

2026 California LatinoGDP Report



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Center for Economic Research & Forecasting (CERF)

CERF is a nationally recognized economic forecasting center. CERF economists Matthew Fienup and Dan Hamilton are members of the Wall Street Journal Economic Forecasting Survey, the National Association for Business Economics (NABE) Economic Outlook survey, the Indeed Labor Market Survey, and the Fannie Mae (formerly Case-Shiller) Home Price Expectations Survey. They were recipients of a 2025 Crystal Ball Award for the Fannie Mae forecast survey, their fifth award in seven years. CERF's 2-year-ahead forecast of U.S. home prices was the single most accurate among more than 100 competing forecasts. CERF is housed at California Lutheran University, a federally designated Hispanic Serving Institution.

Center for the Study of Latino Health & Culture (CESLAC)

Since 1992, CESLAC has provided cutting-edge research, education and public information about Latinos, their health and their impact on California's economy and society. CESLAC is a resource for community members, business leaders and policy makers who want to gain insightful research and information about Latinos. It offers unparalleled insight into Latino issues through an approach that combines cultural research, demographic trends, and historical perspective. In addition, it has helped the University of California meet its public service goal by increasing the effectiveness of its outreach to the Latino community.

History of the Latino GDP Project

The effort to calculate the Latino GDP began with David Hayes-Bautista in the early 2000s. His idea was to use established government data programs to calculate a robust summary statistic for the economic performance of U.S. Latinos. The original U.S. Latino GDP algorithm was developed by Hayes-Bautista with Werner Schink, former Chief Economist of the California EDD. They produced the inaugural U.S. Latino GDP Report in 2017. After Schink's untimely passing in 2018, Hayes-Bautista found new collaborators in Dan Hamilton and Matthew Fienup, of California Lutheran University. Hayes-Bautista, UCLA colleague Paul Hsu, Hamilton, and Fienup made refinements to the Latino GDP methodology and have produced annual U.S. Latino GDP Reports every year since 2019. With generous support from Bank of America, the Latino GDP Project was significantly expanded beginning in 2021 and now includes calculation of the Latino GDP for targeted states and major metropolitan areas as well as the inaugural U.S. *Latina* GDP Report. For more information and to access reports, visit www.LatinoGDP.us and www.LatinaGDP.us.

FOREWORD: Latinos Revealed as California's Economic Edge

The **2026 California LatinoGDP Report** documents a dramatic economic reality in California: **If it weren't for Latinos, California would have lost its economic edge relative to the broader United States.** That's because the economic contribution of California's Latinos is growing 2.7 times faster than the contribution of California's Non-Latinos, even as economic growth across the state has slowed in recent years.

For decades, California has been regarded as an economic powerhouse. More rapid economic growth relative to the broader U.S. economy has been a foregone conclusion. In fact, from 1997 to 2019, California's economy grew an average of 57 percent faster than the nation's.

Since the onset of the COVID-19 pandemic and the state's various policy responses, California has fallen behind the broader U.S., reversing decades of economic dominance. From 2019 to 2024, California GDP grew 12.6 percent slower than U.S. GDP. If it weren't for Latinos, the state's GDP would have grown a shocking 37.4 percent slower than the nation's.

In 2024, California's economy once again grew faster than the U.S. economy, although only modestly, pushed up by the rapid growth of California's Latino GDP. Yet, if it weren't for Latinos, California's economy would still have grown slower than the nation's. In 2024, U.S. real GDP grew 2.8 percent while the Non-Latino component of California GDP grew just 2.2 percent. California's Latino GDP is growing so rapidly that it influences the state's economic role in the nation, making it hard to imagine California's economic future without Latinos.

Population and labor force data underscore the critical role of Latinos. Latinos make up 41 percent of Californians but account for 95 percent of the state's population growth since 2010. Since 2010, California's Latino labor force has grown nearly 20 times faster than the Non-Latino labor force.

California's Non-Latino population declined in five of the past six years, while Latino population growth remained positive and has even accelerated. California's Non-Latino labor force has contracted in each of the past four years, while Latino labor force growth has remained steady.

Since 2019, the California Latino GDP has grown a total of 22.2 percent, compared to only 8.1 percent for Non-Latino. California's Latino economy is growing 2.7 times faster than the Non-Latino economy. Without Latinos, California would be nowhere near keeping pace with the broader U.S. economy. **That is to say, Latinos have been revealed to be California's economic edge.**

Highlights from the 2026 California LatinoGDP Report

- The 2024 California Latino GDP was \$1.07 trillion, larger than the entire economy of Switzerland. If California Latinos were a separate U.S. state, the California Latino GDP would be the 6th largest in the U.S., larger than Pennsylvania's.

Figure 1: California Latinos and State GDPs

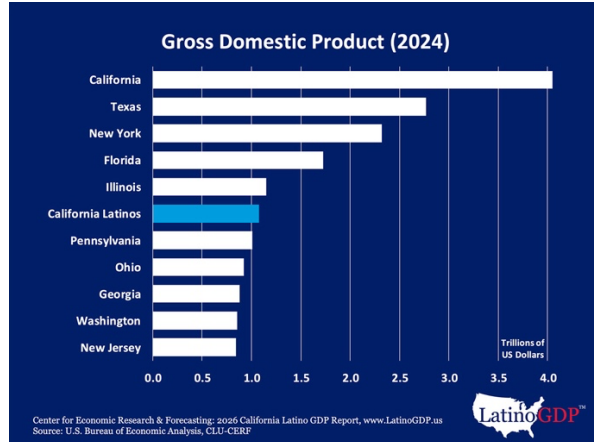
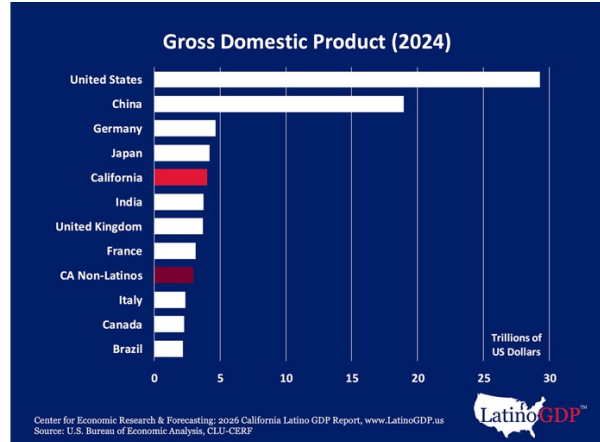


Figure 2: California's GDP on the World Stage



- The BEA's 2024 California State GDP was \$4.05 trillion, the 5th largest GDP in the world, after Japan's. Without Latinos, the California GDP would be merely the 8th largest in the world.
- California Latinos represent a \$783 billion consumption market in 2024, larger than the entire economy of Massachusetts (\$778.5 billion).
- The number of Latinos with a bachelor's degree or higher education is growing 3.5 times faster than the number of highly educated Non-Latinos.

