



NORTH AMERICAN INTEGRATION
& DEVELOPMENT CENTER
UNIVERSITY OF CALIFORNIA LOS ANGELES

UCLA NAID CENTER · REPORT

Mexican-Origin & Latino GDP in U.S.–Mexico Integration

A Comparative State-by-State Analysis of Economic Contributions, Trade Integration, Investment Potential, and Alternative Policy Scenarios

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\$2.27T

Mexican-Origin GDP

8th-largest economy on Earth

Twelve sections, four analytical pillars

| | | | | | |
|------------|--|-------------|---|------------|---|
| I | Abstract & Executive Summary <i>Slides 3–8</i> | II | Preface: 30 Years of CGE Predictions <i>Slides 9–13</i> | III | \$2.27T in Global Context <i>Slides 14–18</i> |
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Abstract

This 2026 report presents the UCLA NAID Center's comprehensive tracking of U.S.–Mexico and broader Latin American economic integration across four dimensions: trade, migration, remittances, and investment.

Drawing on 30 years of NAID CGE modeling — in partnership with INEGI and PIIE — and a new AI-agent data query capability, the paper documents that 38 million U.S. residents of Mexican origin generate approximately \$2.27 trillion in annual GDP.

The disaggregation by nativity — native-born (27.3M), foreign-born authorized (6.7M), and undocumented (~4M) — and by industry, state, and economic use, frames the central finding: managed integration would have produced 26–60% greater Latino GDP than the policies actually pursued.

\$2.27T

Mexican-Origin GDP (2024)

\$4.2T

All U.S. Latino GDP

11%

Share of Total U.S. GDP

Four numbers that define the analysis

\$2.27T

Mexican-Origin GDP

8th globally · 54% of Latino total

\$4.2T

All U.S. Latino GDP

≈ Germany · 4th globally

7.5%

**MO GDP CAGR
2000–25**

2nd fastest, behind China only

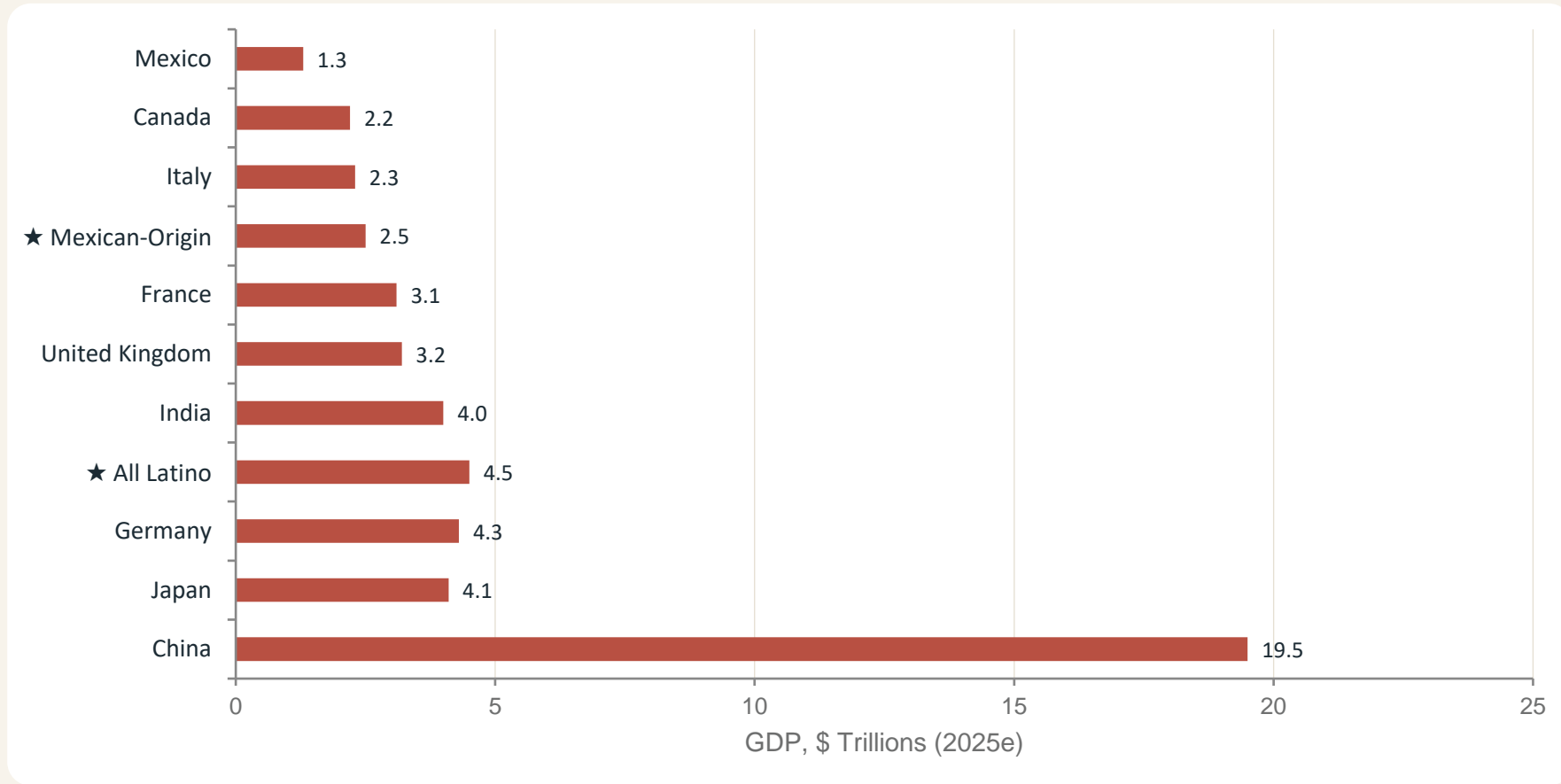
11%

Share of U.S. GDP

\$2.27T of \$20.8T total

Sources: IMF WEO 2023; LDC/ASU 2025; UCLA NAID Center.

