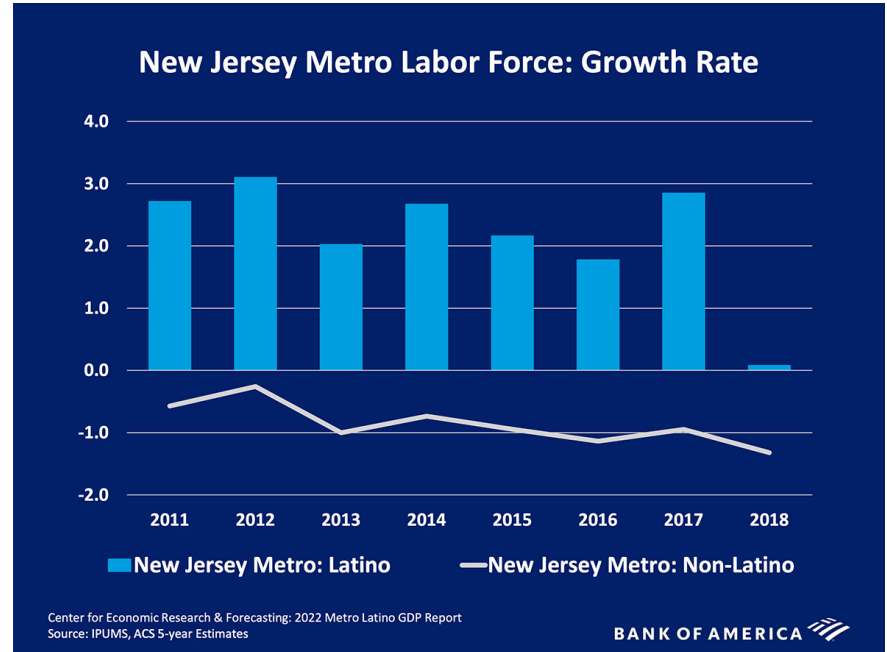
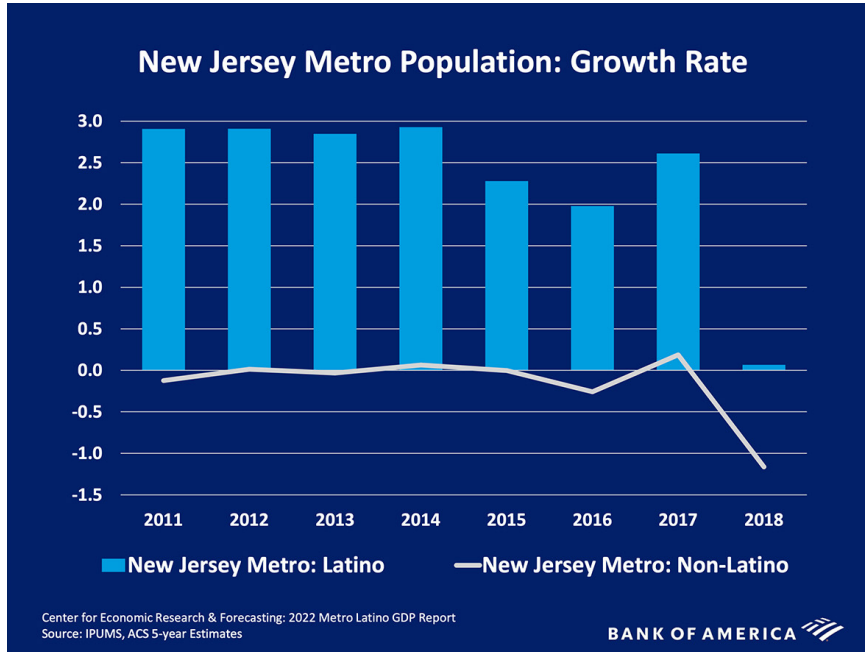
Metro Latino GDP: New Jersey Metro Area

