

2024 Metro Latino GDP Report

Houston - the Woodlands - Sugar Land MSA



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2023

U.S. Latino GDP Report

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What is GDP?

- **The total market value of all final goods and services produced in a particular geographic area in a given year** $C+I+G+(X-M) = \text{GDP}$
- A broad measure of economic activity...**a nearly universal *summary statistic***



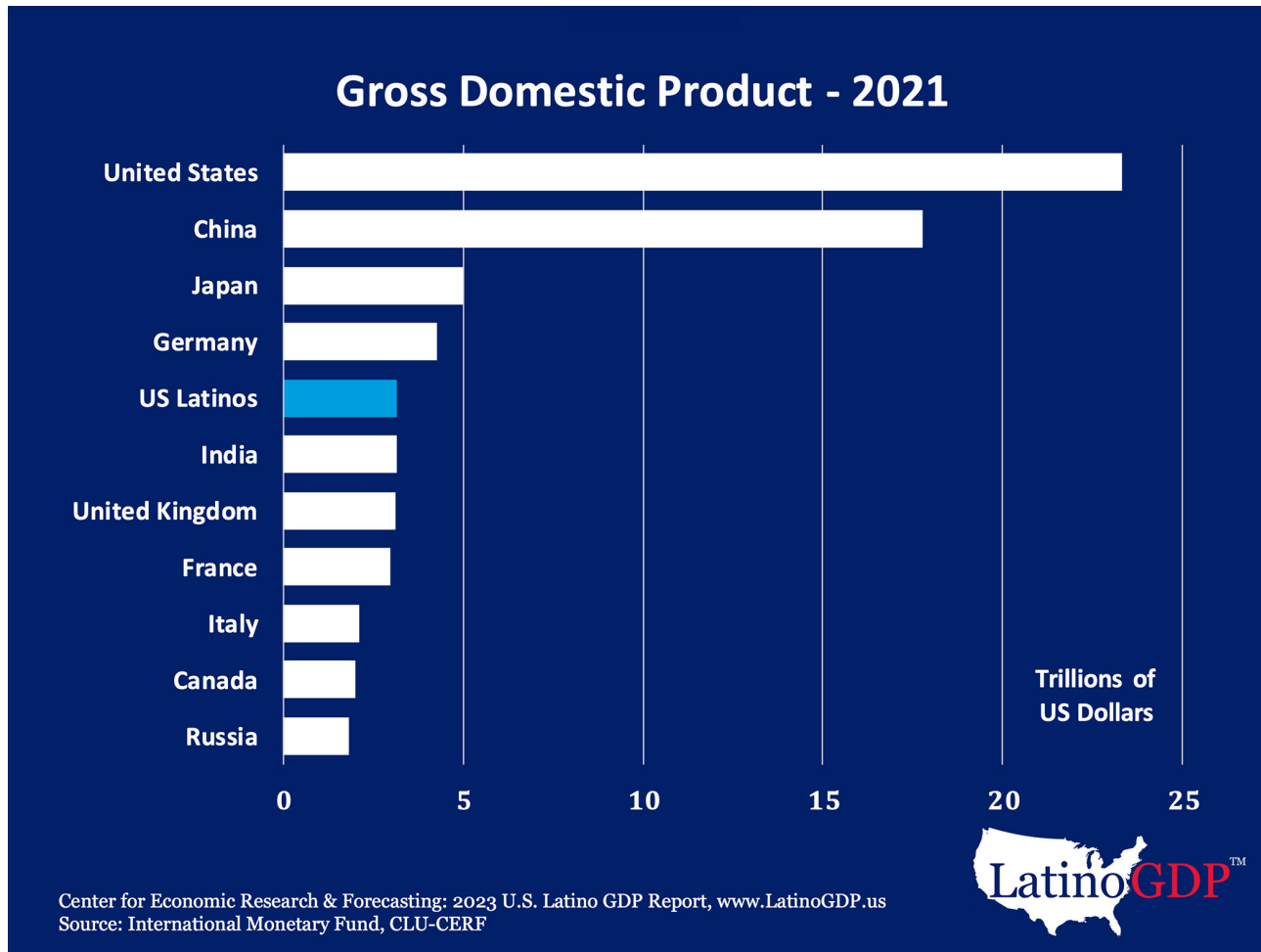
Why do we care about GDP?

- Increasing GDP, or economic growth, results in rising wages, higher standards of living and greater economic mobility

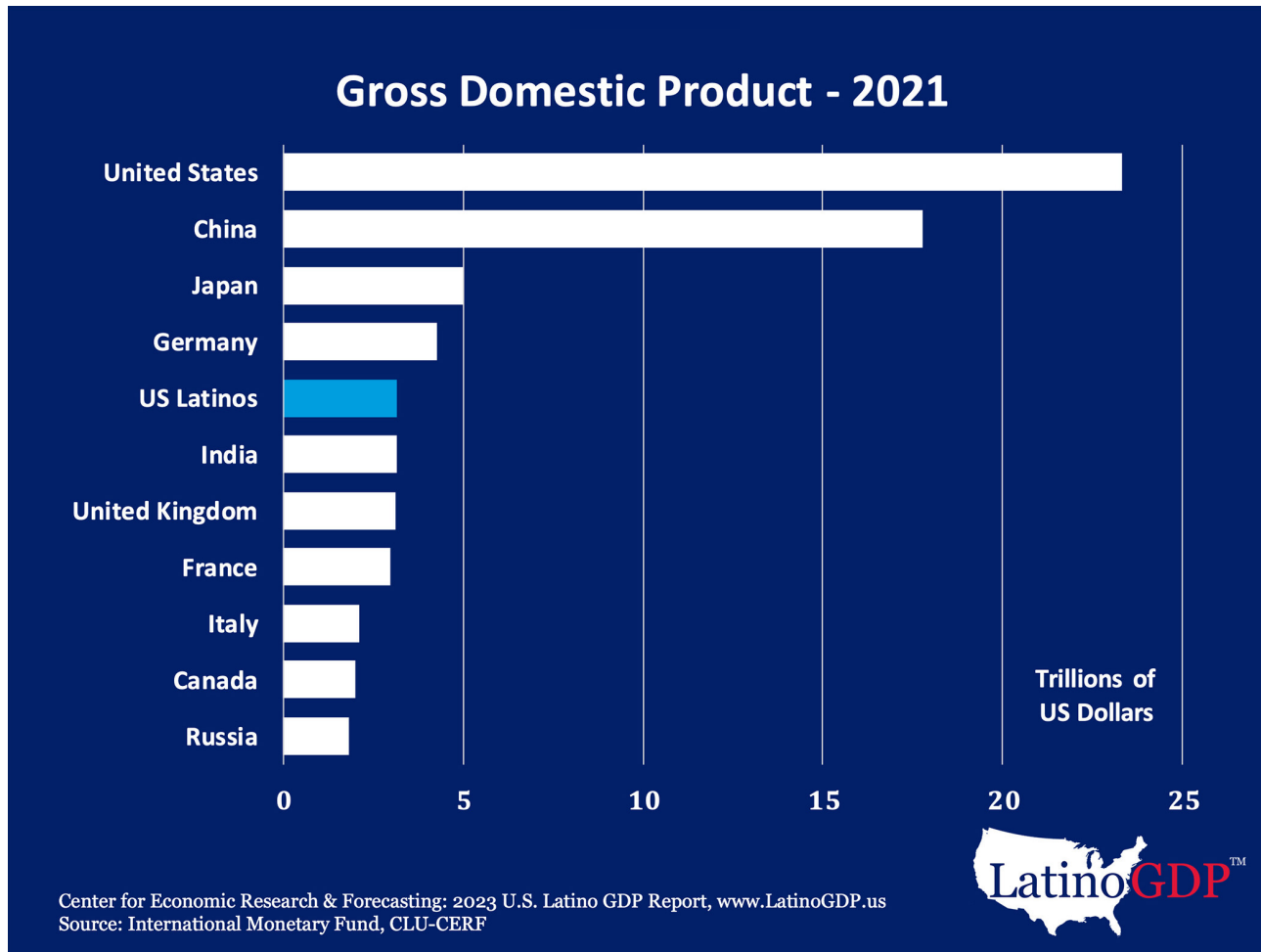
What does GDP reveal about the economic contributions of Latinos living in the U.S.?

- Economic contribution of U.S. Latinos is **VERY LARGE** – over \$3 trillion in 2021
- It is also **RAPIDLY GROWING** – nearly 2.5x faster than Non-Latino (2010-21)

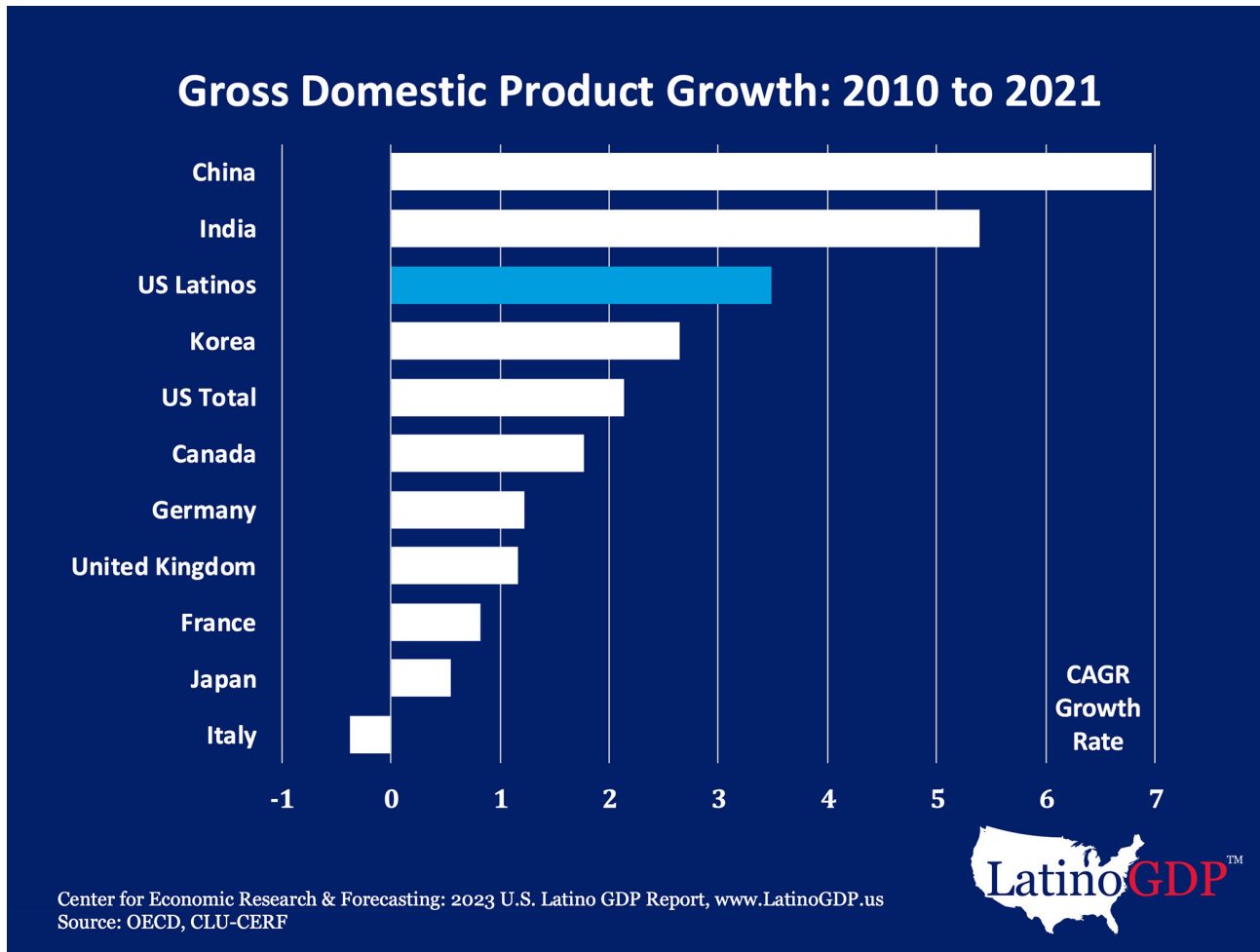




The 2021 U.S. Latino GDP is \$3.2 trillion
up from \$2.8 in 2020, \$2.1 trillion in 2015, and \$1.7 trillion in 2010



