

# 2022 Metro Latino GDP Report



## Chicago - Naperville - Elgin

generously funded by  
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# 2022 Metro Latino GDP Report: Chicago - Naperville - Elgin MSA

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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.



## 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.

Spanish Illinois was drawn into this first global economy as early as 1763, when lead from the mines at Galena, Illinois joined the sacks of flour, wheat, flax and hemp on their journey down the Mississippi River to New Orleans before fanning out in global commerce. Spanish coins, called *reales*, minted in Mexico City and Lima, Peru were used as currency in Spanish Illinois.

Since 1565, luxury trade goods from China, Japan and the Philippines had been brought across the Pacific and entered the web of distribution from Mexico City to all corners of the New Spain. At first St. Louis and then Chicago became hubs of this international trade.

After the American Civil War, Latinos flocked to Chicago to labor in its yards and mills and to work as university scholars. Spanish language newspapers were published in Chicago as early as 1913, and Latino-owned businesses have advertised in their pages ever since. Latinos raised funds to build Our Lady of Guadalupe Church in Chicago, served patriotically during World War II and brought the forerunner of the western rodeo, the Mexican charro competition, to Chicago. During all of this time, Latino community organizations have been established and Latino-owned businesses have flourished.

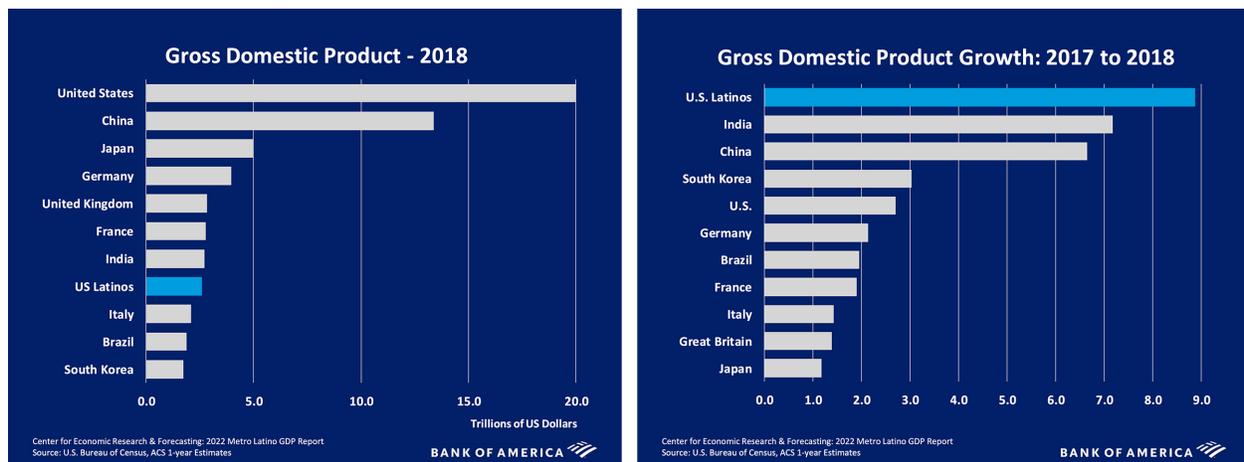
As we consider the large and rapidly growing economic contribution of Latinos living in the Chicago Metro Area and across the entire state of Illinois, it is important to understand that this impact is not new. It is actually the continuation of a 250 year-old tradition – a tradition of Latinos providing economic strength and resiliency to the benefit of all people.



## U.S. Latino GDP

The *2020 LDC U.S. Latino GDP Report*<sup>1</sup> 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<sup>2</sup>.

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.

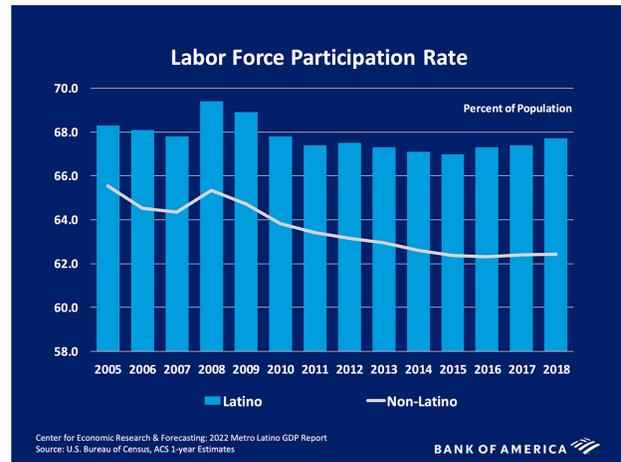
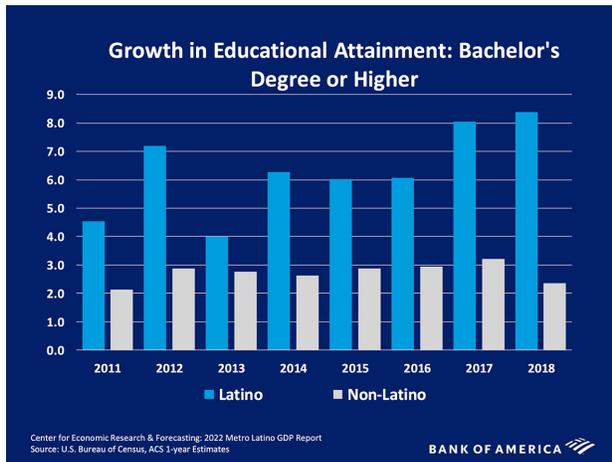
The single largest component of rapid Latino GDP growth since 2010 is personal consumption growth. From 2010 to 2018, Latino real consumption grew 135 percent faster than non-Latino consumption. This dramatic increase is driven by large gains in personal income, which naturally flow from Latinos’ rapid 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

<sup>1</sup> 2020 LDC U.S. Latino GDP Report: <https://www.clucerf.org/2020/09/28/2020-ldc-u-s-latino-gdp-report/>

<sup>2</sup> 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.

