

2023
Metro Latino GDP Report
Charlotte - Concord - Gastonia 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 Associate Professor of Economics and 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. Matthew is an applied economist who specializes in econometrics and policy analysis.



Latino Gross Domestic Product (GDP)



What is GDP?

- **The total market value of all final goods and services produced in a particular geographic area in a given year**
- A broad measure of economic activity...

$$C+I+G+(X-M) = \mathbf{GDP}$$

Latino Gross Domestic Product (GDP)



Why do we care about GDP?

- A nearly-universal *summary statistic*
- Increasing GDP, or economic growth, results in **rising wages, higher standards of living, and greater economic mobility**

Latino Gross Domestic Product (GDP)

What does GDP reveal about the economic contributions of Latinos living in the U.S.?

- Economic contribution of U.S. Latinos is **VERY LARGE** - \$2.8 Trillion in 2020
- It is also **RAPIDLY GROWING** – 2.6x faster than Non-Latino (2010-20)
- *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

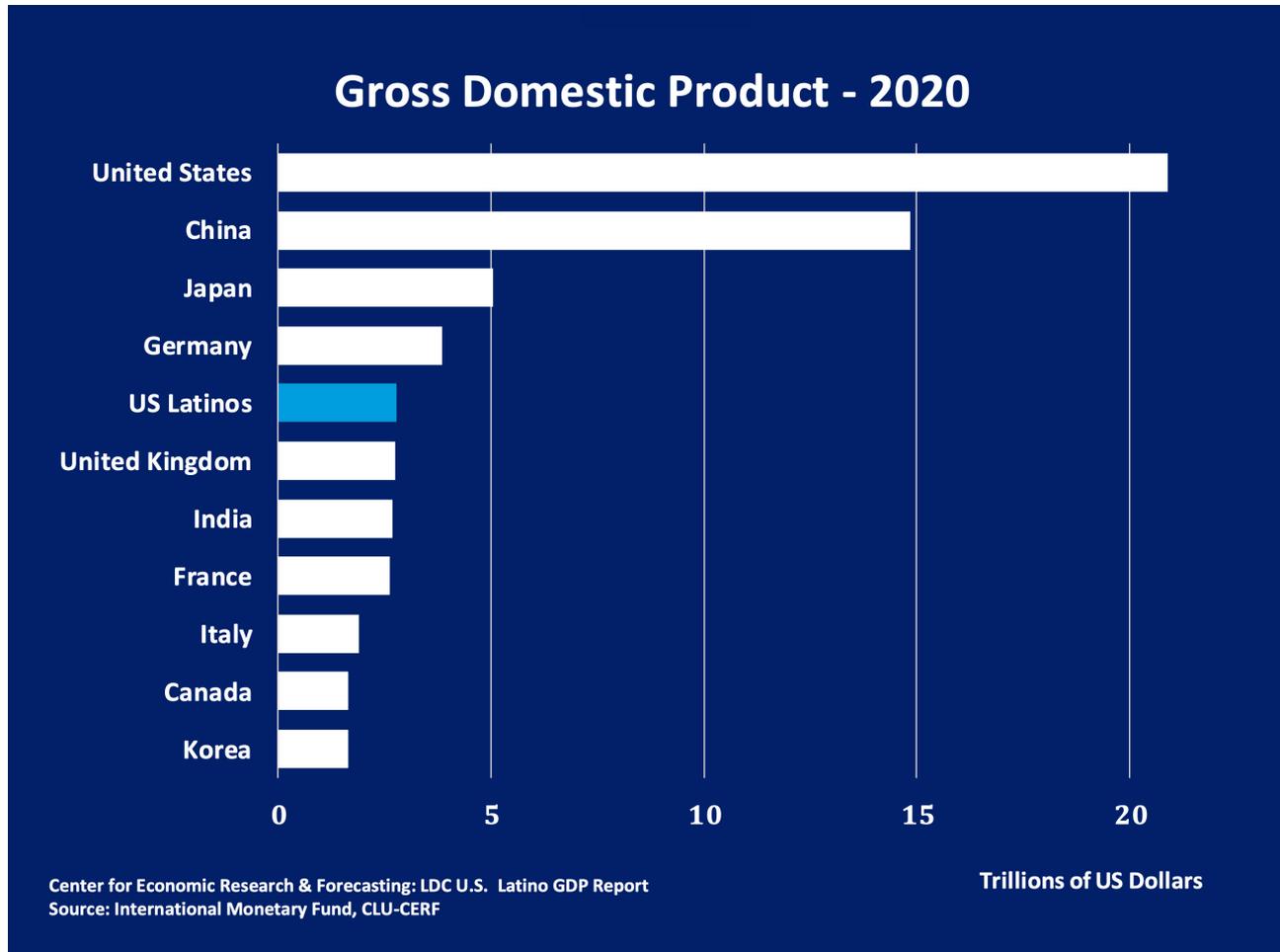
Bureau of Economic Analysis (BEA) provides detailed input-output (I-O) tables

- Broad and deep measure of economic activity across 70 industrial sectors
- The most recent year for which this core building block is available is 2020

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

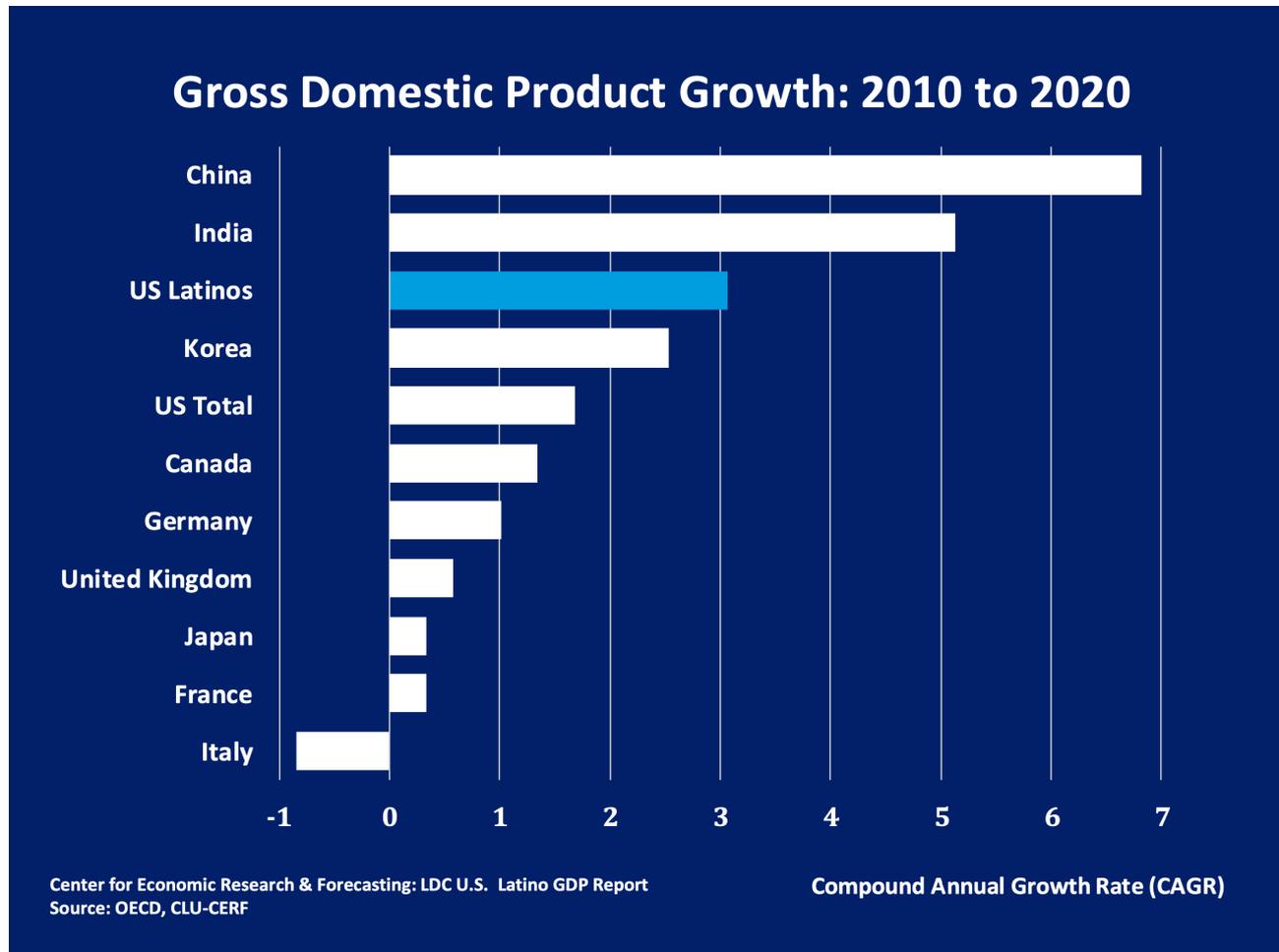
- BOC and BLS provide breakouts of differences in income, spending, home ownership, educational attainment, labor market patterns and demographics

U.S. Latino Gross Domestic Product (GDP)



If it were an independent country, Latino GDP would be **5th largest in the world**

U.S. Latino Gross Domestic Product (GDP)

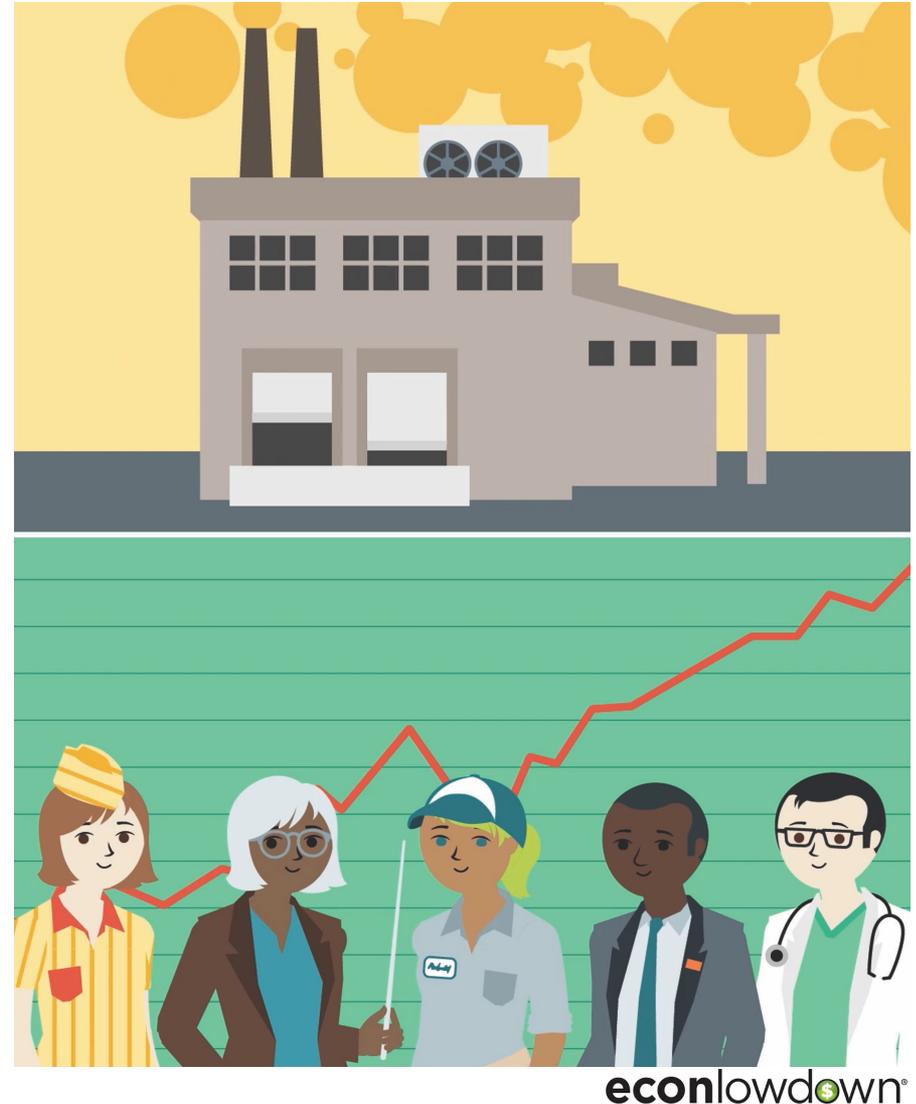


Among the ten largest GDPs, Latino GDP is *third* fastest growing (2010-20)

U.S. Latino Gross Domestic Product (GDP)

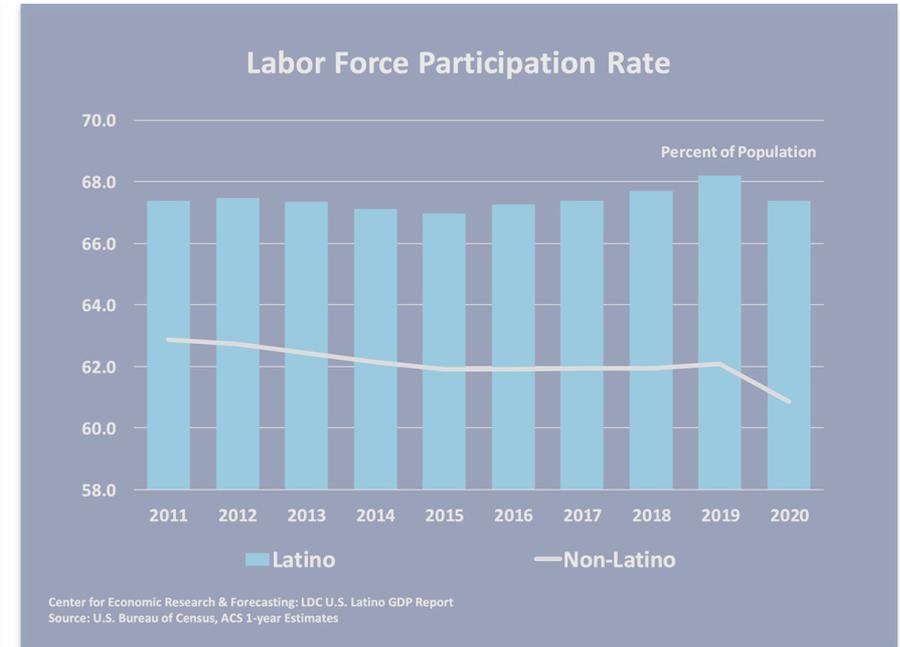
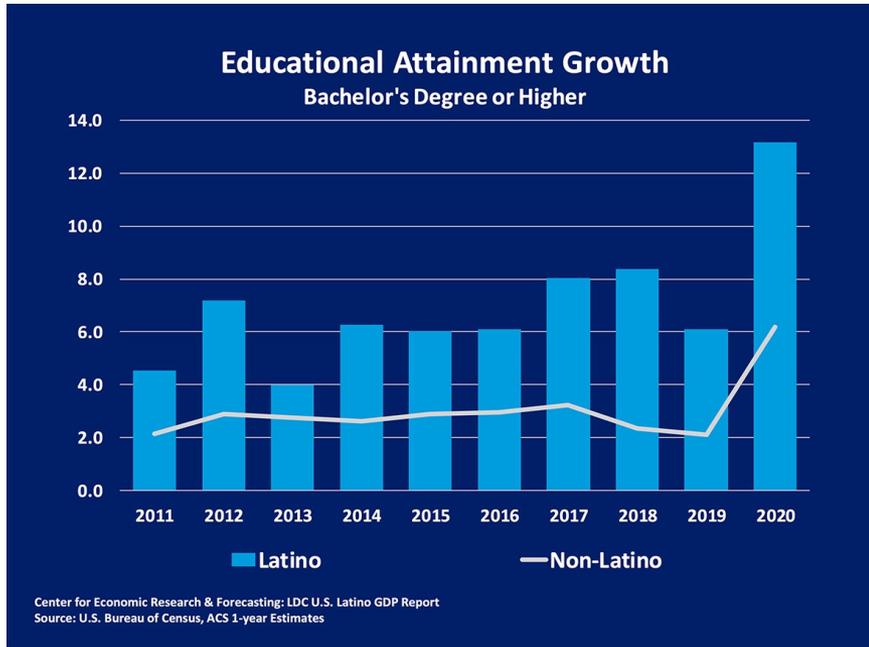
What are the ingredients for GDP growth?

