

# 2021 State Latino GDP Report Arizona



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California  
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**UCLA** Health

Center for the Study of  
Latino Health and Culture

# Latino Gross Domestic Product (GDP)

## Why GDP?

- Broad Measure of Economic Activity
- Nearly-universal *summary statistic* for the performance of an economy

## **As a summary statistic for the performance of Latinos in the U.S., the Latino GDP is impressive**

- Total economic output of U.S. Latinos is very large - \$2.6 Trillion in 2018
- U.S. Latino GDP is growing rapidly – 74% faster than Non-Latino GDP (2010-18)
- Single biggest driver of Latino GDP growth is rising consumption  
2010-2018: Latino real consumption grew 135% faster than Non-Latino

# Estimating the Latino GDP - Methodology

**We conduct a detailed, bottom-up construction of Latino economic activity leveraging publicly available data from major U.S. agencies**

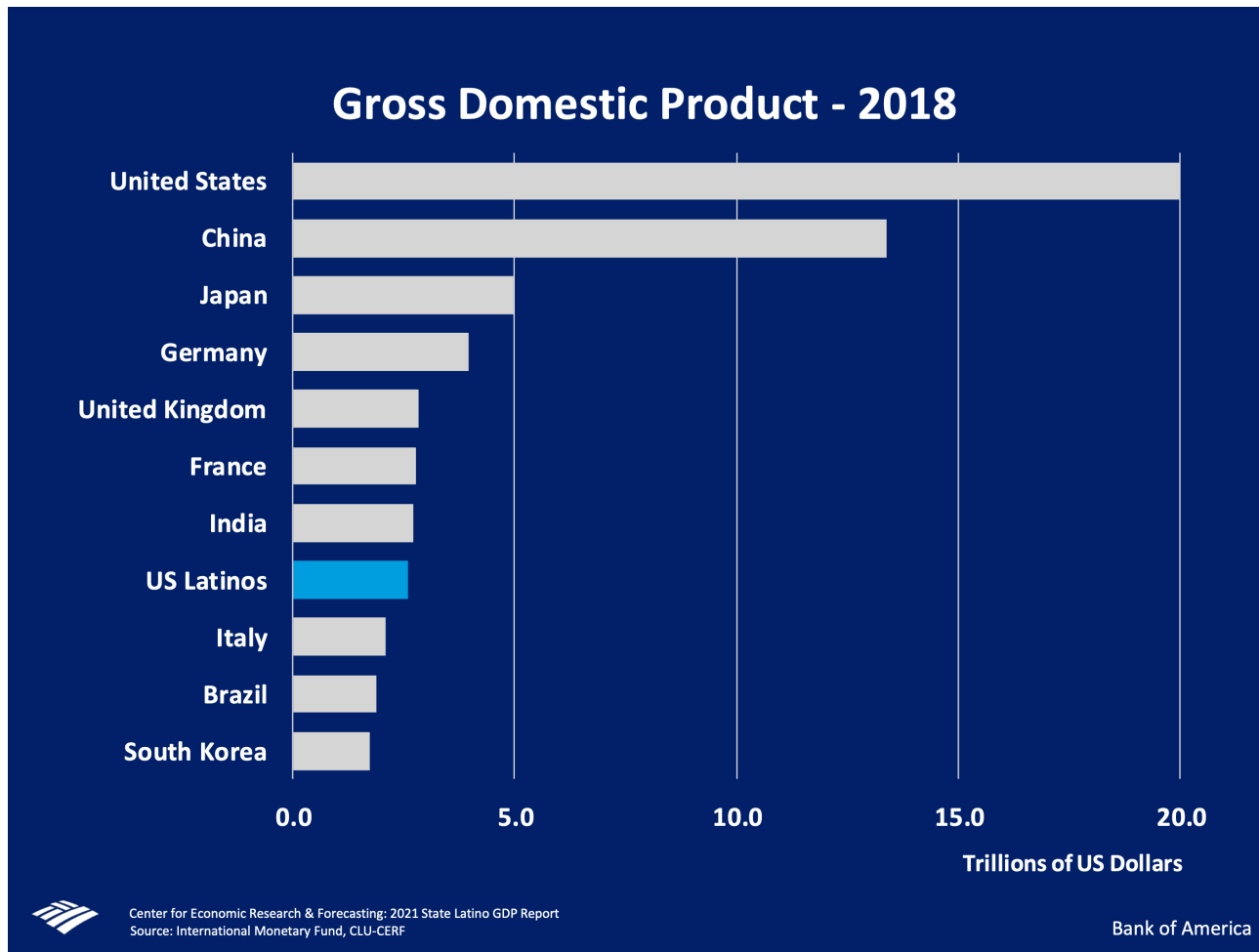
**Bureau of Economic Analysis (BEA) provides detailed input-output (I-O) tables**

- Broad and deep measure of economic activity across 71 industrial sectors
- The most recent year for which this core building block is available is 2018

**We combine the BEA I-O tables with data from the Census Bureau (BOC) & Bureau of Labor Statistics (BLS) to produce Latino I-O tables, which yield Latino-specific calculations of the major GDP components**

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

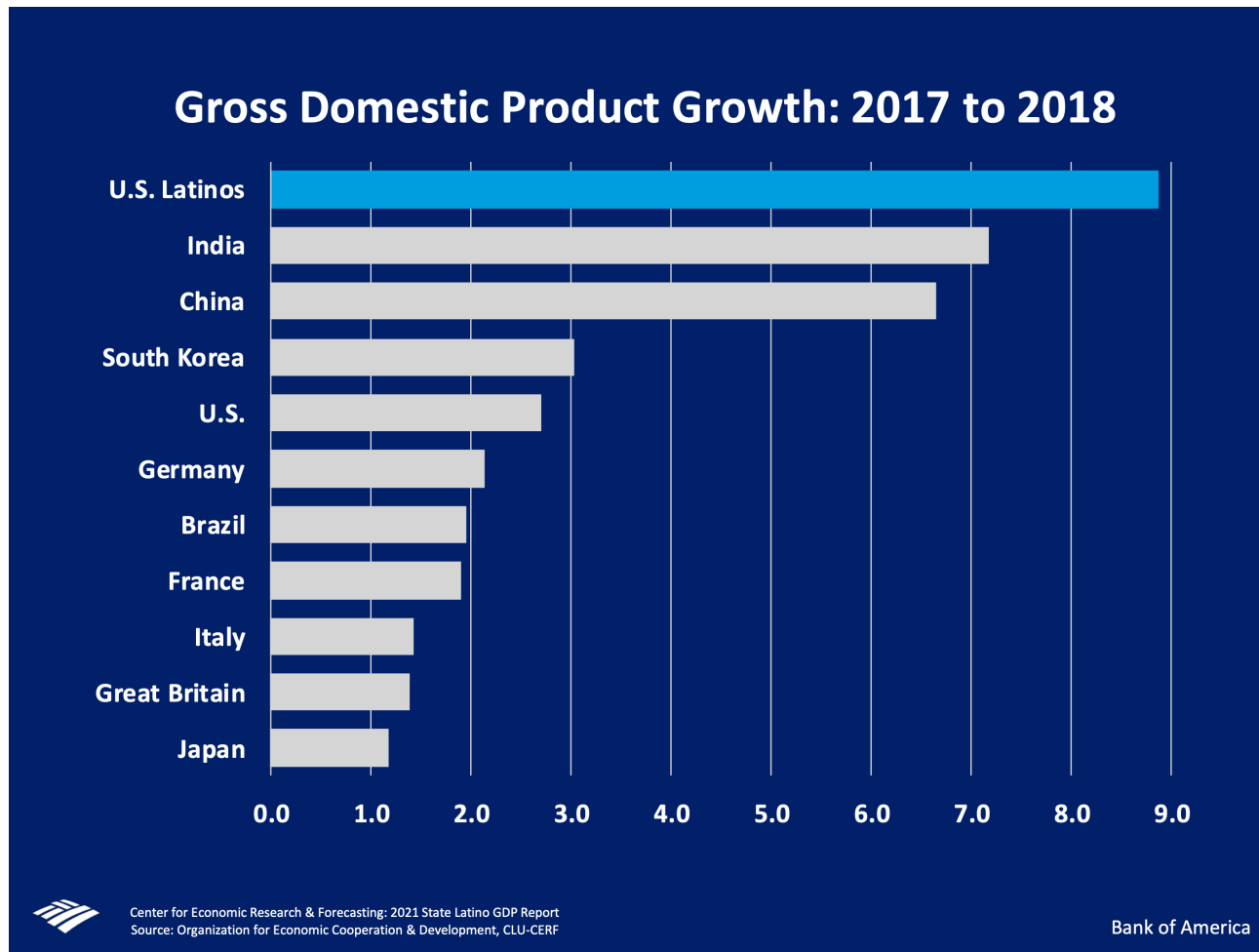
# Latino Gross Domestic Product (GDP)