Figure 3: Labor Force Participation by Ethnicity

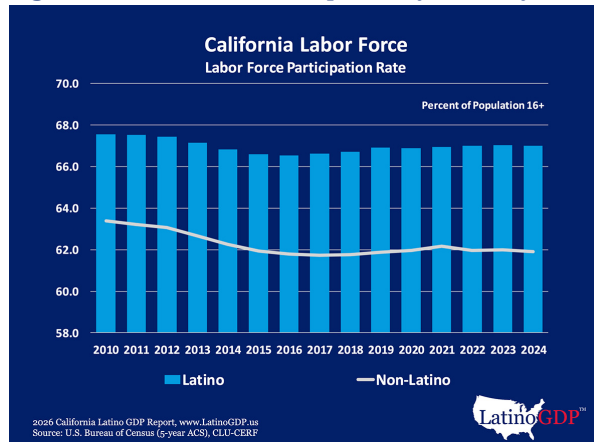
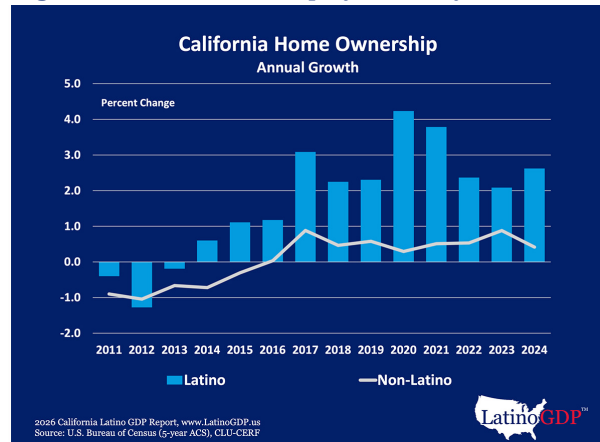


Figure 4: Home Ownership by Ethnicity



- In 2024, California Latinos were 5.1 percentage points more likely to be actively working than their Non-Latino counterparts (67.0 percent compared to 61.9 percent). California Latinos' labor force participation premium sits at an all-time high.
- From 2010 to 2024, the number of California Latinos who own a home increased 26.3 percent, compared to less than one percent for Non-Latinos. Despite being only 41 percent of California's population, Latinos are responsible for 89 percent of the state's growth in homeownership.

U.S. Latino GDP

The 2026 U.S. LatinoGDP Report provides a factual view of the large and rapidly growing economic contribution of Latinos living in the United States. In this 9th annual publication, we mark an important milestone. The latest data reveal that U.S. Latino GDP reached \$4.4 trillion in 2024. For the first time, the economic contribution of U.S. Latinos has grown to surpass the GDP of Japan, making the Latino GDP the equivalent of the world's fourth largest GDP (see Figure 5). Already larger than India's and Great Britain's, the economic contribution of U.S. Latinos is now nearly 9 percent larger than the entire economy of Japan.

As in previous vintages of this report, we again estimate the U.S. Latino GDP based on a detailed, bottom-up construction that leverages publicly available data from major U.S. agencies. At the time of writing, the most recent year for which the core data are available is 2024. Thus, this year's report provides a snapshot of economic activity in that year.

Figure 5: World's 10 Largest GDPs

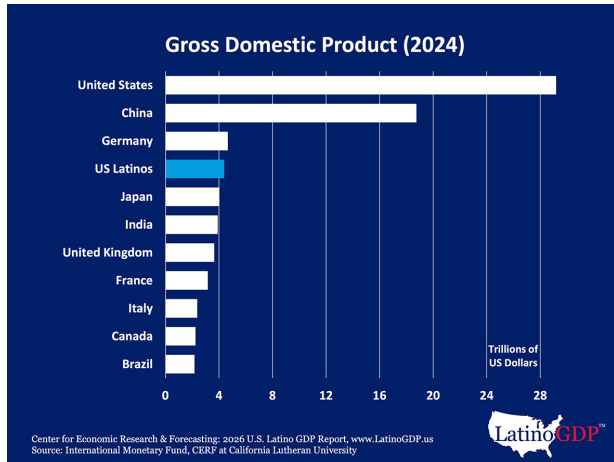
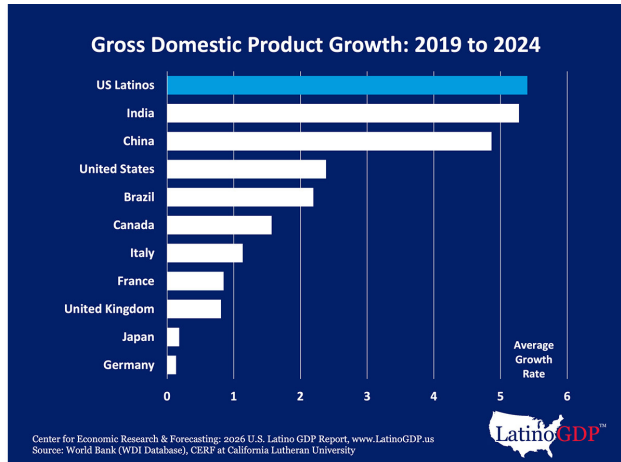


Figure 6: Growth of 10 Largest GDPs Since 2019



While impressive for its size, the U.S. Latino GDP is truly remarkable for its rapid growth. Growth of real U.S. Latino GDP was 6.3 percent in 2024, compared to only 2.4 percent for Non-Latino GDP. Since the start of the COVID-19 pandemic, the Latino GDP is the single fastest growing among major economies, growing even faster than India and China (see Figure 6). From 2019 to 2024, real U.S. Latino GDP grew 2.9 times faster than Non-Latino GDP.

In 2024, Latino consumption stood at \$3.0 trillion. Latinos in the U.S. represent a consumption market 25 percent larger than the entire economy of Italy and 32 percent larger than Canada. From 2010 to 2024, Latino real consumption grew 2.6 times faster than Non-Latino, driven by rapid gains in Latino income (see Figure 7). Over the same period, Latino real income grew 3.4 times faster (see Figure 8). The Latino income growth premium naturally flows from Latinos' rapid gains in human capital. Among the strongest indicators of this are educational attainment and labor force participation data. From 2010 to 2024, the number of people earning a bachelor's degree grew 3.2 times faster for Latinos than Non-Latinos. In 2024, Latinos were 6.2 percentage points more likely to

be actively working or seeking work than their Non-Latino counterparts. This premium sits at an all-time high.

