2024
Metro Latino GDP Report

Houston Metro Area

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Latino Health and Culture

2024 Metro Latino GDP Report:
Houston – the Woodlands – Sugar Land 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.

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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 Gulf Coast, including Galveston Island, was mapped in 1519 by Alonso Alvarez de Pineda. A century later, *El Camino Real de los Tejas* was opened from Zacatecas, Mexico to Nacogdoches, Texas. This *Camino Real* facilitated the movement of settler populations into eastern Texas and created a trade route for merchants to transport goods from Louisiana to Texas through the commercial headquarters known as the Casa de Piedra in Nacogdoches, Texas. The Presidio of San Agustin de Ahumada and the Mission Nuestra Señora de la Luz were established in 1756 in what is now the greater Houston Metro area.

Cattle ranching was an early Texas industry. For centuries, vaqueros in the Viceroyalty of New Spain adapted Iberian techniques for managing cattle to the ecology of Texas. When the US market for beef exploded in the mid-1800s, vaqueros were the only ones with the skills to round up the cattle (during a *rodeo*) using a lariat (*la riata*) from the back of a mustang (*mesteño*) to control thousands of head of cattle. English-speakers from the Atlantic coast apprenticed themselves to the vaqueros to learn these unfamiliar skills, eventually becoming cowboys, an important symbol of America.

As the Houston Metro area developed in the mid 19th century, Latinos were a constant presence, establishing businesses such as furniture stores, restaurants, cafes, bookstores, and newspapers. Latinos organized celebrations of Mexican Independence Day as early as 1896, and quickly expanded to include Cinco de Mayo by the 1920s. Latino social organizations were started early in the 20th century, and advocacy organizations such as LULAC and the American GI Forum were established during the mid-century.
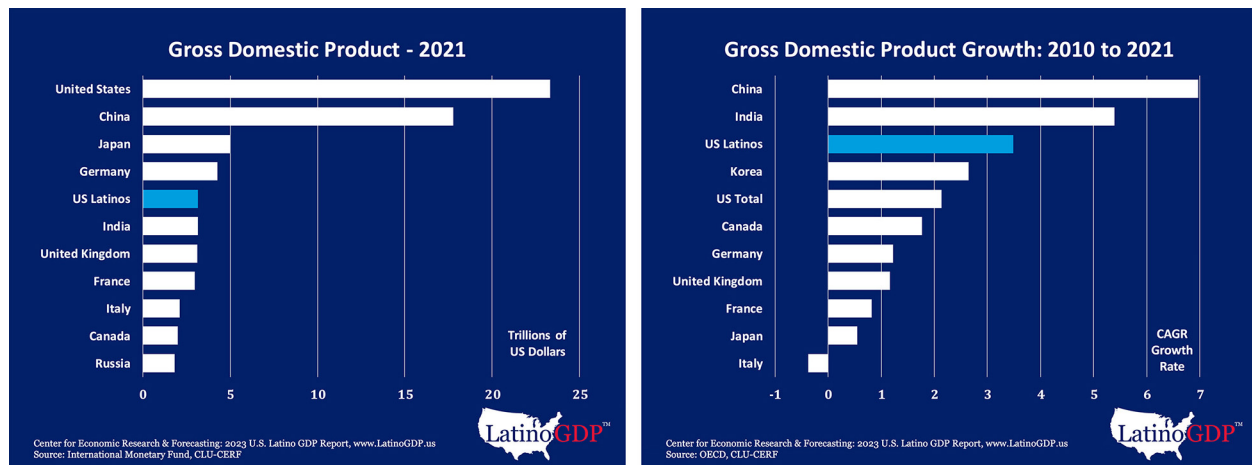
In 2021, nearly half of the millennial generation in Houston is Latino, and as they step into the shoes of the retiring Baby Boomers, they bring with the positive human capital that accompanies rapidly rising levels of education.

As we consider the large and rapidly growing economic contribution of Latinos living in the Houston Metro Area and across the entire state of Texas, 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 *2023 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 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 data was available was 2021. Thus, the report provides a snapshot of the total economic contribution of U.S. Latinos in that year.[2]

As a summary statistic for the economic performance of U.S. Latinos, the 2021 U.S. Latino GDP is revealing. The total economic output (or GDP) of Latinos living in the United States in 2021 was $3.2 trillion, up from $2.8 trillion in 2020, $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 than the GDPs of India, the United Kingdom, or France.

Center for Economic Research & Forecasting: 2023 U.S. Latino GDP Report, www.LatinoGDP.us
Source: International Monetary Fund, CLU-CERF

Center for Economic Research & Forecasting: 2023 U.S. Latino GDP Report, www.LatinoGDP.us
Source: OECD, CLU-CERF

While impressive for its size, the U.S. Latino GDP is even more noteworthy for its rapid growth. Among the ten largest GDPs, the U.S. Latino GDP was the third fastest growing from 2010 to 2021, while the broader U.S. economy ranked fifth. Over that entire period, the compound annual growth of U.S. Latino GDP averaged 3.5 percent, compared to only 1.6 percent for Non-Latinos. In other words, for more than a decade, Latino GDP grew nearly 2.5 times faster than Non-Latino GDP.

In 2021, Latino consumption stood at $2.14 trillion, meaning that Latinos in the U.S. represent a consumption market larger in size than the entire economy of nations like Italy or Canada. From 2010 to 2021, Latino real consumption grew 3.0 times faster than Non-Latino, driven by rapid gains in Latino income.

Latino income growth naturally flows from Latinos' rapid gains in educational attainment and strong labor force participation. From 2010-2021, the number of people earning a bachelor's degree grew three times faster for Latinos than Non-Latinos. In 2021, Latinos were six percentage

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[1] Hamilton, Dan, Matthew Fienup, David Hayes-Bautista, and Paul Hsu. 2023. "2023 U.S. Latino GDP Report." The Latino GDP Project, a project of Community Partners. September 2023. www.LatinoGDP.us

[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.

points more likely to be actively working or seeking work than their Non-Latino counterparts. Considered together, these patterns underscore the fact that Latinos are a major driver of economic growth in the United States.
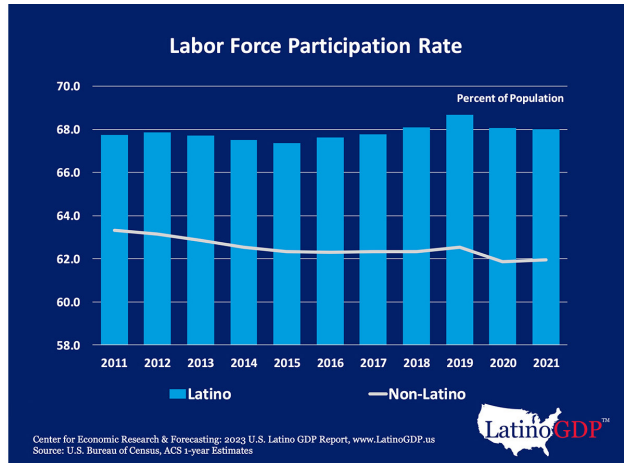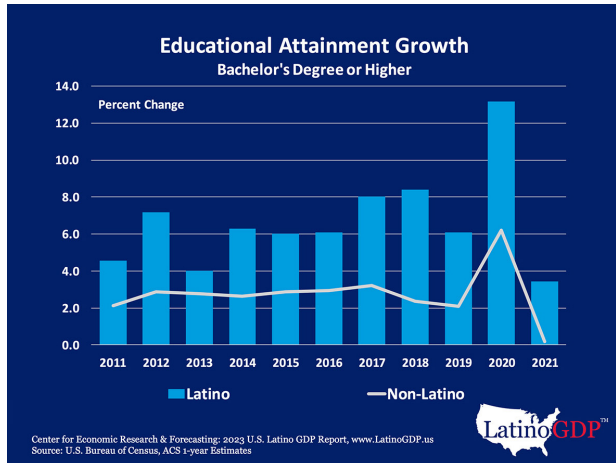

