

2022
Metro Latino GDP Report
Los Angeles - Long Beach - Anaheim MSA



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California
Lutheran
University

UCLA Health

Center for the Study of
Latino Health and Culture

Dr. David Hayes-Bautista, PhD

Dr. Hayes-Bautista is a Distinguished Professor of Medicine and the Director of the Center for the Study of Latino Health and Culture at the David Geffen School of Medicine at UCLA. He has spent over 40 years working to improve public understanding of Latinos and their health, history, culture, and contributions to California and the nation.



Dr. Matthew Fienup, PhD

Dr. Fienup is the Executive Director of the Center for Economic Research & Forecasting (CERF) at California Lutheran University. CERF is a nationally recognized forecasting center and a member of the Wall Street Journal Economic Forecasting Survey. His other specialties include applied econometric analysis, the economics of land use and environmental markets.



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)
- *Latinos are drivers of economic growth and an important source of economic strength and resiliency for the nation*

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

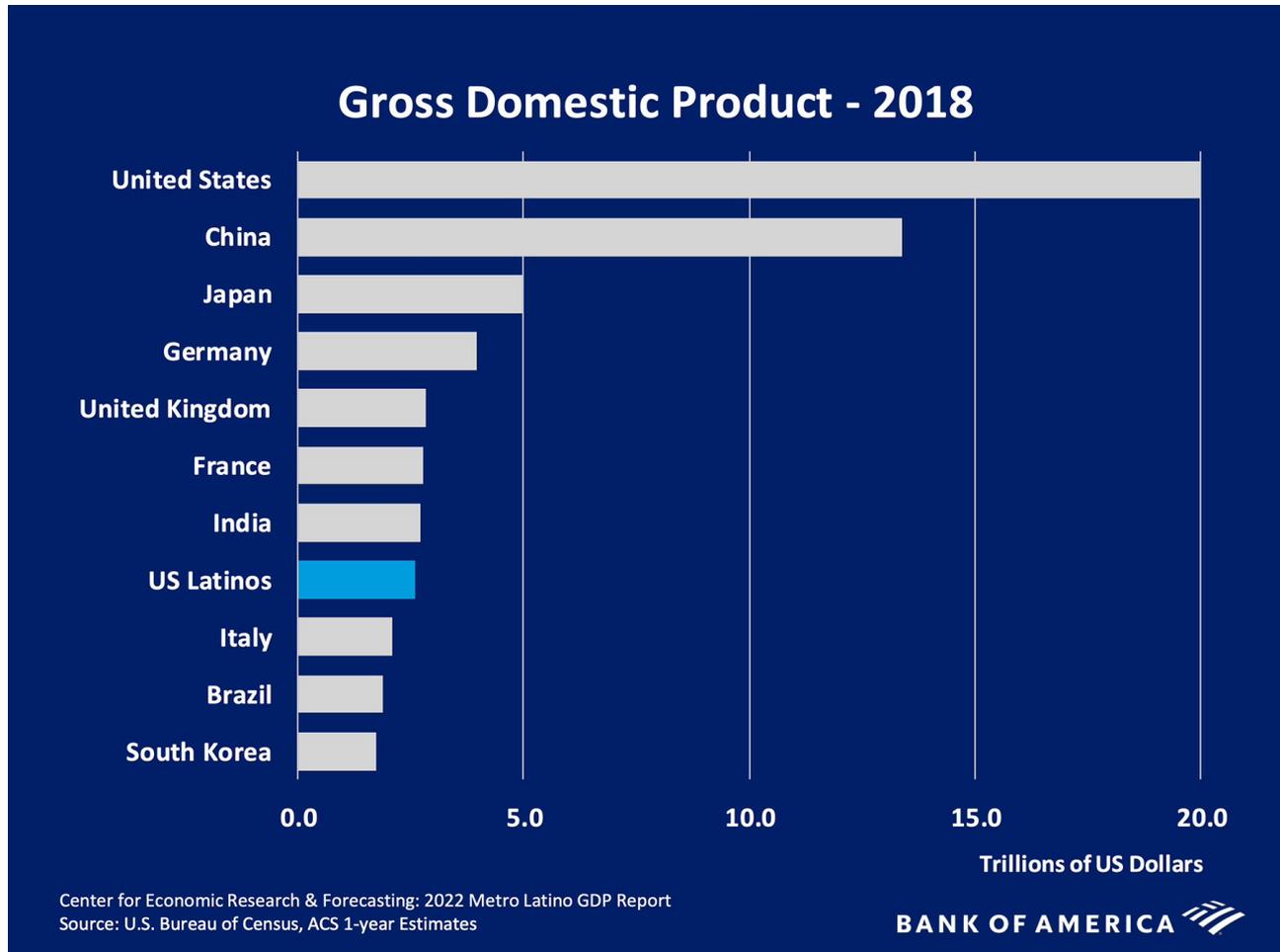
Bureau of Economic Analysis (BEA) provides detailed input-output (I-O) tables

- 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

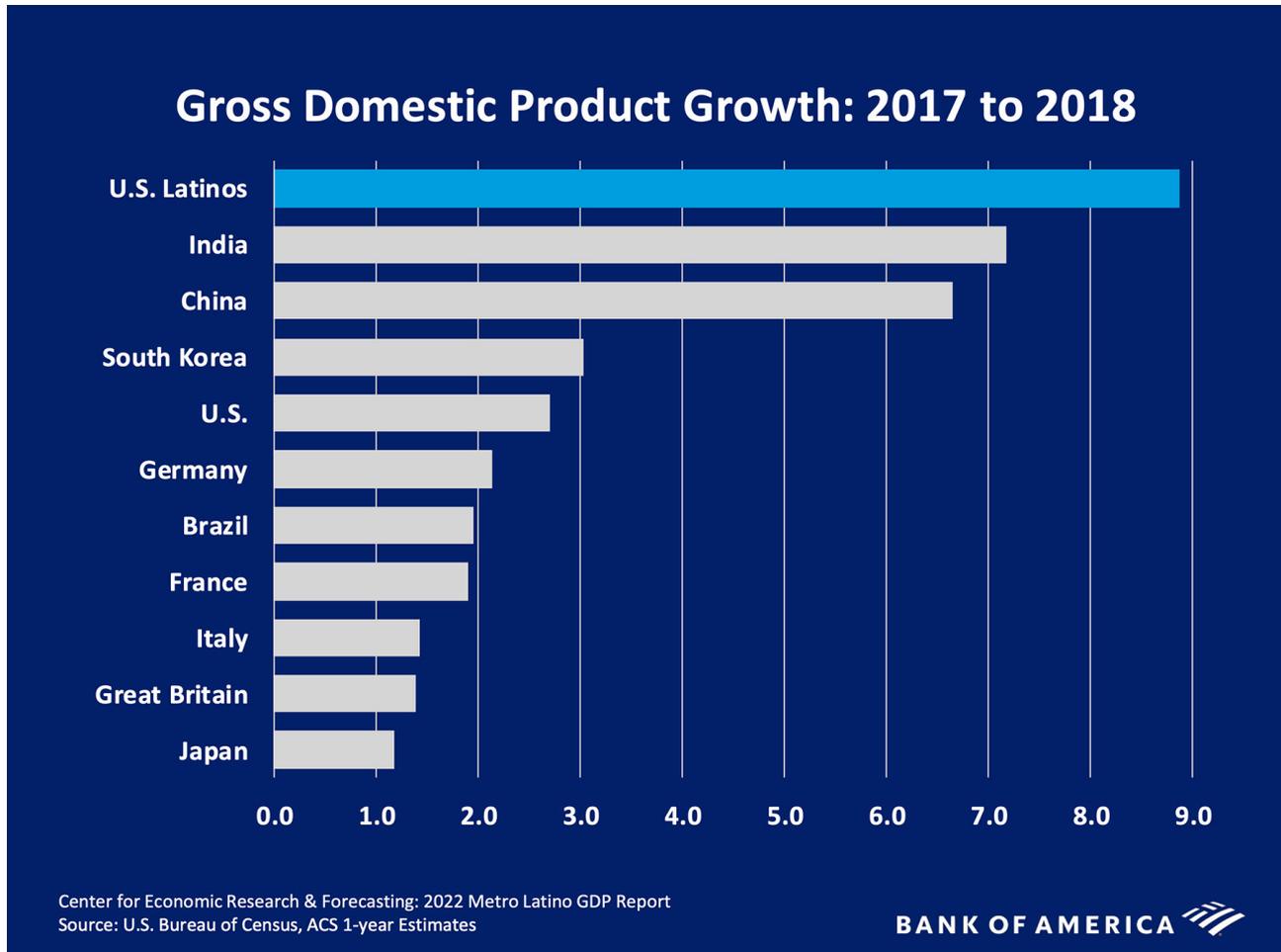
- BOC and BLS provide breakouts of differences in income, spending, home ownership, educational attainment, labor market patterns and demographics