Figure 7: Overall Consumption Growth, 2010-24

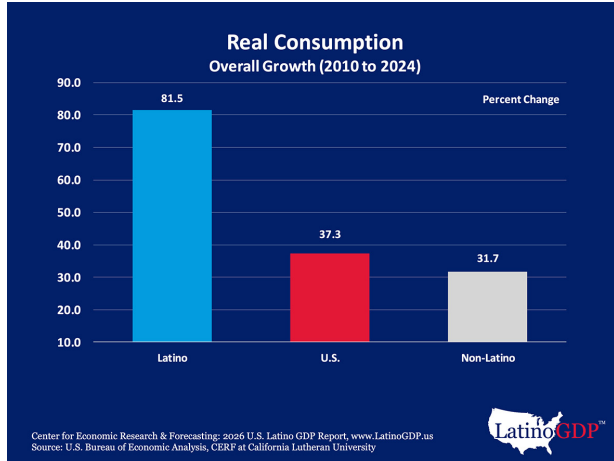
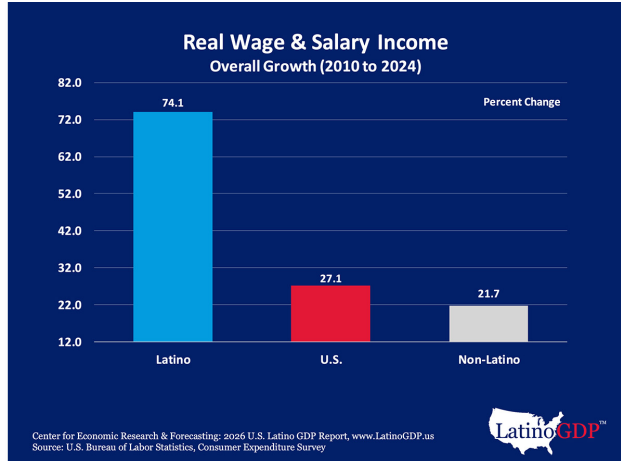


Figure 8: Overall Income Growth, 2010-24



For the first time in history, one of every five people living in the U.S. is Latino. Now comprising over 68 million individuals, the Latino population grows largely through births, not immigration. Latino natural population change (the number of births minus deaths) remained positive throughout the pandemic, despite higher COVID-related mortality (see Figure 9). From 2020 through 2024, Latino natural population increase was 3.2 million, compared to a decline of 1.3 million for Non-Latinos. There were 35.1 million Latinos in the U.S. labor force in 2024, up 46.5 percent since 2010 (see Figure 10). The Latino labor force grew 7.2 times faster than Non-Latino over this period.

Figure 9: Natural Population Change, 2018-24

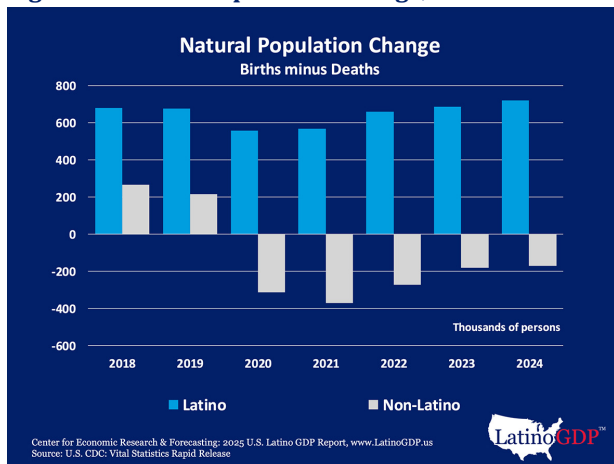
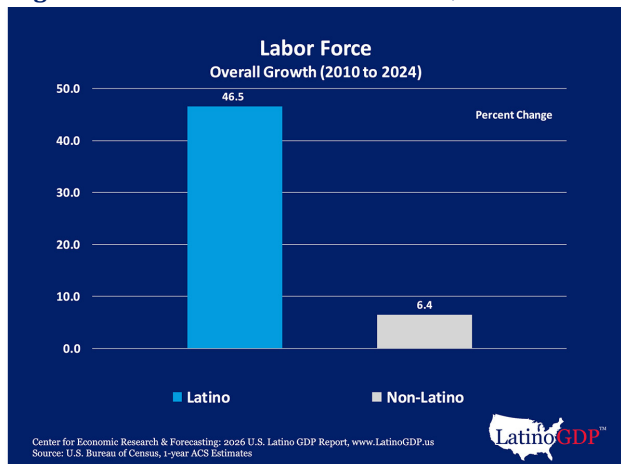
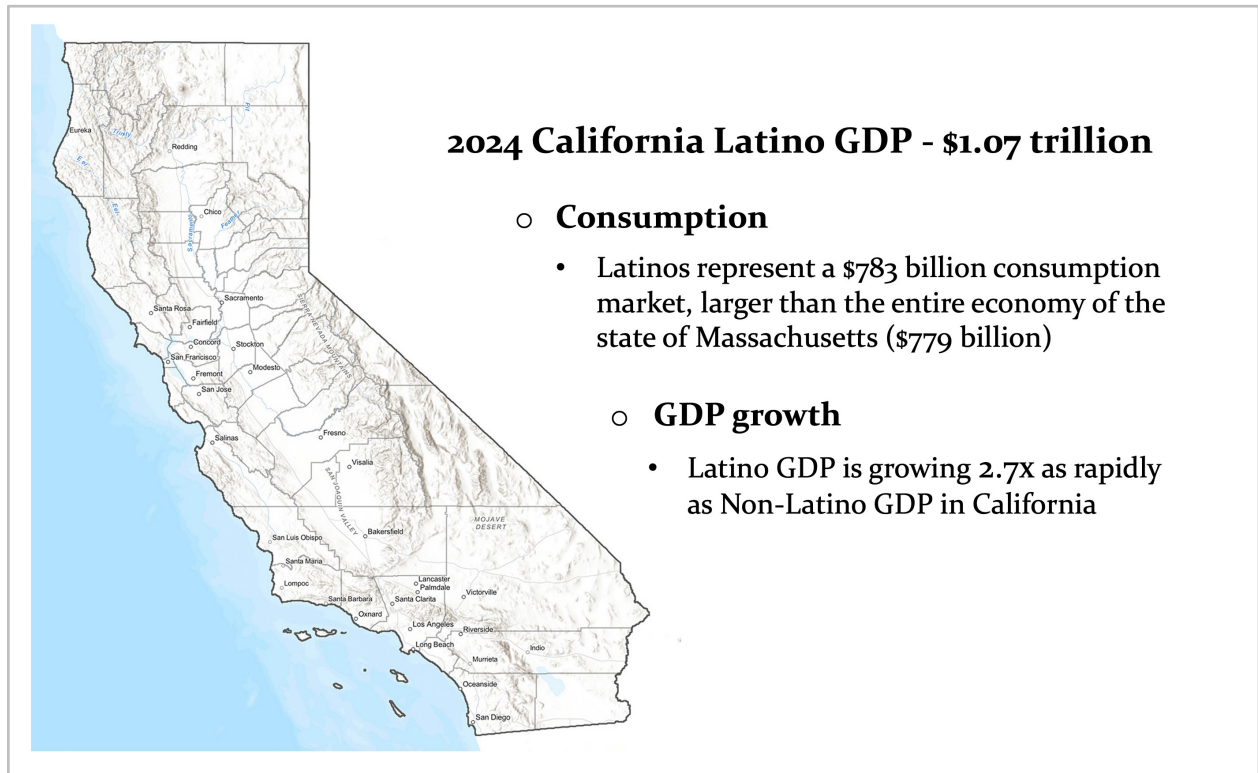


Figure 10: Overall Labor Force Growth, 2010-24



Latinos further drive economic growth by starting businesses. Small businesses generate two out of every three new jobs in the U.S. The number of Latino-owned businesses grew nearly seven times faster than Non-Latino from 2007 to 2023. The growth of Latino-owned employer businesses is even more remarkable. Latino-owned businesses which employ one or more workers grew nearly 20 times faster. In this way, Latinos are not only drivers of economic growth in the U.S., they are drivers of job creation.

