

# 2021 State Latino GDP Report New Mexico



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California  
Lutheran  
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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

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

- Total economic output of U.S. Latinos is very large - \$2.6 Trillion in 2018
- U.S. Latino GDP is growing rapidly – 74% faster than Non-Latino GDP (2010-18)
- 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**

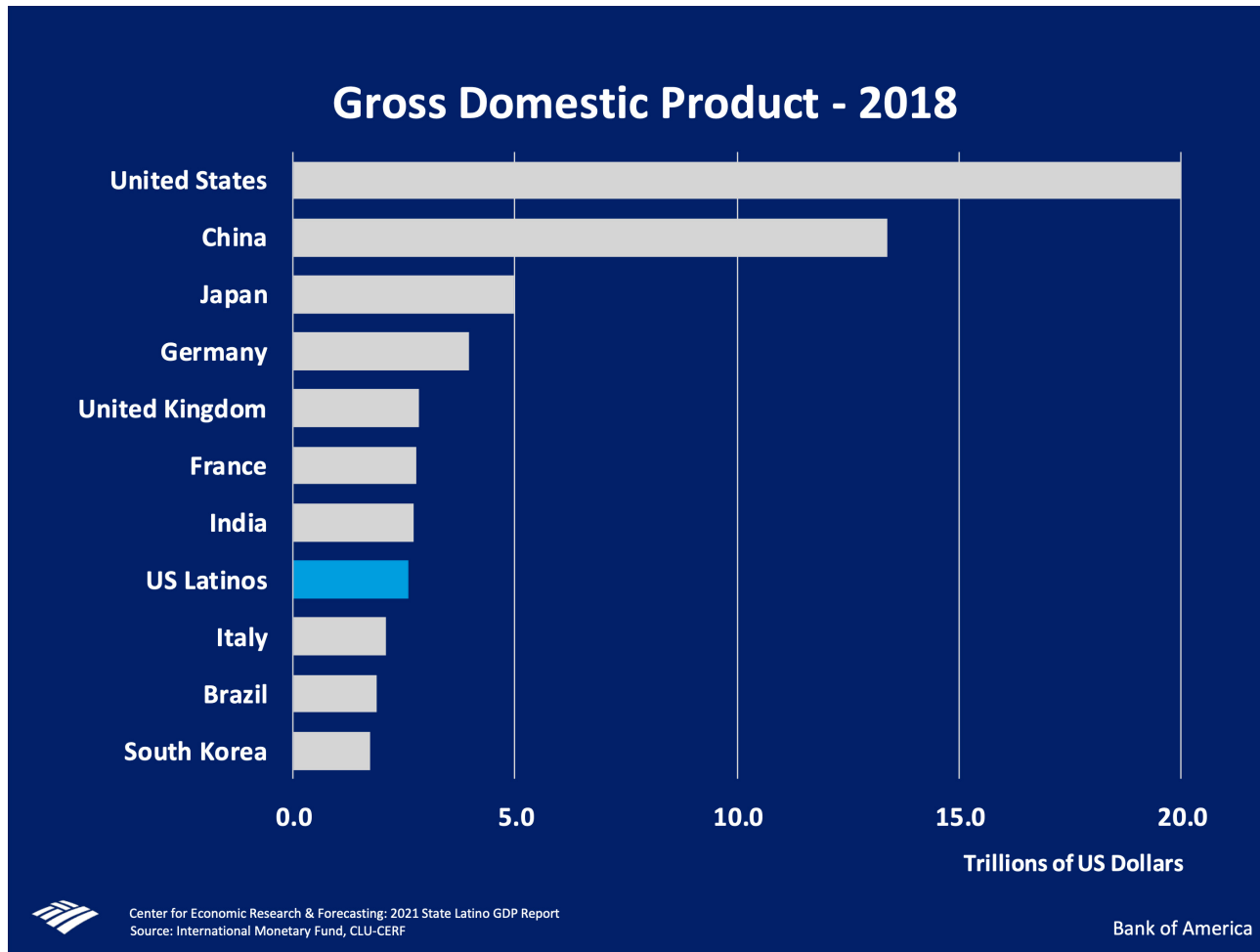
- Broad and deep measure of economic activity across 71 industrial sectors
- The most recent year for which this core building block is available is 2018

