



THE 2025 OFFICIAL LDC U.S. LATINO GDP REPORT™ PART ONE

CROSSING **\$4 TRILLION**: AT THE HEART
OF AMERICA'S ECONOMIC GROWTH AND RESILIENCE



RESEARCH PARTNER

SPONSORED BY



Contents

A Message from the Latino Donor Collaborative 2

Executive Summary 4

Latino Contributions to the U.S. Economy 5

Latino Consumption 7

Demographic Drivers 8

The Industrial Breakdown of the Latino Economy 9

Business Formation and Entrepreneurship 9

State Economies and the Mexican-American Community 10

About the Report 12

A message from the Latino Donor Collaborative

Dear Colleagues and Partners,

We are pleased to share with you the **2025 Official U.S. Latino GDP Report™ – Part One**, a flagship publication from the **Latino Donor Collaborative (LDC)**. More than a data-rich analysis, this report serves as a strategic resource for businesses and governments of all sizes. It provides actionable insights to inform strategic and operational planning, with the goal of expanding market share, increasing revenue, and ultimately earnings, all while building customer loyalty through a deeper understanding of U.S. Latino consumers and businesses.

Given the current challenges facing our economy, we are releasing Part One of this report to demonstrate how strategic engagement with the U.S. Latino cohort is sustaining our country's economic growth. U.S. Latino GDP has reached **\$4 trillion**, continuing its position as the **fifth-largest economy in the world** if measured as a stand-alone country and the **second-fastest-growing** among the top 10 global economies, trailing only China and virtually tied with India.

Since two-thirds of our country's GDP is consumption-based, this report highlights the gross domestic income (GDI) and purchasing power of U.S. Latinos, both of which have unmatched growth rates in our country.

U.S. Latino GDI is growing at a rate **2.5 times faster** than the rest of the country. This relative income growth is fueling U.S. Latino purchasing power, which has surpassed **\$4 trillion**, expanding **2.4 times faster** than that of the rest of the economy. As economic uncertainties emerge, including concerns about decreased consumer spending and the impact of tariffs, the timing of this report is critical.

U.S. Latinos are helping sustain economic growth and providing our country with a competitive advantage. This reality necessitates a reevaluation of our immigration policies and associated perspectives. We must continue building our workforce at all levels and across all sectors, removing any barriers that limit the decisive contribution of U.S. Latinos.

The youthfulness of U.S. Latinos, their high workforce participation rate, productivity, income growth, and spending, as well as the largest absolute population increase in the country, along with their unwavering pursuit of the American Dream, sets the United States apart from all other economies in the world.

This report provides economic performance insights, including real data by state, sector, and trends, enabling companies of all sizes to make informed decisions. Organizations can track income growth and purchasing power by sector and geography, making this report a valuable operating tool beyond traditional analysis. Part Two will be released with full details at VELOCITY in Los Angeles from September 24 to 26, 2025.

The strategic implications for leaders across our economy are clear.

- **For business leaders:** This is a market dominance growth story, not a diversity story. Understanding and engaging with U.S. Latinos is essential for future-proofing your business.
- **For investors:** The data reveal early signs of superior long-term returns. The Latino cohort is a highly undervalued asset class, one that is hiding in plain sight.

- **For policymakers:** Supporting this cohort is key to ensuring America's economic resilience and workforce competitiveness. This is an economic necessity, not a matter of politics.
- **For media and culture shapers:** Aligning with Latino reality is responsible, profitable, powerful, and long overdue.

The global business leaders on our LDC board of directors, together with our LDC staff, are proud to distribute this report to all CEOs and resource allocators. We are committed to shaping American business intelligence, empowering better decisions, smarter investments, and more profitable economic narratives.

As the only institution in the world focused solely on producing fact-based, actionable data on the economic contributions of U.S. Latinos, the LDC is uniquely positioned to provide these insights.

Thank you for being a leader committed to understanding this powerful economic force. Leveraging one of America's primary assets will be essential to our nation's continued prosperity throughout the 21st century.

