

# 2021 State Latino GDP Report Texas



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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

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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**

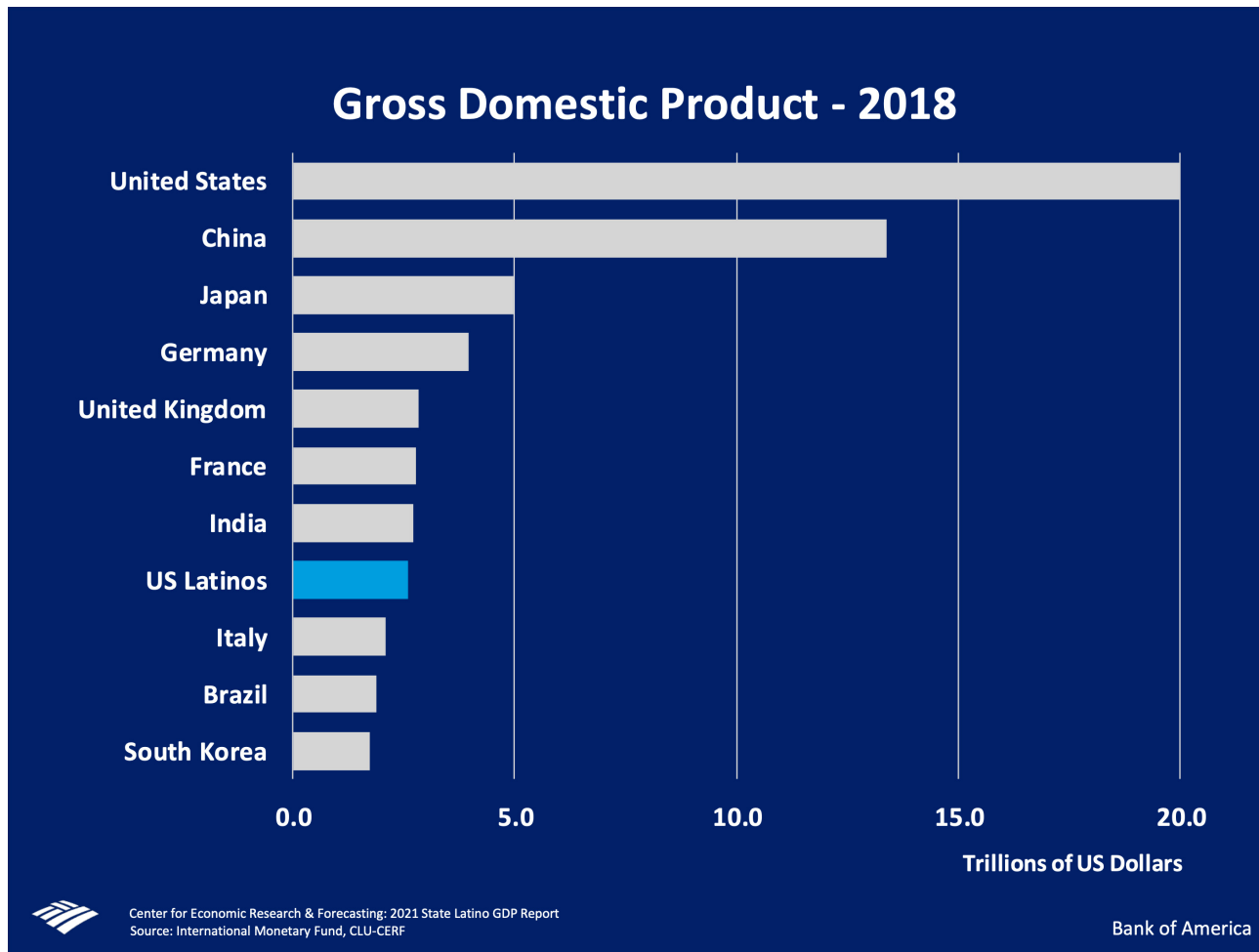
**Bureau of Economic Analysis (BEA) provides detailed input-output (I-O) tables**

- 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**

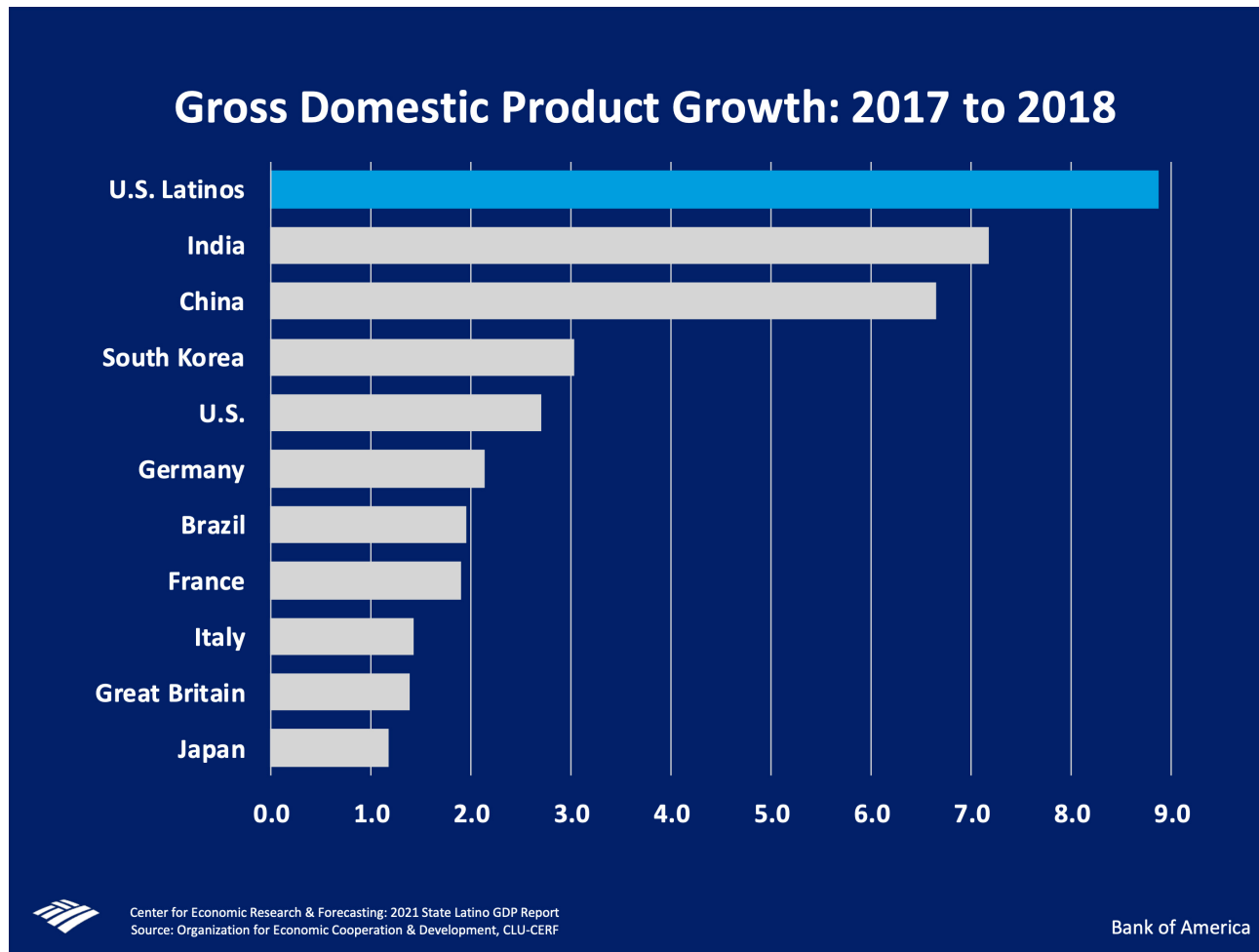
- BOC and BLS provide breakouts of differences in income, spending, home ownership, educational attainment, labor market patterns and demographics