<u>New Jersey Metro Gross Domestic Product</u>	<i>Metro Latino GDP</i> Industry Share <i>percent</i>	<i>Metrowide GDP</i> Industry Share <i>percent</i>
Agricultural/Natural Resources	0.1	0.1
Mining/Quarrying	0.0	0.0
Construction	5.8	3.3
Durables Manufacturing	3.7	3.0
Non-Durables Manufacturing	4.7	6.1
Wholesale Trade	9.2	8.8
Retail Trade	6.1	5.6
Transportation/Warehousing/Utilities	10.6	5.3
Information/Technology	2.8	4.7
Finance/Insurance/Real Estate	13.5	22.5
Professional/Business Services	16.2	17.2
Education/Healthcare/Social Assistance	9.0	8.8
Leisure/Hospitality	4.8	3.1
Personal/Repair/Maintenance Svcs	2.6	2.0
Government Services	10.9	9.5
Total All Industries	100	100

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

Latinos outperform the broader state economy in 4 specific sectors

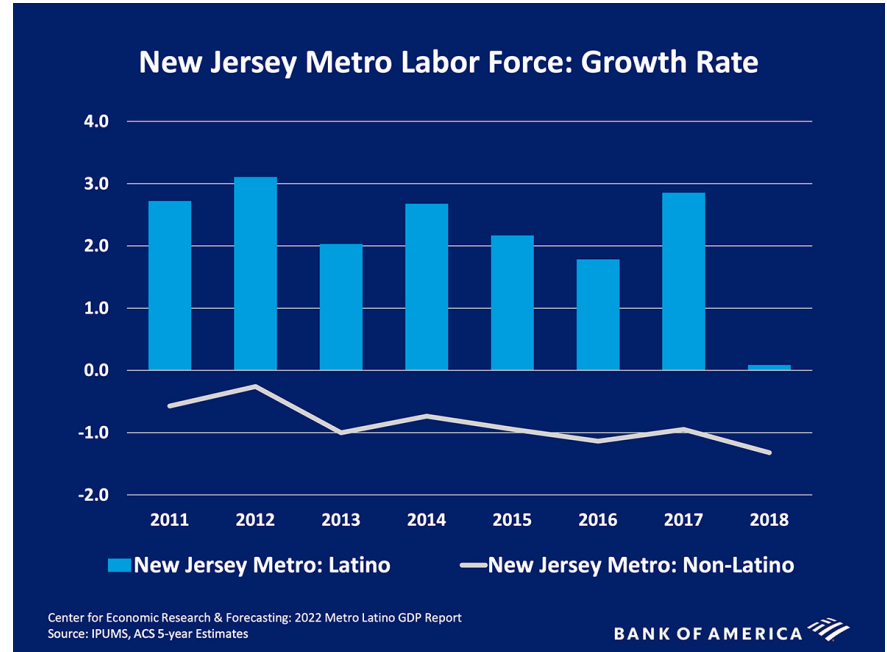
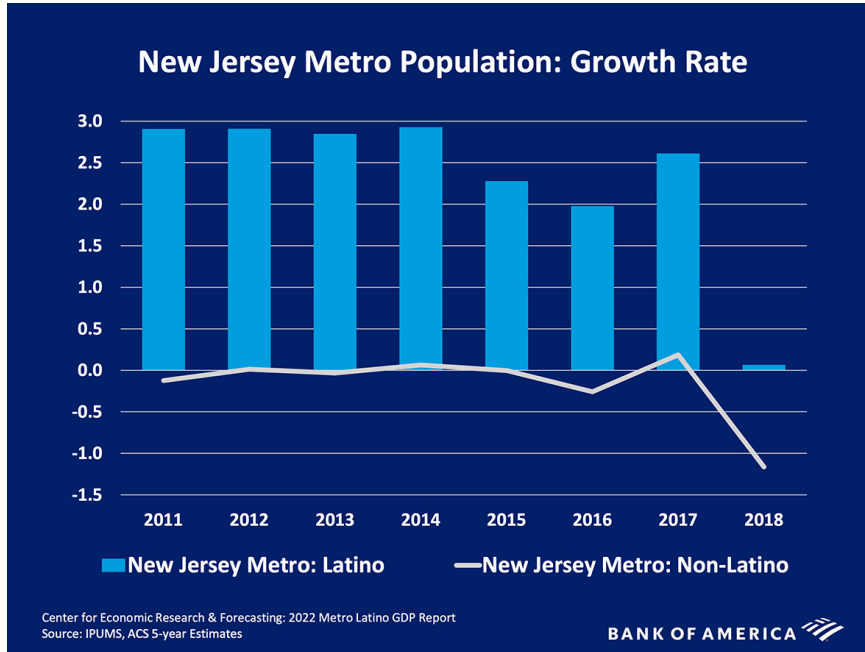
New Jersey Metro Latino GDP - Population & Labor Force