For a second year in a row, data also highlight that U.S. Latinos are an important source of resilience for the broader economy. In 2021, despite a second year of COVID-19 pandemic conditions, Latinos in the U.S. propelled the overall economy forward with inflation-adjusted Latino GDP growth of 7.1 percent – a full 2 percentage points higher than the growth of Non-Latino GDP. Over the course of the first two years of the pandemic, the compound annual growth of real U.S. Latino GDP averaged 3.3 percent, very close to the average growth rate of 3.5 which prevailed during the decade before the pandemic. Meanwhile Non-Latino GDP grew by an average of just 1.6 percent. The performance of Latinos during the pandemic was sufficient to make the U.S. Latino GDP the second fastest growing among the ten largest GDPs during that period. Only China's GDP grew faster across 2020 and 2021.
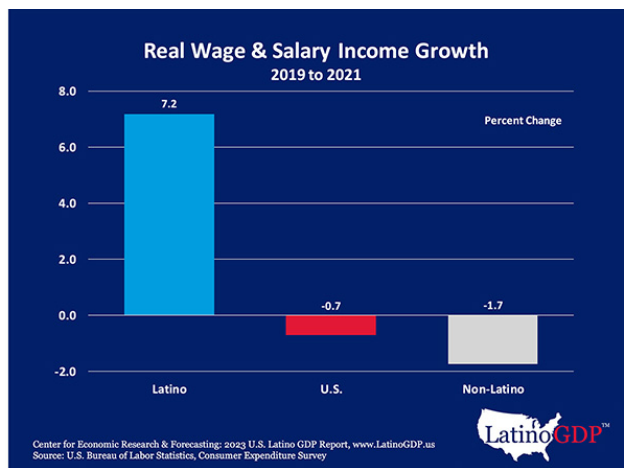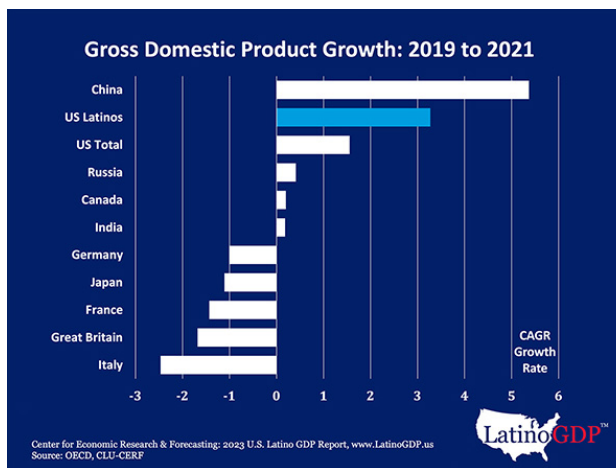
The strength of U.S. Latino GDP growth during the pandemic is consistent with the extraordinary growth of Latino incomes. Over the first two years of the COVID-19 pandemic, Latino real wage and salary income increased a total of 7.2 percent, while Non-Latino income declined by a total of 1.7

percent. The hard work and persistence of Latinos held up the U.S. economy during the darkest days of the pandemic in 2020 and are now driving the economic recovery that is underway.

The emphasis on *Latino economic premiums* is not intended to make light of the hardship that Latinos endured during the pandemic. Latinos were among the hardest-hit groups. In fact, in 2021, age-adjusted mortality from COVID-19 was more than 60 percent higher for Latinos than Non-Latinos. This stands in contrast to the significant health premiums that Latinos enjoyed prior to the pandemic, when Latinos enjoyed lower age-adjusted mortality rates for all five leading causes of death: heart disease, cancer, unintentional injuries, chronic lower respiratory disease, and stroke. In the case of heart disease, the leading cause of death in 2019, Latinos exhibited thirty percent lower age-adjusted mortality than non-Hispanic whites. In other words, Latinos enjoyed thirty percent fewer heart attacks. Substantially lower mortality rates for all five categories in 2019 translated to a life expectancy that was more than three years longer – 81.9 years for U.S. Latinos, compared to only 78.8 for White Non-Latinos.
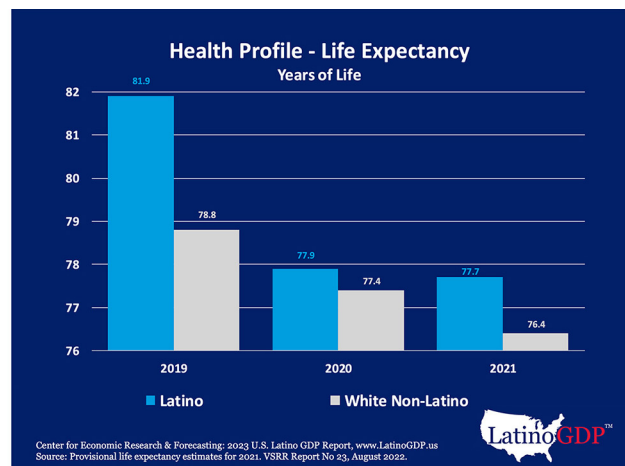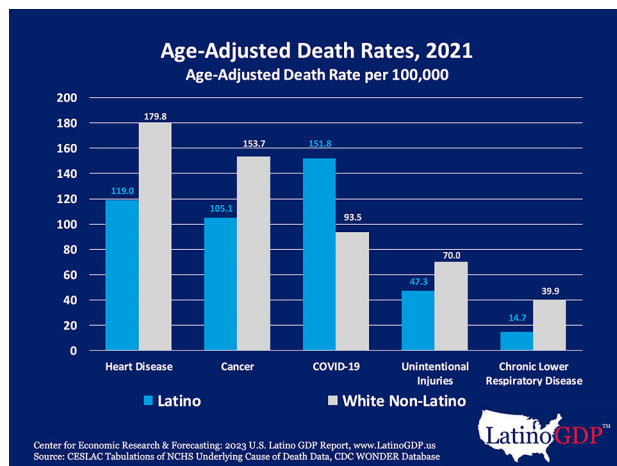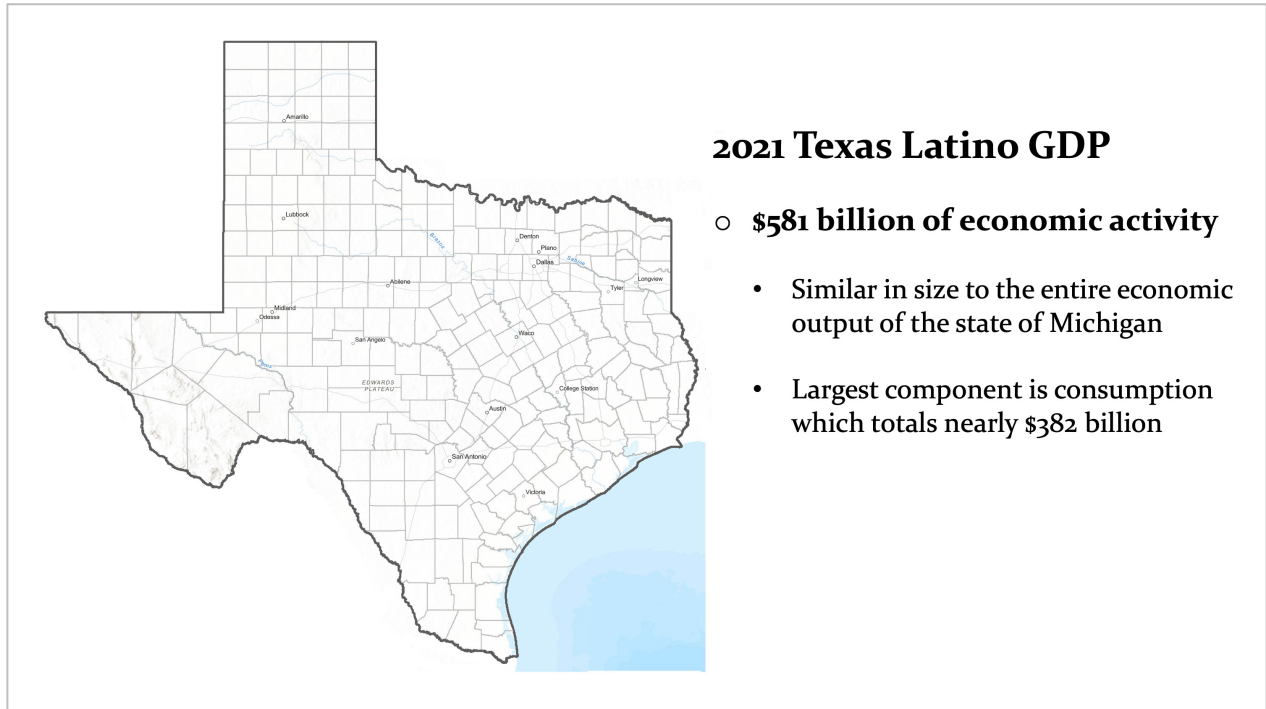