**If it were an independent country, Latino GDP would be 8<sup>th</sup> largest in the world**



# Latino Gross Domestic Product (GDP)



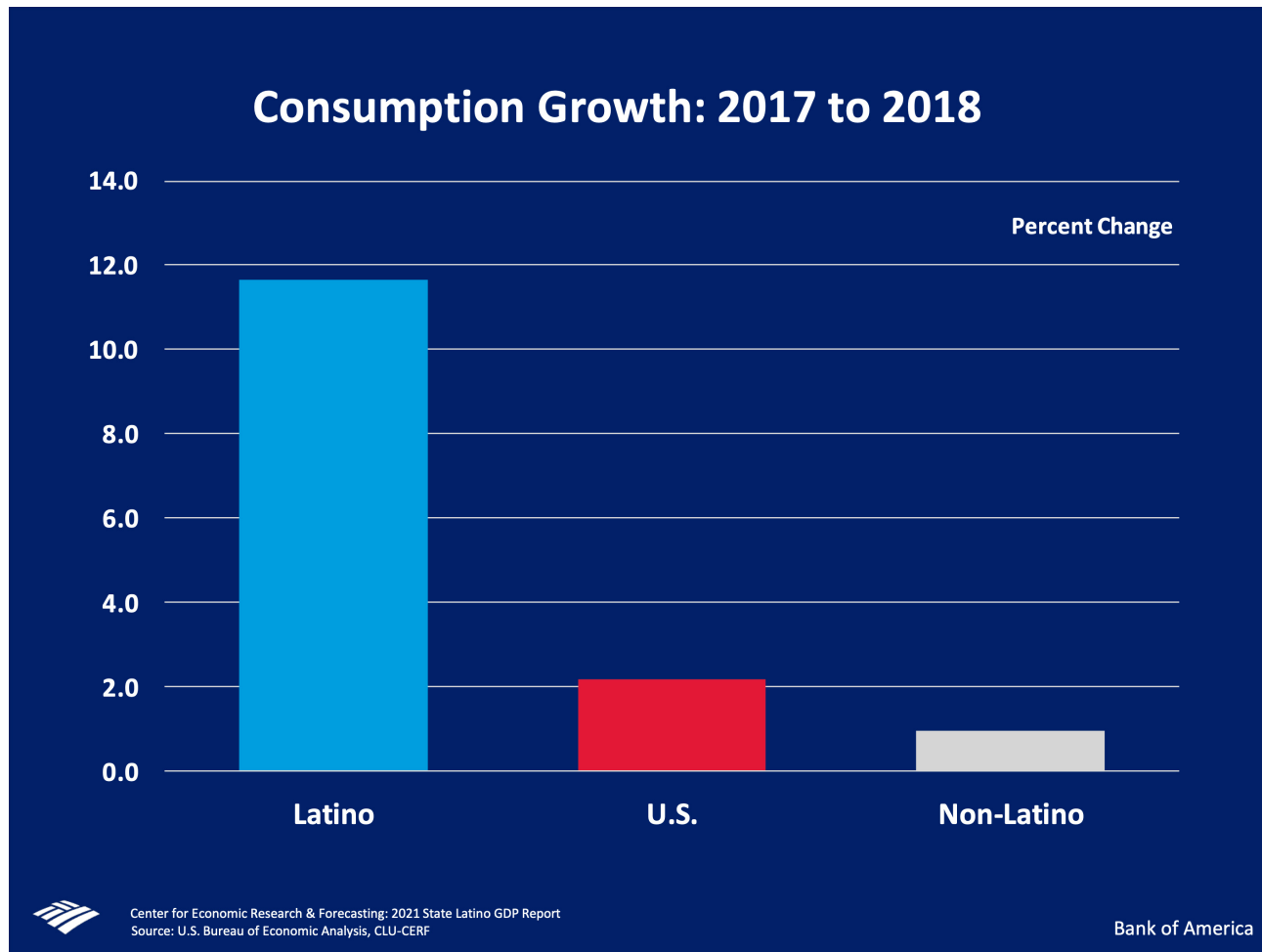
**Among the ten largest GDPs, Latino GDP is *single* fastest growing**

# Latino Gross Domestic Product (GDP)

## **The single largest driver of rapid Latino GDP growth is personal Consumption growth**

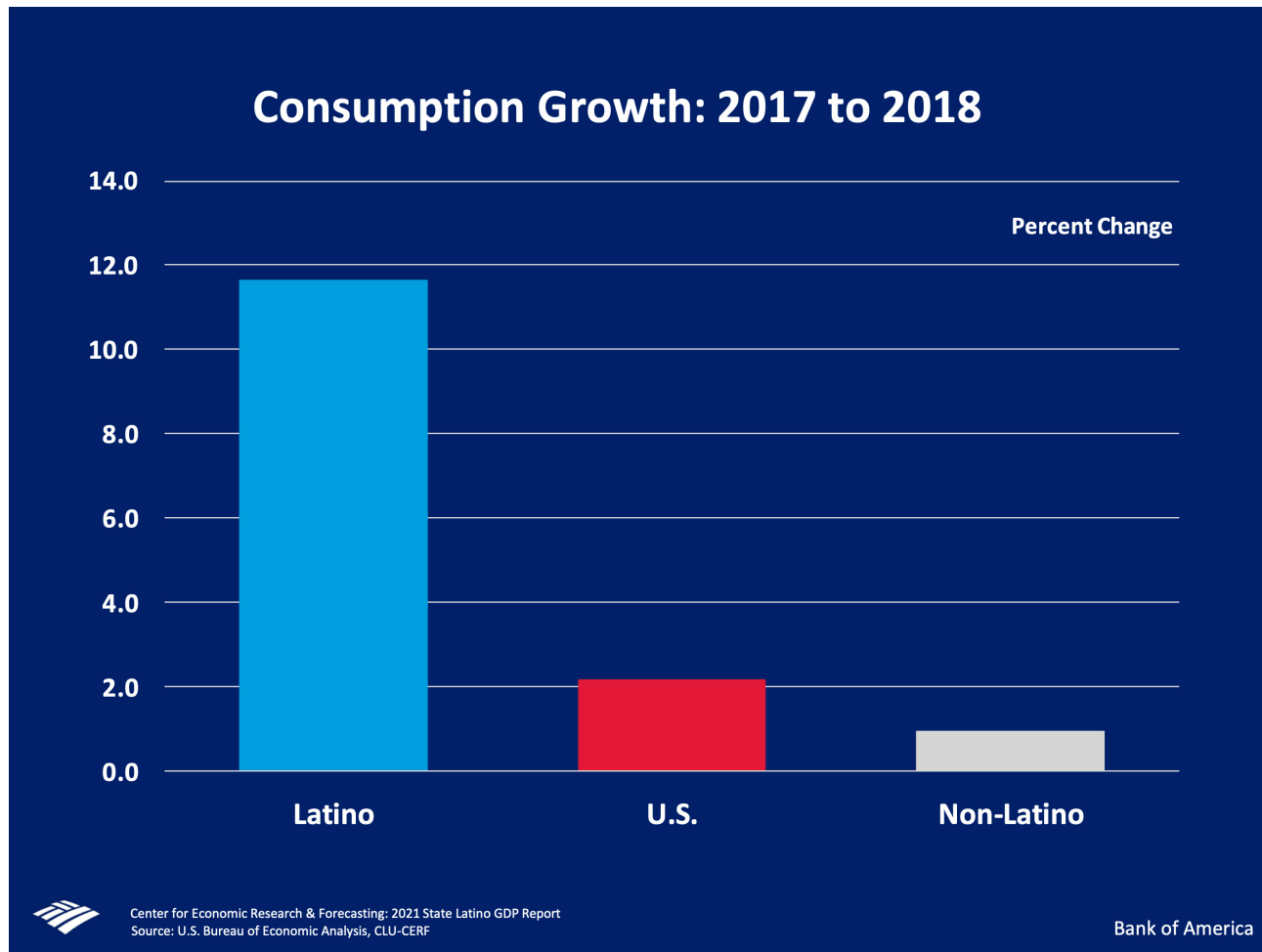
- From 2010-2018, Latino real consumption grew 135% faster than Non-Latino
- This dramatic increase is driven by large gains in personal income, which naturally flow from Latinos' rapid gains in educational attainment and strong labor force participation.