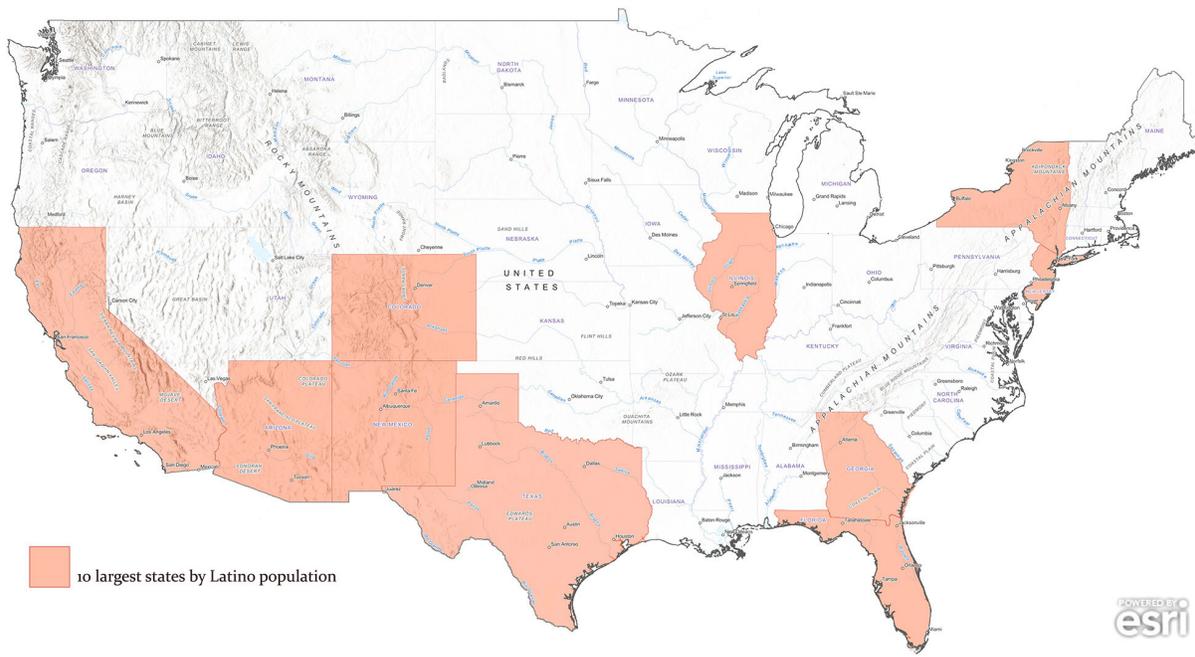


bachelor's degree or higher was 2.6 times more rapid for Latinos than Non-Latinos. And Latino labor force participation in 2018 was 67.8 percent, more than five percentage points higher than non-Latino.



## 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.



Esri Geospatial Cloud | ArcGIS online<sup>3</sup>

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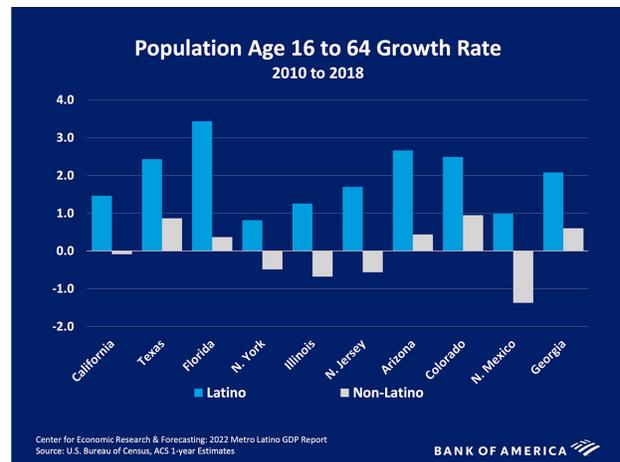
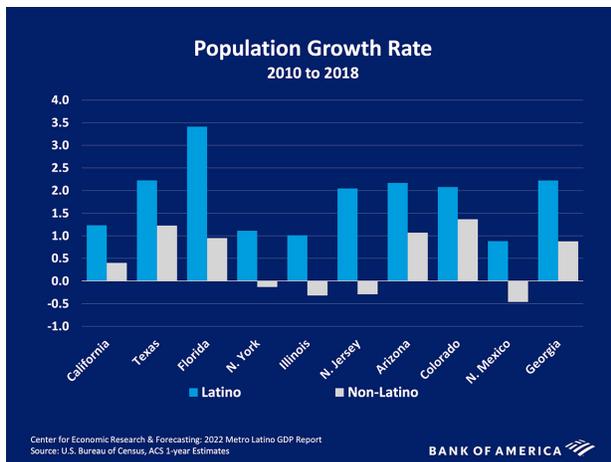
## Ten Largest States by Latino Population

California
Texas
Florida
New York
Illinois
New Jersey
Arizona
Colorado
Georgia
New Mexico
<b>Total of 10 states</b>

Latino GDP	Share of U.S. Latino GDP
<i>billions of dollars</i>	<i>percent</i>
706.6	27.2
476.0	18.3
258.9	10.0
202.3	7.8
100.1	3.9
96.9	3.7
91.9	3.5
55.2	2.1
37.9	1.5
36.0	1.4
<b>2,062.0</b>	<b>79.4</b>

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 7<sup>th</sup> 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.