U.S. Latino Gross Domestic Product (GDP)



If it were an independent country, Latino GDP would be 8th largest in the world

U.S. Latino Gross Domestic Product (GDP)



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

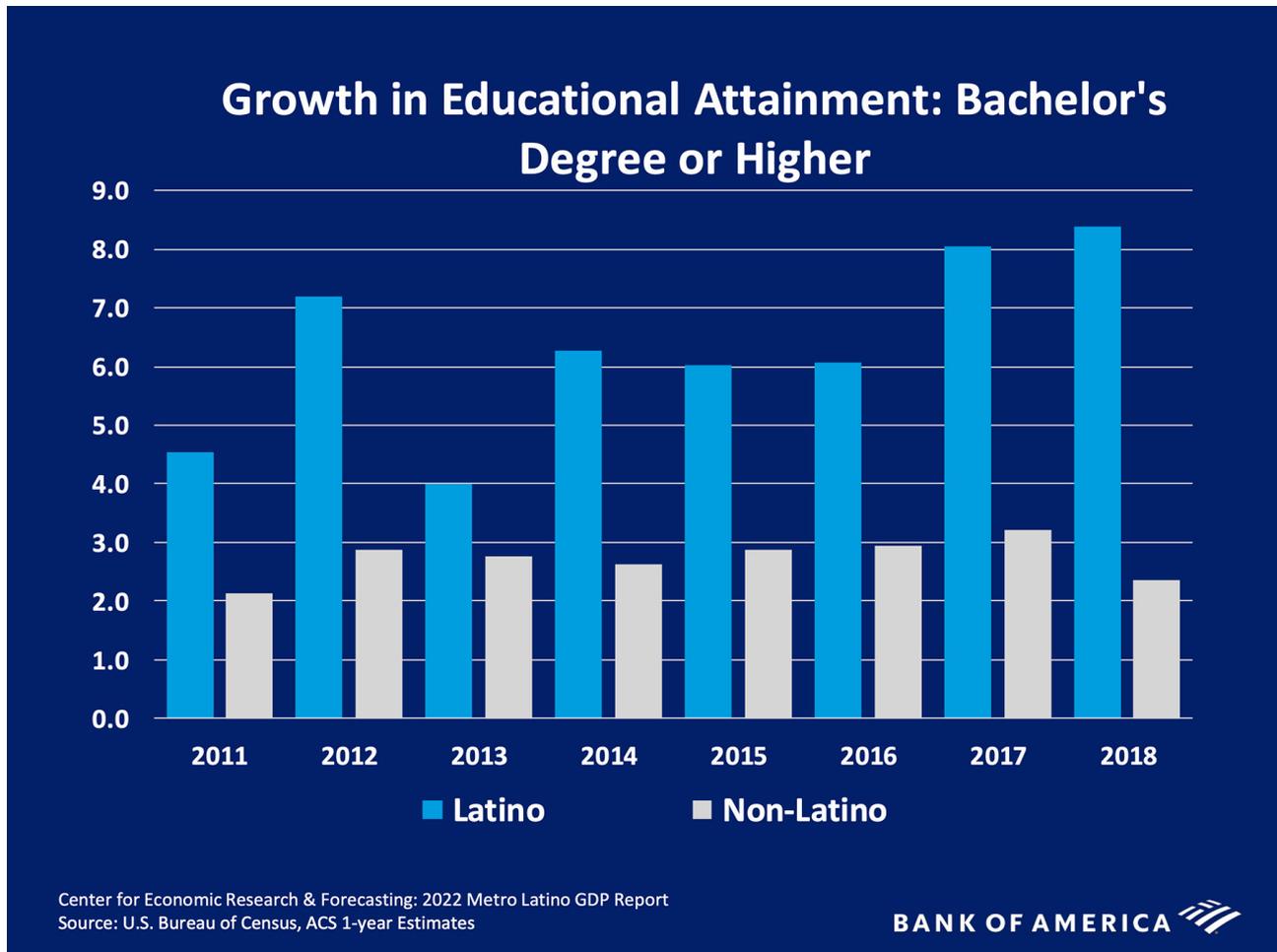
U.S. Latino Gross Domestic Product (GDP)

The single largest component 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**.

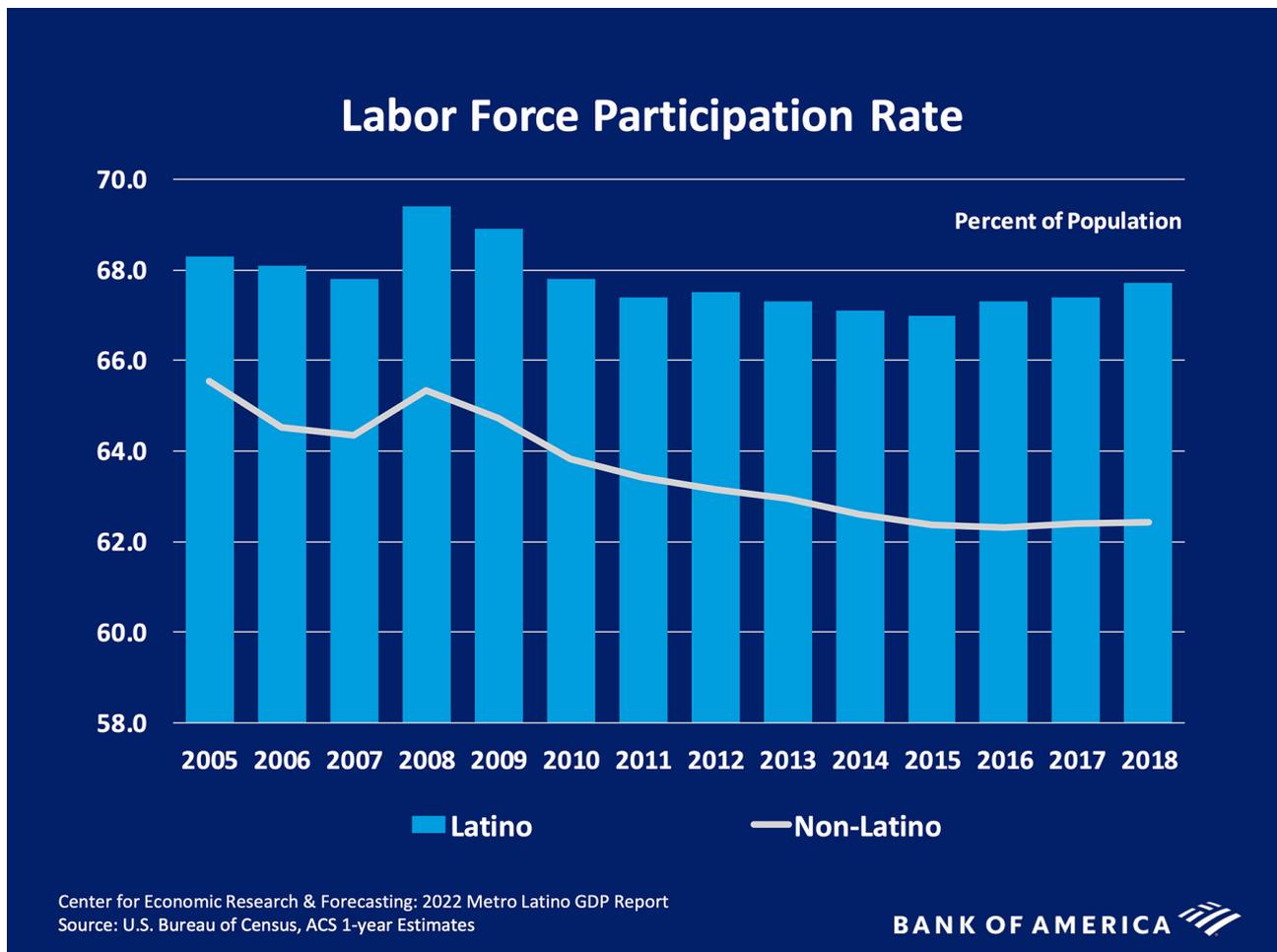
Growth of the Latino GDP is the result of rapid human capital accumulation