# Drivers of the Latino GDP



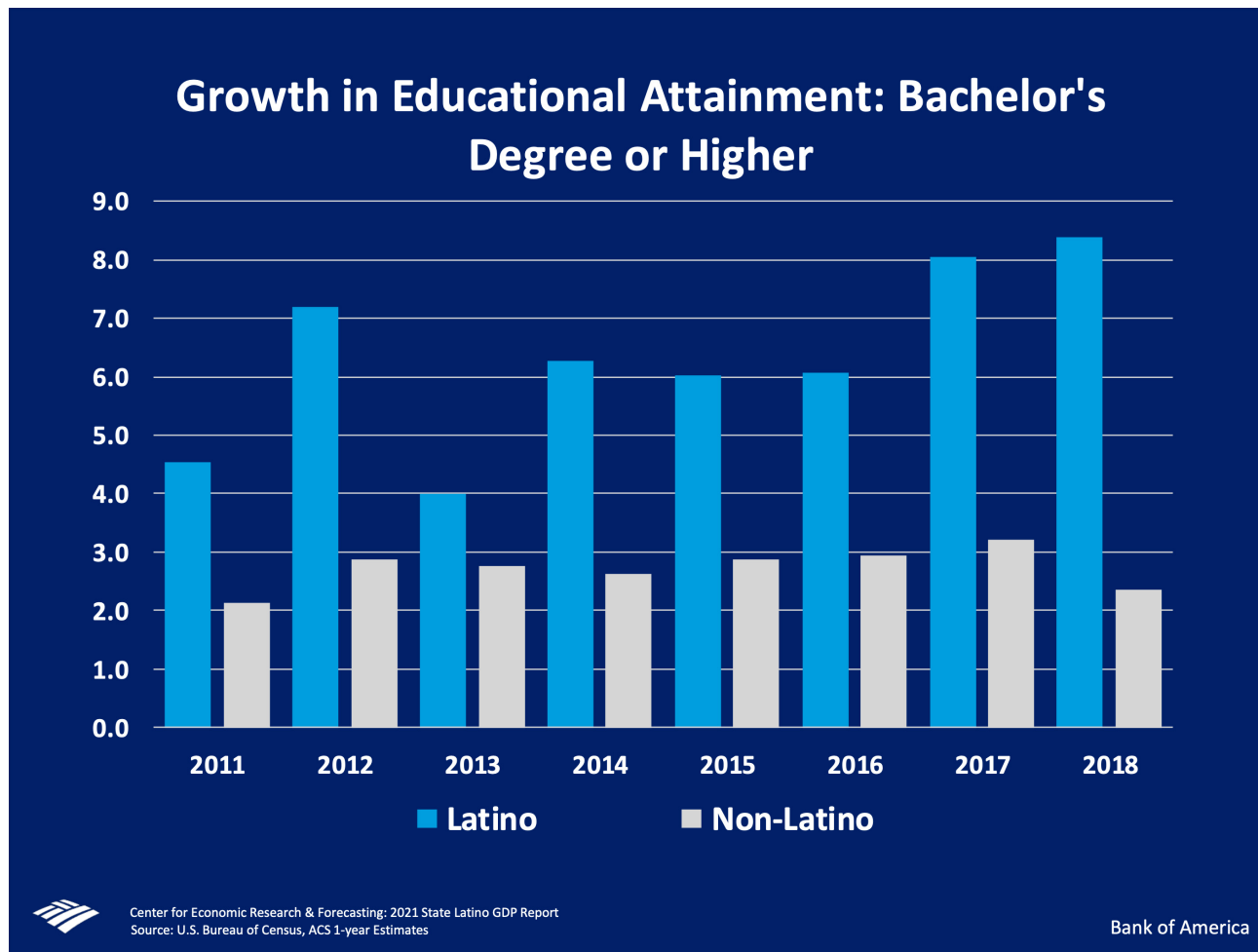
**2017-18 Latino real consumption grew 12.2 times faster than Non-Latino**

# Drivers of the Latino GDP



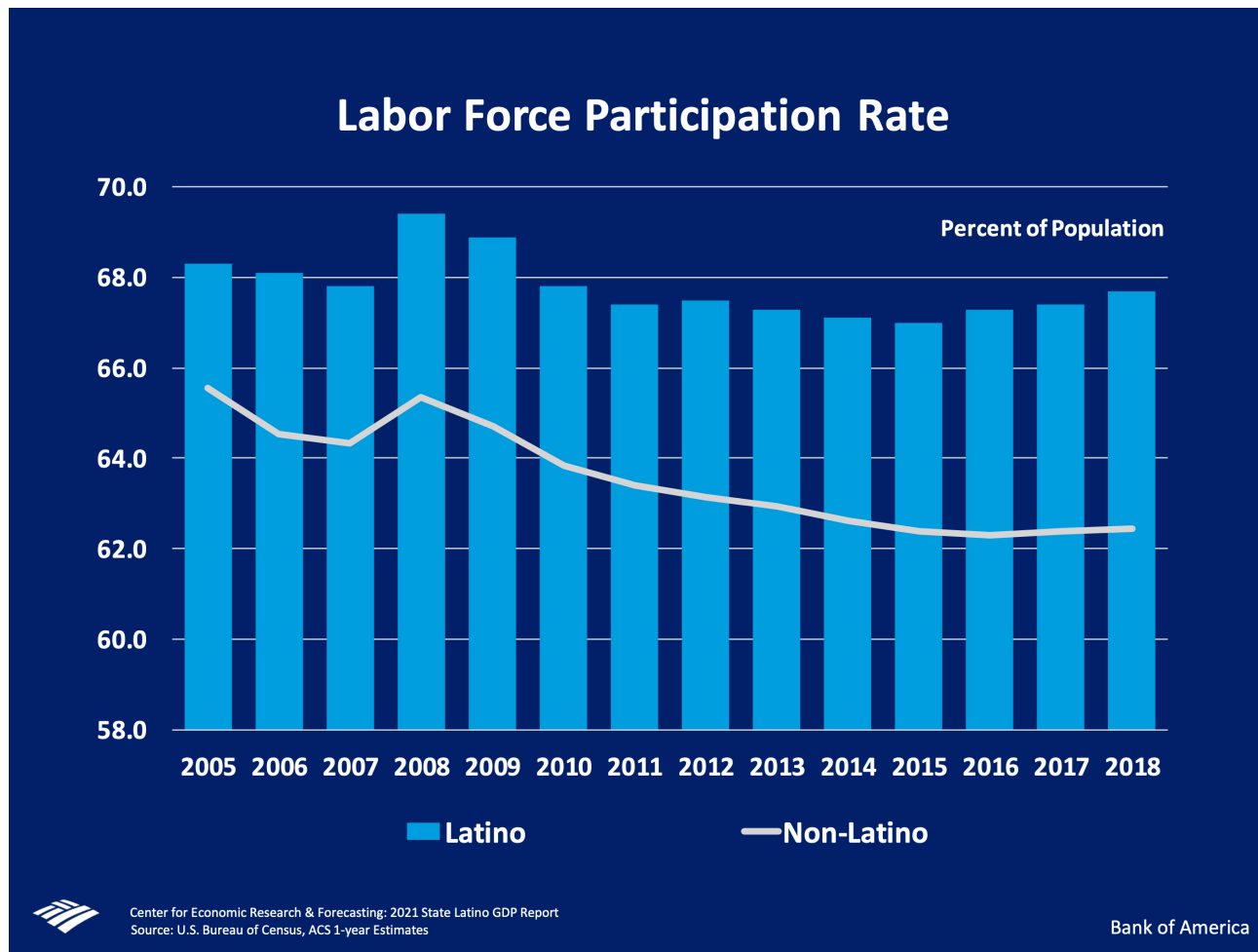
**Over the past 5 years, Latino income grew nearly 70% faster than Non-Latino**