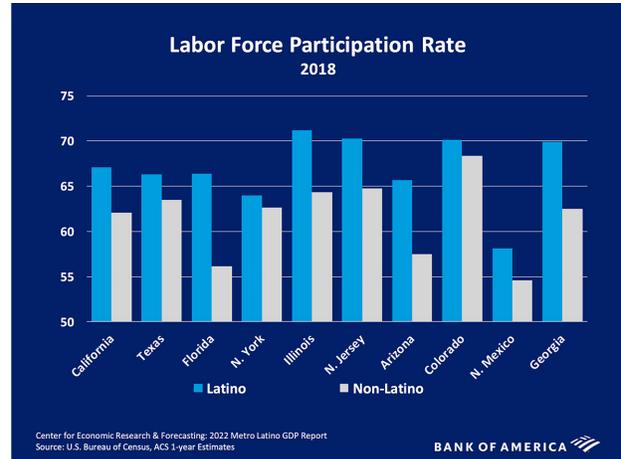
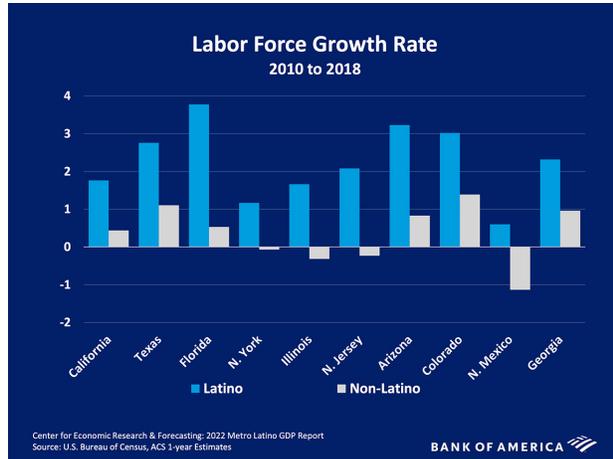
Latino population growth compares very favorably to that of Non-Latinos across all 10 states. Were it not for Latinos, the populations of Illinois, New Jersey, New Mexico, and New York would have contracted between 2010 and 2018. Non-Latino population growth was negative in each of these states, but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

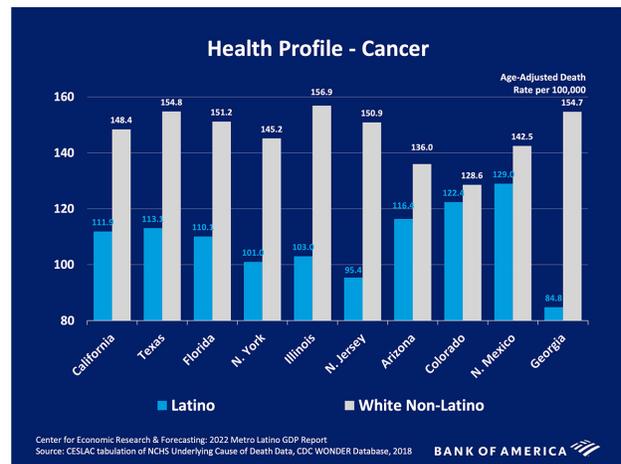
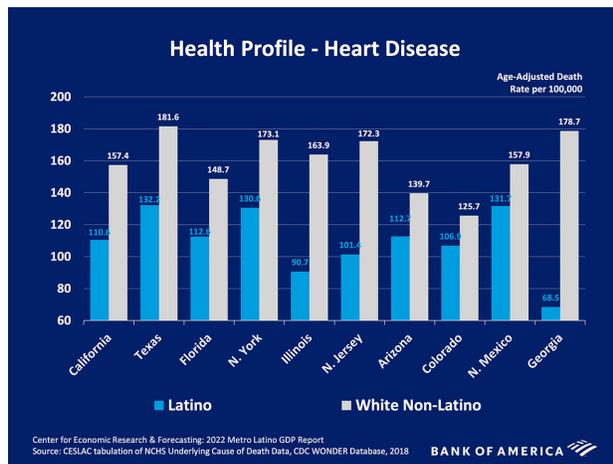


The younger age distribution, strong population growth, and higher labor force participation rate of Latinos in the 10 states have resulted in strong and consistent contributions to each state's labor force. Despite being only 29 percent of the population of the 10 states, Latinos are responsible for 65 percent of the growth of the labor force from 2010 to 2018.

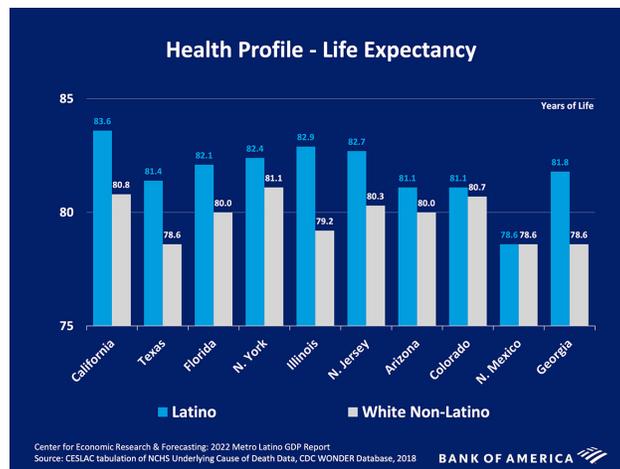
On top of more rapid population and labor force growth, more rapidly increasing educational attainment and incomes, Latinos in both the 10 states and the broader country enjoy stronger health outcomes than their non-Latino counterparts. In 2018, the top four causes of death in the U.S. were heart disease, 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: Illinois