- More capital...
physical or human capital
- More labor
- Better use of capital & labor
(increased productivity)



U.S. Latino GDP - Education & Labor Force Participation

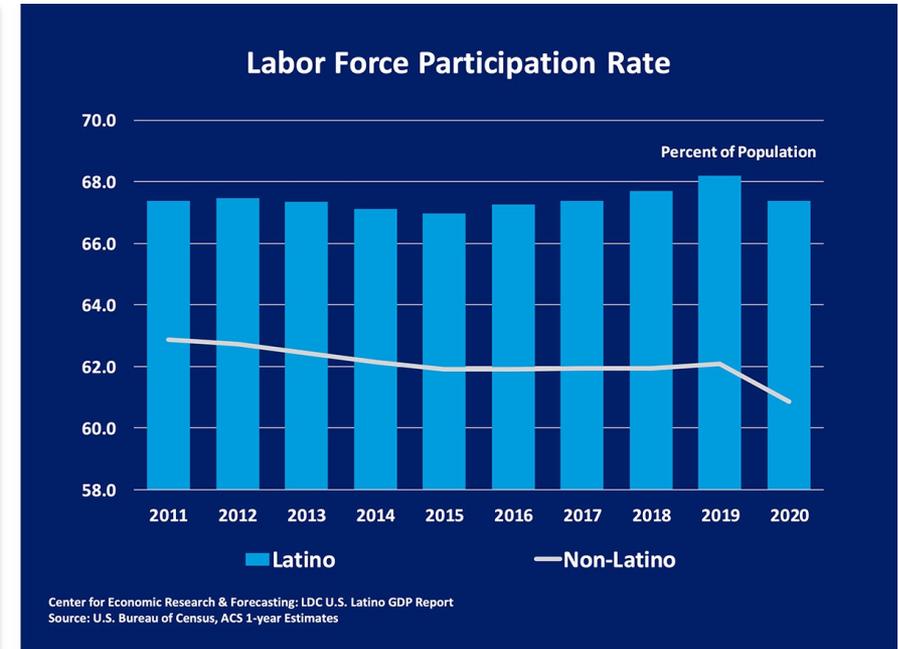
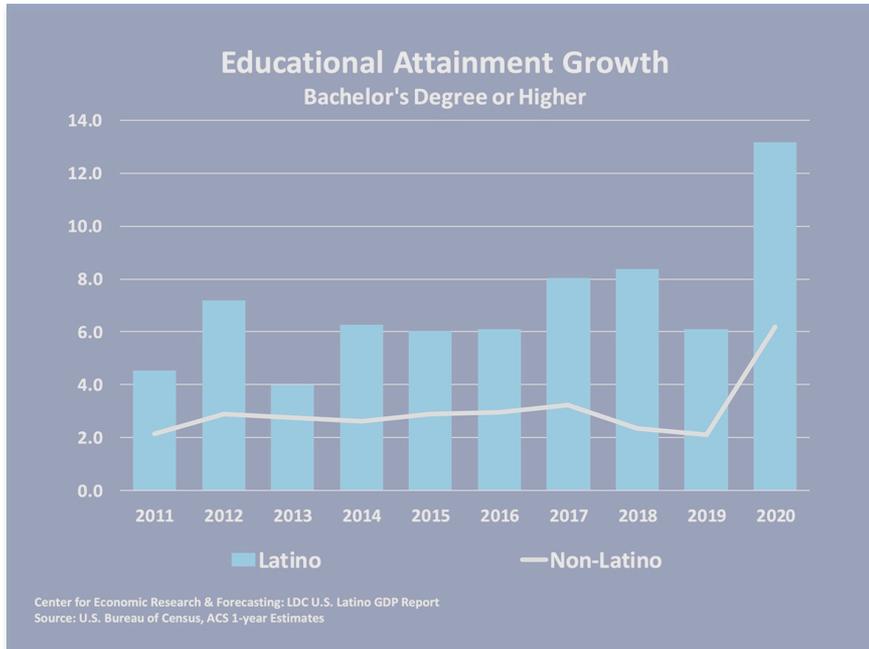
Latinos are rapidly increasing *human capital*!



Educational attainment of U.S. Latinos is growing *2.8 times* as fast as that of Non-Latinos

U.S. Latino GDP - Education & Labor Force Participation

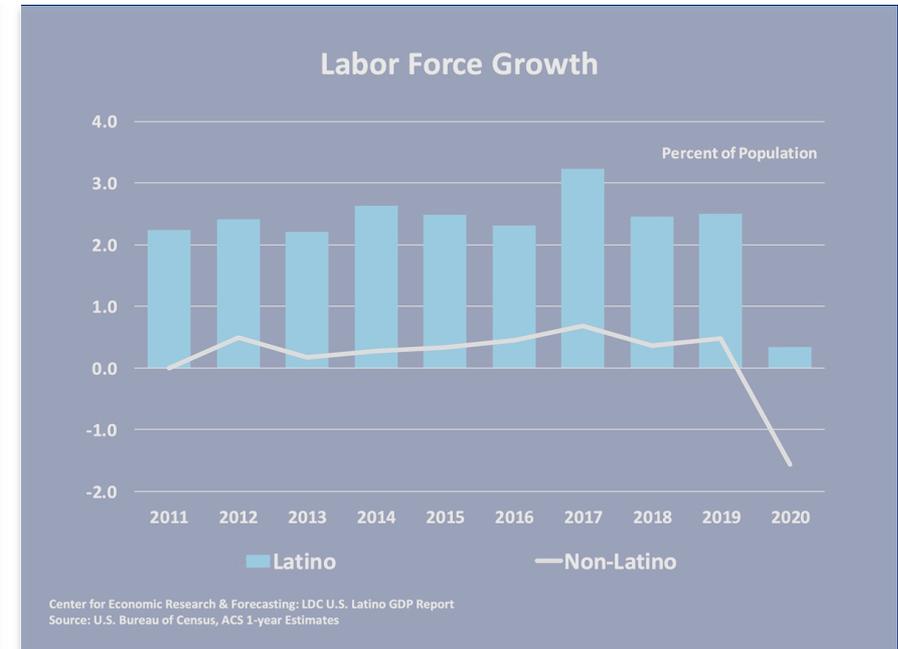
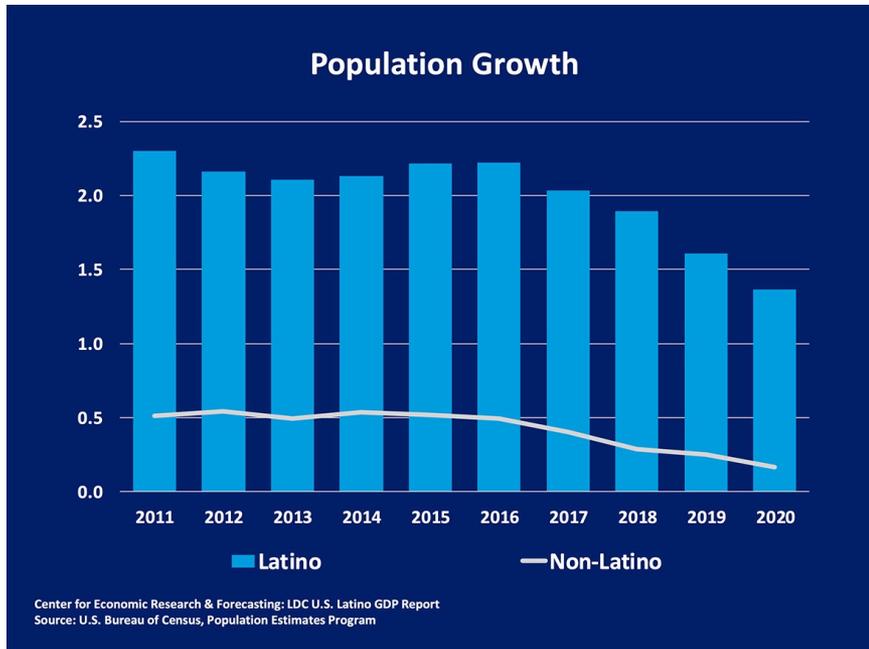
Latinos are rapidly increasing *human capital*!



In 2010, Latino's were 4.5 percentage points more likely to be working than Non-Latinos. That premium increased every year from 2010 to 2020

U.S. Latino GDP - Population & Labor Force

Latinos are rapidly increasing *U.S. labor!*

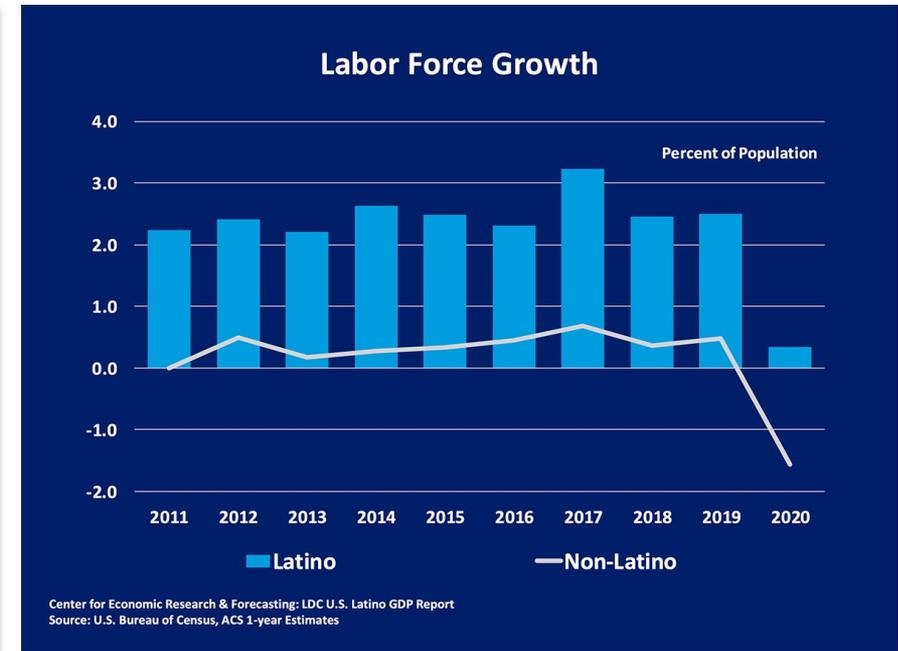
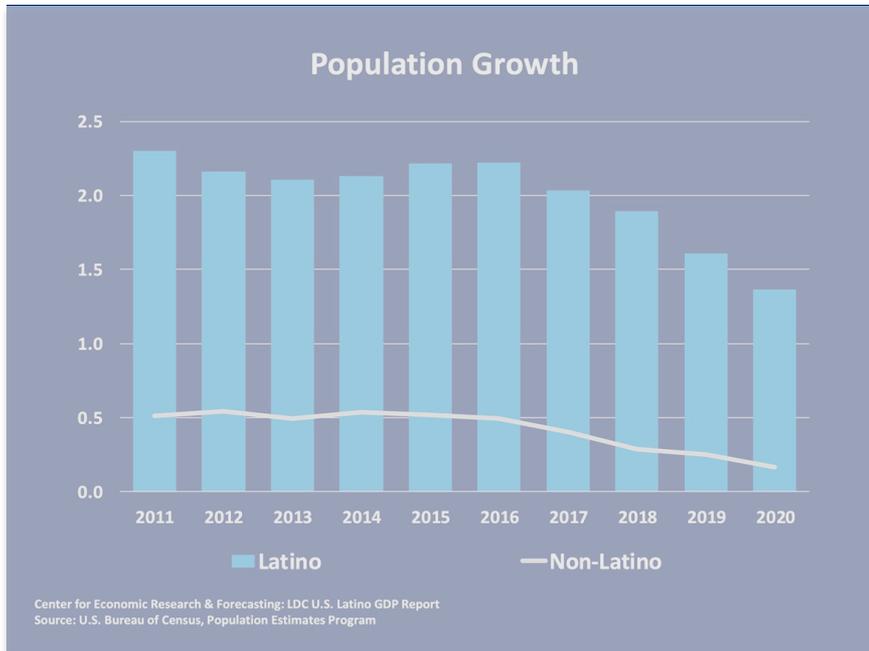


Latino population growth is 5x that of Non-Latino from 2010-20

- Despite being just 18.7% of population, Latinos are responsible for 65% of U.S. population growth (2010-20)