State Latino GDP: CALIFORNIA



In 2024, the California Latino GDP grew to \$1.07 trillion, up from \$718 billion in 2019. If Latinos living in California were an independent U.S. state, their GDP would represent the nation's sixth largest state economy. The California Latino GDP is larger than the entire economy of the state of Pennsylvania (\$1.01 trillion) or Ohio (\$923 billion).

Figure 11: California Latinos and State GDPs

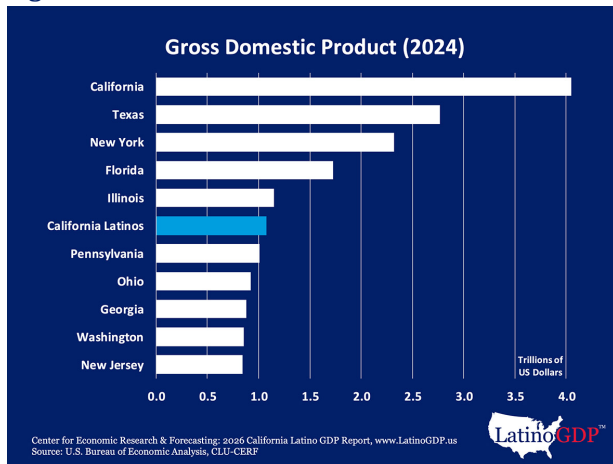
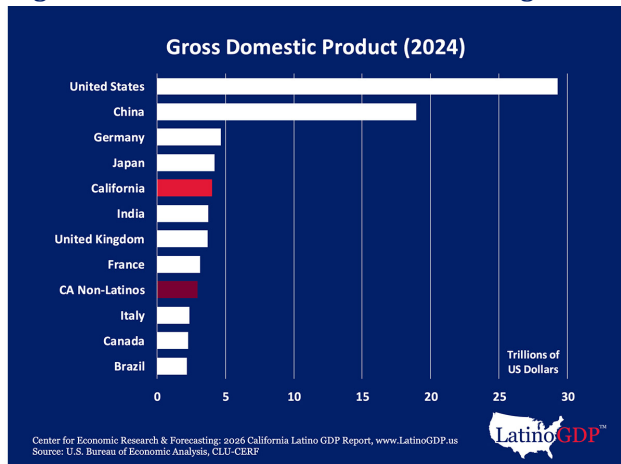


Figure 12: California's GDP on the World Stage



The BEA's 2024 California State GDP was \$4.05 trillion, representing the 5th largest GDP in the world, after Japan's \$4.19 trillion. Without Latinos, California's economy would be merely the 8th largest in the world.

In 2024, California Latino consumption stood at \$783 billion, up from \$529 billion in 2019. Latinos living in California represent a consumption market larger than the entire economy of the state of Massachusetts (\$779 billion) or Virginia (\$761 billion). Rapid gains in Latino consumption are driven by rapid gains in Latino incomes. These, in turn, naturally flow from Latinos' rapid gains in educational attainment and strong labor force participation.

The \$1.07 trillion California Latino economy is both deep and wide. The state's top five 2024 Latino GDP industry sectors are Finance & Real Estate (where Latinos produced over \$136 billion in output in 2024, for a 12.7% share of the California Latino GDP), Professional & Business Services (\$114 billion or 10.6% of the California Latino GDP), Government (\$109 billion), Education & Healthcare (\$97 billion), and Retail Trade (\$83 billion).

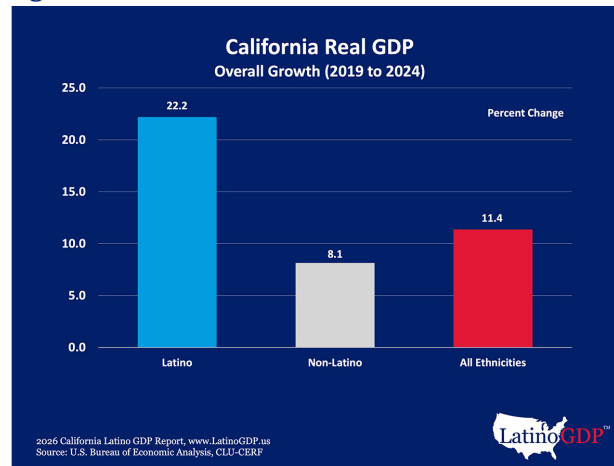
California: Gross Domestic Product 2024		
	<i>State Latino GDP Industry Share percent</i>	<i>Statewide GDP Industry Share percent</i>
Agricultural/Natural Resources	3.3	1.3
Mining/Quarrying	0.2	0.2
Construction	7.3	3.9
Durables Manufacturing	4.5	5.8
Non-Durables Manufacturing	4.8	3.6
Wholesale Trade	7.4	5.2
Retail Trade	7.7	5.8
Transportation/Warehousing/Utilities	7.5	4.7
Information/Technology	5.7	10.9
Finance/Insurance/Real Estate	12.7	18.5
Professional/Business Services	10.6	14.8
Education/Healthcare/Social Assistance	9.0	8.0
Leisure/Hospitality	6.5	4.6
Personal/Repair/Maintenance Svcs	2.7	1.9
Government Services	10.2	10.8
Total All Industries	100	100

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

Eight different industry sectors account for outsized shares of the state's Latino GDP. For example, while Transportation & Warehousing accounts for only 4.7 percent of California GDP, it accounts for 7.5 percent of the California Latino GDP. Seven other industry sectors account for a larger share of the California Latino GDP than the corresponding share of the broader state GDP. These include Agriculture, Construction, Non-Durable Manufacturing, Wholesale Trade, Retail Trade, Education & Healthcare, and Leisure & Hospitality. In general, California's Latino economy is more diversified than the broader state economy. In this way, Latinos provide a broad foundation of support for the state's economy.

While impressive for its size and diversity, the California Latino GDP is even more noteworthy for its extraordinary growth. From 2019 to 2024, California's Latino GDP grew 2.7 times faster than Non-Latino GDP. During those years, real California Latino GDP grew a total of 22.2 percent compared to only 8.1 percent for Non-Latino GDP.

Figure 13: Total GDP Growth from 2019 to 2024



Economic Drivers of the California Latino GDP

Year in and year out, in California and beyond, the demographic and economic participation of U.S. Latinos exhibits greater vitality than the nation's economy as a whole and even more so compared to the Non-Latino economy. The intensity of economic activity that Latinos enjoy has proved enduring, including the extraordinary perseverance demonstrated through the Great Recession and the health and economic convulsions of the COVID-19 pandemic.

There are a number of factors driving this remarkable pattern. The rapid growth of the California Latino GDP has both a numerical component—Latinos are making strong contributions to the state's population and labor force—and a productivity component—Latinos exhibit rapidly growing human capital.

Population & Labor Force

As of 2024, the California Latino population is now over 16 million, representing 40.8 percent of all Californians. From 2010 to 2024, California's Latino population grew a total of 14.3 percent, compared to only 0.4 percent for Non-Latino (see figure 14). Despite being just 41 percent of California's population, Latinos are responsible for 95 percent of the state's population growth.