**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

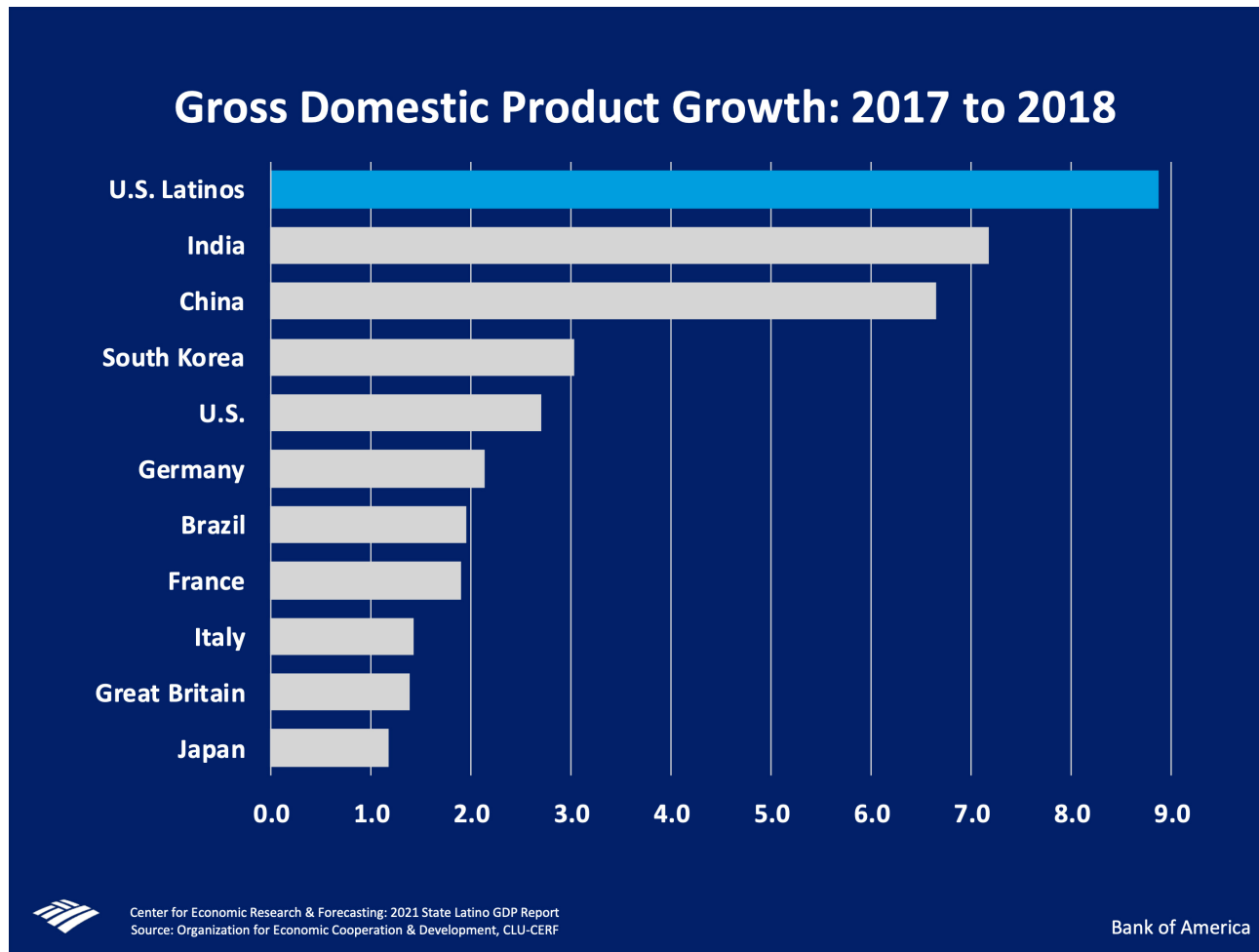


# Latino Gross Domestic Product (GDP)



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

# Latino Gross Domestic Product (GDP)



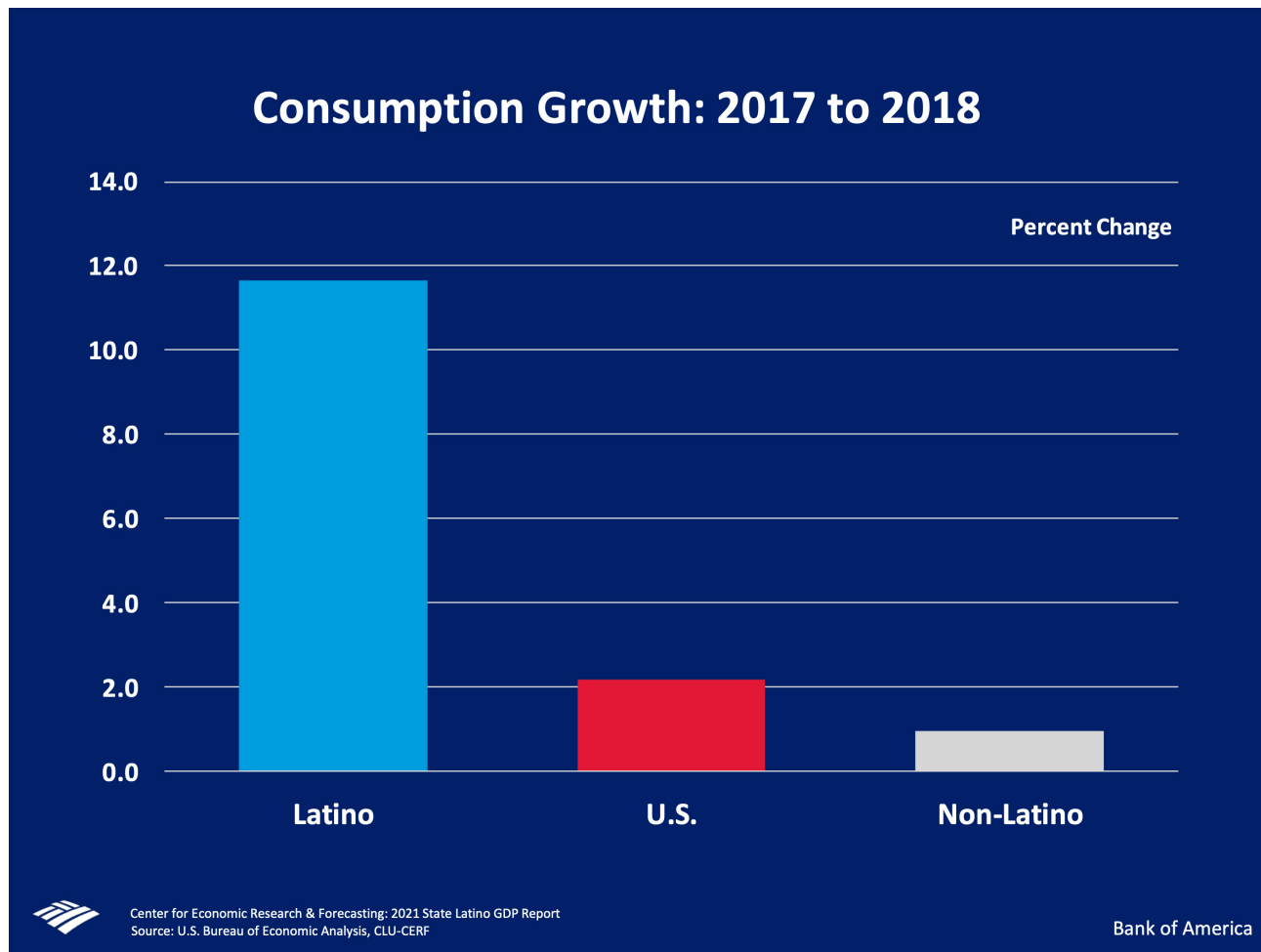
**Among the ten largest GDPs, Latino GDP is *single* fastest growing**

# Latino Gross Domestic Product (GDP)

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

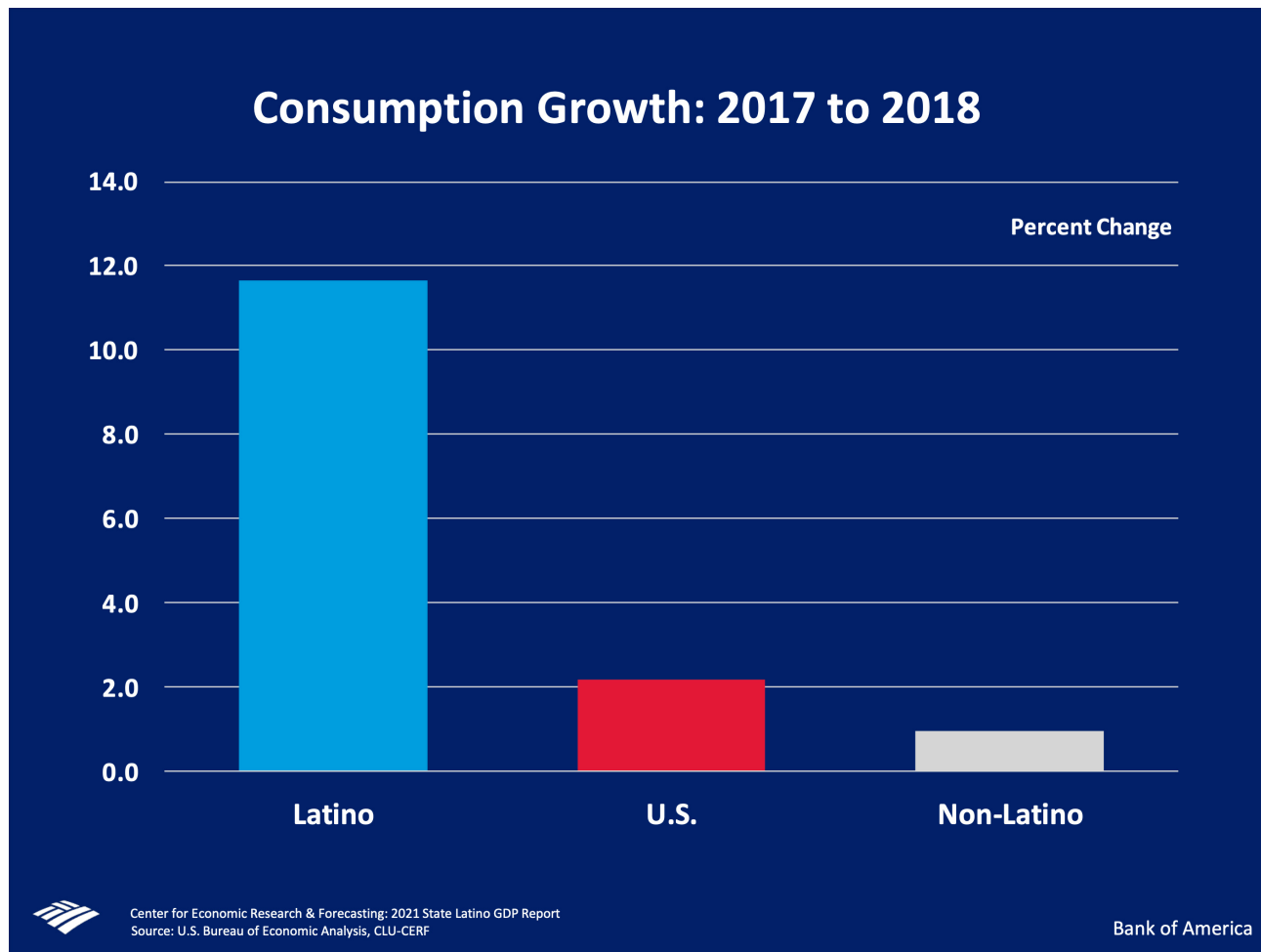
- From 2010-2018, Latino real consumption grew 135% faster than Non-Latino
- This dramatic increase is driven by large gains in personal income, which naturally flow from Latinos' rapid gains in educational attainment and strong labor force participation.