Each of these five leading causes of death are *style-of-life* diseases, sometimes also called chronic diseases. Style-of-life diseases are the long-term result of how a person lives – how they treat their body, such as what they eat, drink, and smoke; as well as social determinants of health, such as who they associate with and how they seek meaning in life. Latinos' superior health outcomes across all five categories of chronic disease are a direct result of Latinos' healthy lifestyle choices.

COVID-19 was a *communicable disease,* rather than a style-of-life disease, which passed from individual to individual regardless of most lifestyle choices. Where lifestyle choices did impact transmission, Latinos' strong work ethic and unique family structure made them more vulnerable. Latino life expectancy declined by 4.1 years over 2020 and 2021, compared to only 2.4 years for Non-Latinos. Amazingly, despite sustaining significant pandemic-related mortality, Latinos maintained a significant health premium, with post-COVID Latino life expectancy still more than one full year longer than Non-Latino!

We believe that economic data published in the U.S. Latino GDP Report honor the sacrifices made by Latinos and illustrate just how vital Latino strength and resilience are for the nation's economy.

State Latino GDP: TEXAS

2021 Texas Latino GDP

o **$581 billion of economic activity**

- Similar in size to the entire economic output of the state of Michigan

- Largest component is consumption which totals nearly $382 billion

The 2021 Texas Latino GDP is $581.2 billion, similar in size to the entire economic output of the state of Michigan. The state's top five 2021 Latino GDP sectors are: Finance & Real Estate (12.4% share of the Texas Latino GDP), Government (12.2%), Professional & Business Services (9.6%), Mining & Quarrying (9.4%), and Construction (8.2%). The largest component of the Texas Latino GDP is personal consumption. Latino consumption totaled more than $381 billion in Texas in 2021.

| Texas: Gross Domestic Product		
2021	*State Latino GDP* Industry Share	*Statewide GDP* Industry Share
	percent	*percent*
Agricultural/Natural Resources	0.6	0.6
Mining/Quarrying	9.4	8.1
Construction	8.2	4.6
Durables Manufacturing	5.8	5.7
Non-Durables Manufacturing	5.9	5.4
Wholesale Trade	7.4	8.2
Retail Trade	7.0	5.9
Transportation/Warehousing/Utilities	5.9	5.0
Information/Technology	3.3	3.9
Finance/Insurance/Real Estate	12.4	18.2
Professional/Business Services	9.6	12.4
Education/Healthcare/Social Assistance	5.4	6.7
Leisure/Hospitality	4.9	3.3
Personal/Repair/Maintenance Svcs	2.2	1.9
Government Services	12.2	10.3
Total All Industries	**100.0**	**100.0**

