

2023 Metro Latino GDP Report



Charlotte - Concord - Gastonia

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2023 Metro Latino GDP Report: Charlotte – Concord – Gastonia 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.

The region represented by the states of North Carolina and South Carolina entered this global economy in 1566. In that year Pedro Menendez de Aviles founded the town of Santa Elena, on today's Parris Island, and brought farmers to initiate economic activity. Tobacco seeds from New Spain launched the tobacco industry along the Atlantic coast, and the tobacco trade connected the Carolinas to New Spain for the centuries that followed. As early as 1814, tobacco grown in the Carolinas was shipped to New Spain, particularly to Cuba, where it was made into "Cuban cigars" which were shipped back to the United States. During the 19th century, Latinos built sawmills in the Carolinas in order to export lumber to the Caribbean. Latinos also published an English-language newspaper, *The State*, that has continued into the 21st century.

Immigration from the countries that emerged out of New Spain has continued during the 20th and 21st centuries, bringing businesspeople such as cigar manufacturers, athletes such as baseball players and hardworking braceros to the Carolinas. These newer arrivals have established businesses, including grocery stores offering Latino products and restaurants specializing in Latin American dishes. They also have organized community centers, such as the Circulo Hispanoamericano de Charleston and El Centro Hispano in Durham. Spanish language content has been spread by print, radio and television media. Latino artists and musicians have made their home in the Carolinas, and Hispanic Heritage celebrations have been organized since 1976.

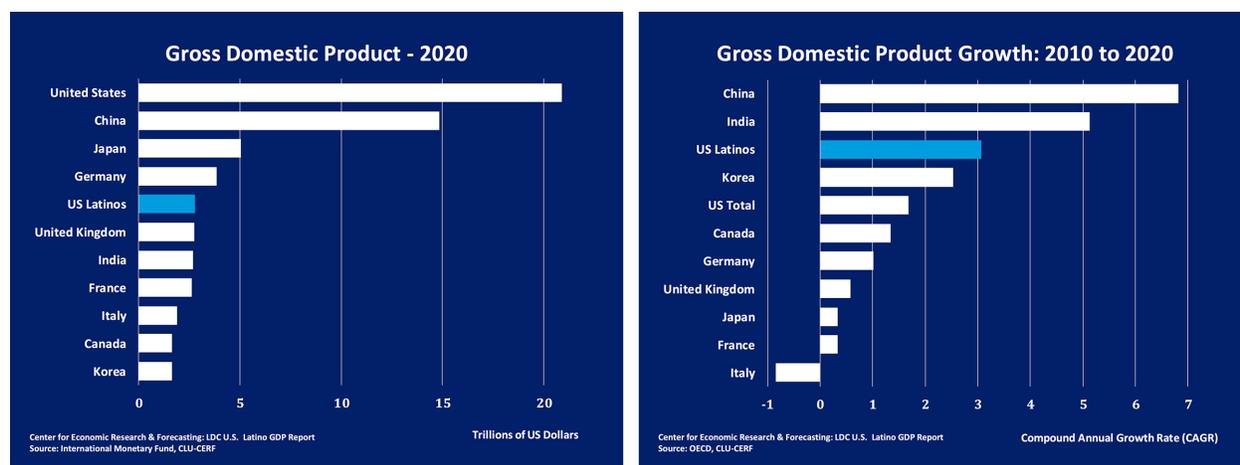
Latinos in the Charlotte metropolitan area are poised to help power the region's economy into the mid-21st century as they add their population growth, work ethic and family values to the local economy. As we consider the large and rapidly growing economic contribution of Latinos living in the Charlotte Metro Area and across the Carolinas, it is important to understand that this impact is not new. Instead, it is the continuation of a centuries-old tradition – a tradition of Latinos providing economic strength and resiliency for the benefit of all people.



U.S. Latino GDP

The *2022 LDC U.S. Latino GDP Report*¹ 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 2020. Thus, the report provides a snapshot of the total economic contribution of U.S. Latinos in that year².

As a summary statistic for the economic performance of Latinos, the 2020 U.S. Latino GDP is extraordinary. The total economic output (or GDP) of Latinos in the United States was \$2.8 trillion in 2020, up from \$2.1 trillion in 2015, 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 fifth largest GDP in the world, larger even than the GDPs of the United Kingdom, India or France.



While impressive for its size, the U.S. Latino GDP is most noteworthy for its rapid growth. From 2010 to 2020, the U.S. Latino GDP was the third fastest growing among the 10 largest GDPs, while the broader U.S. economy ranked fifth. Over that entire period, the growth of U.S. Latino GDP was 2.6 times that of Non-Latino GDP.

According to the dominant narrative, Latinos as a demographic cohort should have been knocked down by the COVID-19 Pandemic. Examining the impacts of COVID-19 on Latinos through the lens of the Latino GDP reveals a very different story. In 2020, in the face of the pandemic, the strength of U.S. Latinos was sufficient for the U.S. Latino GDP to jump three spots, beginning the pandemic as the eighth largest GDP and finishing 2020 as the fifth largest.

The performance of Latinos during the pandemic is exemplified by income data. From 2010 to 2020, Latinos enjoyed significantly higher wage and salary income growth than Non-Latinos. During those years, Latino real income grew an average of 4.3 percent per year compared to only

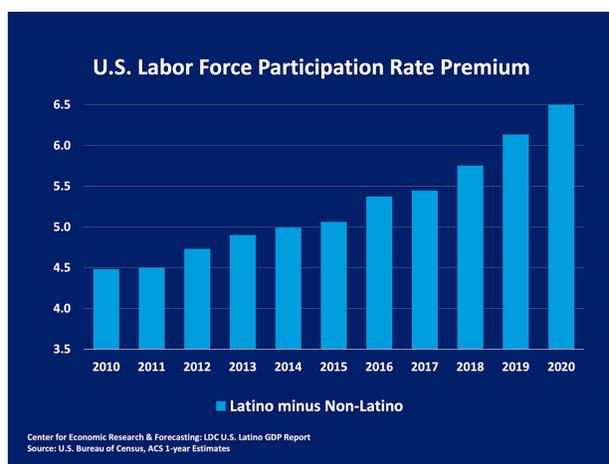
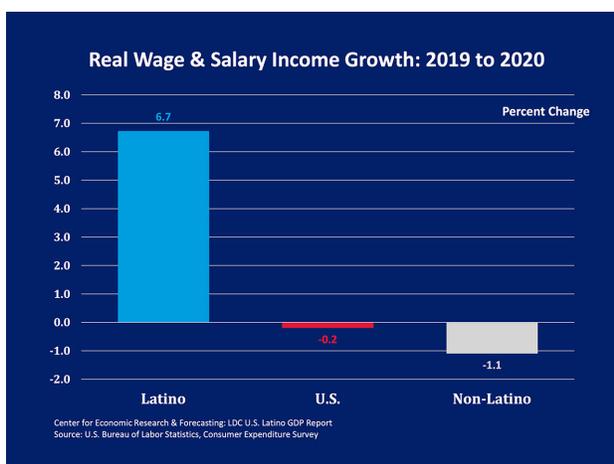
¹ 2020 LDC U.S. Latino GDP Report: http://blogs.callutheran.edu/cerf/files/2023/04/2022_USLatinoGDP_CERF.pdf

² 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.



2.1 percent for Non-Latinos. 2020 was exceptional. Despite the extraordinary challenges presented by the pandemic, Latino real wage and salary income surged 6.7 percent. Meanwhile, Non-Latino income shrank by 1.1 percent.

