

2022  
Metro Latino GDP Report  
Riverside - San Bernardino - Ontario MSA



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California  
Lutheran  
University

**UCLA** Health

Center for the Study of  
Latino Health and Culture

## **Dr. David Hayes-Bautista, PhD**

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.



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## **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

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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)
- *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**

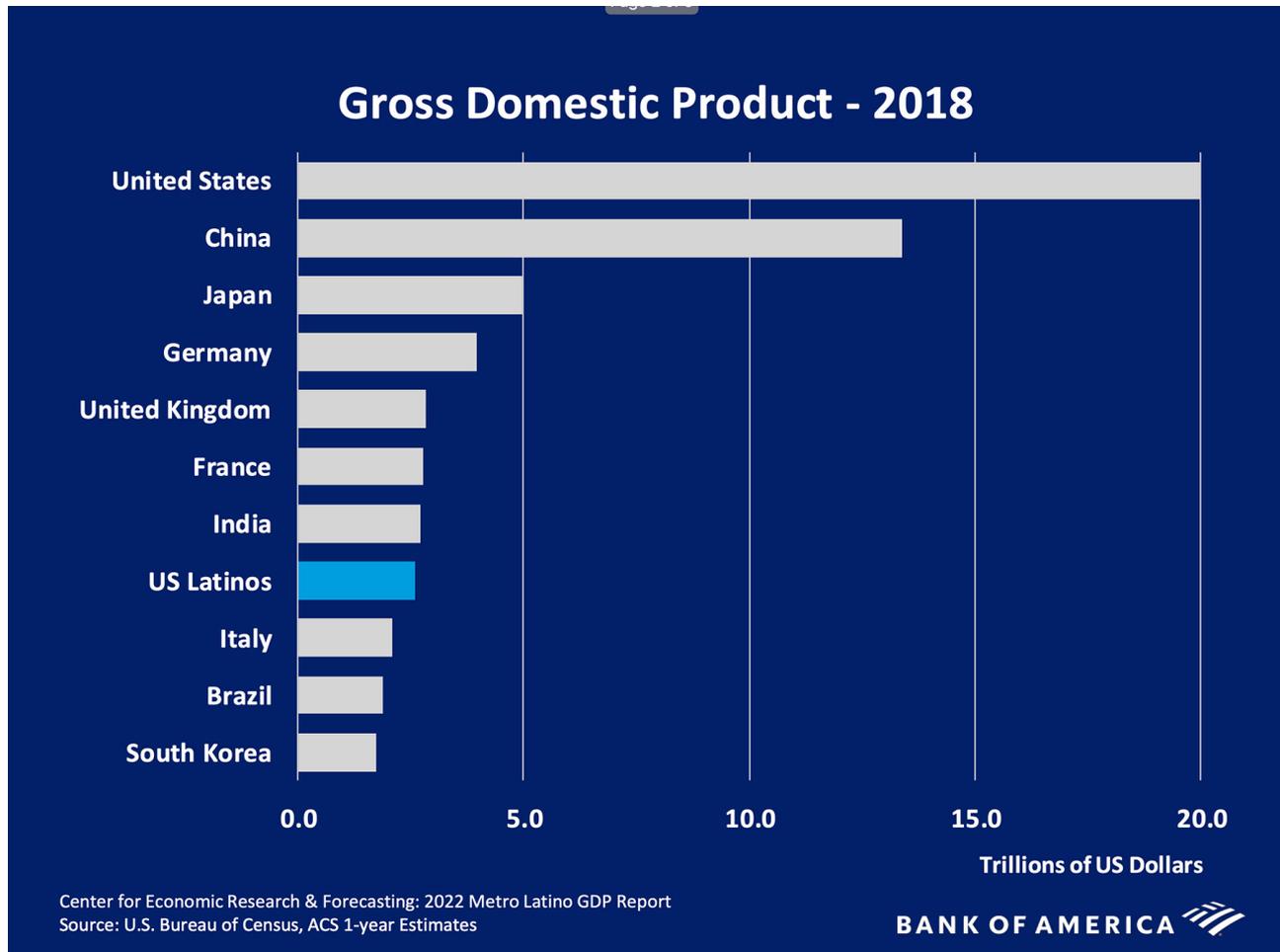
**Bureau of Economic Analysis (BEA) provides detailed input-output (I-O) tables**

- 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**

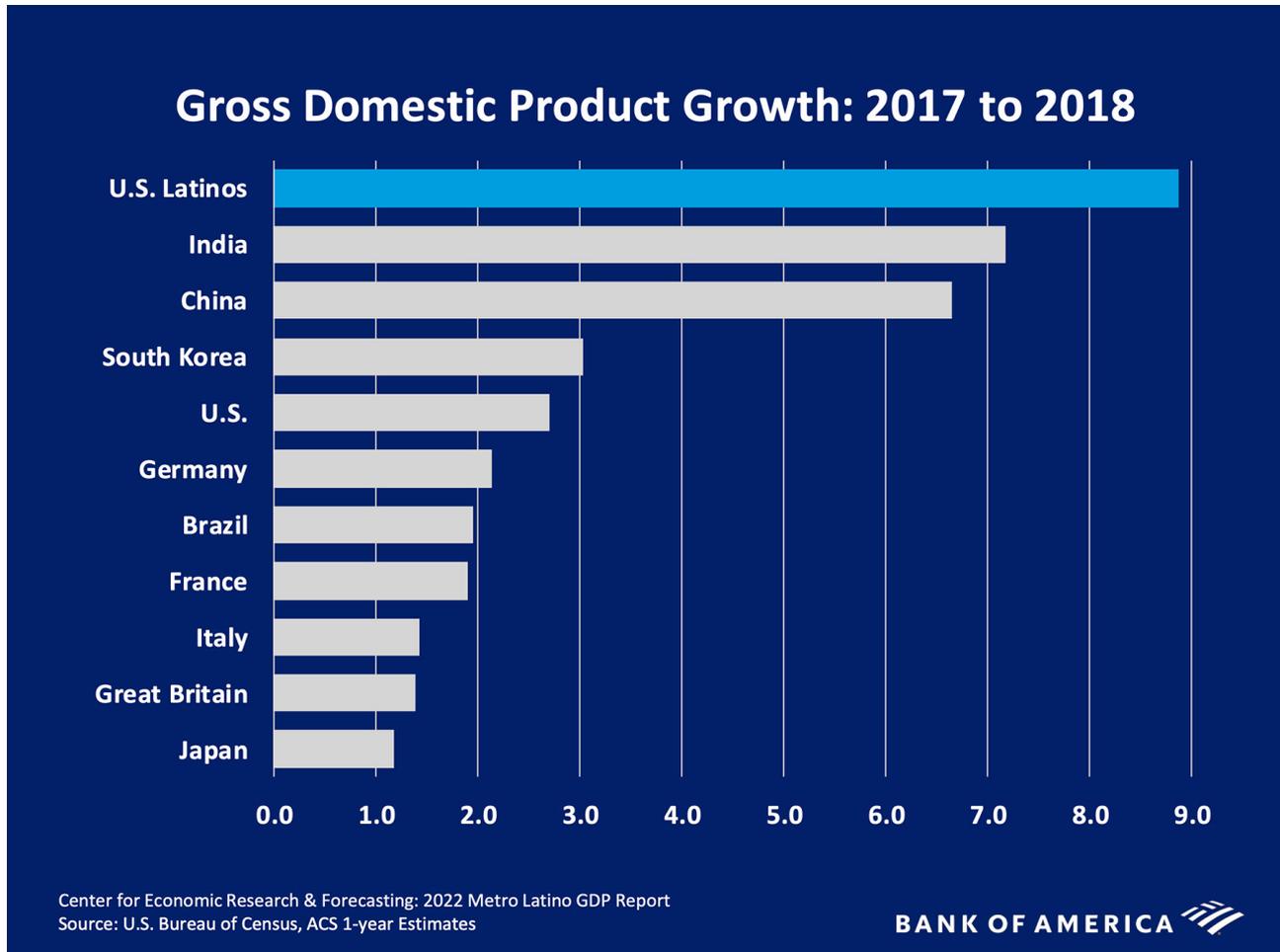
- BOC and BLS provide breakouts of differences in income, spending, home ownership, educational attainment, labor market patterns and demographics

# U.S. Latino Gross Domestic Product (GDP)



**If it were an independent country, Latino GDP would be 8<sup>th</sup> 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 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.