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

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Six different industry sectors account for out-sized shares of the state's Latino GDP. For example, while Construction accounts for only 4.6 percent of Texas GDP, it accounts for 8.2 percent of the Texas Latino GDP. Five other industry sectors account for a significantly larger share of the Texas Latino GDP than the corresponding share of the broader state GDP. These include Mining & Quarrying, Retail Trade, Transportation & Warehousing, Leisure & Hospitality, and Government Services. In general, the Texas Latino economy is broader and more diversified than the state economy. In this way, Latinos are an engine of economic growth, and they provide a broad foundation of support for the state's economy.
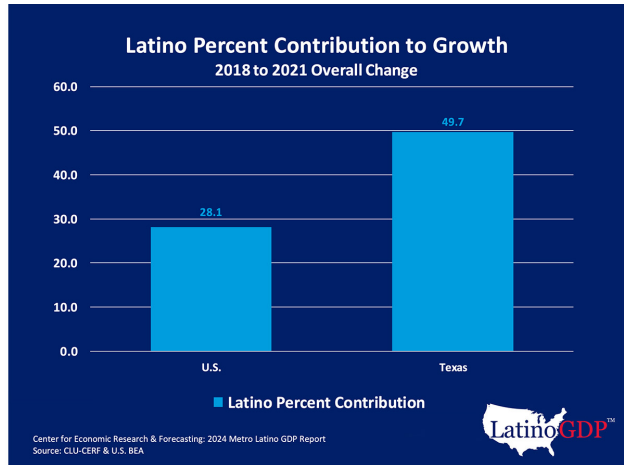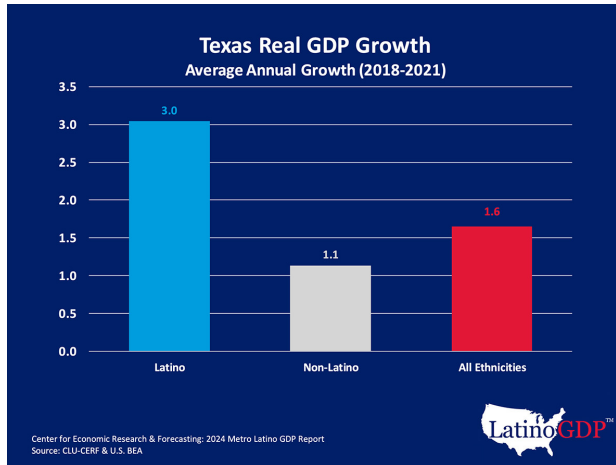
As with the broader U.S., the story of the Texas Latino GDP is foremost a story of rapid growth. From 2018 to 2021, the Texas Latino GDP grew 2.7 times more rapidly than Non-Latino GDP. During this period, Texas Latino GDP grew at an average annual (CAGR) rate of 3.0 percent, compared to only 1.1 percent for Non-Latino GDP. Despite being only 40 percent of the state's total population, Latinos are responsible for nearly 50 percent of the total growth of Texas GDP.
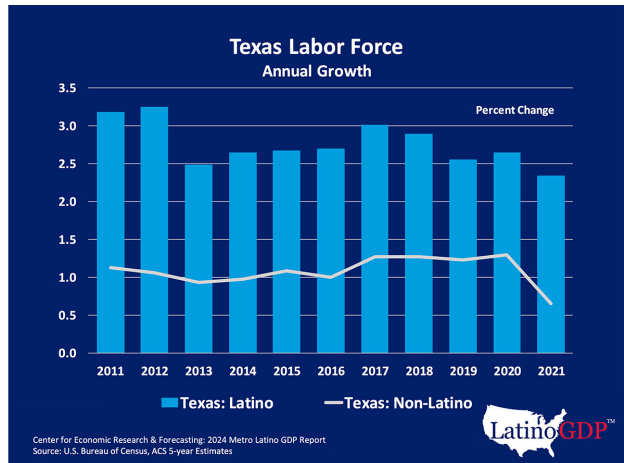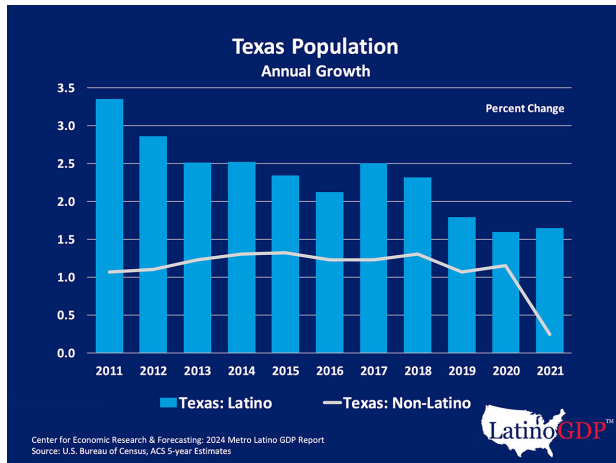
Latinos are making strong and consistent contributions to Texas' population and labor force. While the population of Texas increased steadily from 2010 to 2021, Latino population growth was 2.2 times that of Non-Latinos. From 2010 to 2021, Texas' Latino population grew 28.7 percent, compared to only 12.9 percent for Non-Latinos. The Latino labor force growth premium is even more impressive. From 2010-

21, Texas' Latino labor force grew 2.8 times as quickly as the Non-Latino labor force (35.0 percent growth for Latinos compared to 12.5 percent for Non-Latinos).

The economic contribution of Latinos living in Texas, as with U.S. Latinos broadly, is driven by rapid gains in human capital and strong work ethic. From 2010 to 2021, Latino educational attainment gre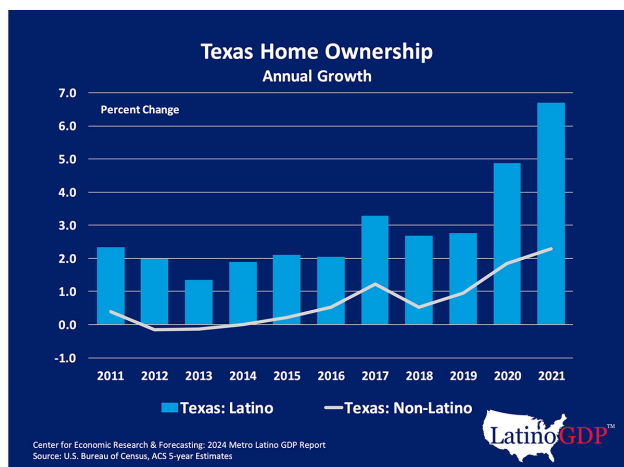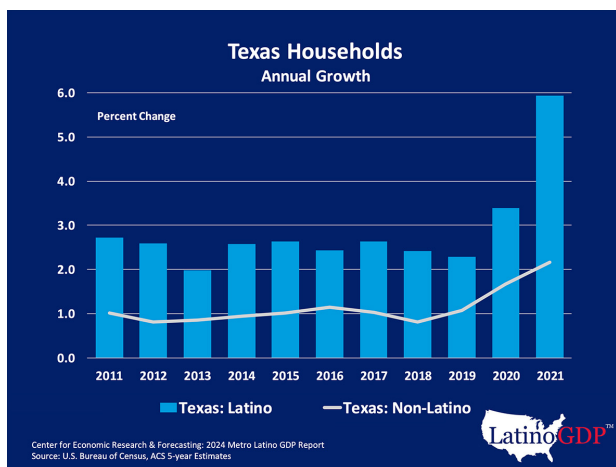w at a rate 2.6 times as fast as that of Non-Latinos. Over those 11 years, Texas Latinos' labor force participation rate was an average of 2.3 percentage points higher than Non-Latinos. The Texas Latino Labor Force Participation premium has increased steadily since 2010.

Texas Educational Attainment
Annual Growth (Bachelor's Degree or Higher)

Center for Economic Research & Forecasting: 2024 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates

Texas Labor Force Participation Rate

Center for Economic Research & Forecasting: 2024 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates
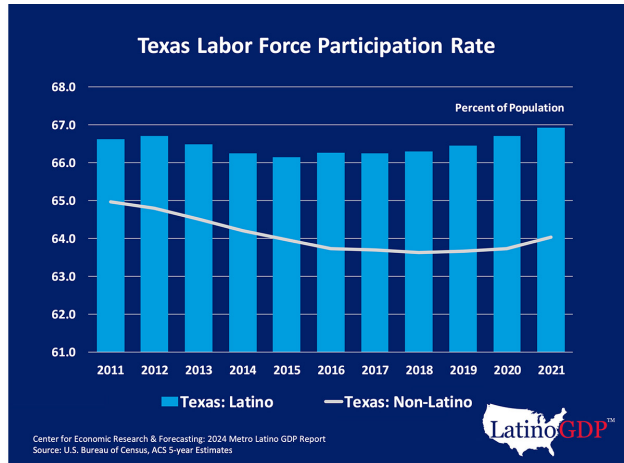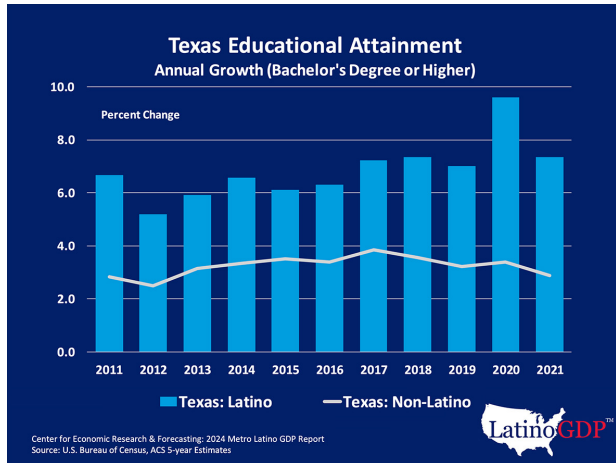
Latinos provide a very large and positive demographic punch in Texas through the formation of households. The number of Latino households grew at a rate 2.8 times that of Non-Latinos. From 2010 to 2021, the number of Latino households in Texas grew 36.5 percent, while the number of Non-Latino households grew just 13.2 percent. A healthy rate of household formation is vital to economic growth, as new households increase current and future economic activity.