Latino incomes surged due to Latinos' tremendous work ethic during the pandemic. In 2019, prior to the onset of COVID-19, Latino labor force participation (LFP) was a record 6.1 percentage points higher than Non-Latino. By April 2020, with the onset of government-mandated shutdowns, both Latino and Non-Latino LFP saw sharp declines. Yet, it was evident from the earliest months of the pandemic that Latinos would press through each subsequent wave of disease transmission and the re-imposition of lockdowns. In each case, they returned to work with urgency. In 2020, the Latino labor force participation rate premium hit a new all-time high, when U.S. Latinos were 6.5 percentage points more likely than their Non-Latino counterparts to be actively working or seeking work.



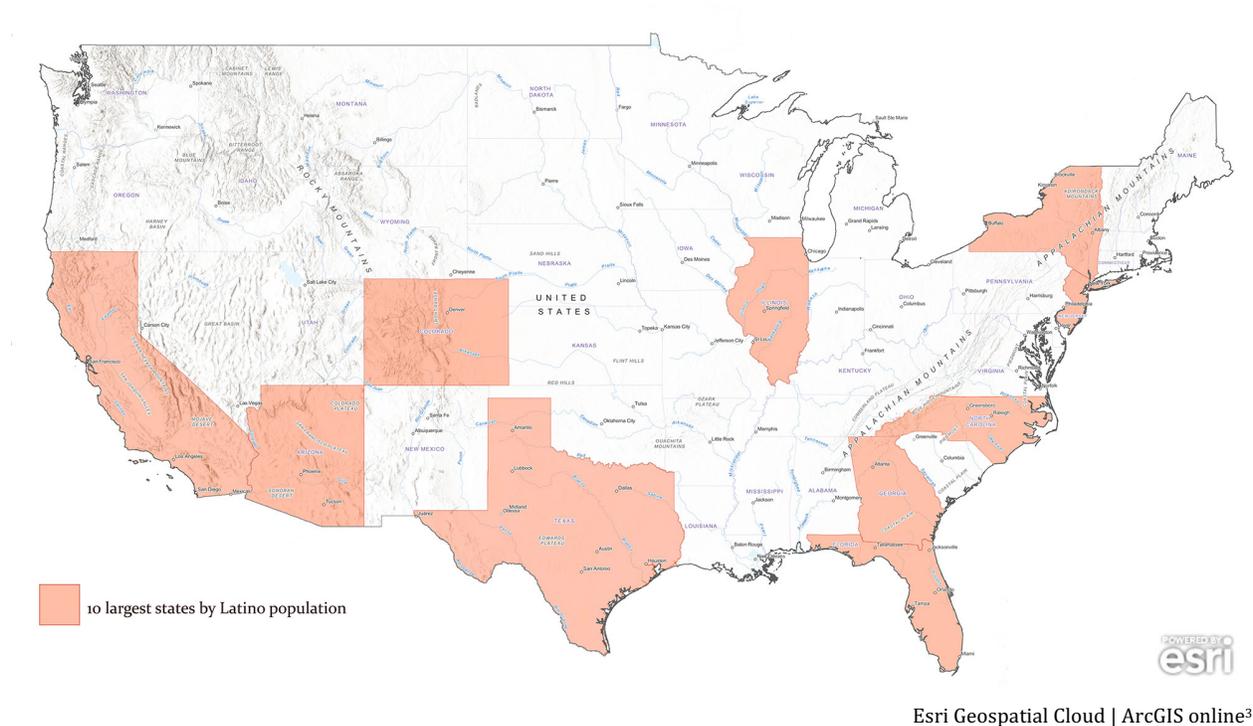
As a result of the hard work and persistence of Latinos, Latino economic performance during the pandemic year of 2020 was strong by any comparison. In 2020, Latino real GDP did contract, however the contraction was small. Real U.S. Latino GDP contracted by 0.8 percent compared to a 4.4 contraction for Non-Latino GDP. India's GDP contracted by 7.1 percent. France's contracted by 8.2 percent, and the United Kingdom's contracted by an astonishing 9.8 percent. Among the largest countries on the world stage, only China experienced stronger growth than the U.S. Latino GDP.

None of this is to make light of the hardship that Latinos endured during the pandemic. Because of a historic lack of investment in health infrastructure for Latino communities, because of their strong work ethic and unique family structure, Latinos were among the groups hardest-hit by COVID-19. This occurred despite Latinos' superior health outcomes which prevailed in the decade prior to the pandemic. Coming out of nowhere, COVID-19 very suddenly became the number one cause of death for Latinos as opposed to only the number 3 cause of death nationally. Yet, we find that the economic data published in this report honor the sacrifices made by Latinos and illustrate just how remarkable Latino strength and resilience really is. It also highlights just how much the broader U.S. economy benefited from that strength during the pandemic. Latinos were a critical source of resilience, not just for their own families and communities, but for the U.S. economy as a whole.



State Latino GDP: 10 Largest States by Latino Population

The U.S. Latino GDP represents a large and diverse economy which provides an engine for growth and, more importantly than ever before, a critical source of resiliency for the U.S. economy. The geographic distribution of the economic impact of Latinos is also very wide.



In 2020, more than three-quarters of the country's Latino population lived within just ten states. In that year, Arizona, California, Colorado, Florida, Georgia, Illinois, New Jersey, New York, North Carolina and Texas were collectively home to over 46 million Latinos, or 75% of the U.S. Latino population. In the *Bank of America State & Metro Latino GDP Reports*⁴, we provide detailed analysis of state-level Latino GDPs and find that these ten states had a combined 2018 Latino GDP of \$2.06 trillion, representing nearly 80 percent of the U.S. Latino GDP. Aggregate consumption by Latinos in all 10 states is \$1.4 trillion, representing 80 percent of total consumption by all U.S. Latinos.

California's 2018 Latino GDP is \$707 billion. If it were its own state, the California Latino GDP would be the 7th 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 North Carolina is \$36.9 billion, larger than the entire economy of Vermont.

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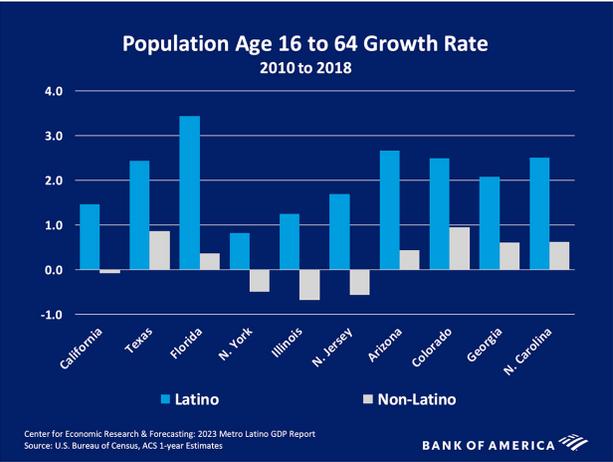
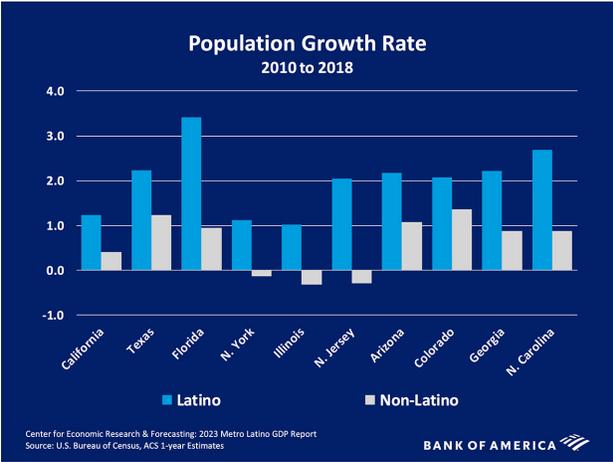
⁴ Hamilton, D., M. Fienup, D. Hayes-Bautista, & P. Hsu. 2022-23. "Bank of America Metro Latino GDP Report." Sponsored by the Bank of America Charitable Foundation. <https://www.clucerf.org/2022-metro-latino-gdp/>



Ten Largest States by Latino Population		
	Latino GDP	Share of U.S. Latino GDP
	<i>billions of dollars</i>	<i>percent</i>
California	706.6	27.2
Texas	476.0	18.3
Florida	258.9	10.0
New York	202.3	7.8
Illinois	100.1	3.9
New Jersey	96.9	3.7
Arizona	91.9	3.5
Colorado	55.2	2.1
Georgia	37.9	1.5
North Carolina	36.8	1.4
Total of 10 states	2,063	79.5

Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF 2023 Metro Latino GDP Report

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, 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 3.6 times faster than population growth among Non-Latinos.