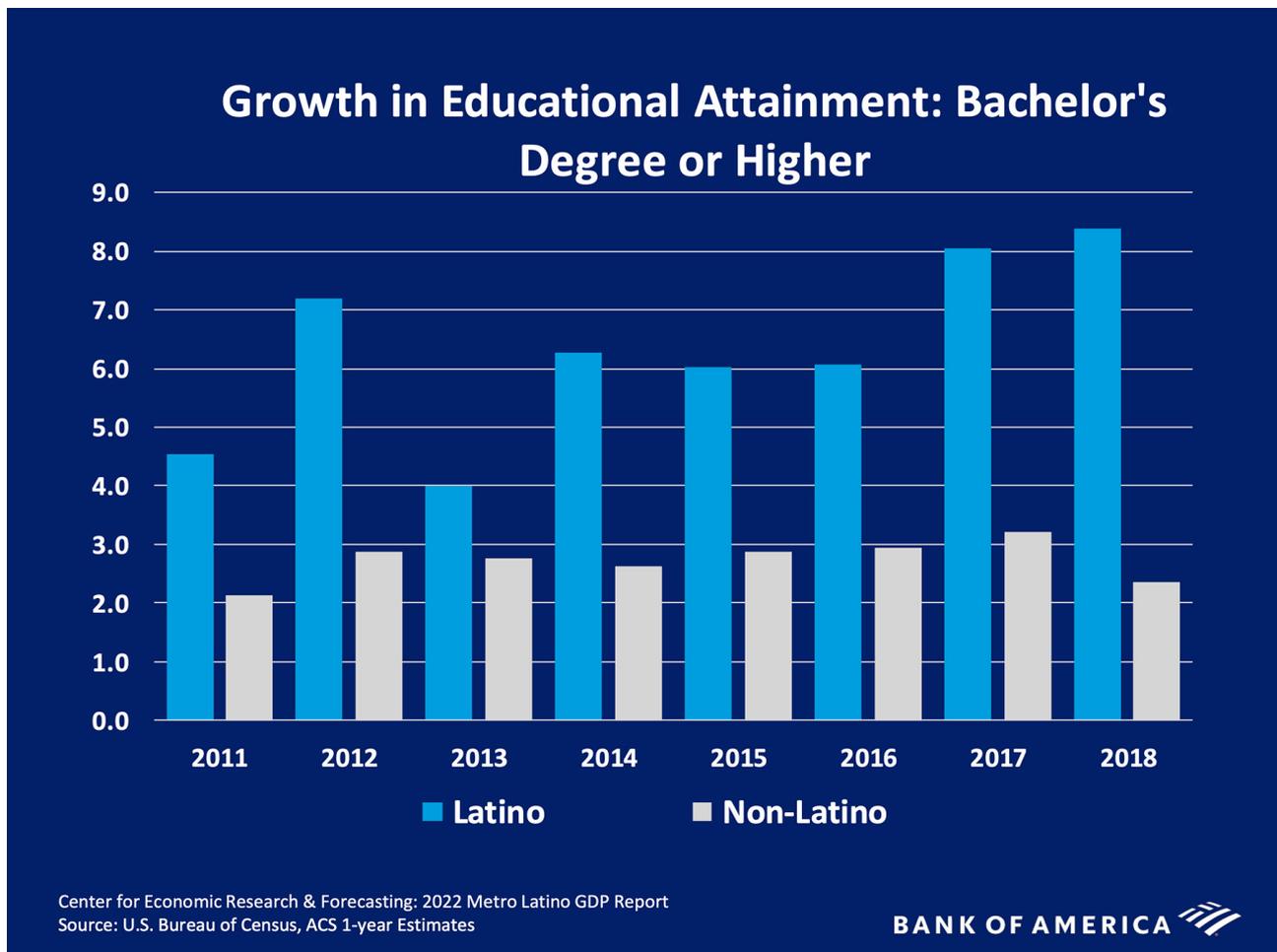
# U.S. Latino Gross Domestic Product (GDP)

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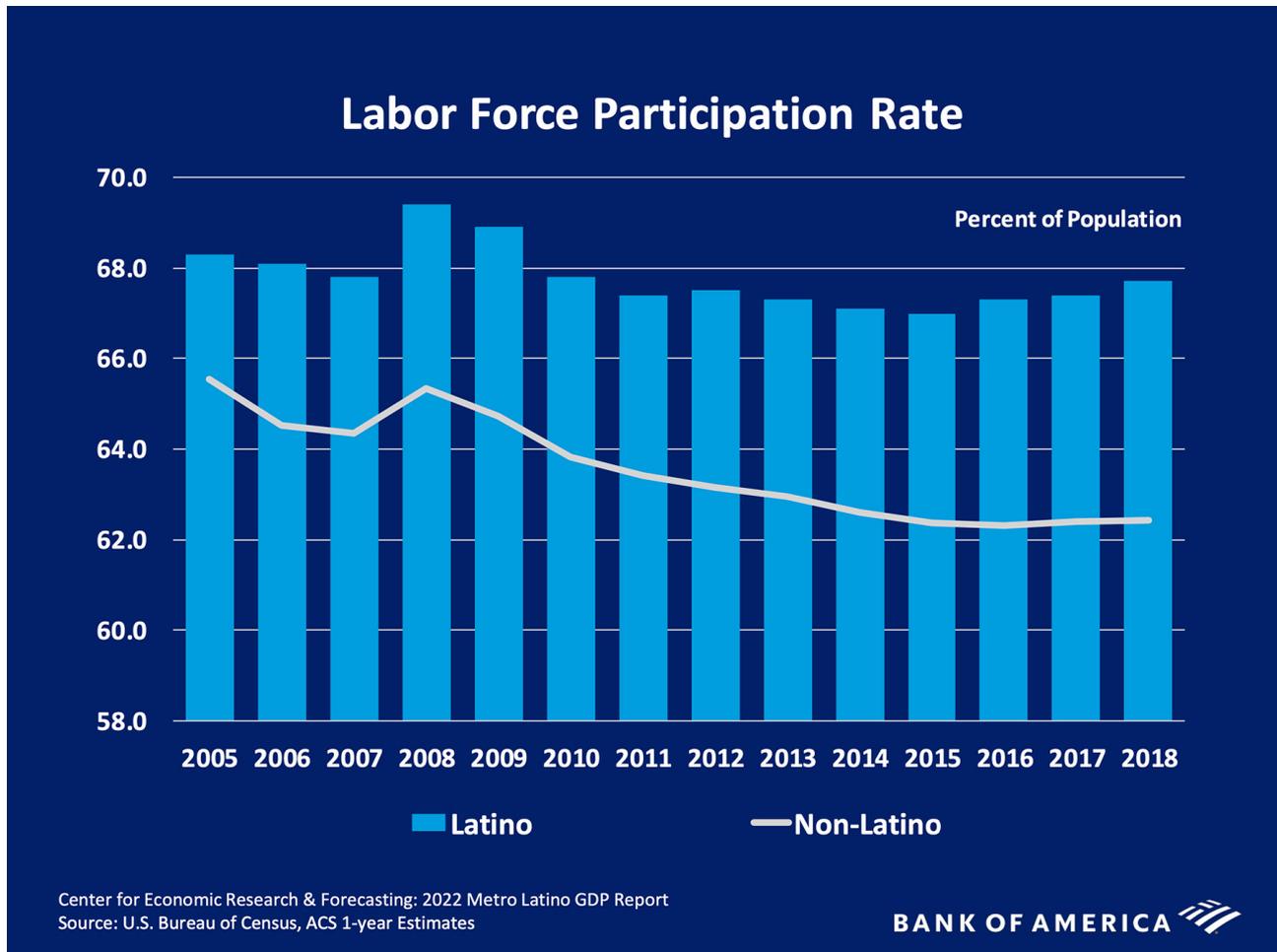
**Growth of the Latino GDP is the result of rapid human capital accumulation**

# Drivers of the Latino GDP



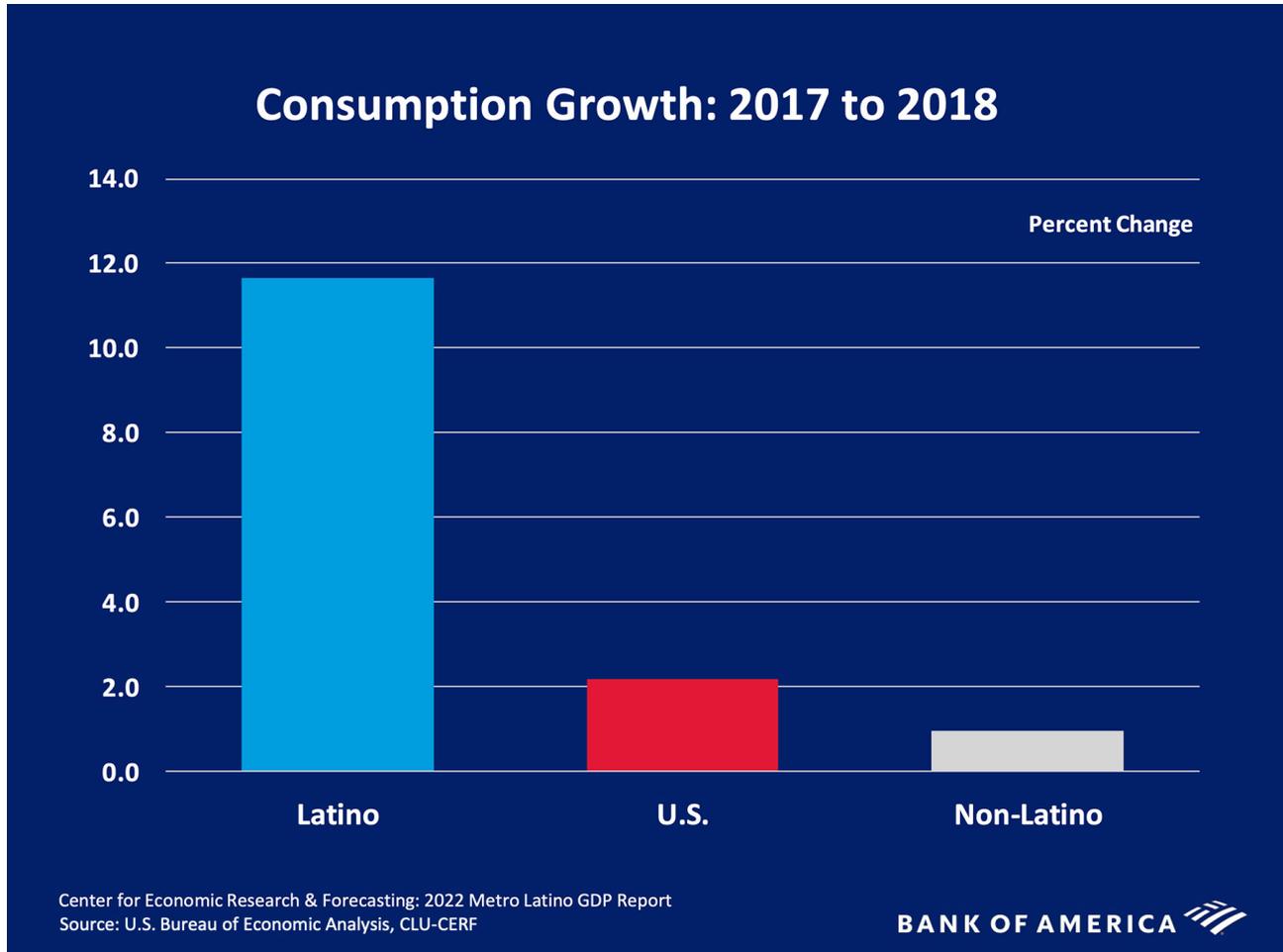
**Educational attainment growth is 2.6x faster among Latinos than non-Latinos**