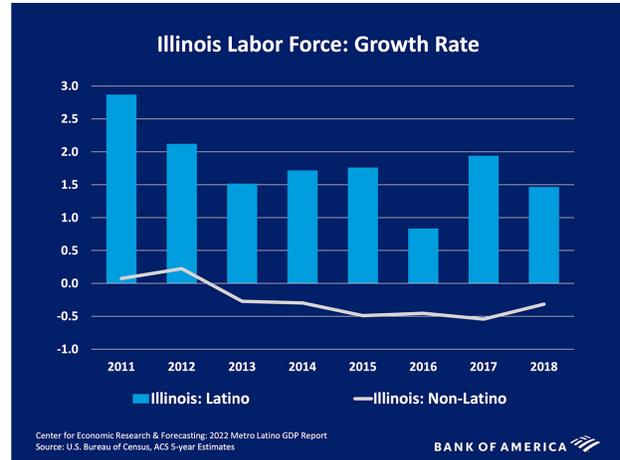
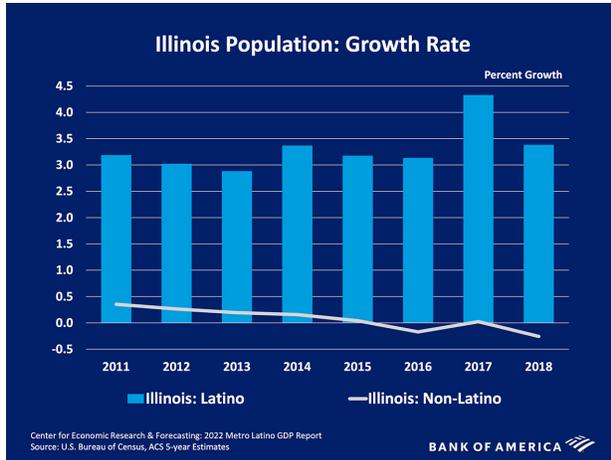
Illinois' 2018 Latino GDP is \$100.1 billion, larger than the entire economic output of the state of Hawaii. The state's top five 2018 Latino GDP sectors are: Education & Healthcare (14.5% share of the Illinois Latino GDP), Professional & Business Services (11.2%), Durables Manufacturing (10.3%), Finance & Real Estate (9.5%), and Leisure & Hospitality (9.3%). The largest component of Illinois' Latino GDP is personal consumption. Latino consumption totaled more than \$74.6 billion in Illinois in 2018.

<b>Illinois: Gross Domestic Product</b>		
	<b>Latino GDP</b> Industry Share <i>percent</i>	<b>Statewide GDP</b> Industry Share <i>percent</i>
Agricultural/Natural Resources	0.3	0.8
Mining/Quarrying	0.1	0.3
Construction	6.0	3.4
Durables Manufacturing	10.3	6.1
Non-Durables Manufacturing	8.2	6.3
Wholesale Trade	6.1	7.6
Retail Trade	5.1	5.0
Transportation/Warehousing/Utilities	7.6	5.6
Information/Technology	2.2	3.4
Finance/Insurance/Real Estate	9.5	23.0
Professional/Business Services	11.2	13.9
Education/Healthcare/Social Assistance	14.5	8.7
Leisure/Hospitality	9.3	4.0
Personal/Repair/Maintenance Svcs	2.6	2.3
Government Services	7.0	9.7
<b>Total All Industries</b>	<b>100</b>	<b>100</b>

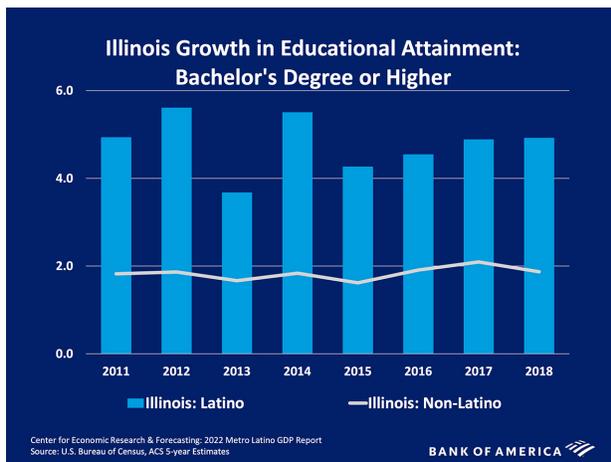
*Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF*

Six different industry sectors account for out-sized shares of the state's Latino GDP. For example, while Education & Healthcare accounts for only 8.7 percent of Illinois GDP, it accounts for 14.5 percent of the Illinois Latino GDP. Five other industry sectors account for a substantially larger share of the Illinois Latino GDP than the corresponding share of the broader state GDP. These include Construction, Durables Manufacturing, Non-Durables Manufacturing, Transportation & Warehousing, and Leisure & Hospitality. In general, Illinois' Latino economy is more diversified than the broader state economy. 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.

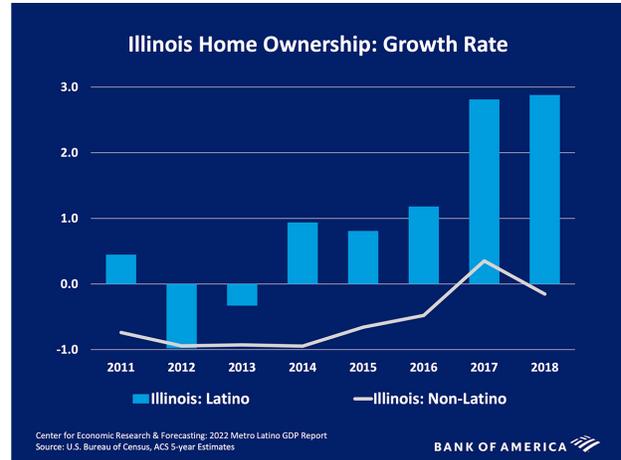
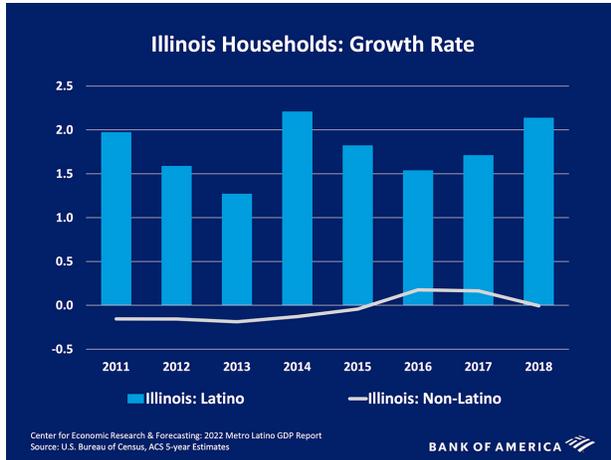
Latinos are making strong and consistent contributions to Illinois' population and labor force. In fact, were it not for Latinos, both the population and labor force of Illinois would have contracted from 2010 to 2018. From 2010 to 2018, Illinois Latinos added an average of 29,000 people per year to the state's population, while Non-Latinos subtracted an average of 20,000 per year. Over that same period, Illinois Latinos added an average of 17,800 workers per year to the state's labor force, while Non-Latinos subtracted an average of 14,700 per year.