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



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

2021 Latino Consumption totaled \$2.14 trillion

- U.S. Latinos represent a consumption market larger than the entire economy of Italy, Canada, or Russia...
- ... Larger than the entire economy of Texas or New York



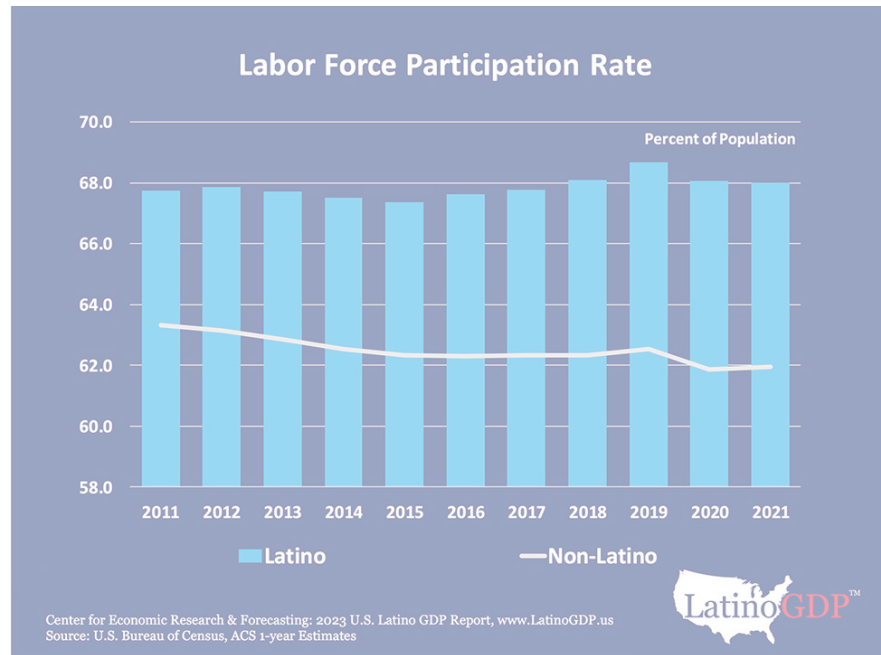
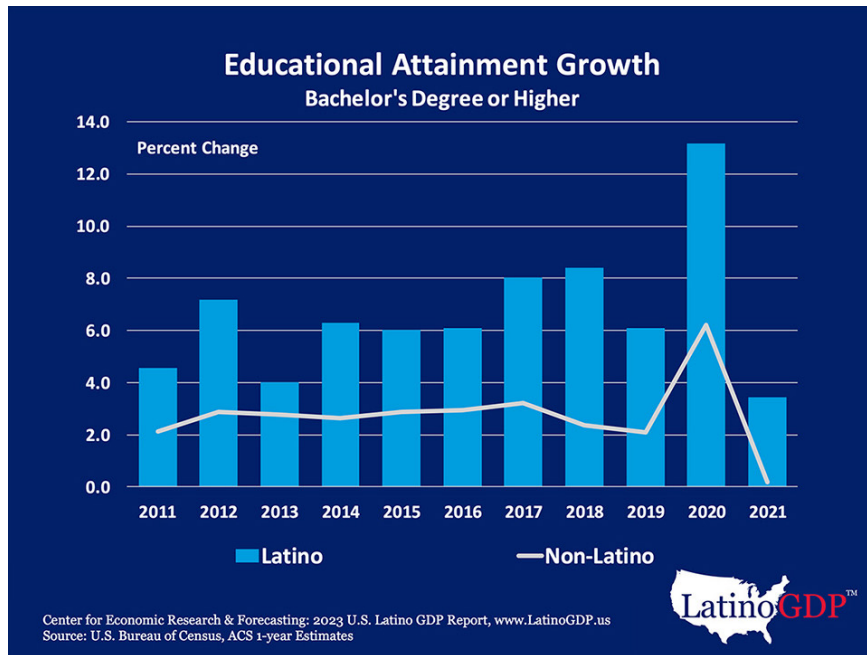
What are the ingredients for GDP growth?

- More capital...
physical or human capital
- More labor
- Better use of capital & labor
(increased productivity)



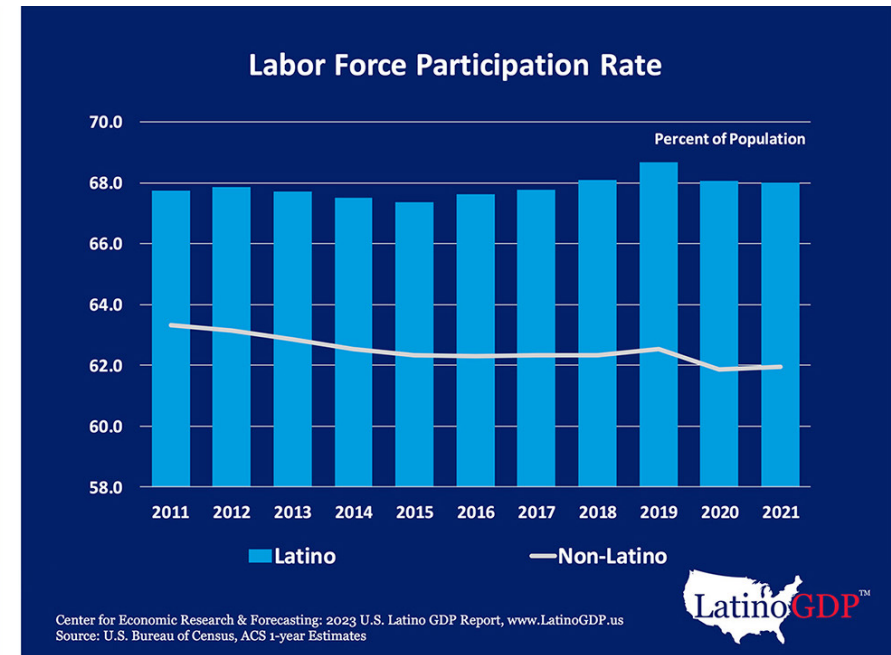
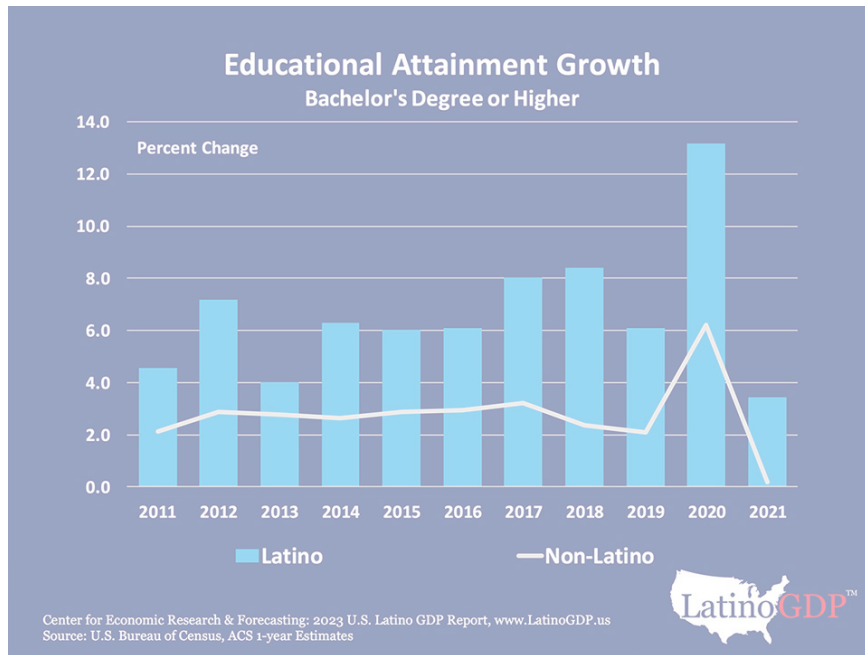
econlowdown®

Latinos are rapidly increasing *human capital*!



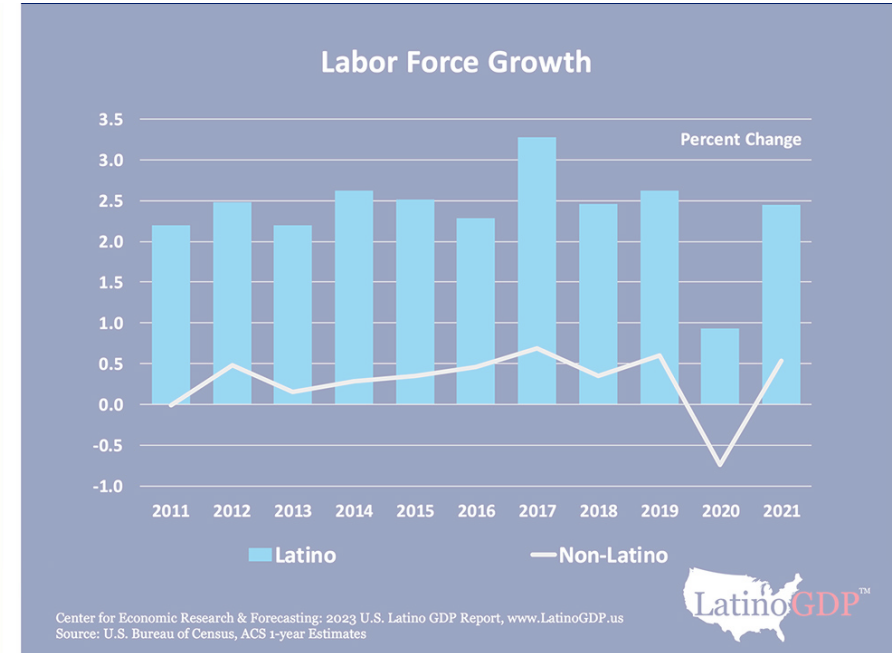
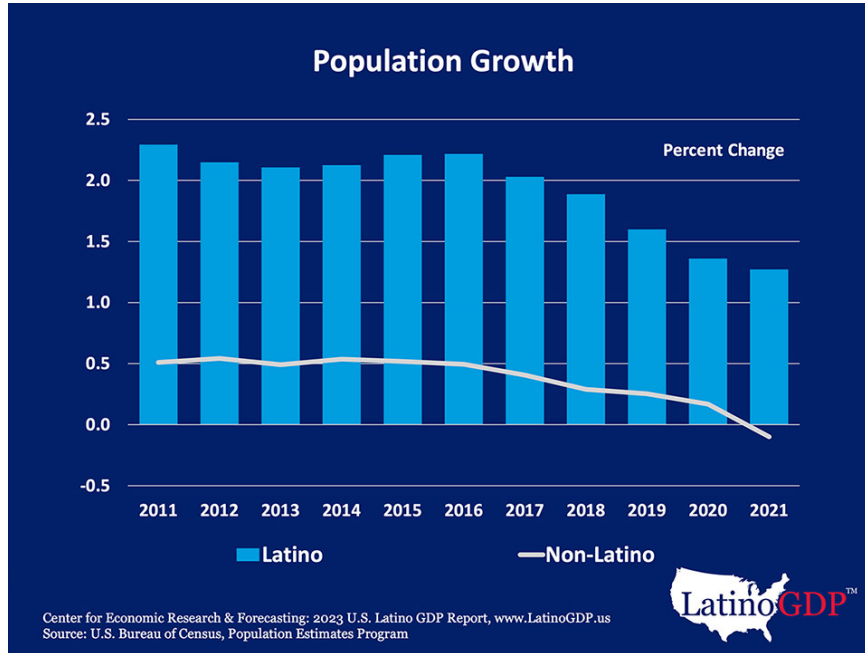
Educational attainment of U.S. Latinos is growing *3.0 times* as fast as that of Non-Latinos

Latinos are rapidly increasing *human capital*!