# Drivers of the Latino GDP



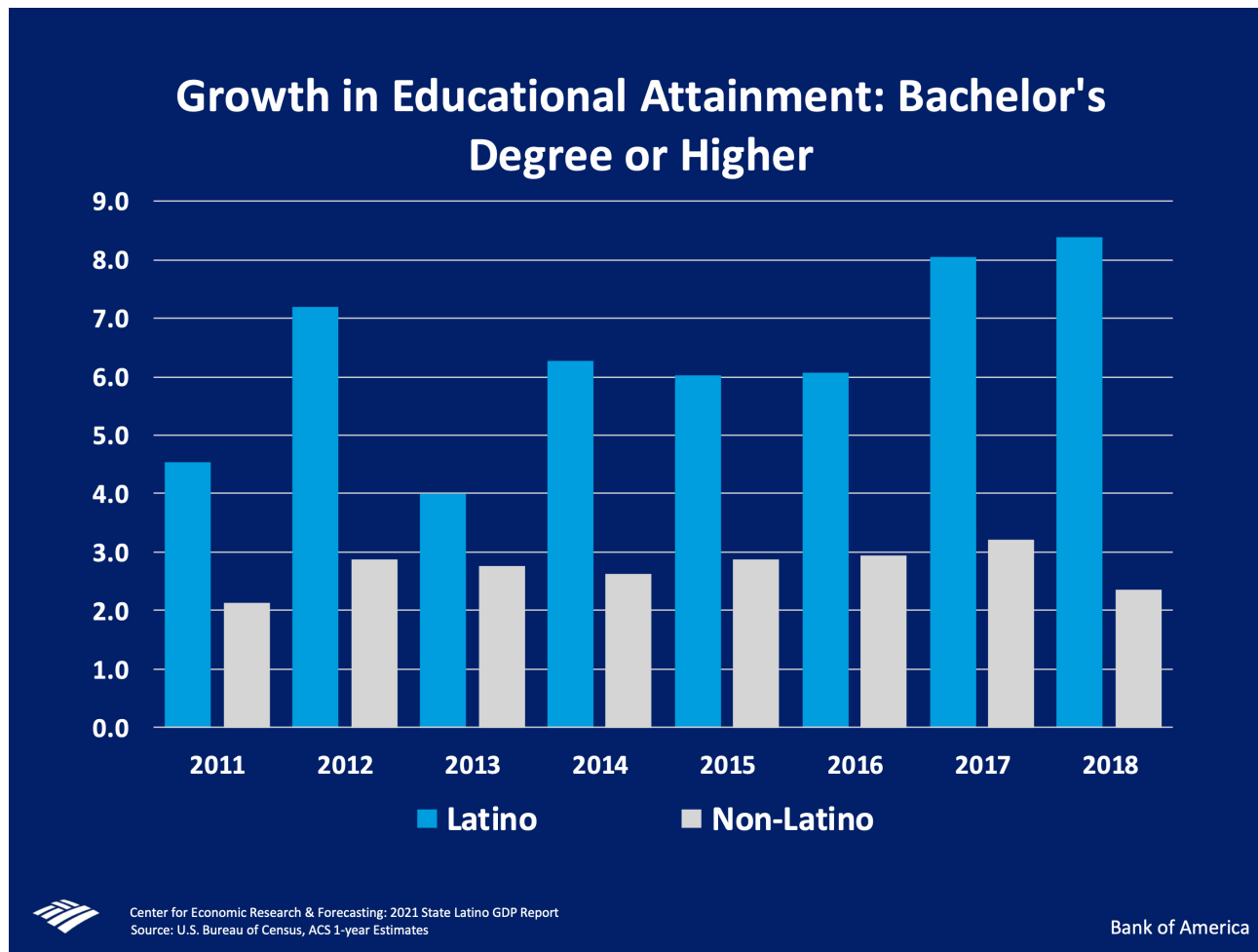
**2017-18 Latino real consumption grew 12.2 times faster than Non-Latino**

# Drivers of the Latino GDP



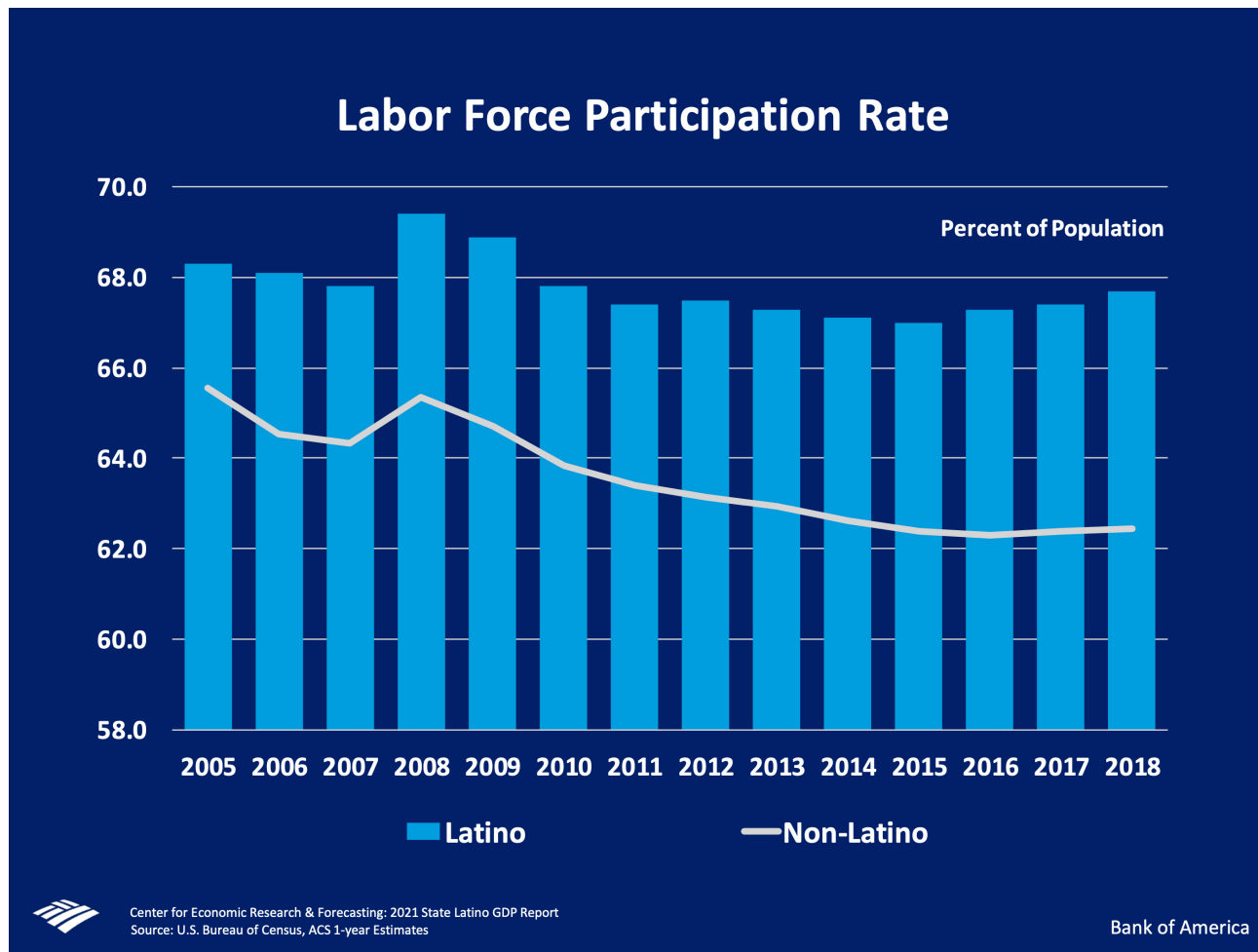
**Over the past 5 years, Latino income grew nearly 70% faster than Non-Latino**

# 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**

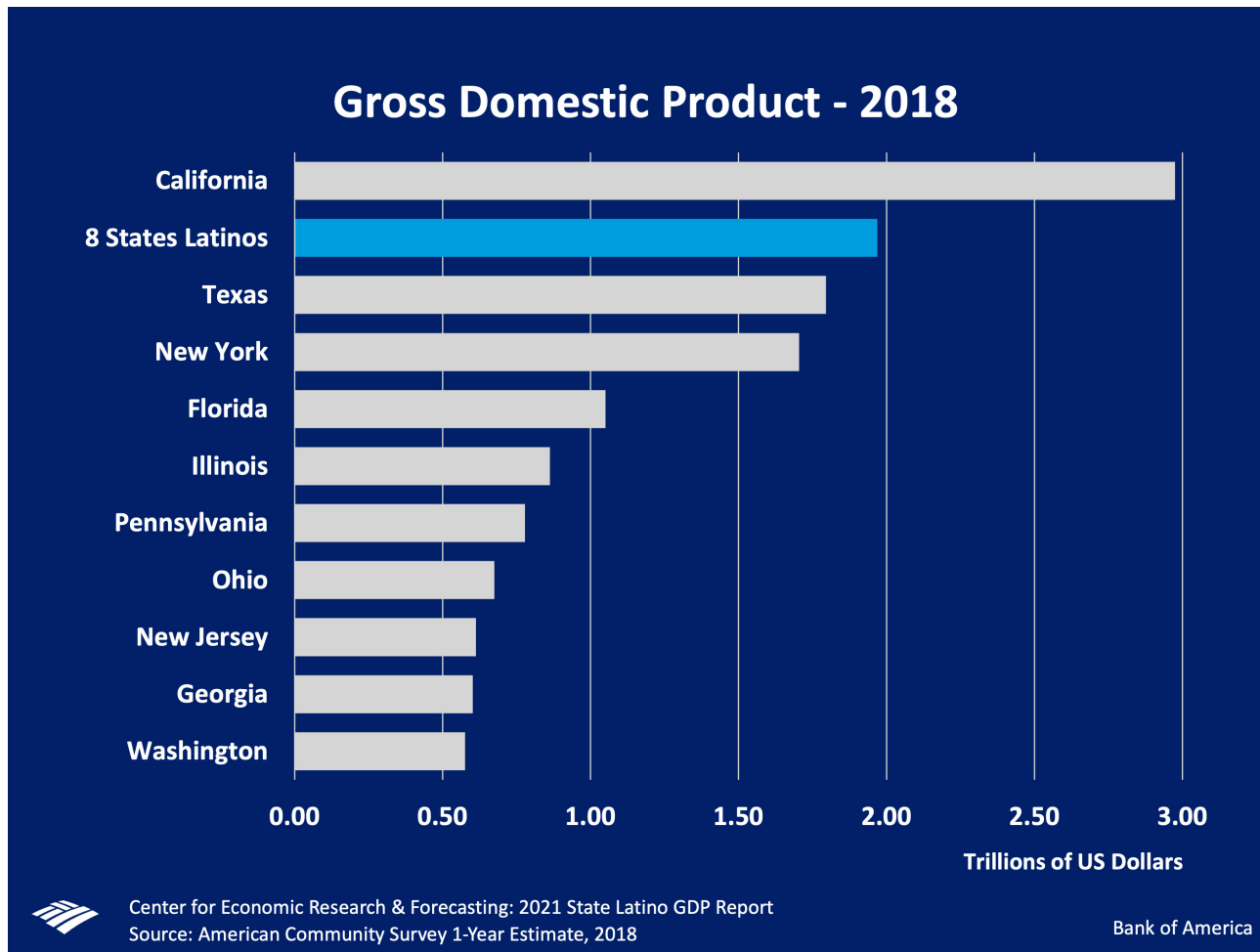
- Arizona, California, Florida, Illinois, New Mexico, New Jersey, New York, and Texas