U.S. Latino GDP - Population & Labor Force

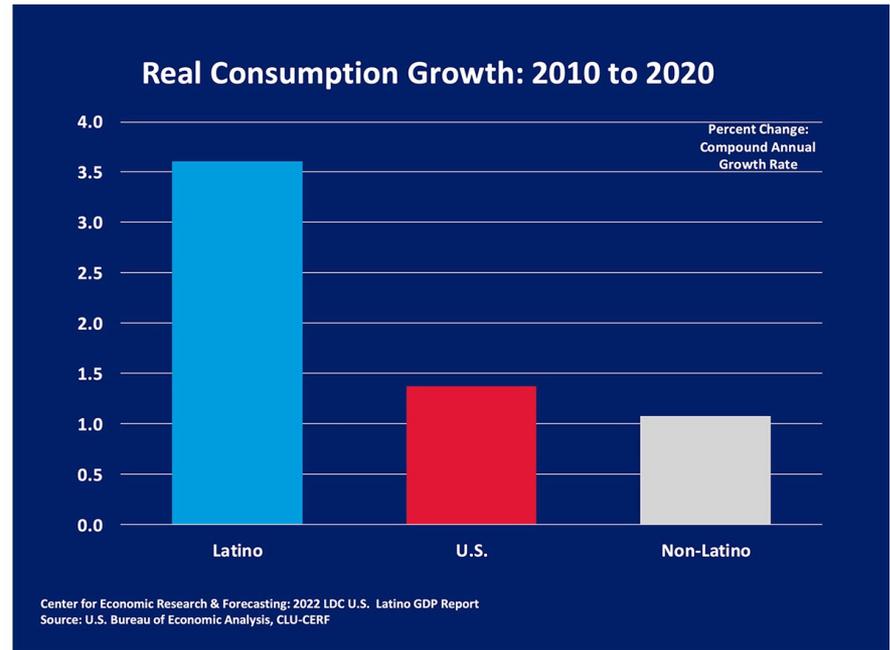
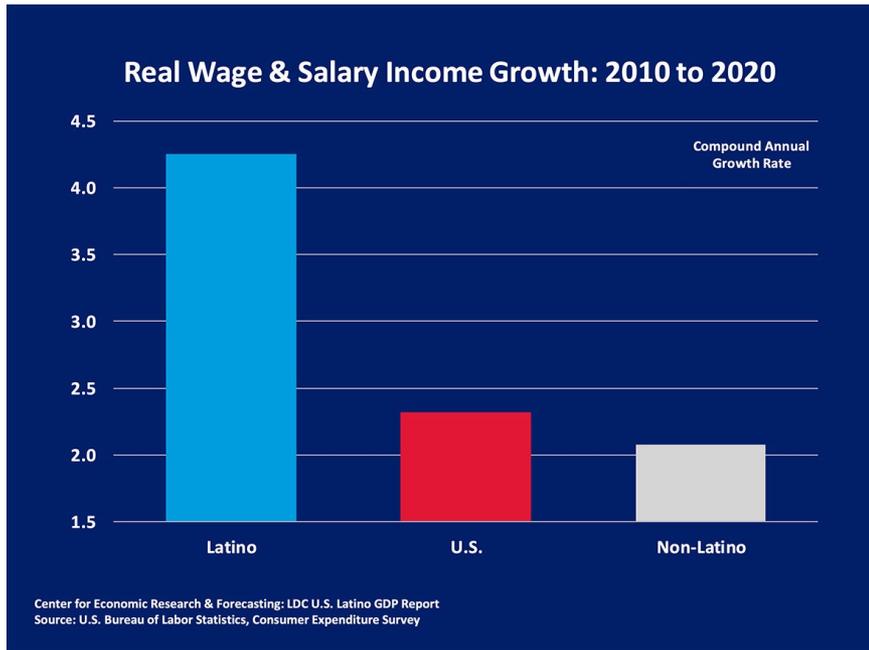
Latinos are rapidly increasing *U.S. labor!*



Latino labor force growth is 15x that of Non-Latino from 2010-20

- Despite being just 18.7% of population, Latinos are responsible for 73% of growth of the U.S. labor force (2010-20)

U.S. Latino GDP – Income & Consumption



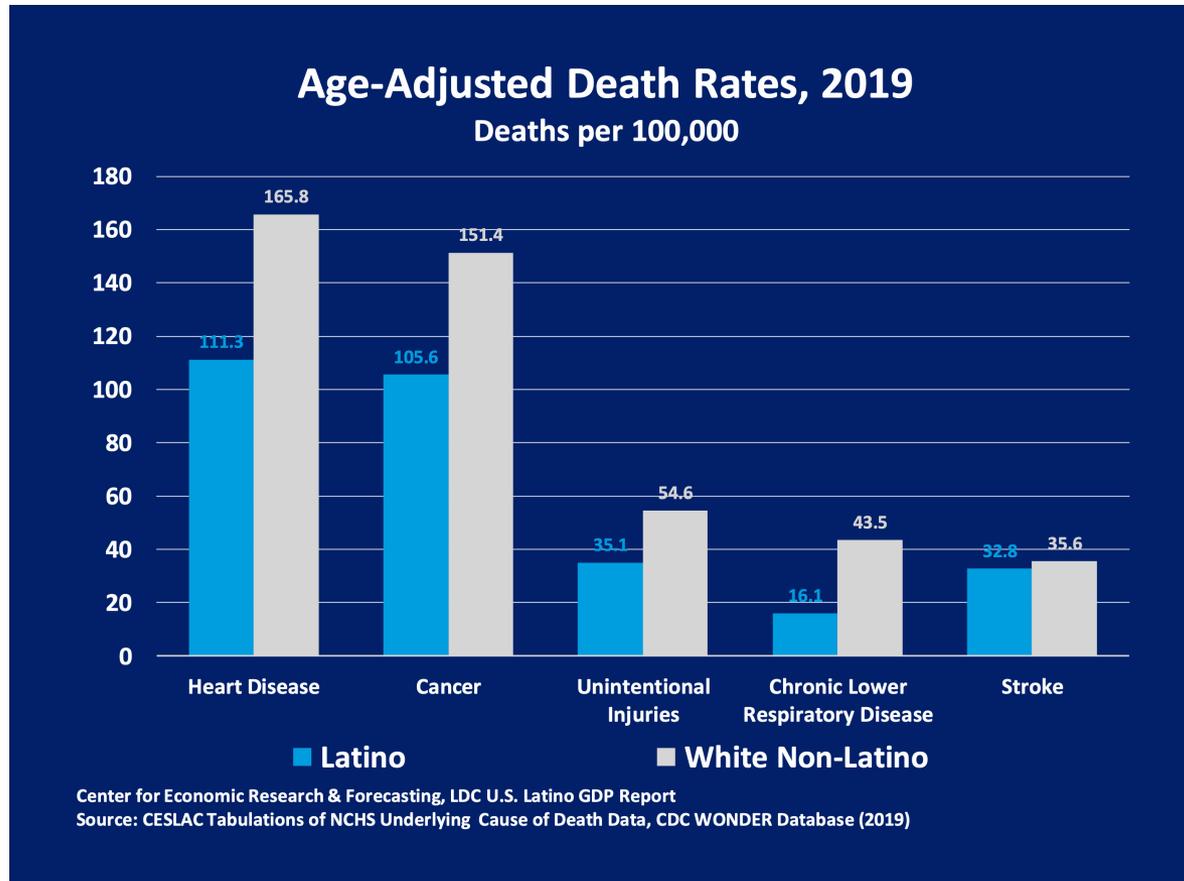
Latino personal income and Latino personal consumption each grew more than 3x faster than Non-Latino from 2010 to 2020

U.S. Latino GDP & COVID-19



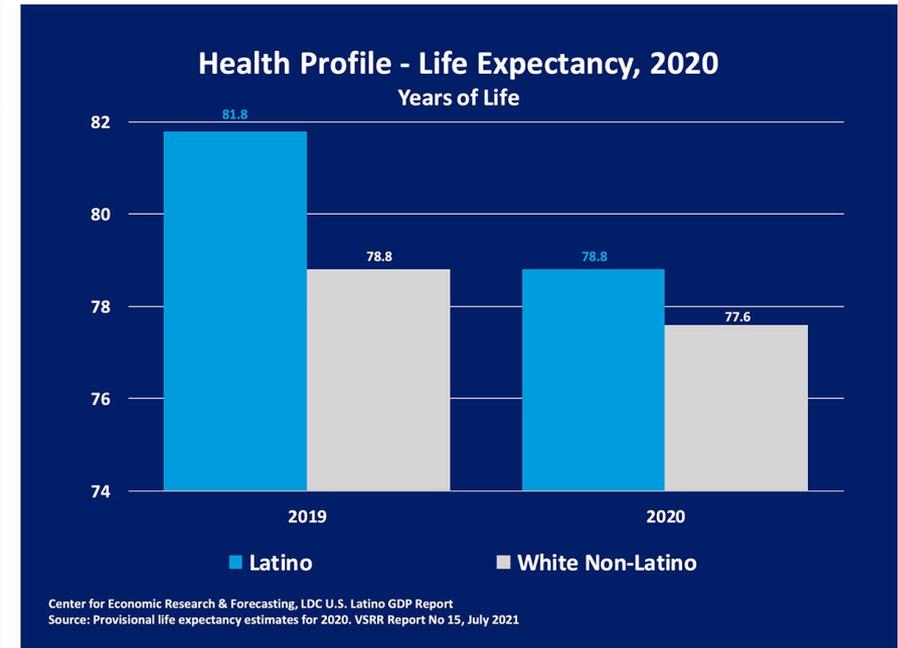
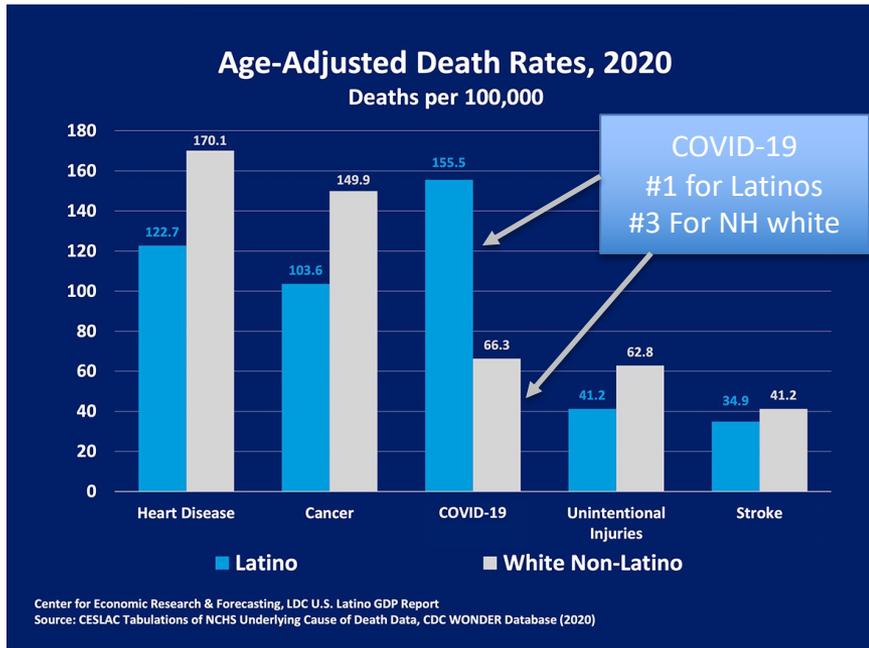
COVID-19 – a Perfect Storm?

U.S. Latino GDP – the Latino Health Premium



Prior to COVID, Latinos enjoyed lower age-adjusted mortality across all five leading causes of death

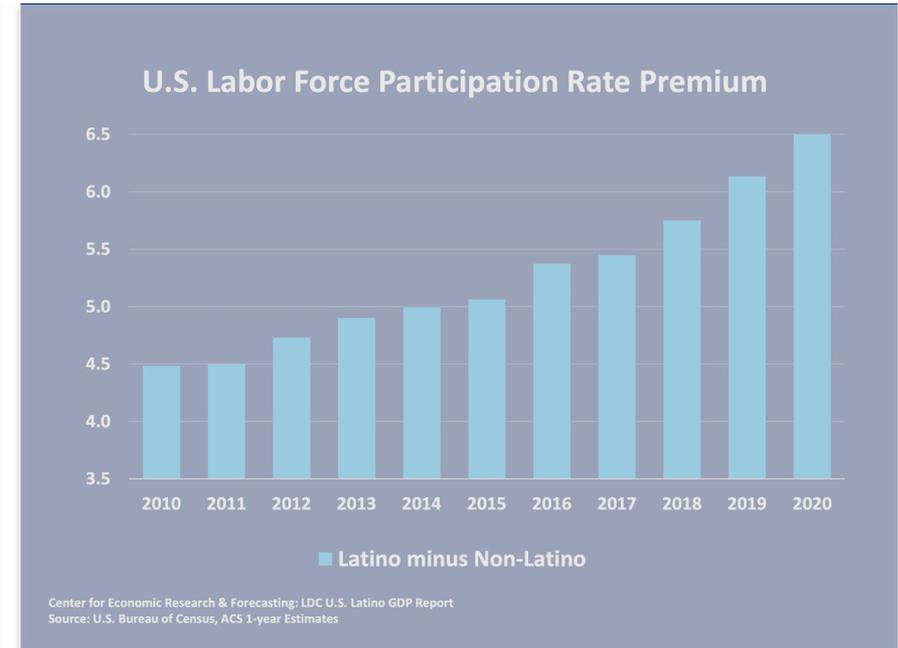
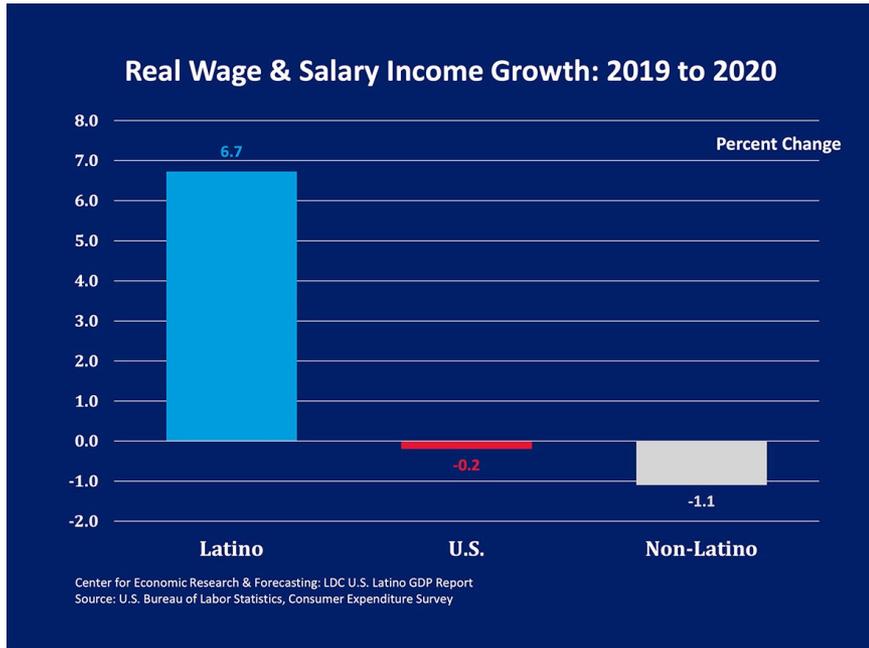
U.S. Latino GDP & COVID-19



Chronic vs. Communicable Diseases

- Chronic or “style of life” diseases are the long-term result of how a person *lives*
- Communicable diseases are transmitted between individuals, regardless of how they live