With warm regards,

Sol Trujillo
Co-Founder and Chairman
Latino Donor Collaborative

Ana Valdez
President & CEO
Latino Donor Collaborative

Executive Summary

The *2025 Official LDC U.S. Latino GDP Report™ – Part One* highlights the accelerating contribution of Latinos to the U.S. economy:

- U.S. Latino GDP reached \$4 trillion in 2023, making it the 5th largest economy in the world if measured independently – surpassing the U.K. and France and on par with India.
- Since 2015, Latino GDP has grown over 50%, compared to just 17% among non-Latinos.
- Latino Gross Domestic Income (GDI) rose to \$3.1 trillion, up from \$2.1 trillion in 2018.
- Latino Purchasing Power increased to \$4.1 trillion, up from \$2.8 trillion over the same period.
- Key metrics like the GDP, income, and purchasing power, are growing at least twice as fast as the rest of the U.S. economy.
- Latino consumer spending exceeded \$2.5 trillion in 2023, growing at 4.9% annually, more than double the rate of non-Latinos.
- The U.S. Latino labor force grew by 2.9% in 2023, while the non-Latino labor force increased by just 0.2%.
- Latino-owned businesses have grown at 7.7% annually, far outpacing the national rate of 0.46%, and now total 5.7 million, generating \$945 billion in revenue.
- In key sectors like manufacturing, real estate, health care, and professional services, Latino participation is expanding rapidly and driving regional economic strength.

1. Latino Contributions to the U.S. Economy

This report arrives at a critical moment for our economy. Businesses, investors, and policymakers are navigating complex shifts in consumer behavior, labor dynamics, and global markets. In this context, understanding the sustained economic contribution of U.S. Latinos is more important than ever. The insights in this report are designed to support better decisions, stronger strategies, and long-term economic impact rooted in fact-based analysis.

In its eighth edition, the *2025 Official LDC U.S. Latino GDP Report™ – Part One* builds on a basic fact first documented by the Latino Donor Collaborative (LDC) in 2017: U.S. Latinos are the primary drivers of American economic growth. This first installment offers valuable data to policymakers and stakeholders at this critical juncture, with Part Two set to be released in September at VELOCITY.

This year's findings confirm that Latinos are sustaining and accelerating U.S. growth across key pillars: consumption, entrepreneurship, and workforce expansion. As the Boomer generation continues moving into retirement and postretirement, and as the national population growth slows, U.S. Latinos are consistently filling the economic gap, given their size and youthfulness.

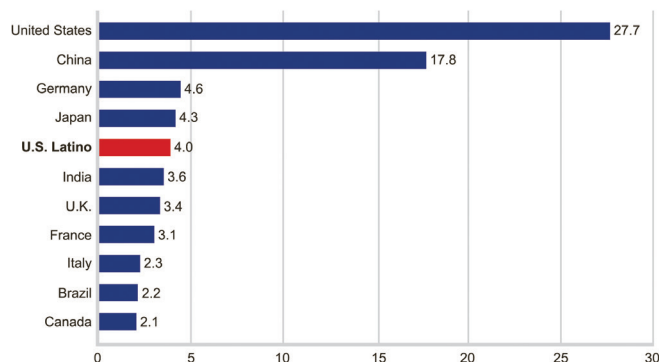
When the LDC first published this report in 2017, the U.S. Latino economy had already reached \$2.1 trillion in 2015, ranking as the seventh-largest in the world if measured as a standalone economy, trailing only the United States, China, Japan, Germany, the United Kingdom, and France.

By 2023, the most recent year with available data, the U.S. Latino GDP, powered by 65.2 million people, had grown to \$4 trillion. It has become the fifth largest economy worldwide, surpassing the economies of the U.K. and France and matching the size of India's economy, despite India having a population twenty times larger, at 1.4 billion. Importantly, U.S. Latino GDP has grown 4.4% annually on average, adjusting for inflation, on par with India, and only trailing China. Looking ahead, the U.S. Latino economy is expected to overtake Japan and Germany before the end of the decade.