## **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

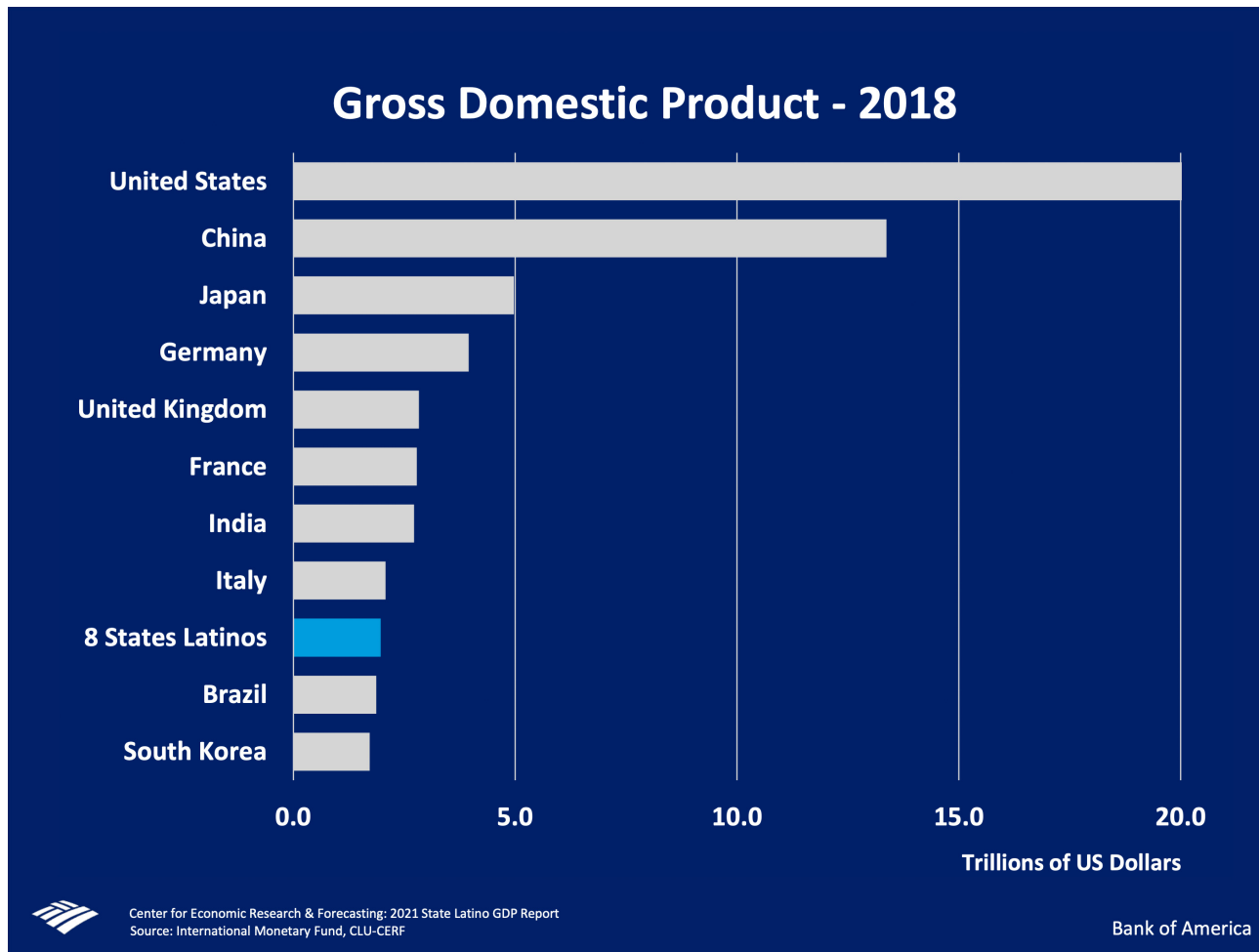


**These 8 states have a combined Latino GDP of \$2.0 trillion**

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

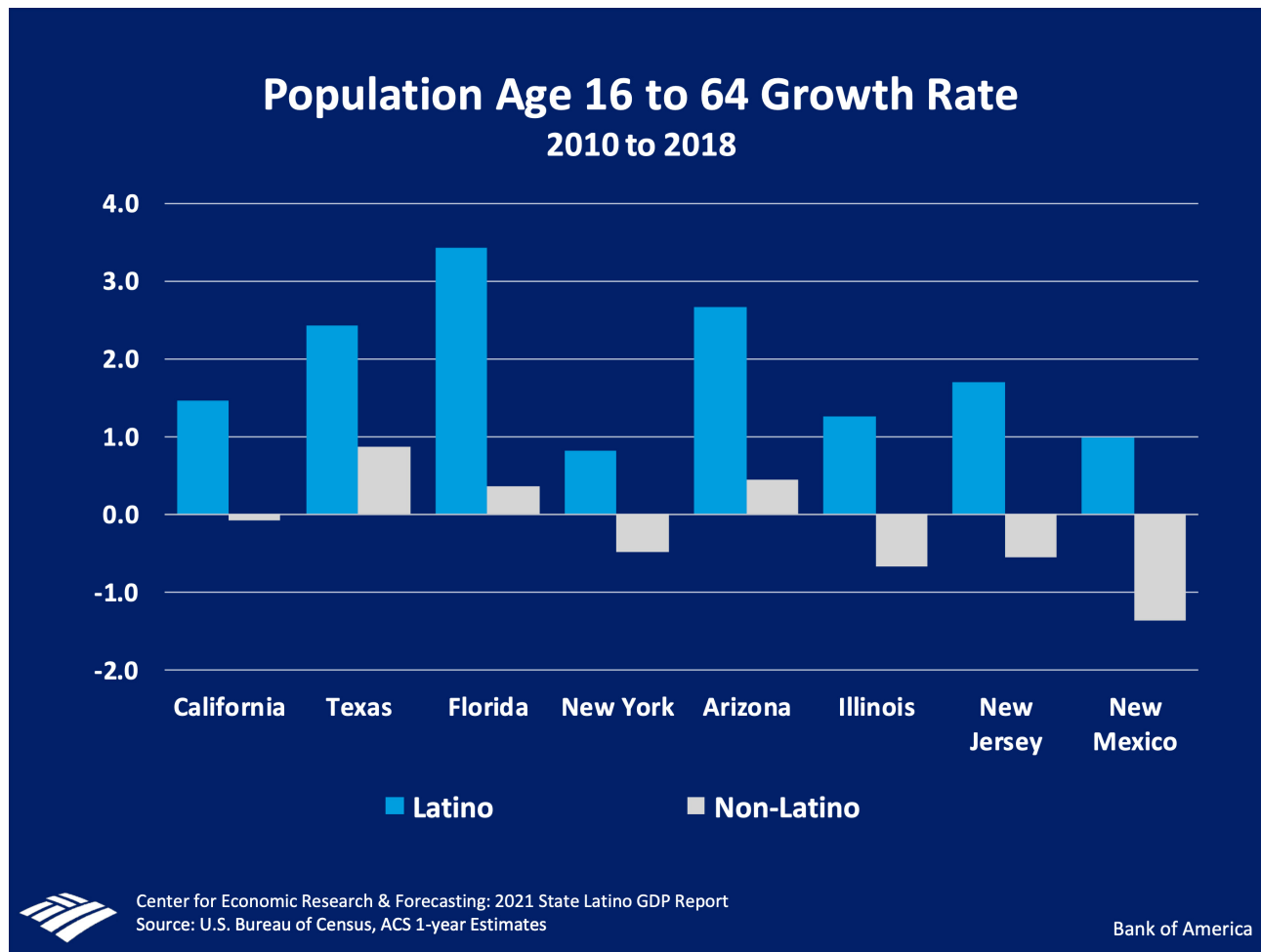
- Treated as a single economy, Latinos in these 8 states produce greater economic activity than the entire country of South Korea (\$1.72 trillion) and Brazil (\$1.87 trillion)