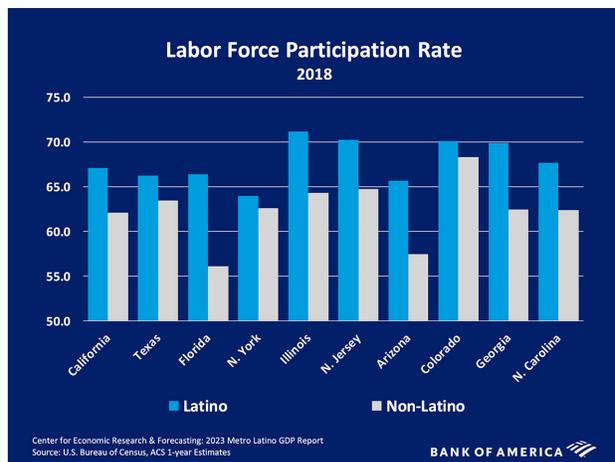
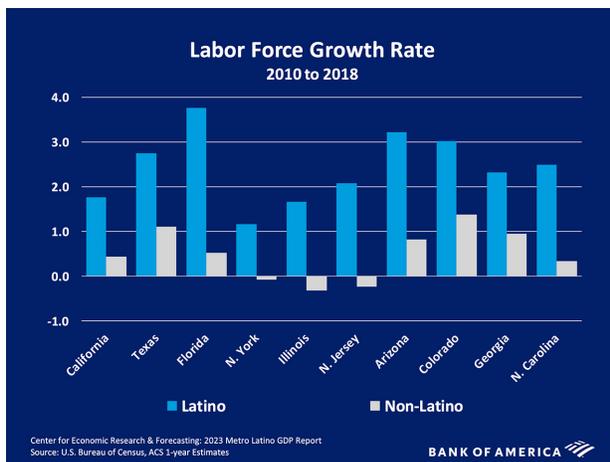


In addition to having a population that is growing more rapidly, Latinos have a younger median age than Non-Latinos. In 2018, the median age for U.S. Latinos was 29.5 years. For Non-Latinos, it was 40.6 years. Due to their age distribution, Latinos are adding substantial numbers of people in each



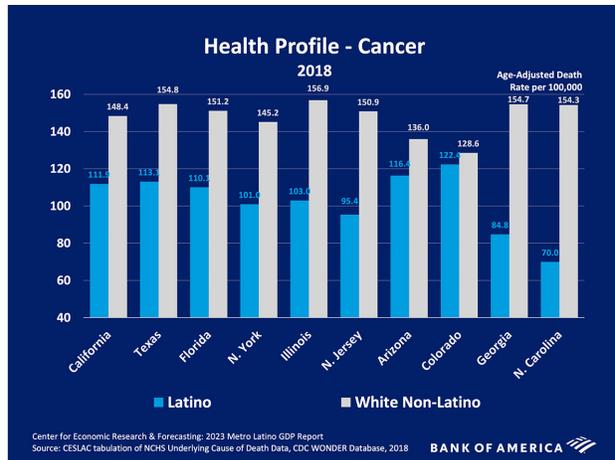
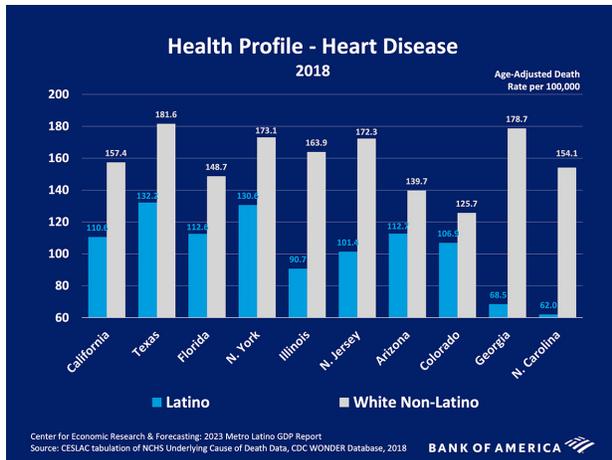
of the 10 states to the critical category of working age adults, defined as ages 16-64. Meanwhile, Non-Latinos are experiencing a high concentration of population in the 55-64 year age range, the cohort of near-retirees. Were it not for Latinos, the working age populations of California, Illinois, New Jersey, and New York would have contracted from 2010 to 2018. Only six of the 10 states have growing Non-Latino working age populations: Arizona, Colorado, Florida, Georgia, North Carolina, 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. Six 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 in 2018. 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 percentage points in Georgia, and 6.9 percentage points in Illinois. North Carolina's participation premium is also larger than the nation's, at 5.6 percentage points.

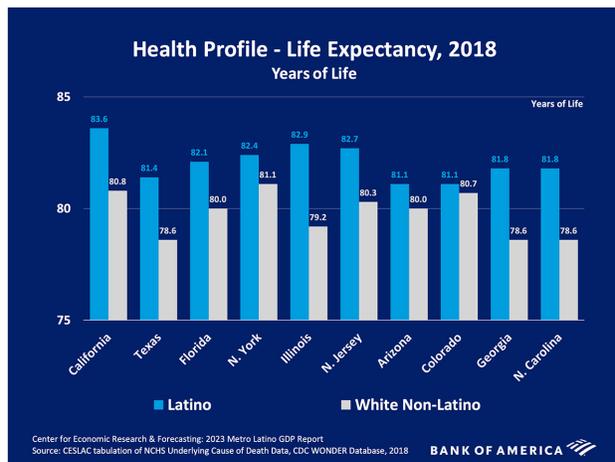
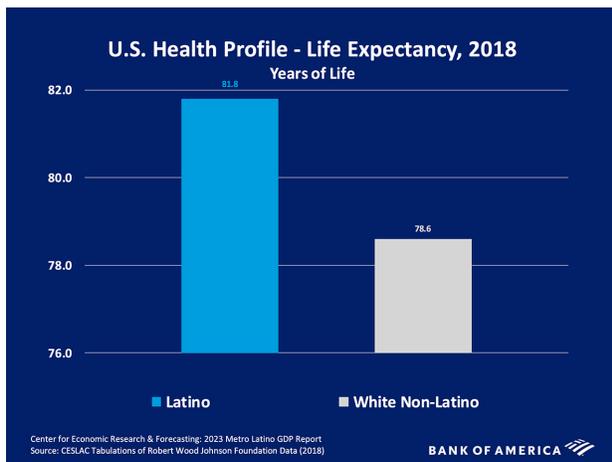


The younger age distribution, strong population growth, and higher labor force participation rate of Latinos in the 10 states have resulted in strong and consistent contributions to each state's labor force. Despite being only 28 percent of the population of the 10 states, Latinos are responsible for 61 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 and cancer, shown below, followed by 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 approximately one-half year longer than that of non-Hispanic 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-Hispanic 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-Hispanic 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: The Carolinas

North Carolina's 2018 Latino GDP is \$36.9 billion, while South Carolina's is \$11.3 billion. North Carolina's top four 2018 Latino GDP sectors are: Government Services (15.1% share of North Carolina GDP), Non-Durables Manufacturing (14.0%), Construction (11.3%), and Finance & Real Estate (11.1%). South Carolina's top four 2018 Latino GDP sectors are: Construction (14.4%), Finance & Real Estate (12.4%), Government (11.9%), and Durables Manufacturing (10.8%).



