

At \$4.4 trillion, the US Latino economy is fourth largest in the world

ASU research supports latest economic report from the Latino Donor Collaborative

By Shay Moser, ASU News
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Where will tomorrow's customers, workers and entrepreneurs come from?

A new report from the [Latino Donor Collaborative](#) shows the U.S. Latino community is increasingly driving all three.

Part one of the [2026 U.S. Latino Economic Impact Report](#) finds that U.S. Latinos accounted for 28.2% of U.S. economic growth in 2024, despite representing about one-fifth of the nation's population.

It also shows that the U.S. Latino economy reached \$4.4 trillion in 2024. If measured independently, it would rank as the world's fourth-largest economy and the fastest-growing among the world's largest economies.

The [L. William Seidman Research Institute](#) at Arizona State University's [W. P. Carey School of Business](#) was commissioned to develop the research.

Latino households generated \$3.4 trillion in gross domestic income, while household consumption reached \$2.8 trillion — the third-largest consumer market in the world, larger than those of Germany and India. Since 2019, inflation-adjusted Latino household consumption has grown nearly three times faster than that of non-Latino households.

For employers, investors and policymakers, the findings help explain why organizations planning for long-term growth should pay close attention to the U.S. Latino economy.

“Latino household consumption is expanding at nearly three times the pace of the rest of the U.S. consumer base. Any company, investor or policymaker assessing where demand will come from

over the next decade has the answer in front of them,” said [Sol Trujillo](#), chairman and co-founder of the Latino Donor Collaborative.

“The conversation about U.S. Latinos has focused on demographics for far too long,” said [Ana Valdez](#), president and CEO of the Latino Donor Collaborative. “This report demonstrates that the real story is economic performance.”

By 2025, U.S. Latinos accounted for 92.6% of all new households formed and continued to outpace the broader U.S. population in income growth, business growth, consumer spending growth and workforce expansion.

Latino-owned employer businesses totaled 5.7 million in 2022. At the same time, a younger population concentrated in its prime working years continues to strengthen labor force participation and business creation nationwide.

“U.S. Latinos are earning more, creating more businesses, buying more homes, strengthening our workforce and driving consumer demand at a pace that is reshaping the American economy,” Valdez said. “Businesses that recognize these trends and plan for the economy taking shape today will be better positioned to compete in the years ahead.”

“At a time when U.S. population growth is slowing, trade disruptions are threatening supply chains and public finances are under mounting pressure, the rapid growth of the Latino economy has become increasingly important,” said [Jose Jurado Vadillo](#), Seidman senior research economist.

“For policymakers, these trends underscore the need to invest in resources to strengthen and accelerate Latino contributions to the broader economy,” he said. “For business leaders, they point to a critical source of present and future demand. As Latinos drive a growing share of U.S. purchases, companies will need to understand this demographic better and tailor their strategies accordingly.”

The economic impact extends beyond traditional Latino population centers. While California’s Latino economy reached \$1.1 trillion and Texas reached \$820 billion in 2024, the report also highlights growing economic influence in states including North Carolina and New Jersey, where Latino population growth is expanding local workforces, businesses and consumer markets.

The report also examines the economic contributions of Americans of Mexican descent, who represent 57% of the U.S. Latino population and generate \$2.3 trillion in economic output, underscoring their central role in the broader U.S. Latino economy.

“Today, many businesses are focused on the pace of AI investment and implementation, the ever-changing cost of imported raw materials, and the quality and availability of the workforce,” said [Dennis Hoffman](#), director of ASU’s Office of the University Economist. “But savvy business leaders recognize the Latino community as a powerful economic engine. The numbers are real, and the momentum is growing.”

“In a world of uncertainty, the purchasing power of U.S. Latinos — fueled by a young, growing population — creates a large and expanding domestic marketplace,” he said. “Businesses that recognize this opportunity will be better positioned to grow, while those that overlook it risk missing one of the country’s fastest-growing markets.”

The report is part of an ongoing collaboration between the Latino Donor Collaborative and Seidman Research Institute that analyzes U.S. Latino gross domestic product, gross domestic income, household consumption, workforce participation, entrepreneurship and demographic trends. The report equips business leaders, investors and policymakers with data-driven insights into how the U.S. Latino community is shaping the nation's economic present and future.

Learn more

Explore the findings of the [2026 U.S. Latino Economic Impact Report](#).

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Main image



Downtown Los Angeles skyline. iStock photo