# Drivers of the Latino GDP



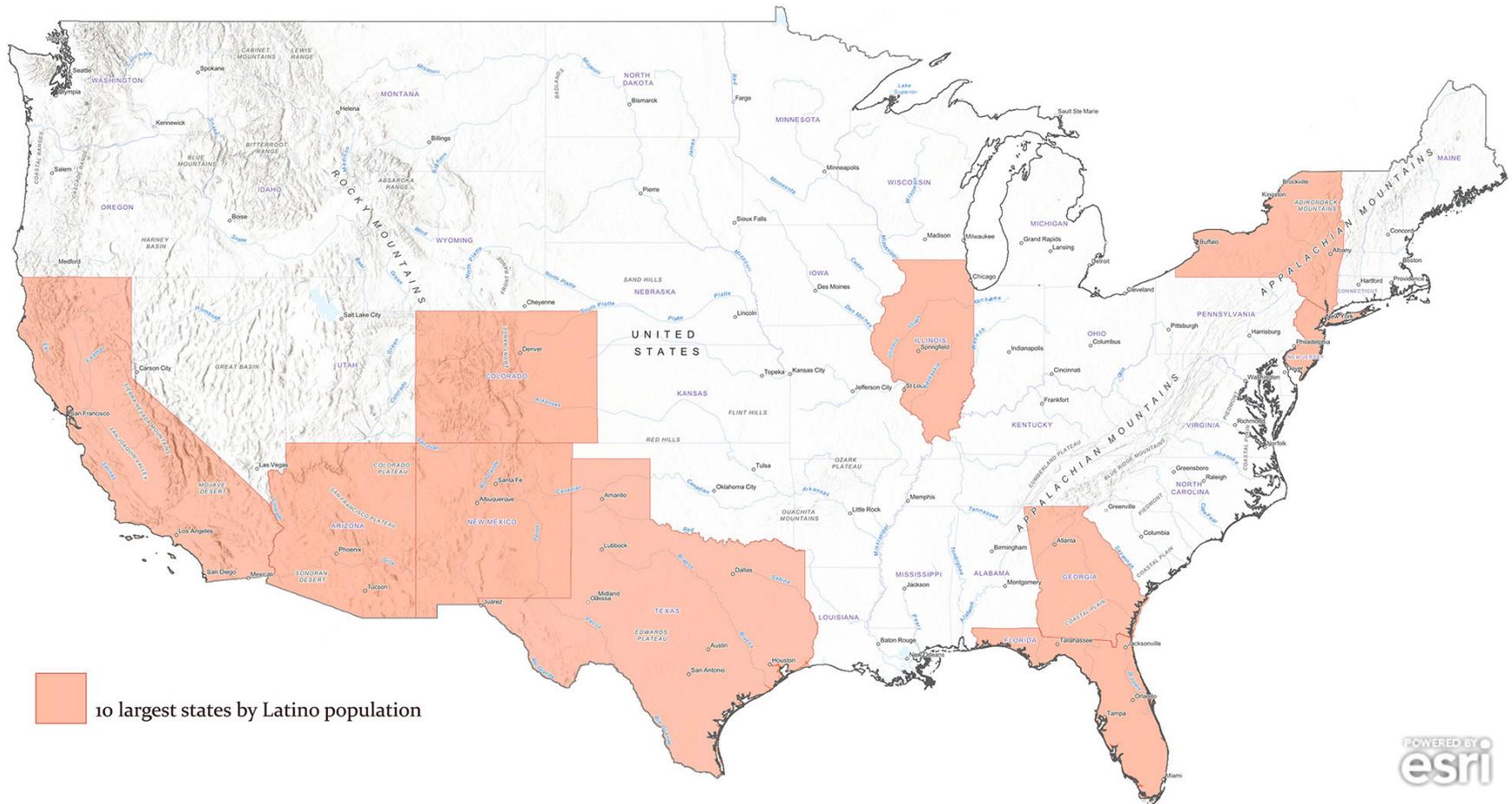
**Latinos are significantly more likely than Non-Latinos to be actively working**

# Drivers of the Latino GDP



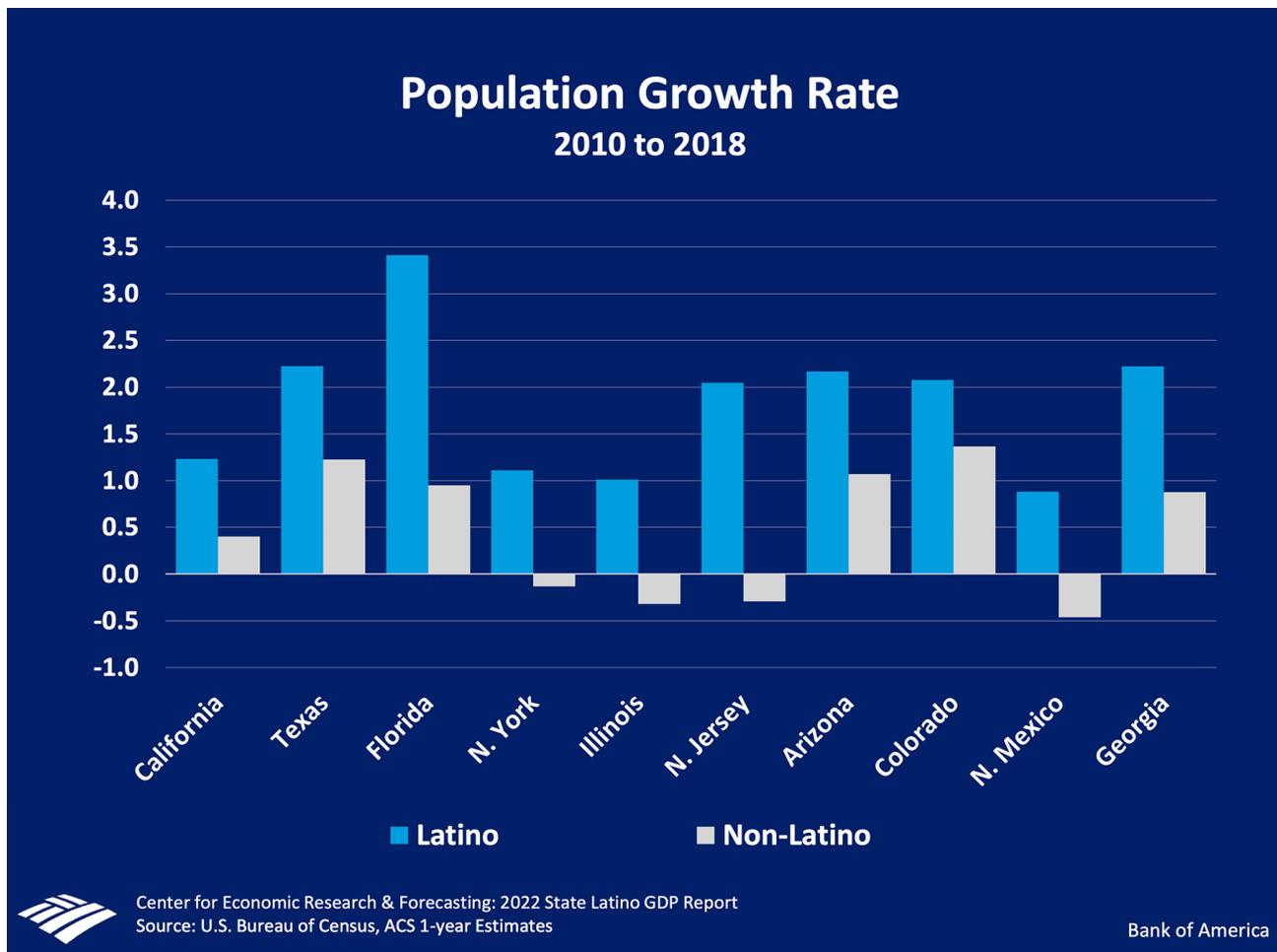
**2017-18 Latino real consumption grew 12.2 times faster than Non-Latino**