# State Latino GDP



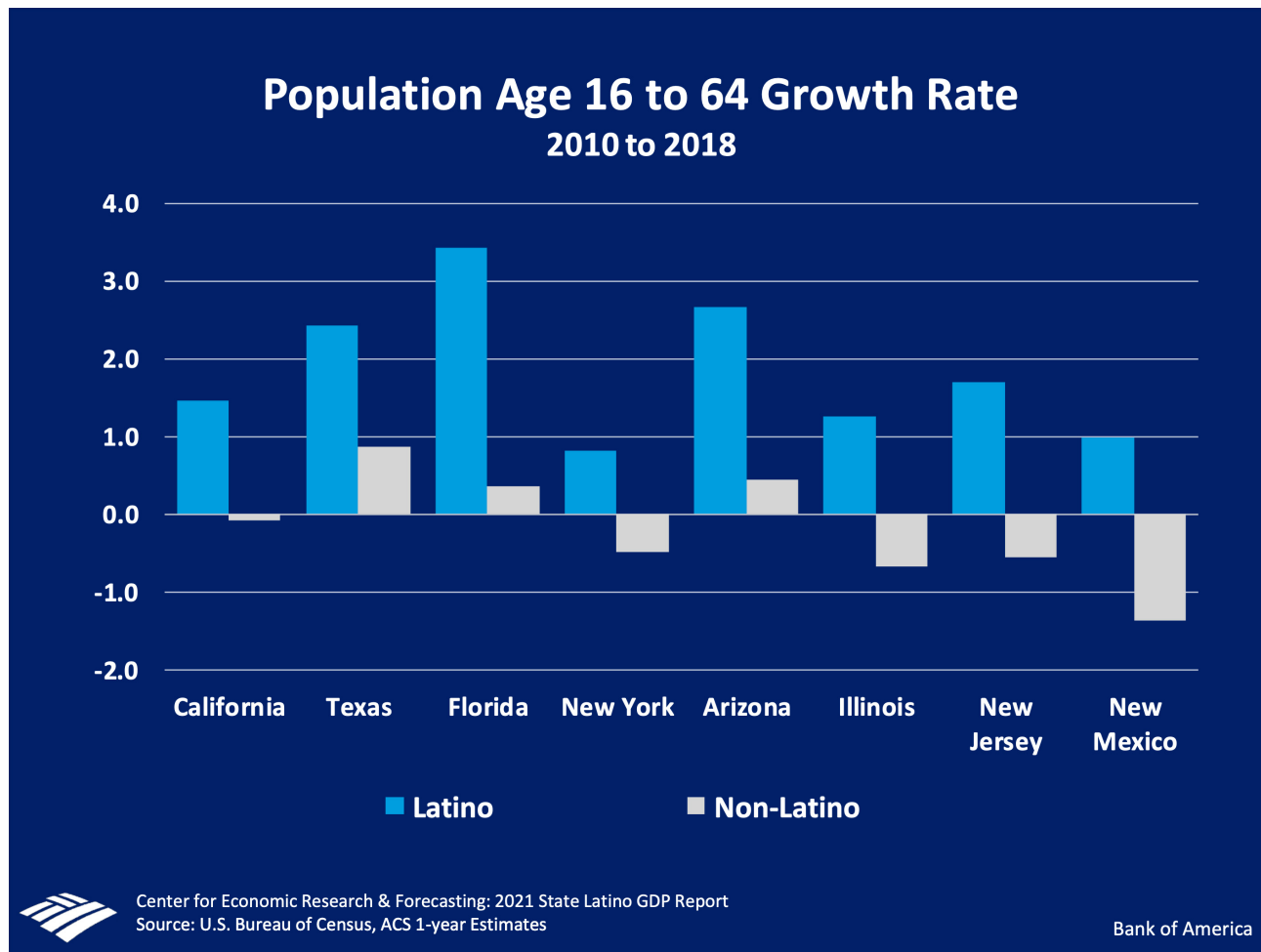
**Together, the 8 state Latinos GDPs represent the world's 9<sup>th</sup> largest economy**

# Drivers of the State Latino GDPs



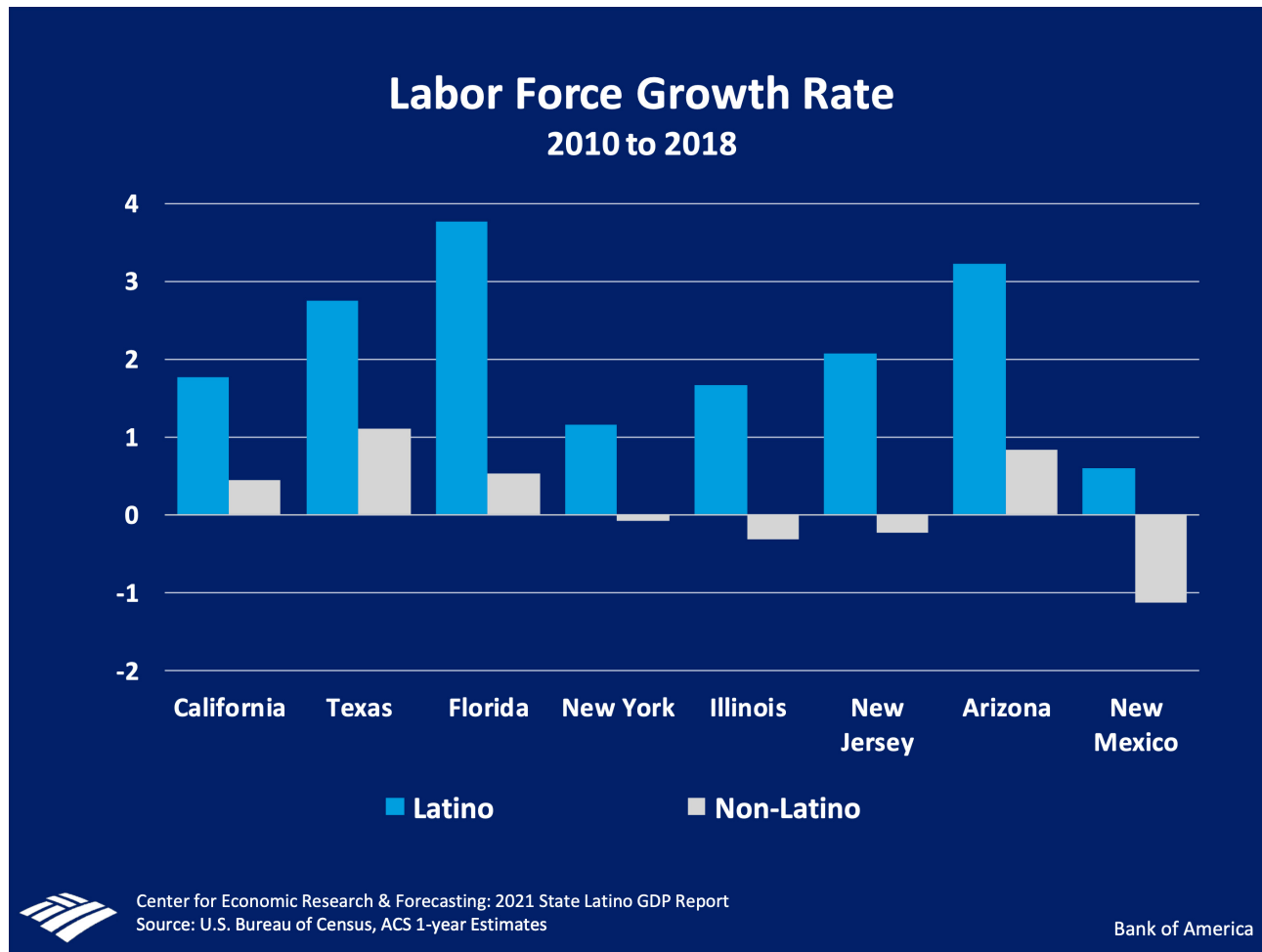
**Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos**