Drivers of the Latino GDP



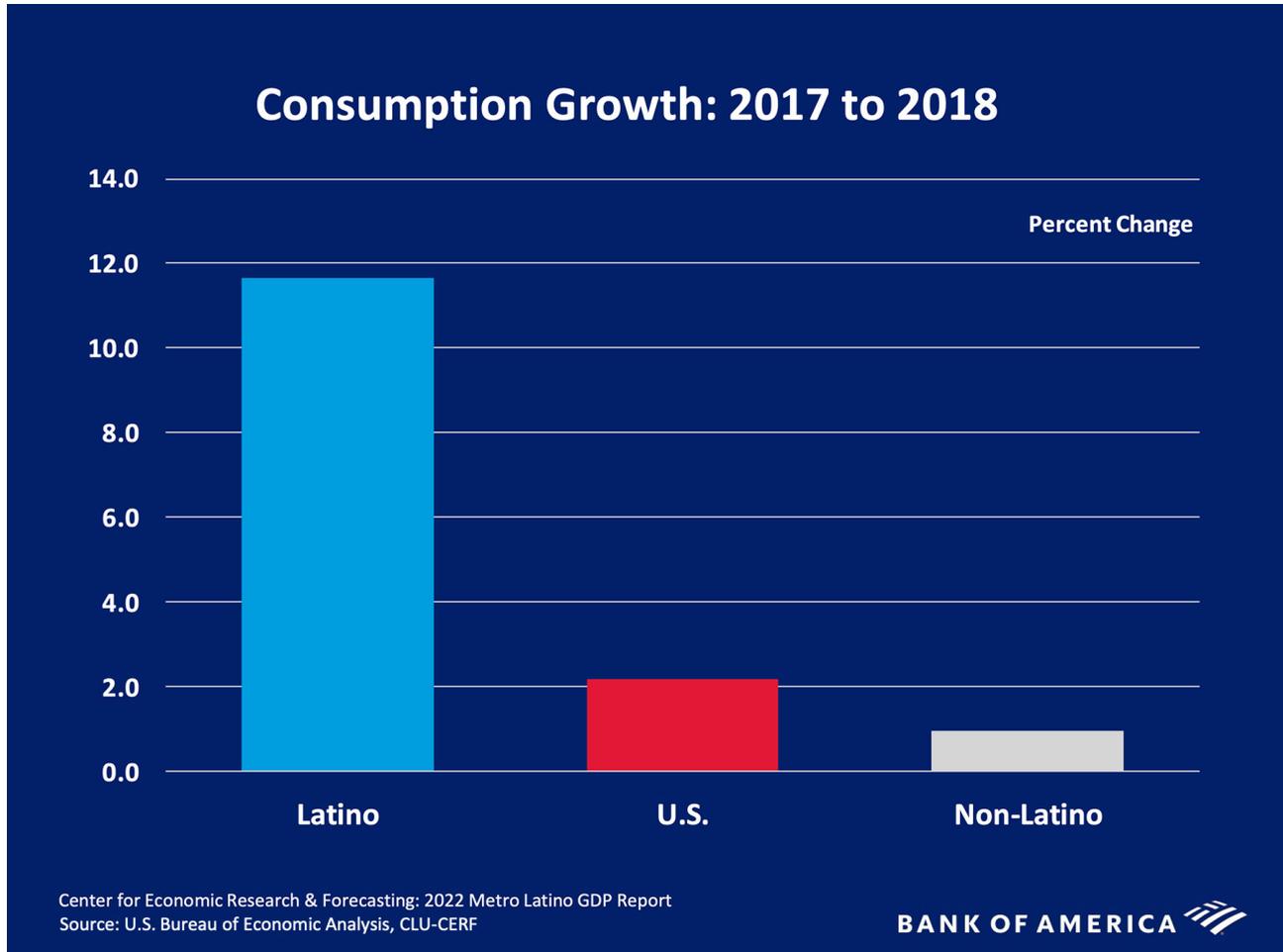
Educational attainment growth is 2.6x faster among Latinos than non-Latinos

Drivers of the Latino GDP



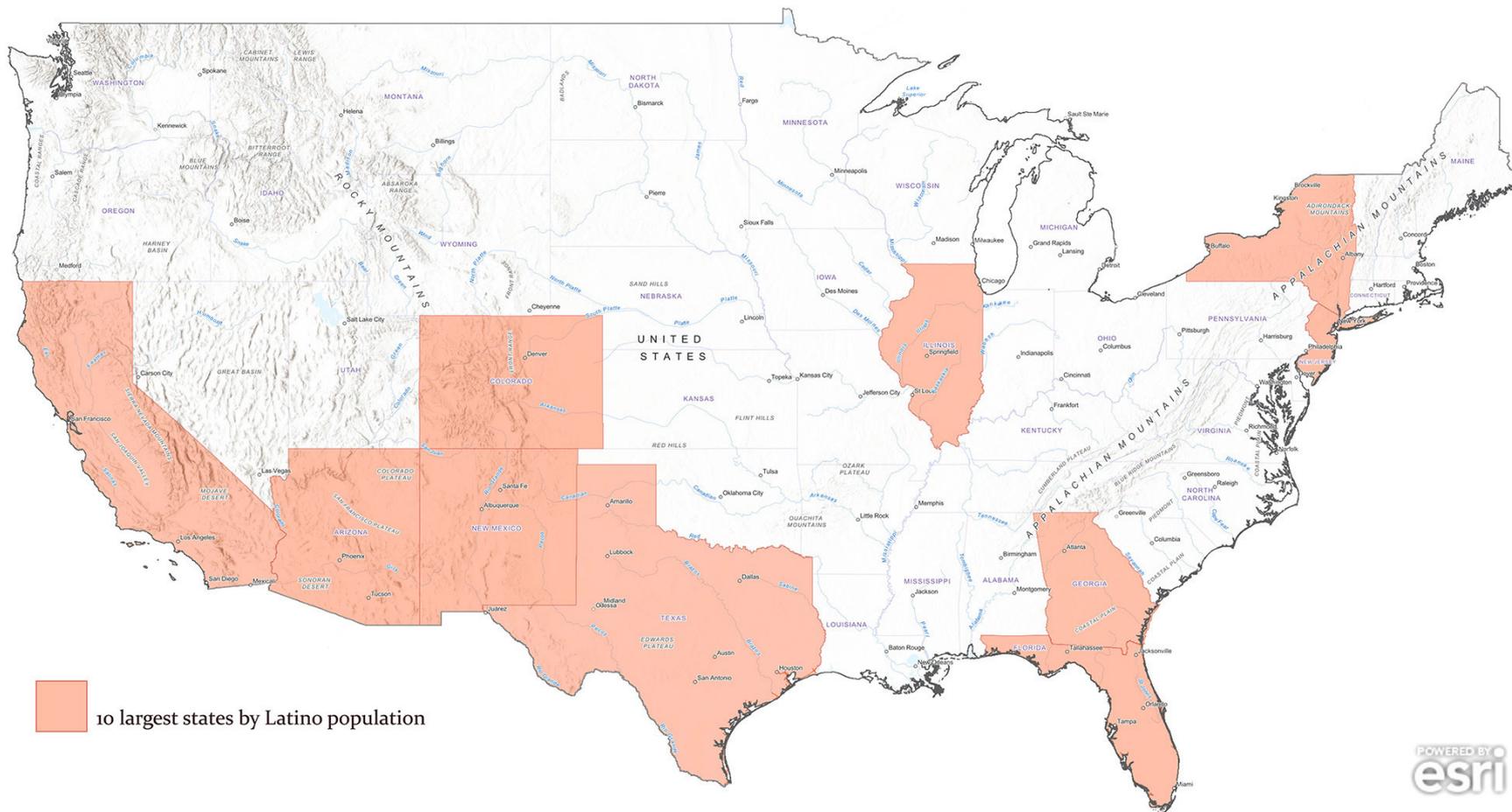
Latinos are significantly more likely than Non-Latinos to be actively working