# Drivers of the Latino GDP



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

# Drivers of the Latino GDP



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

# Latino Gross Domestic Product (GDP) by State

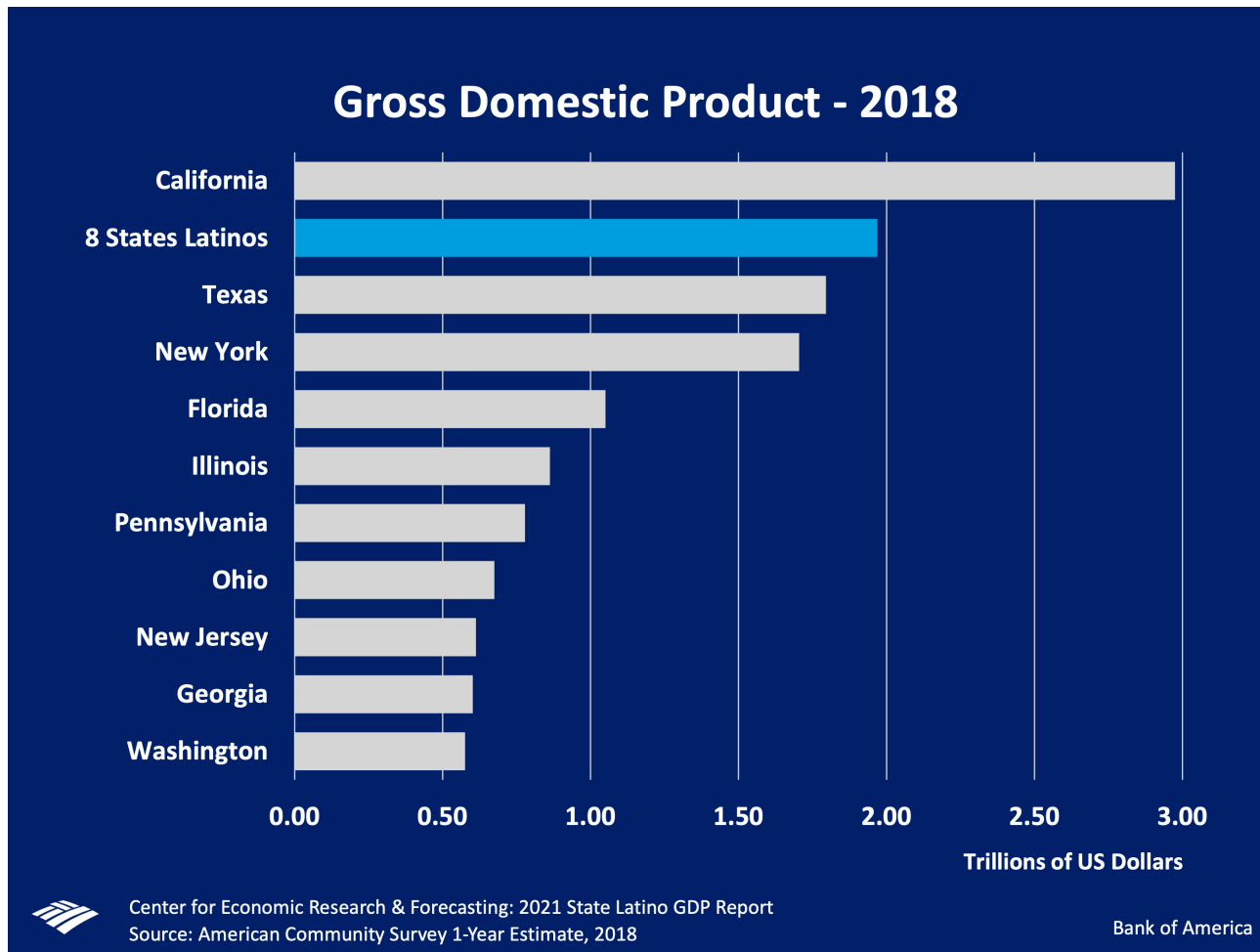
## **Latinos in just 8 U.S. states account for 76% of the U.S. Latino GDP**

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

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

- If these Latinos were a single state, it would be the second largest State GDP in the country. Behind only California, their GDP is 10% larger than the economy of Texas.

# State Latino GDP



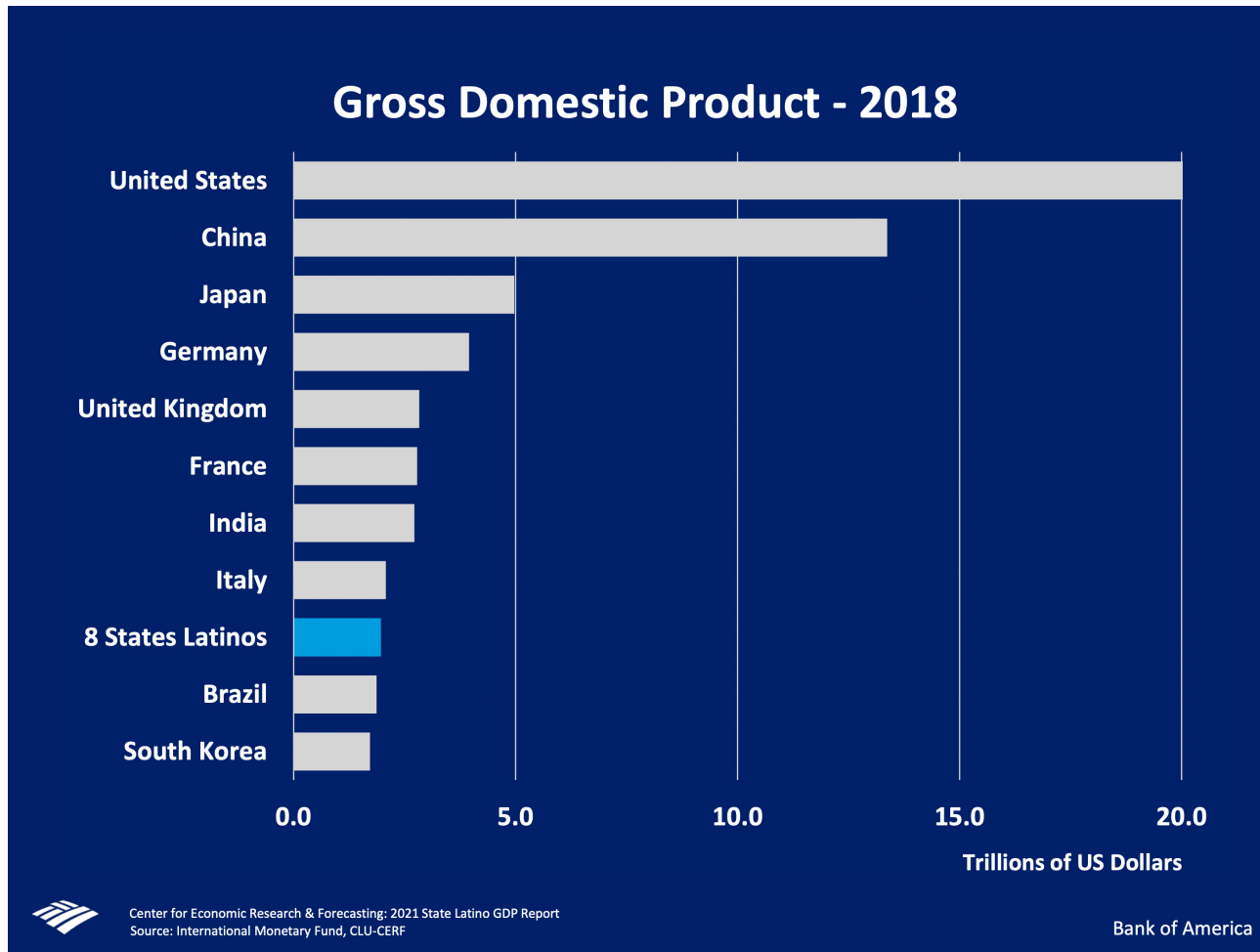
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## **The 8 Latino GDPs are large even on the world stage**

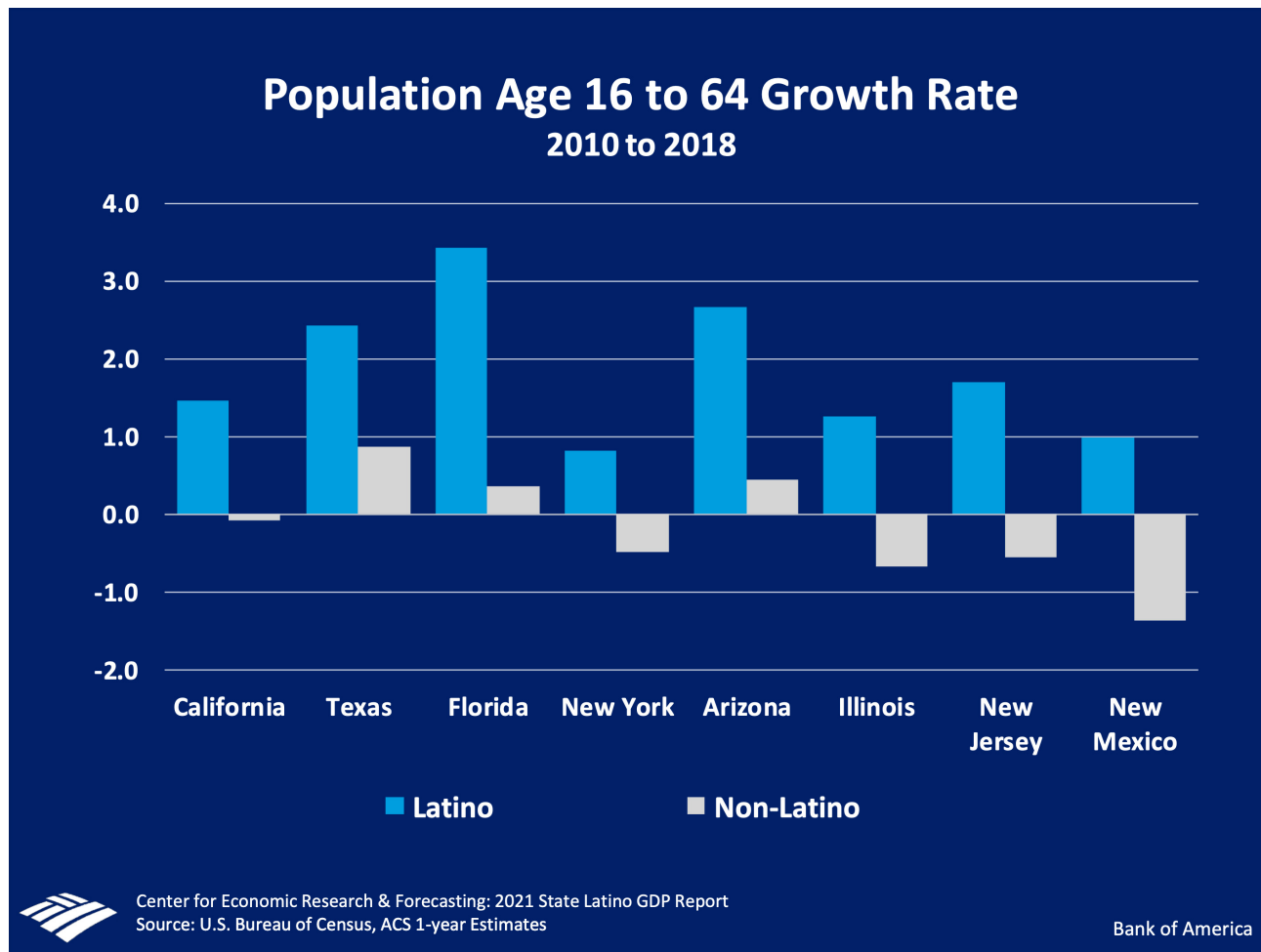
- Treated as a single economy, Latinos in these 8 states produce greater economic activity than the entire country of South Korea (\$1.72 trillion) and Brazil (\$1.87 trillion)