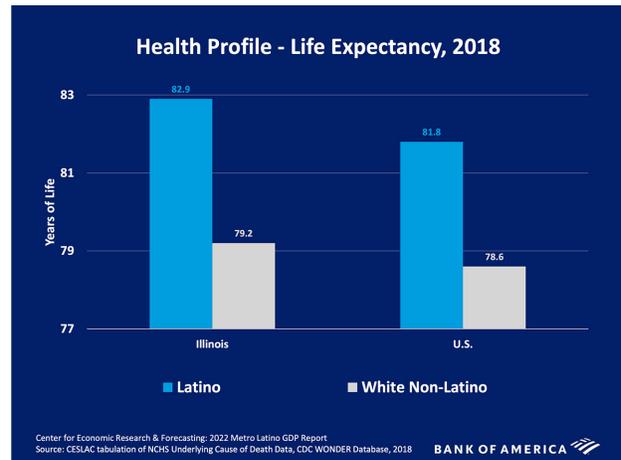
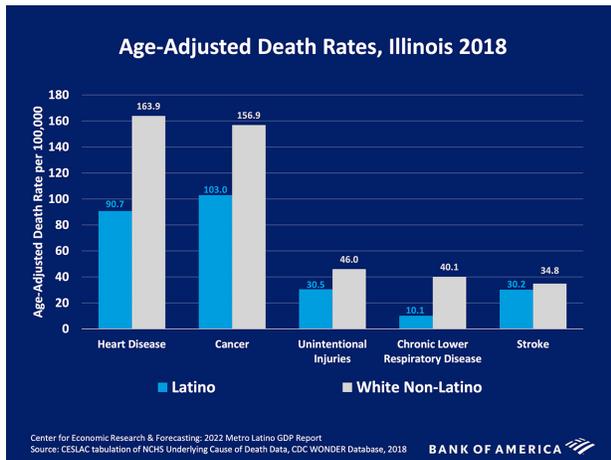
The economic contribution of Latinos in Illinois, as with U.S. Latinos broadly, is driven by rapid gains in human capital, strong work ethic, and a positive health profile. From 2010 to 2018, Latino educational attainment grew at a rate 2.9 times faster than the educational attainment of Non-Latinos. Over those 9 years, Illinois Latinos' labor force participation rate was an average of 5.9 percentage points higher than Non-Latinos. In 2018, Latino labor force participation was a remarkable 6.5 percentage points higher.



Latinos provide a very large and positive demographic punch in Illinois through both the addition of workers and the formation of households. As with population and labor force, without Latinos, the number of households in Illinois would have contracted from 2010 to 2018. From 2010 to 2018, the number of Latino households in Illinois increased by 15.2 percent, while the number of Non-Latino households decreased by 0.3 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. While both Latino and non-Latino home ownership declined during the years following the Great Recession, since 2014, growth of Latino home ownership has been consistently positive and significantly higher than that of Non-Latinos. By comparison, the number of Non-Latino homeowners in Illinois decreased from 2010 to 2018. From 2010 to 2018, the number of Latino homeowners in Illinois grew by 8.0 percent. During those same years, homeownership among Non-Latinos shrank by 4.4 percent.



Latinos in Illinois 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 Illinois, 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 13 to 75 percent lower. Illinois Latinos' age-adjusted mortality rate is 34 percent lower than the state's White Non-Latinos for cancer and 45 percent lower for heart disease. Illinois Latinos also enjoy greater longevity, with a life expectancy that is more than years longer than Non-Hispanic Whites (82.9 years compared to 79.2).

The family values, hard work, and strong health profile of Latinos in Illinois and in the U.S. are a tremendous source of economic vitality.



### Illinois: Headline Characteristics

	Illinois		
	Latino Measure	Statewide Measure	Latino Share of Statewide (percent)
Gross Domestic Product (\$-billions)	100.1	863.0	11.6
Personal Consumption Expenditures (\$-billions)	74.6	569.2	13.1
Population (thousands)	2,208.9	12,741.1	17.3
Labor Force (thousands)	1,123.7	6,681.5	16.8
Employment (thousands)	1,049.5	6,314.0	16.6
Households (thousands)	596.8	4,864.9	12.3
Home-Owning Households (thousands)	322.3	3,210.1	10.0
Education of BA/BS or higher (thousands)	185.5	3,052.7	6.1

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

## Metro Latino GDP: Chicago – Naperville – Elgin MSA

The Chicago – Naperville – Elgin Metropolitan Statistical Area (MSA) is comprised of 9 counties in northeastern Illinois (accounting for 90.9 percent of the Chicago Metro population), as well as four counties in northwestern Indiana (representing 7.4 percent of the Chicago Metro population) and one in southeastern Wisconsin (with just 1.8 percent of the Metro population). In 2018, the Chicago Metro Area was the third largest metro area in the nation with 9.5 million people of all ethnicities. This places the Chicago Metro behind the Los Angeles Metro Area (with 13.3 million) and ahead of the Dallas Metro Area (7.5 million).