Drivers of the Latino GDP



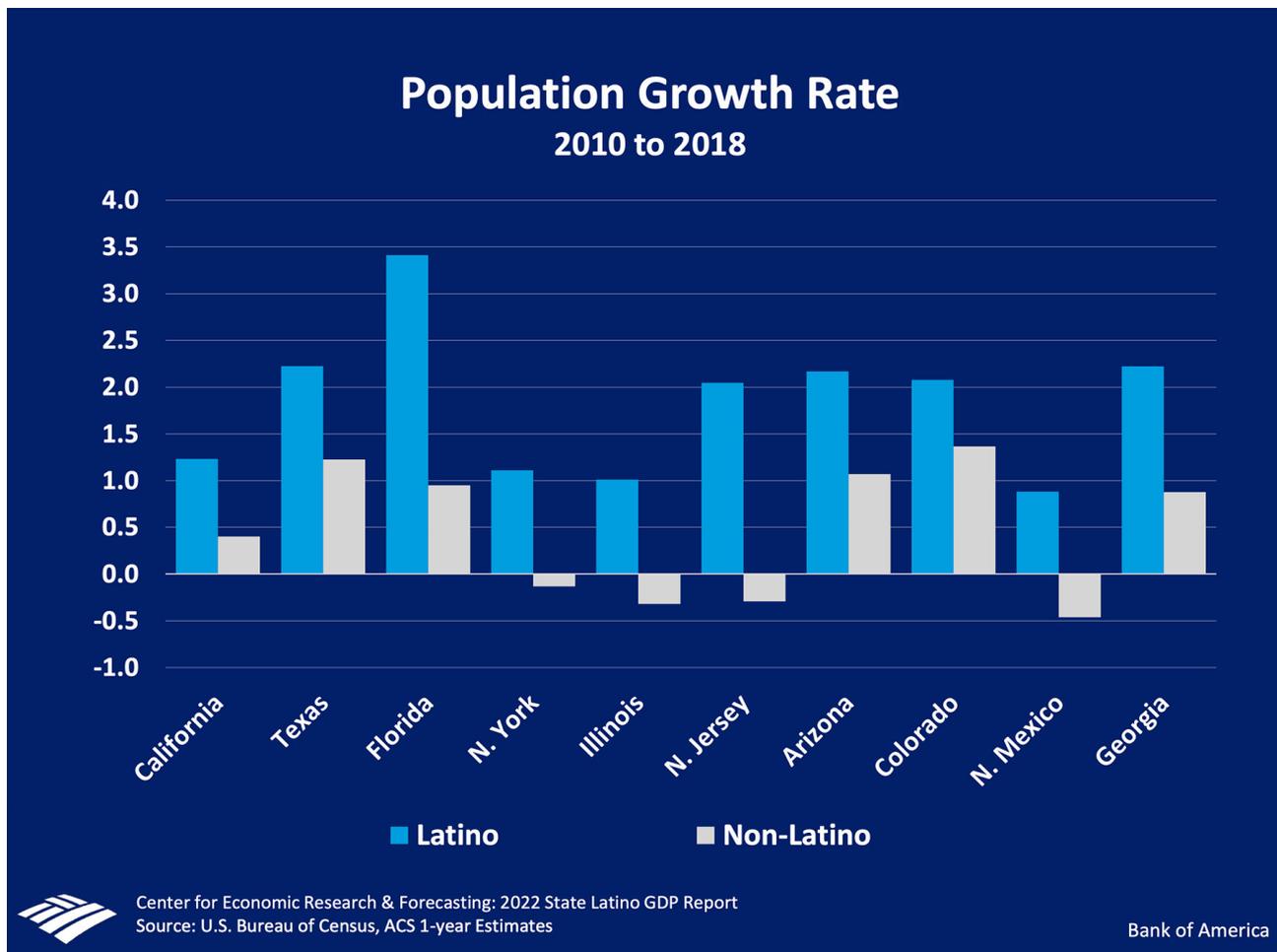
2017-18 Latino real consumption grew 12.2 times faster than Non-Latino

Latino Gross Domestic Product (GDP) by State



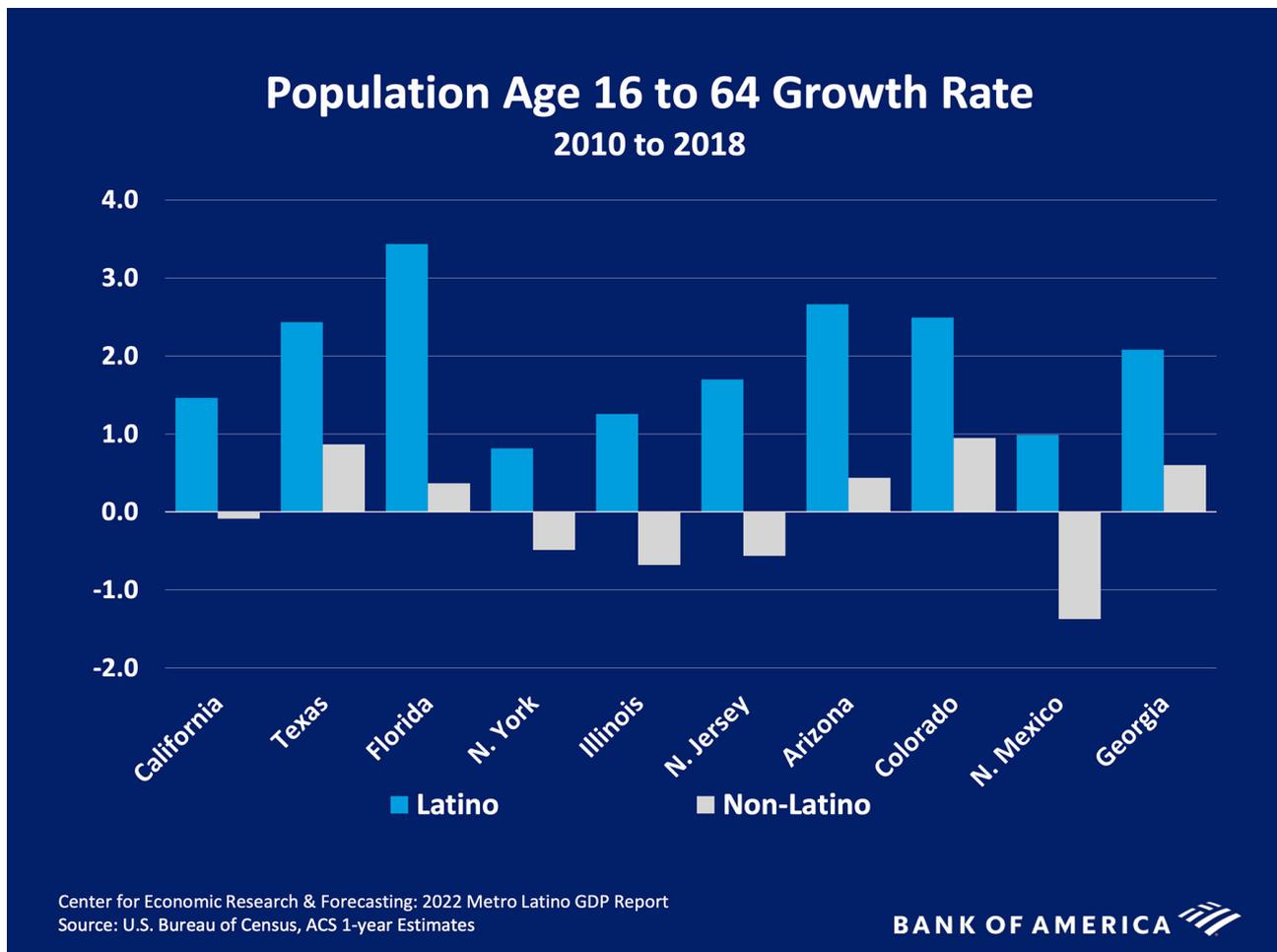
Latinos in 10 U.S. states account for more than $\frac{3}{4}$ of the U.S. Latino GDP. These 10 states have a combined Latino GDP of \$2.1 trillion.