Latinos are making strong and consistent contributions to the New Jersey Metro Area's population and labor force

- Non-Latino population declined in every year but two from 2010 to 2018 (subtracting an average of 8,500 people per year)
- Latinos made strong contributions, turning total population growth positive (adding an average of more than 30,000 people per year)

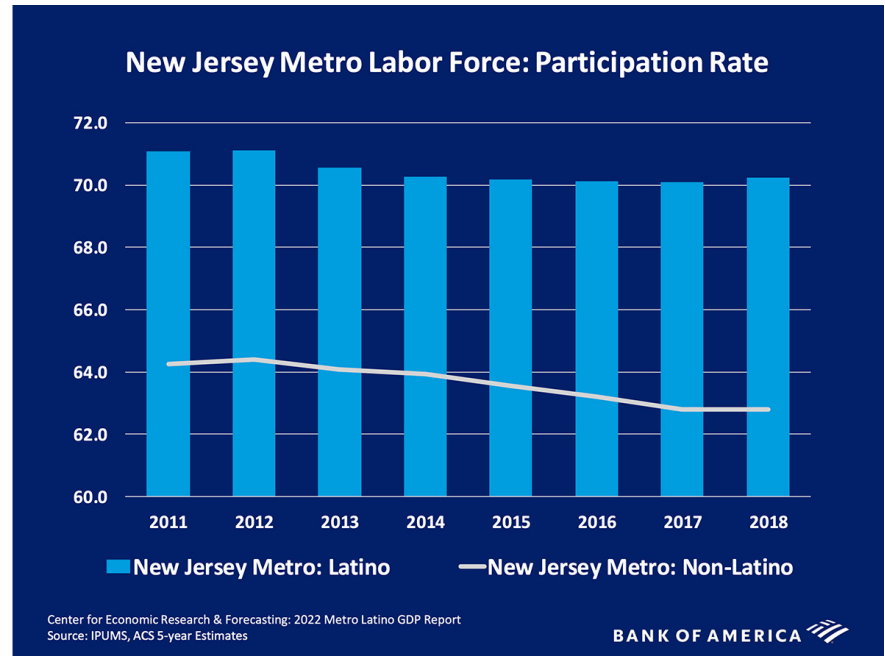
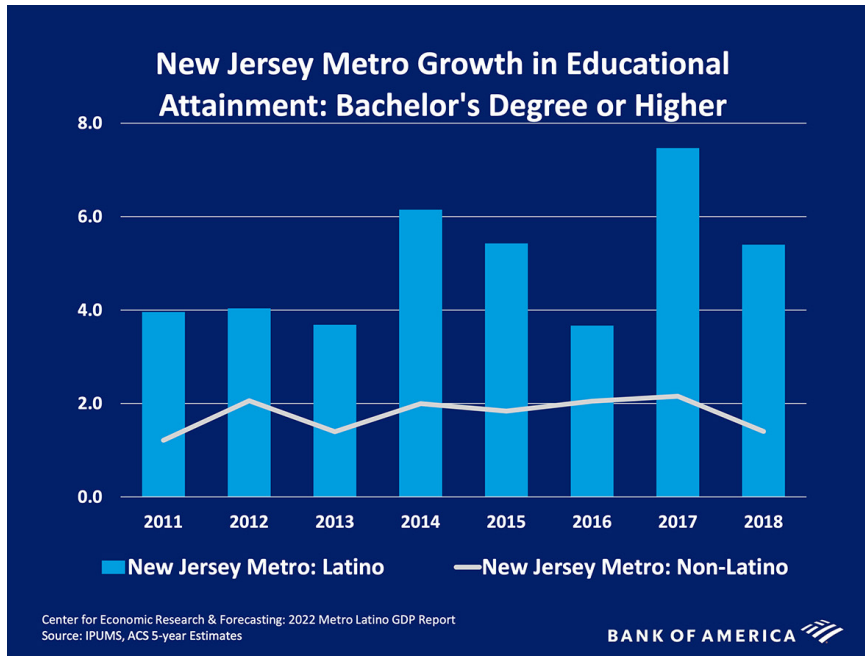
New Jersey Metro Latino GDP - Population & Labor Force