Carolinas: Gross Domestic Product

	North Carolina			South Carolina		
	<i>Latino GDP</i>	<i>Industry Share of Latino GDP</i>	<i>Industry Share of Statewide GDP</i>	<i>Latino GDP</i>	<i>Industry Share of Latino GDP</i>	<i>Industry Share of Statewide GDP</i>
	<i>billions of dollars</i>	<i>percent</i>	<i>percent</i>	<i>billions of dollars</i>	<i>percent</i>	<i>percent</i>
Agricultural/Natural Resources	0.6	1.6	0.8	0.1	0.6	0.5
Mining/Quarrying	0.0	0.0	0.1	0.0	0.0	0.2
Construction	4.2	11.3	3.8	1.6	14.4	5.3
Durables Manufacturing	3.5	9.5	7.9	1.2	10.8	10.0
Non-Durables Manufacturing	5.2	14.0	9.6	0.9	7.9	6.4
Wholesale Trade	2.0	5.3	5.7	0.5	4.4	5.8
Retail Trade	1.6	4.4	5.1	0.8	6.8	6.5
Transportation/Warehousing/Utilities	1.0	2.6	3.8	0.4	3.7	4.8
Information/Technology	0.6	1.6	3.6	0.3	2.8	3.1
Finance/Insurance/Real Estate	4.1	11.1	20.3	1.4	12.4	17.0
Professional/Business Services	3.5	9.6	12.1	0.9	7.6	10.8
Education/Healthcare/Social Assistance	2.0	5.3	7.9	0.5	4.6	7.3
Leisure/Hospitality	2.4	6.4	3.8	1.0	9.2	4.9
Personal/Repair/Maintenance Svcs	0.8	2.1	2.0	0.3	2.9	2.3
Government Services	5.6	15.1	13.3	1.4	11.9	15.3
Total All Industries	36.9	100	100	11.3	100	100

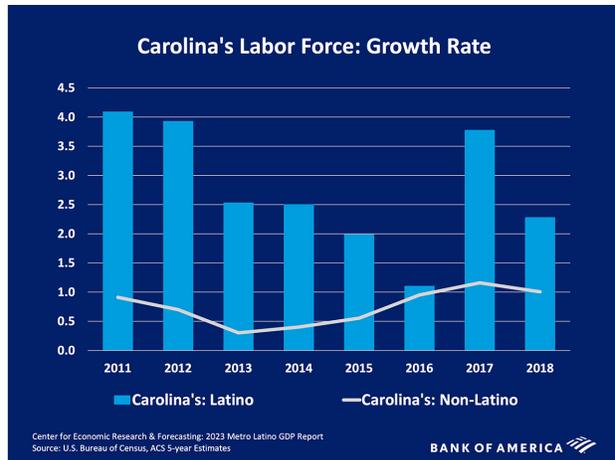
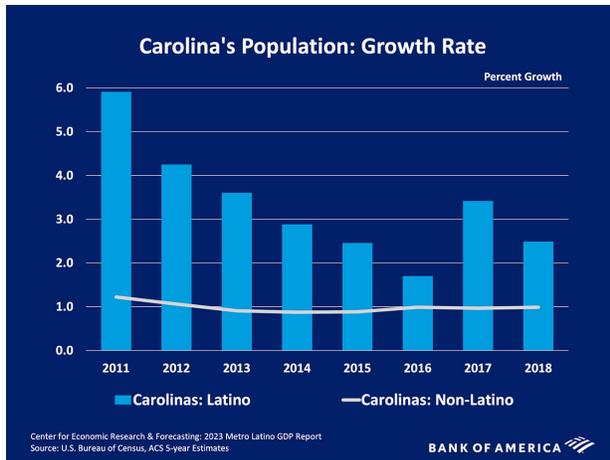
Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF

Five different industry sectors account for out-sized shares of North Carolina’s Latino GDP. For example, while Construction accounts for only 3.8 percent of North Carolina GDP, it accounts for 11.3 percent of the North Carolina Latino GDP. Durables Manufacturing, Non-Durables Manufacturing, Leisure & Hospitality, and Government Services also account for a significantly larger share of the North Carolina Latino GDP than the corresponding share of the broader state GDP.

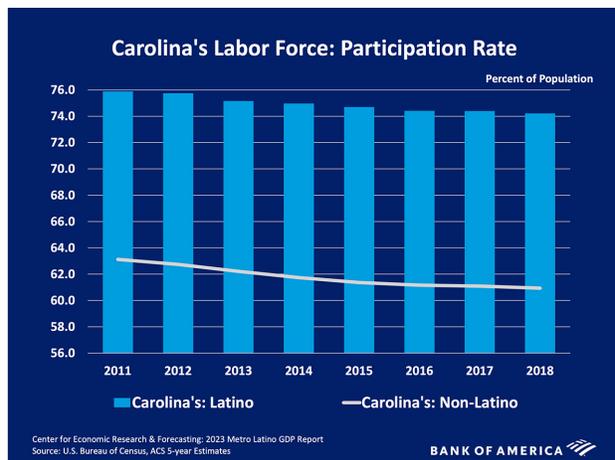
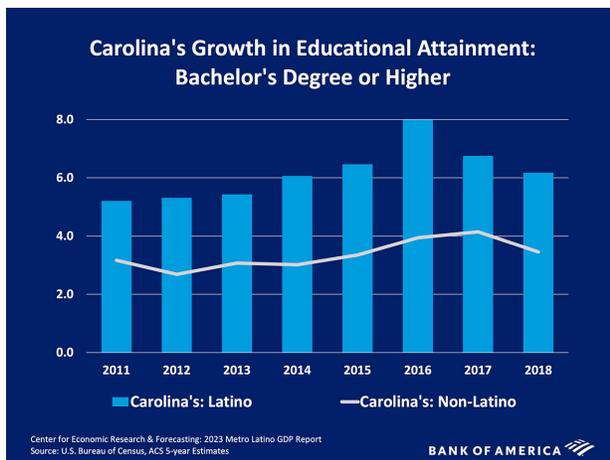
Similarly, four different industry sectors account for out-sized shares of South Carolina’s Latino GDP. While Construction accounts for only 5.3 percent of South Carolina GDP, it accounts for a remarkable 14.4 percent of the South Carolina Latino GDP. Durables Manufacturing, Non-Durables Manufacturing, and Leisure & Hospitality also account for a significantly larger share of the South Carolina Latino GDP than the corresponding share of the broader state GDP.

In general, the Carolinas’ Latino economy is broad and diversified. In this way, not only are Latinos an engine of economic growth, but they also provide a broad foundation of support for the states’ economies.

Latinos are making strong and consistent contributions to the Carolinas’ population and labor force. While the population of the Carolinas increased steadily from 2010 to 2018, Latino population growth was more than three and a half times that of Non-Latinos. From 2010 to 2018, Carolina Non-Latino population grew by just over 8 percent. Over that same period, the states’ Latino population grew by 30 percent. The Latino labor force growth premium is even more impressive. From 2010-18, the Carolina Latino labor force grew four times as quickly as the Non-Latino labor force (24.5 percent growth for Latinos compared to 6.1 percent for Non-Latinos).