Drivers of the Latino GDP



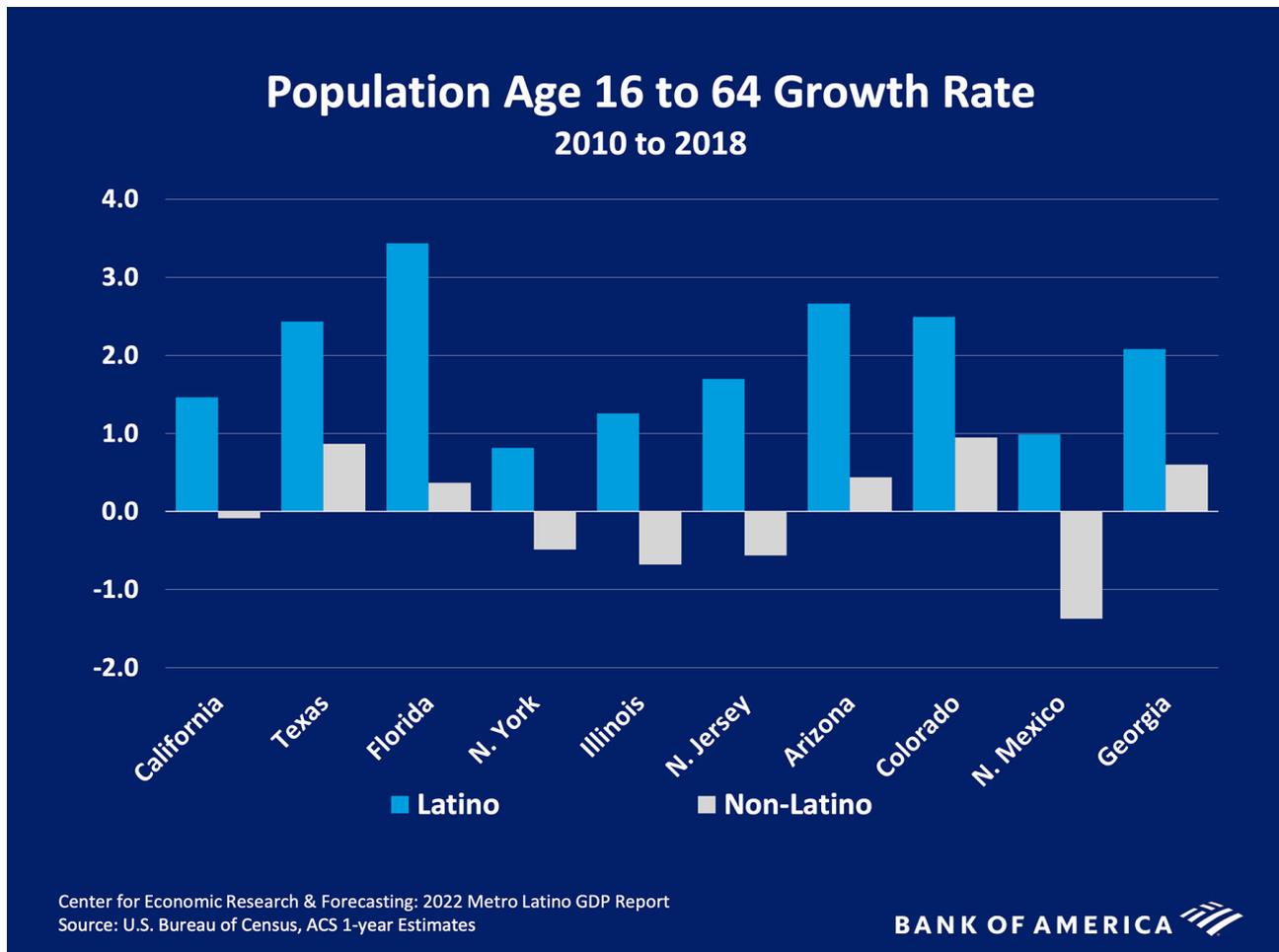
Across all 10 states, Latino population growth is 3.8 times that of Non-Latinos

Drivers of the Latino GDP



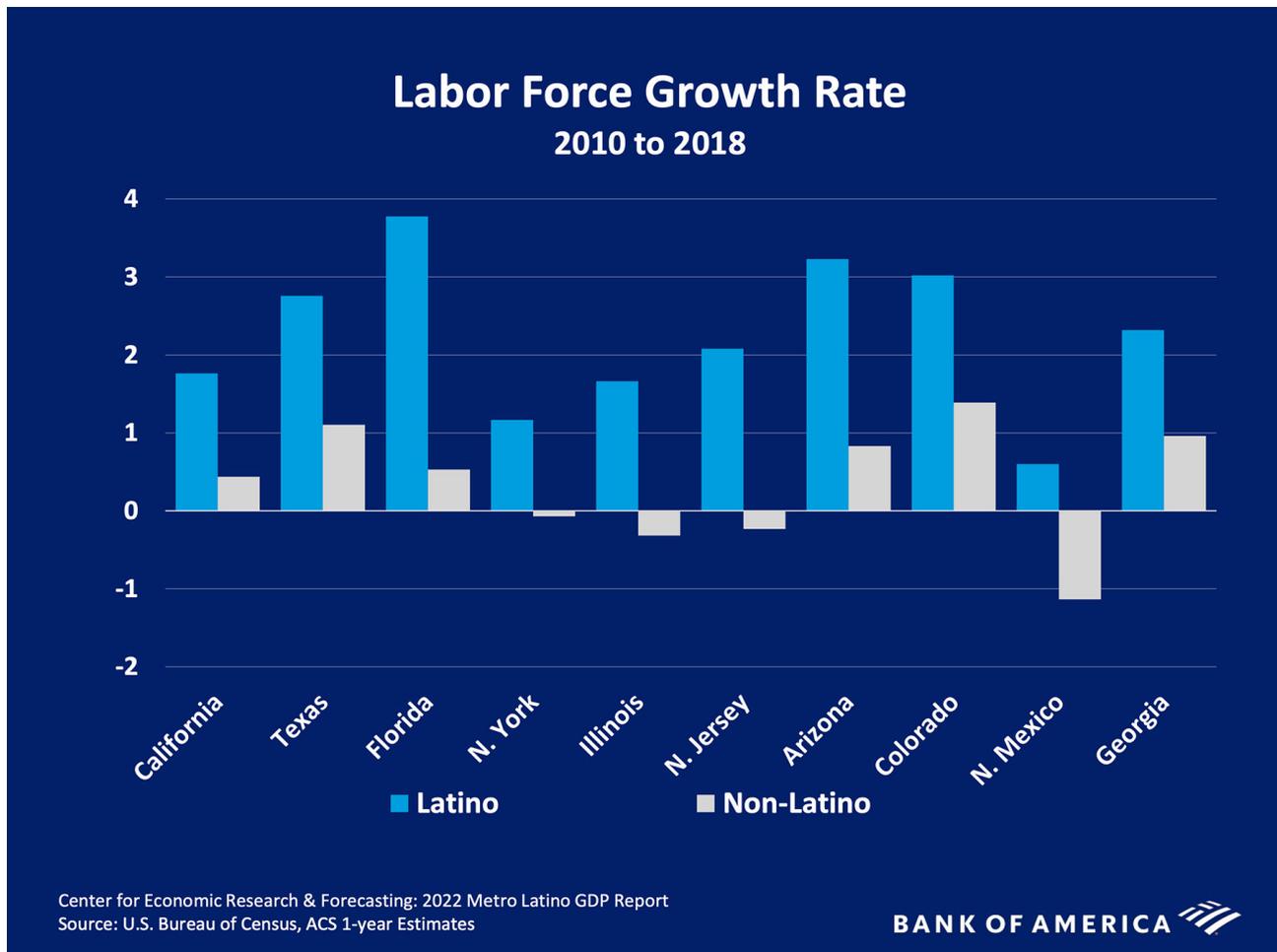
Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos

Drivers of the Latino GDP



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

Drivers of the Latino GDP



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

Latino GDP: Los Angeles - Long Beach - Anaheim MSA



Los Angeles Metro Area (2018)

- 13.3 million people of all ethnicities
 - Nation's second largest MSA
- Latino population: 6.0 million
 - Single largest MSA by Latino population
 - Latinos are 45.2% of total metro area population

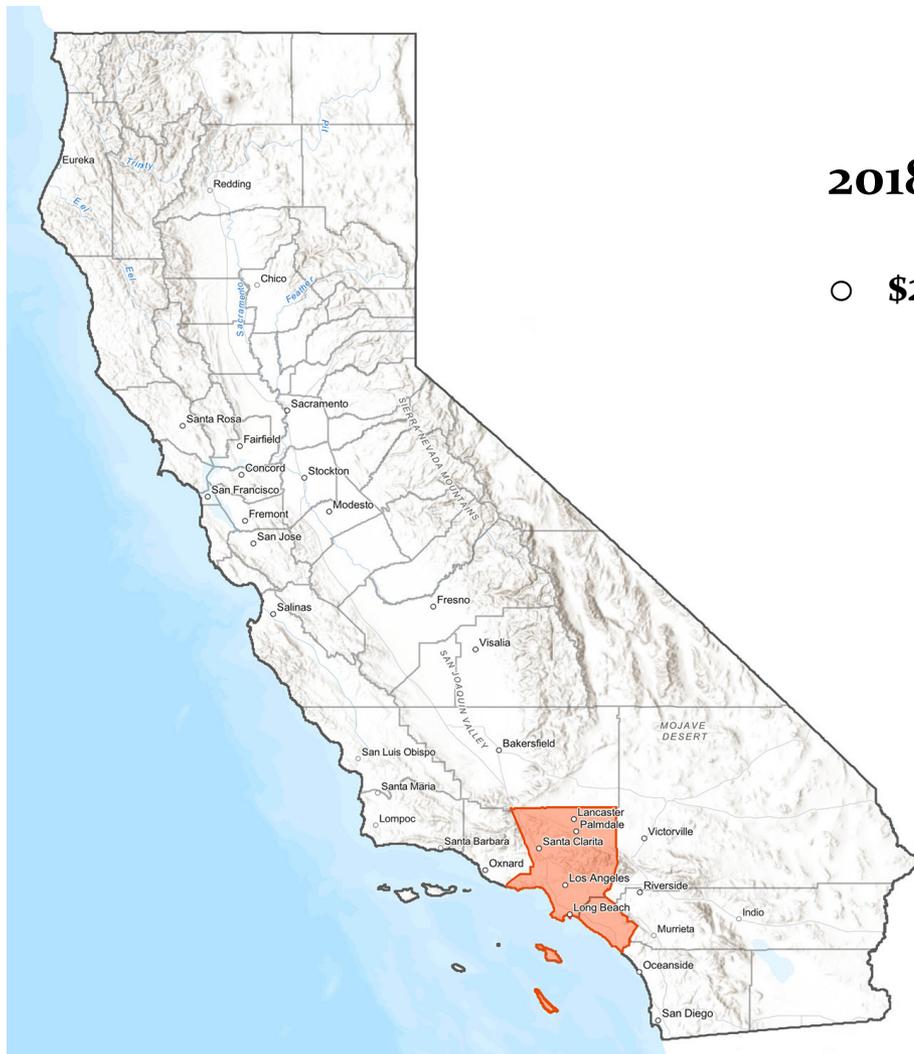
Latino GDP: Los Angeles - Long Beach - Anaheim MSA