Latinos are making strong and consistent contributions to the New Jersey Metro Area's population and labor force

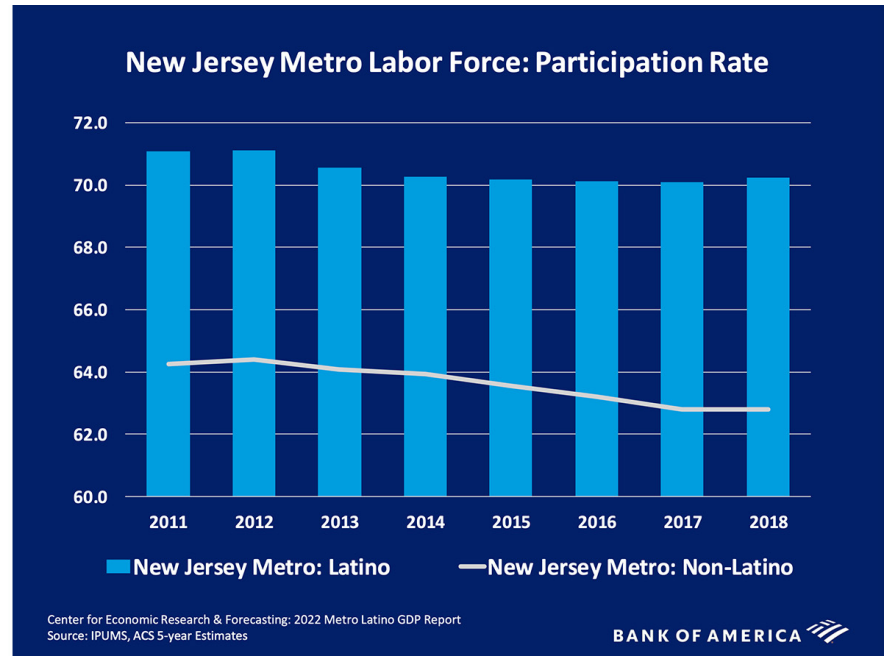
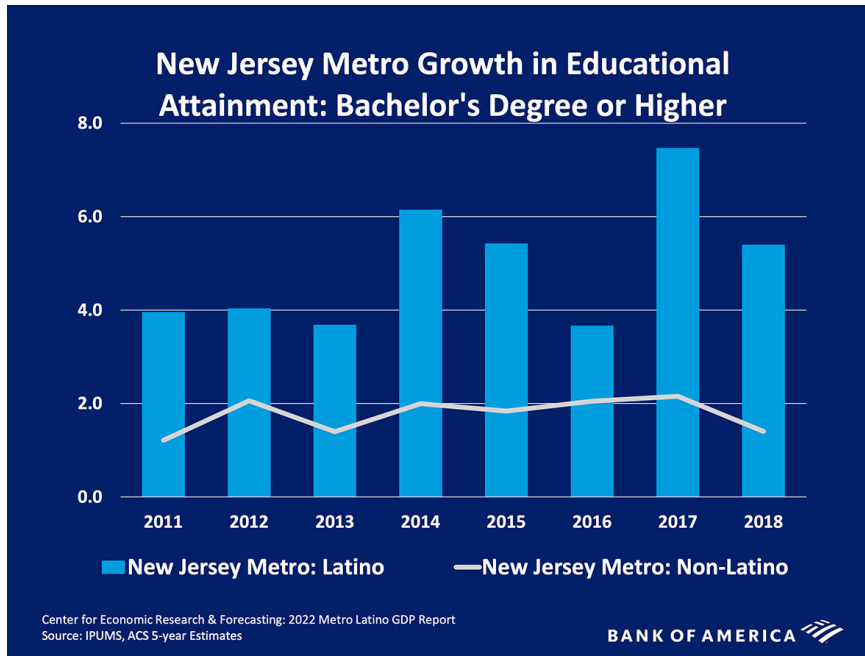
- Non-Latino labor force declined in every year from 2010 to 2018 (subtracting an average of more than 17,600 people per year)
- Latino labor force grew robustly from 2010 to 2018 (adding an average of more than 15,000 people per year)