# 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)



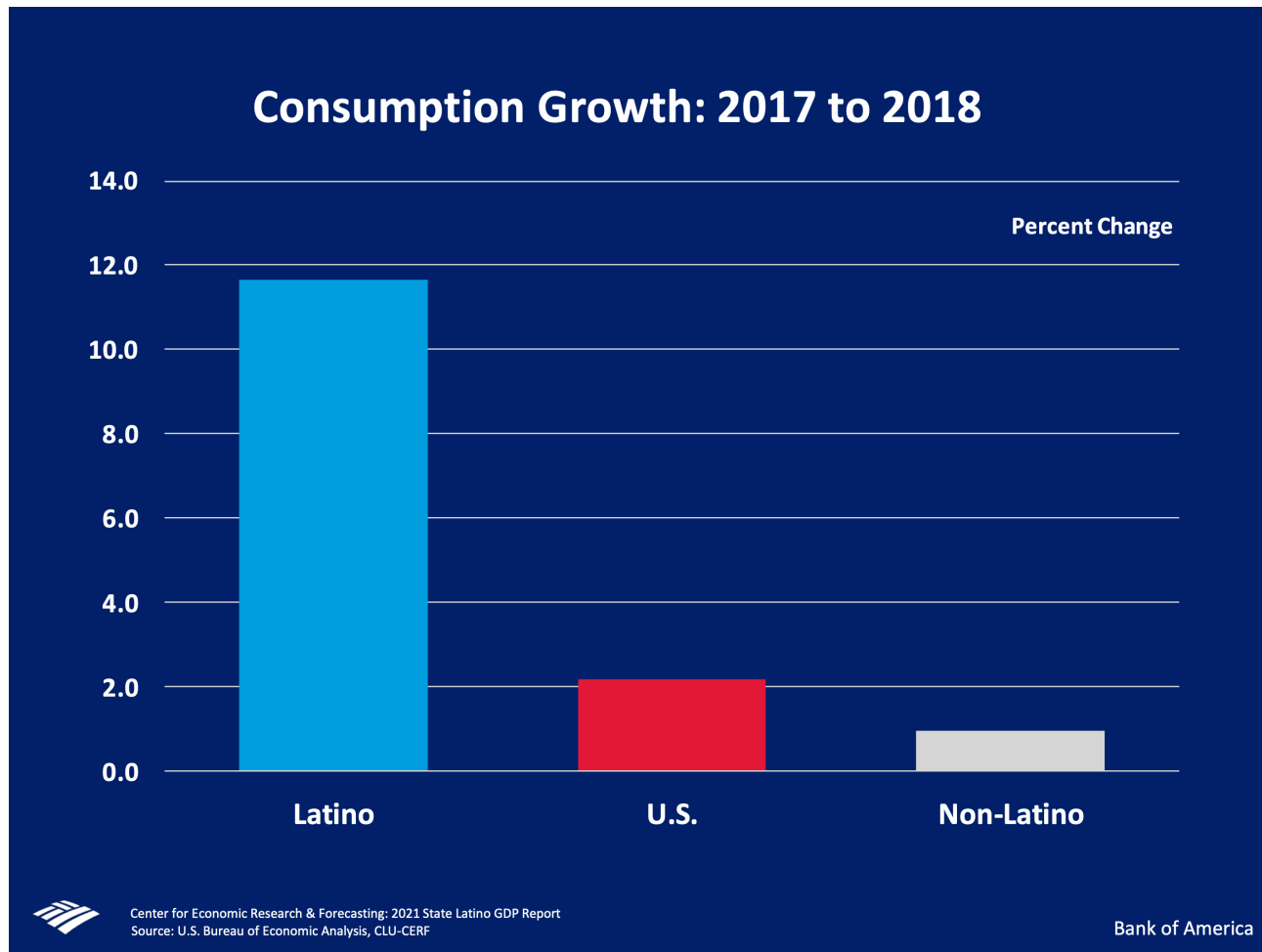
**Among the ten largest GDPs, Latino GDP is *single* fastest growing**

# Latino Gross Domestic Product (GDP)

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

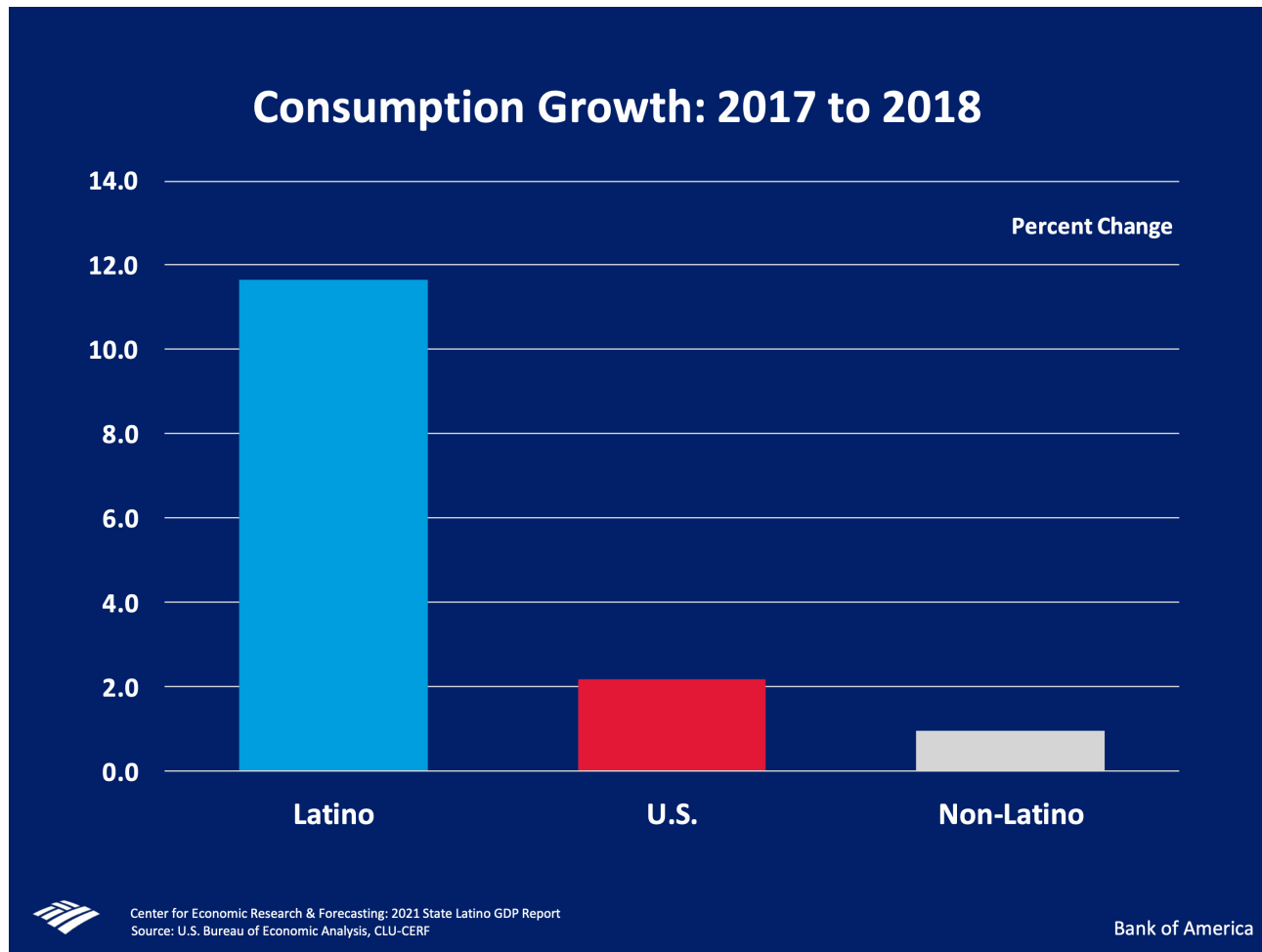
- From 2010-2018, Latino real consumption grew 135% faster than Non-Latino
- This dramatic increase is driven by large gains in personal income, which naturally flow from Latinos' rapid gains in educational attainment and strong labor force participation.

# Drivers of the Latino GDP



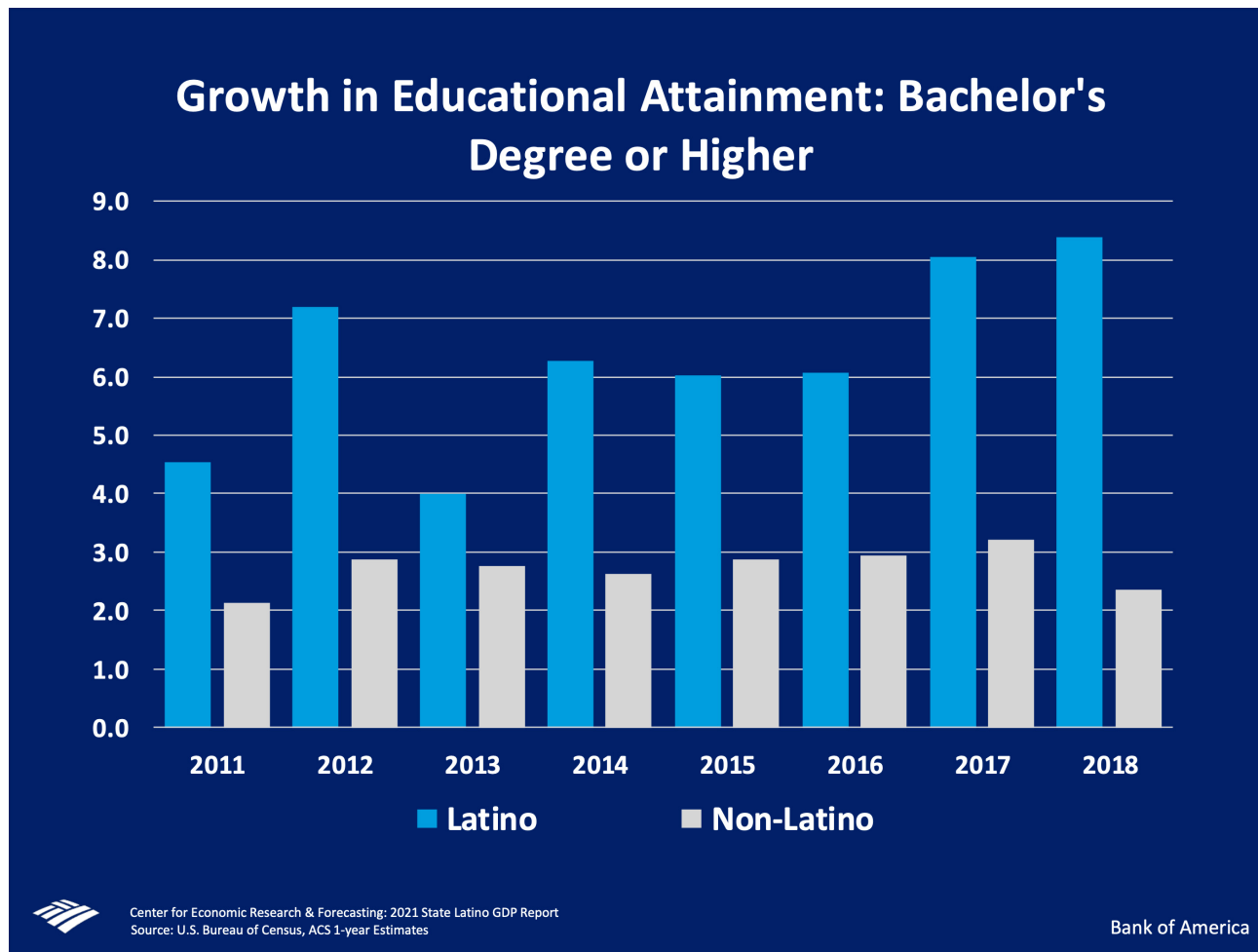
**2017-18 Latino real consumption grew 12.2 times faster than Non-Latino**