Los Angeles Metro Area (2010-18)

- Despite being only 45% of the Metro population, Latinos are responsible for:
 - 70% of growth of the population
 - 84% of growth of the labor force



Latino GDP: Los Angeles - Long Beach - Anaheim MSA



2018 L.A. Metro Latino GDP

- **\$284.5 billion of economic activity**
 - Larger than the entire economy of the state of Louisiana or Oregon
 - Largest component is personal consumption, which equals \$200.3 billion

Latino GDP: Los Angeles Metro Area

L.A. 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	0.2	0.3
Mining/Quarrying	0.4	1.2
Construction	18.6	34.1
Durables Manufacturing	21.4	68.4
Non-Durables Manufacturing	18.9	42.7
Wholesale Trade	19.9	71.1
Retail Trade	19.2	50.9
Transportation/Warehousing/Utilities	17.3	38.0
Information/Technology	15.7	104.7
Finance/Insurance/Real Estate	43.6	210.2
Professional/Business Services	27.0	132.1
Education/Healthcare/Social Assistance	21.5	79.1
Leisure/Hospitality	20.8	58.1
Personal/Repair/Maintenance Svcs	8.2	20.4
Government Services	31.8	94.9
Total All Industries	284.5	1,006.2

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

The L.A. Metro's top 4 Latino GDP sectors are Finance & Real Estate, Government Services, Professional & Business Services, and Education & Healthcare

Latino GDP: Los Angeles Metro Area

L.A. Metro: Gross Domestic Product	Metro Latino GDP Industry Share <i>percent</i>	Metrowide GDP Industry Share <i>percent</i>
Agricultural/Natural Resources	0.1	0.0
Mining/Quarrying	0.1	0.1
Construction	6.5	3.4
Durables Manufacturing	7.5	6.8
Non-Durables Manufacturing	6.7	4.2
Wholesale Trade	7.0	7.1
Retail Trade	6.8	5.1
Transportation/Warehousing/Utilities	6.1	3.8
Information/Technology	5.5	10.4
Finance/Insurance/Real Estate	15.3	20.9
Professional/Business Services	9.5	13.1
Education/Healthcare/Social Assistance	7.5	7.9
Leisure/Hospitality	7.3	5.8
Personal/Repair/Maintenance Svcs	2.9	2.0
Government Services	11.2	9.4
Total All Industries	100	100

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

The L.A. Metro's Latino economy is highly diversified. Six different sectors account for out-sized shares of the L.A. Metro Latino GDP.

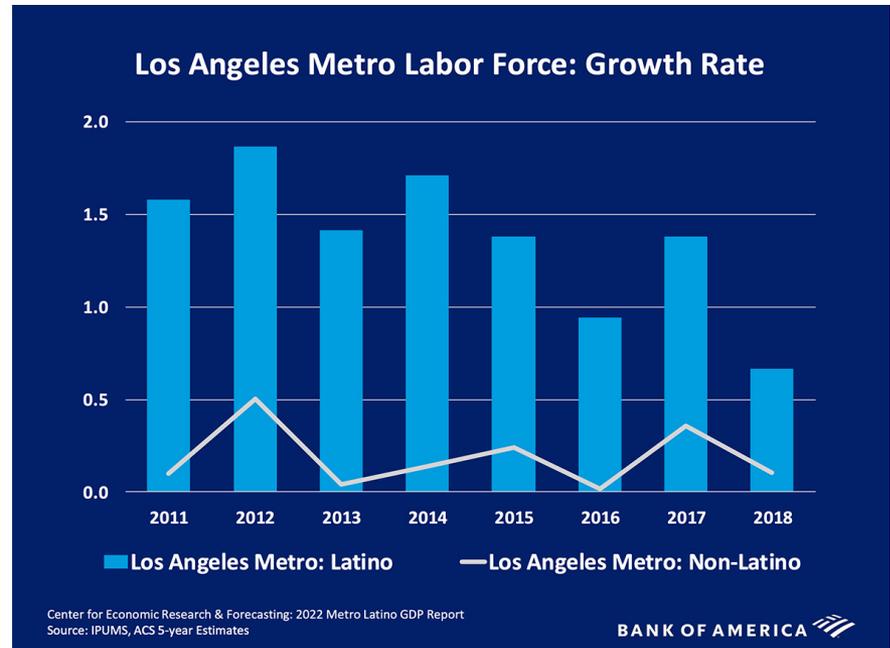
L.A. Metro Latino GDP - Population & Labor Force



Latinos are making strong and consistent contributions to the L.A. Metro Area's population and labor force

- Non-Latino population grew slowly from 2010 to 2018 (adding an average of 17,578 people per year)
- Latino population grew 3.6 times the rate of Non-Latinos from 2010 to 2018 (adding an average of 49,819 people per year)

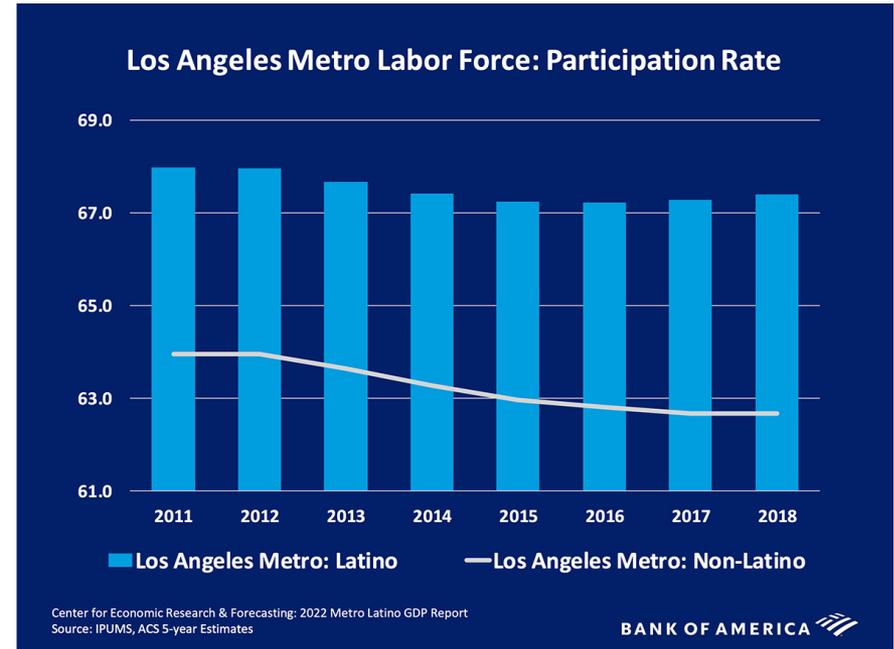
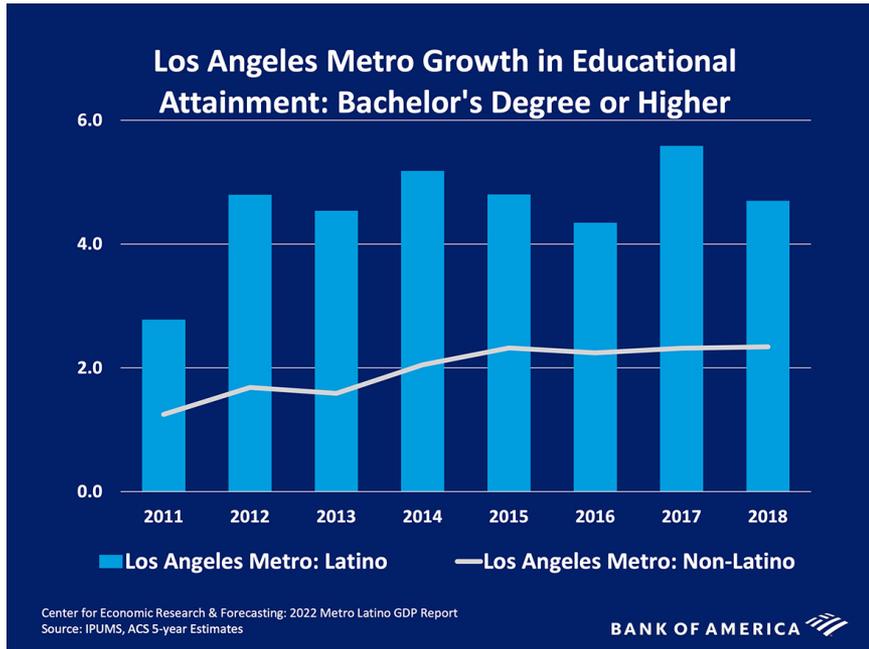
L.A. Metro Latino GDP - Population & Labor Force