Texas Households
Annual Growth

Center for Economic Research & Forecasting: 2024 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates

Texas Home Ownership
Annual Growth

Center for Economic Research & Forecasting: 2024 Metro Latino GDP Report
Source: U.S. Bureau of Census, ACS 5-year Estimates

The growth of Latino households is accompanied by strong growth of Latino home ownership. Non-Latino home ownership in Texas actually declined in 2012 and 2013 and was flat in 2014. Yet Texas Latino home ownership grew every year. In fact, the number of Latino homeowners grew nearly five times as fast, by a total of 37 percent for Latinos compared to only 7.9 percent for Non-Latinos.

Metro Latino GDP: Houston - the Woodlands - Sugar Land MSA

Houston Metro Area

o **Second largest MSA in Texas**

- 7.2 million people (2021)

o **Home to 2.8 million Latinos**

- 4th largest MSA in the nation by Latino population, largest in Texas
- Latinos are 38.5 percent of the Houston Metro Area population

o **2021 Houston Metro Latino GDP**

- $139.5 billion of economic activity
- Nearly as large as the entire economy of the state of Arkansas
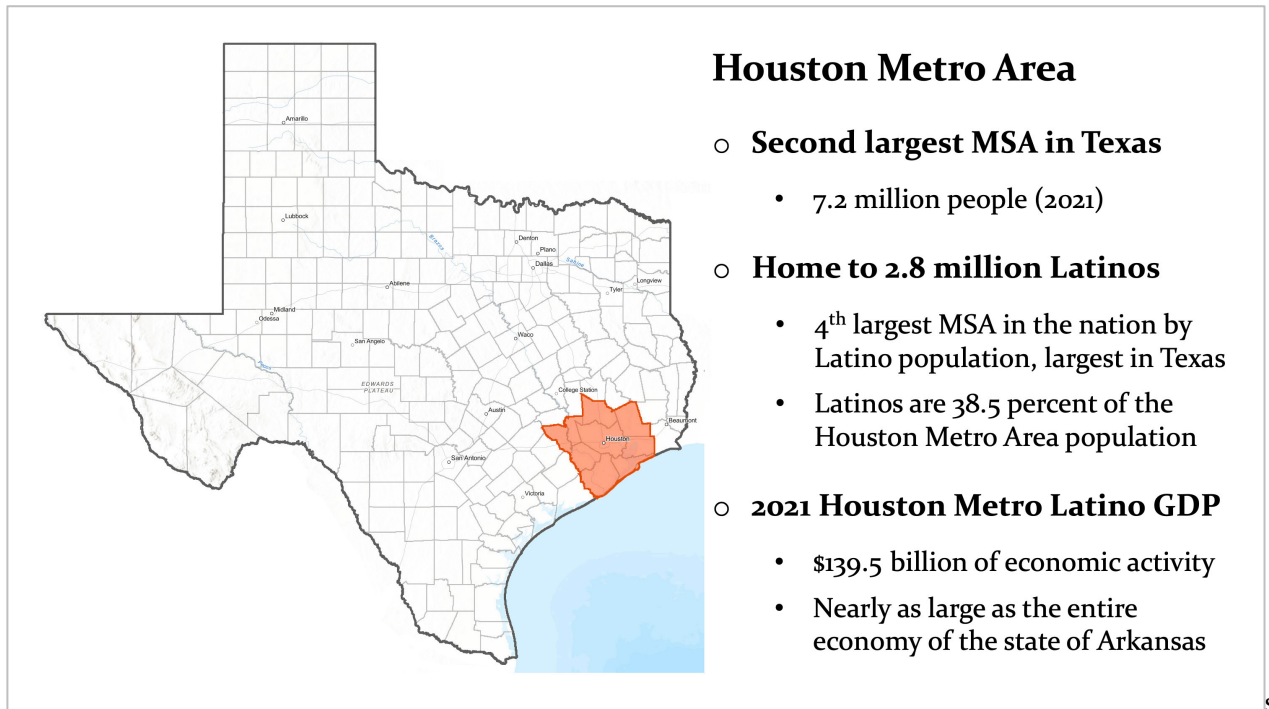
The Houston – the Woodlands – Sugar Land Metropolitan Statistical Area (MSA), is comprised of nine counties along the gulf coast and covers nearly 10,062 square miles in Southeastern Texas. In 2021, the Houston Metro Area was home to 7.2 million people of all ethnicities, making it the second largest MSA in Texas and the fifth largest MSA in the nation, slightly larger than both the Washington D.C. and Miami Metro Areas. The Houston Metro Area is the fourth largest MSA by Latino population, with 2.8 million Latinos in 2021. Latinos comprise 38.5 percent of the total Houston Metro Area population.

The 2021 Houston Metro Area Latino GDP is $139.5 billion, nearly as large as the entire economy of states like Arkansas or Nebraska. The largest component of the Houston Metro Area's Latino GDP is personal consumption. Latino consumption in the Houston Metro totaled $92.6 billion in 2021, representing a consumption market larger in size than the entire economy of the state of West Virginia.

The Houston Metro Area's top five 2021 Latino GDP sectors are: Professional & Business Services ($17.2 billion), Construction ($16.9 billion), Wholesale Trade ($15.6 billion), Finance & Real Estate ($15.2 billion), and Non-Durables Manufacturing ($13.7 billion).

The $140 billion Houston Latino economy is both deep and wide. In fact, the Latino economy is broader and more diverse than the overall Metro Area economy. Four different industry sectors account for out-sized shares of the Houston Metro's Latino GDP. For example, while Construction account for only 5.6 percent of the overall Houston Metro GDP, it accounts for 12.1 percent of the Metro area's Latino GDP. While Leisure & Hospitality accounts for only 3.2 percent of the overall Houston Metro GDP, it accounts for 5.8 percent of the Metro Area's Latino GDP.

Houston Metro: Gross Domestic Product

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

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

Two other industry sectors account for a substantially larger share of the Houston Metro Area Latino GDP than the industry's corresponding share of the broader Metro Area GDP. These include Retail Trade and Transportation & Warehousing. In general, the Houston Metro Area's Latino economy is broad and diversified. As they do for the broader state of Texas and the nation, Latinos provide a broad foundation of support for the Houston Metro Area's economy.