California's Non-Latino population declined in five of the past six years, while Latino population growth remained positive and has even accelerated (see Figure 15). California's Non-Latino population has declined to a level last seen in 2011. At the same time, California's Latino population sits at an all-time high.

Figure 14: Overall Population Growth, 2010-24

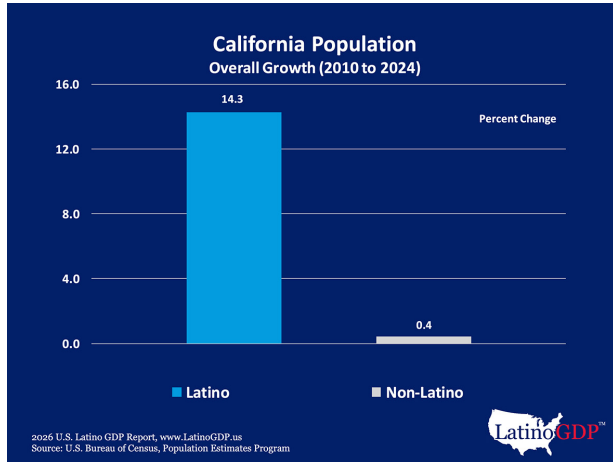
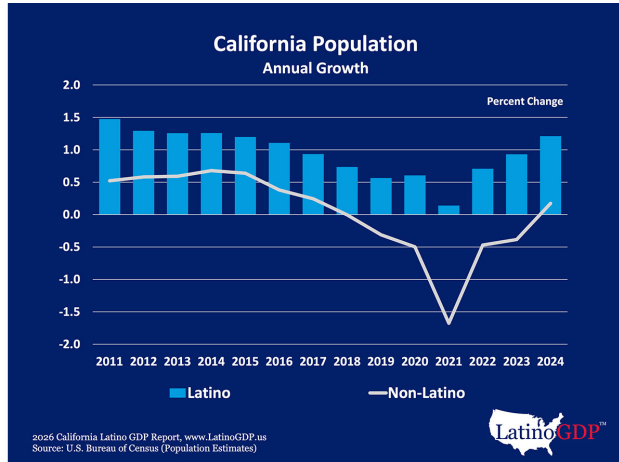
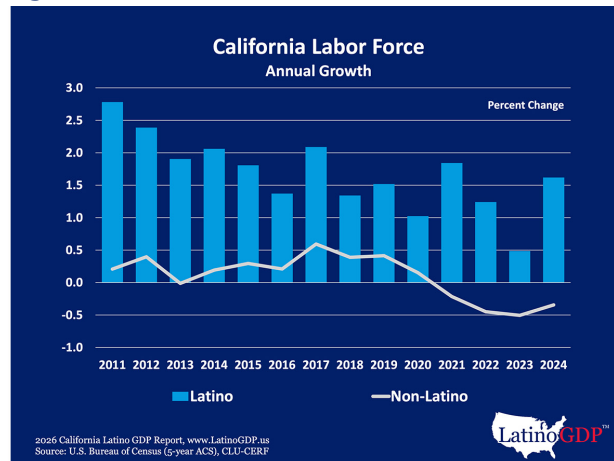


Figure 15: Annual Population Growth, 2010-24



Latino labor force growth is one of the most impressive and economically important characteristics described in the Latino GDP Project’s entire body of research. As of 2024, there are 7.9 million Latino workers, representing 39.3 percent of the California labor force. From 2010 to 2024, the number of Latino workers in California grew a total of 26.2 percent, compared to only 1.3 percent for Non-Latino. In other words, California’s Latino labor force is growing nearly 20 times faster.

Figure 16: Annual Labor Force Growth, 2010-24



California’s Non-Latino labor force has contracted in each of the past four years, while Latino labor force growth has remained steady (see Figure 16). The number of Non-Latino workers in California has declined to a level not seen since 2016. Meanwhile, the size of California’s Latino labor force sits at an all-time high.

Educational Attainment

The extraordinary growth of the California Latino GDP is very much a story of rapid human capital accumulation—of Latinos investing in themselves and in doing so increasing their own productivity

and, with it, Latino and all-ethnicities GDP. Among the strongest indicators of this are data on educational attainment.

Figure 17: Annual Education Growth, 2010-24

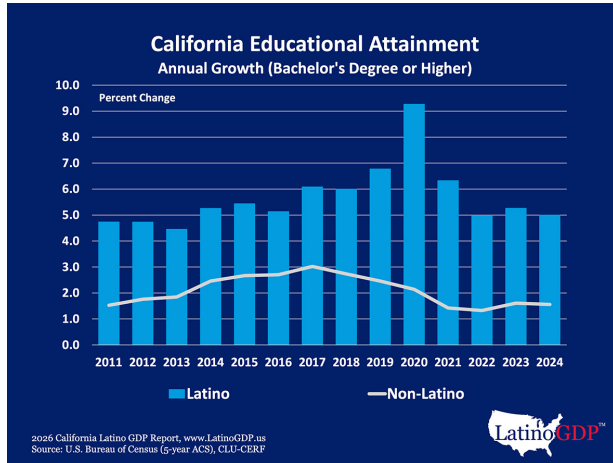
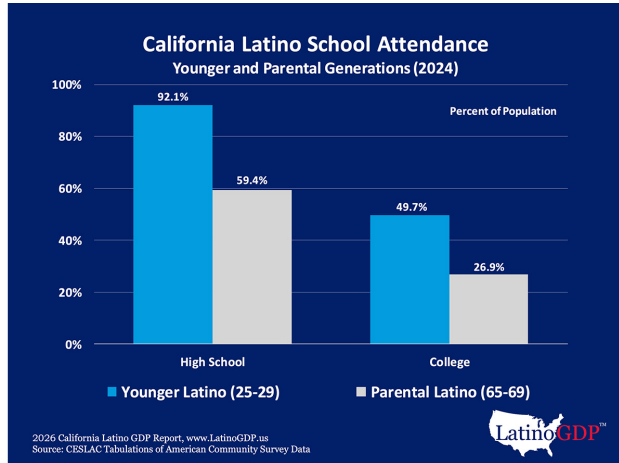


Figure 18: Educational Attainment by Generation



In every year from 2010 to 2024, Latino educational attainment has grown substantially more rapidly than that of Non-Latinos (see Figure 17). During those years, the number of highly educated Latinos more than doubled, increasing 116.7 percent, while the number of highly educated Non-Latinos rose by just 33.5 percent. In other words, educational attainment grew 3.5 times more rapidly for Latinos than Non-Latinos.

The annual gains in educational attainment by Latinos were 5 percent or greater in every year from 2014 to 2024. The rate of growth in educational attainment declined sharply in 2021 for all ethnicities as a result of the pandemic. In 2020, the first year of the COVID-19 pandemic, the number of highly-educated Latinos grew an extraordinary 9.3 percent, more than 7.1 percentage points more than the growth for Non-Latinos.

The rapid growth of Latino educational attainment represents a large intergenerational increase in human capital. Whereas just under 50 percent of California Latinos aged 65 to 69 completed a high school diploma, more than 92 percent of those aged 25 to 29 completed high school (see Figure 18). And whereas less than 27 percent of this older generation attended college, nearly 60 percent of younger California Latinos attended college.