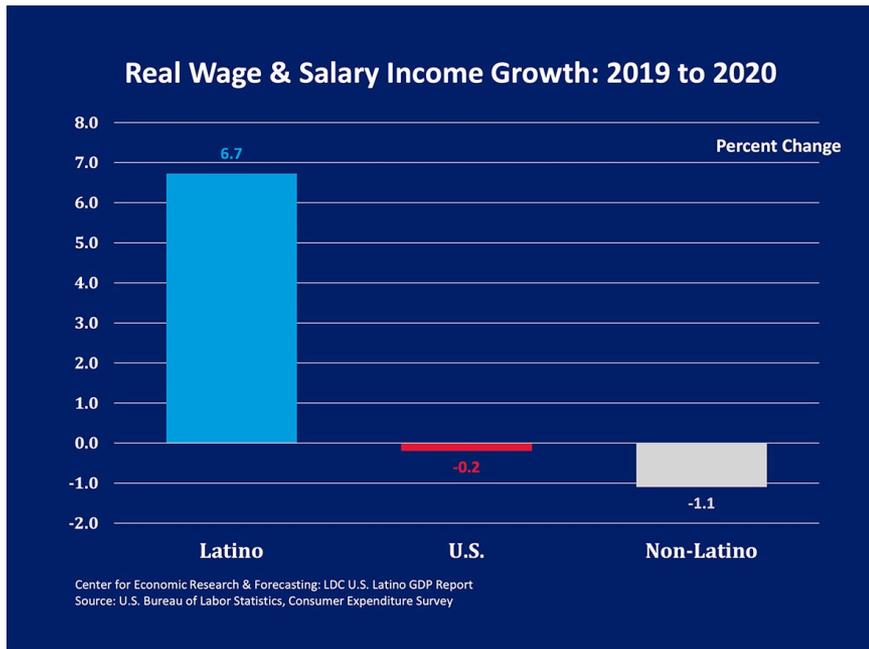
U.S. Latino GDP & COVID-19



The COVID-19 Pandemic revealed that Latinos are a critical source of resilience for the U.S. economy

- 2010-19: Latino real income grew 4.3% per year, compared to only 2.1% for Non-Latinos
- In the face of the COVID-19 pandemic, Latino income surged 6.7%, while Non-Latino income declined by 1.1%

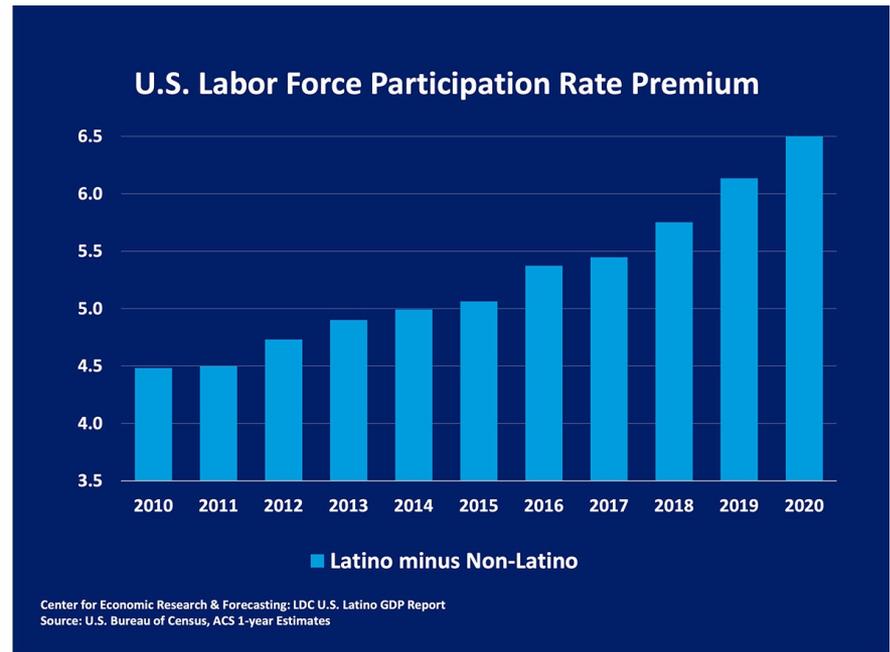
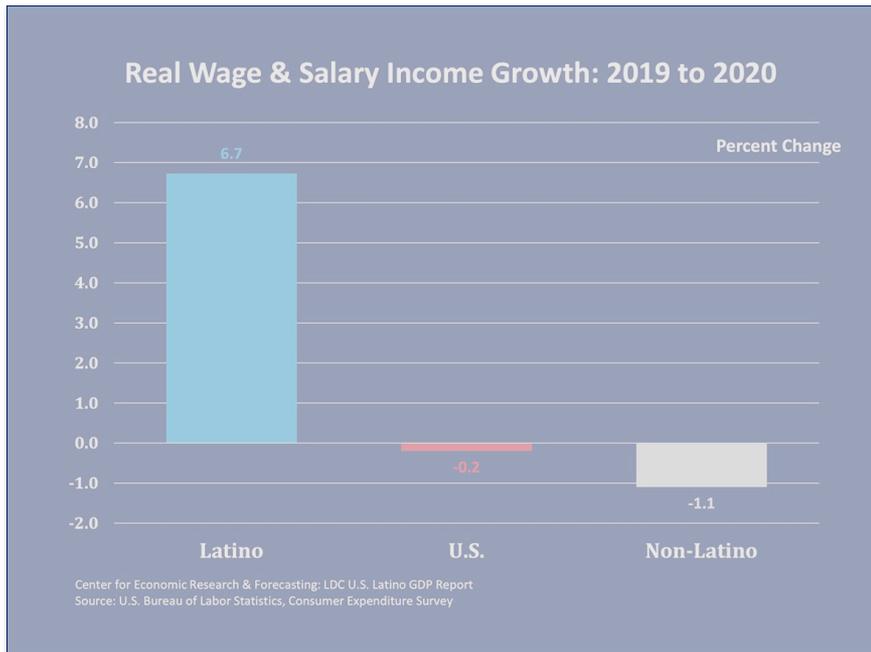
U.S. Latino GDP & COVID-19



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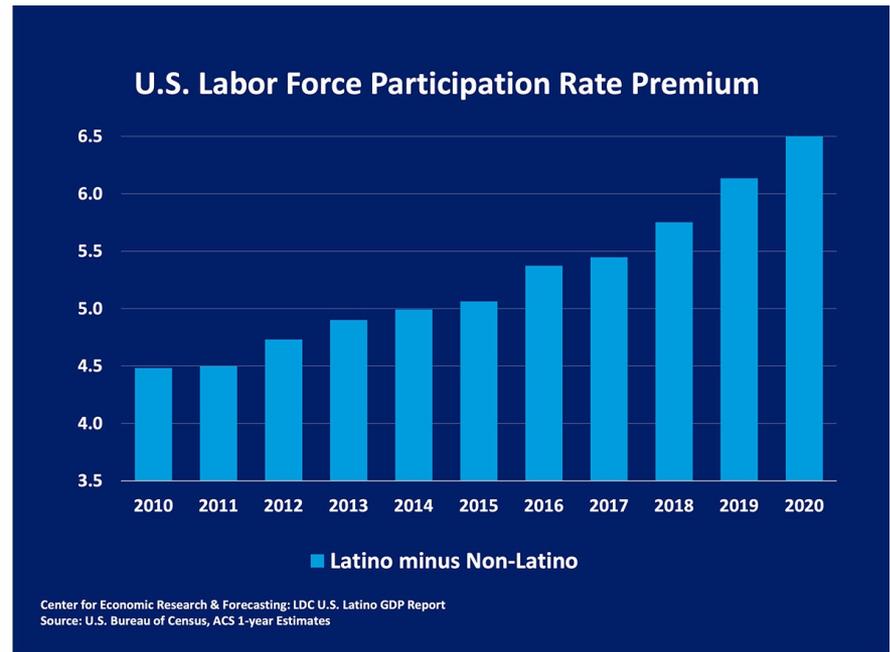
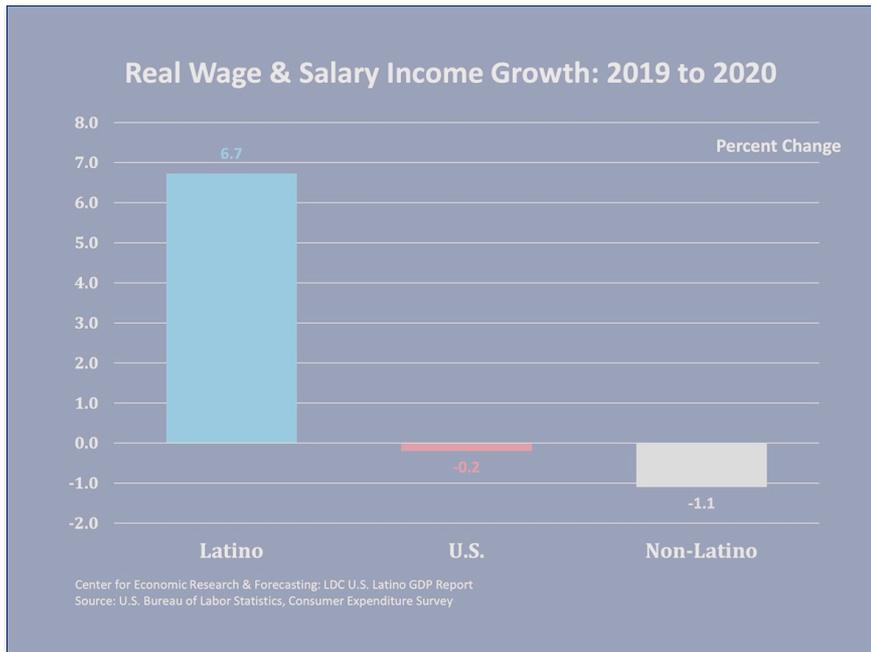
U.S. Latino GDP & COVID-19



Los que superan – Latinos pressed through the pandemic challenges

- 2019: Latino labor force participation premium hit an all-time high of 6.1%
- 2020: In the face of pandemic challenges, Latino labor force participation premium hit a new, record high of 6.5%

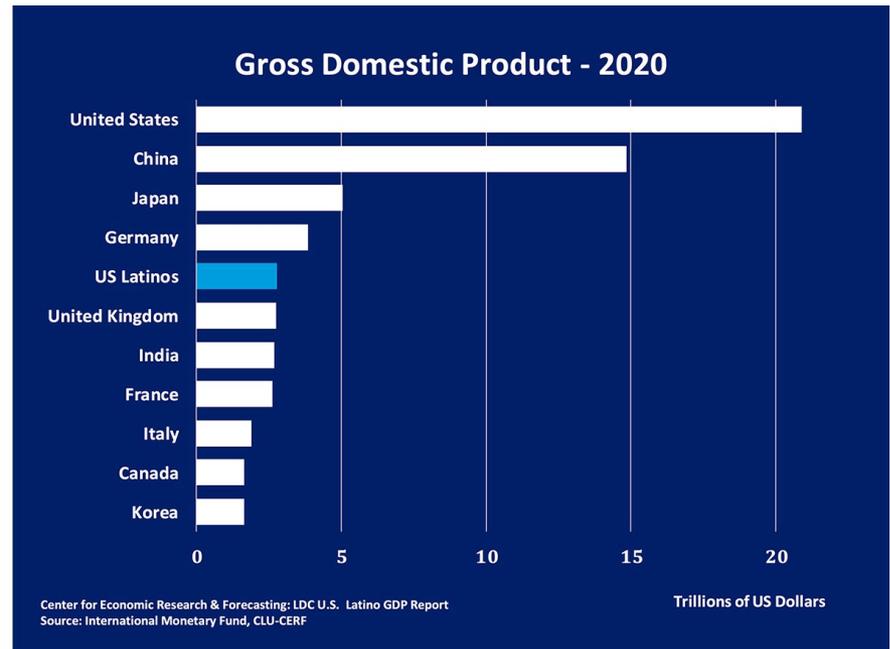
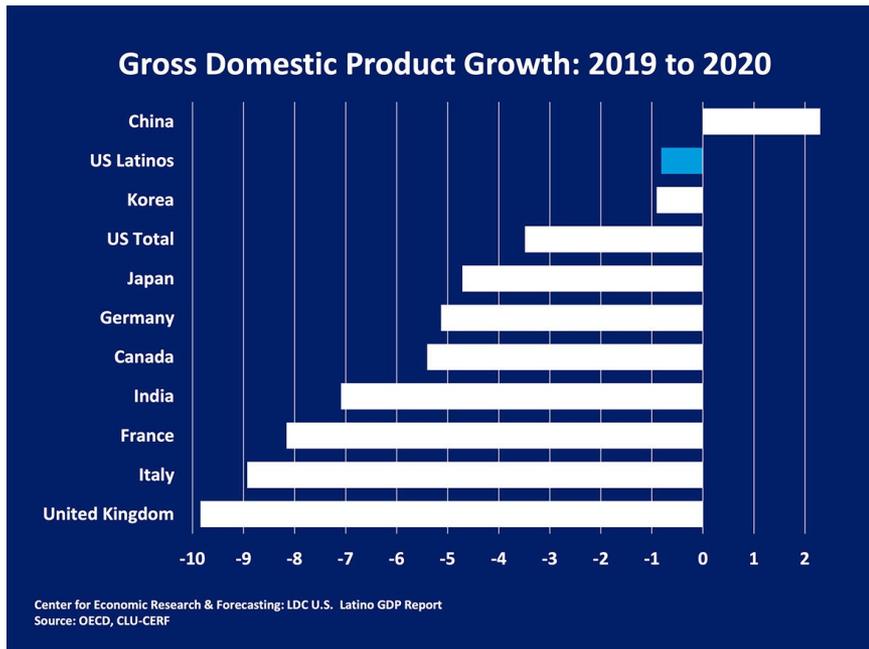
U.S. Latino GDP & COVID-19