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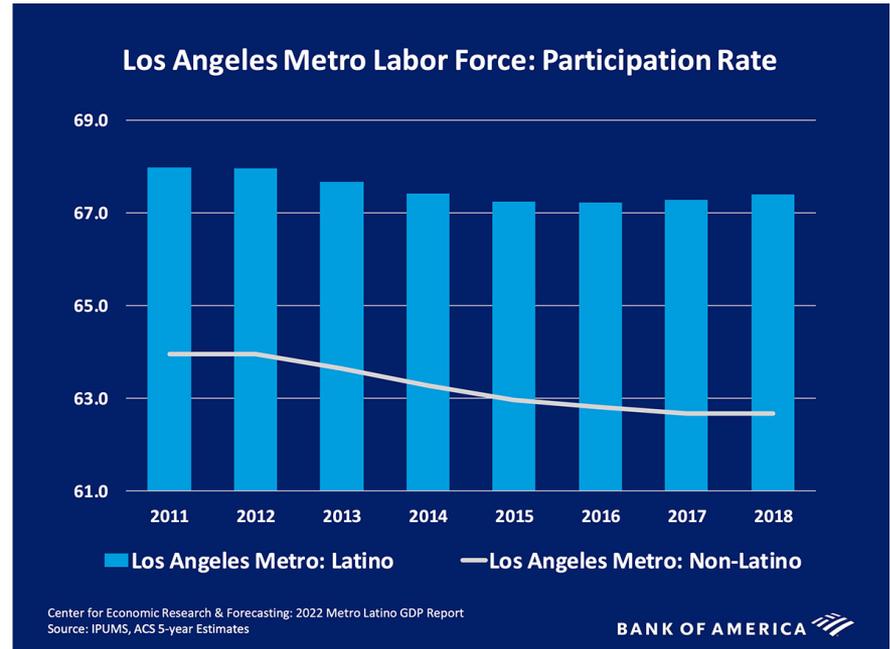
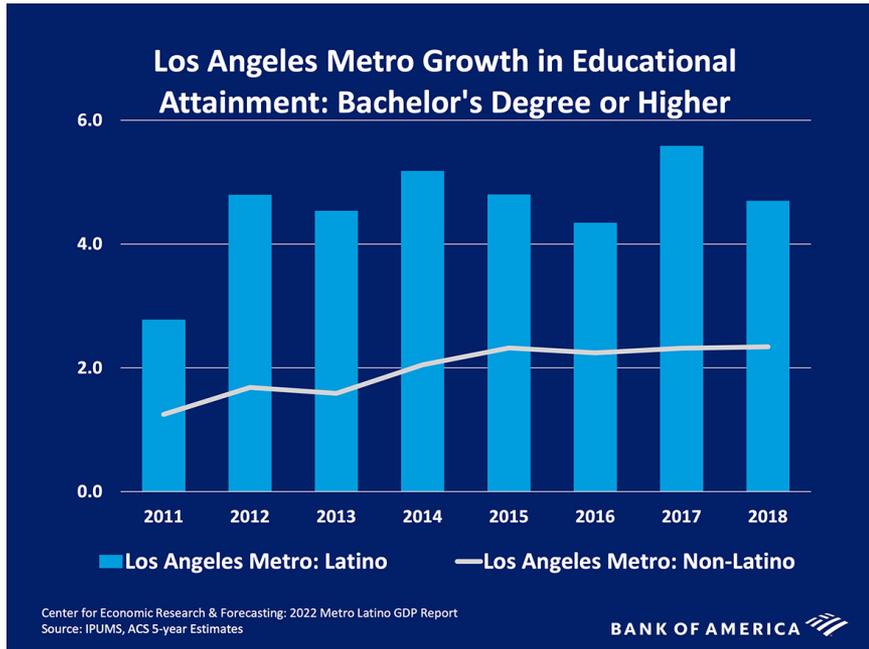
- Number of Non-Latino workers grew weakly from 2010 to 2018 (adding an average of only 7,206 workers per year)
- Number of Latino workers grew robustly from 2010 to 2018 (adding an average of 38,610 workers per year)

L.A. Metro Latino GDP - Education & LFP



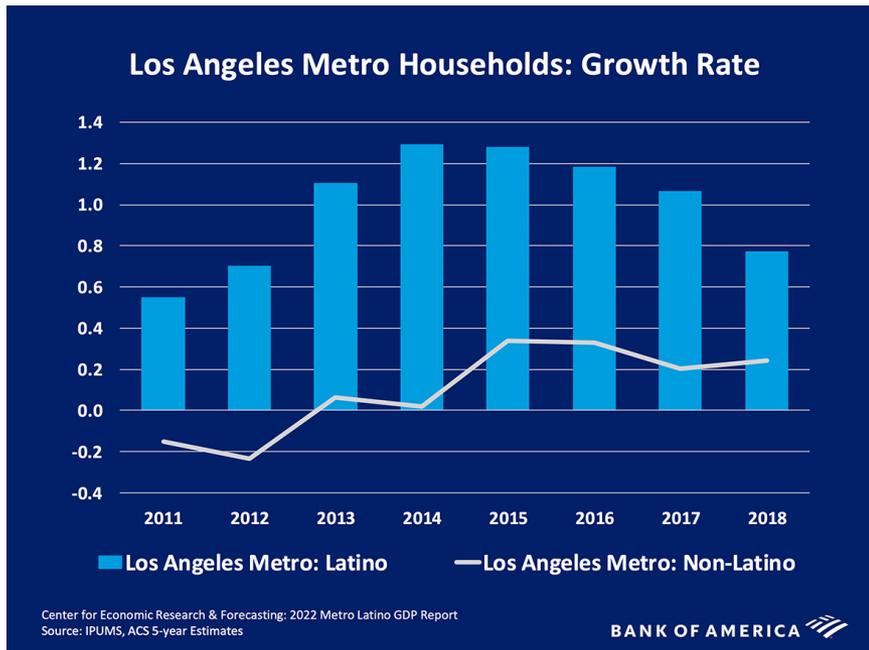
Educational attainment of L.A. Metro Latinos is growing *2.5 times* as fast as that of Non-Latinos

L.A. Metro Latino GDP - Education & LFP



From 2010-2018, Latino's labor force participation rate was an average of 4.6 percentage points higher than Non-Latino. In 2018, it was 5.0 percentage points higher.

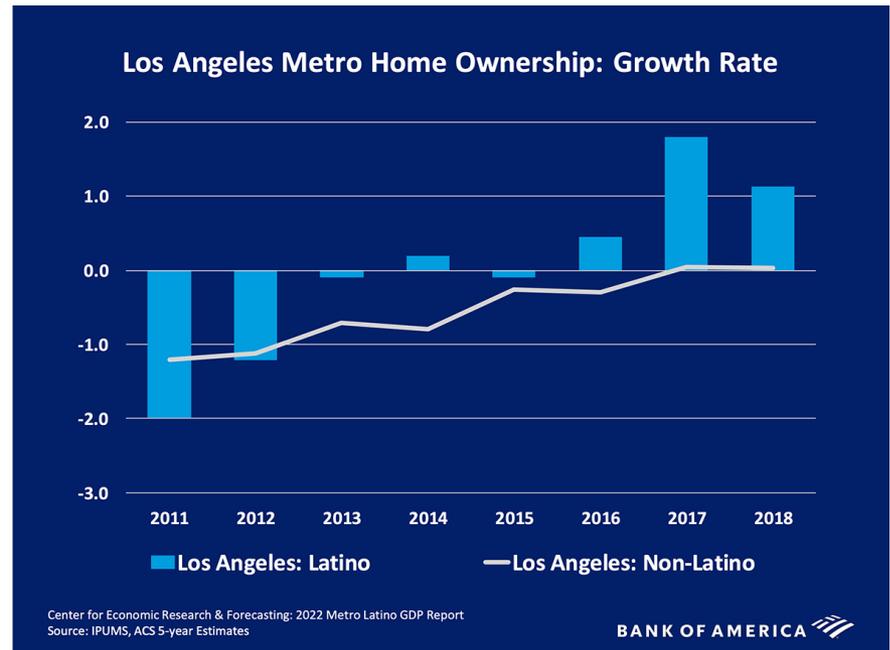
L.A. Metro Latino GDP – Households & Ownership