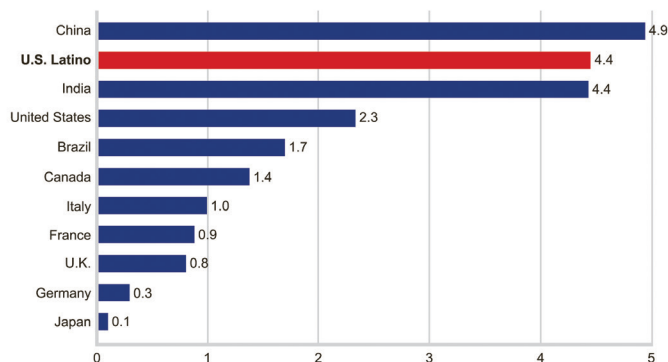
Adjusting for inflation, U.S. Latino GDP has increased by more than 50% between 2015 (the first year we measured it) and 2023 (the latest year available), compared to a 17% increase among non-Latinos during the same period. If the overall U.S. economy had grown at the same pace as the Latino contribution, our nation's GDP would be \$6.8 trillion larger, or 24% greater than today.

U.S. Latino consumption has been equally dynamic, surging from \$1.4 trillion in 2015 to over \$2.5 trillion in 2023, and currently growing more than twice as fast as non-Latino consumption.

Figure 1: U.S. Latino GDP on the World Stage



A. The world's leading economies in 2023 compared to the U.S. Latino GDP as estimated from expenditures made “by and on behalf” of members of this demographic. Figure corresponds to trillions of current U.S. dollars.



B. Real, annualized percent GDP growth among the world's leading economies between 2018 and 2023 compared to the growth in the U.S. Latino GDP as measured from expenditures made “by and on behalf” of members of this demographic. Figure corresponds to chained growth rates.

Sources: World Bank; U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Department of Commerce, Census Bureau, American Community Survey; and U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey.

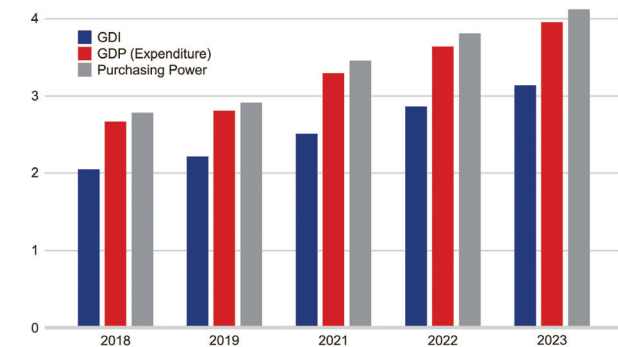
Other economic indicators show similar momentum. Based on a five-year comparison, from 2018 to 2023, U.S. Latino Gross Domestic Income (GDI) reached \$3.1 trillion up from \$2.1 trillion, and Latino Purchasing Power (an original metric that’s unique to our report) rose to \$4.1 trillion up from \$2.8 trillion.

These metrics are also growing at a remarkable pace: U.S. Latino GDP grew 2.2 times faster than the rest of the U.S. economy, while U.S. Latino income and purchasing power grew 2.5 and 2.4 times faster, respectively. In other words, every U.S. Latino macroeconomic performance metric is growing at least twice as fast as the rest of the nation.

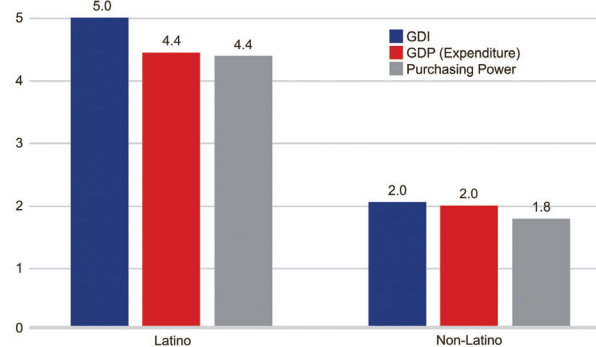
¹ Gross domestic income (GDI) measures the total income earned.