***Los que superan* – Latinos pressed through the pandemic challenges**

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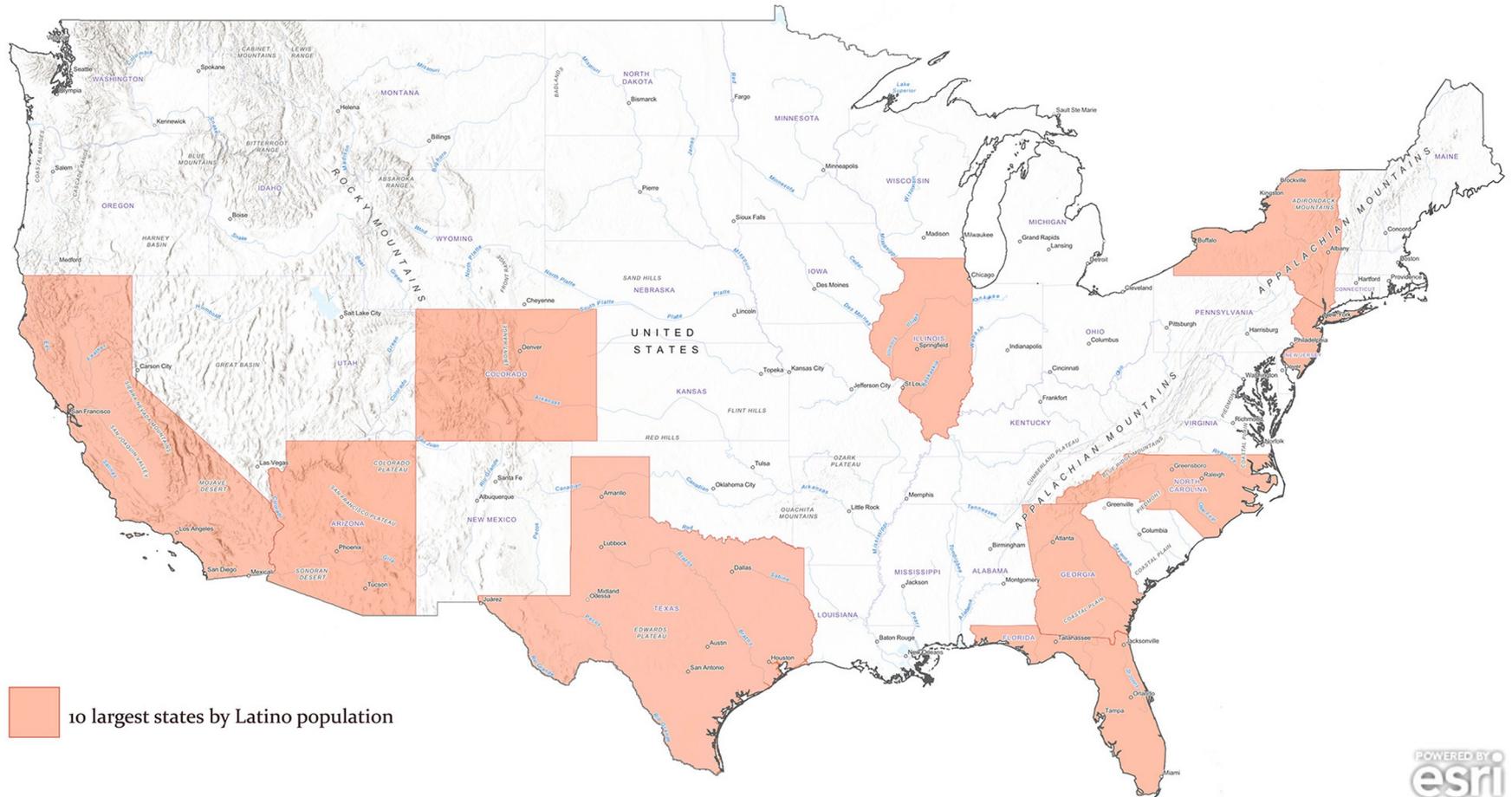
U.S. Latino GDP – *those who overcome*



Los que superan – Latinos pressed through the pandemic challenges

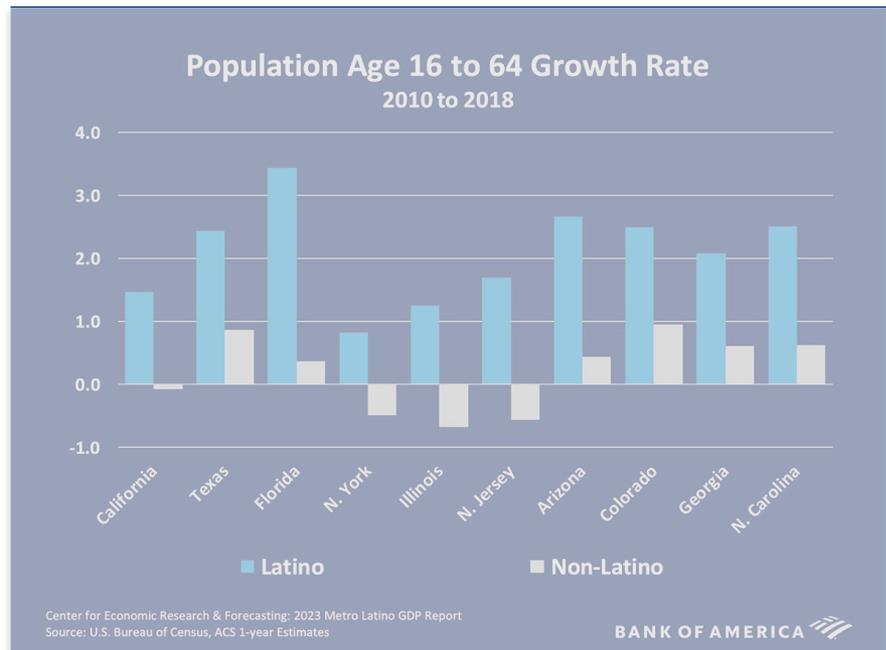
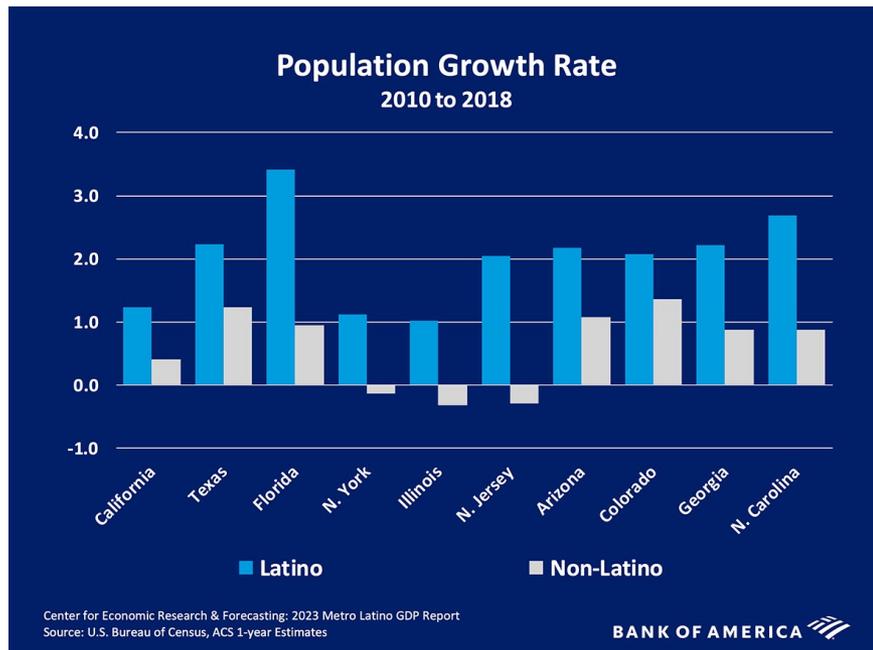
- In 2020, the U.S. Latino GDP was the 2nd fastest growing among the 10 largest GDPs
- Latino strength & resilience resulted in the Latino GDP jumping three spots, passing France, India, and the U.K.

Latino Gross Domestic Product (GDP) by State



In 2020, $\frac{3}{4}$ of the country's Latino population lived in just 10 states. These 10 states have a combined Latino GDP of \$2.1 trillion.

State Latino GDP

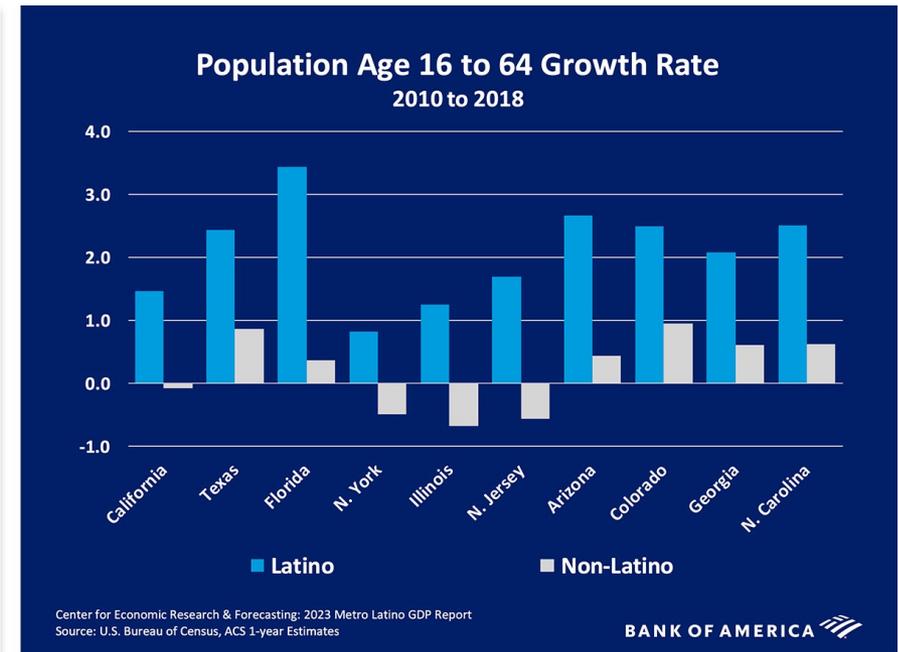
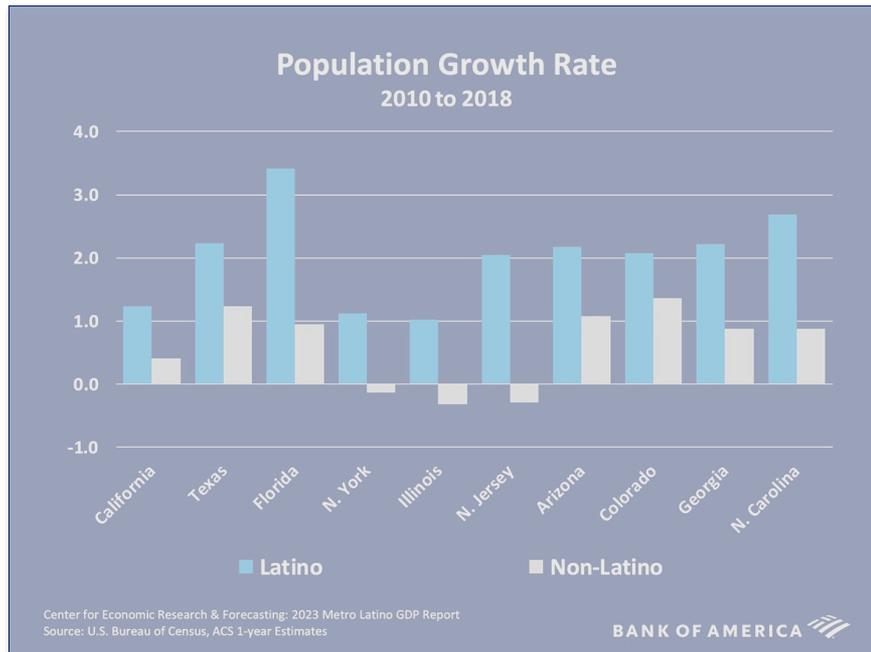


Across all 10 states, Latino population growth is 3.6 times that of Non-Latinos

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

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

State Latino GDP



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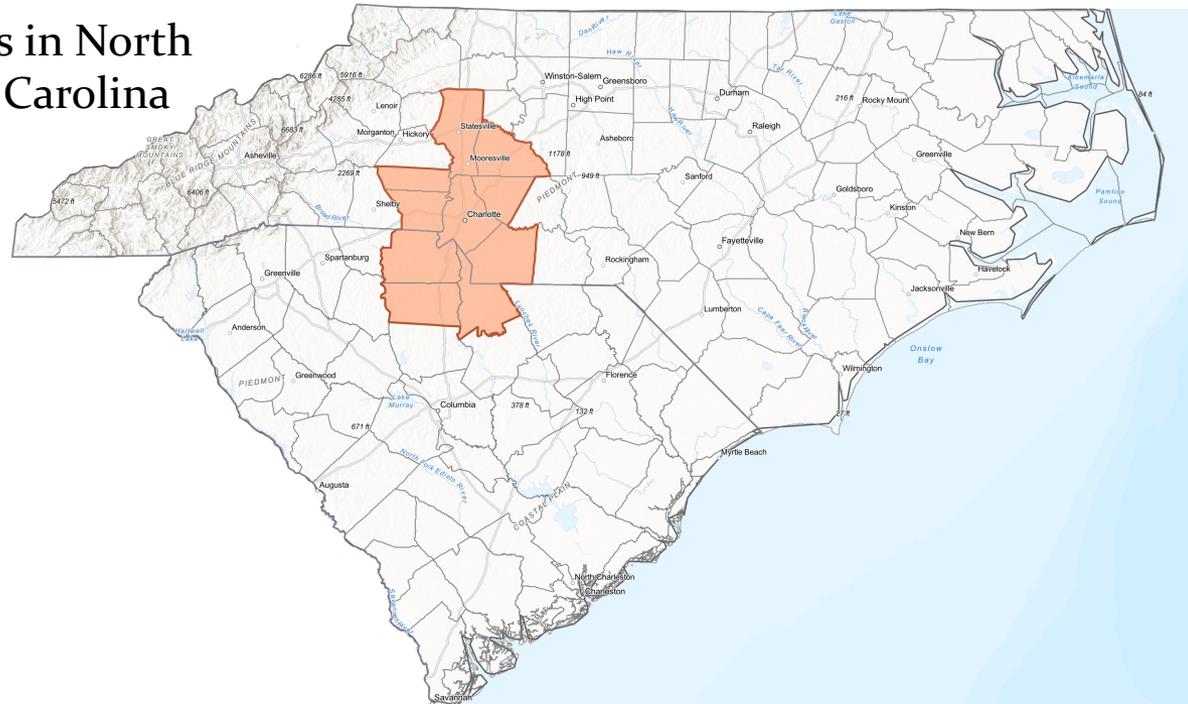
Median age of U.S. Latinos is 29.5, compared to 40.6 for Non-Latinos

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Latino GDP: Charlotte – Concord – Gastonia MSA

Charlotte Metro Area (2018)