Houston Metro: Gross Domestic Product

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

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

While impressive for its size, the Houston Metro Latino GDP is even more noteworthy for its extraordinary growth. From 2018 to 2021, Latino GDP grew seven times more rapidly than Non-
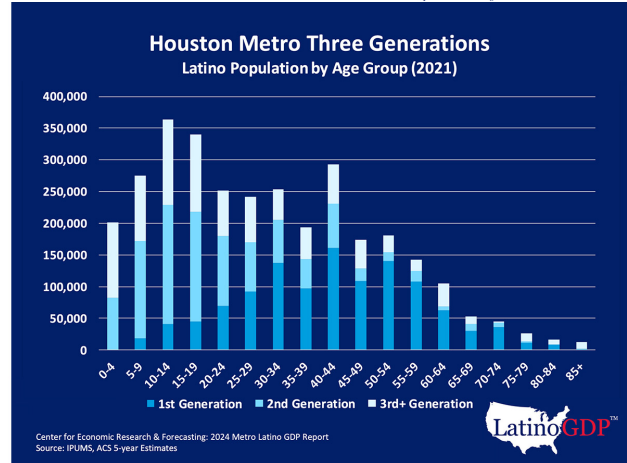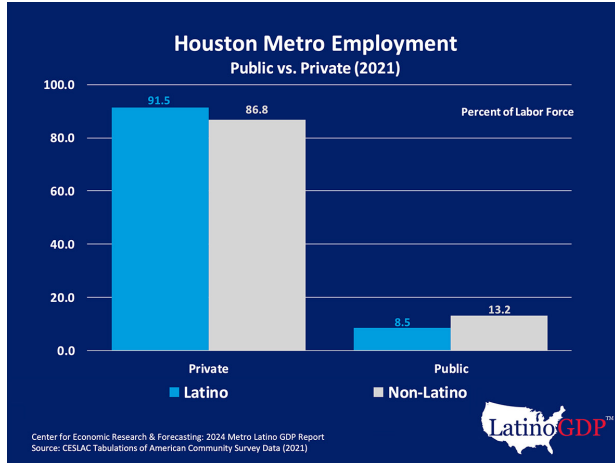
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Latino GDP in the Houston Metro Area. During those years, the Houston Metro Latino GDP grew at an average annual (CAGR) rate of 1.94 percent, compared to only 0.27 percent for Non-Latino GDP. Remarkably, despite being only 38.5 percent of the Houston Metro Area's total population, Latinos are responsible for 68.3 percent of the Houston Metro Area's total GDP growth during this period.
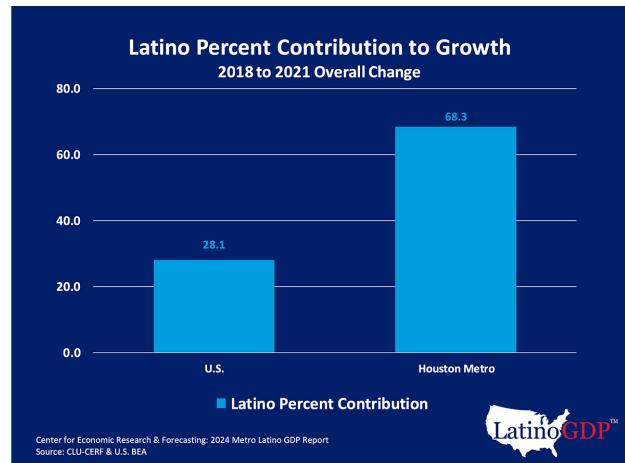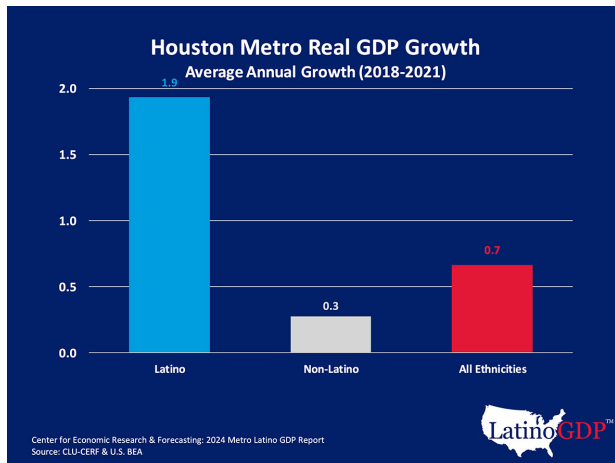
As in the state of Texas at large, Latinos are making strong and consistent contributions to the Houston Metro Area's population and labor force. The Houston Metro's Latino population is growing at a rate more than 2 times that of Non-Latinos. The Non-Latino population of the Houston Metro Area grew every year from 2010 to 2021, adding 16 percent to the Non-Latino population over those years. During the same period, the Houston Metro Area's Latino population grew 36 percent.
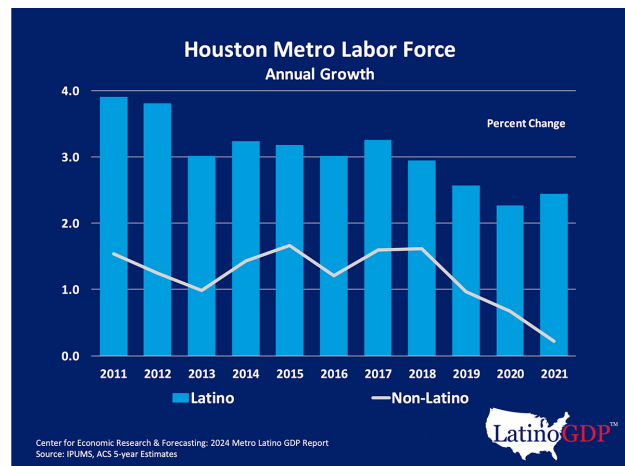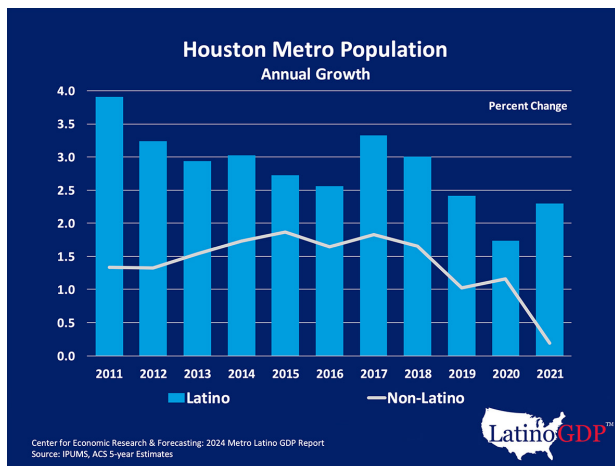
The Latino labor force growth premium is even more impressive. From 2010 to 2021, Latinos added an average of 33,107 workers per year to the Houston Metro's labor force. Non-Latinos added an average of only 24,980 workers per year. In percentage terms, the difference in growth rates is striking. From 2010 to 2021, the Houston Metro Latino labor force grew by 39 percent. During those same years, the Houston Metro Non-Latino labor force grew by only 14 percent. In other words, the Latino component of the labor force grew at a rate 2.8 times that of Non-Latinos. And despite being only 38 percent of the Metro Area's population, Latinos are responsible for 57 percent of the growth of the labor force.

Houston Metro Employment
Public vs. Private (2021)

Center for Economic Research & Forecasting: 2024 Metro Latino GDP Report
Source: CESLAC Tabulations of American Community Survey Data (2021)

Houston Metro Three Generations
Latino Population by Age Group (2021)

Center for Economic Research & Forecasting: 2024 Metro Latino GDP Report
Source: IPUMS, ACS 5-year Estimates

In addition to growing more rapidly, the composition of the Houston Metro Area Latino labor force is different in meaningful ways than the Non-Latino labor force. First, Houston 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 Houston 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 Houston Metro Area, the state and the nation.