# Latino Gross Domestic Product (GDP) by State



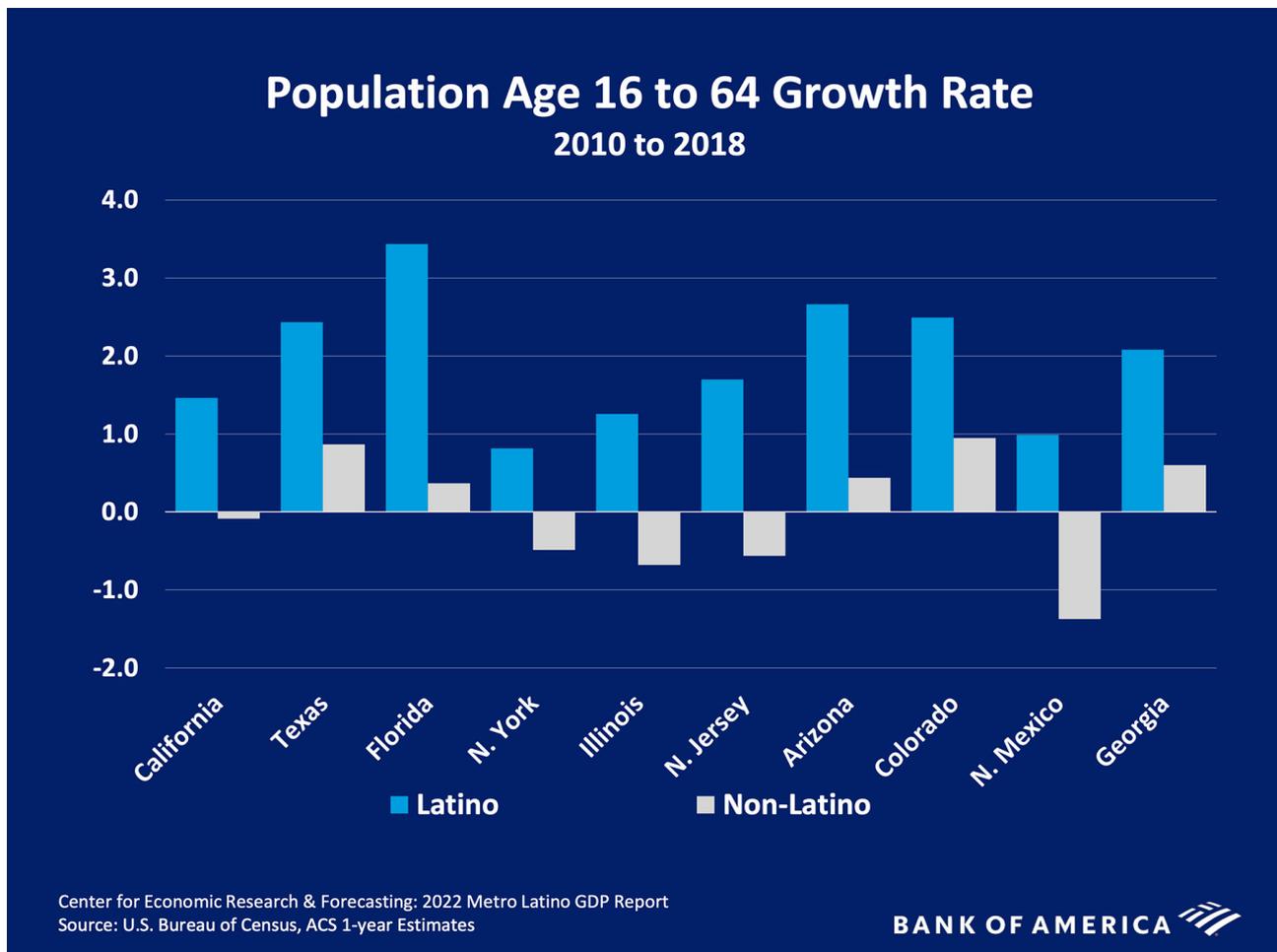
**Latinos in 10 U.S. states account for more than  $\frac{3}{4}$  of the U.S. Latino GDP. These 10 states have a combined Latino GDP of \$2.1 trillion.**

# Drivers of the Latino GDP



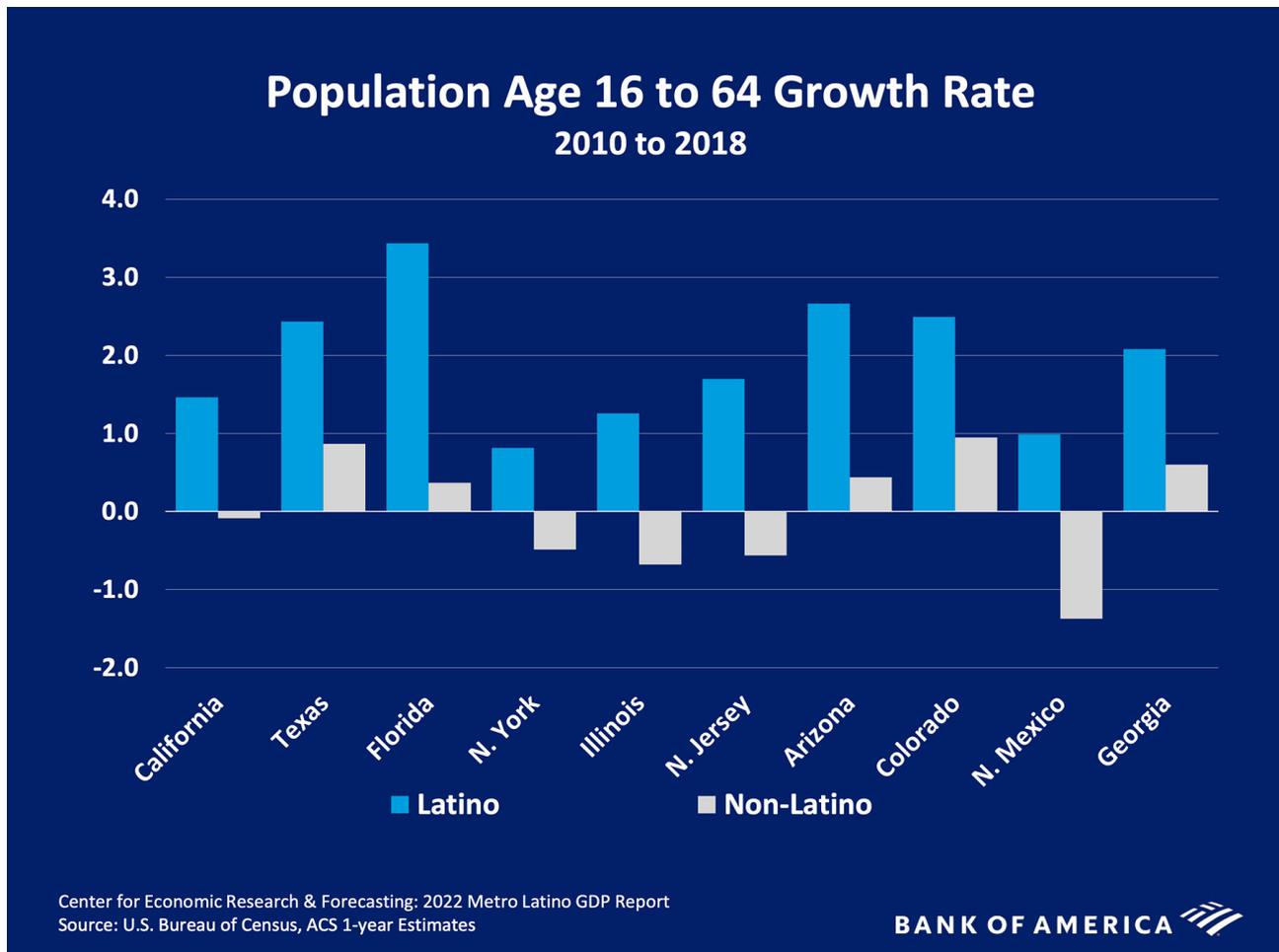
**Across all 10 states, Latino population growth is 3.8 times that of Non-Latinos**

# Drivers of the Latino GDP



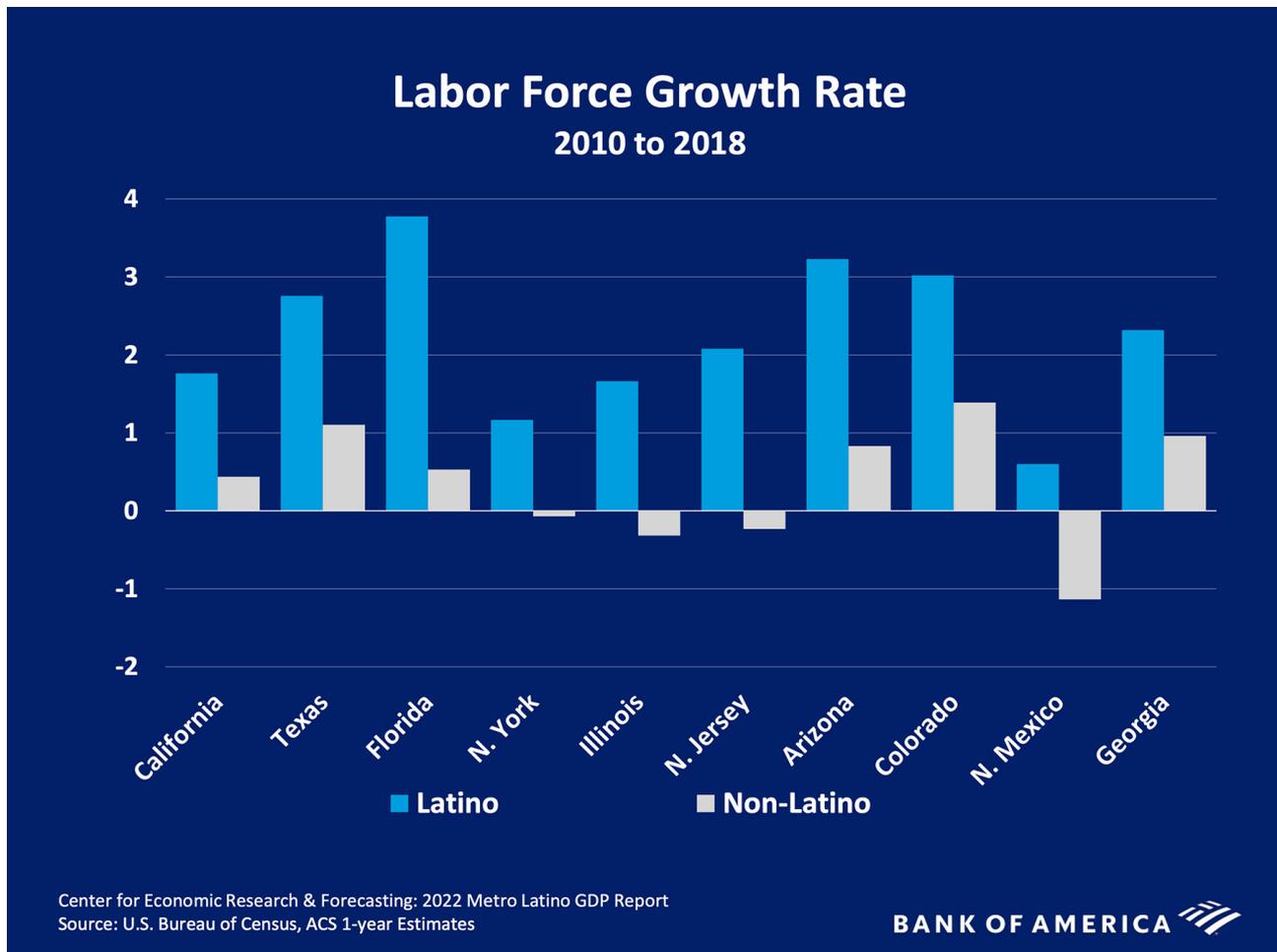
**Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos**