### Chicago - Naperville - Elgin MSA: Latino Population, 2014-2018

State	County	Latino Population	Share of MSA Latino Population
Wisconsin	Kenosha	21,745	1.0
Indiana	Lake	90,954	4.3
Indiana	Porter	16,449	0.8
Indiana	Newton	868	0.0
Indiana	Jasper	1,999	0.1
Illinois	Lake	150,590	7.2
Illinois	Cook	1,314,232	62.8
Illinois	Will	117,522	5.6
Illinois	Grundy	4,877	0.2
Illinois	Kendall	22,616	1.1
Illinois	Dupage	132,004	6.3
Illinois	Kane	168,385	8.0
Illinois	McHenry	39,326	1.9
Illinois	Dekalb	11,422	0.5
<b>Wisconsin Sub-total</b>		<b>21,745</b>	<b>1.0</b>
<b>Indiana Sub-total</b>		<b>110,270</b>	<b>5.3</b>
<b>Illinois Sub-total</b>		<b>1,960,974</b>	<b>93.7</b>
<b>Total Chicago Metro Area</b>		<b>2,092,989</b>	<b>100</b>

Source: Census Bureau, 5-year ACS



The 2018 Chicago Metro Latino population is 2.13 million people. In 2018, the Chicago Metro Area ranked seventh among the largest MSAs by Latino population, just behind the Dallas Metro Area (with 2.19 million Latinos) and ahead of the Phoenix Metro Area (with 1.52 million Latinos).

The 2018 Chicago Metro Latino GDP is \$97.5 billion, larger than the entire economy of Hawaii, New Hampshire or Idaho. The largest component of the Chicago Metro’s Latino GDP is personal consumption. Latino consumption in the Chicago Metro Area totaled more than \$73.0 billion in 2018, representing a consumption market larger than the entire economy of the state of Maine or North Dakota.

<b>Chicago Metro: Gross Domestic Product</b>	<b>Metro Latino GDP by Industry</b> <i>billions of dollars</i>	<b>Metrowide GDP by Industry</b> <i>billions of dollars</i>
Agricultural/Natural Resources	0.2	0.3
Mining/Quarrying	0.1	0.4
Construction	5.7	23.7
Durables Manufacturing	9.8	39.8
Non-Durables Manufacturing	8.4	46.1
Wholesale Trade	5.5	56.8
Retail Trade	5.8	33.8
Transportation/Warehousing/Utilities	7.7	36.0
Information/Technology	2.0	25.3
Finance/Insurance/Real Estate	9.3	164.4
Professional/Business Services	11.1	108.4
Education/Healthcare/Social Assistance	14.1	60.5
Leisure/Hospitality	8.9	30.6
Personal/Repair/Maintenance Svcs	2.6	16.4
Government Services	6.5	59.6
<b>Total All Industries</b>	<b>97.5</b>	<b>702.0</b>

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

The Chicago Metro’s top five 2018 Latino GDP sectors are: Education & Healthcare (\$14.1 billion), Professional & Business Services (\$11.1 billion), Durable Goods Manufacturing (\$9.8 billion), Finance & Real Estate (\$9.3 billion), and Leisure & Hospitality (\$8.9 billion).

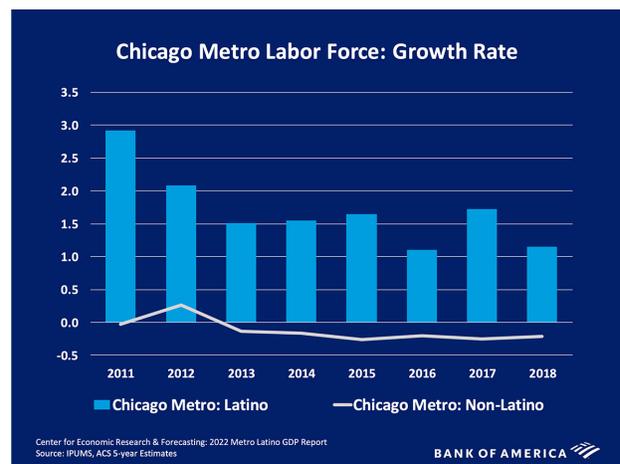
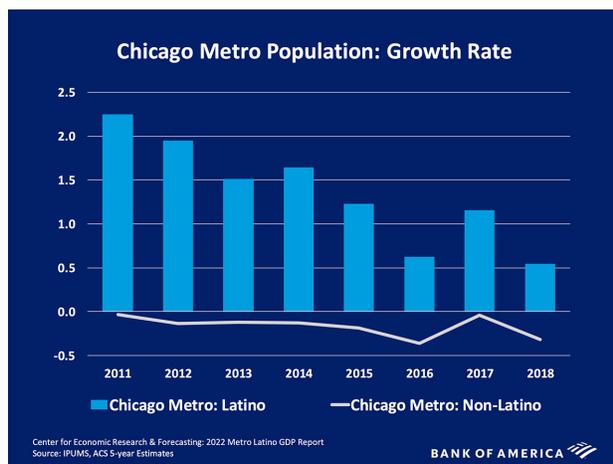
The Chicago Metro Area’s Latino economy is highly diversified. Strikingly, seven different industry sectors account for out-sized shares of the Chicago Metro Latino GDP. For example, while Education & Healthcare account for only 8.6 percent of the overall Chicago Metro GDP, they account for 14.4 percent of the Metro Area’s Latino GDP. While Durables Manufacturing accounts for only 5.7 percent of the overall Chicago Metro GDP, it accounts for 10.0 percent of the Metro Area’s Latino GDP. Five other industry sectors account for a substantially larger share of the Chicago Metro Latino GDP than the industry’s corresponding share of the broader Chicago Area GDP. These include Construction, Non-Durables Manufacturing, Retail Trade, Transportation & Warehousing, and Leisure & Hospitality. It can be argued that the Latino component of the Chicago Metro economy is broader and more diversified than the Non-Latino component.