# Drivers of the Latino GDP



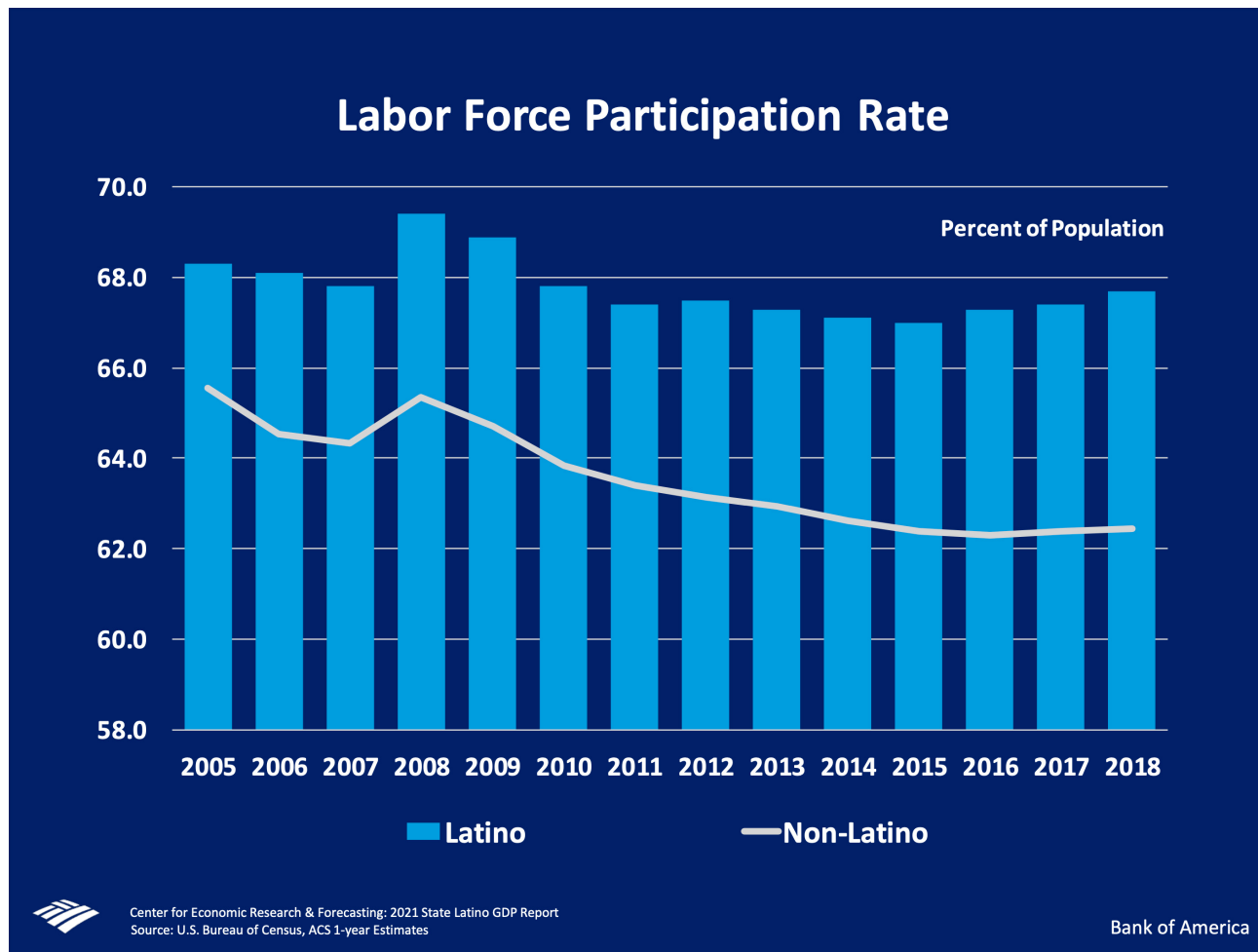
**Over the past 5 years, Latino income grew nearly 70% faster than Non-Latino**

# 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

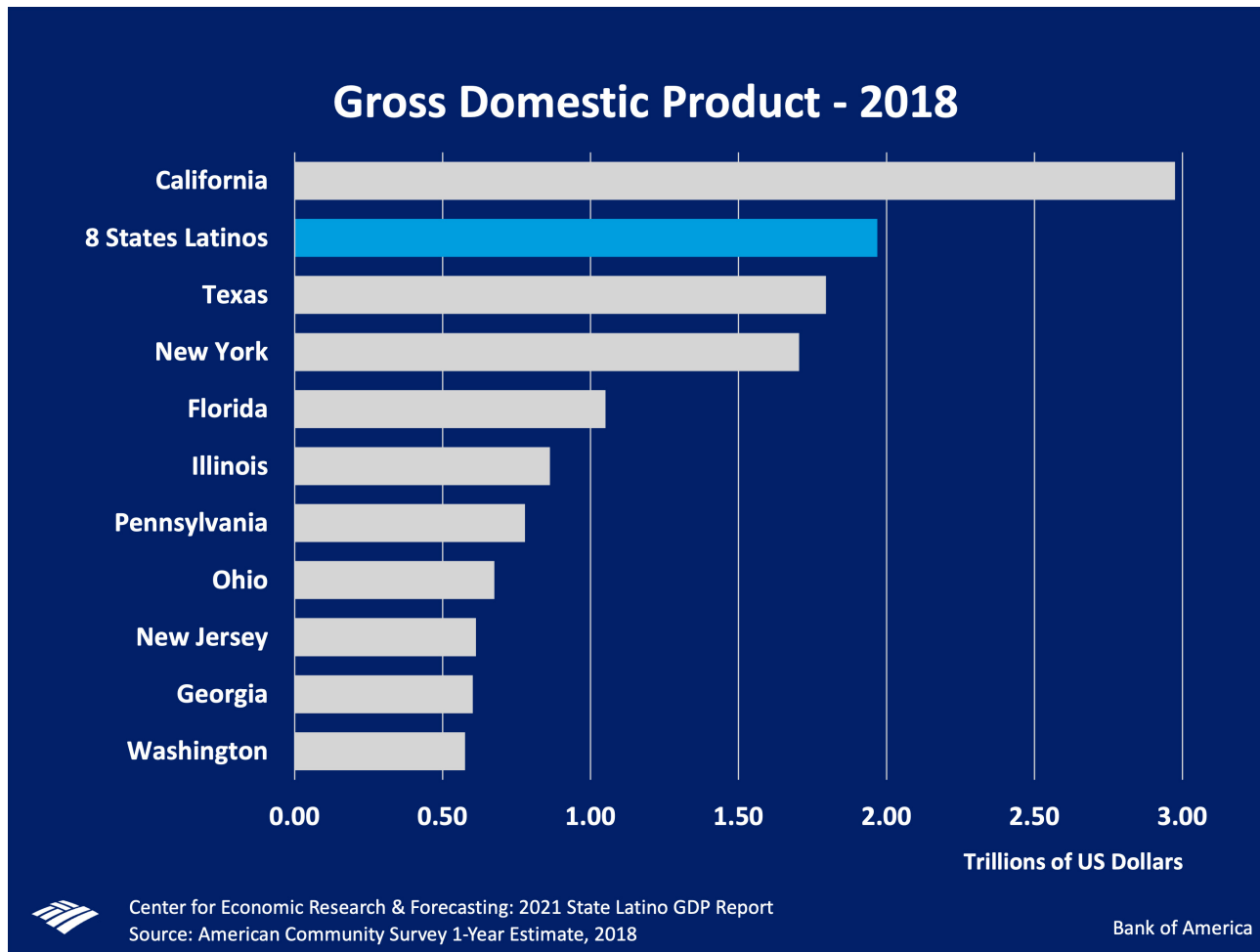
## **Latinos in just 8 U.S. states account for 76% of the U.S. Latino GDP**