² Latino Purchasing Power (LPP) is the most comprehensive metric of purchases “made by and on behalf of Latinos.” Unlike other estimates, it includes the share of investments in inventory and production of goods and services for the Latino community, government spending on behalf of this demographic, and the Latino share of import purchases.

Figure 2: The U.S. Latino Economy at a Glance



A. Trillions of current dollars. GDI stands for “Gross Domestic Income.” Latino GDP is estimated using an expenditure approach.



B. Real annual growth rates. Figures correspond to percentage growth between 2018 and 2023.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Department of Commerce, Census Bureau, American Community Survey; and U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey.

According to the Annual Business Survey (ABS) from the U.S. Census Bureau, U.S. Latinos are also driving entrepreneurial growth. U.S. Latino-owned businesses have grown at an average annual rate of 7.7%, surpassing the 0.46% growth rate for all American employer businesses.

U.S. Latino footprint is particularly evident within key sectors such as Manufacturing, Financial Services, Health Care, Accommodation, and Real Estate. In fact, U.S. Latino-owned businesses are thriving in 204 of 227 urban areas.

With the U.S. facing an aging population, declining fertility rates, and slower population growth, U.S. Latinos can significantly counteract a tightening labor market, reduced productivity, and falling consumption elsewhere.

2. Latino Consumption

Consumption is the largest component of the GDP in our economy. When consumers spend money, they stimulate businesses to produce more goods and services, creating jobs and increasing overall economic activity.

U.S. Latino consumer spending has become a vital and growing component of the national economy. Spending by this cohort rose at an annual rate of 4.9% between 2018 and 2023, more than double the rate of non-Latinos. In 2023 alone, U.S. Latinos spent over \$2.5 trillion on goods and services. This growth is fueled by larger income gains, faster increases in household spending, and a population that is significantly younger than the national average.

From new cars to new homes, rentals, mobile phones to streaming services, housewares to fashion, automotive, energy, groceries, laptops and computers, and personal care, U.S. Latino consumer spending is a key growth factor across our economy. This cohort is particularly engaged in entertainment, accounting for 20% of total video-on-demand.³ Among buyers of vehicles, they command 26% of total purchases and 68% of industry growth.⁴

3. Demographic Drivers

The strength of the U.S. Latino economy is rooted in demographics. This group is younger, growing rapidly, and contributing more to the labor force, driving faster incomes and consumption than any other in the country.

As of 2023, 27.1% of Generation Alpha identified as Latino.⁵ Latino population growth stands at 1.8%, compared to just 0.2% among non-Latinos. The median age is 31, a full decade younger than non-Latinos. Importantly, 94% of U.S. Latinos under 18 are U.S.-born or naturalized citizens⁶, and 84% of U.S. Latinos speak only English or speak it well⁷, underscoring that this cohort is not a foreign-born labor reserve, but a domestic, deeply rooted population.

According to estimates from the Migration Policy Institute (MPI), nearly 86% of Latinos in the United States are documented.⁸ Despite common narratives that emphasize immigration status, the overwhelming majority of U.S. Latinos are either citizens or legal residents. Recognizing this fact is crucial to ensuring that economic and labor policies are based on accurate data and reflect the true makeup of this vital workforce.

This youthful, U.S.-based demographic is not only expanding. It is already transforming the labor market. In 2023, the U.S. Latino labor force grew by 2.9%, compared to just 0.2% among non-Latinos—a 14-fold difference. U.S. Latinos added 820,000 individuals to the working-age population (comprised between ages 16 and 64) that year, while the non-Latino working-age population declined by 560,000. This expansion is not just a demographic fact. It is a strategic asset for a country aiming to revitalize its domestic industry and secure long-term economic resilience.