As we have noted previously, attaining a college degree represents one of the most important ways that an individual can accumulate human capital. In doing so, educational attainment increases the individual's productivity and with it expected economic output and lifetime earnings. The investment that Latinos are making in education today will ensure that the Latino GDP continues to grow more rapidly than the broader U.S. economy for many years to come.

Labor Force Participation and Related Patterns

In addition to adding large numbers to the population of working-age adults, working-age Latinos are also significantly more likely to be actively working or seeking work than their Non-Latino

counterparts. In 2024, the California Latino labor force participation rate increased to 67.0 percent. The Non-Latino rate was just 61.9 percent (see Figure 19). At 5.1 percentage points, the California Latino labor force participation premium sits at an all-time high.

Figure 19: Labor Force Participation Rate, 2010-24

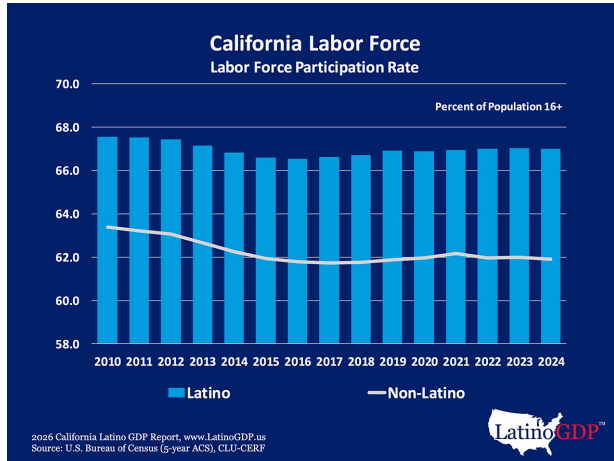
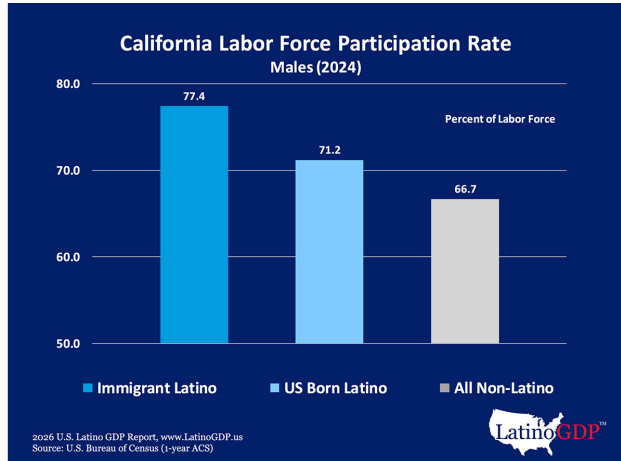


Figure 20: Latino Labor Force Participation by Nativity



Latino labor force participation varies significantly by nativity. Whereas the labor force participation rate for U.S.-born Latino males was an impressive 71.2 percent in 2024, the rate for immigrant Latino males was an extraordinary 77.4 percent. This is more than 10 percentage points stronger than the labor force participation rate of Non-Latino males (see Figure 20).

While Latinos are significantly more likely to be actively working than their Non-Latino counterparts, the composition of the Latino labor force in the California is also different in meaningful ways from the Non-Latino labor force. First, California Latinos are significantly more likely than Non-Latinos to choose work in the private sector compared to the government sector. While 83.5 percent of Non-Latinos worked in the private sector in 2024, 86.1 percent of California Latinos worked in the private sector (see Figure 21).

Figure 21: Employment by Sector, Private vs Public

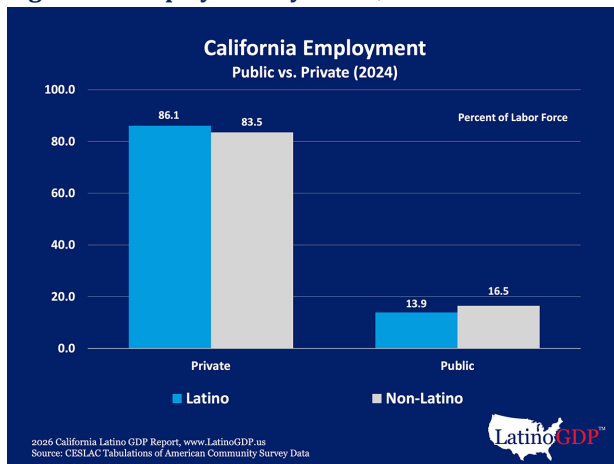
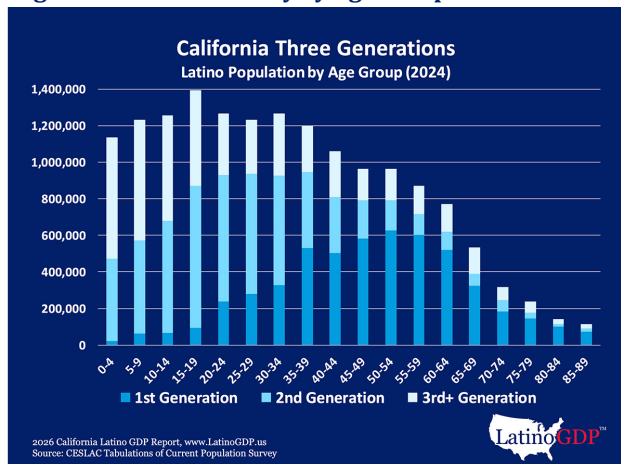


Figure 22: Latino Nativity by Age Group



In addition, Latinos coming of age and entering the U.S. labor force are overwhelmingly second- and third-generation Americans (see Figure 22). These children and grandchildren of immigrants are combining the extraordinary and selfless work ethic of their elders with rapid educational attainment growth to propel not just Latino GDP but overall GDP growth in California.

Household Formation & Home Ownership

The increase in the number of Latino households has significantly outpaced that of Non-Latinos in every year since 2010 (see Figure 23). From 2010 to 2024, the number of Latino households grew 27.5 percent, while the number of Non-Latino households grew only 2.7 percent. That is, Latino household growth was 10.1 times faster than Non-Latino.