# State Latino GDP



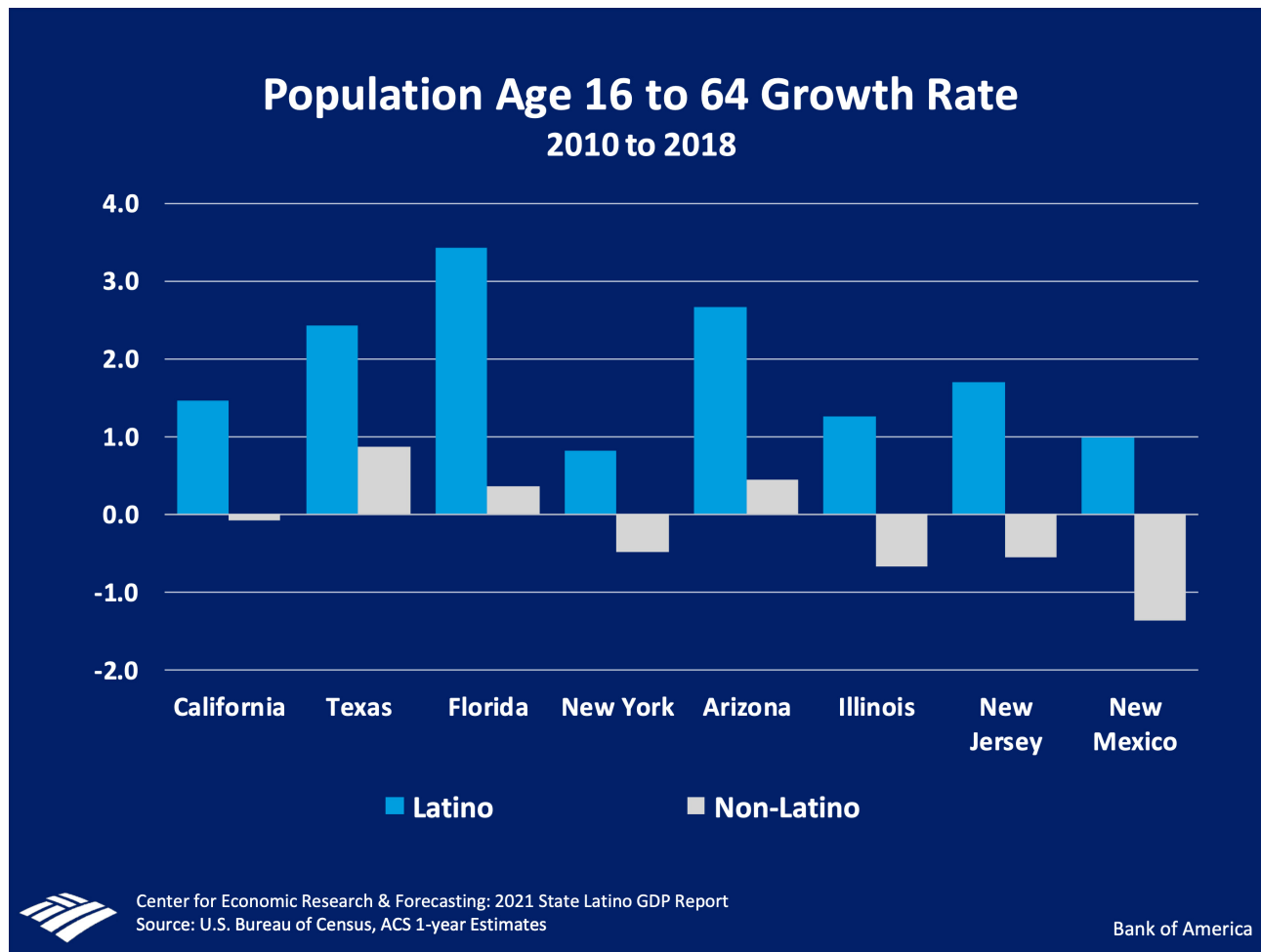
**Together, the 8 state Latinos GDPs represent the world's 9<sup>th</sup> largest economy**

# Drivers of the State Latino GDPs



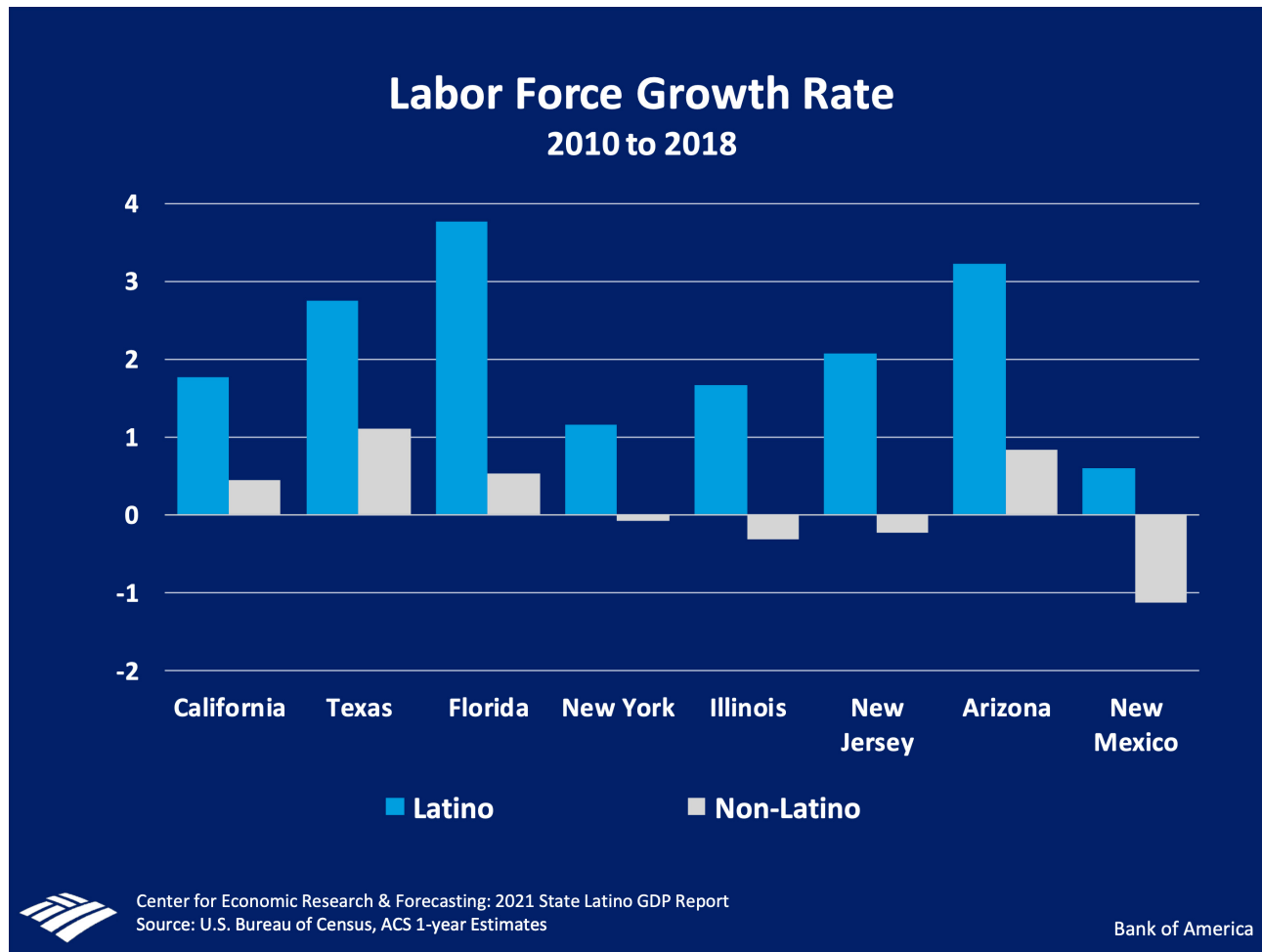
**Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos**