In a period where many nations face shrinking working-age populations, the U.S. benefits from a growing and productive U.S. Latino workforce. Their continued participation supports key sectors of the economy that are essential for national competitiveness and industrial revitalization. As the country strengthens domestic production and supply chain resilience, this young and expanding workforce provides a long-term strategic advantage.

For recent reshoring initiatives to succeed, we must leverage U.S. Latinos in engineering and other technical roles, who are critical to the success of companies with U.S.-based operations. Their increasing contribution is not only rooted in demographics but also reflects improvements in educational attainment. Between 2022 and 2023, the percentage of U.S. Latinos with bachelor's degrees increased by 4.6%, driven in part by younger members of the population.

The demographic dividend that U.S. Latinos provide is not easily replaceable. Current and emerging technologies, including Artificial Intelligence (AI), cannot offset this shift. A modest decrease of 0.2% in the national population growth rate would require a permanent 8.5% increase in productivity growth to offset it, for instance.

³ Motion Picture Association, Theme Report - 2021

⁴ Autoproyecto, citing the S&P Global Mobility 2019 through 2024 reports

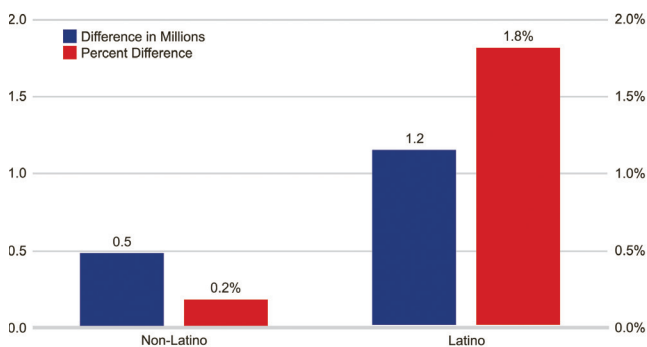
⁵ Claritas 2023 Hispanic Market Report

⁶ U.S. Census Bureau, U.S. Department of Commerce

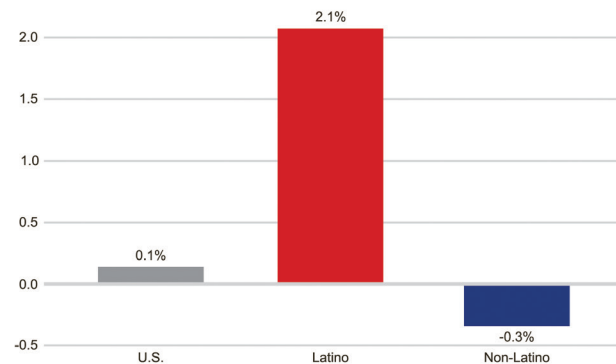
⁷ Ibid

⁸ Using data from 2015 through 2019, the MPI estimates that there are approximately 8.6 million undocumented individuals from Mexico, Central America, and South America out of 60.4 million Latinos in 2019.

Figure 3: Population and Working Age Population Changes in the U.S.



A. Comparing Latino and non-Latino population growth (2022-2023)



B. Percentage growth in working age population (2022-2023)

Source: U.S. Department of Commerce, Census Bureau, American Community Survey

4. The Industrial Breakdown of the Latino Economy

Manufacturing represents the largest sector of U.S. Latino GDP at \$547 billion. In 2023, U.S. Latino manufacturing grew 15.5% (inflation-adjusted) year-over-year, more than four times faster than the rest of the industry. Since 2021, it has increased by 90% nominally, up from \$288 billion, and now makes up 19.3% of total Manufacturing.

Beyond Manufacturing, Latinos have been particularly engaged in Public Administration (\$448 billion) and Real Estate, Rental & Leasing (\$340 billion), among other sectors. Importantly, Public Administration has exhibited only modest growth at 1.5% year-over-year and has remained virtually flat since 2021 (\$439 billion), declining as a share of the broader U.S. Latino economy. In contrast, Real Estate, Rental, & Leasing has exhibited strong year-over-year growth at 23.5% and has reached \$340 billion as of 2023, up from \$266 billion in 2021, a \$74 billion nominal increase.