# Drivers of the State Latino GDPs



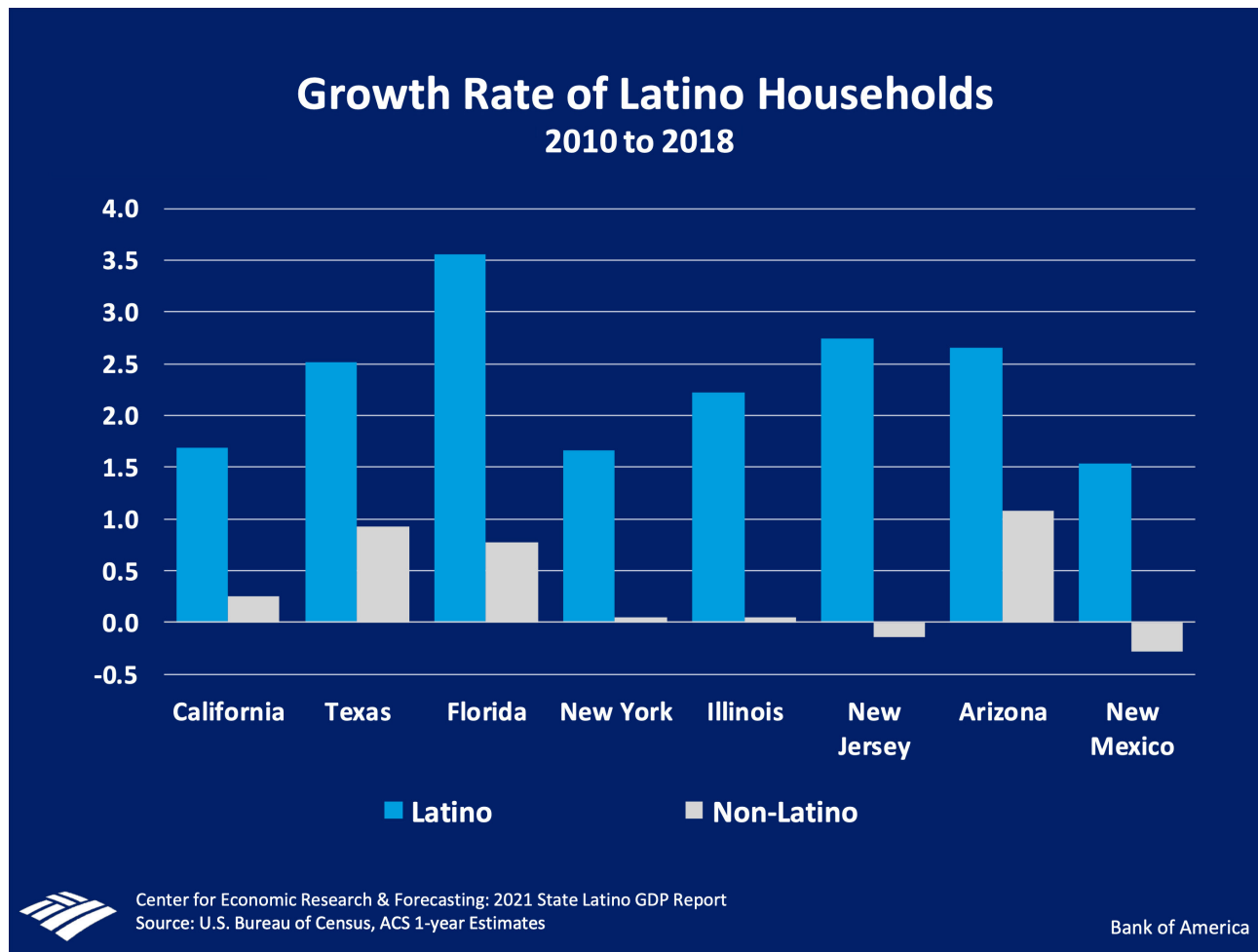
**2060: Latinos projected to contribute 30 million additional working age adults**

# Drivers of the State Latino GDPs



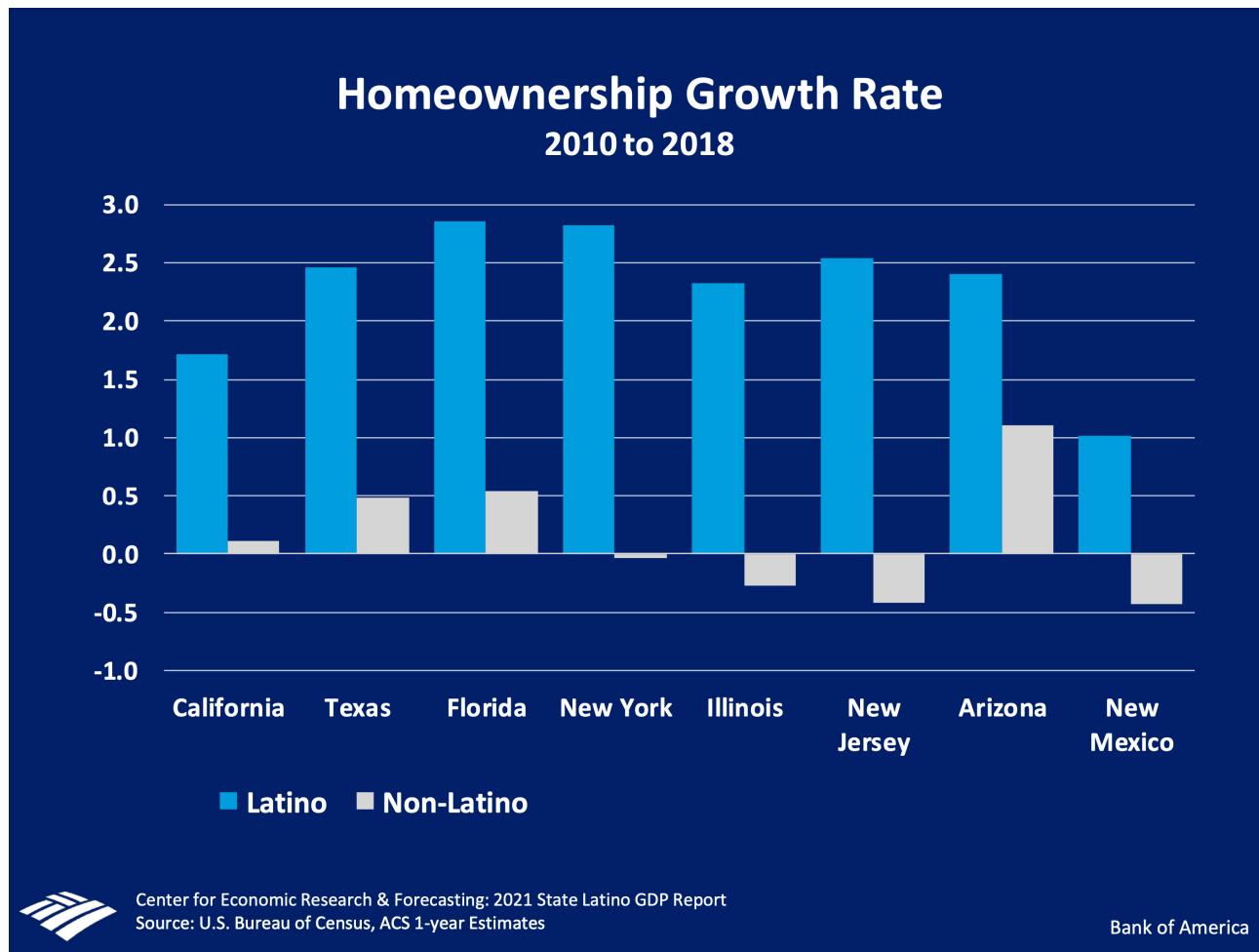
**Latinos are responsible for 78% of U.S. labor force growth since Great Recession**

# Drivers of the State Latino GDPs



**Rate of 8-State Latino household formation is 4 times that of Non-Latinos**

# Drivers of the State Latino GDPs



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



# State Latino GDP: New Mexico



## 2018 New Mexico Latino GDP

- **\$36 billion of economic activity**
  - Larger than the entire economy of the state of Vermont
  - Largest component is consumption which totals \$21 billion

# State Latino GDP: New Mexico

<b>New Mexico: Gross Domestic Product</b>		
	<b>Latino GDP</b>	<b>Statewide GDP</b>
	Industry Share	Industry Share
	<i>percent</i>	<i>percent</i>
Agricultural/Natural Resources	2.4	1.4
Mining/Quarrying	8.0	10.1
Construction	9.2	3.8
Durables Manufacturing	2.0	1.9
Non-Durables Manufacturing	3.4	2.3
Wholesale Trade	3.5	3.3
Retail Trade	5.1	5.6
Transportation/Warehousing/Utilities	5.0	4.4
Information/Technology	2.6	2.4
Finance/Insurance/Real Estate	9.0	16.3
Professional/Business Services	11.8	10.6
Education/Healthcare/Social Assistance	14.5	8.2
Leisure/Hospitality	5.2	4.2
Personal/Repair/Maintenance Svcs	2.6	2.2
Government Services	15.8	23.3
<b>Total All Industries</b>	<b>100</b>	<b>100</b>