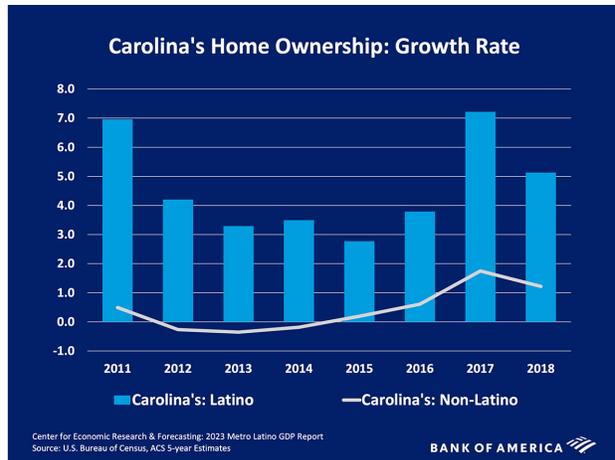
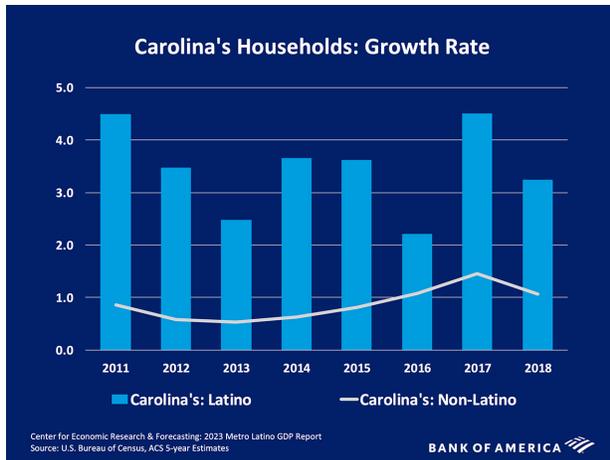


The economic contribution of Latinos in the Carolinas, as with U.S. Latinos broadly, is driven by rapid gains in human capital, strong work ethic, and a positive health profile. From 2010 to 2018, Latino educational attainment grew at a rate 2.0 times faster than the educational attainment of Non-Latinos. Over those 9 years, Carolina Latinos' labor force participation rate was an average of an extraordinary 13.2 percentage points higher than Non-Latinos.



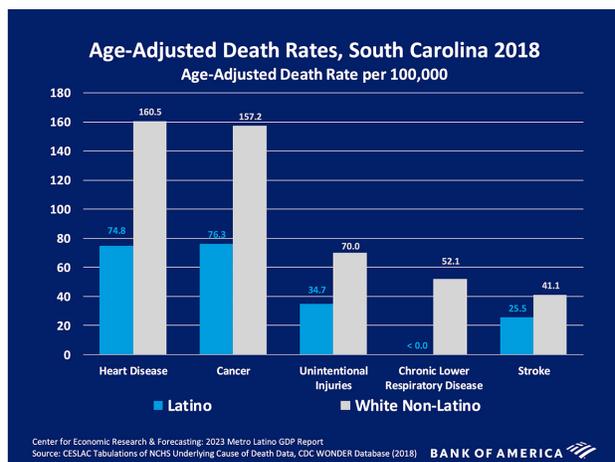
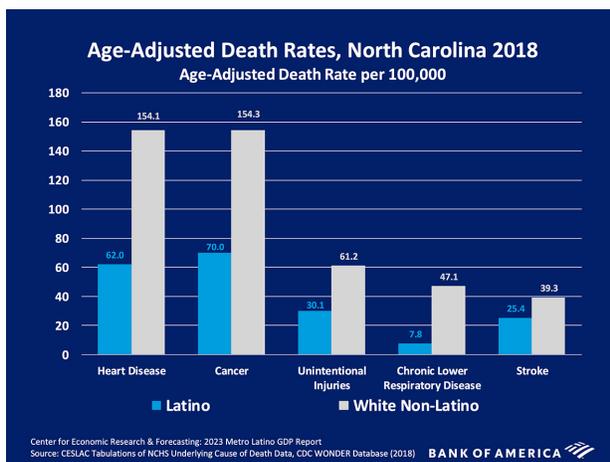
Latinos provide a very large and positive demographic punch in the Carolinas through both the addition of workers and the formation of households. The number of Latino households grew at a rate 4.3 times that of Non-Latinos. From 2010 to 2018, the number of Latino households in the Carolinas grew 31.3 percent, while the number of Non-Latino households grew just 7.2 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. Remarkably, Carolina Latino home ownership grew strongly every year from 2010 to 2020. Meanwhile, non-Latino home ownership actually declined in 2012, 2013 and 2014. Over the entire period from 2010 to 2018, the number of Non-Latino homeowners in the Carolinas grew just 3.5 percent. During those same years, the number of Latino homeowners in the Carolinas grew an extraordinary 43.2 percent.



As in the United States more broadly, Latinos in both the Carolinas boast stronger health outcomes than their non-Latino counterparts. In the U.S. in 2018, the top five causes of death were heart disease, cancer, unintentional injuries, chronic lower respiratory disease and stroke. In the Carolinas, Latino age-adjusted mortality rates for all five causes of death are lower than rates for Non-Hispanic Whites. Latino rates range from approximately 35 to more than 60 percent lower. North Carolina Latinos' age-adjusted mortality rate is 60 percent lower than the state's White Non-Latinos for cancer and 55 percent lower for heart disease. South Carolina Latinos' rates are 53 percent lower for cancer and 51 percent lower for heart disease.

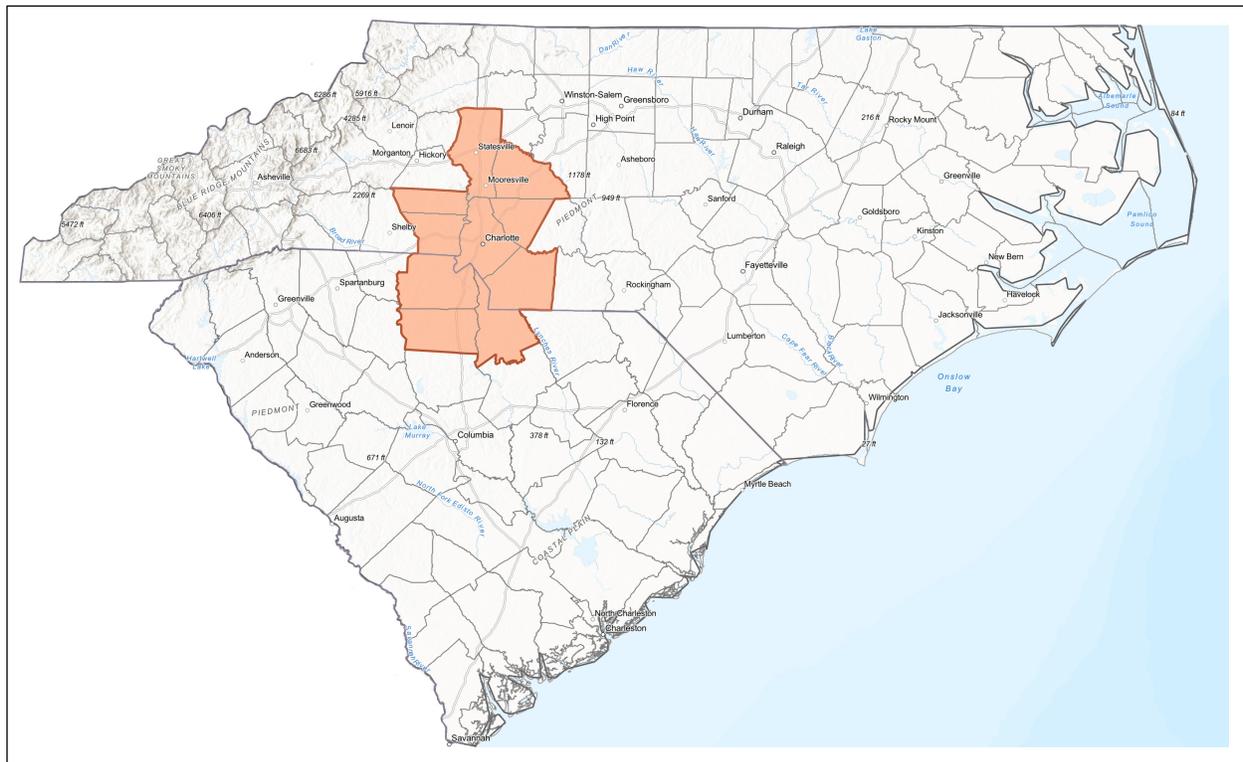
The Latino lifestyle that produces good health begins at birth. Babies born with low birth weight (5.5 pounds or less) are at higher risk of infant mortality and a range of health conditions, such as heart disease, later in life. In the Carolinas as in the nation, Latinos babies are less likely to begin life with low birth weight compared to non-Latino babies. This healthy lifestyle continues to produce good health outcomes even in old age. North Carolina and South Carolina Latinos enjoy greater longevity, with a life expectancy that is more than three years longer than Non-Hispanic Whites (81.8 years compared to 78.6 in North Carolina and 81.4 years compared to 78.1 in South Carolina).