- 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

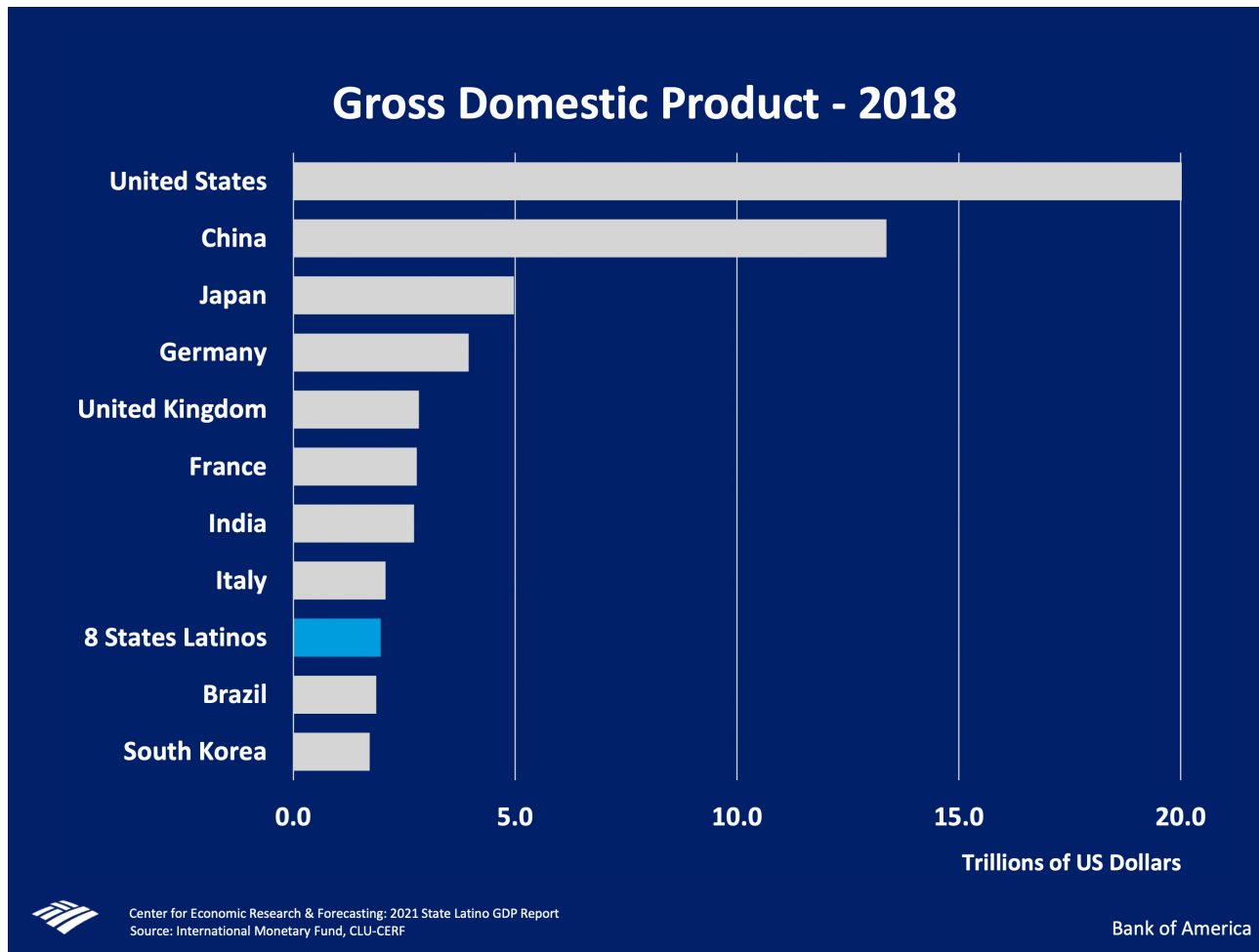


**These 8 states have a combined Latino GDP of \$2.0 trillion**

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

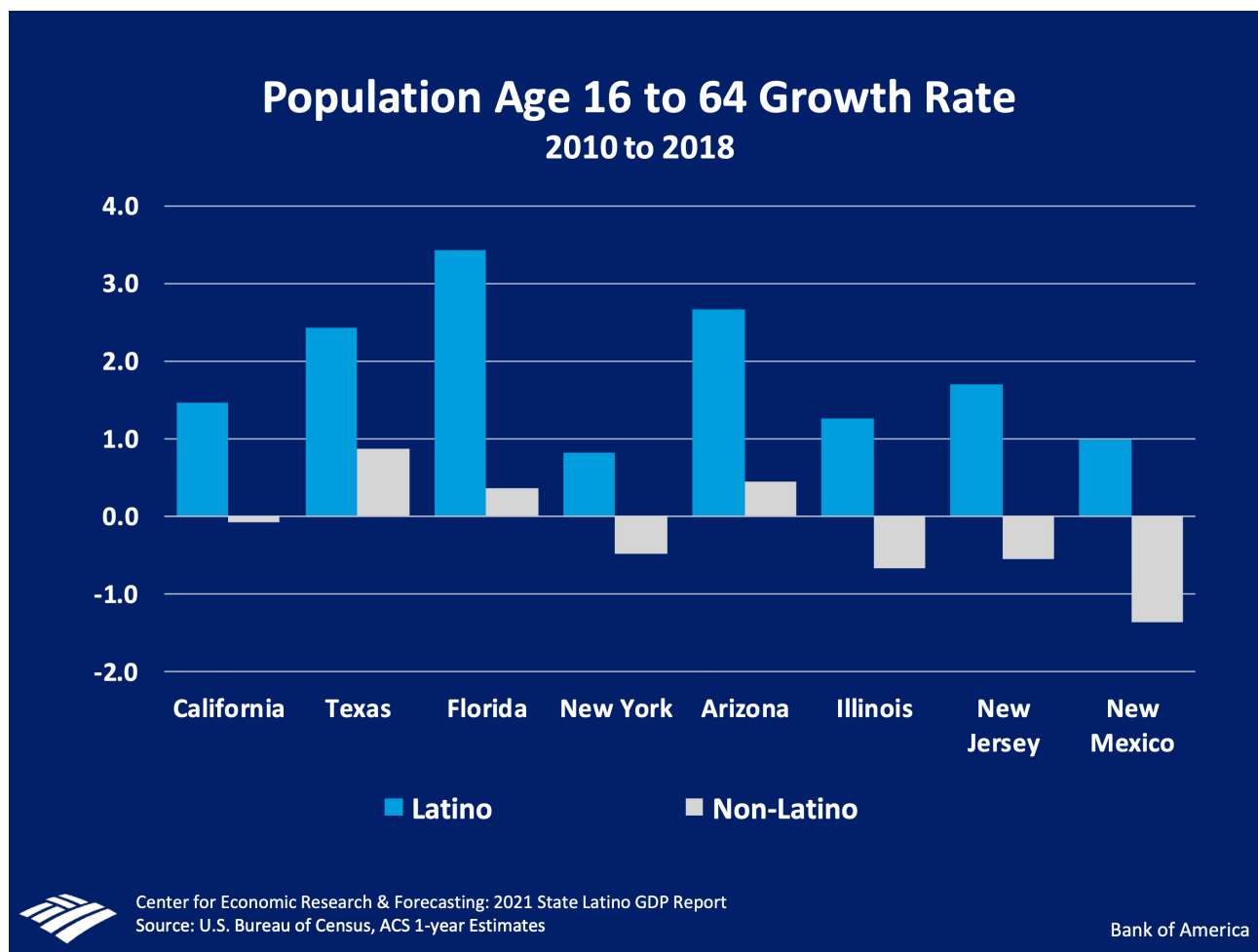
- Treated as a single economy, Latinos in these 8 states produce greater economic activity than the entire country of South Korea (\$1.72 trillion) and Brazil (\$1.87 trillion)