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

**New Mexico's Latino economy is more diversified than the U.S. Latino economy**

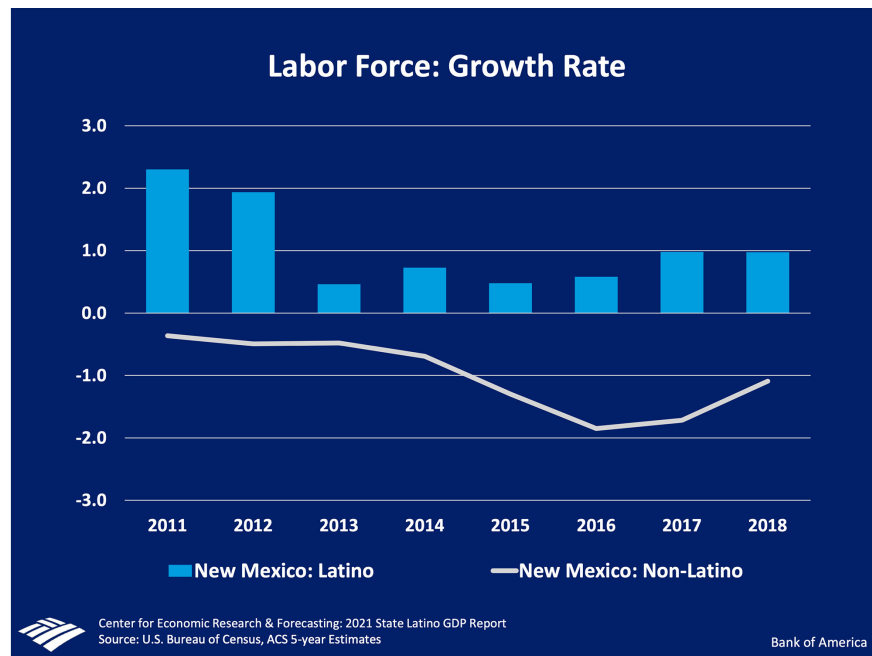
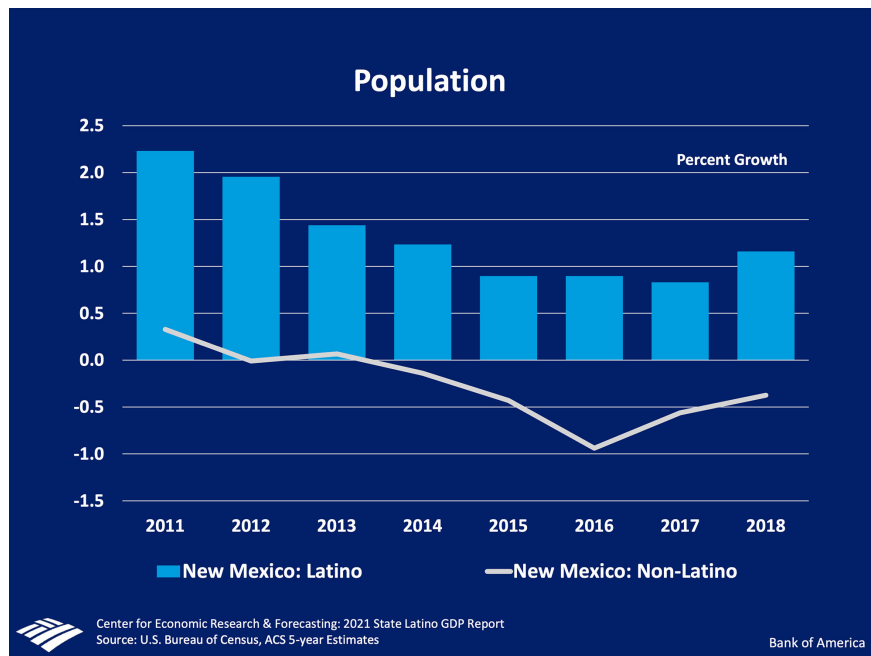
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**Latinos outperform the broader state economy in 4 specific sectors**

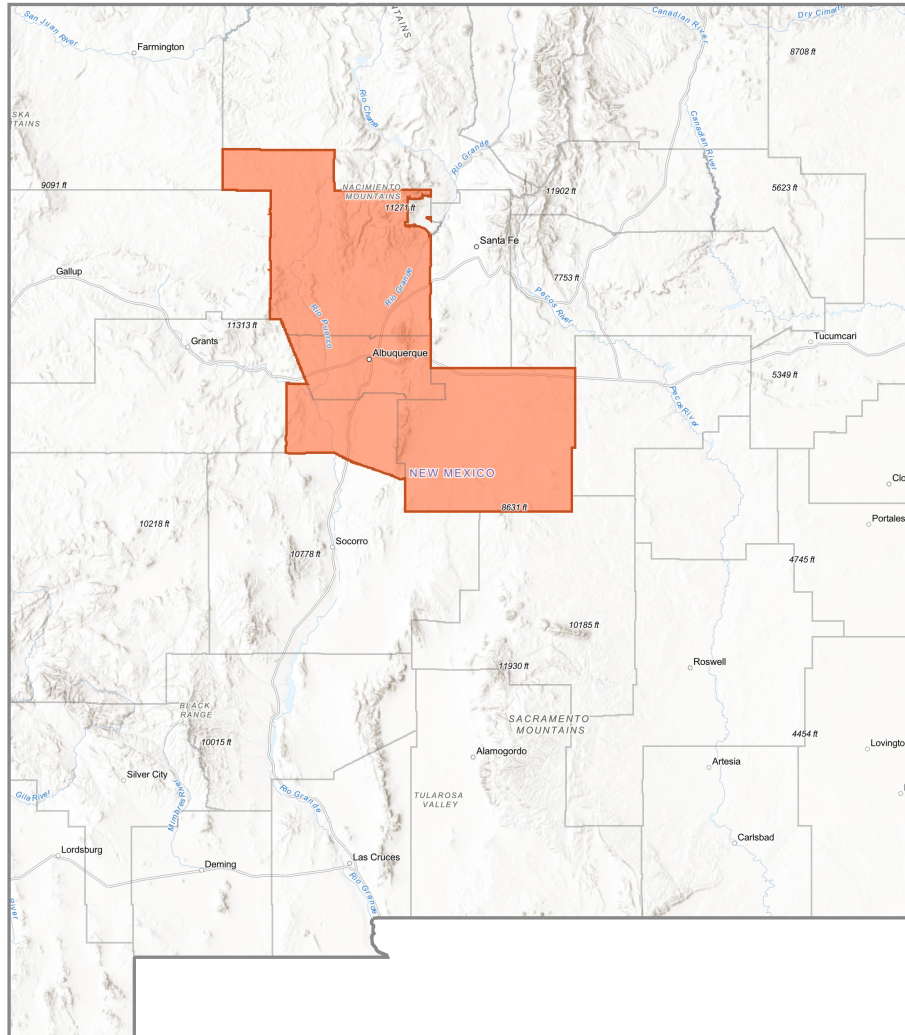
# State Latino GDP: New Mexico



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

- From 2010-18, New Mexico Latinos added an average of 12,700 people and 4,600 workers per year
- Non-Latinos in New Mexico lost an average of 2,800 people and 5,300 workers per year over the same period

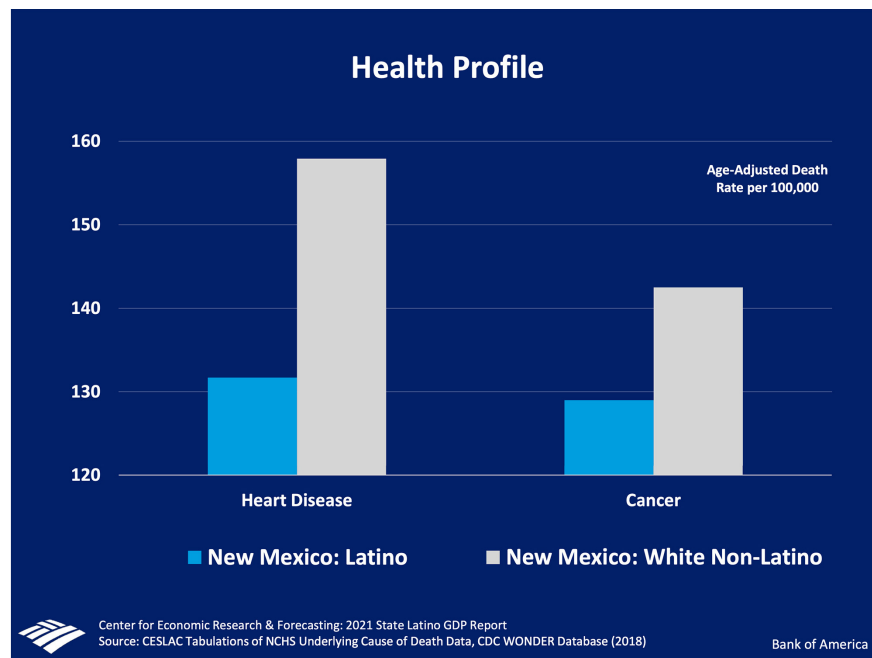
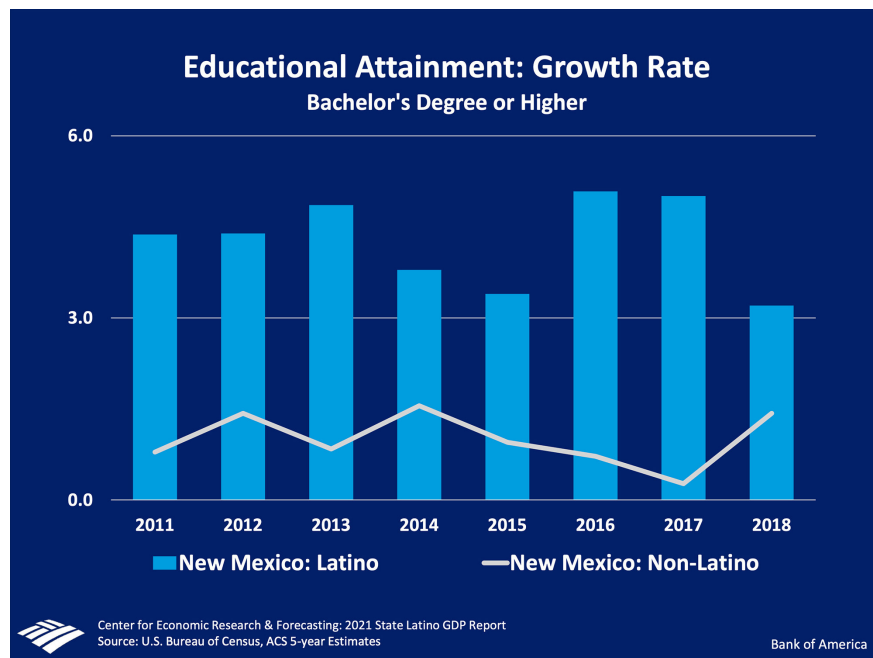
# New Mexico – Largest MSA by Latino Population