# 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**

# Latino GDP: Riverside – San Bernardino - Ontario MSA



## Inland Empire (2018)

- 4.6 million people of all ethnicities
  - Nation's thirteenth largest MSA
- Latino population: 2.4 million
  - 5<sup>th</sup> largest MSA by Latino population
  - Latinos are 51.6% of total metro area population

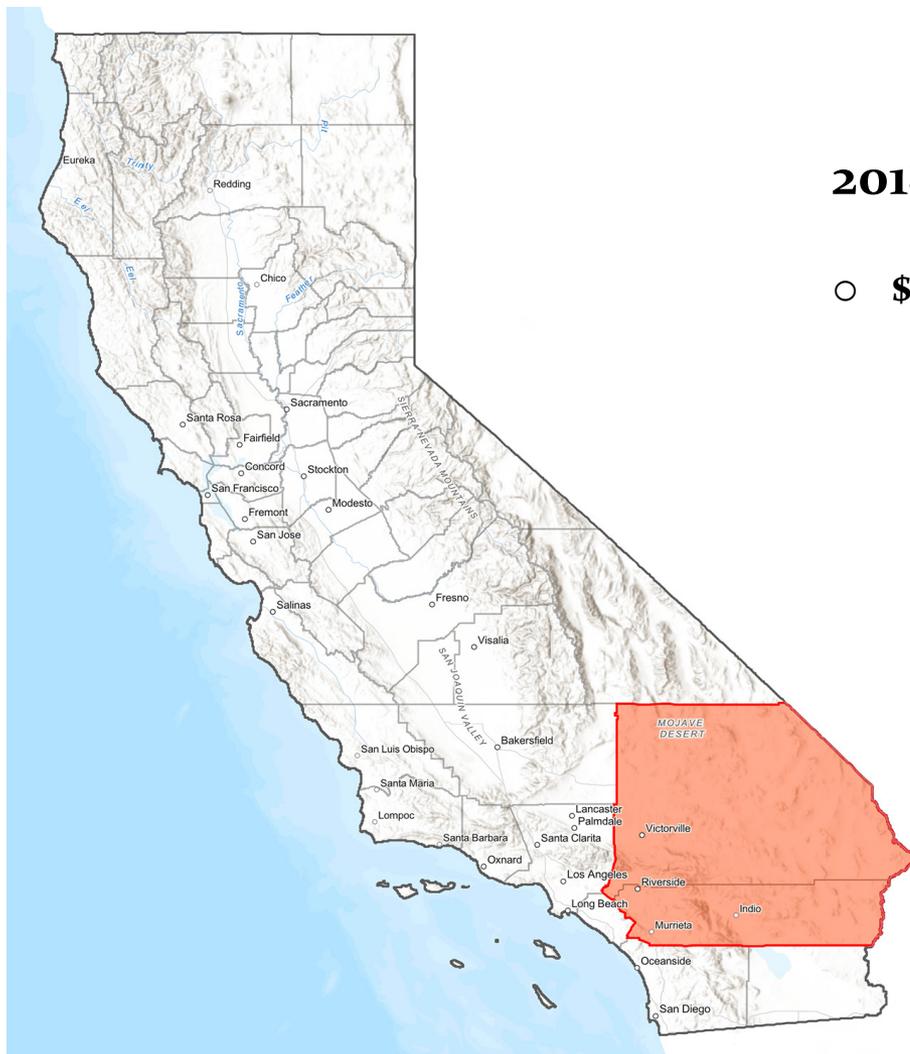
# Latino GDP: Riverside – San Bernardino - Ontario MSA



## Inland Empire (2010-2018)

- Were it not for Latinos...  
labor force  
number of households  
would have contracted in the Inland  
Empire from 2010 to 2018

# Latino GDP: Riverside – San Bernardino - Ontario MSA



## 2018 Inland Empire Latino GDP

- **\$71.7 billion of economic activity**
  - Larger than the entire economy of the state of Maine or North Dakota
  - Largest component is personal consumption, which equals \$49.4 billion

# Latino GDP: Riverside – San Bernardino - Ontario MSA

<b>Inland Empire: Gross Domestic Product</b>		
	<b>Metro Latino GDP</b> by Industry <i>billions of dollars</i>	<b>Metrowide GDP</b> by Industry <i>billions of dollars</i>
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
<b>Total All Industries</b>	<b>71.7</b>	<b>179.1</b>

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

**The Inland Empire's top 4 Latino GDP sectors are Government, Finance & Real Estate, Transportation & Warehousing, and Construction**

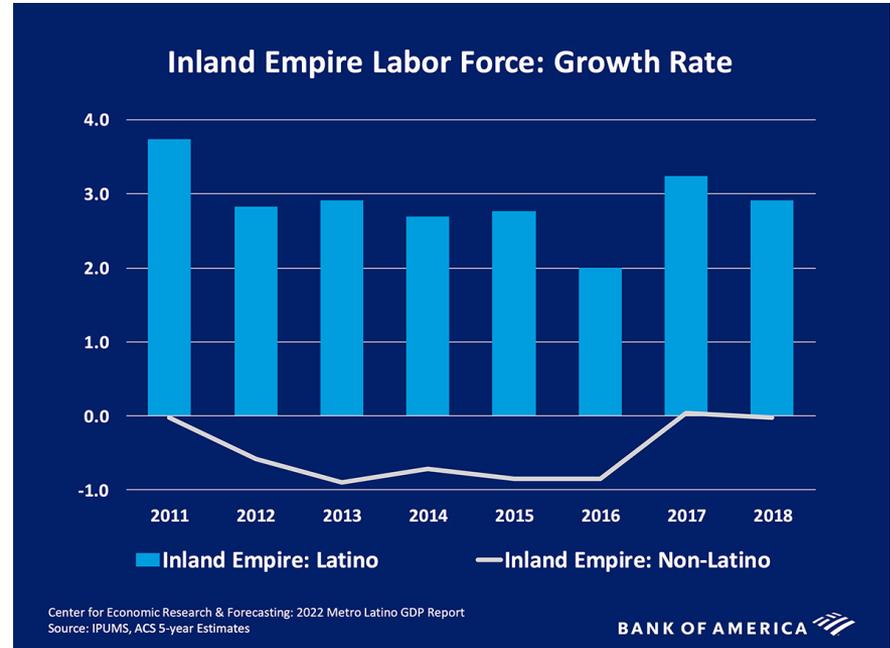
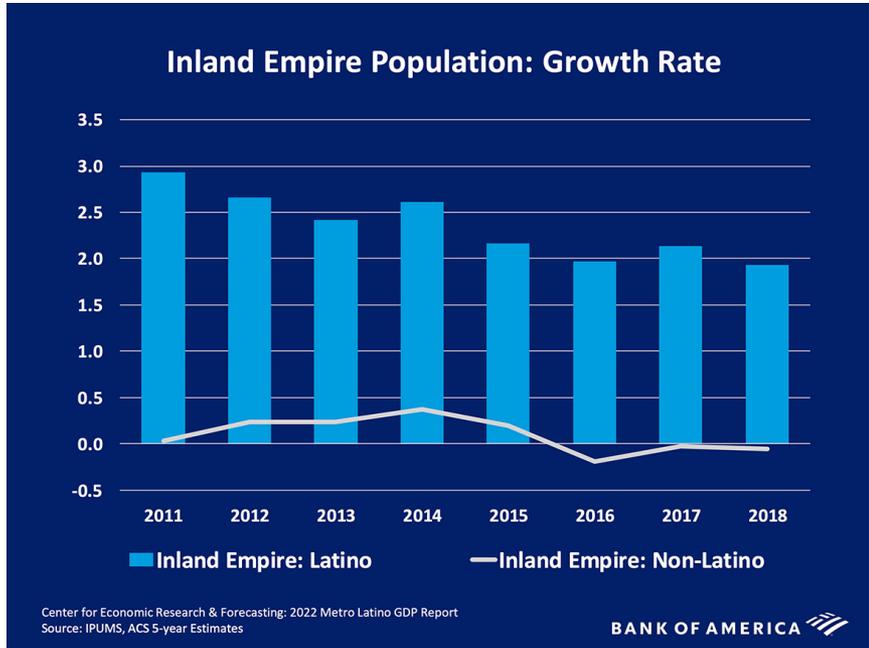
# Latino GDP: Riverside – San Bernardino - Ontario MSA