Latinos provide a very large and positive demographic punch through both the addition of workers and the formation of households

- From 2010 to 2018, the number of Latino households increased 8.2 percent
- During the same time, the number of Non-Latino households grew by only 0.8 percent

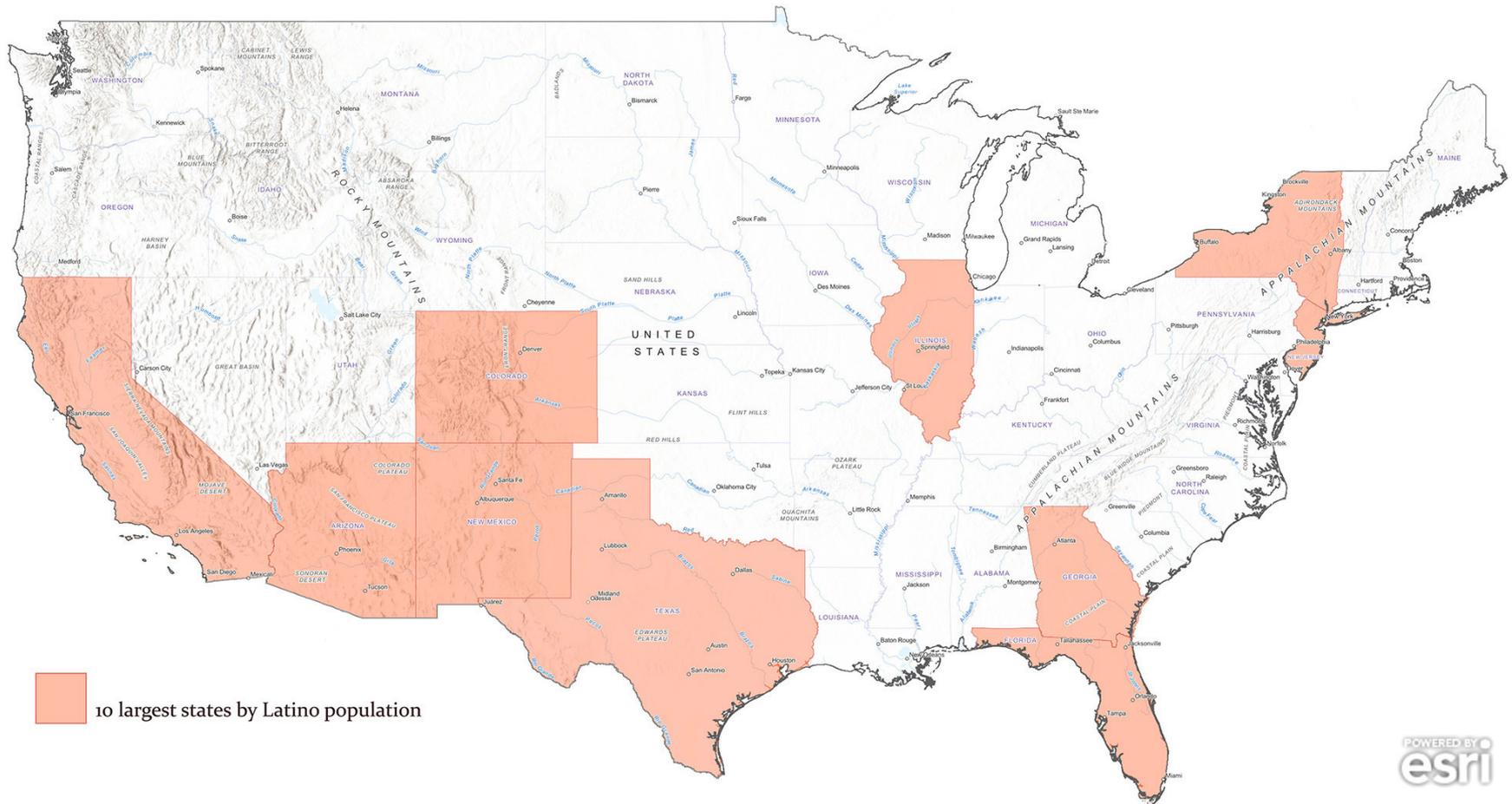
L.A. Metro Latino GDP – Households & Ownership



The growth of Latino households is accompanied by strong growth of Latino home ownership

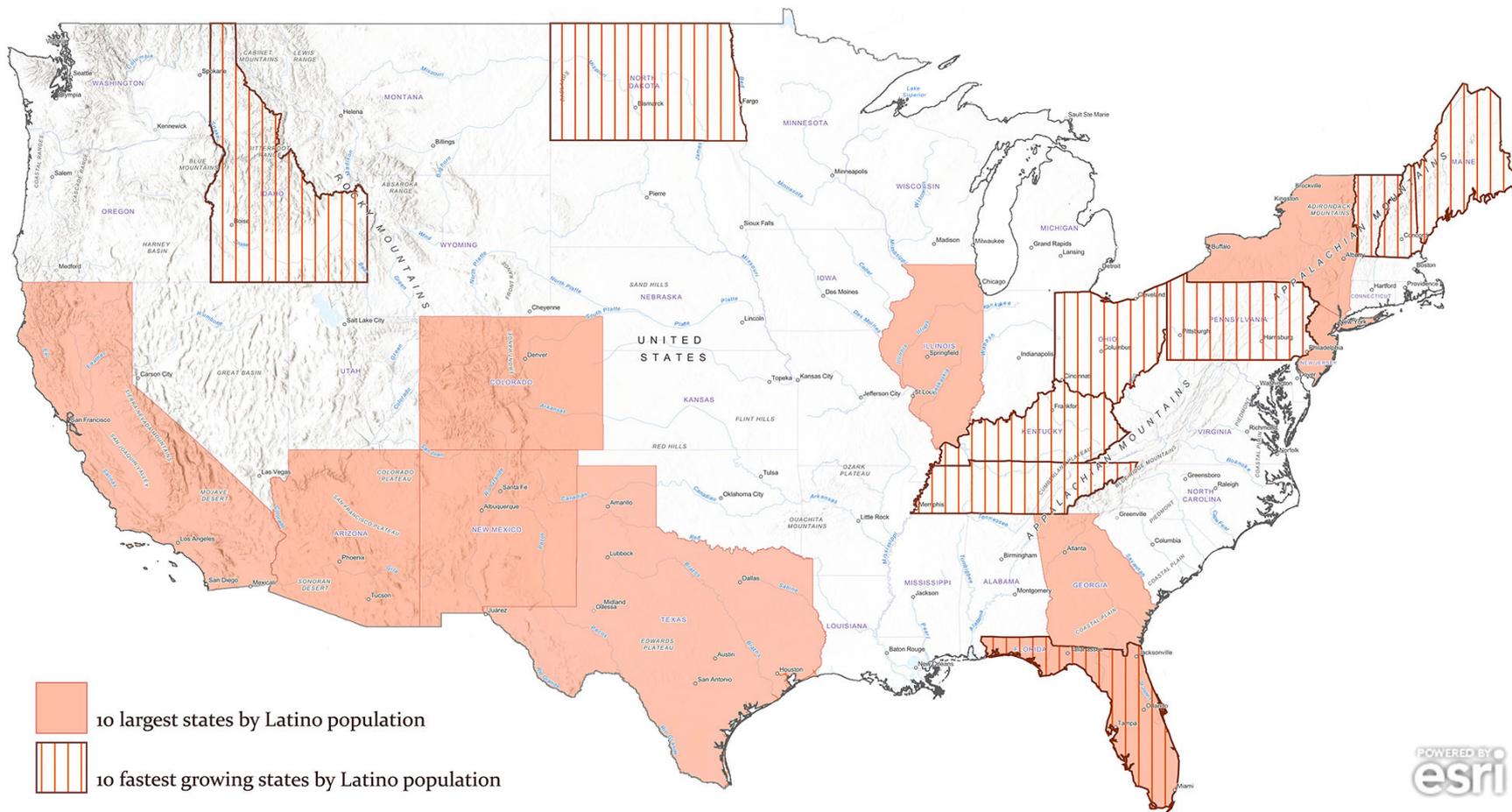
- From 2016-18, the number of Latino homeowners increased by more than 16,000
- During those same years, the number of Non-Latino homeowners increased by only 1,300

Latino Gross Domestic Product (GDP)



The story of the extraordinary economic contribution of Latinos is not unique to a handful of states...

Latino Gross Domestic Product (GDP)



This is a story that touches every corner of the nation

2022

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