# State Latino GDP



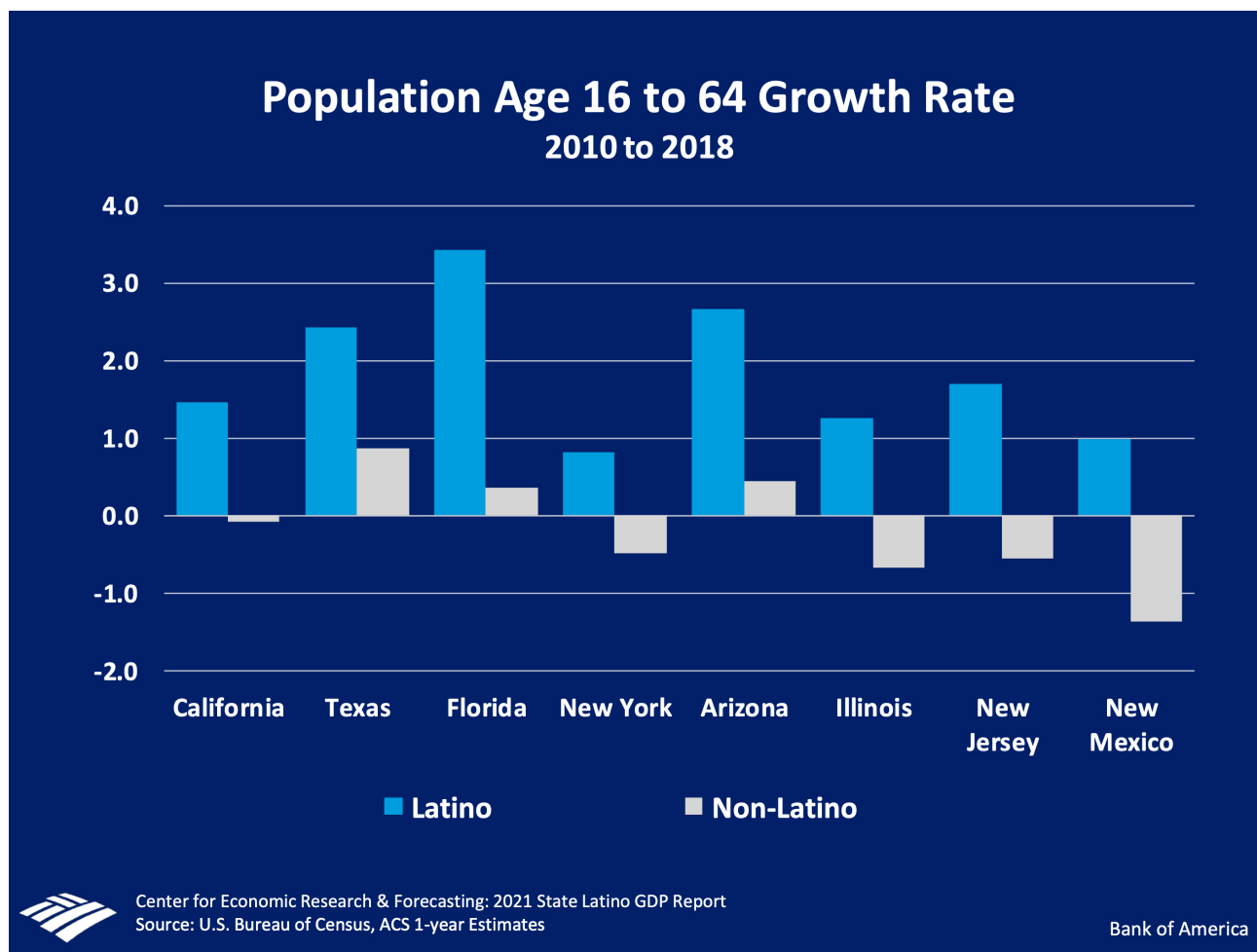
**Together, the 8 state Latinos GDPs represent the world's 9<sup>th</sup> largest economy**

# Drivers of the State Latino GDPs



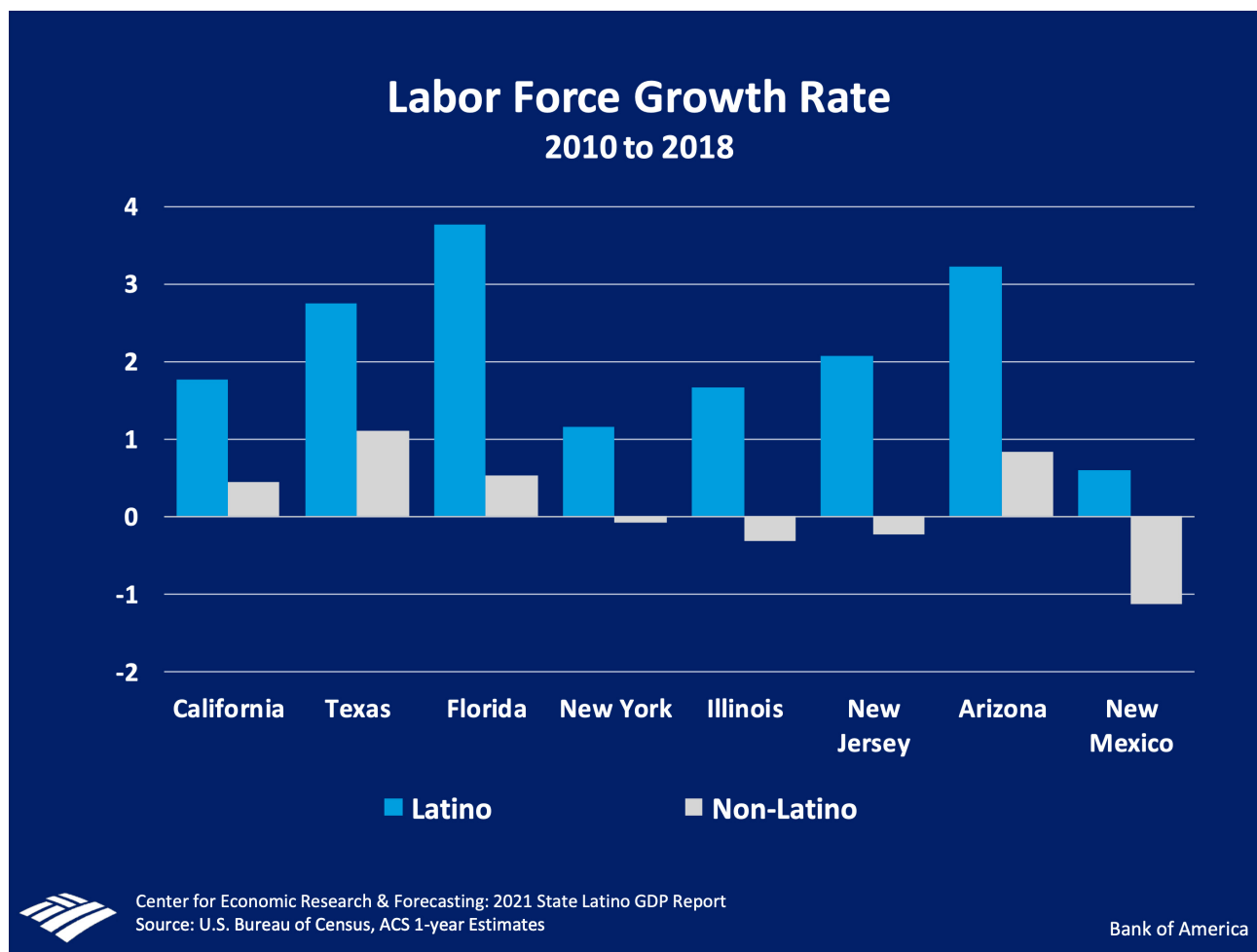
**Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos**

# Drivers of the State Latino GDPs



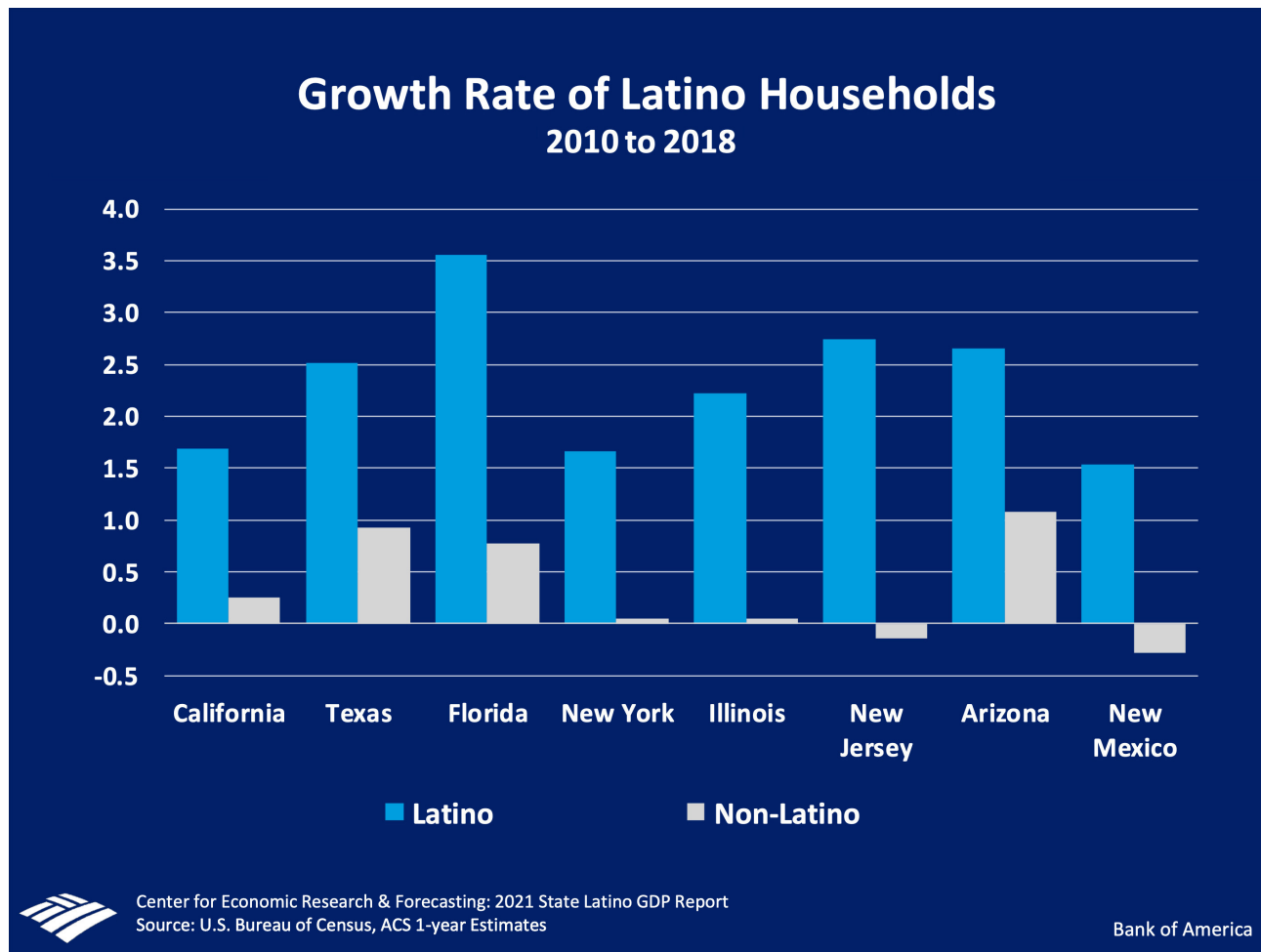
**2060: Latinos projected to contribute 30 million additional working age adults**