Houston Metro Educational Attainment
Annual Growth (Bachelor's Degree or Higher)

Center for Economic Research & Forecasting: 2024 Metro Latino GDP Report
Source: IPUMS, ACS 5-year Estimates

Houston Metro Labor Force Participation Rate

Center for Economic Research & Forecasting: 2024 Metro Latino GDP Report
Source: IPUMS, ACS 5-year Estimates
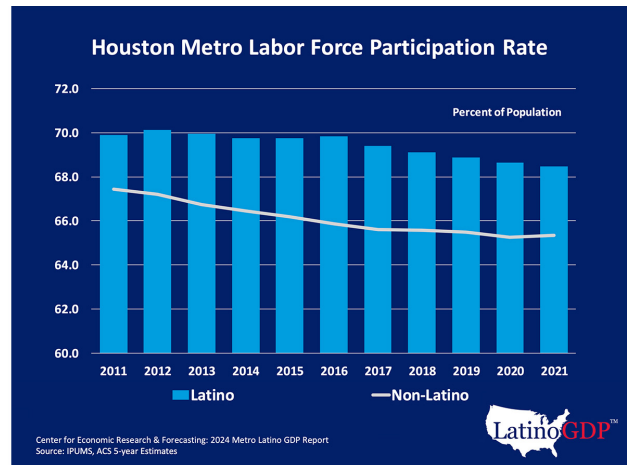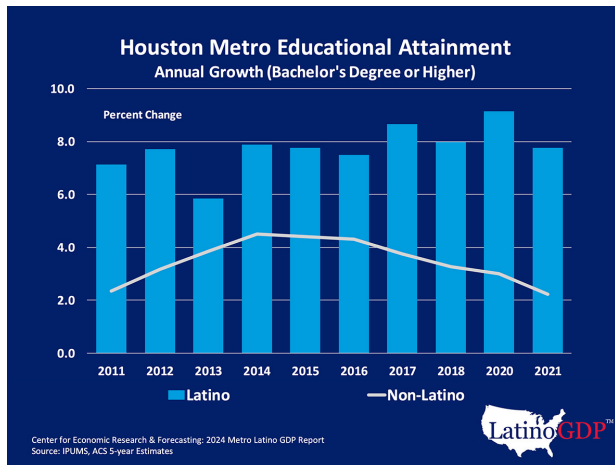
As with larger geographies, the economic contribution of Latinos in the Houston Metro Area is driven by rapid gains in human capital and a strong work ethic. From 2010 to 2021, the number of Latinos with a bachelor's degree grew at a rate 2.9 times that of Non-Latinos. Over those same years, Houston Metro Latinos' labor force participation rate was an average of 3.3 percentage points higher than Non-Latinos'.

As with the larger geographies, Latinos provide a very large and positive demographic punch in the Houston Metro Area through both the addition of workers and the formation of households. From 2010 to 2021, the number of Latino households in the Houston Metro Area increased by 45.2 percent. During those same years, the number of Non-Latino households grew by only 17.4 percent.

Houston Metro Households
Annual Growth

Houston Metro Home Ownership
Annual Growth
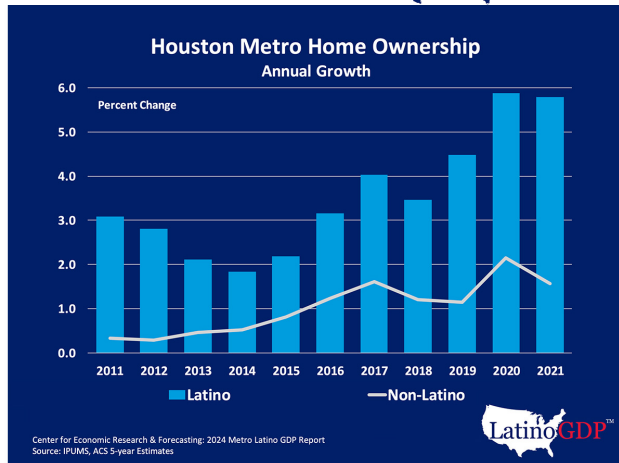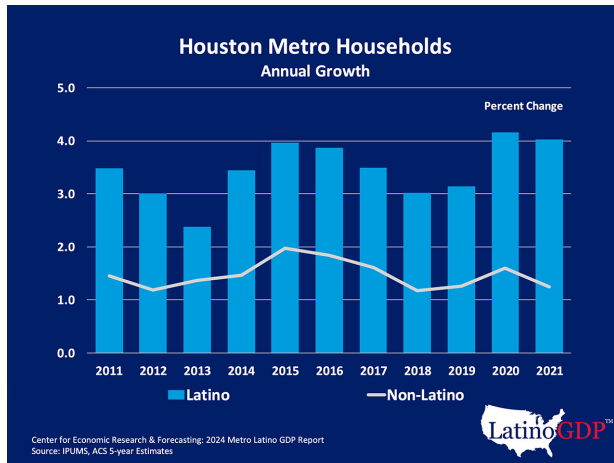
The growth of Latino households is accompanied by growth of Latino homeownership. Latino and Non-Latino homeownership grew every year from 2011 until 2021 in the Houston Metro Area. Over those years, the number of Latino homeowners in the Houston Metro Area increased by over 46.3 percent while the number Non-Latino homeowners increased by only 11.9 percent. In other words, Latino homeownership grew at a rate nearly 4 times that of Non-Latinos.

Houston Metro: Headline Characteristics

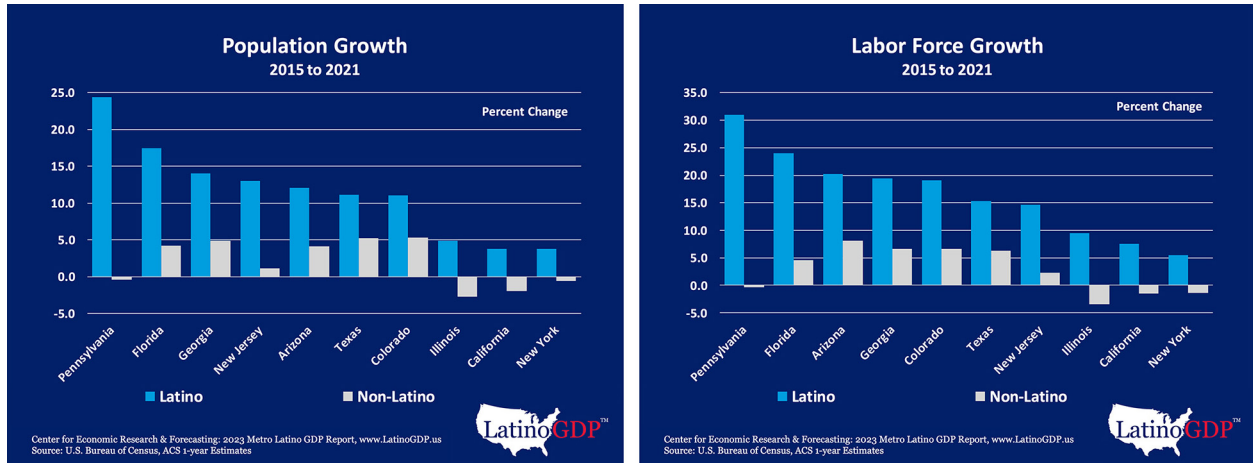|	Houston - the Woodlands - Sugar Land MSA		
	Latino	All Ethnicities	Latino Share of MSA
			(percent)
Gross Domestic Product ($-billions)	139.5	557.9	25.0
Personal Consumption Expenditures ($-billions)	92.6	n/a	n/a
Population (thousands)	2,777.2	7,206.8	38.5
Labor Force (thousands)	1,362.2	3,644.3	37.4
Employment (thousands)	1,265.4	3,376.4	37.5
Households (thousands)	826.2	2,601.4	31.8
Home-Owning Households (thousands)	461.1	1,599.5	28.8
Education of BA/BS or higher (thousands)	287.0	1,675.7	17.1