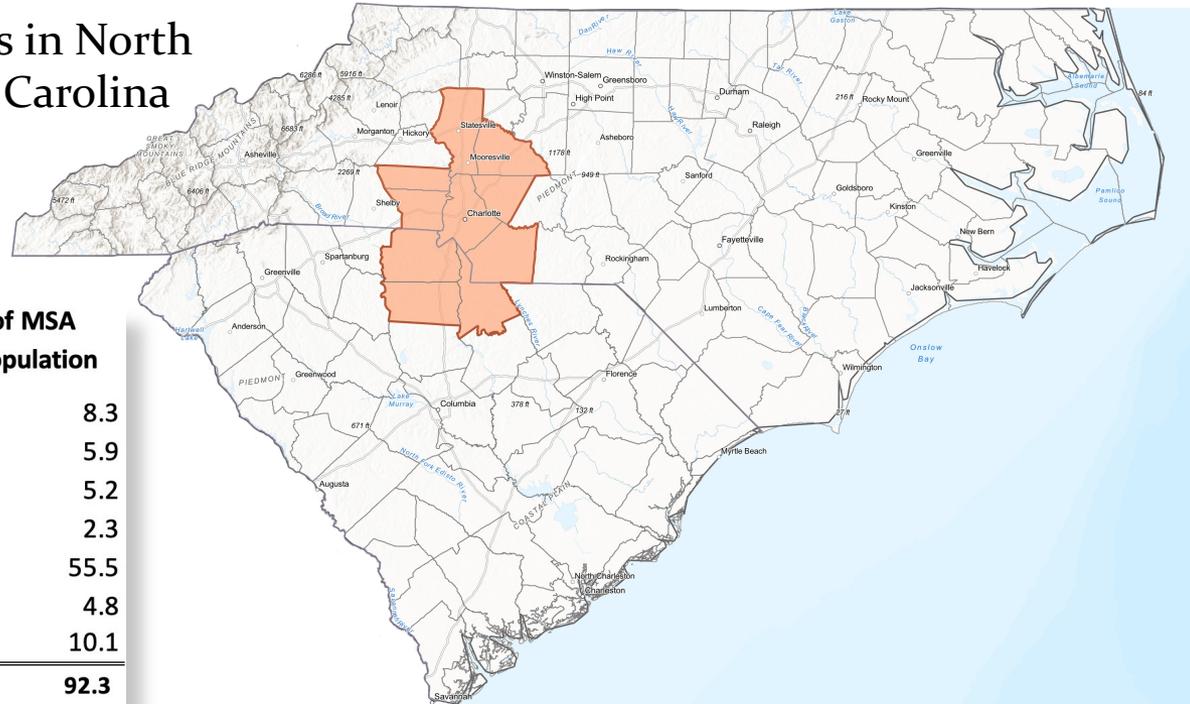
- Comprised of seven counties in North Carolina and three in South Carolina



Latino GDP: Charlotte – Concord – Gastonia MSA

Charlotte Metro Area (2018)

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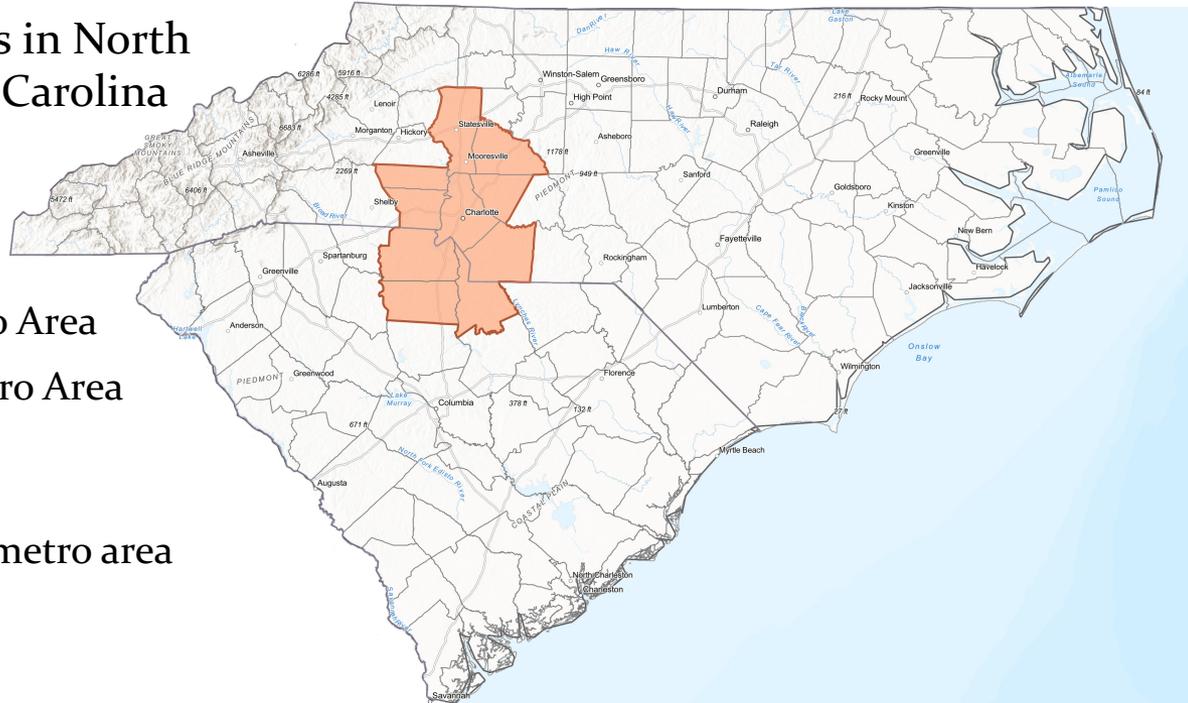


State	County	Share of MSA Latino Population
North Carolina	Cabarrus	8.3
North Carolina	Gaston	5.9
North Carolina	Iredell	5.2
North Carolina	Lincoln	2.3
North Carolina	Mecklenburg	55.5
North Carolina	Rowan	4.8
North Carolina	Union	10.1
North Carolina Sub-total		92.3
South Carolina	Chester	0.3
South Carolina	Lancaster	1.9
South Carolina	York	5.6
South Carolina Sub-total		7.7
Total Share of MSA Latino Population		100

Latino GDP: Charlotte – Concord – Gastonia MSA

Charlotte Metro Area (2018)

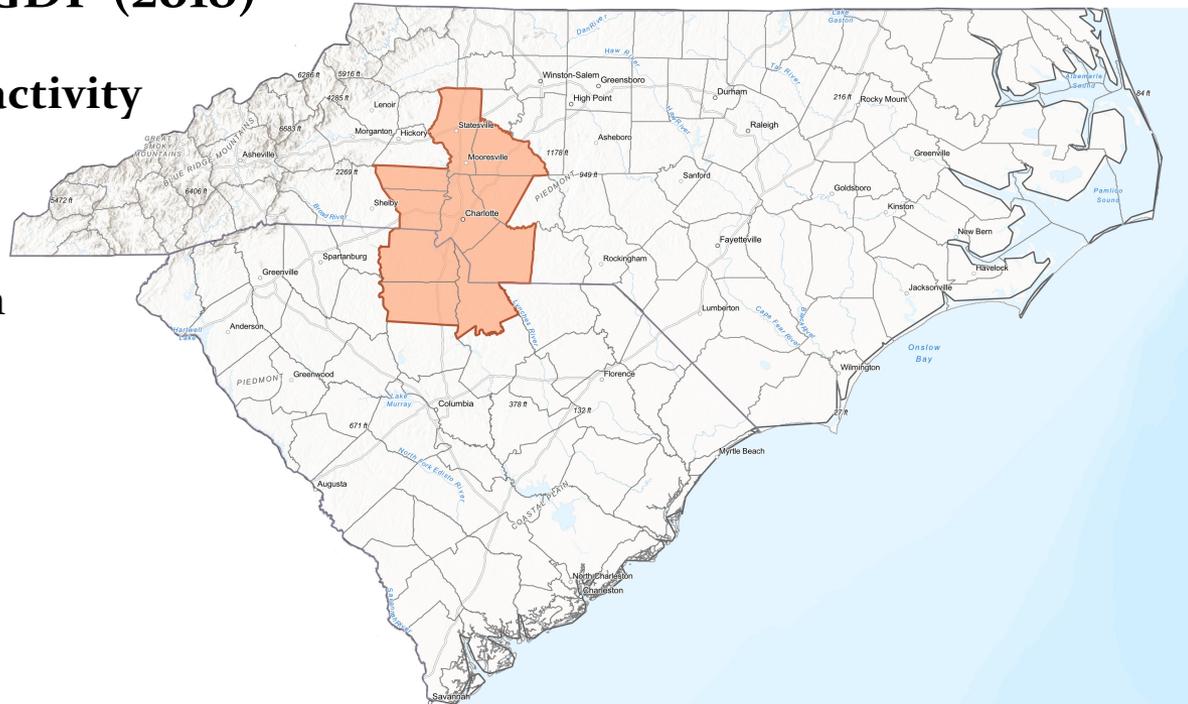
- Comprised of seven counties in North Carolina and three in South Carolina
- 2.6 million people of all ethnicities
 - Nation's 23rd largest Metro Area
 - The Carolinas' largest Metro Area
- Latino population: 270,000
 - Latinos are 10.5% of total metro area population



Latino GDP: Charlotte – Concord – Gastonia MSA

Charlotte Metro Latino GDP (2018)

- **\$12.9 billion of economic activity**
- Largest component is personal consumption, which equals \$8.9 billion



Latino GDP: Charlotte Metro Area

Charlotte 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	0.1	0.6
Mining/Quarrying	0.0	0.3
Construction	2.3	8.8
Durables Manufacturing	0.5	9.3
Non-Durables Manufacturing	0.9	8.1
Wholesale Trade	1.1	12.5
Retail Trade	0.7	8.2
Transportation/Warehousing/Utilities	0.6	10.6
Information/Technology	0.2	8.9
Finance/Insurance/Real Estate	2.4	48.5
Professional/Business Services	1.1	25.2
Education/Healthcare/Social Assistance	0.4	9.1
Leisure/Hospitality	0.9	7.9
Personal/Repair/Maintenance Svcs	0.3	3.3
Government Services	1.4	14.7
Total All Industries	12.9	176.0

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

The Charlotte Metro's top 5 Latino GDP sectors are Finance & Real Estate, Construction, Government, Professional & Business Services, and Wholesale Trade

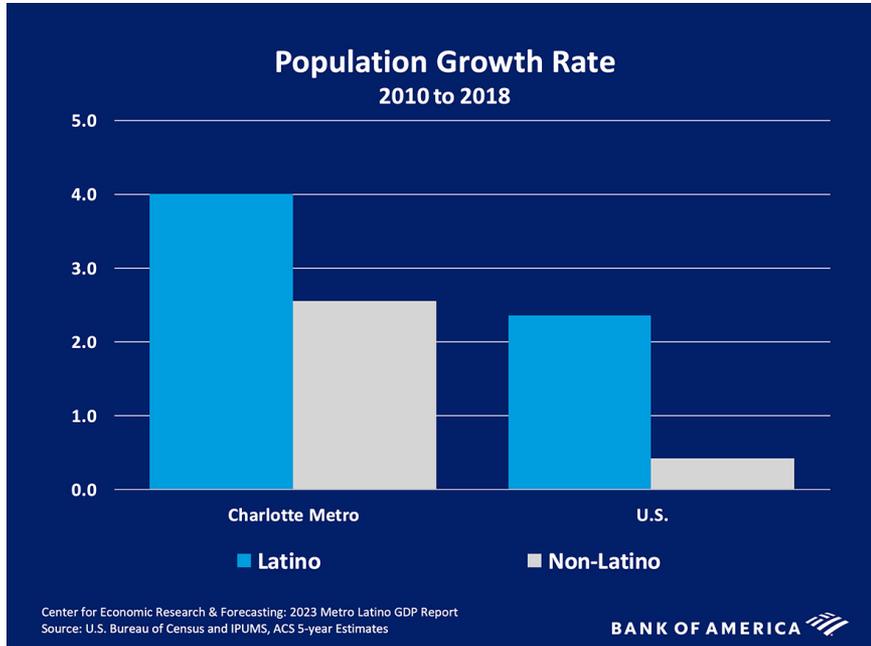
Latino GDP: Charlotte Metro Area

Charlotte Metro: Gross Domestic Product		
	Metro Latino GDP Industry Share	Metrowide GDP Industry Share
	<i>percent</i>	<i>percent</i>
Agricultural/Natural Resources	0.5	0.3
Mining/Quarrying	0.1	0.2
Construction	17.4	5.0
Durables Manufacturing	4.1	5.3
Non-Durables Manufacturing	7.0	4.6
Wholesale Trade	8.4	7.1
Retail Trade	5.7	4.7
Transportation/Warehousing/Utilities	4.9	6.0
Information/Technology	1.4	5.0
Finance/Insurance/Real Estate	18.6	27.6
Professional/Business Services	8.8	14.3
Education/Healthcare/Social Assistance	2.8	5.2
Leisure/Hospitality	6.9	4.5
Personal/Repair/Maintenance Svcs	2.3	1.9
Government Services	11.1	8.4
Total All Industries	100	100

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

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

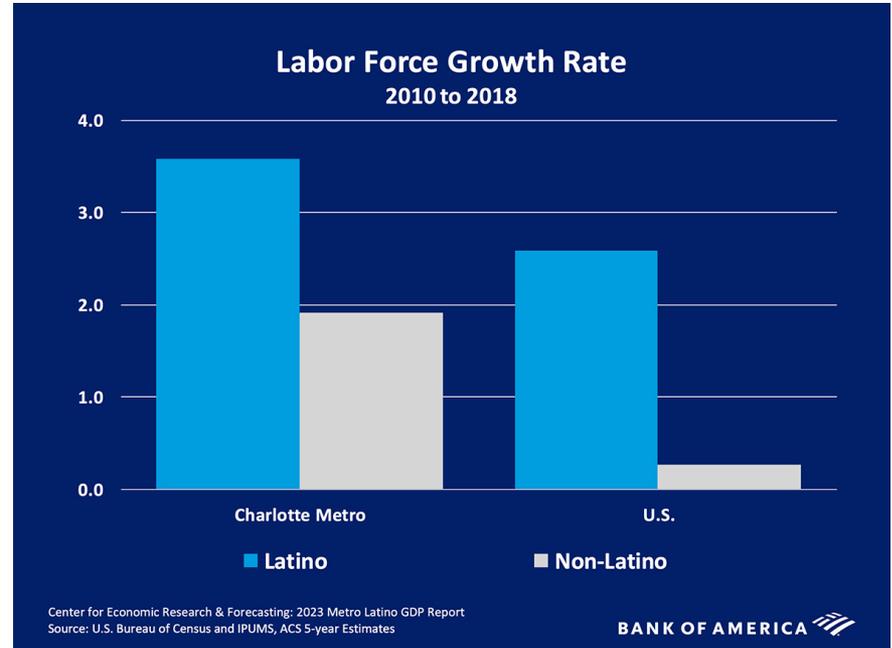
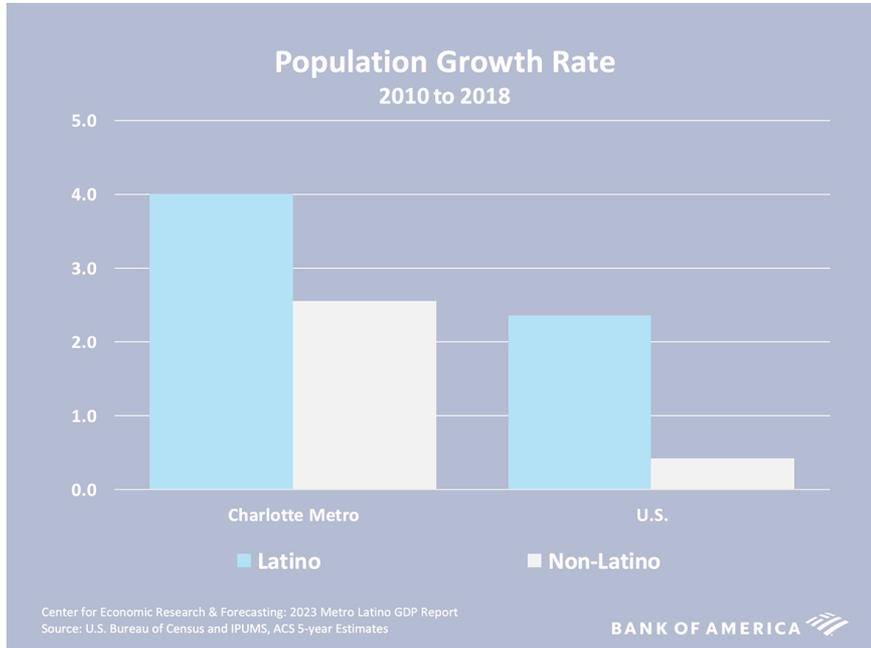
Charlotte Metro Latino GDP - Population & Labor Force