# Drivers of the State Latino GDPs



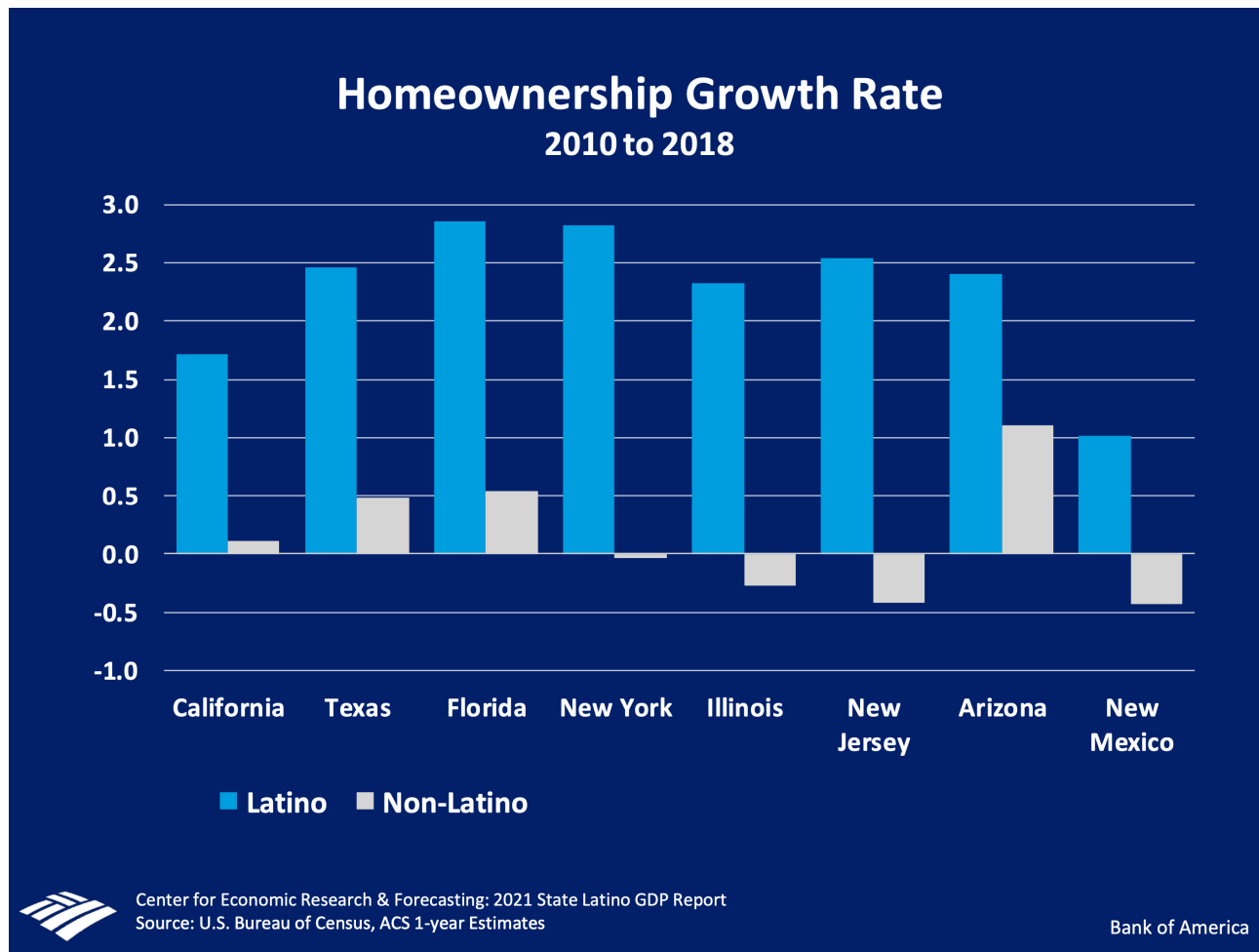
**Latinos are responsible for 78% of U.S. labor force growth since Great Recession**

# Drivers of the State Latino GDPs



**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: Texas



## 2018 Texas Latino GDP

- **\$476 billion of economic activity**
  - Larger than the entire economy of the state of Maryland
  - Largest component is consumption which totals nearly \$310 billion

# State Latino GDP: Texas

## **Texas: Gross Domestic Product**

	<b>Latino GDP</b> Industry Share <i>percent</i>	<b>Statewide GDP</b> Industry Share <i>percent</i>
Agricultural/Natural Resources	0.8	0.6
Mining/Quarrying	8.4	8.6
<b>Construction</b>	<b>12.3</b>	<b>5.1</b>
Durables Manufacturing	5.0	6.3
Non-Durables Manufacturing	4.7	7.0
Wholesale Trade	5.1	7.8
Retail Trade	5.4	5.3
Transportation/Warehousing/Utilities	6.4	5.3
Information/Technology	3.1	3.8
Finance/Insurance/Real Estate	8.2	16.1
<b>Professional/Business Services</b>	<b>9.2</b>	<b>11.6</b>
<b>Education/Healthcare/Social Assistance</b>	<b>15.7</b>	<b>6.8</b>
Leisure/Hospitality	5.2	3.5
Personal/Repair/Maintenance Svcs	2.5	2.0
Government Services	7.9	10.5
<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, Professional & Business Services, and Construction**

# State Latino GDP: Texas

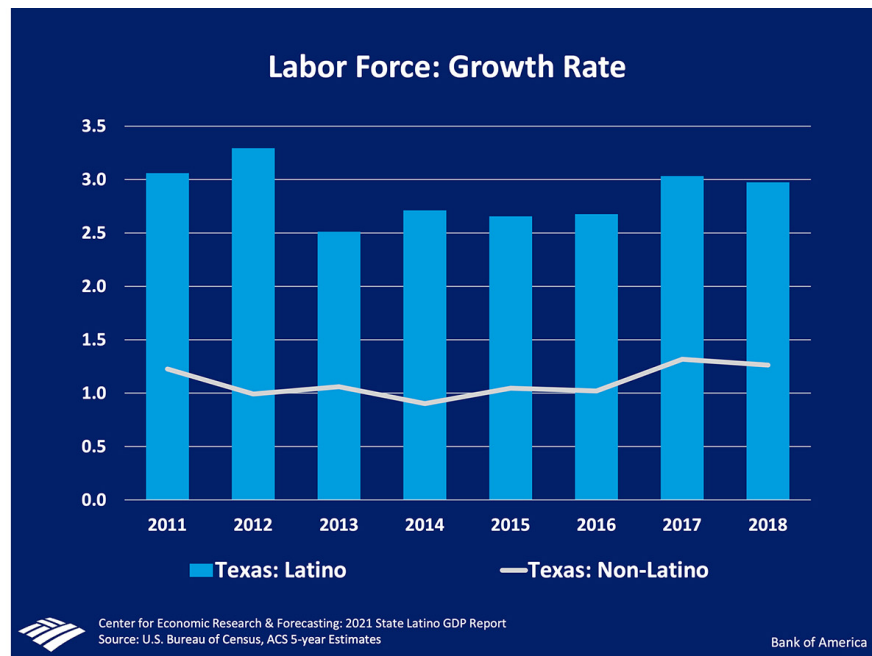
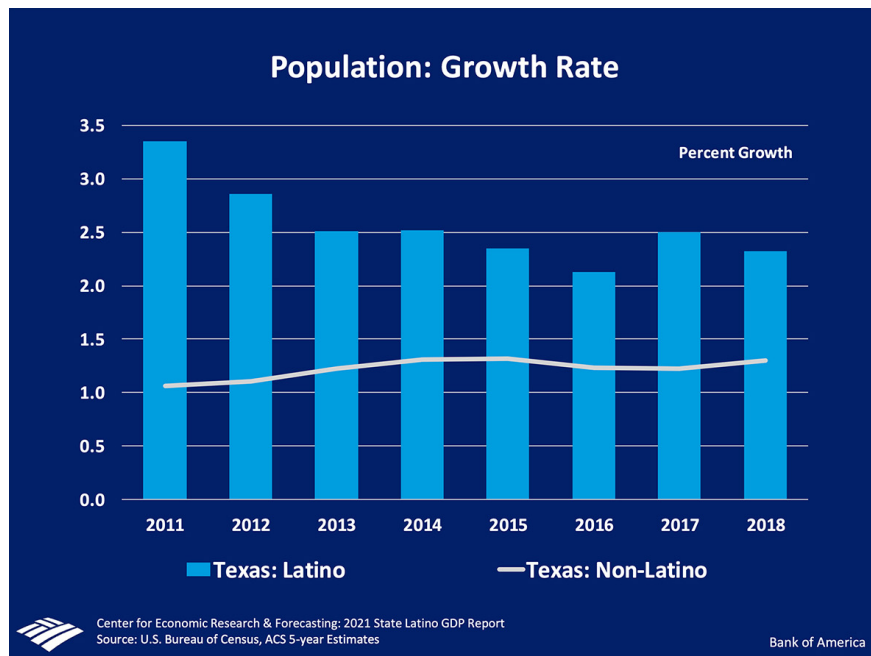
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Sources: U.S. Bureau of Economic Analysis, Cal Lutheran University-CERF