The 2021 Latino Labor Force Participation Premium is 6.0 percentage points. In 2010, Latino's were 4.5 percentage points more likely to be working than Non-Latinos. That premium increased steadily after 2010.

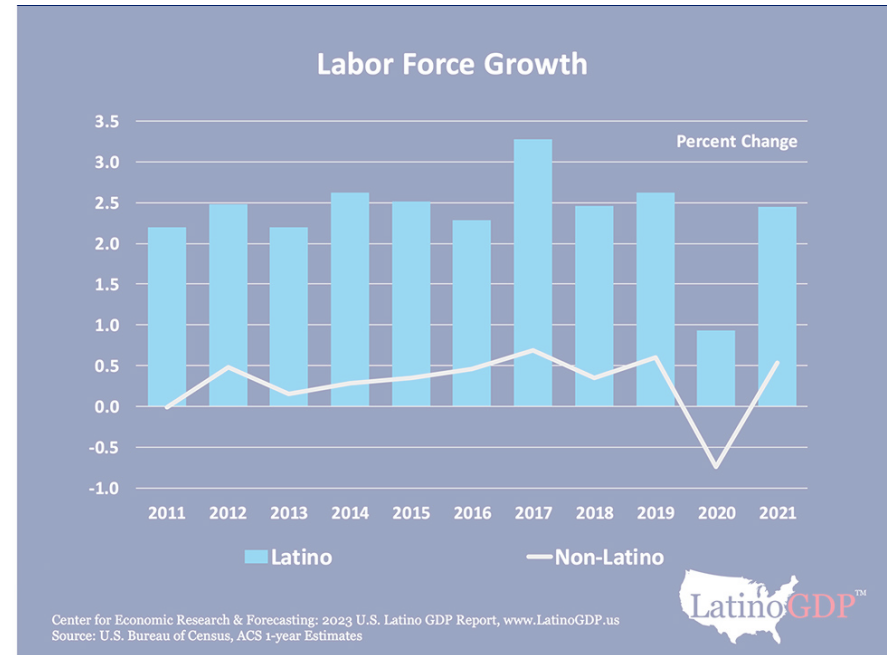
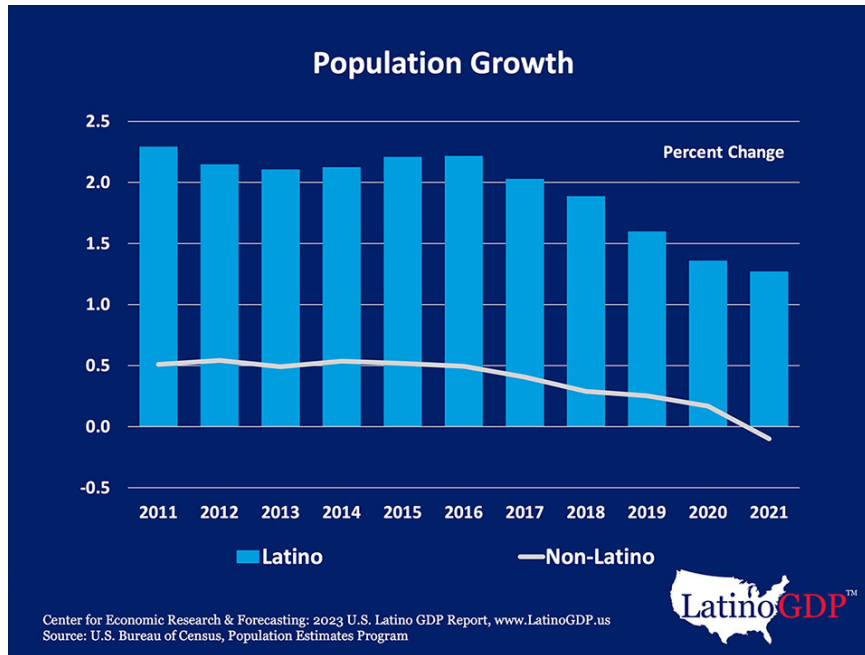
Latinos are rapidly increasing *U.S. labor!*



Latino population growth is 5.6x that of Non-Latino from 2010-21

- Despite being just 18.9% of population, Latinos are responsible for 52% of U.S. population growth (2010-21)

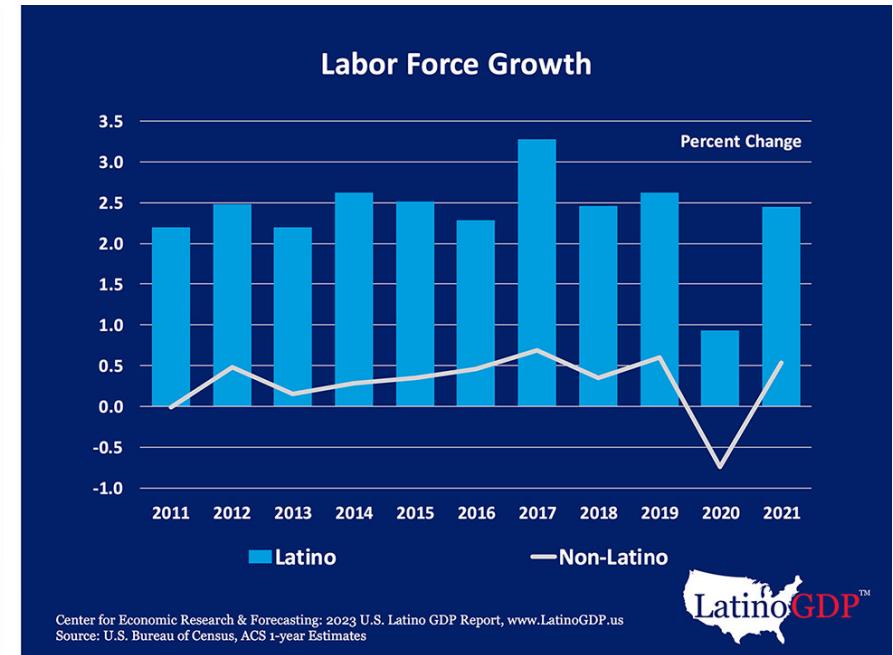
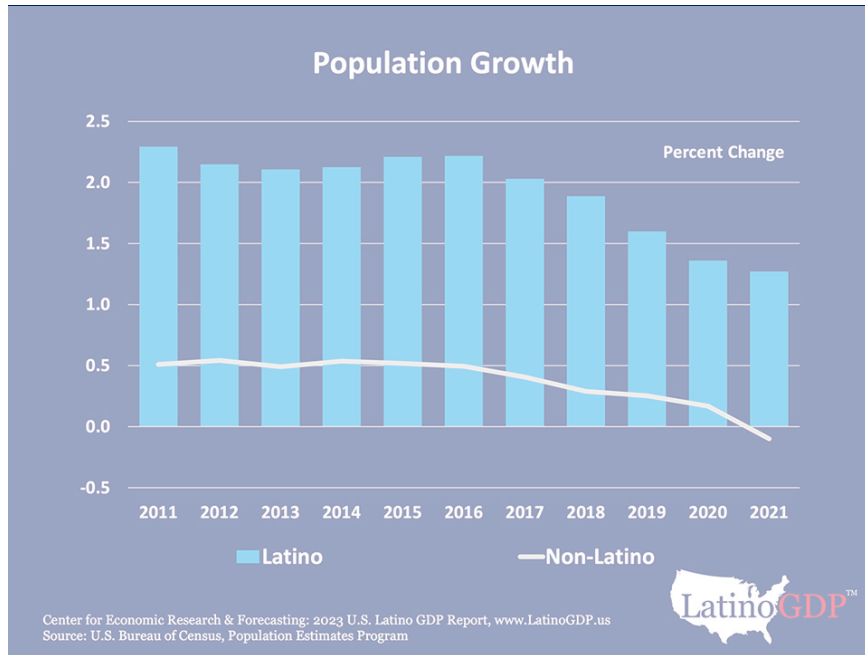
Latinos are rapidly increasing *U.S. labor!*



If it weren't for Latinos the U.S. population would have declined in 2021

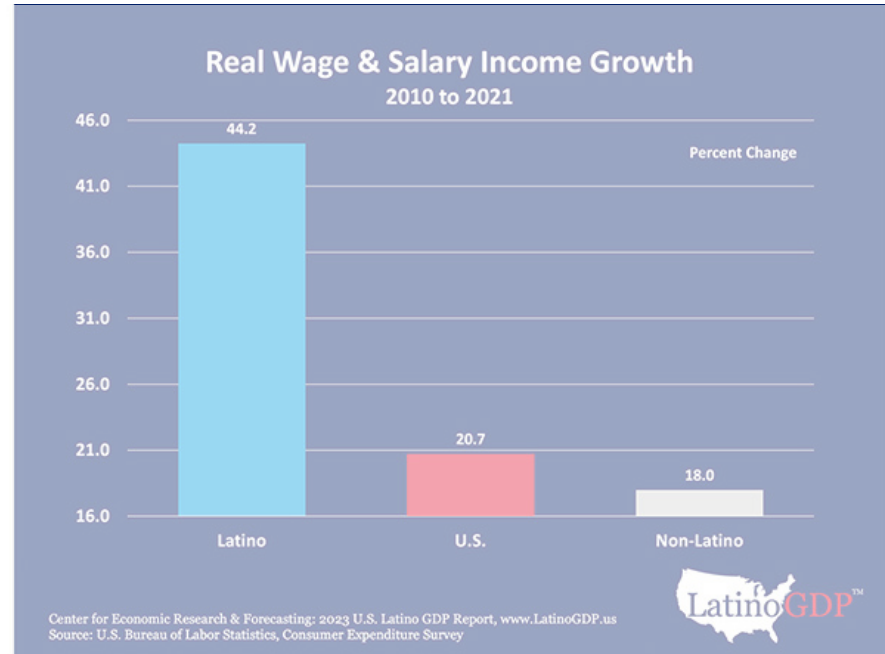
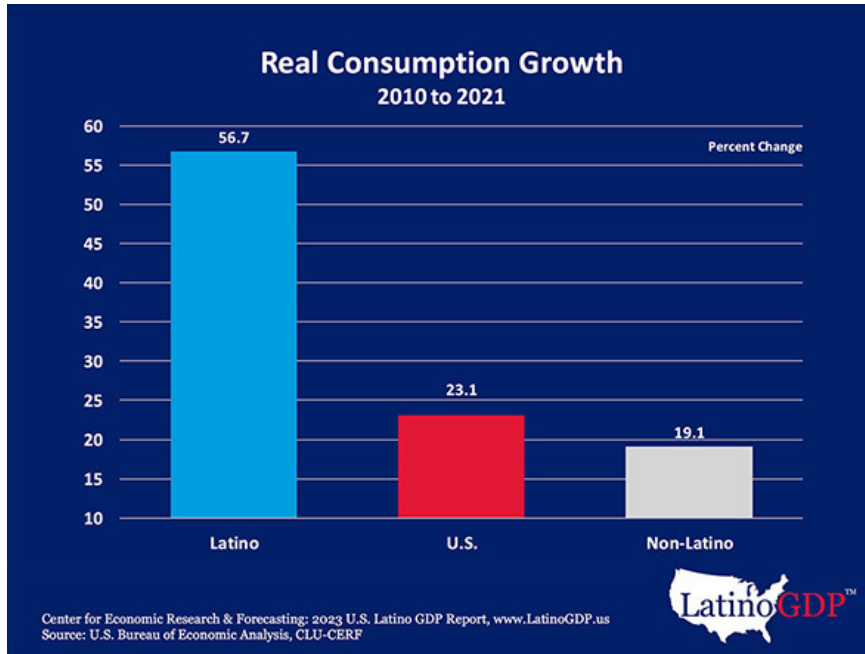
- In that year, Non-Latino population declined by more than 266,000 while Latino population increased by nearly 800,000