<b>Chicago Metro: 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	0.2	0.0
Mining/Quarrying	0.1	0.1
Construction	5.8	3.4
Durables Manufacturing	10.0	5.7
Non-Durables Manufacturing	8.6	6.6
Wholesale Trade	5.6	8.1
Retail Trade	5.9	4.8
Transportation/Warehousing/Utilities	7.9	5.1
Information/Technology	2.0	3.6
Finance/Insurance/Real Estate	9.5	23.4
Professional/Business Services	11.4	15.4
Education/Healthcare/Social Assistance	14.4	8.6
Leisure/Hospitality	9.2	4.4
Personal/Repair/Maintenance Svcs	2.6	2.3
Government Services	6.7	8.5
<b>Total All Industries</b>	<b>100</b>	<b>100</b>

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

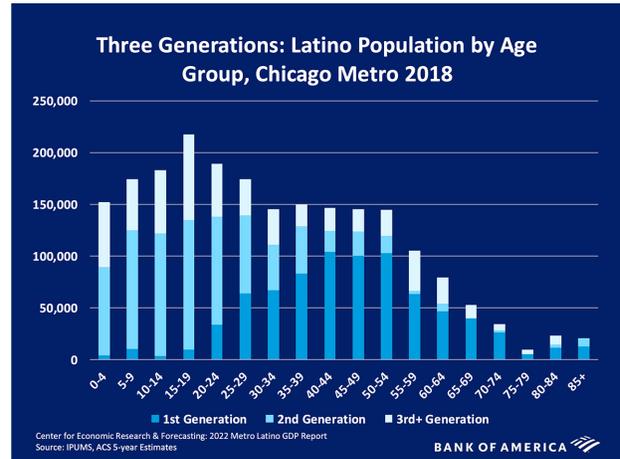
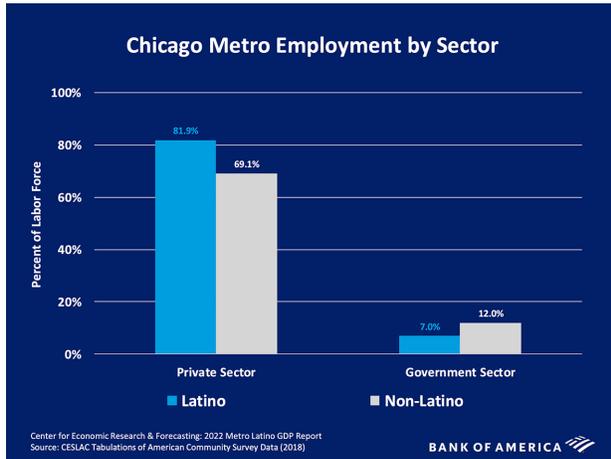
As in the state of Illinois at large, Latinos are making strong and consistent contributions to the Chicago Metro Area’s population and labor force. In fact, were it not for Latinos, both the population and labor force of the Chicago Metro Area would have contracted from 2010 to 2018. The Non-Latino population of the Chicago Metro declined in every year from 2010 to 2018, declining by an average of 12,500 people per year. During those same years, the Metro Area’s Latino population grew by an average of 26,800 people per year. Overall population growth remained positive because of the contribution of Latinos.



Following a similar trajectory to the Metro Area’s population, the Non-Latino component of the Chicago Metro’s labor force shrank in every year from 2012 to 2018. Meanwhile Latinos added to the Metro Area labor force in every year. From 2010 to 2018, Latinos added an average of 16,600

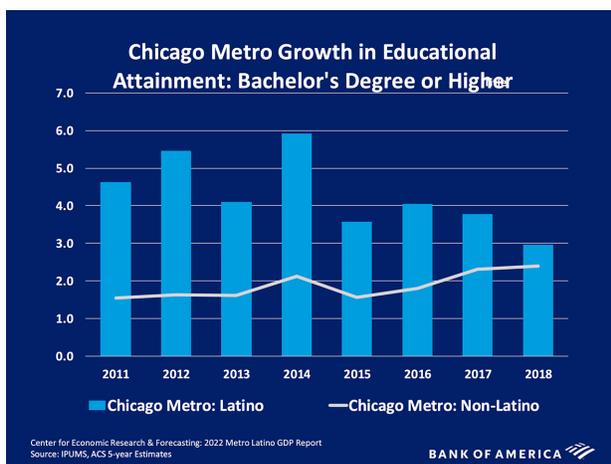


workers per year to the Metro Area's labor force. Non-Latinos subtracted an average of nearly 5,100 workers per year.



In addition to growing more rapidly, the composition of the Chicago Latino labor force is different in meaningful ways than the Non-Latino labor force. First, Chicago 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. As noted previously, a younger age distribution explains much of the Latino labor force growth premium. In the Chicago 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 Chicago Metro Area, the state and the nation.