Figure 23: Annual Household Formation, 2010-24

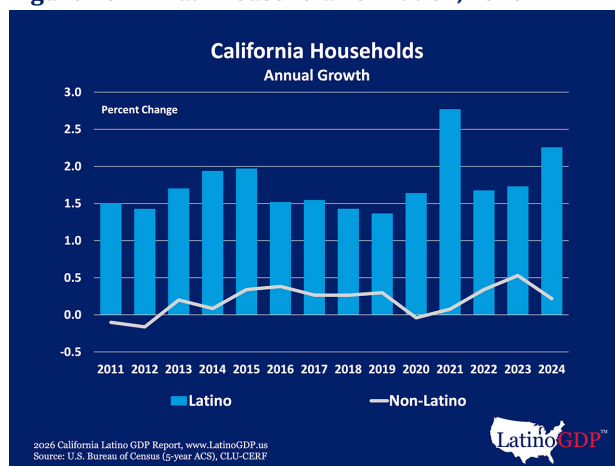
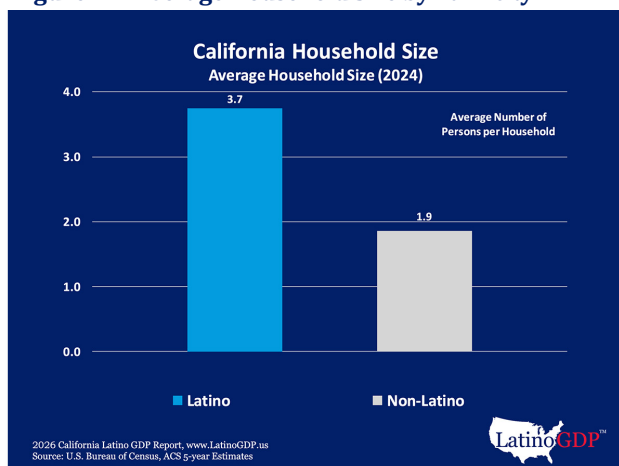


Figure 24: Average Household Size by Ethnicity



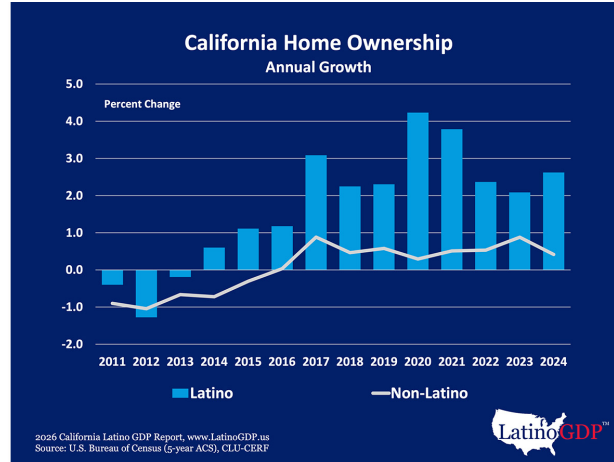
Despite being only 41 percent of the California population, Latinos are responsible for 78.5 percent of the growth of California households since 2010.

High rates of Latino household formation are no accident, stemming from both a younger age distribution and from the importance of the family in Latino society. A healthy rate of household formation is also vital to economic growth, as new households increase current and future economic activity. With an average household size that is 1.8 people larger than Non-Latino in 2024 (see Figure 24), each new Latino household provides an outsized economic impact for the California economy.

The growth of Latino households in California is accompanied, not surprisingly, by strong growth of Latino home ownership. The growth of Latino home ownership in California has significantly outpaced that of Non-Latinos in every year since 2010 (see Figure 25).

Following a prolonged recovery from the Financial Crisis and Great Recession, the growth of Latino home ownership accelerated beginning in 2014 and has remained high in each year since. From 2010 to 2024, the number of California Latinos who own a home increased a total of 26.3 percent. During that same period, the number of Non-Latino homeowners increased less than one percent.

Figure 25: Annual Home Ownership Growth, 2010-24



Despite being only 41 percent of California's population, Latinos are responsible for 89 percent of the state's growth in homeownership.

Latino Health

Health data reveal that, beyond being drivers of economic growth, California Latinos are an important source of resilience, even when historic challenges impact the broader economy. For years leading up to the pandemic, Latinos enjoyed not only the various economic premiums detailed here and in previous reports, but also enjoyed superior health outcomes.

Figure 26: Age-Adjusted Death Rate, 2024

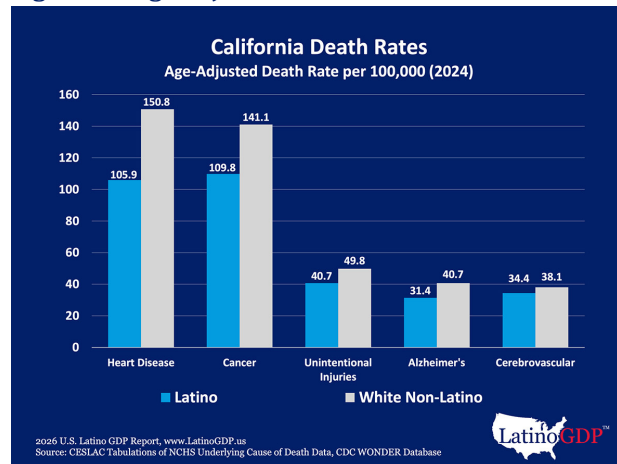
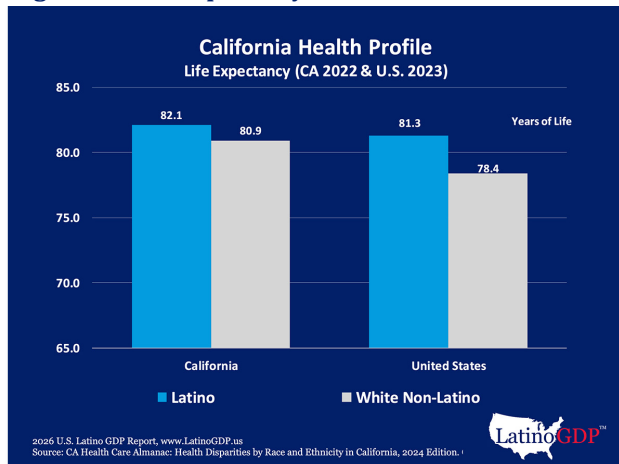


Figure 27: Life Expectancy at Birth, California vs U.S.



Prior to the pandemic, Latinos enjoyed lower age-adjusted mortality rates for all five leading causes of death: heart disease, cancer, unintentional injuries, chronic lower respiratory disease, and stroke. In the case of heart disease, the leading cause of death in 2019, Latinos exhibited a thirty percent lower age-adjusted mortality rate than Non-Hispanic Whites. In other words, Latinos enjoyed thirty percent fewer heart attacks. Substantially lower mortality rates for all five categories translated to significantly longer life expectancy.

During the pandemic, COVID-19 spiked to become the number one cause of death for Latinos, whereas it was the number three cause for Non-Latinos. In just one year, Latino life expectancy dropped to only months longer than Non-Hispanic whites.

In 2024, the Latino health premium has been restored. California Latino death rates from all five leading causes of death are once again far lower than Non-Hispanic Whites (see Figure 26). In 2024, California Latinos enjoyed an age-adjusted death rate that was 30 percent lower for heart disease and 22 percent lower for cancer.