New Jersey Metro Latino GDP - Education & LFP



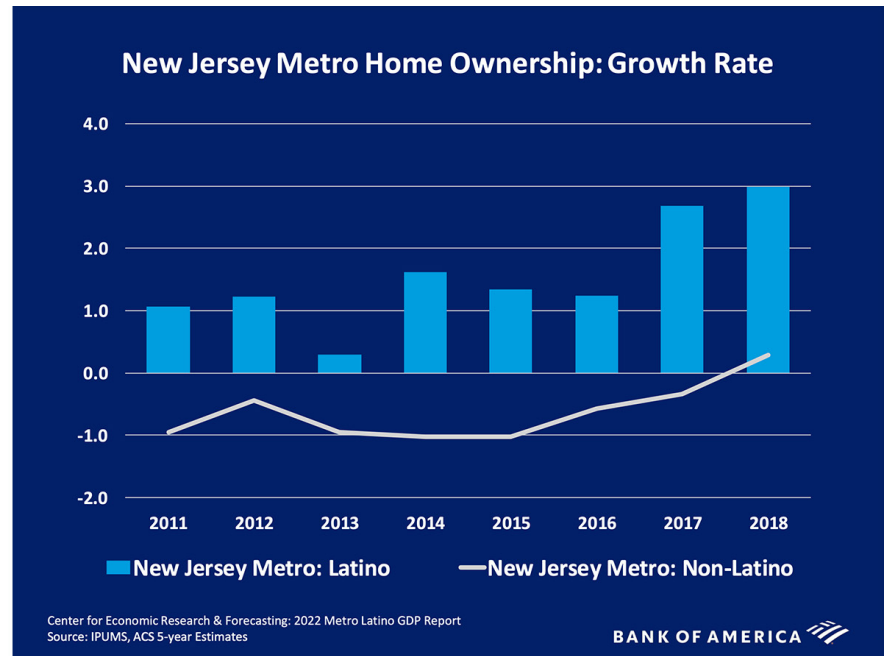
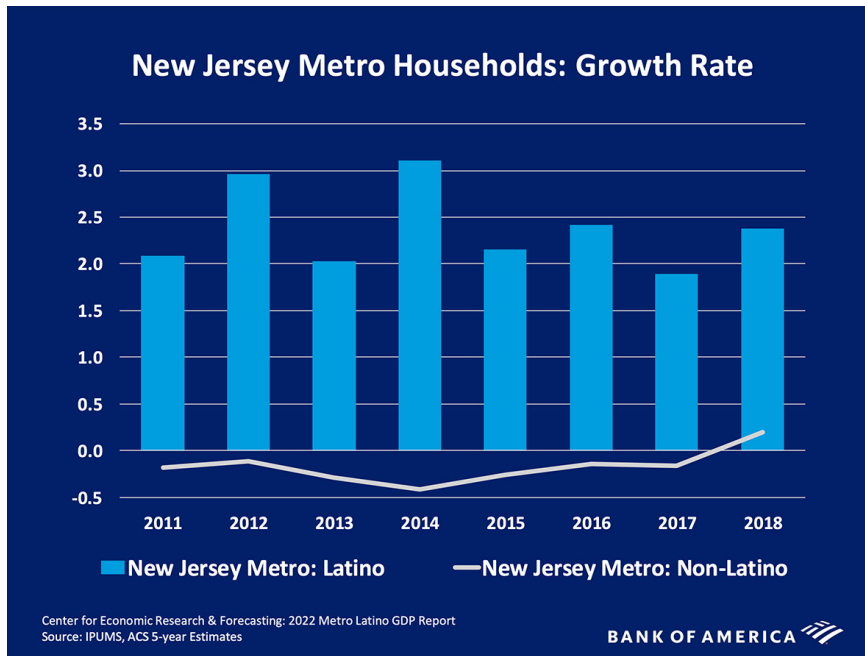
Educational attainment of New Jersey Metro Area Latinos is growing 3.2 times as fast as that of Non-Latinos

New Jersey Metro Latino GDP - Education & LFP



From 2010-2018, Latino's labor force participation rate was an average of 6.9 percentage points higher than Non-Latino. In 2018, it was a truly remarkable 7.5 percentage points higher.