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

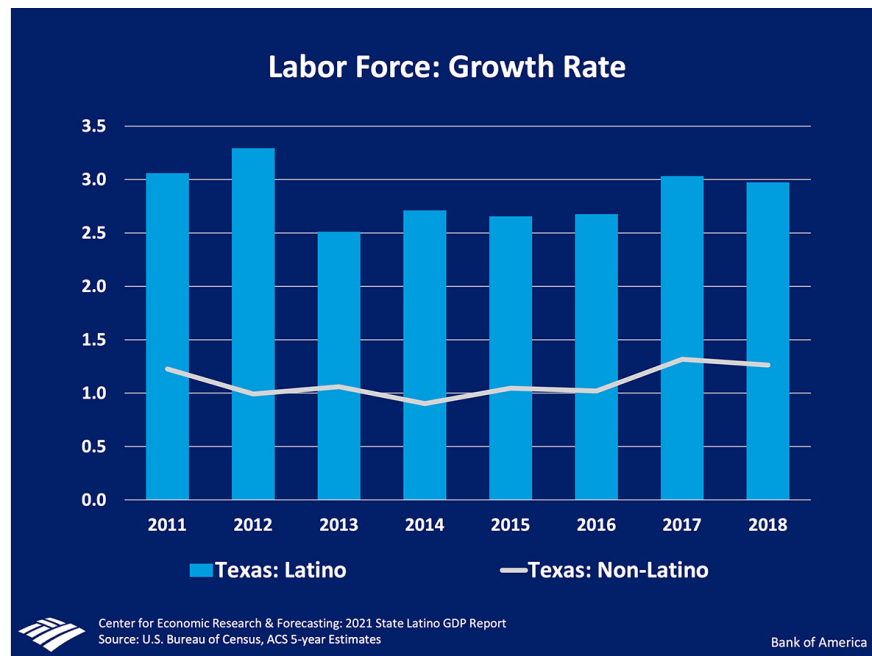
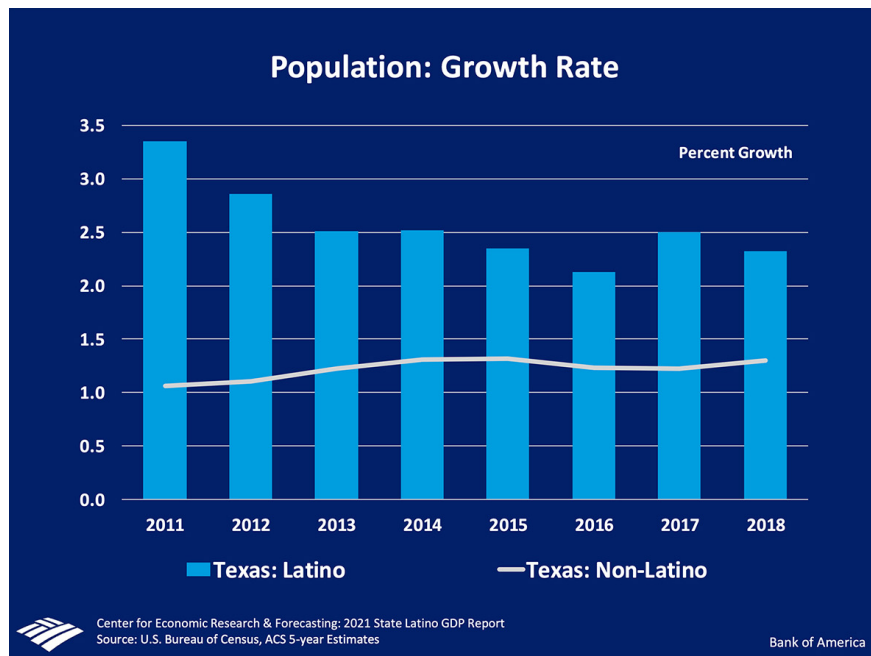
# State Latino GDP: Texas



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

- From 2010-18, Latino population growth was more than double that of Non-Latinos (22 percent for Latinos compared to only 10 percent for Non-Latinos)

# State Latino GDP: Texas



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

- From 2010-18, Latino population growth was more than double that of Non-Latinos (22 percent for Latinos compared to only 10 percent for Non-Latinos)
- From 2010-18, Latino labor force growth was 2.8 times that of Non-Latinos (25.3 percent compared to only 9.2 percent)

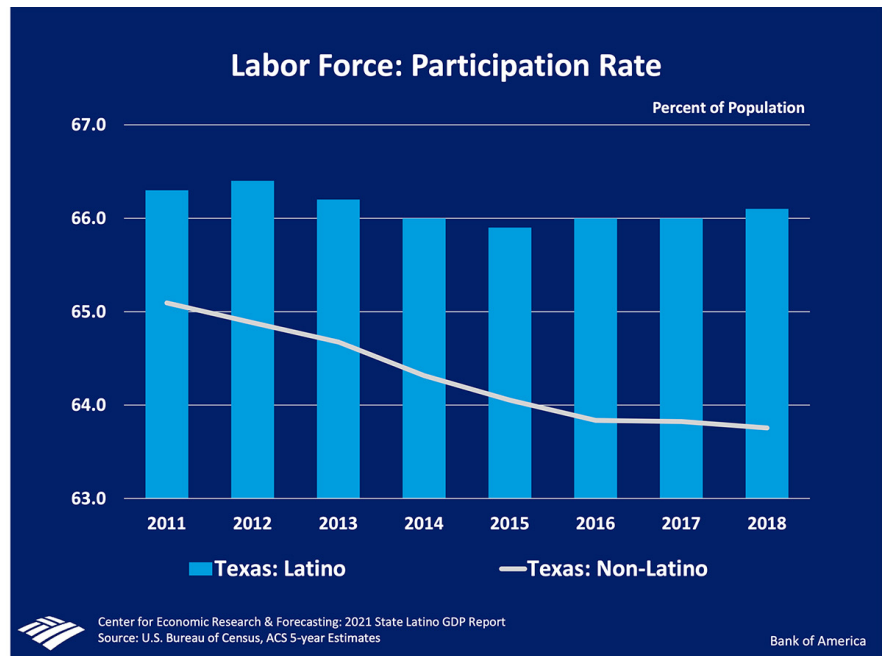
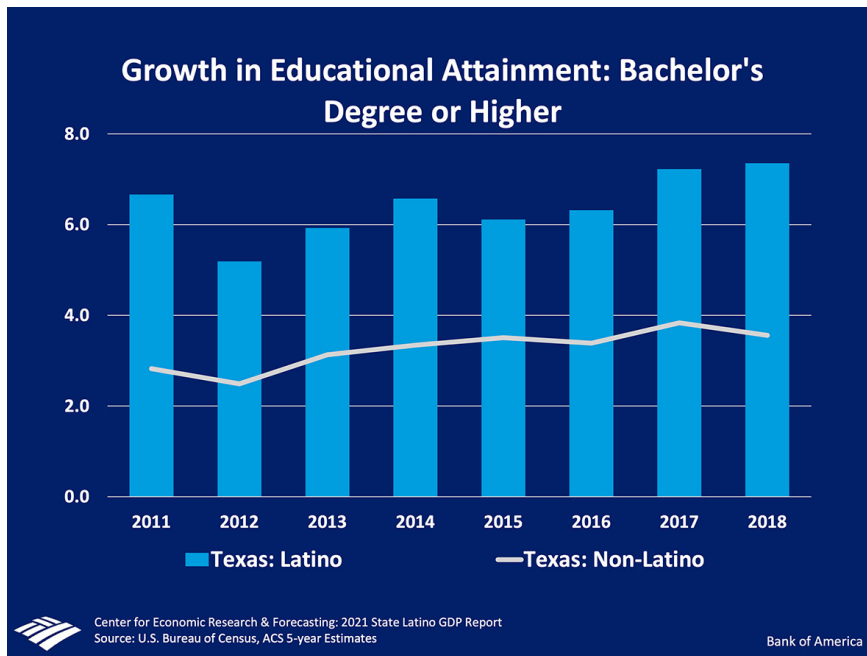
# State Latino GDP: Texas