In 2023, the most recent year for which we have data, U.S. Latinos enjoyed a life expectancy at birth of 81.3 years (see Figure 27). That represents a full 2.9 years longer than the life expectancy for Non-Hispanic Whites and a restoration of the Latino health premium. Unfortunately, at the time of this writing, 2022 is the most recent year for which California life expectancy data are available

California: Headline Characteristics			
2024			
	<i>California</i>		
	Latino	All Ethnicities	Latino Share of State (percent)
Gross Domestic Product (\$-billions)	1,074.5	4,048.1	26.5
Personal Consumption Expenditures (\$-billions)	783.0	2,664.2	29.4
Population (millions)	16.1	39.4	40.8
Labor Force (millions)	8.3	20.6	40.2
Employment (millions)	7.7	19.4	39.9
Households (millions)	4.4	13.8	31.9
Home-Owning Households (millions)	2.0	7.7	26.3
Education of BA/BS or higher (millions)	1.7	10.4	16.5

Sources: U.S. Bureau of Census (1-yr ACS & Population Estimates), Cal Lutheran University-CERF

California and the Broader National Economy

For decades, California's economic growth surpassed that of the broader U.S. by a large margin. From 1997 to 2019, California's economy more than doubled, growing a total of 106 percent, while the U.S. economy grew only 67.5 percent. In other words, California's economy grew 57 percent faster than the nation's.

Since the onset of the COVID-19 pandemic and the state's various policy responses, California has fallen behind the broader U.S., reversing decades of economic dominance. From 2019 to 2024, U.S. real GDP grew a total of 13.0 percent compared to only 11.4 percent for California (see Figure 28).

And this is despite dramatic contributions by California Latinos. Whereas California GDP grew 12.6 percent slower than U.S. GDP since 2019, if it weren't for Latinos, the state's GDP would have grown more than 37 percent slower.

Figure 28: GDP Growth by Geography, 2019-2024

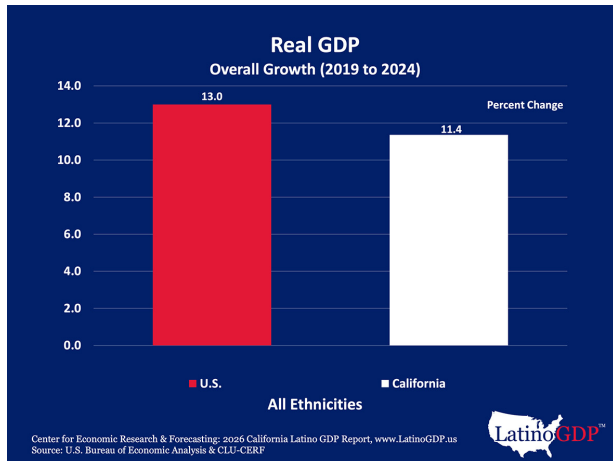
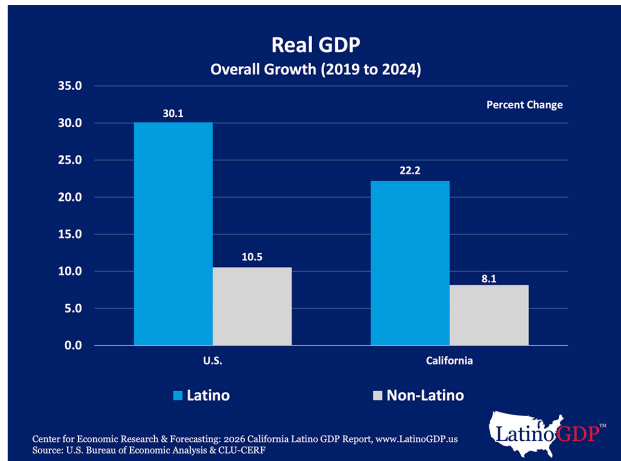


Figure 29: Latino vs. Non-Latino Growth by Geography



Since 2019, the California Latino GDP has grown a total of 22.2 percent, compared to only 8.1 percent for Non-Latino. California's Latino economy is growing 2.7 times faster than California's Non-Latino economy. Without Latinos, California would be nowhere near keeping pace with the broader U.S. economy.

In 2024, California's economy once again grew faster than the U.S. economy, although only modestly, pushed up by the rapid growth of California's Latino GDP. In 2024, U.S. real GDP grew 2.8 percent, while the Non-Latino component of California GDP grew just 2.2 percent. If it weren't for Latinos, California's economy would still have grown slower than the nation's. Growth of the California Latino GDP is so rapid that it influences the state's economic role in the nation. **That is to say, Latinos have been revealed to be California's economic edge.**

Methodology

The starting point for the state-specific Latino GDP estimates in this report is the U.S. Latino GDP calculations undertaken by Hamilton, Fienup, Hayes-Bautista, and Hsu in the 2026 U.S. LatinoGDP Report (Hamilton et al. 2026). Those calculations are based on publicly available national economic data as well as a wide set of nationwide measures of Latino-specific demographics and economic activity. The state-specific Latino GDP calculations start with the U.S. Latino GDP estimates and add standard state-level economic datasets, along with a wide set of state-specific measures of Latino demographics and Latino economic activity.

For national and state Latino GDP, we compute Latino versions of seven major expenditure components across many commodity definitions of economic activity. The level of detail includes 71 categories of commodities for the U.S. analysis. Those categories are aggregated into 21 broader commodity categories for the state-level analysis.¹ Our analysis requires detailed data from the U.S. Bureau of Economic Analysis on GDP, income, expenditure, employment, and prices across all of the states and the nation. We also utilize the U.S. Input-Output (I-O) table, the foundation for the national income accounting system that produces GDP breakouts by expenditure type, income type, and industry sector. This effort also requires data on economic and demographic activity broken out by ethnicity, so that we can compute Latino shares of expenditures at a detailed industrial sector level. The Latino-specific data are sourced from the American Community Survey (BOC-ACS), Integrated Public Use Microdata Series (BOC-UMN-IPUMS), the American Housing Survey (BOC-AHS), the Current Population Survey (BOC-CPS), the Population Estimates program (BOC-POPEST), the Housing Vacancy Survey (BOC-HVS), and the Consumer Expenditure Survey (BLS-CEX). The Latino GDP is calculated as the sum of Latino-specific measures of the seven major expenditure categories.

To compute the industry breakdowns of Latino GDP, for the states and the nation, we utilize BEA measures of income by type for all ethnicities, along with IPUMS data on Latino income by type. These data provide a way to calculate Latino-specific versions of three major income categories across 21 industries. The sum of these major income categories provides the industry breakdown of Latino GDP.

As with standard GDP estimates by the BEA, our Latino GDP estimates are based on a detailed bottom-up calculation. The State Latino measures can be decomposed into seven major expenditure components, and they can be split out into 21 separate industrial sectors. The seven expenditure categories are: Personal Consumption, Residential Investment, Nonresidential Investment, Change in Inventories, Exports, Imports, and Government Consumption and Investment. The 21 industrial sectors are provided in the following table:

¹ Commodities and industries both follow the NAICS classification scheme, but are conceptually different in that industries are the outputs of the production processes by sector, and commodities are the inputs to the production process by sector.

Table 1: Latino GDP Industry Categories

Agricultural/Natural Resources
Mining/Quarrying
Utilities
Construction
Durables Manufacturing
Non-Durables Manufacturing
Wholesale Trade
Retail Trade
Transportation/Warehousing
Information/Technology
Finance/Insurance
Real Estate, Rental, Leasing
Professional, Scientific, Technical Services
Management of Establishments
Administrative, Waste Remediation
Educational Services
Health Care and Social Assistance
Arts, Entertainment, Recreation
Accommodation and Food Services
Personal, Repair, Maintenance Services
Government Services

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