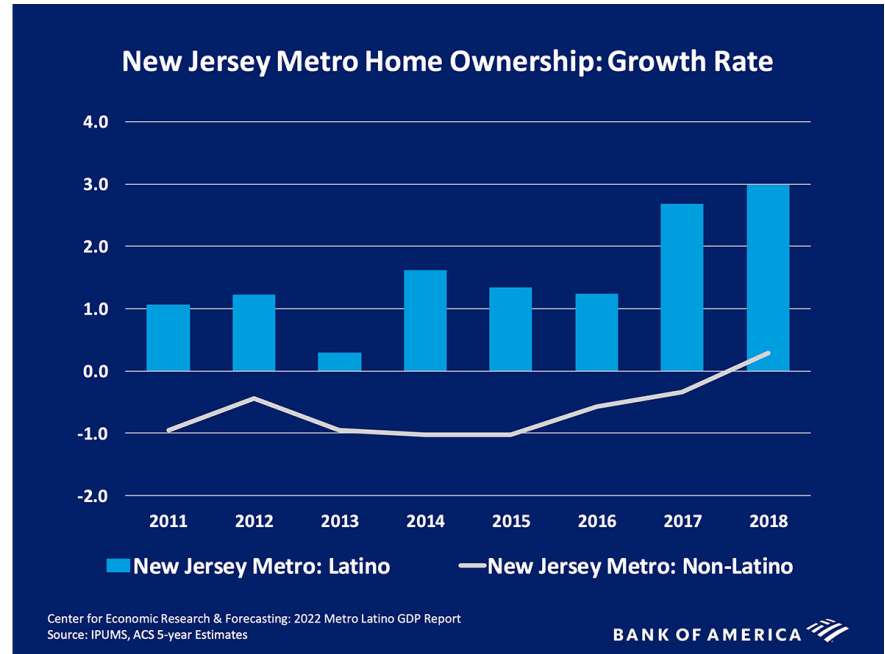
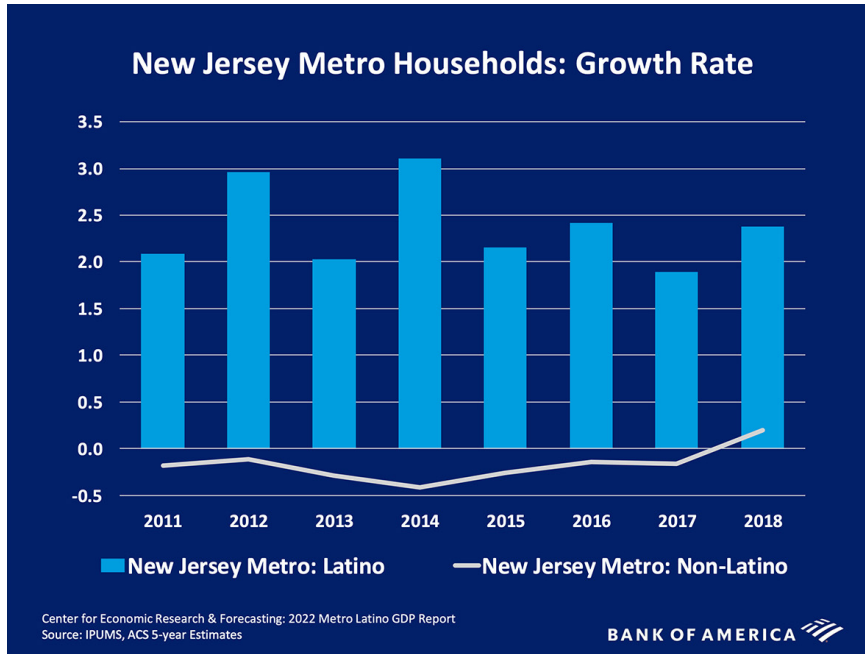
New Jersey Metro Latino GDP - Households & Ownership