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



Metro Latino GDP: Charlotte – Concord – Gastonia MSA



The Charlotte - Concord - Gastonia Metropolitan Statistical Area (MSA), is comprised of seven counties in North Carolina (Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, and Union) and 3 counties in South Carolina (Chester, Lancaster and York). The Charlotte Metro Area is the largest MSA in the Carolinas with a total population of 2.6 million people in 2018. In that year, the Charlotte MSA was the 23rd largest MSA in the United States, larger than the San Antonio Metro Area, in Texas.

Charlotte Metro: Latino Population (2018)		
State	County	Share of MSA Latino Population
North Carolina	Cabarrus	8.3
North Carolina	Gaston	5.9
North Carolina	Iredell	5.2
North Carolina	Lincoln	2.3
North Carolina	Mecklenburg	55.5
North Carolina	Rowan	4.8
North Carolina	Union	10.1
North Carolina Sub-total		92.3
South Carolina	Chester	0.3
South Carolina	Lancaster	1.9
South Carolina	York	5.6
South Carolina Sub-total		7.7
Total Share of MSA Latino Population		100

Source: Census Bureau, 5-year ACS



The Charlotte Metro Area had a 2018 Latino population of 270,000, representing 10.5 percent of the total Metro Area population. The seven Charlotte Metro Area Counties located in North Carolina are collectively home to 92.3 percent of the Metro Area’s total Latino population. More than fifty percent of the Metro Area’s Latino population lives in a single County, Mecklenburg.

The 2018 Charlotte Metro Area Latino GDP is \$12.9 billion, larger than the total economic output of each of 91 percent of the Counties in the United States. The largest component of the Charlotte Metro Area’s Latino GDP is personal consumption. Latino consumption in the Charlotte Metro totaled \$8.9 billion in 2018.

The Charlotte Metro Area’s top five 2018 Latino GDP sectors are: Finance & Real Estate (\$2.4 billion), Construction (\$2.3 billion), Government Services (\$1.4 billion), and Professional & Business Services and Wholesale Trade (both \$1.1 billion).

Charlotte 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	0.6
Mining/Quarrying	0.0	0.3
Construction	2.3	8.8
Durables Manufacturing	0.5	9.3
Non-Durables Manufacturing	0.9	8.1
Wholesale Trade	1.1	12.5
Retail Trade	0.7	8.2
Transportation/Warehousing/Utilities	0.6	10.6
Information/Technology	0.2	8.9
Finance/Insurance/Real Estate	2.4	48.5
Professional/Business Services	1.1	25.2
Education/Healthcare/Social Assistance	0.4	9.1
Leisure/Hospitality	0.9	7.9
Personal/Repair/Maintenance Svcs	0.3	3.3
Government Services	1.4	14.7
Total All Industries	12.9	176.0

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

The Charlotte Metro Area’s Latino economy is highly diversified. Six different industry sectors account for out-sized shares of the Charlotte Metro’s Latino GDP. For example, while Construction accounts for only 5.0 percent of the overall Charlotte Metro GDP, it accounts for a remarkable 17.4 percent of the Metro area’s Latino GDP. While Non-Durables Manufacturing accounts for only 4.6 percent of the overall Charlotte Metro GDP, it accounts for 7.0 percent of the Metro Area’s Latino GDP.

Four other industry sectors account for a substantially larger share of the Charlotte Metro Area Latino GDP than the industry’s corresponding share of the broader Metro Area GDP. These include Wholesale Trade, Retail Trade, Leisure & Hospitality, and Government Services. In general, the Charlotte Metro Area’s Latino economy is broader and more diversified than the overall Charlotte Metro economy. As

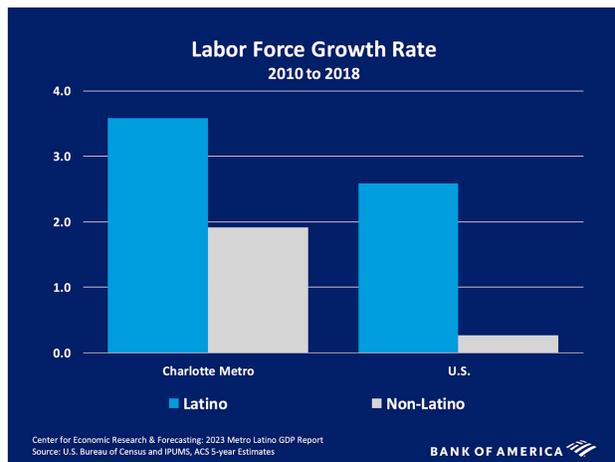
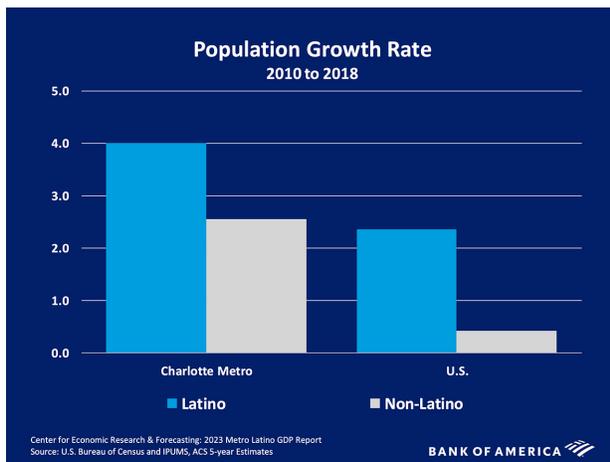


they do for the broader state and the Nation, Latinos provide a broad foundation of support for the Charlotte Metro Area’s economy.