Latinos are rapidly increasing *U.S. labor!*



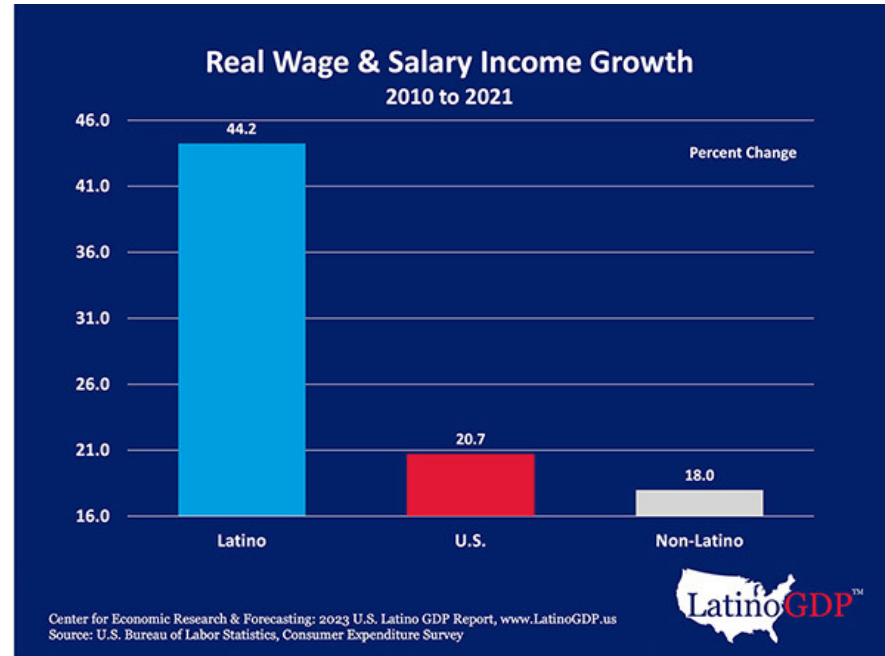
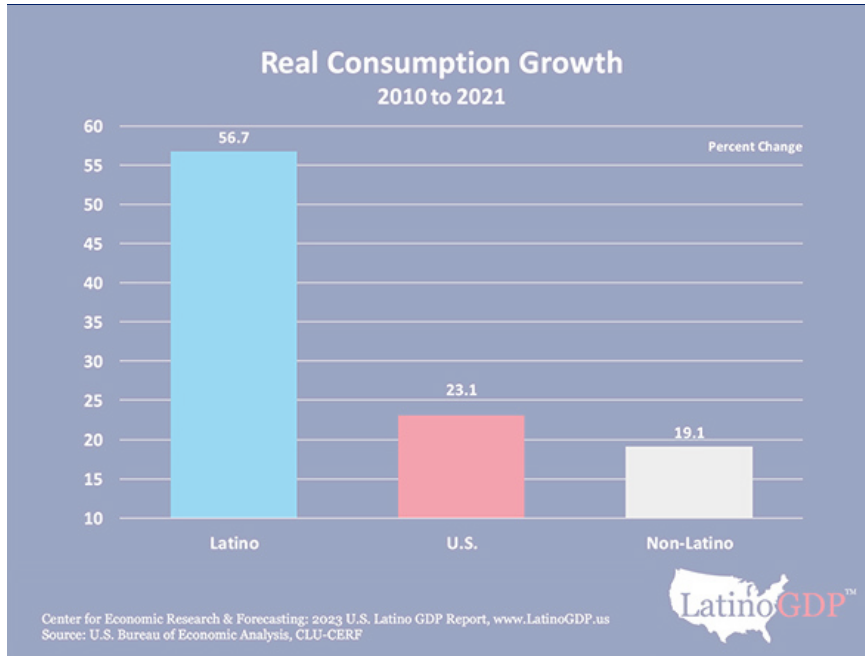
Latino labor force growth is 9.3x that of Non-Latino from 2010-20

- Despite being just 18.9% of population, Latinos are responsible for 63% of growth of the U.S. labor force (2010-20)



Latino real consumption grew 3x that of Non-Latinos from 2010 to 2021

- Impressive growth of Latino consumption is driven by rapid gains in Latino income

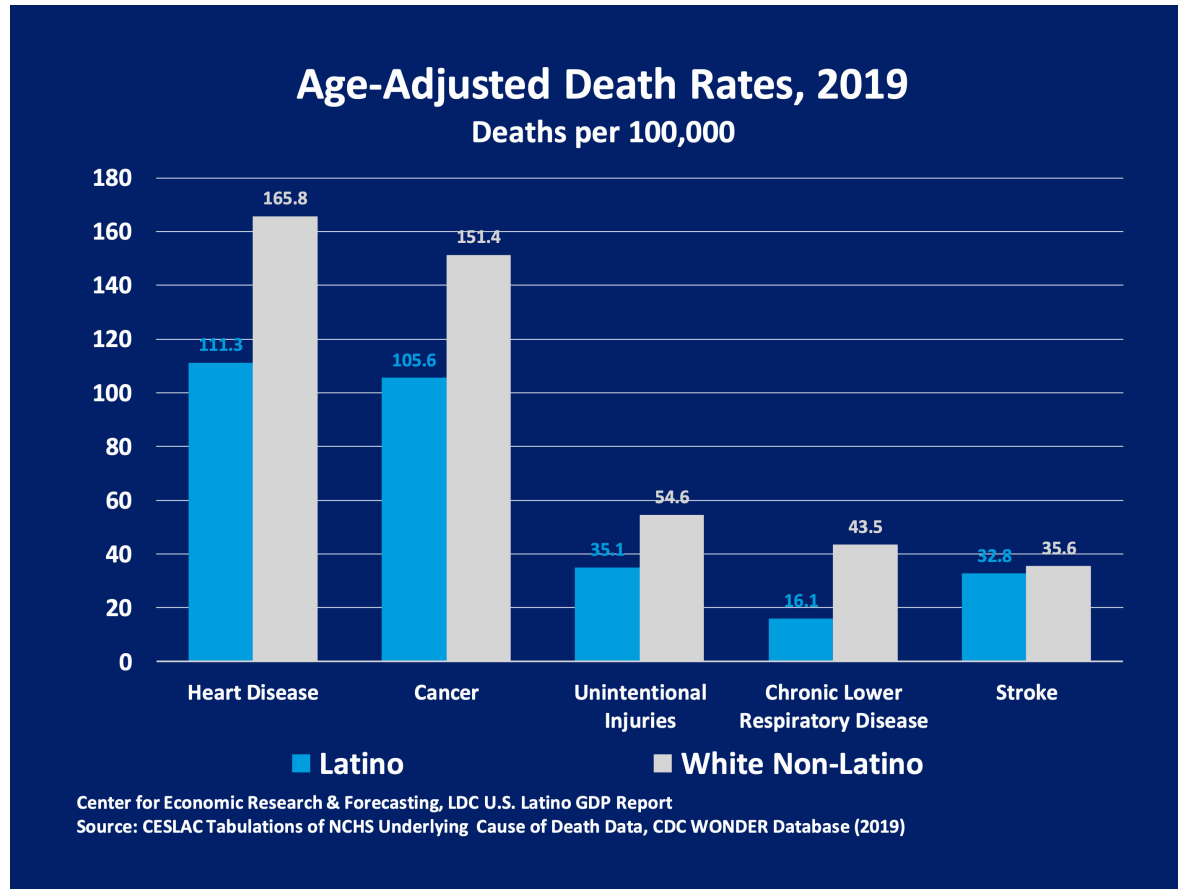


Latino real income grew 2.5x that of Non-Latinos from 2010 to 2021

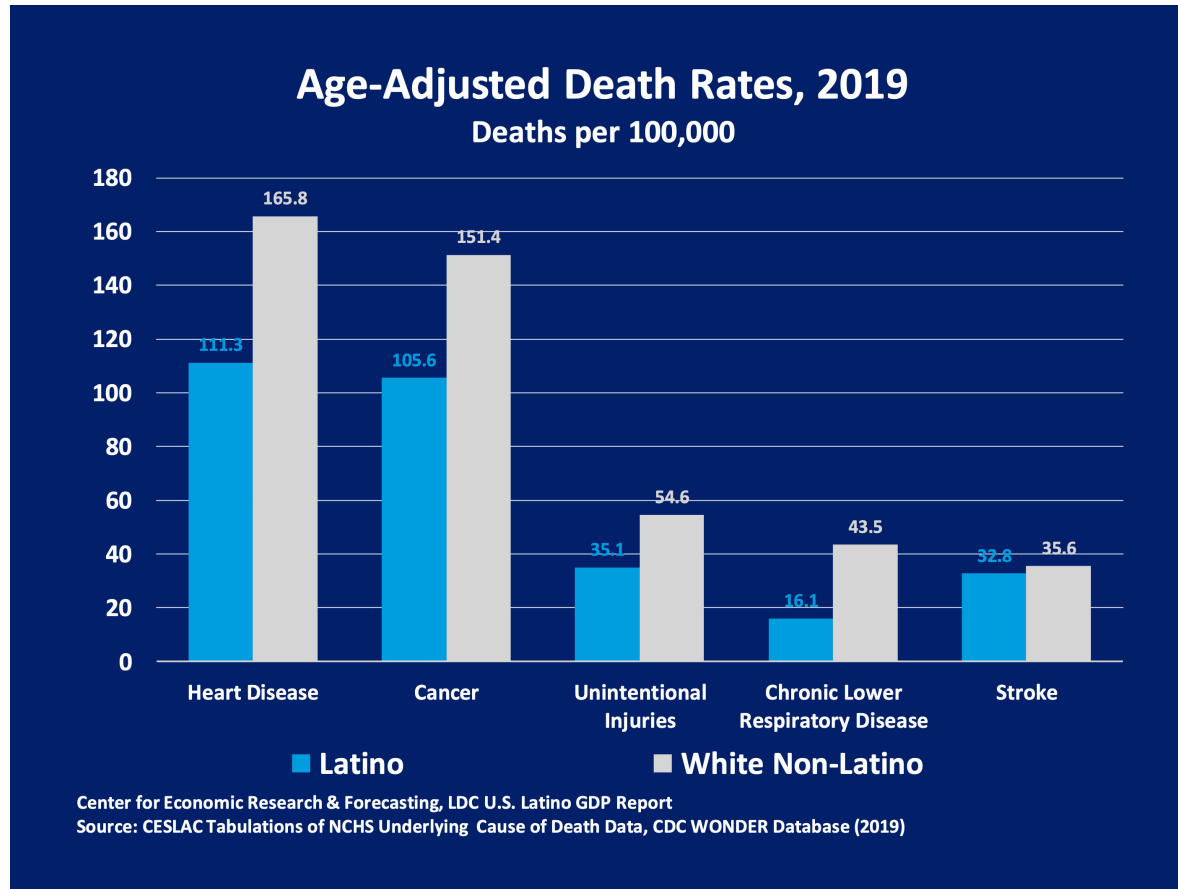
- The Latino income growth *premium* naturally flows from rapid gains in educational attainment and strong labor force participation