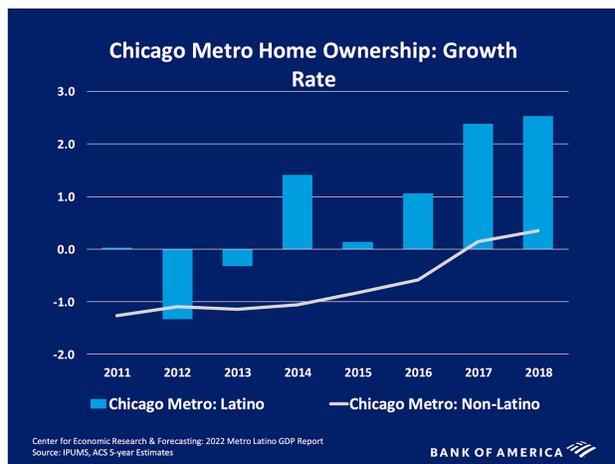
As with larger geographies, the economic contribution of Latinos in the Chicago Metro Area is driven by rapid gains in human capital and a strong work ethic. From 2010 to 2018, Latino educational attainment grew at a rate 2.5 times faster than the educational attainment of Chicago Metro Non-Latinos.





Over those 9 years, Chicago Metro Latinos' labor force participation rate was an average of 4.6 percentage points higher than Non-Latinos. In 2018, Latino labor force participation was 4.7 percentage points higher.

As with the larger geographies already highlighted in this report, Latinos provide a very large and positive demographic punch in the Chicago Metro Area through both the addition of workers and the formation of households. From 2010 to 2018, were it not for Latinos, the number of households in the Chicago Metro Area would have declined. During those years, the number of Chicago Metro's Latino households grew by 14.3 percent even as the number of Non-Latino households declined by 0.4 percent.



The growth of Latino households is accompanied by strong growth of Latino home ownership. As with Households, were it not for Latinos, the number of home owners in the Chicago Metro Area would have declined. In fact, the number of Non-Latino home owners declined in every year from 2010 to 2016. During those years, the number of Non-Latino homeowners declined by 5.4 percent. Meanwhile, homeownership among Latinos grew by 6.0 percent.

<b>Chicago Metro: Headline Characteristics</b>			
	<b>Chicago-Naperville-Elgin, IL-IN-WI Metro Area</b>		
	Latino	All Ethnicities	Latino Share of MSA (percent)
Gross Domestic Product (\$-billions)	97.5	702.0	13.9
Personal Consumption Expenditures (\$-billions)	73.0	n/a	n/a
Population (thousands)	2,128.3	9,497.8	22.4
Labor Force (thousands)	1,087.4	5,092.2	21.4
Employment (thousands)	1,018.9	4,802.0	21.2
Households (thousands)	579.3	3,538.1	16.4
Home-Owning Households (thousands)	314.3	2,291.9	13.7
Education of BA/BS or higher (thousands)	177.4	2,497.0	7.1

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

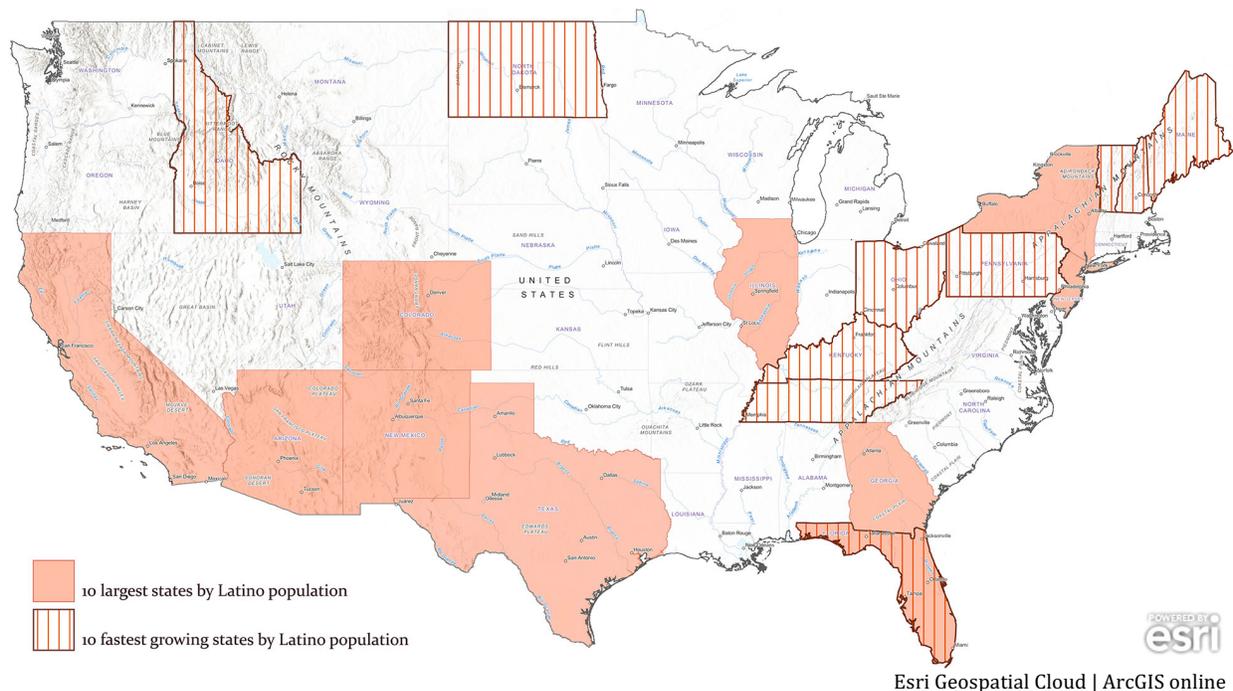


## The Geography of the Latino GDP

Seeing the dramatic economic impact of Latinos living in the Chicago Metro Area and in Illinois more broadly, one might be misled to think that this extraordinary impact must be concentrated within a narrow geographic region. In fact, the Chicago Metro Area and the state of Illinois 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<sup>4</sup>. 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



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.

<sup>4</sup> 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.<sup>5</sup> 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.

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

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<sup>5</sup> 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.



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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