Charlotte Metro: Gross Domestic Product		
	Metro Latino GDP Industry Share	Metrowide GDP Industry Share
	<i>percent</i>	<i>percent</i>
Agricultural/Natural Resources	0.5	0.3
Mining/Quarrying	0.1	0.2
Construction	17.4	5.0
Durables Manufacturing	4.1	5.3
Non-Durables Manufacturing	7.0	4.6
Wholesale Trade	8.4	7.1
Retail Trade	5.7	4.7
Transportation/Warehousing/Utilities	4.9	6.0
Information/Technology	1.4	5.0
Finance/Insurance/Real Estate	18.6	27.6
Professional/Business Services	8.8	14.3
Education/Healthcare/Social Assistance	2.8	5.2
Leisure/Hospitality	6.9	4.5
Personal/Repair/Maintenance Svcs	2.3	1.9
Government Services	11.1	8.4
Total All Industries	100	100

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

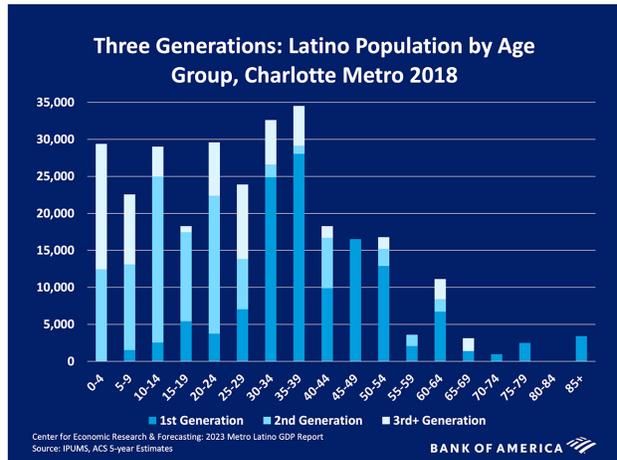
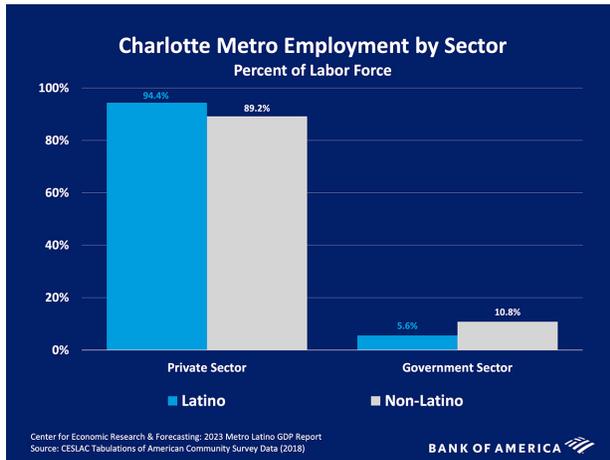
As in the Carolinas at large, Latinos are making strong and consistent contributions to the Charlotte Metro Area’s population and labor force. The Charlotte Metro’s Latino population is growing at a rate 1.7 times that of Non-Latinos. The Non-Latino population of the Charlotte Metro Area grew 22 percent from 2010 to 2018. During the same period, the Charlotte Metro Area’s Latino population grew nearly 37 percent.



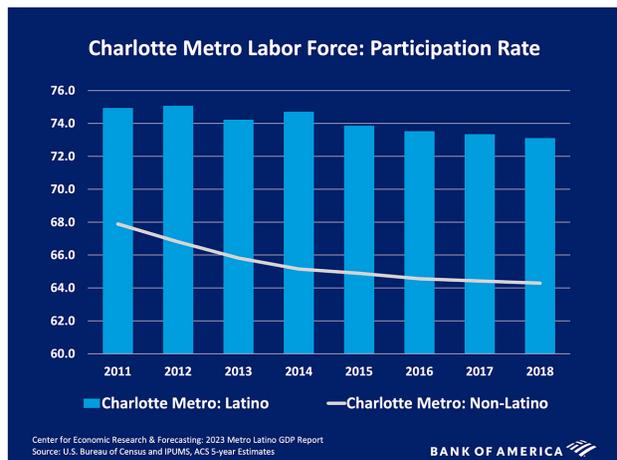
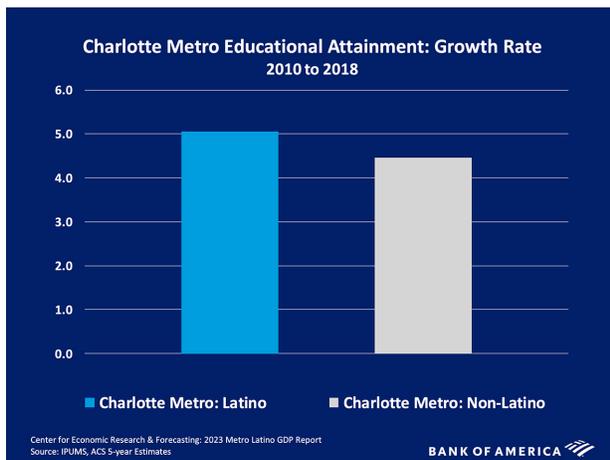
From 2010 to 2018, the Charlotte Metro Latino labor force grew by 33 percent. During those same years, the Charlotte Metro Non-Latino labor force grew by only 16 percent. In other words, the Latino component of the labor force grew at a rate two times faster than Non-Latino. And despite



being only 10.5 percent of the Metro Area’s population, Latinos are responsible for 17.3 percent of the growth of the labor force.



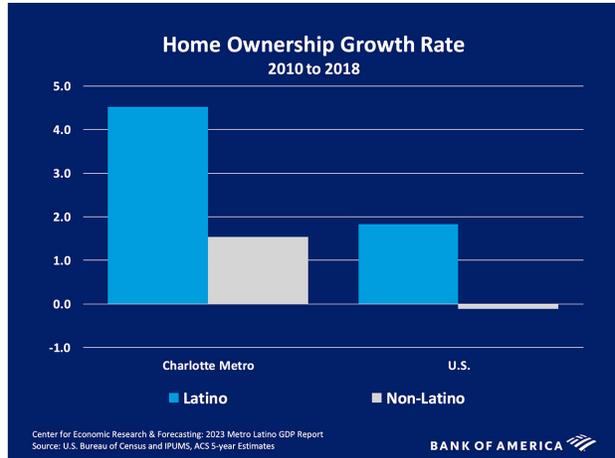
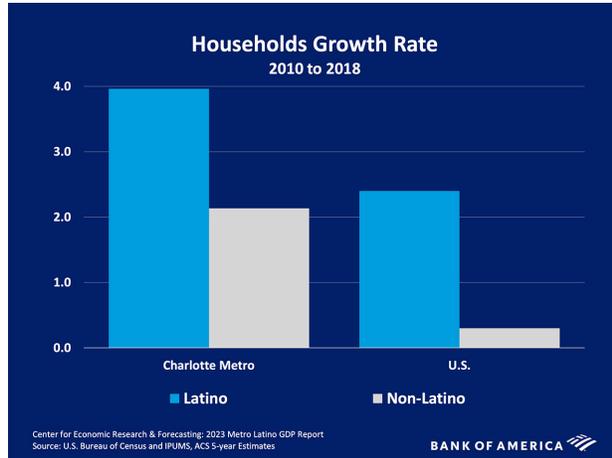
In addition to growing more rapidly, the composition of the Charlotte Metro Area Latino labor force is different in meaningful ways than the Non-Latino labor force. First, Charlotte Metro Latinos are more likely than Non-Latinos to choose work in the private sector compared to the government sector. Latino workers are also younger on average. In the Charlotte 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 Charlotte Metro Area, in the Carolinas, and the nation.



As with larger geographies, the economic contribution of Latinos in the Charlotte Metro Area is driven by rapid gains in human capital and a strong work ethic. From 2010 to 2018, the number of Latinos with a bachelor’s degree grew at a rate 1.2 times faster than that of Non-Latinos. Over those same years, Charlotte Metro Latinos’ labor force participation rate was an average of 8.5 percentage points higher than Non-Latinos’. This labor force participation premium increased every year from 2011 to 2014 and has remained high. In 2018, Latino labor force participation was a remarkable 8.8 percentage points higher than Non-Latino.