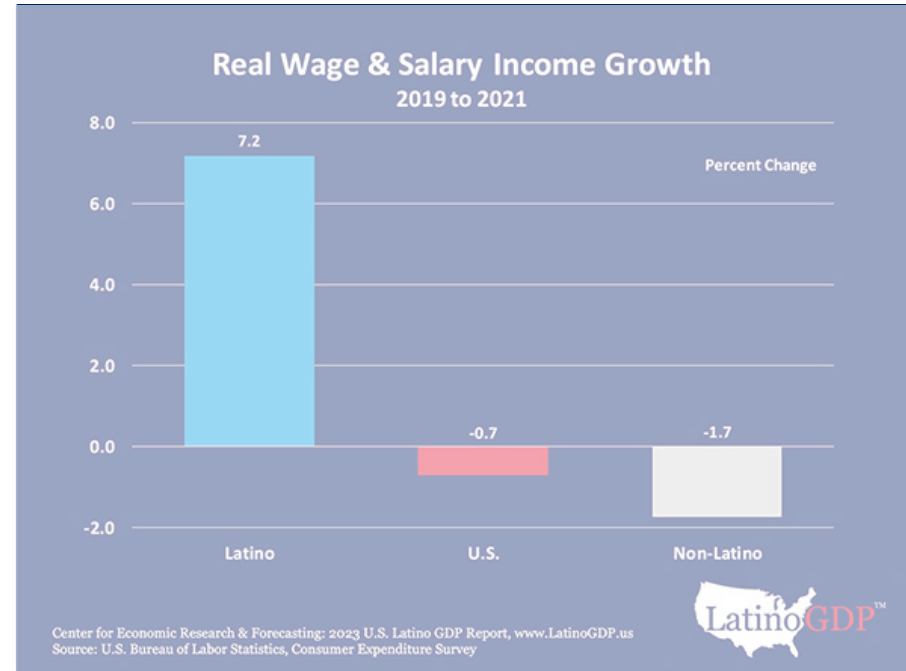
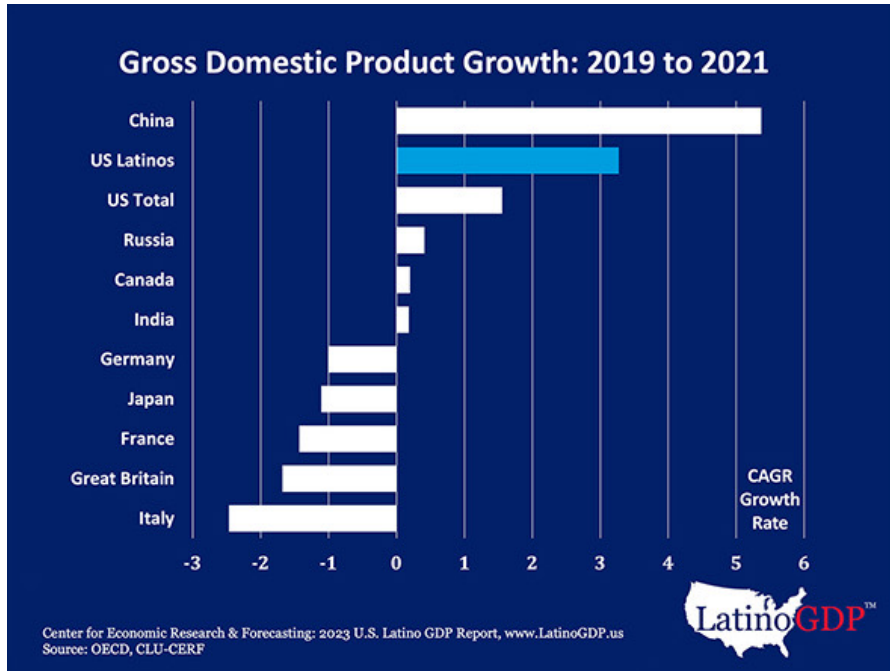
COVID-19 – a Perfect Storm?



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

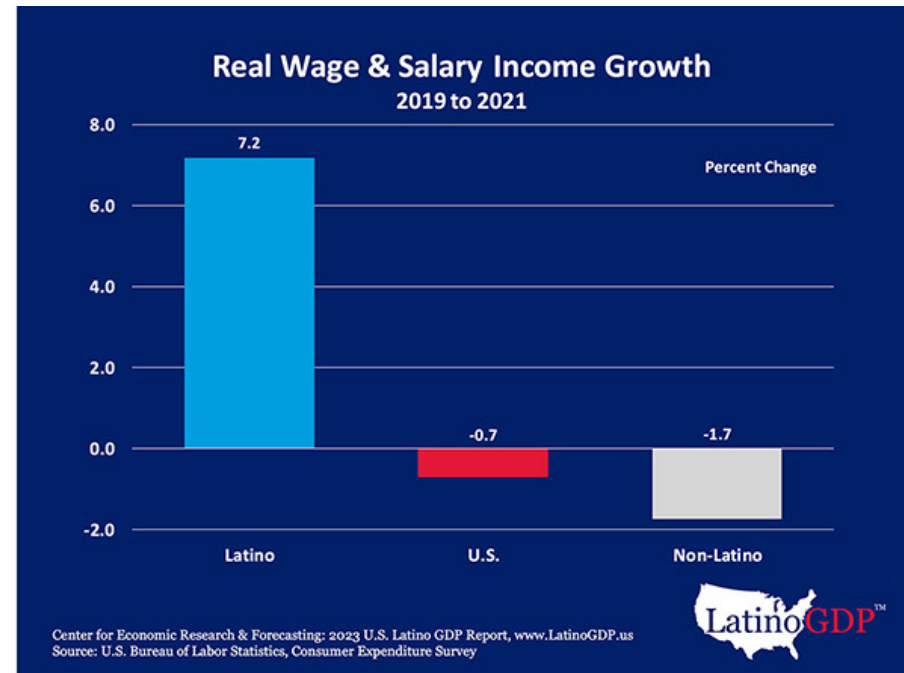
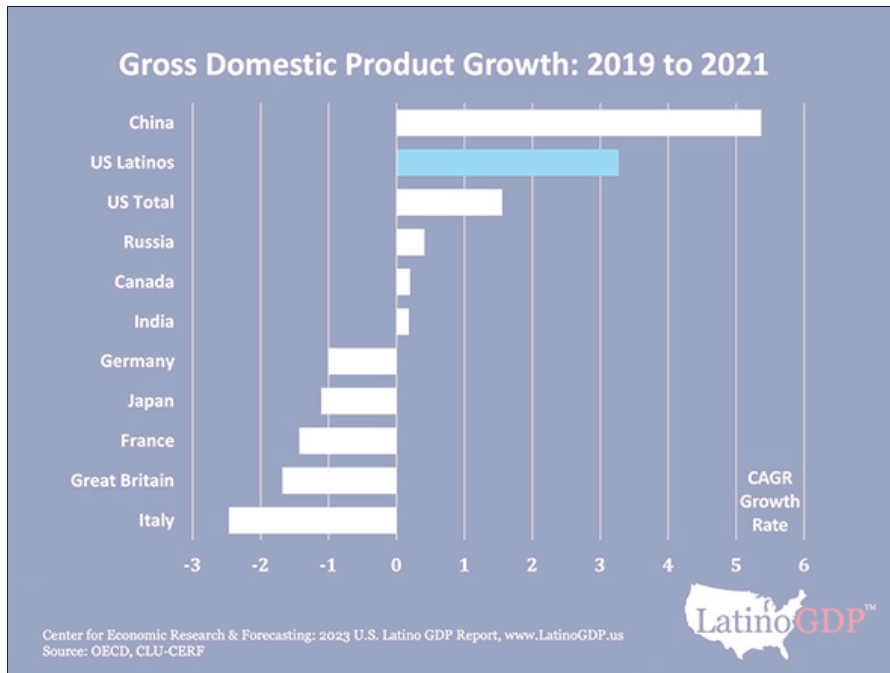


COVID-19 became the leading cause of death for Latinos. Despite significant pandemic-related mortality, Latinos maintained a significant health premium.



The first two years of the pandemic revealed that Latinos are a critical source of resilience for the U.S. economy

- In 2021, Latinos propelled the U.S. economy with real Latino GDP growth of 7.1%
- Across 2020 and 2021, U.S. Latino GDP was the 2nd fastest growing among the 10 largest GDPs



The strength of U.S. Latino GDP is consistent with the extraordinary growth of Latino incomes

- During the first two years of the pandemic, Latino inflation-adjusted income grew a total of 7.1%, while Non-Latino income declined a total of 1.7 percent



2021 Texas Latino GDP

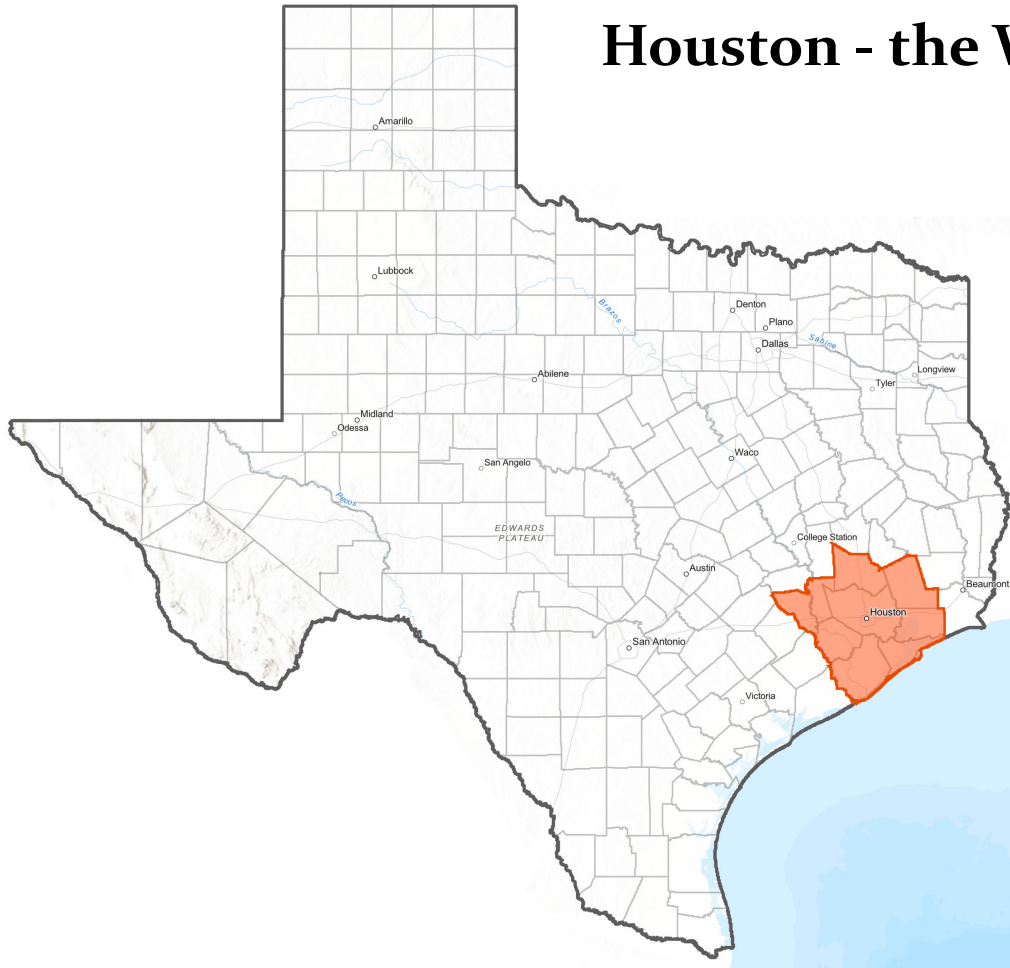
- **\$581 billion of economic activity**
 - Similar in size to the entire economic output of the state of Michigan
 - Largest component is consumption which totals nearly \$382 billion

Houston - the Woodlands - Sugar Land MSA



- **Second largest MSA in Texas**
 - 7.2 million people (2021)
- **Home to 2.8 million Latinos**
 - 4th largest MSA in the nation by Latino population, largest in Texas
 - Latinos are 38.5 percent of the Houston Metro Area population

Houston - the Woodlands - Sugar Land MSA



- **2021 Houston Metro Latino GDP**
 - \$139.5 billion of economic activity
 - Nearly as large as the entire economy of the state of Arkansas
 - Largest component is consumption, at \$92.6 billion
- **Latino GDP is growing 7x as fast as Non-Latino GDP (2018-21)**
 - Despite being just 39 percent of the Houston Metro population, Latinos are responsible for 68 percent of real GDP growth since 2018.