Smaller sectors report high rates of growth, as well, including Professional, Scientific, and Technical Services (8.1%), Information Services (15.3%), and Arts, Entertainment, & Recreation (8%).

As the U.S. seeks to restore its domestic manufacturing base and strengthen national supply chains, U.S. Latinos are positioned as a core force in this effort. Their strong and growing presence across industrial regions, combined with their increasing educational attainment and entrepreneurship, makes them a strategic foundation for the country's industrial renewal. The youthfulness of this cohort is also a priceless asset: the most common age brackets among Latinos are less than six and 16 to 20 years, compared to 61 to 64 among non-Latinos.

5. Business Formation and Entrepreneurship

U.S. Latinos are leading the growth of entrepreneurship in the United States. According to the most recent business statistics from 2022, they owned approximately 5.7 million enterprises. These businesses employed over 3.8 million people and generated \$945 billion in annual revenue.⁹

⁹ 2025 U.S. Census Bureau.

Total U.S. Latino business ownership surged by more than 7% annually over a four-year period, while non-Latino business ownership grew by less than 2% per year. Industry-level analysis reveals even starker contrasts: the number of U.S. Latino-owned Construction businesses expanded by over 7.5% per year, while non-Latino ownership in the same sector grew by less than 2% over the same period.

In Manufacturing, U.S. Latino business ownership grew at an annual rate of nearly 8.5%, while non-Latino ownership increased by just over 2% over four years.

Similar trends were clear across most industry categories. U.S. Latino ownership in Retail & Wholesale trade was particularly robust, even as non-Latino business counts in those sectors declined.

Table 1: Key Industry Sectors Driving Latino Economic Growth (2022)

Industry	Total Classifiable Businesses, 2022	Share Classified as Latino in 2022	Industry	Total Classifiable Businesses, 2022	Share Classified as Latino in 2022
Construction	3,574,648	25.60%	Wholesale Trade	662,100	12.08%
Accommodation and Food	1,156,223	16.60%	Arts & Entertainment	1,775,201	9.71%
Transportation and Warehousing	4,025,317	25.46%	Prof, Tech & Scientific Services	4,761,289	9.84%
Finance and Insurance	950,993	9.84%	Real Estate and Rental	3,193,303	8.43%
Health Care	2,829,616	15.08%	Other Services	3,496,381	16.11%
Admin Services	3,152,864	27.27%	Total Businesses	34,684,394	16.33%
Retail Trade	2,738,063	12.66%			

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Department of Commerce, Census Bureau, American Community Survey; and U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey

U.S. Latino entrepreneurs also expanded their footprint in key service sectors such as Financial Services, Health Care, Accommodation, and Real Estate, responding to evolving consumer needs with adaptability. The data reflect a community that exhibited resilience during the COVID pandemic. In fact, many U.S. Latinos launched new business ventures during this period.

Their business practices also show a strong commitment to workforce quality. Among U.S. Latino-owned businesses, 89% offer employer-paid benefits, and 90% actively invest in employee skill development.¹⁰

6. State Economies and the Mexican American Community

U.S. Latinos are driving economic growth in every state, with especially strong contributions in key regional economies. California’s U.S. Latino GDP is the largest in the country at \$989 billion and is on track to surpass \$1 trillion by 2025.

The largest 10 U.S. Latino state economies include:

- 1. California (\$989 billion)
- 2. Texas (\$739 billion)
- 3. Florida (\$396 billion)

¹⁰ 2024 State of Latino Entrepreneurship. Latino Entrepreneurship Initiative (Stanford Graduate School of Business).

