Why GDP?

- Broad Measure of Economic Activity
- Nearly-universal *summary statistic* for the performance of an economy
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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)
- Single biggest driver of Latino GDP growth is rising consumption
  2010-2018: Latino real consumption grew 135% faster than Non-Latino
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
If it were an independent country, Latino GDP would be 8th largest in the world
Among the ten largest GDPs, Latino GDP is *single* fastest growing.
The single largest driver of rapid Latino GDP growth is personal Consumption growth

- From 2010-2018, Latino real consumption grew 135% faster than Non-Latino
- This dramatic increase is driven by large gains in personal income, which naturally flow from Latinos’ rapid gains in educational attainement and strong labor force participation.
Drivers of the Latino GDP

**Consumption Growth: 2017 to 2018**

- **Latino**: 12.2 times faster than Non-Latino

2017-18 Latino real consumption grew 12.2 times faster than Non-Latino
Over the past 5 years, Latino income grew nearly 70% faster than Non-Latino.
Educational attainment growth is 2.6x faster among Latinos than non-Latinos
Latinos are significantly more likely than Non-Latinos to be actively working.
Latinos in just 8 U.S. states account for 76% of the U.S. Latino GDP

- Arizona, California, Florida, Illinois, New Mexico, New Jersey, New York, and Texas

These 8 states have a combined Latino GDP of $2.0 trillion

- If these Latinos were a single state, it would be the second largest State GDP in the country. Behind only California, their GDP is 10% larger than the economy of Texas.
These 8 states have a combined Latino GDP of $2.0 trillion
The 8 Latino GPDs are large even on the world stage

- Treated as a single economy, Latinos in these 8 states produce greater economic activity than the entire country of South Korea ($1.72 trillion) and Brazil ($1.87 trillion)
Together, the 8 state Latinos GDPs represent the world’s 9th largest economy
Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos
Drivers of the State Latino GDPs

2060: Latinos projected to contribute 30 million additional working age adults
Latinos are responsible for 78% of U.S. labor force growth since Great Recession
8-State Latino household formation rate is 4x that of Non-Latinos
Drivers of the State Latino GDPs

Homeownership Growth Rate
2010 to 2018

Growth of 8-State Latino Homeownership is 13x that of Non-Latinos
2018 Florida Latino GDP

- **$259 billion of economic activity**
  - Larger than the entire economy of the state of Louisiana
  - Largest component is consumption which totals $177 billion
The state’s top 3 Latino GDP sectors are Education & Healthcare, Professional & Business Services, and Finance & Real Estate.
## Florida: Gross Domestic Product

<table>
<thead>
<tr>
<th>Industry</th>
<th>Latino GDP Industry Share</th>
<th>Statewide GDP Industry Share</th>
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</thead>
<tbody>
<tr>
<td>Agricultural/Natural Resources</td>
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<tr>
<td>Mining/Quarrying</td>
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<td>Construction</td>
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<tr>
<td>Durables Manufacturing</td>
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<tr>
<td>Non-Durables Manufacturing</td>
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<td>Wholesale Trade</td>
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<td>Retail Trade</td>
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<tr>
<td>Transportation/Warehousing/Utilities</td>
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<tr>
<td>Information/Technology</td>
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<td>Finance/Insurance/Real Estate</td>
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<td>Leisure/Hospitality</td>
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<td>Government Services</td>
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<tr>
<td>Total All Industries</td>
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<td>100</td>
</tr>
</tbody>
</table>

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

**Latinos outperform the broader state economy in 4 specific sectors**
Latinos are making strong and consistent contributions to Florida’s population and labor force.

- From 2010-18, Florida’s Latino population grew by 30 percent, while the state’s Non-Latino population grew only 6 percent.
Latinos are making strong and consistent contributions to Florida’s population and labor force.

- From 2010-18, Latino population growth was 5 times that of Non-Latinos (30 percent for Latinos compared to only 6 percent for Non-Latinos)
- From 2010-18, Latino labor force growth was more than 13 times that of Non-Latinos (29 percent compared to only 2 percent)
Florida – Largest MSA by Latino Population

Miami / Ft. Lauderdale Metro

- 2018 Latino population: 2.8 million
  - Latinos are 46% of total metro area population
  - 3rd largest MSA in the U.S. by Latino population
- Latino population growth is 7 times that of Non-Latinos from 2010-18
  - Latino population grew 22.1% compared to only 3.2% for Non-Latinos
Educational attainment of Florida Latinos is growing 2.1 times faster than that of Non-Latinos.
Florida Latinos enjoy age-adjusted mortality rates for the leading causes of death that are significantly lower than that of White Non-Latinos

- 27% lower for cancer
- 24% lower for heart disease
Using the Great Recession as a reference point and seeing the early evidence offered by labor market data, it is already clear...

Latinos will be a major driver of the nation’s post-pandemic economic recovery.
Latinos are one of the U.S. economy’s biggest growth engines.

The family values, hard work and persistence of U.S. Latinos are not only an engine of economic growth, they are a bright spot during an extraordinary time of economic upheaval.