Houston Metro: Gross Domestic Product 2021	Metro Latino GDP by Industry <i>billions of dollars</i>	Metrowide GDP by Industry <i>billions of dollars</i>
Agricultural/Natural Resources	0.0	0.1
Mining/Quarrying	3.3	17.8
Construction	16.9	31.0
Durables Manufacturing	5.6	20.1
Non-Durables Manufacturing	13.7	57.8
Wholesale Trade	15.6	58.1
Retail Trade	10.0	30.8
Transportation/Warehousing/Utilities	10.8	35.7
Information/Technology	2.4	11.9
Finance/Insurance/Real Estate	15.2	100.7
Professional/Business Services	17.2	79.7
Education/Healthcare/Social Assistance	7.1	40.0
Leisure/Hospitality	8.1	17.7
Personal/Repair/Maintenance Svcs	3.4	11.0
Government Services	10.0	45.4
Total All Industries	139.5	557.9

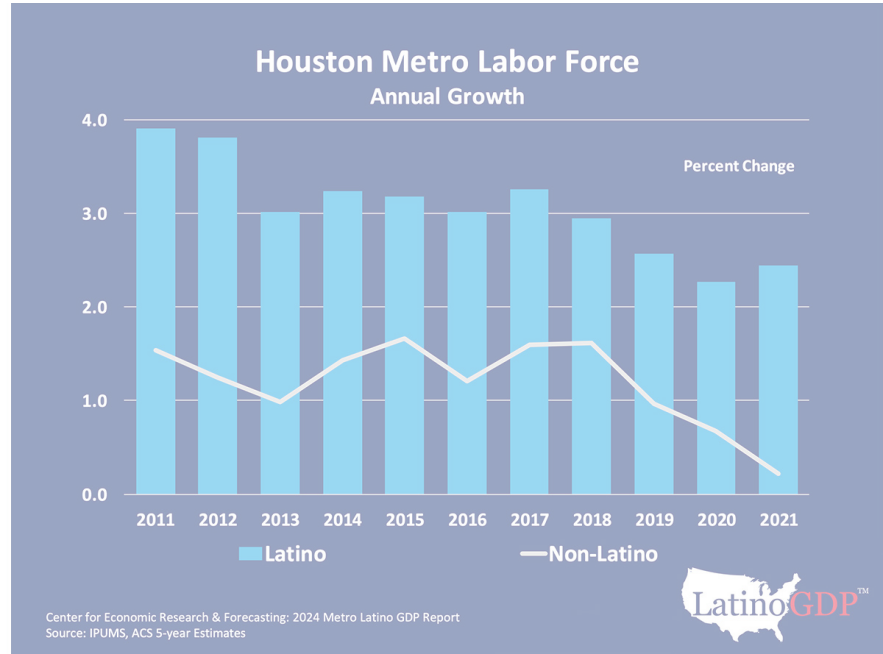
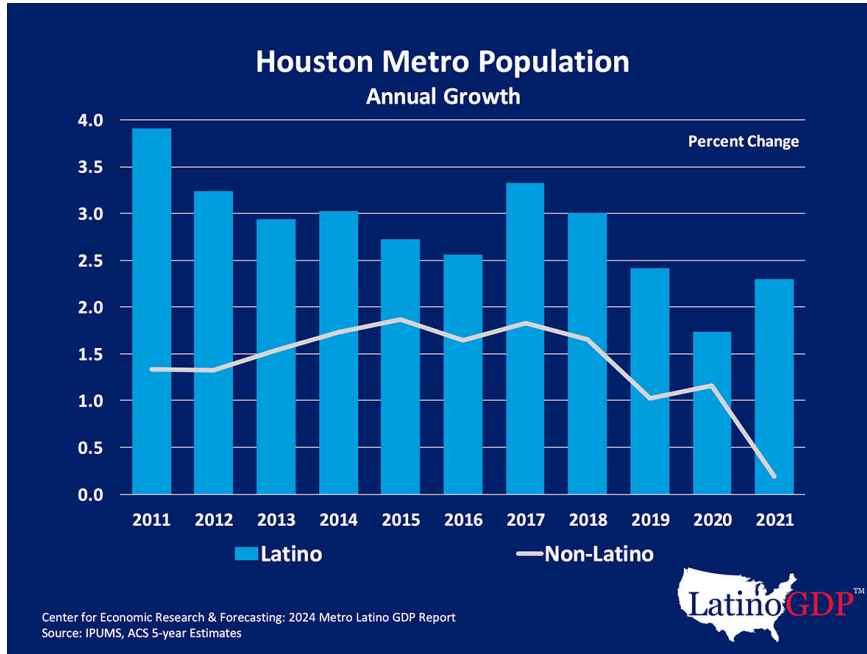
Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF

The Houston Metro's top 4 Latino GDP sectors are Professional & Business Services, Construction, Wholesale Trade, and Finance & Real Estate

Houston Metro: Gross Domestic Product 2021	Metro Latino GDP Industry Share <i>percent</i>	Metrowide GDP Industry Share <i>percent</i>
Agricultural/Natural Resources	0.0	0.0
Mining/Quarrying	2.4	3.2
Construction	12.1	5.6
Durables Manufacturing	4.0	3.6
Non-Durables Manufacturing	9.8	10.4
Wholesale Trade	11.2	10.4
Retail Trade	7.2	5.5
Transportation/Warehousing/Utilities	7.8	6.4
Information/Technology	1.7	2.1
Finance/Insurance/Real Estate	10.9	18.0
Professional/Business Services	12.3	14.3
Education/Healthcare/Social Assistance	5.1	7.2
Leisure/Hospitality	5.8	3.2
Personal/Repair/Maintenance Svcs	2.4	2.0
Government Services	7.2	8.1
Total All Industries	100.0	100.0

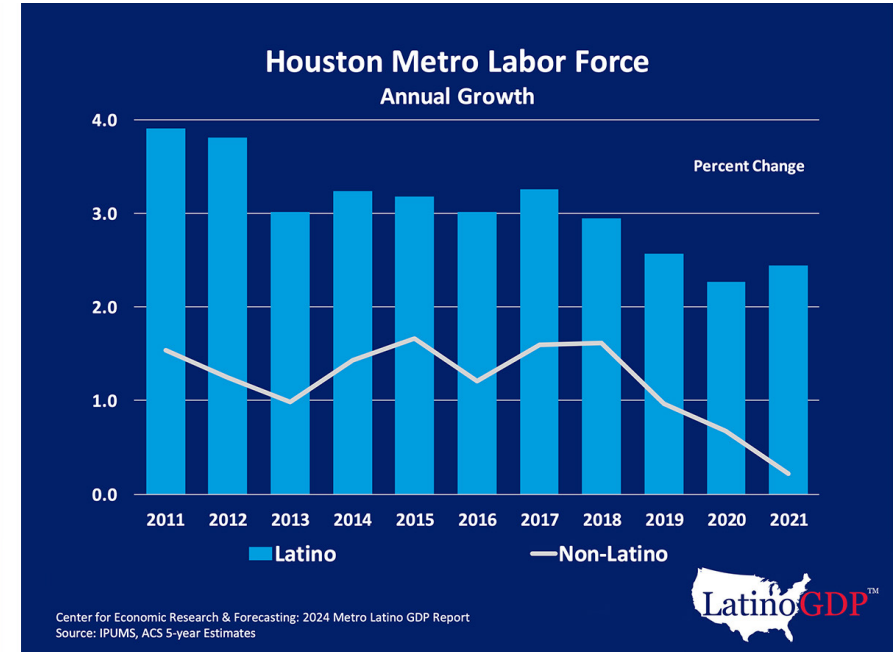
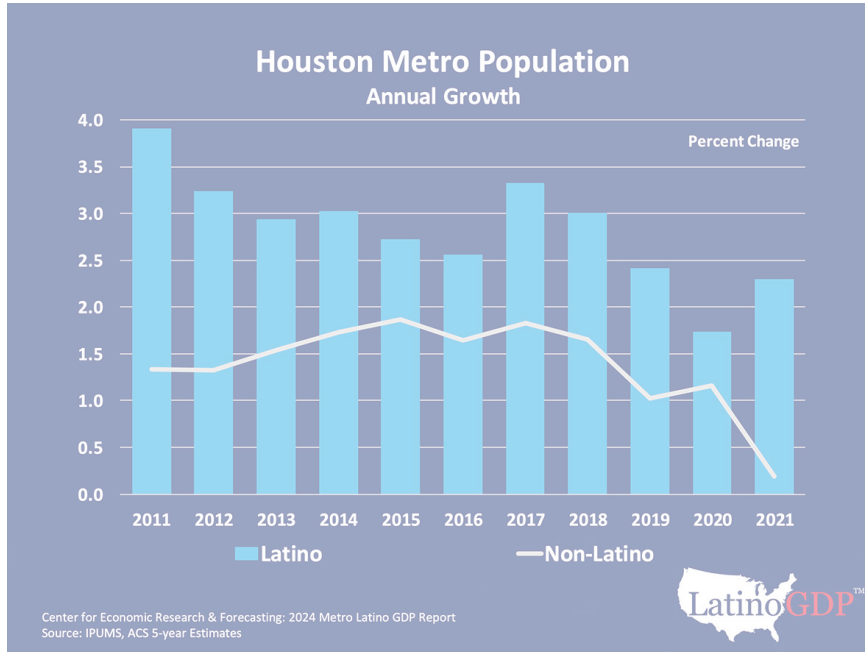
Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF

The Houston Metro Area’s Latino economy is broader and more diversified than the Non-Latino economy, providing a broad foundation of support