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

- The Charlotte Metro Latino population is growing at a rate 1.7x that of Non-Latinos
- Latino population grew nearly 37 percent from 2010-18, compared to only 22 percent for Non-Latino

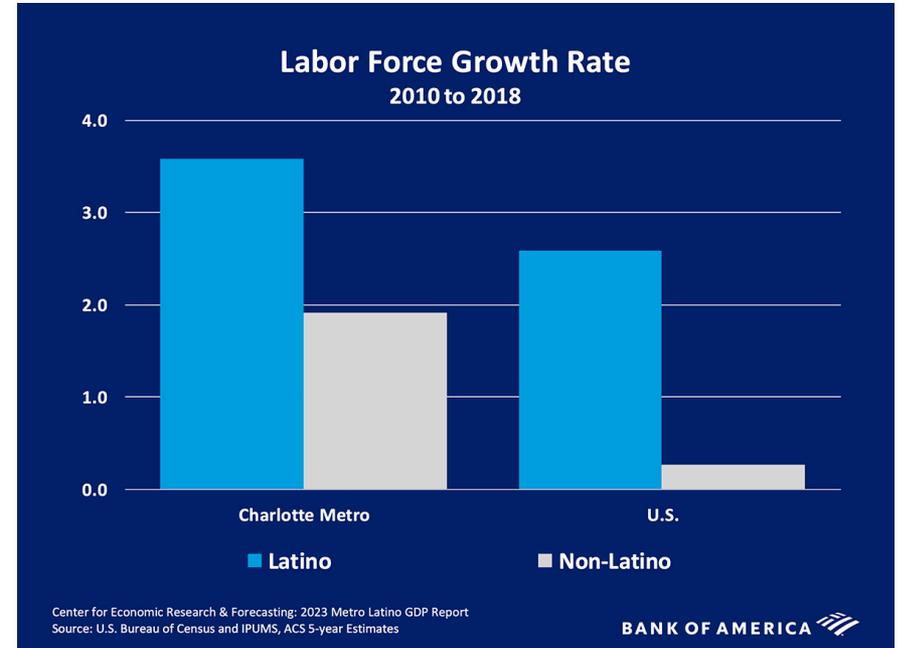
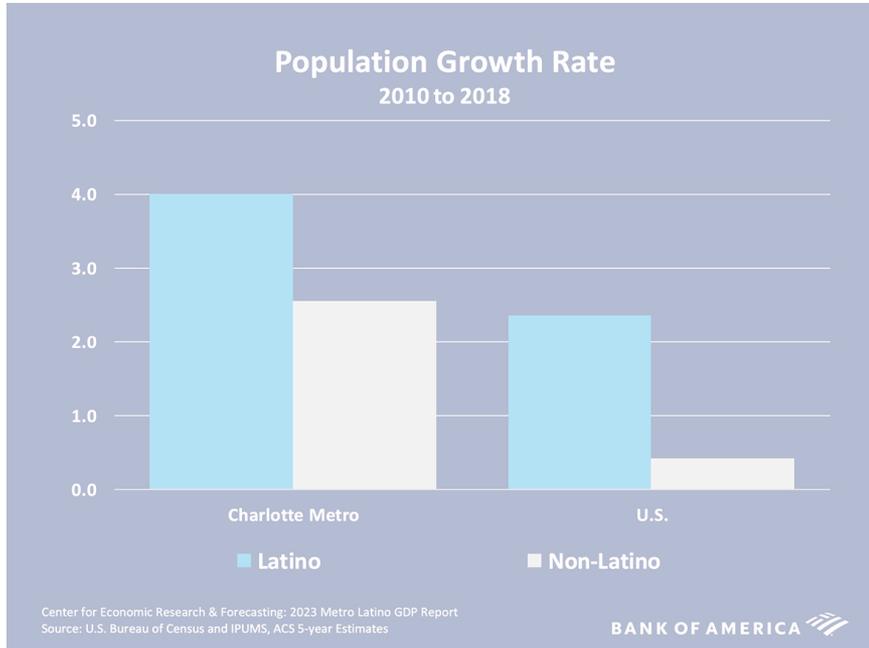
Charlotte Metro Latino GDP - Population & Labor Force



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

- The Charlotte Metro Latino labor force is growing at a rate 2x that of Non-Latinos
- Latino labor force grew nearly 33 percent from 2010-18, compared to only 16 percent for Non-Latino

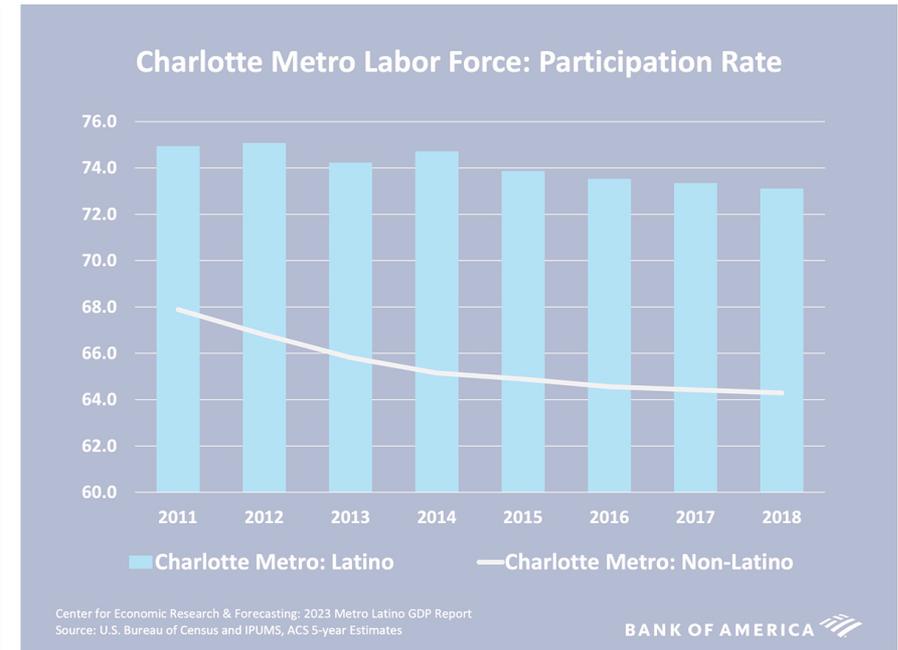
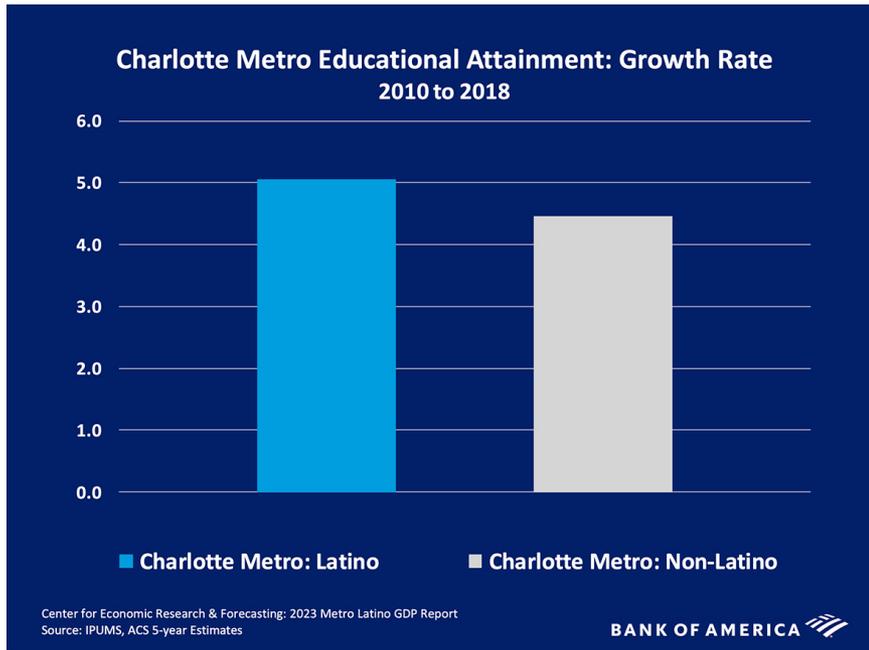
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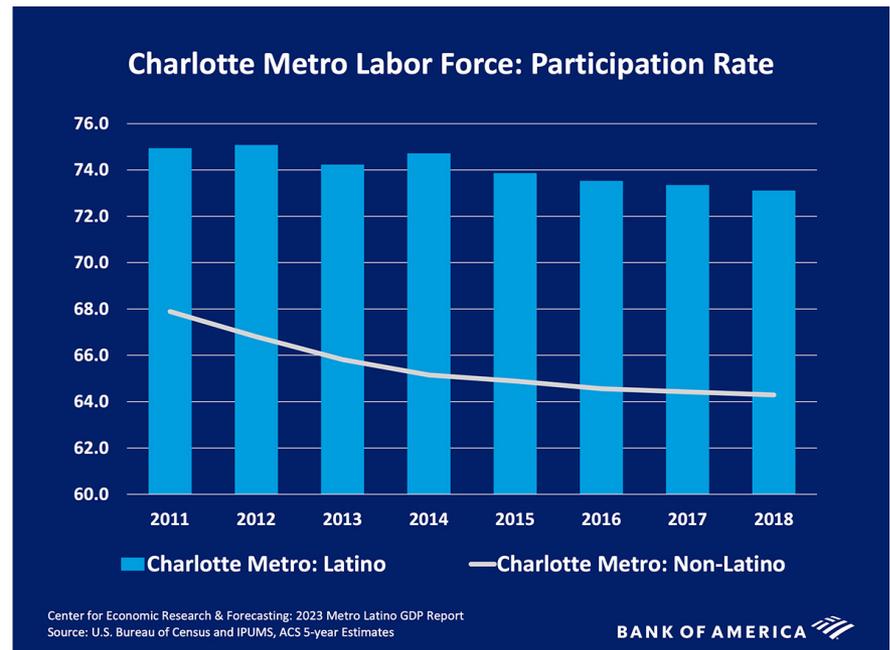
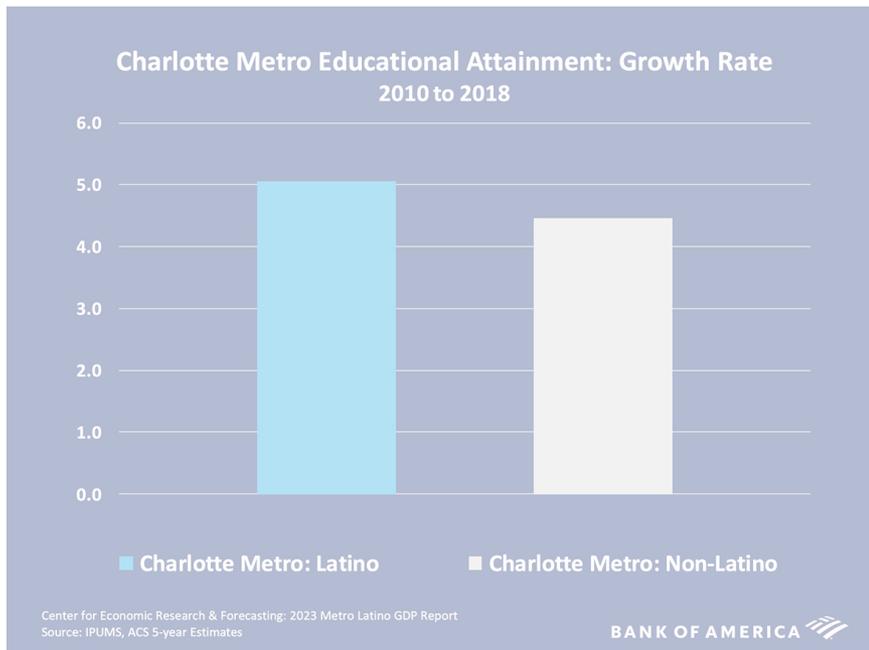
- Despite being just 10.5 percent of the Metro Area's population, Latinos are responsible for 17.3 percent of the growth of the labor force from 2010-18

Charlotte Metro Latino GDP - Education & LFP



Educational attainment of Charlotte Metro Latinos is growing *1.2 times faster* than that of Non-Latinos