From 2010-18, were it not for Latinos, the number of households in the New Jersey would have declined

- During those years, number of Latino households increased 20.7 percent
- The number of Non-Latino households declined by 1.4 percent

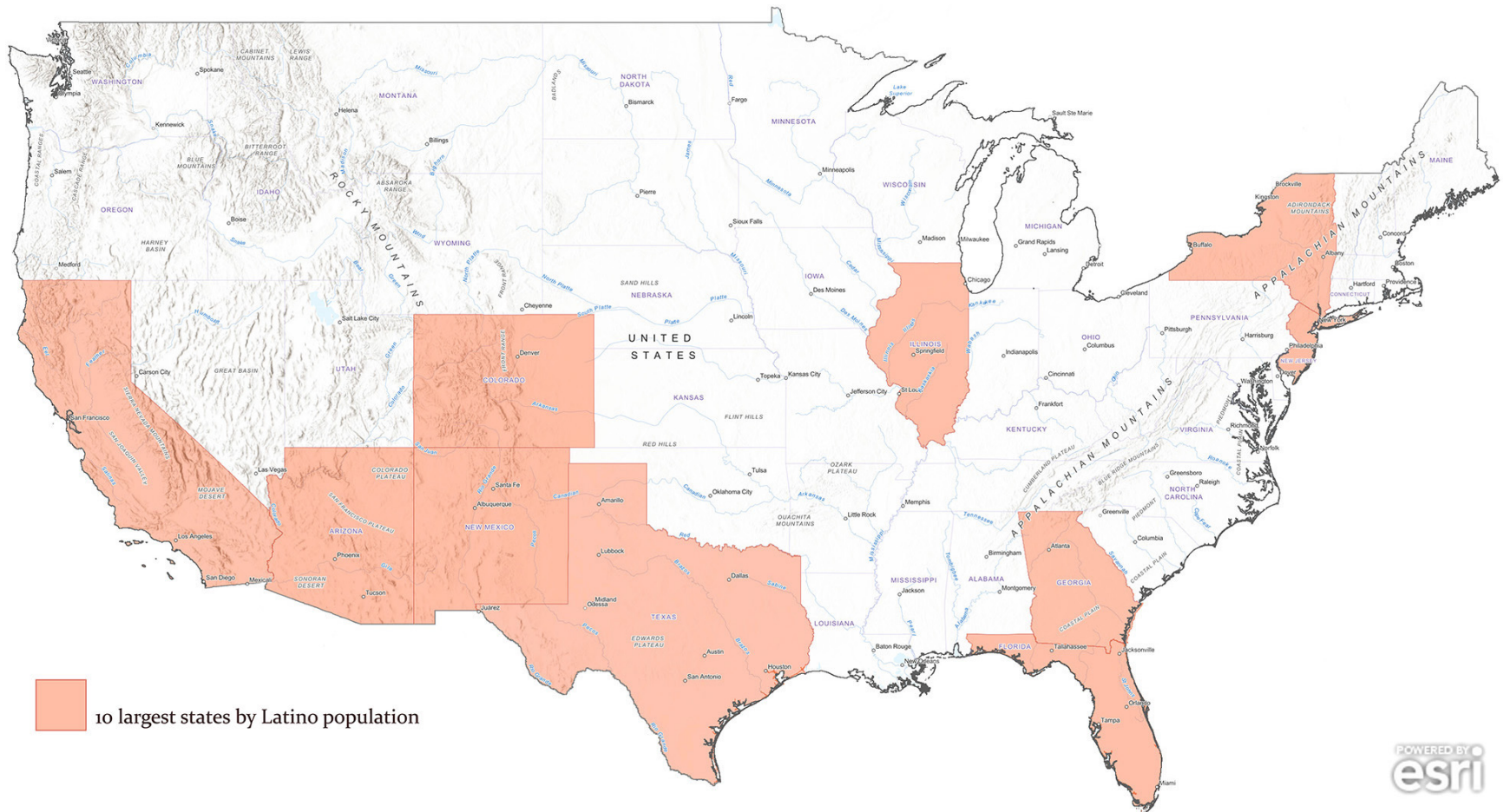
New Jersey Metro Latino GDP - Households & Ownership