## Houston / Sugar Land Metro

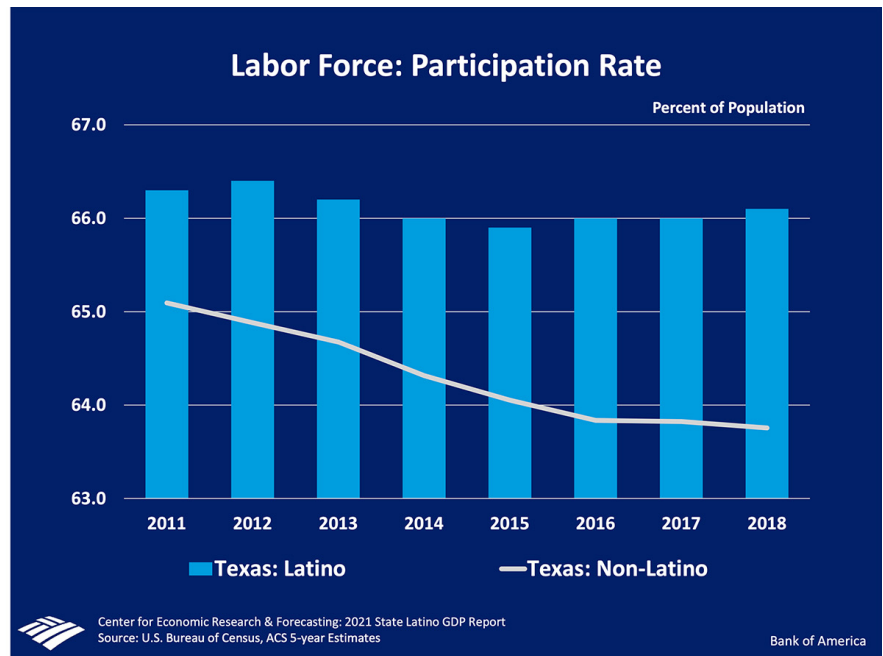
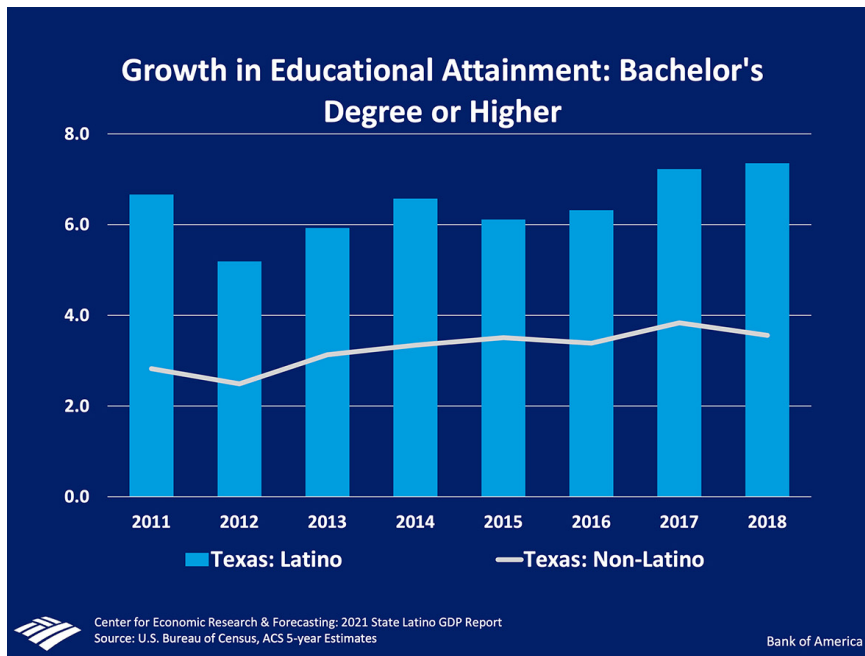
- 2018 Latino population: 2.6 million
  - Latinos are 38% of total metro area population
  - 4<sup>th</sup> largest MSA in the U.S. by Latino population
- Latino population growth is 1.9 times that of Non-Latinos from 2010-18
  - Latino population grew 24.3% compared to only 13.1% for Non-Latinos

# Texas Latino GDP - Education & LFP



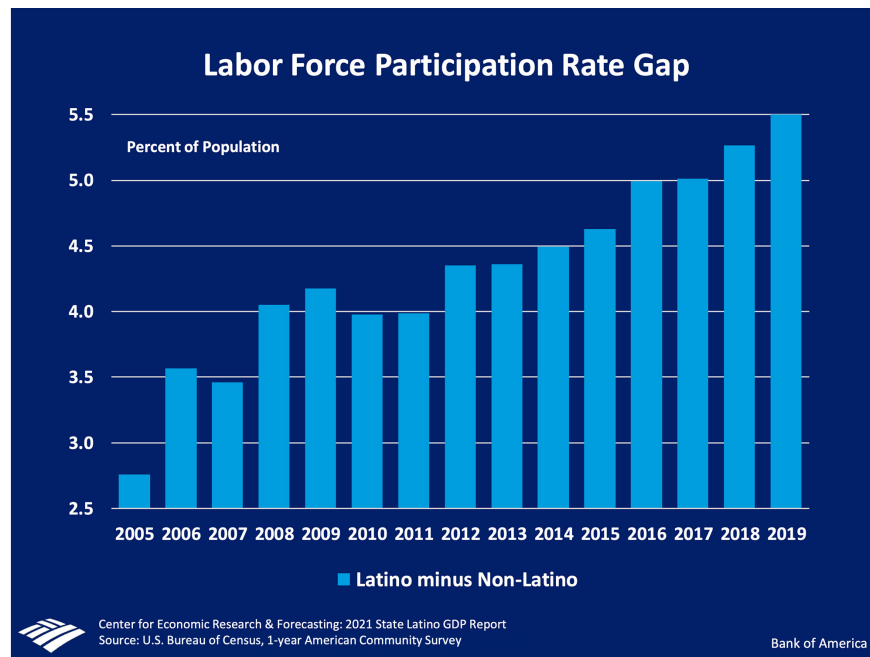
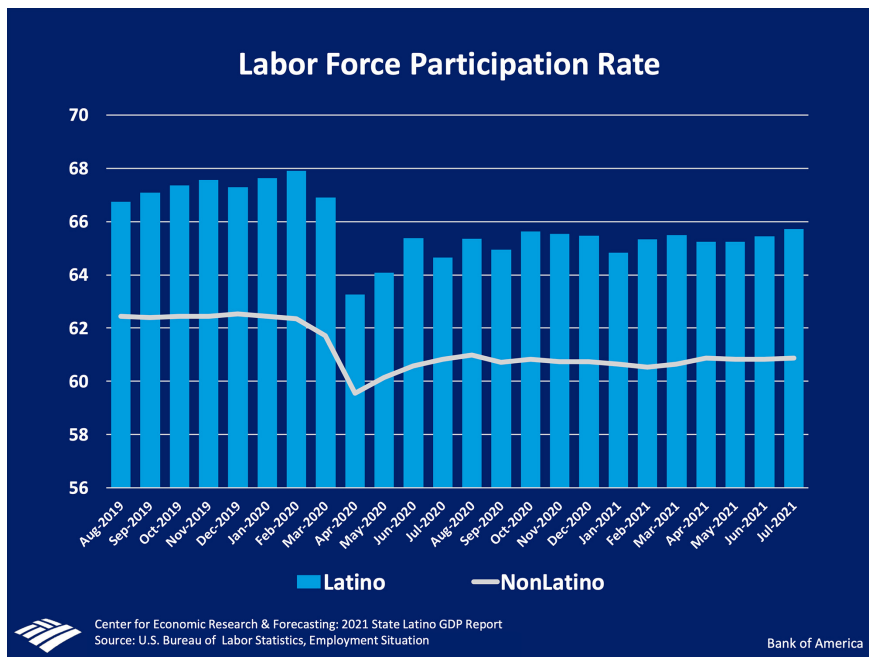
**Educational attainment of Texas Latinos is growing 2.2 times faster than that of Non-Latinos**

# Texas Latino GDP - Education & LFP



**From 2010-2018, Latino's labor force participation rate was an average of 1.8 percentage points higher than Non-Latino. In 2018, it was 2.3 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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