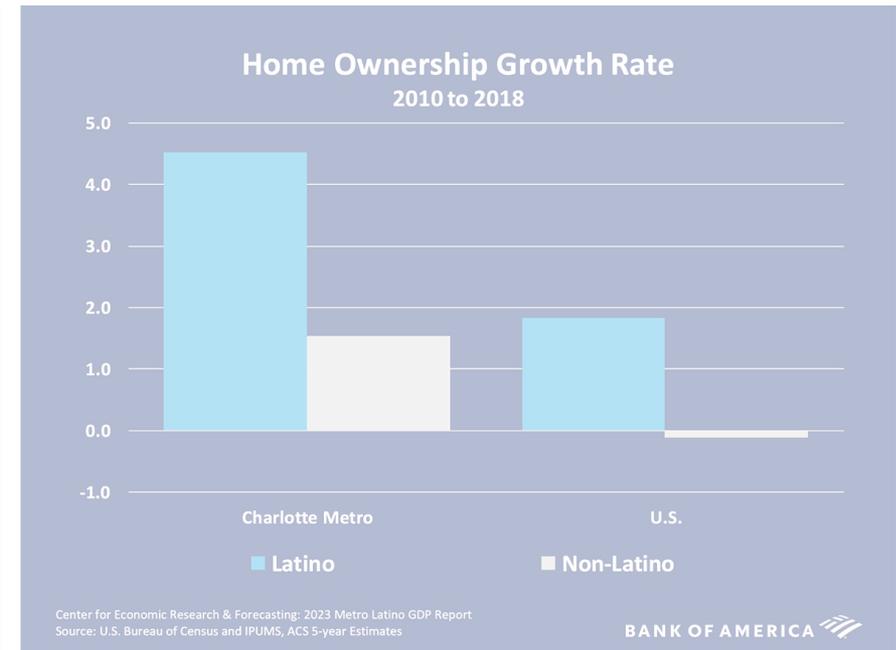
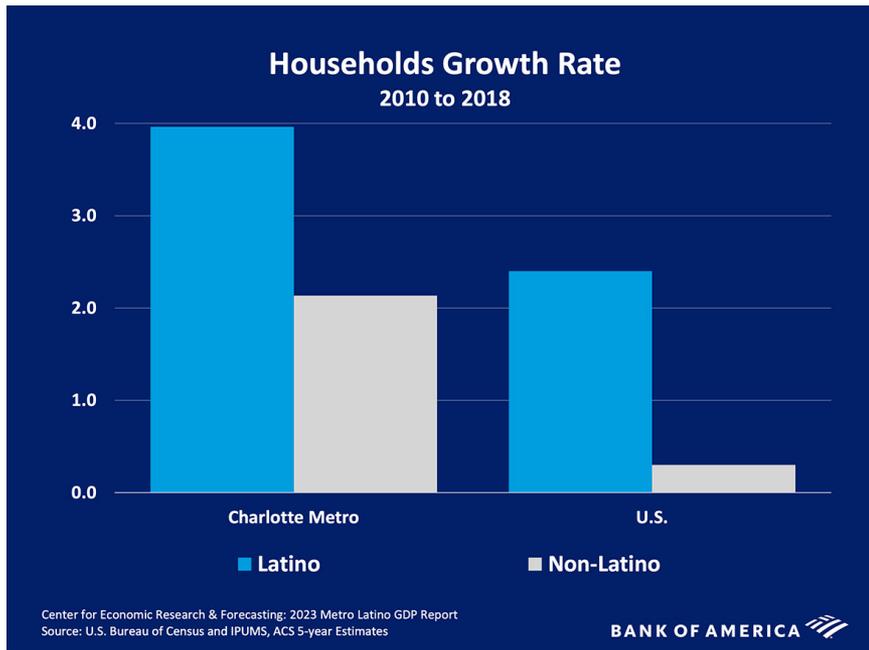
Charlotte Metro Latino GDP - Education & LFP



From 2010-2018, Charlotte Latinos' labor force participation rate was an average of 8.5 percentage points higher than Non-Latino.

- In 2018, the Latino participation *premium* was an extraordinary 8.8 percentage points higher.

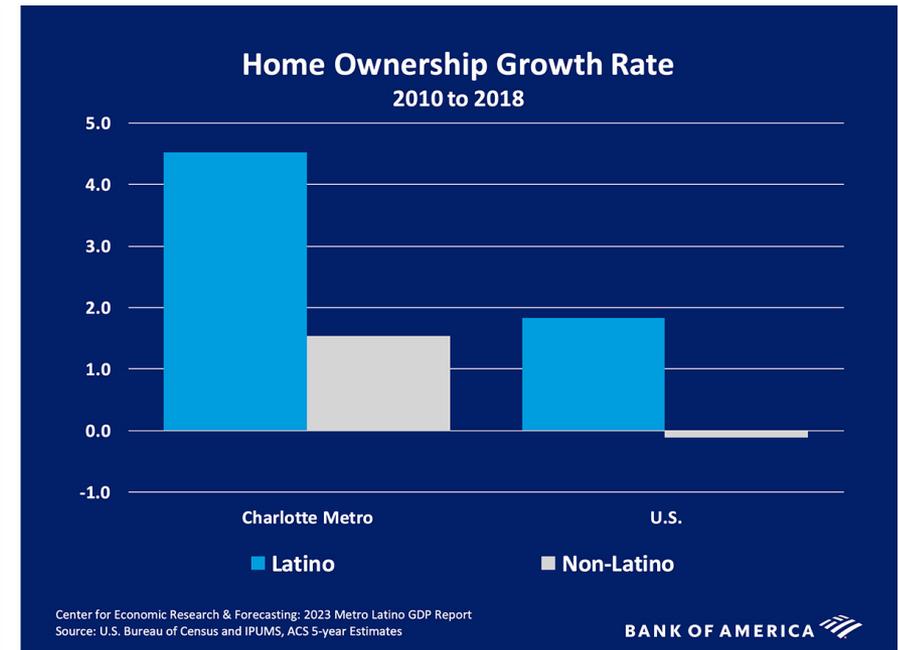
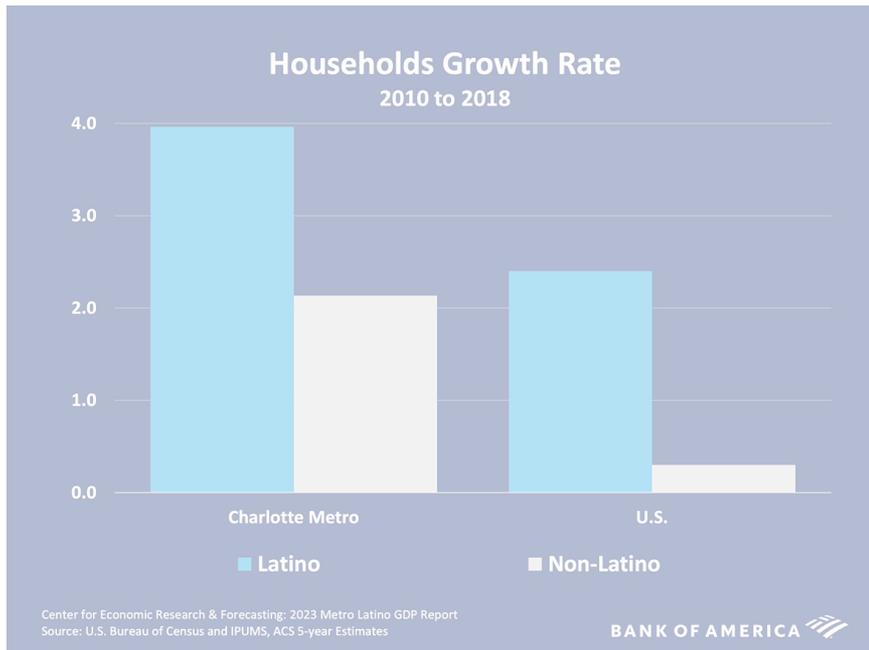
Charlotte Metro Latino GDP – Households & Ownership



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 36.5 percent
- During the same time, the number of Non-Latino households grew by only 18.4 percent

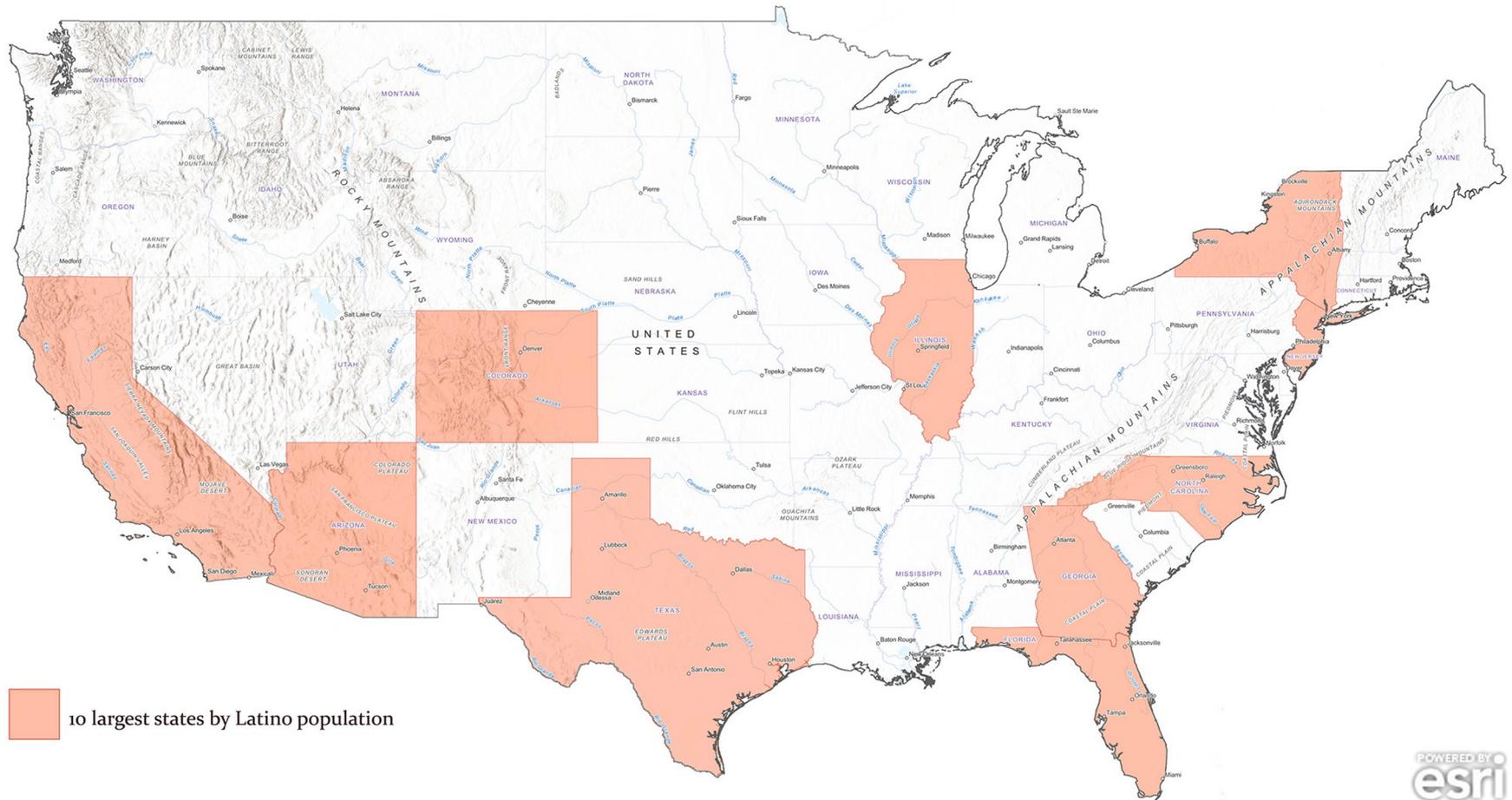
Charlotte Metro Latino GDP – Households & Ownership



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

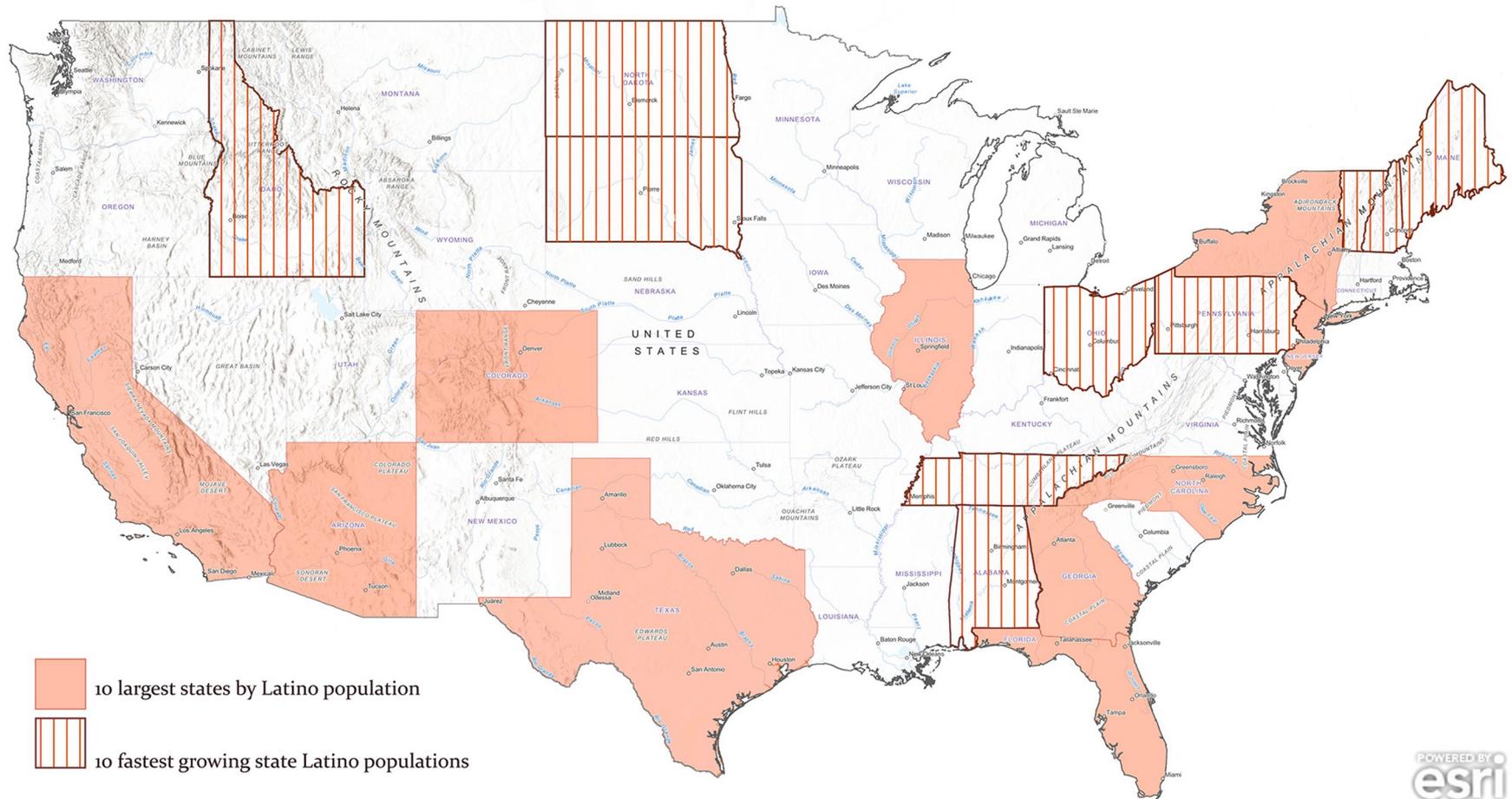
- From 2016-18, the number of Latino homeowners increased by more over 42 percent
- During those same years, the number of Non-Latino homeowners increased by only 13 percent

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