<b>Inland Empire: Gross Domestic Product</b>		
	<b>Metro Latino GDP</b> Industry Share <i>percent</i>	<b>Metrowide GDP</b> Industry Share <i>percent</i>
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
<b>Total All Industries</b>	<b>100</b>	<b>100</b>

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

**The Inland Empire’s Latino economy is highly diversified. Six different sectors account for out-sized shares of the Chicago Metro Latino GDP.**

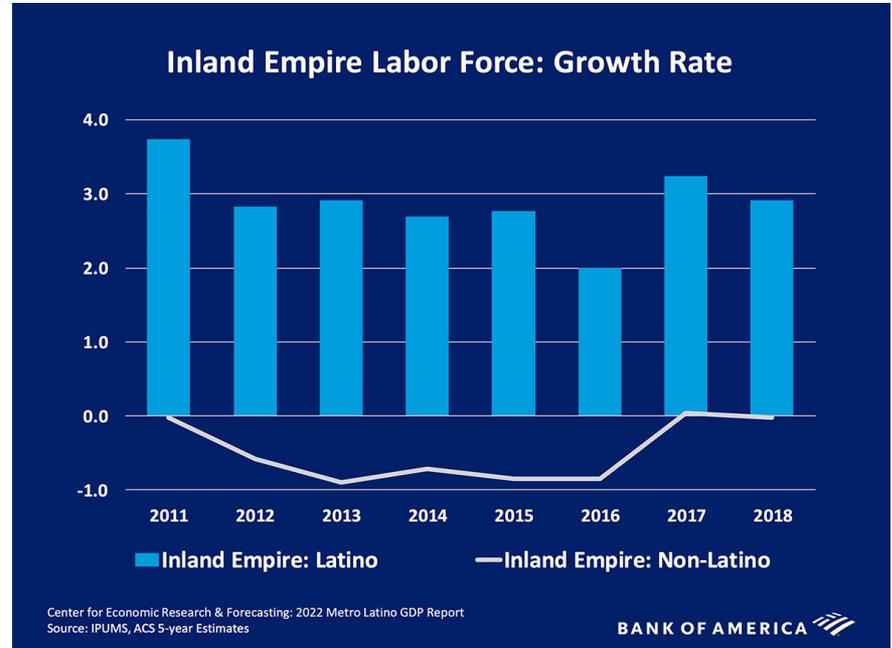
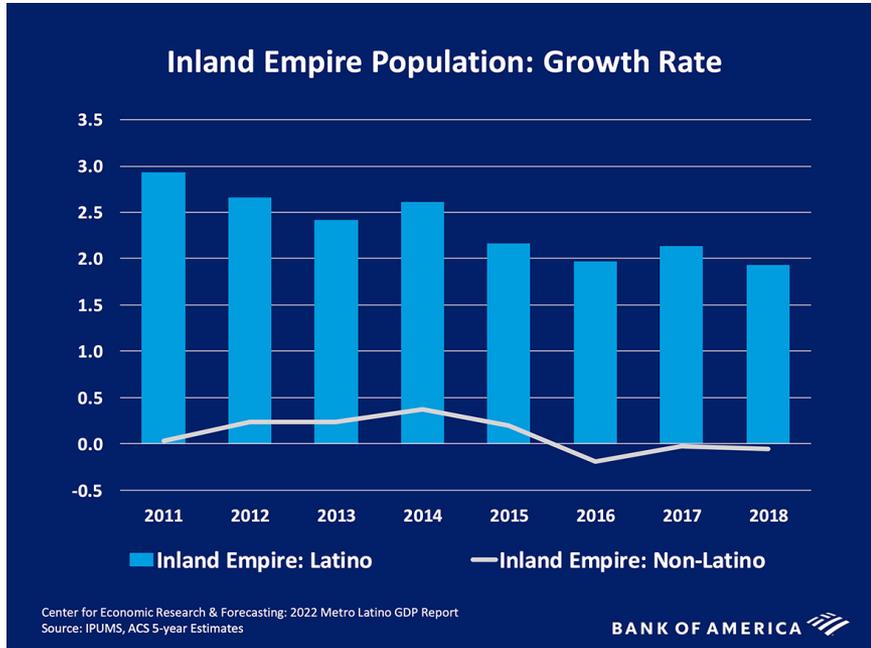
# Inland Empire Latino GDP - Population & Labor Force



## Latinos are making strong and consistent contributions to the Inland Empire's population and labor force

- Non-Latino population grew only weakly from 2010 to 2018 (adding an average of 2,220 people per year)
- Latino population grew robustly in every year from 2010 to 2018 (adding an average of 48,425 people per year)

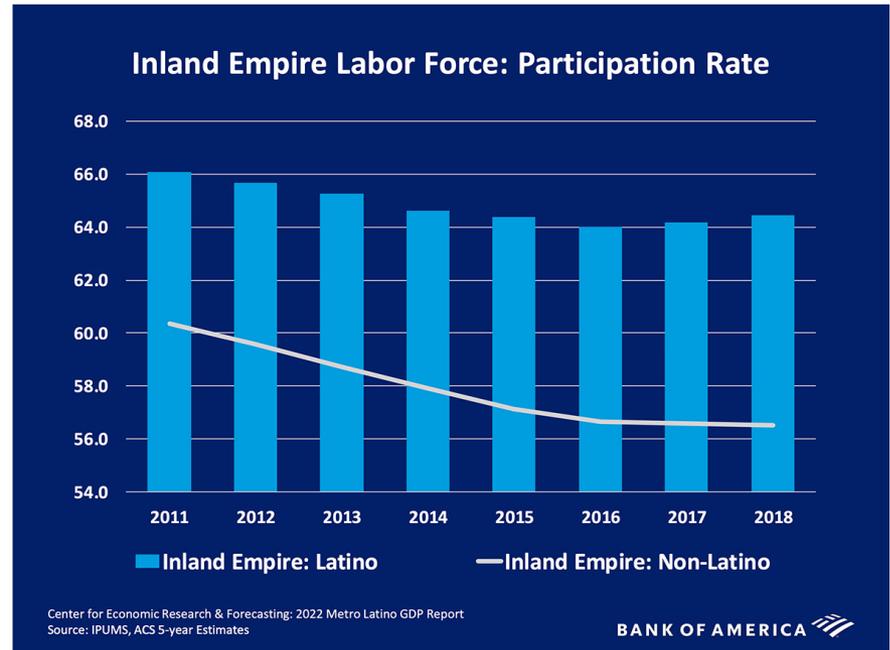
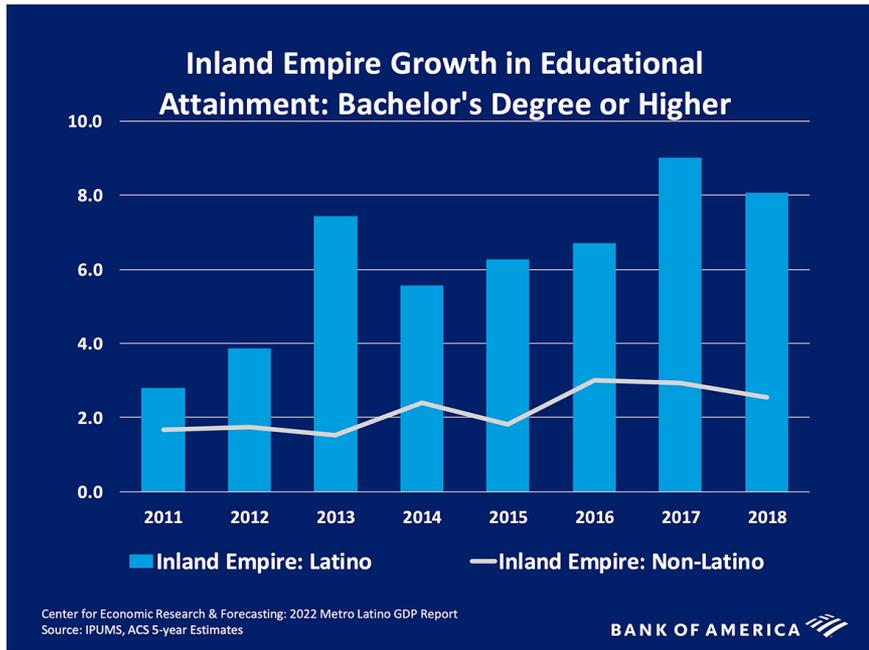
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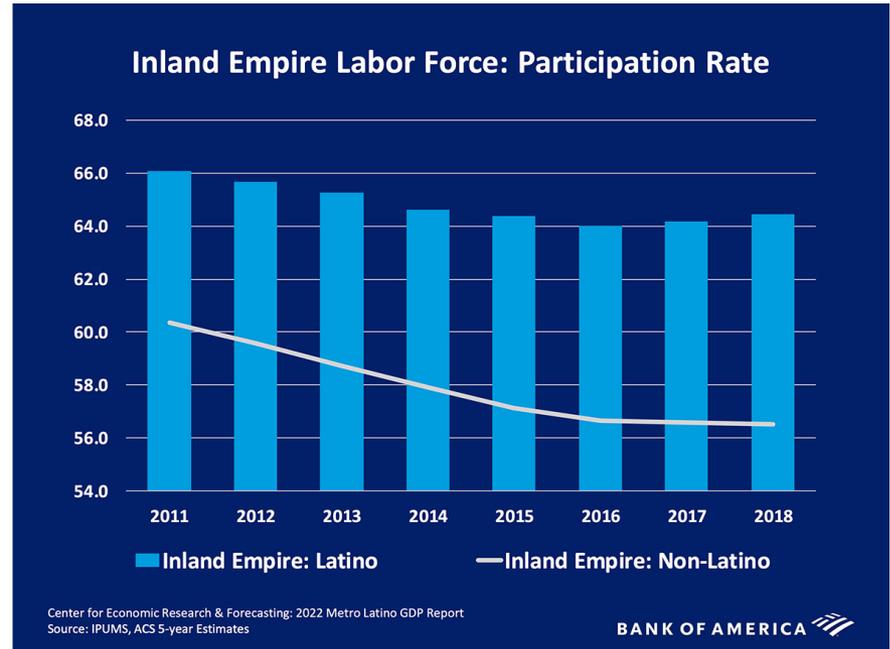
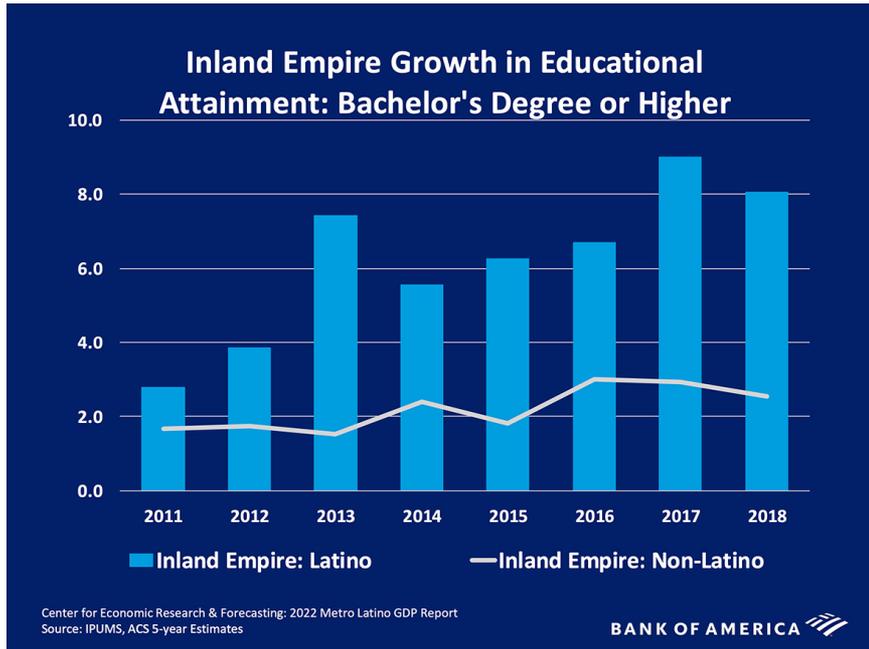
- Number of Non-Latino workers declined in every year from 2010 to 2018, except 2017 (subtracting an average of 5,200 workers per year)
- Latinos made strong contributions, turning total labor force growth positive (adding an average of 26,700 workers per year)