# Drivers of the State Latino GDPs



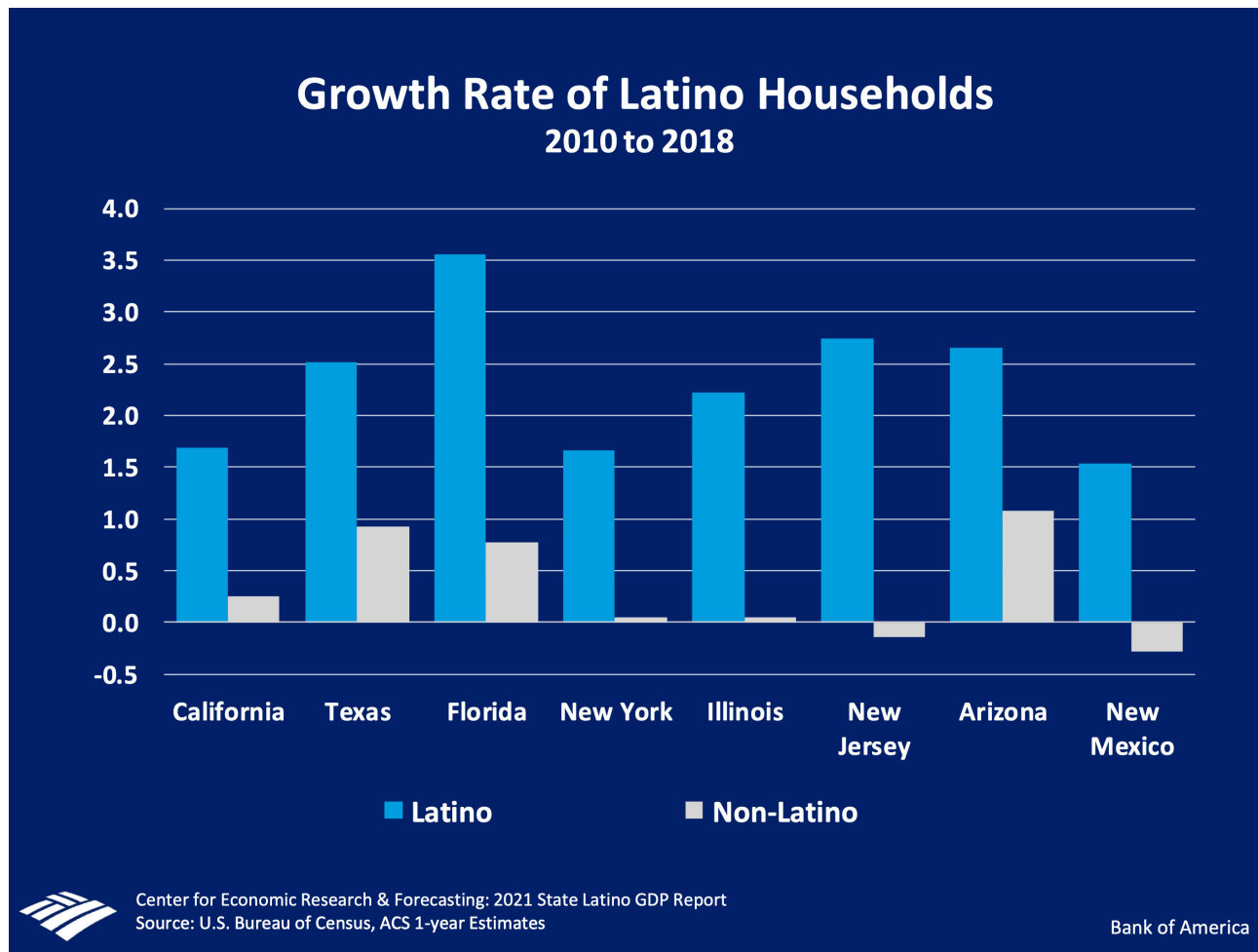
**2060: Latinos projected to contribute 30 million additional working age adults**

# Drivers of the State Latino GDPs



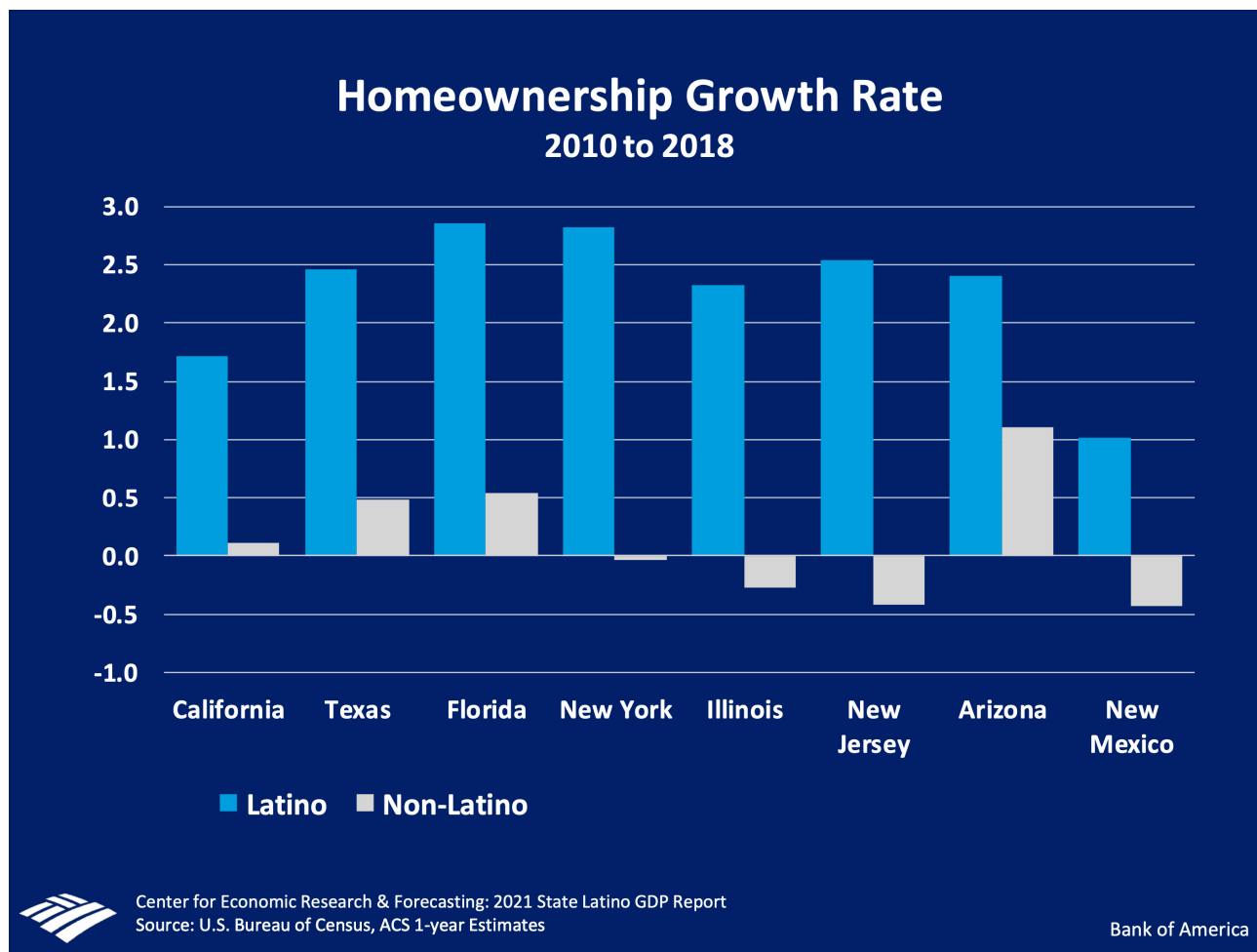
**Latinos are responsible for 78% of U.S. labor force growth since Great Recession**

# Drivers of the State Latino GDPs



**8-State Latino household formation rate is 4x that of Non-Latinos**

# Drivers of the State Latino GDPs



**Growth of 8-State Latino Homeownership is 13x that of Non-Latinos**

# State Latino GDP: Arizona



## 2018 Arizona Latino GDP

- **\$92 billion of economic activity**
  - Larger than the entire economy of the state of New Hampshire
  - Largest component is consumption which totals nearly \$61 billion