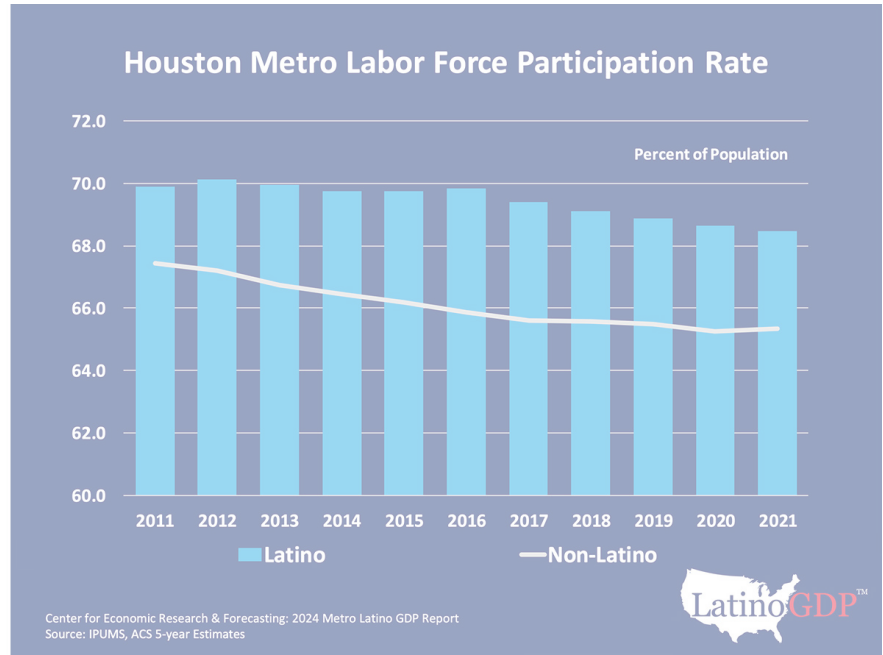
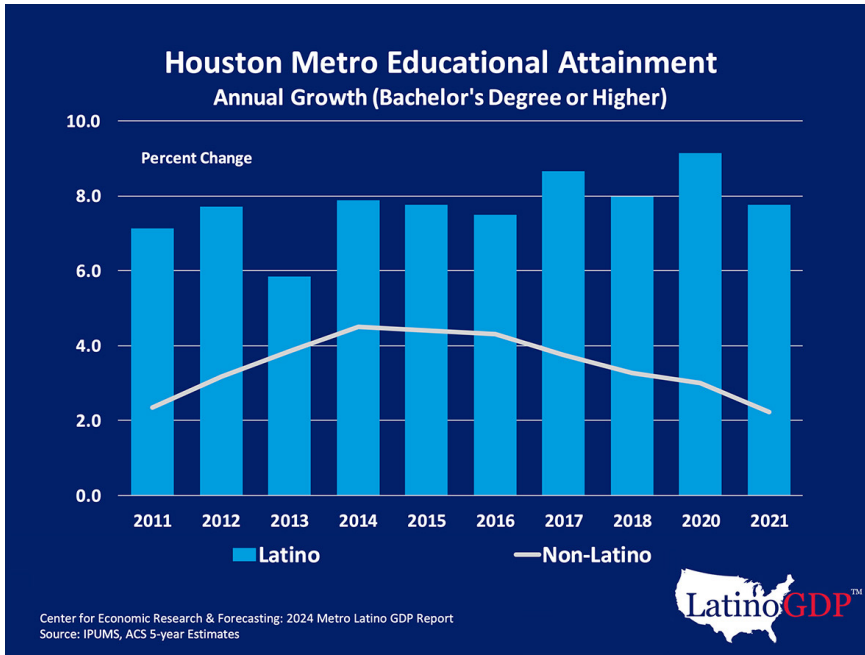
Latinos are making strong and consistent contributions to the Houston Metro's population and labor force.

- From 2010-21, Latino population growth was more than **2x** that of Non-Latinos (36 percent for Latinos compared to only 16 percent for Non-Latinos)

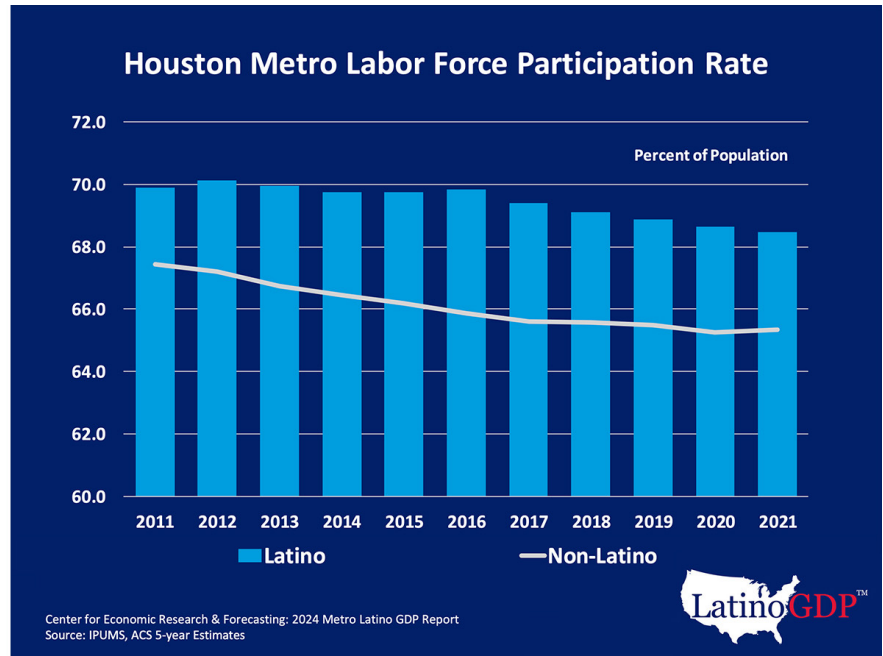
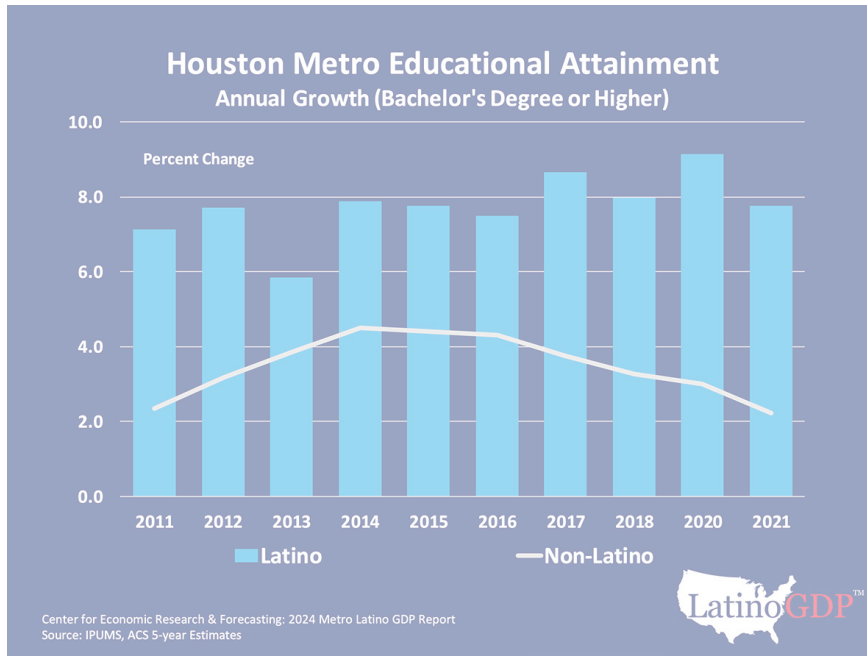


Latinos are making strong and consistent contributions to the Houston Metro's population and labor force.

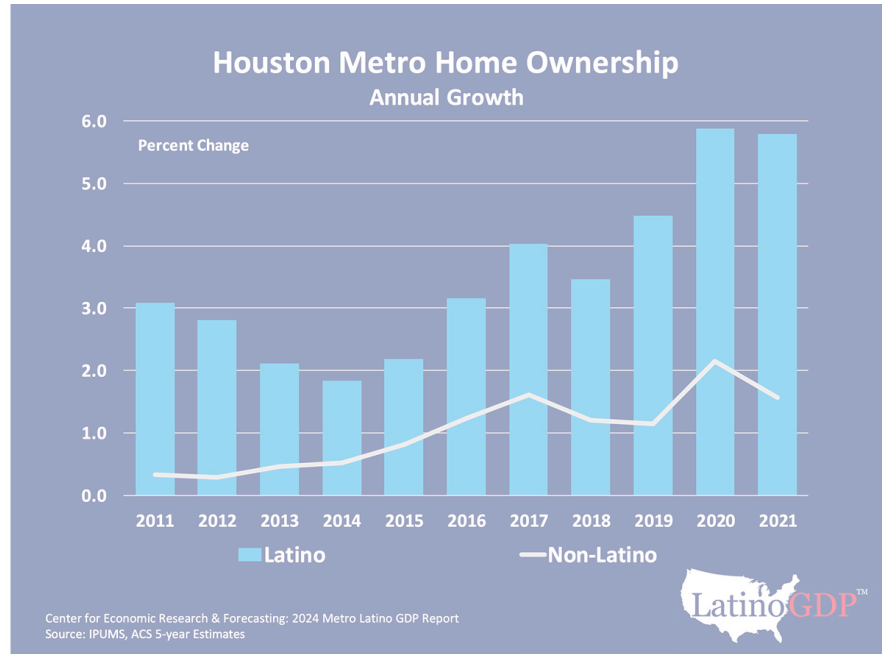
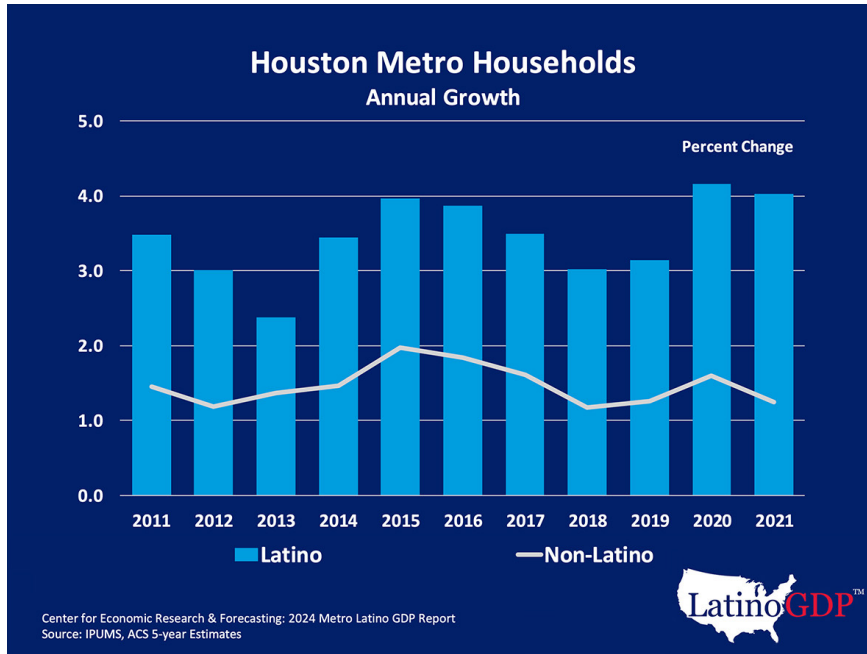
- From 2010-21, Latino labor force growth was **2.8x** that of Non-Latinos (39 percent compared to only 14 percent)
- Despite being only 39 percent of the Metro Area population, Houston Metro Latinos are responsible for 57 percent of the growth of the labor force since 2010