# Inland Empire Latino GDP - Education & LFP



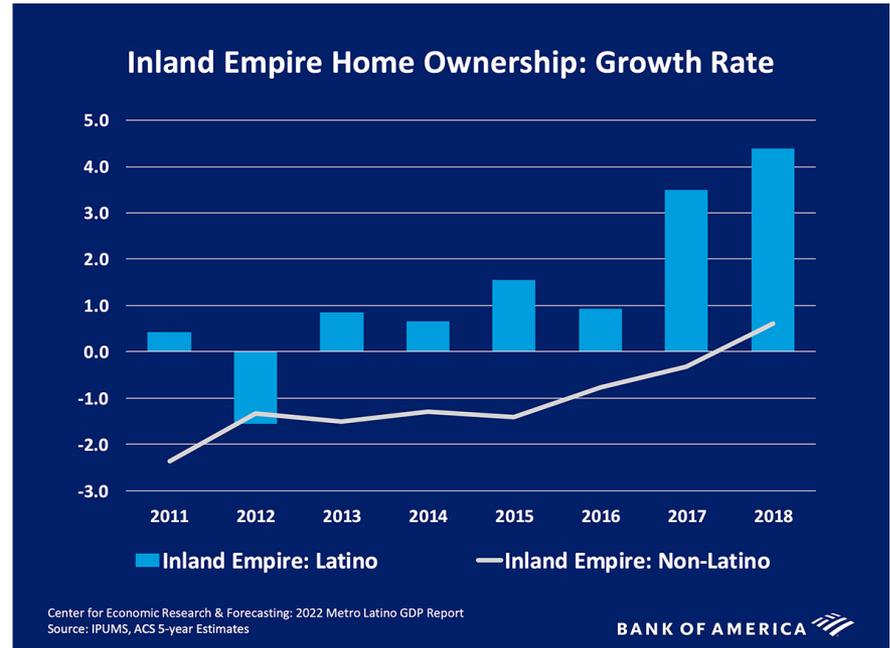
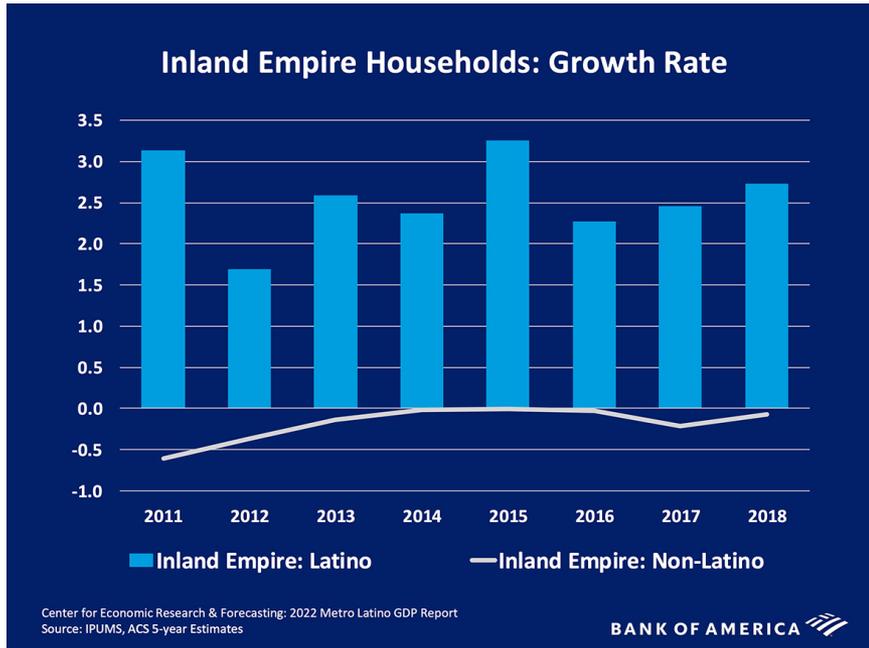
**Educational attainment of Inland Empire Latinos is growing 3.3 times as fast as that of Non-Latinos**

# Inland Empire Latino GDP - Education & LFP



**From 2010-2018, Latino's labor force participation rate was an average of 6.7 percentage points higher than Non-Latino. In 2018, it was a remarkable 7.9 percentage points higher.**

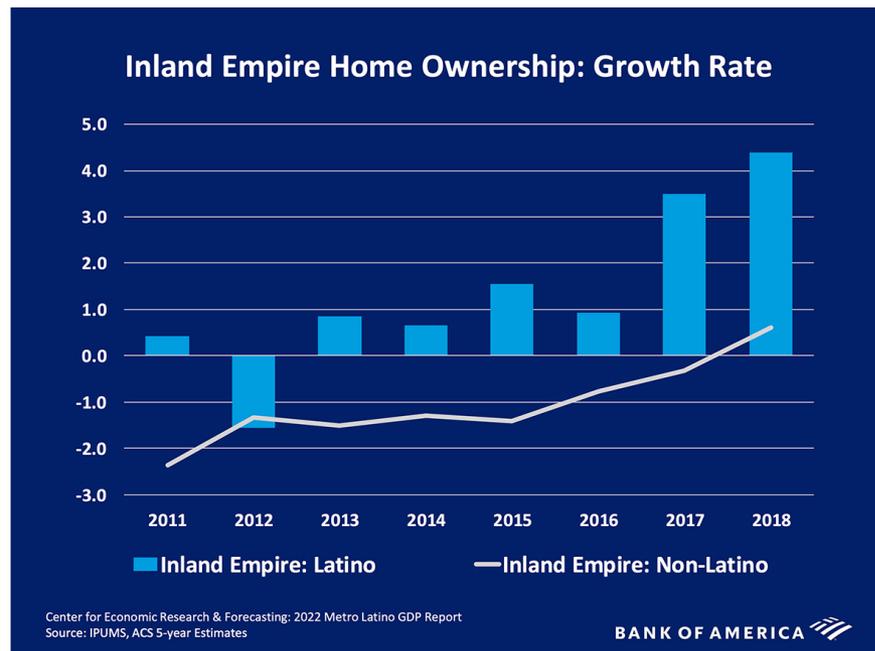
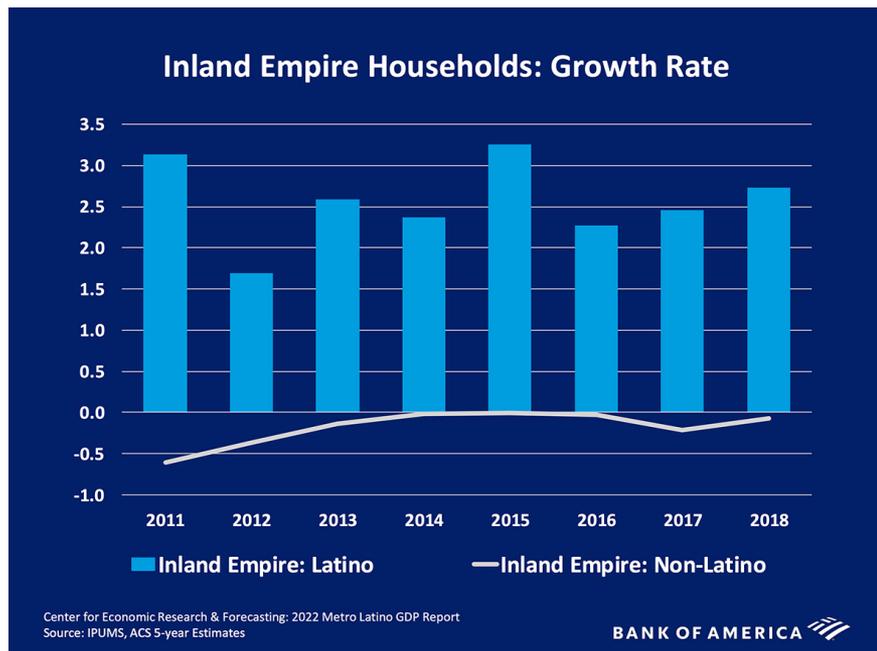
# Inland Empire Latino GDP – Households & Ownership