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

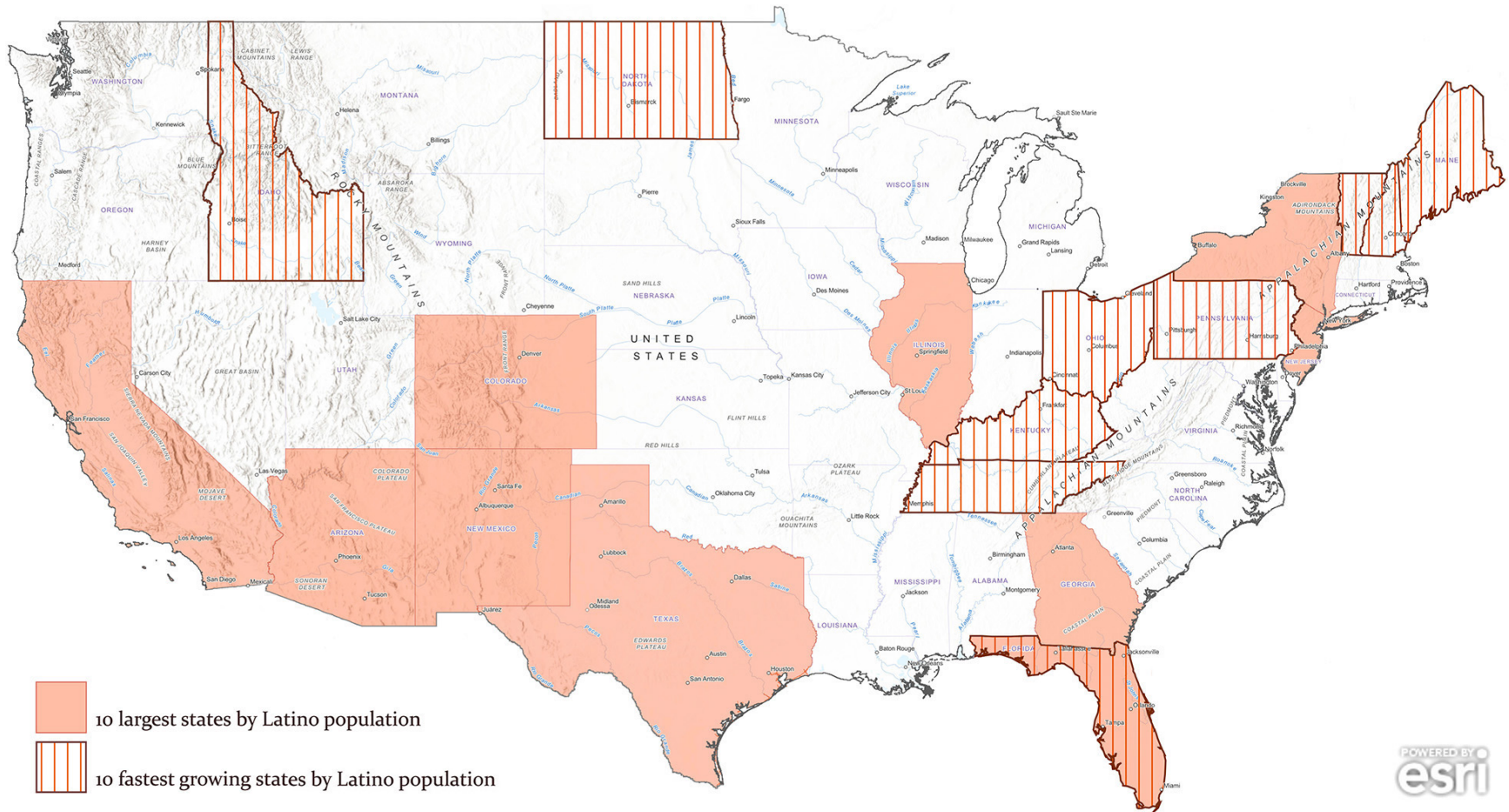
- From 2010-18, the number of Latino homeowners increased 13.1 percent
- The number of Non-Latino homeowners declined by 5.0 percent

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

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