As with the larger geographies, Latinos provide a very large and positive demographic punch in the Charlotte Metro Area through both the addition of workers and the formation of households. From 2010 to 2018, the number of Latino households in the Charlotte Metro Area increased by 36.5 percent. During those same years, the number of Non-Latino households grew by only 18.4 percent.



The growth of Latino households is accompanied by growth of Latino homeownership. The number of Latino and Non-Latino homeowners in the Charlotte Metro Area increased every year from 2010 to 2018. Yet the number of Latino homeowners increased 3.3 times faster. From 2010 to 2018, the number of Charlotte Metro Latino homeowners increased 42 percent. During those same years, the number of Non-Latino homeowners increased only 13 percent.

Charlotte Metro: Headline Characteristics		Charlotte-Concord-Gastonia MSA		
		Latino	All Ethnicities	Latino Share of MSA percent
Gross Domestic Product (\$-billions)		12.9	176.0	7.3
Personal Consumption Expenditures (\$-billions)		8.9	n/a	n/a
Population (thousands)		269.9	2,569.2	10.5
Labor Force (thousands)		134.6	1,364.7	9.9
Employment (thousands)		128.4	1,306.1	9.8
Households (thousands)		73.0	960.3	7.6
Home-Owning Households (thousands)		34.4	631.2	5.5
Education of BA/BS or higher (thousands)		24.8	628.2	3.9

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 Charlotte Metro Area and the Carolinas more broadly, one might be misled to think that this extraordinary impact must be concentrated within a narrow geographic region. In fact, the Charlotte Metro Area and the Carolinas are merely examples of a nationwide phenomenon.

As we have noted for years, the story of the dramatic 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, Florida, and then California. Texas added just over 1 million Latinos from 2015 to 2020. Florida added nearly 800 thousand, and California added nearly 400 thousand. However, ranked by percentage growth, we see that the fastest growing state Latino populations are spread far and wide across the country. Comparing all 50 states, the three fastest growing states by Latino population from 2015 to 2020 are New Hampshire (with 28.2 percent growth of the Latino population), South Dakota (23.0 percent), and Maine (19.7 percent). These three are followed, in order, by North Dakota, Pennsylvania, Idaho, Vermont, Tennessee, Ohio and Alabama.

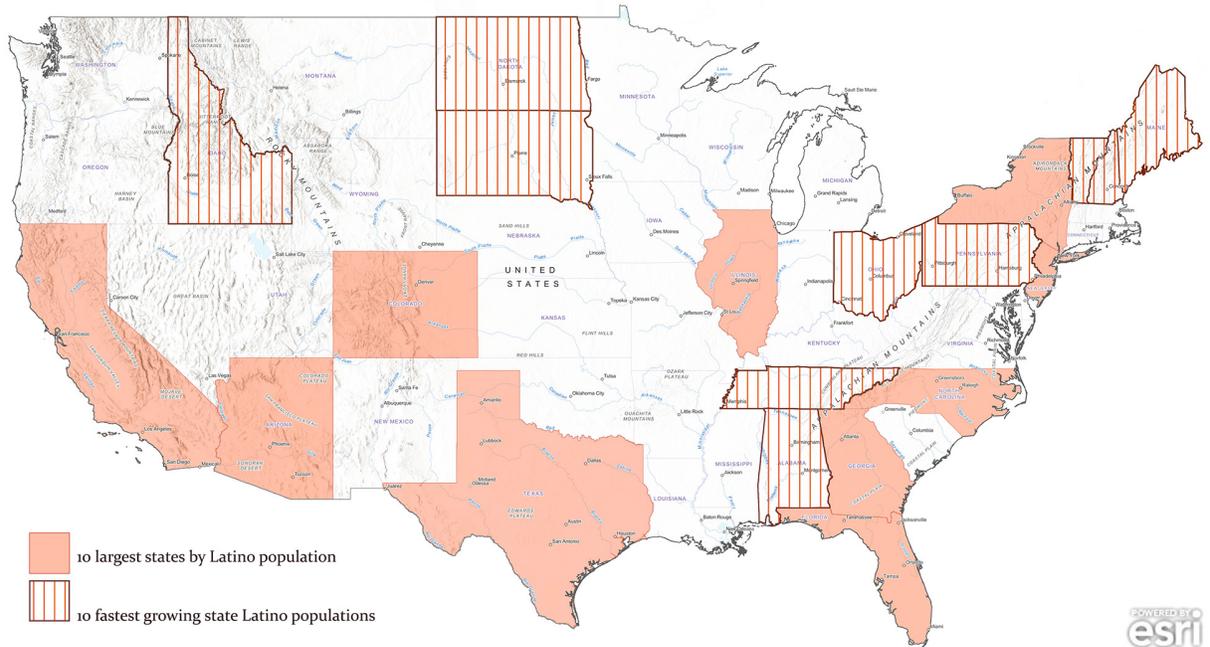
Fastest Growing States by Latino Population (2015-2020)						
All 50 States					States with 500,000 or more Latinos	
People			Percent Change		Percent Change	
Rank	State	Latino Pop. Growth	State	Latino Pop. Growth	State	Latino Pop. Growth
1	Texas	1,016,186	New Hampshire	28.2	Pennsylvania	18.5
2	Florida	786,830	South Dakota	23.0	Florida	15.9
3	California	385,229	Maine	19.7	Washington	15.8
4	Arizona	268,513	North Dakota	19.2	Massachusetts	14.4
5	Pennsylvania	160,870	Pennsylvania	18.5	Maryland	14.4
6	Washington	140,353	Idaho	18.3	North Carolina	13.9
7	North Carolina	126,457	Vermont	17.9	Nevada	13.7
8	New Jersey	112,474	Tennessee	17.3	Oregon	13.3
9	Nevada	111,281	Ohio	16.8	Virginia	12.9
10	Colorado	109,960	Alabama	16.7	Arizona	12.8

Source: U.S. Bureau of Census 1-Year ACS. All changes from 2015 to 2020.

Without exception, the major hotspots for the growth of Latino population and thus the Latino GDP are *outside* of the 10 largest states by Latino population. Thus, Latino economic growth hotspots are in places that, to some, may seem unexpected. 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 far from the southern border, places like Idaho, North Dakota, Ohio and Tennessee.



Largest & Fastest Growing States by Latino Population



One important question is, why Idaho? Why the Dakotas? Why is Tennessee among the ten most rapidly growing state Latino populations? We believe that the answer is revealing of the importance of Latinos in the United States more broadly.

Analyzing the economic growth rates and Latino labor force growth rates of the fifty states reveals that, among all fifty, the correlation between Latino contributions to a state's labor force and the growth of the state's GDP is quite large. Specifically, a one percent increase in Latino workers in a given year corresponds to a 0.4 percent increase in State GDP growth the next year.⁶ We see that, wherever we find strong economic growth in the United States, we will find Latinos enabling and driving that growth.

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⁶ We specifically examined labor force as a lagged indicator of state GDP growth, because labor force is measured as a stock variable. As such, the stock of workers available to participate in the economy and to create GDP (a flow variable) is actually the workers accumulated in the previous year. The correlation between Latino labor force growth and the next year's state GDP growth is even stronger for the 10 largest states by Latino population. A one percent increase in a state's Latino workers corresponds to a 0.6 percent increase in state GDP the following year. The correlation was positive in 8 of these 10 largest states.



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 2022) 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.⁷ 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

⁷ 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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