# State Latino GDP: Arizona

## Arizona: Gross Domestic Product

	<b>Latino GDP</b> Industry Share <i>percent</i>	<b>Statewide GDP</b> Industry Share <i>percent</i>
Agricultural/Natural Resources	1.6	0.7
Mining/Quarrying	1.8	1.5
Construction	7.6	4.8
Durables Manufacturing	5.1	6.9
Non-Durables Manufacturing	2.7	1.4
Wholesale Trade	5.1	5.6
Retail Trade	5.3	7.0
Transportation/Warehousing/Utilities	5.6	5.2
Information/Technology	3.1	3.5
Finance/Insurance/Real Estate	12.9	23.0
Professional/Business Services	11.8	11.3
Education/Healthcare/Social Assistance	16.9	9.7
Leisure/Hospitality	8.4	4.8
Personal/Repair/Maintenance Svcs	2.4	2.0
Government Services	9.7	12.6
<b>Total All Industries</b>	<b>100</b>	<b>100</b>

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

**The state's top 3 Latino GDP sectors are Education & Healthcare, Finance & Real Estate, and Professional & Business Services**

# State Latino GDP: Arizona

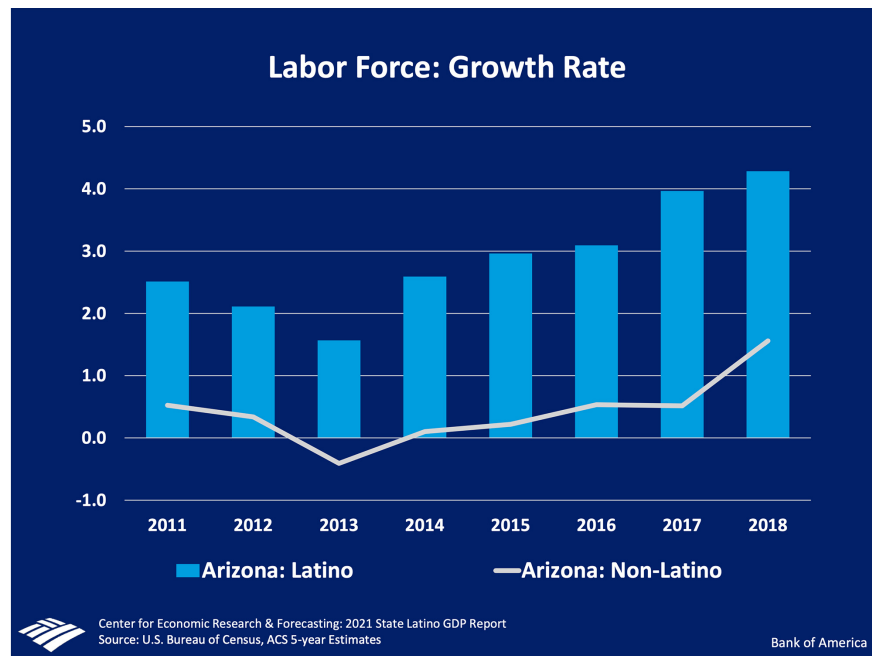
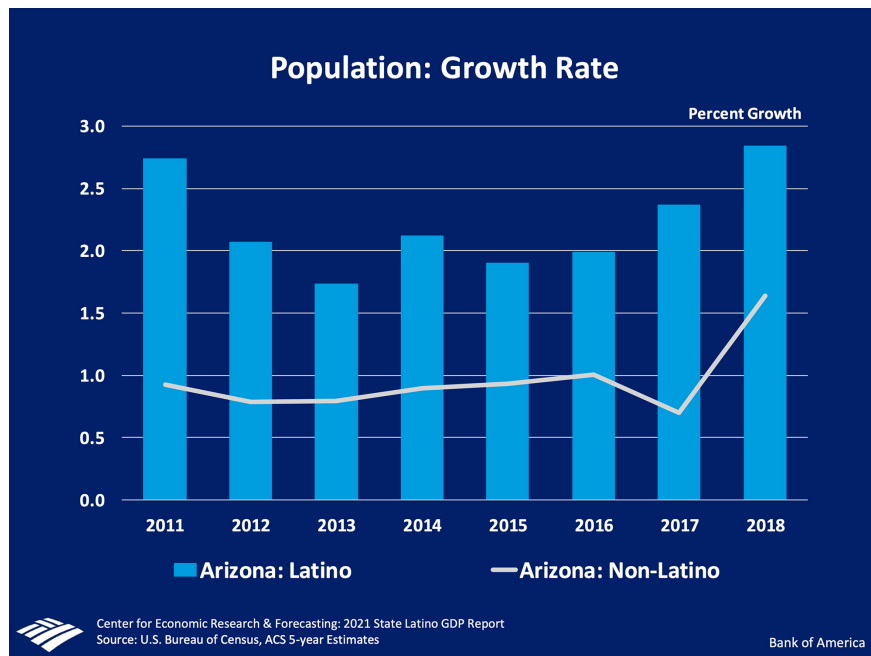
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**Latinos outperform the broader state economy in 4 specific sectors**

# State Latino GDP: Arizona



**Latinos are making strong and consistent contributions to Arizona's population and labor force.**

- From 2010-18, Latino population growth was nearly 2.5 times that of Non-Latinos (19 percent for Latinos compared to only 8 percent for Non-Latinos)
- From 2010-18, Latino labor force growth was nearly 7 times that of Non-Latinos (25.5 percent compared to only 3.4 percent)

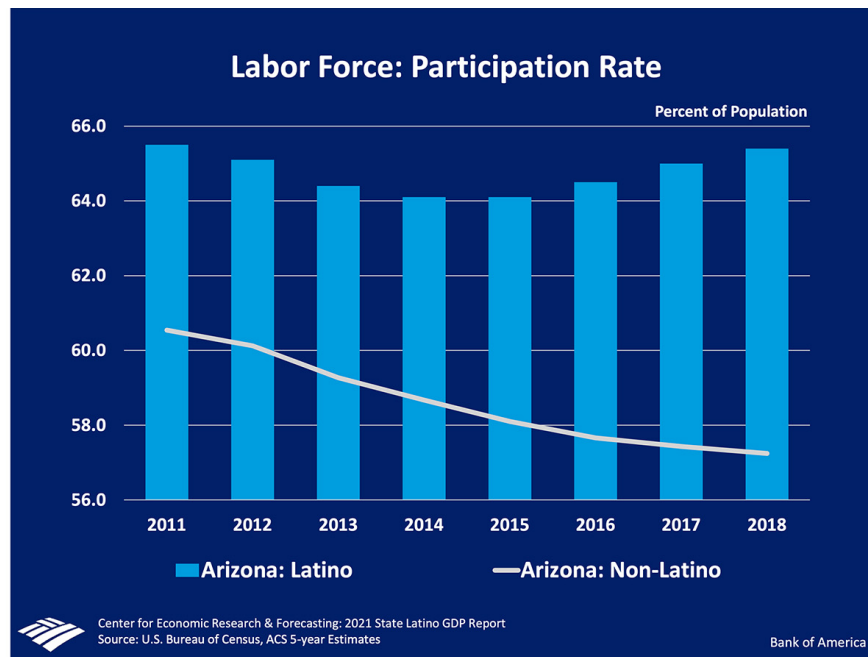
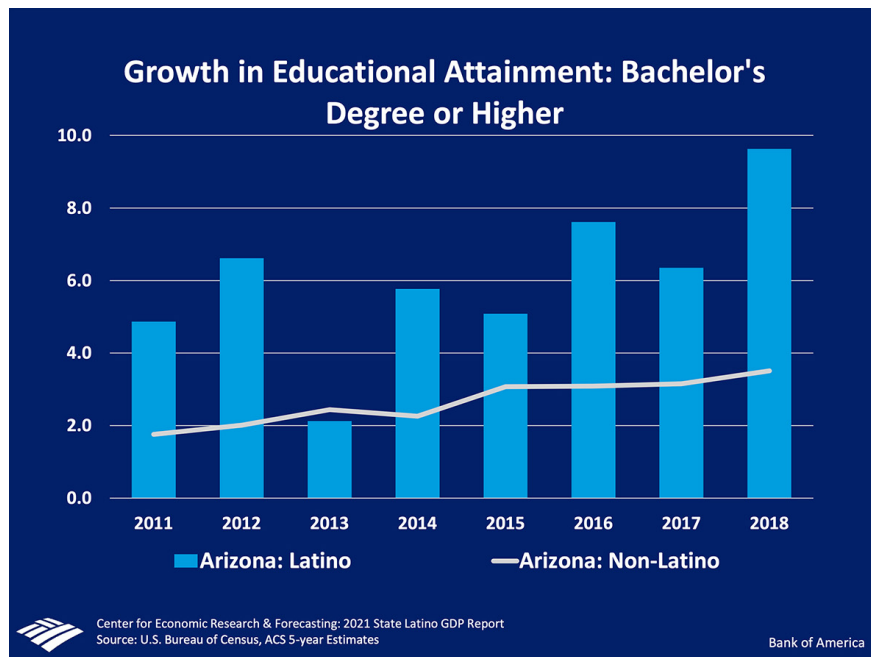
# Arizona – Largest MSA by Latino Population