## Albuquerque Metro Area

- 2018 Latino population: 450,000
  - 49% of total MSA population
- Were it not for Latinos, Albuquerque's population would have declined from 2010-18
  - Latino population grew by 33,000 people (8% growth)
  - Non-Latino population shrank by 8,000 (-2% growth)

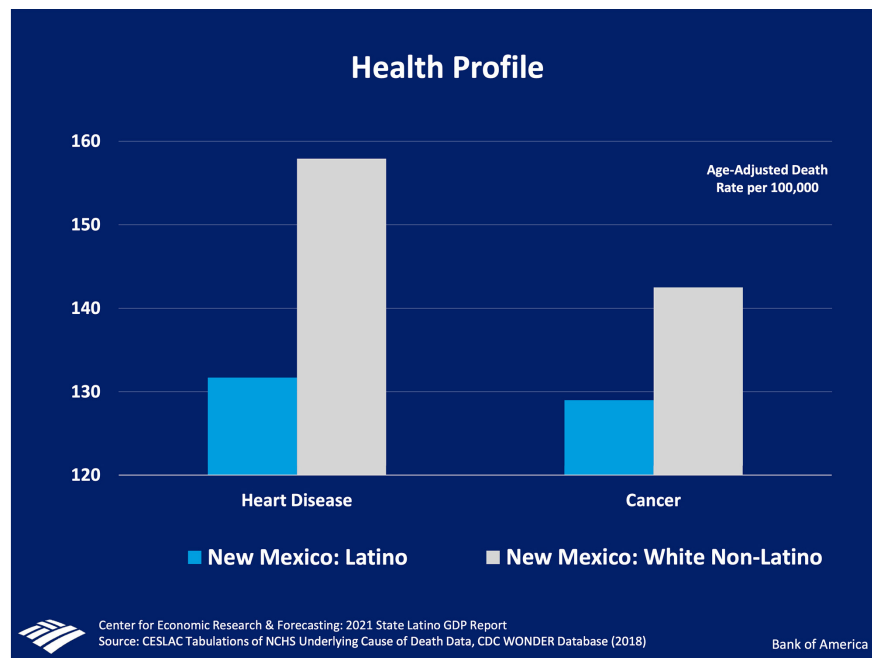
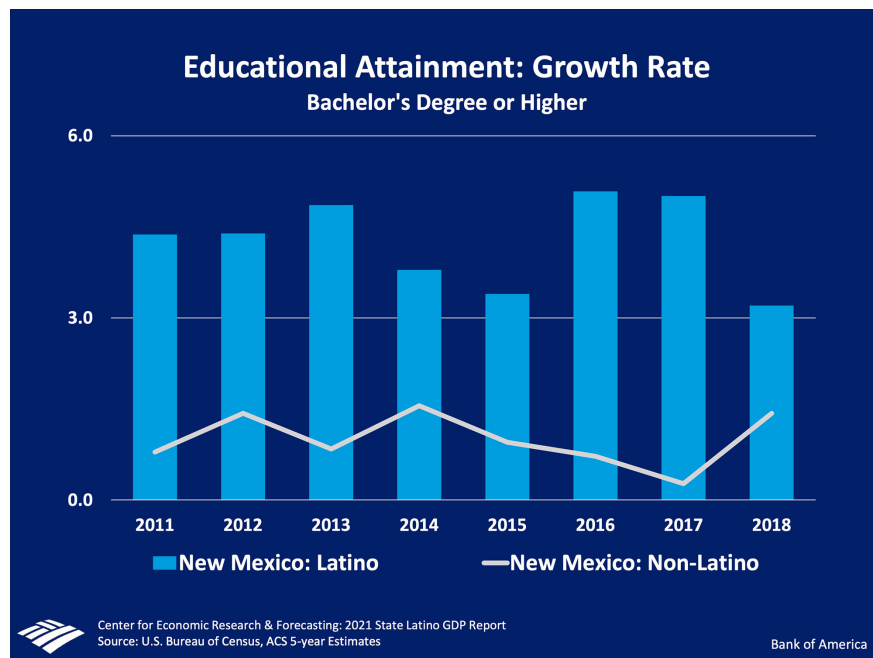
# New Mexico Latino GDP - Education & Health



While educational attainment of U.S. Latinos is growing 2.6 times faster than Non-Latinos...

**Educational attainment of New Mexico Latinos is growing an extraordinary 4.8 times faster than that of Non-Latinos**

# New Mexico Latino GDP - Education & Health

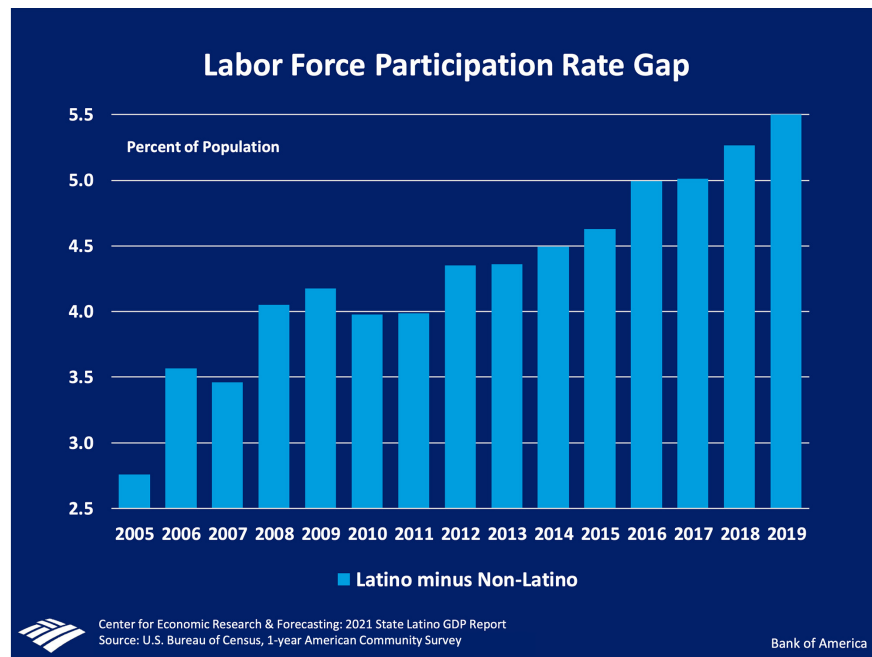
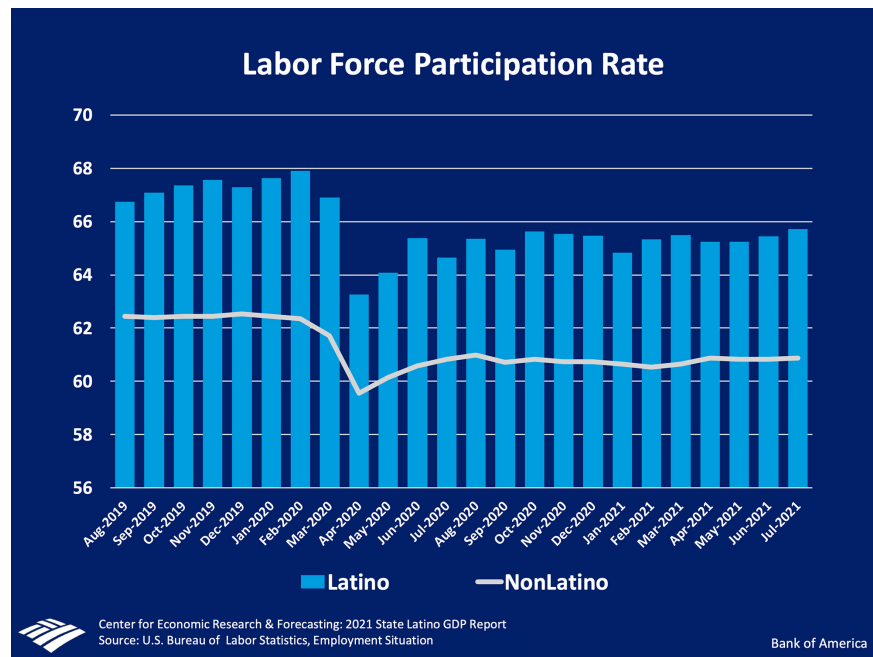


**New Mexico Latinos enjoy age-adjusted mortality rates for all four leading causes of death that are significantly lower than that of White Non-Latinos**

- 10% lower for cancer
- 17% lower for hearth disease



# 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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