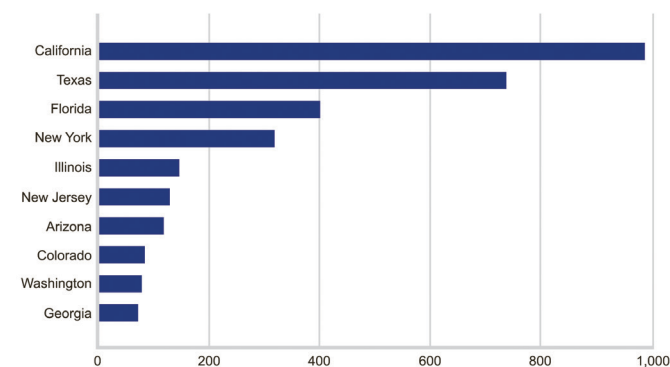
4. New York (\$315 billion)
5. Illinois (\$145 billion)
6. New Jersey (\$127 billion)
7. Arizona (\$117 billion)
8. Colorado (\$83 billion)
9. Washington (\$78 billion)
10. Georgia (\$72 billion)

U.S. Latinos in these states are contributing decisively to overall economic growth. Between 2018 and 2023, they accounted for:

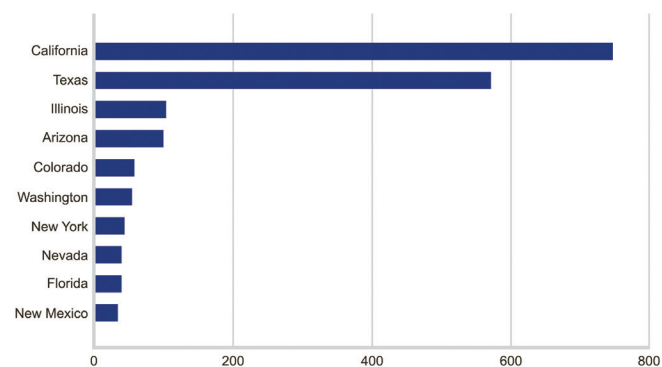
- 32.3% inflation-adjusted growth in California
- 31.3% in Texas
- 31.5% in Florida
- 42.9% in New York
- 42.9% in Illinois
- 29.9% in New Jersey
- 25.2% in Arizona
- 23.7% in Colorado
- 22% in Washington
- 21.5% in Georgia

Geography plays an important role. Five of the ten largest Latino economies are in the South and Southwest, a pattern also reflected in the **Mexican American economy**, a cohort that accounts for 58% of all U.S. Latinos.

Figure 4: Latino and Mexican-American Contributions to State GDP



A. Latino GDP contributions in the top 10 states (2023)



B. Mexican-American GDP contributino in the top 10 states (2023)

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; and U.S. Department of Commerce, Census Bureau, American Survey

The 10 largest **Mexican-American state** economies are:

1. California: \$748 billion (75.6% of the state's Latino GDP)
2. Texas: \$570 billion (77.3%)
3. Illinois: \$103 billion (71.1%)
4. Arizona: \$97.3 billion (83.2%)
5. Colorado: 54.7 billion (66.1%)
6. Washington: \$52.3 billion (66.7%)
7. New York: \$42.5 billion (13.4%)
8. Nevada: \$36.5 billion (69.1%)
9. Florida: \$36.5 billion (9.2%)
10. New Mexico: \$32.7 billion (63.6%)

These numbers reflect more than regional strength; they demonstrate how the U.S. Latino economic impact is reshaping growth trajectories at the state level, with implications for investment, infrastructure, and long-term competitiveness.

7. About the Report

In addition to the headline findings presented here, the **2025 Official LDC U.S. Latino GDP Report™ – Full Report** will offer expanded insight into the economic contributions of the U.S. Latinos. The full report will be released in September, 2025, and will be available for download at the Latino Donor Collaborative website.

It includes:

- Long-term economic forecasts for the Latino economy through 2030, at both the national and state levels.
- An analysis of the macroeconomic consequences of mass deportation policies.
- Additional detailed measures of the economic contributions of Mexican Americans.
- A broad array of key metrics to inform investment, strategy, and policymaking.



www.latinodonorcollaborative.org

Sponsored by



www.wellsfargo.com/impact



seidmaninstitute.com