

LATINO GROSS DOMESTIC PRODUCT (GDP) REPORT: QUANTIFYING THE IMPACT OF AMERICAN HISPANIC ECONOMIC GROWTH

Summary

Real Gross Domestic Product:

- The GDP produced by Latinos in the U.S. in 2015 was \$2.13 trillion.
- If it were an independent country, the Latino GDP would be the 7th largest in the world, larger than the GDP of India, Italy, Brazil or Canada. The Latino GDP would trail only the U.S., China, Japan, Germany, the U.K., and France.
- Of the top ten economies, it would be the third-fastest growing GDP.
- The U.S. Latino GDP is growing 70% faster than the country's non-Latino GDP. Latino GDP grew at a CAGR of 2.9% between 2010 and 2015; NonLatino CAGR was 1.7%
- The Latino CAGR is accelerating – if it continues the prediction is that Latinos will contribute nearly 25% of GDP growth between 2019 and 2020.
- As young Latinos enter the work force and the older non-Latinos leave it, the Latino GDP will account for an increasing portion of the total U.S. GDP growth, projected to be 24.4% of total US GDP growth by 2020. The common perception of Latinos being a burden to U.S. society is utterly wrong. To the contrary, Latinos are the element most needed to fuel the growth of this country. All Americans have benefitted from the \$2.13 trillion contribution the Latino GDP makes to the country, and should take steps to make sure it continues.

Population:

- It is well understood that population growth is a major factor in real GDP growth. This was true in the high-growth Reagan years and it's true in low population growth countries such as Japan – 1.0% between 2010 and 2015.
- The Latino population is much younger – median age 28 years versus 40 years for NonLatinos.
- The Latino population is highly skewed – only about 7% of the 64 years and older cohort – over 20% of the 20 to 44 year old cohort – and over 25% of the 0 to 15 year old cohort.
- Latinos are highly concentrated in southwest – California through Texas. In most of the country they are less than 10% of the population.

Labor Force:

- Latinos are driving labor force growth.
- For the 16-24 year old cohort between 2010 and 2015 Latino workers increased by 360,000 while NonLatinos only increased by 155,00.
- For the 25-64 year old cohort between 2010 and 2015 Latino workers increased by 2.5 million – NonLatinos declined by 4,000.
- Overall, for 16-64 year olds, Latinos accounted for 70% of the total increased in workers.

Military Service:

- Latinos are 19% of the military for the 18-24 year old cohort.
- For 18-24 year olds Latinos are 26% of the Marines and 22% of soldiers in the Army.

Education:

- Latinos are rapidly closing the education gap.
- Dropouts declined by 30% between 2010 and 2015 for the 20-29 cohort.
- College graduates increased by 40%.

Citizenship:

- Latino NonCitizens are almost all in the 20-64 age cohort.
- The NonCitizen Latinos being arrested and processed for deportation are mostly working age males. The Labor Force Participation rates for Latino NonCitizen males is well about 90% -- much higher than for NonLatino citizen males. Exact statistics aren't available but it appears that most Latinos being deported are workers, not criminals.
- Overall, the number of Latino NonCitizens declined by 625,000 between 2010 and 2015. Then number of NonLatino NonCitizens increased by nearly 600,000.

The Bottom Line:

- Latinos are disproportionately driving the U.S. Real GDP growth and will increasingly do so in the future.
- Current immigration policies run counter to our economic goals.