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

In 2021, 76 percent of the country's Latino population lived within just ten states. In that year, Arizona, California, Colorado, Florida, Georgia, Illinois, New Jersey, New York, Pennsylvania and Texas were collectively home to over 47 million Latinos. Not surprisingly, as in the broader United

States, Latinos are making strong contributions to each state's population and labor force. What is perhaps surprising is that, in Pennsylvania, Illinois, California and New York, if it weren't for Latinos, each state's population and labor force would have declined from 2015 to 2021. In all 10 states, the contributions of Latinos are translating into large and rapidly growing State Latino GDPs.

Population Growth
2015 to 2021

Percent Change

Center for Economic Research & Forecasting: 2023 Metro Latino GDP Report, www.LatinoGDP.us
Source: U.S. Bureau of Census, ACS 1-year Estimates

Labor Force Growth
2015 to 2021

Percent Change

Center for Economic Research & Forecasting: 2023 Metro Latino GDP Report, www.LatinoGDP.us
Source: U.S. Bureau of Census, ACS 1-year Estimates

Seeing the significant concentration of Latino population in these 10 states, it might be tempting to think that the extraordinary economic impact of Latinos is similarly concentrated. As we have noted in previous reports, 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 from 2015 to 2021, the fastest growing Latino populations are Texas, Florida, California, and then Arizona. Texas added nearly 1.2 million Latinos from 2015 to 2021. Florida added nearly 900 thousand.

Fastest Growing States by Latino Population (2015-2021)

|	Top 10 States				States with 500,000 or more Latinos	
	People			Percent Change	Percent Change	
Rank	State	Latino Pop. Change	State	Latino Pop. Growth	State	Latino Pop. Growth
1	Texas	1,185,171	New Hampshire	36.0	Pennsylvania	24.4
2	Florida	868,010	Maine	30.1	Maryland	19.6
3	California	570,063	Montana	27.1	Washington	19.5
4	Arizona	252,713	Vermont	26.7	Massachusetts	18.4
5	New Jersey	229,456	Tennessee	26.1	Florida	17.5
6	Pennsylvania	212,341	Idaho	26.1	North Carolina	17.4
7	Washington	172,737	South Dakota	25.6	Virginia	16.7
8	North Carolina	158,327	South Carolina	25.5	Oregon	16.5
9	Massachusetts	139,402	Pennsylvania	24.4	Nevada	15.7
10	New York	139,144	Rhode Island	23.5	Connecticut	15.0

Source: U.S. Bureau of Census 1-Year ACS. All changes from 2015 to 2021.

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 2021 are New Hampshire (with 36.0 percent growth of the Latino

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population), Maine (30.1 percent), and Montana (27.1 percent). These three are followed, in order, by Vermont, Tennessee, and Idaho. With the lone exception of Pennsylvania, the major hotspots for the growth of Latino population and thus the Latino GDP are *outside* of the 10 largest states by Latino population.

Largest & Fastest Growing States by Latino Population
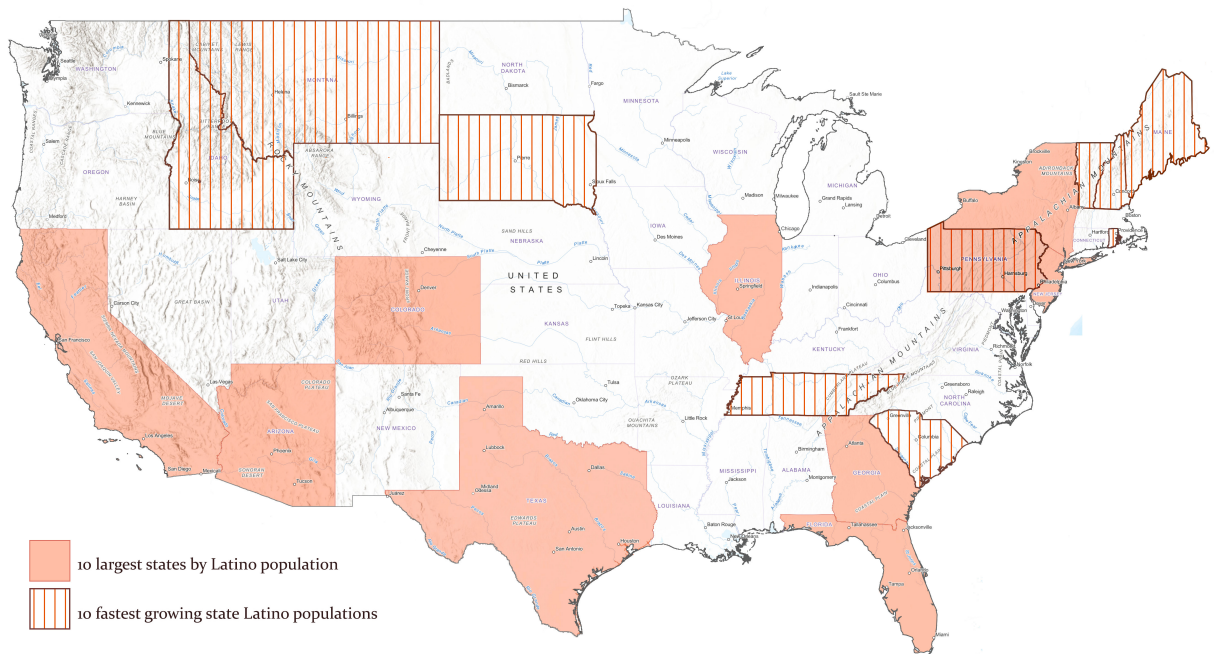
Esri Geospatial Cloud | ArcGIS online

Interestingly, Pennsylvania, the tenth largest state by Latino population in 2021, saw growth of its Latino population of 24.4 percent between 2015 and 2021 (well over double the overall U.S. Latino population growth rate of 10.7 percent). Exception aside, the distribution of Latino population growth is clear evidence that the economic impact of U.S. Latinos touches every corner of the nation.

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, 2022, 2023) 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, educational attainment, 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, housing, educational attainment, 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.[3] 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

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[3] 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.

categories are: Personal Consumption, Residential Investment, Nonresidential Investment, Change in Inventories, Exports, Imports, and Government Consumption and Investment. The 15 industrial sectors are provided in the following table:

Table 1: Metro 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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