**From 2010-18, were it not for Latinos, the number of households in the Inland Empire would have declined**

- During those years, number of Latino households increased 22.4 percent
- The number of Non-Latino households declined by 1.5 percent

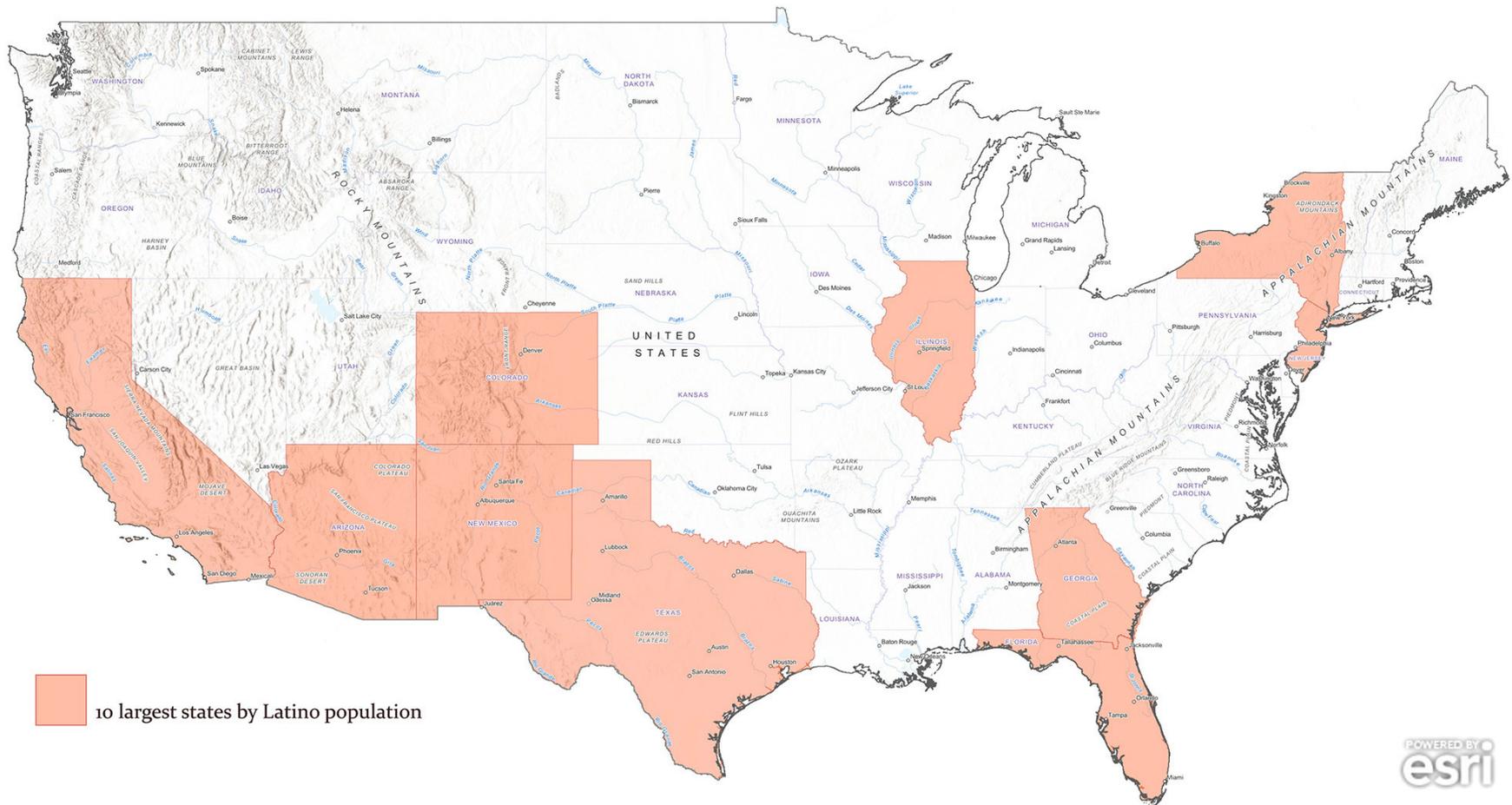
# Inland Empire Latino GDP – Households & Ownership



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

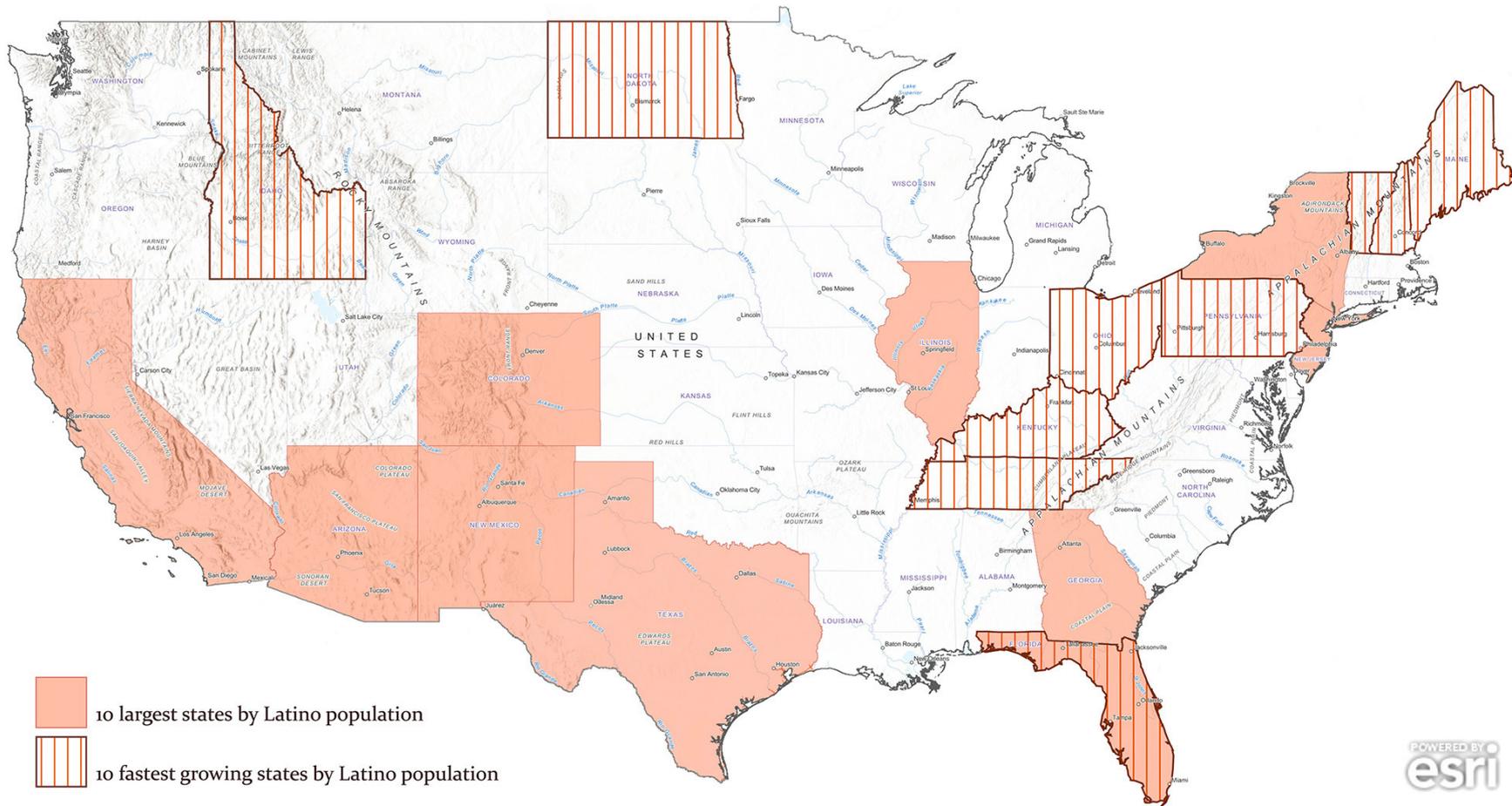
- From 2010-18, the number of Latino homeowners increased an average of 3,700 per year
- The number of Non-Latino homeowners decreased by an average of 6,000 per year

# 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**

2022

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