## Phoenix / Scottsdale Metro

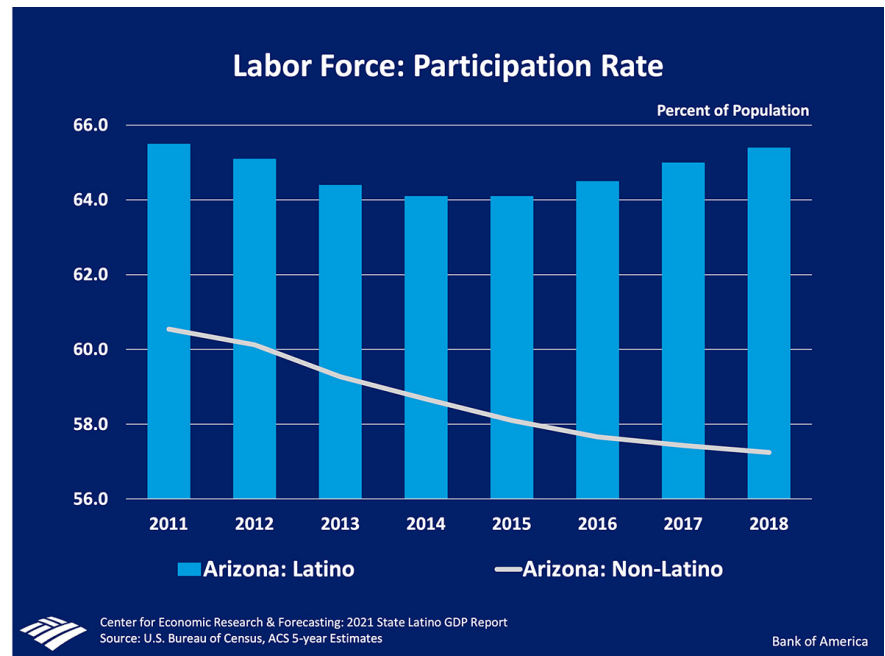
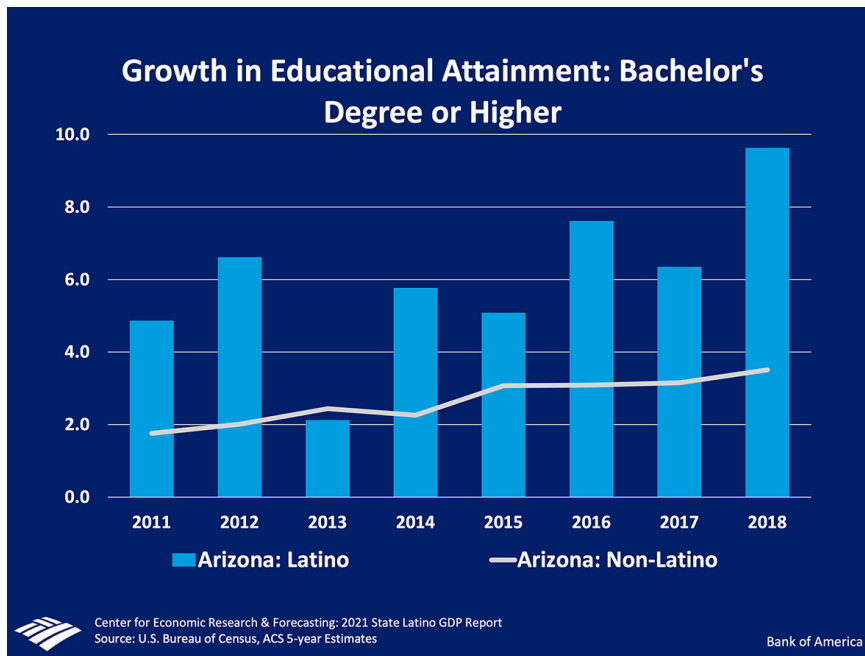
- 2018 Latino population: 1.5 million
  - Latinos are 31% of total metro area population
  - 8<sup>th</sup> largest MSA in the U.S. by Latino population
- Latino population growth is 1.7 times that of Non-Latinos from 2010-18
  - Latino population grew 21.6% compared to only 12.7% for Non-Latinos

# Arizona Latino GDP - Education & LFP



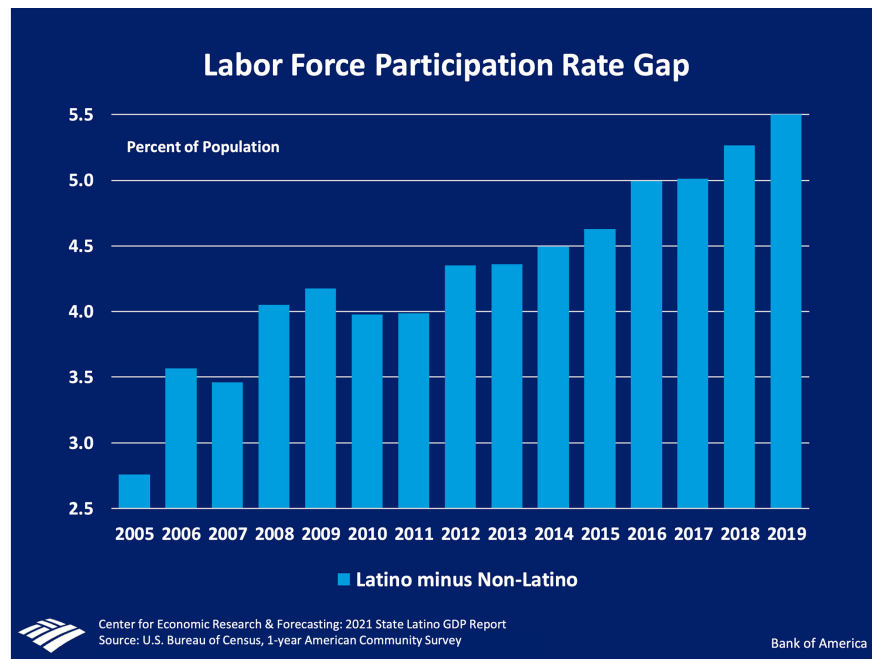
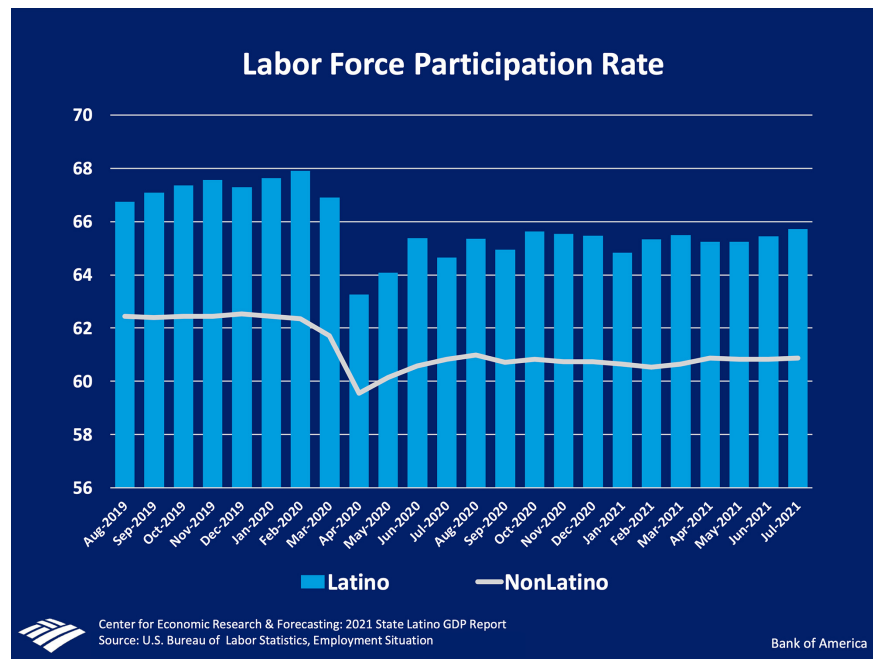
**Educational attainment of Arizona Latinos is growing 2.5 times faster than that of Non-Latinos**

# Arizona Latino GDP - Education & LFP



**From 2010-2018, Latino's labor force participation rate was an average of 6.0 percentage points higher than Non-Latino. In 2018, it was 8.2 percentage points higher!**

# State Latino GDP: Looking Ahead



Using the Great Recession as a reference point and seeing the early evidence offered by labor market data, it is already clear...

**Latinos will be a major driver of the nation's post-pandemic economic recovery.**

# State Latino GDP: Looking Ahead

**Latinos are one of the U.S. economy's biggest growth engines.**

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



# California Lutheran University

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