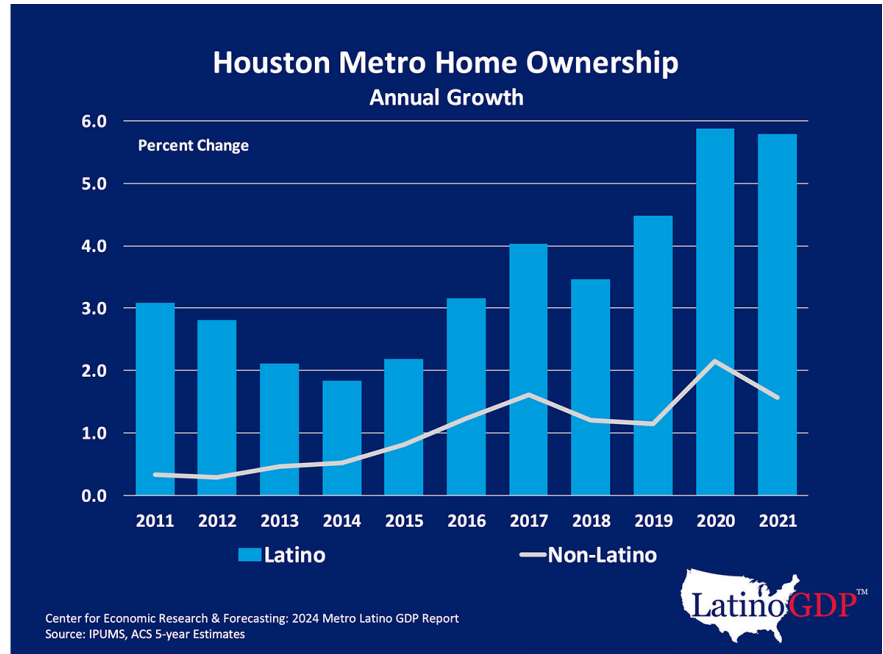
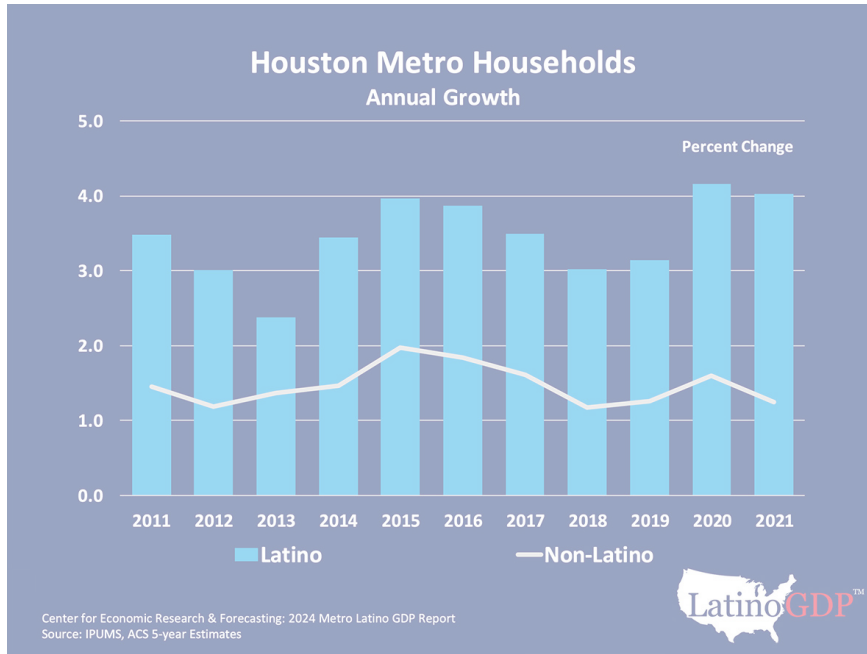
Educational attainment of Houston Metro Latinos is growing 2.9x faster than that of Non-Latinos since 2010



Latino's labor force participation rate was an average of 3.3 percentage points higher than Non-Latino, from 2010-2021



Houston Metro Latino household formation rate is 2.6x that of Non-Latinos

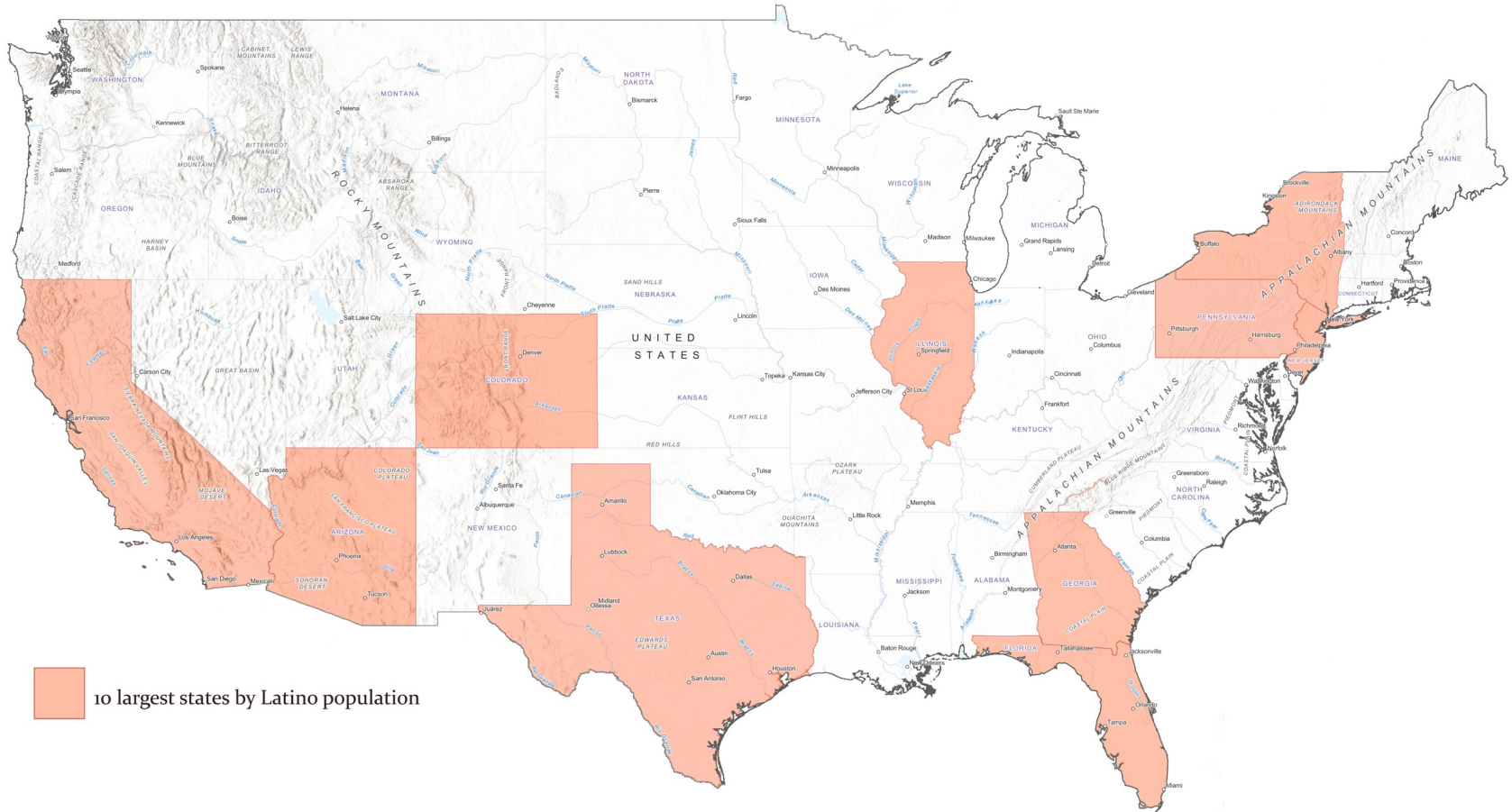


Growth of Latino Homeownership is nearly 4x that of Non-Latinos

Hard work. Self-sufficiency. Optimism. Perseverance.

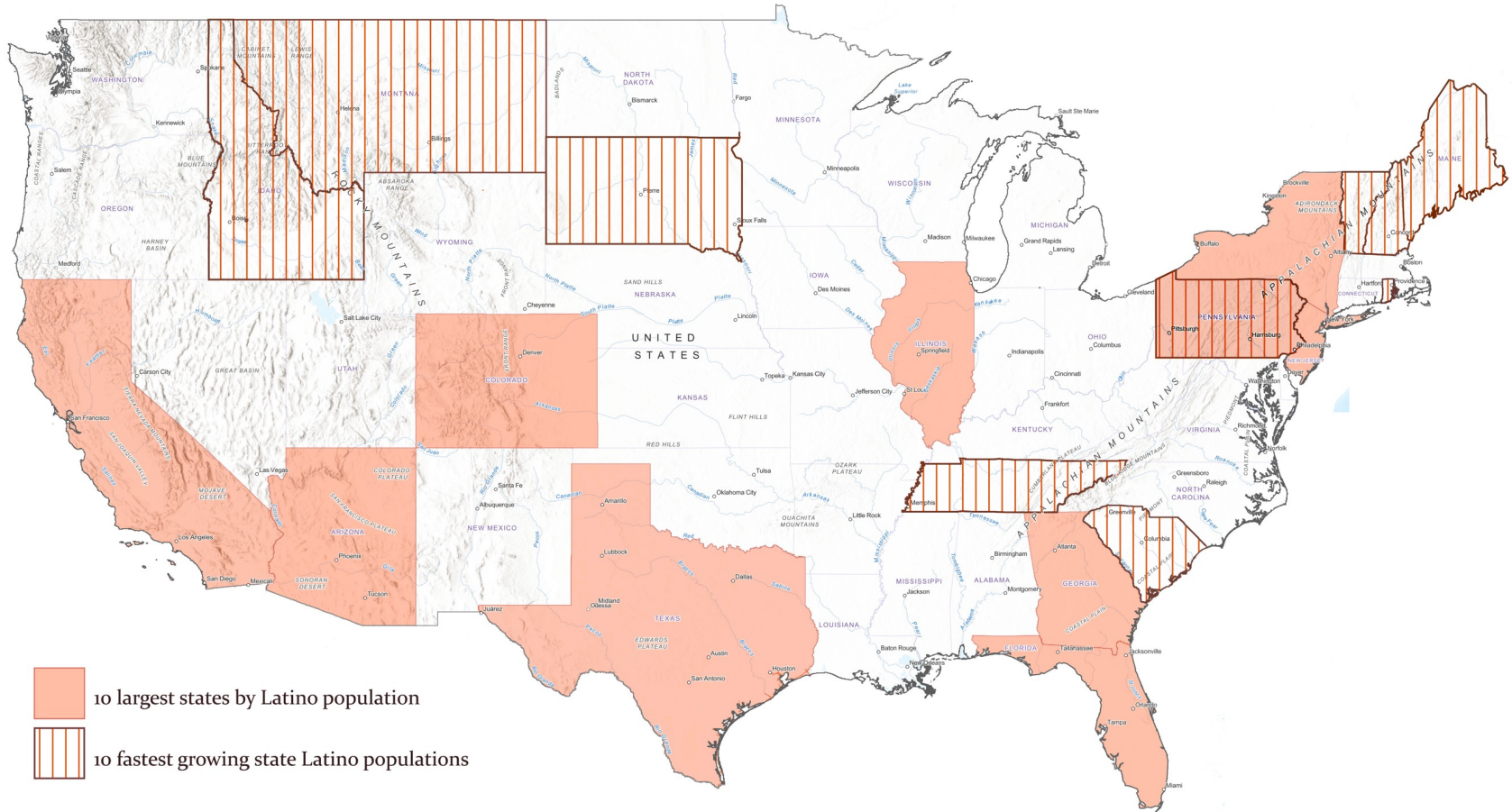
- Latinos are drivers of economic growth
- Latinos are a critical source of resilience, propelling the United States through the economic recovery

Geography of the Latino GDP



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

Geography of the Latino GDP



This is a story that touches every corner of the nation



www.LatinoGDP.us

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