If Mexican-origin Americans formed a country, they'd rank 8th



THE DIASPORA RANK

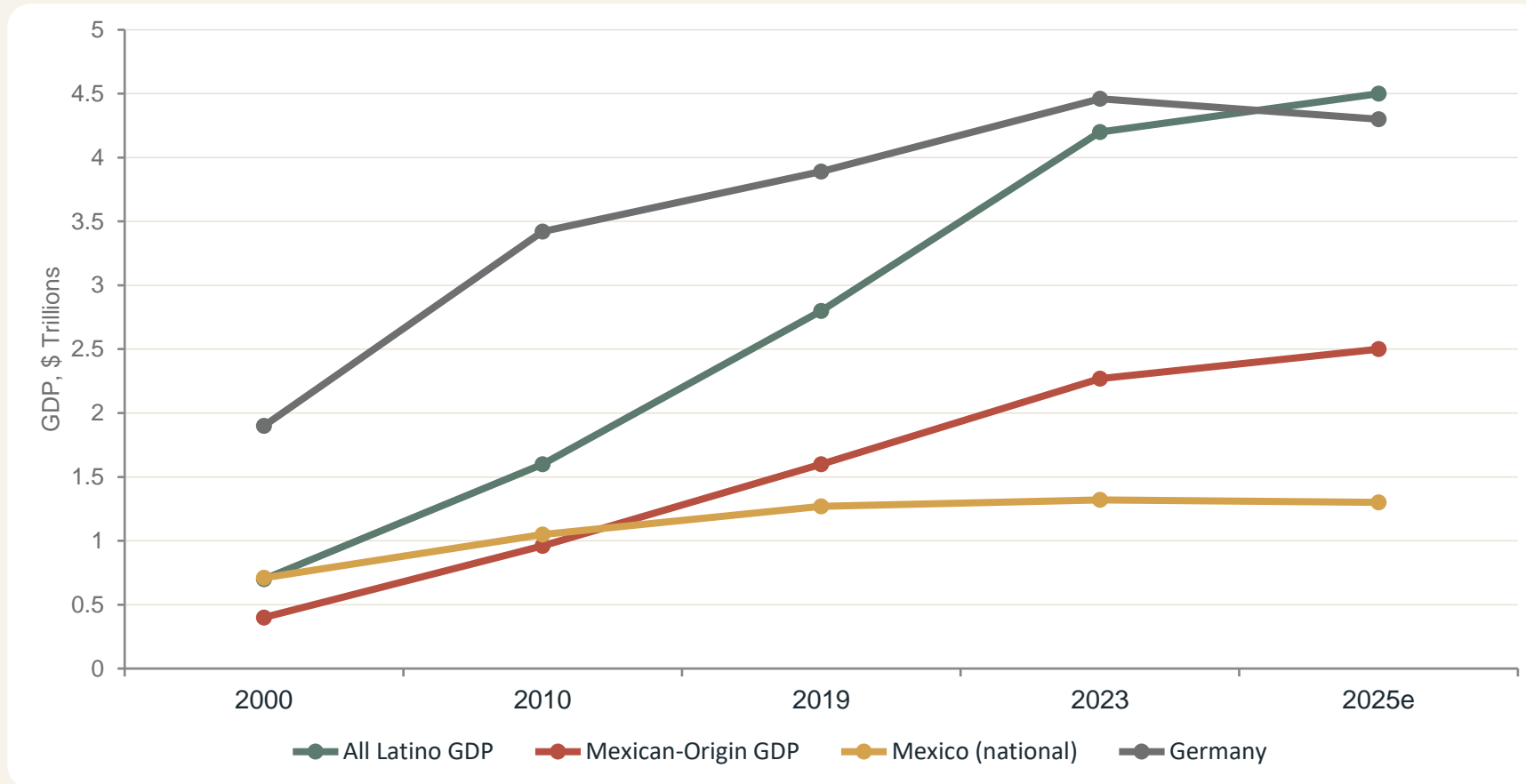
All Latino GDP
= 4th globally

Mexican-Origin
= 8th globally

Larger than Italy,
Canada, and Brazil.

Source: IMF WEO 2023 · LDC/ASU 2025 · NAID Center.

Latino & Mexican-Origin GDP, 2000–2025 (\$T)



25-YEAR CAGR

7.8%/yr

All Latino

7.5%/yr

Mexican-Origin

4.2%/yr

United States

2.4%/yr

Mexico

Source: IMF WEO 2023 · LDC/ASU 2025 · UCLA NAID Center.

The four channels of U.S.–Mexico integration

TRADE

\$935B

bilateral · ~1.5M U.S. jobs supported ·
18% wage premium

*Mexico surpassed China as top U.S. import
source in 2023.*

MIGRATION

38.5M

Mexican-origin · 73% native-born · LFP
63.8%

*Median age 27.9 — peak productive years lie
ahead.*

REMITTANCES

\$64.7B

record 2024 · 11th consecutive year of
growth

Exceeds Mexico's oil + FDI inflows combined.

INVESTMENT

\$6.47B

diaspora fund potential · \$453M/yr at
7% CETES

*10% voluntary opt-in turns labor flows into
capital.*

Sources: USTR 2024–25 · Banxico/BBVA 2024–25 · Pew 2025 · Etherfuse CETES.

CGE scenario summary — costs of restrictionism

| Scenario | U.S. GDP | Mexico GDP | Mechanism | Net Fiscal (5y) |
|-------------------------|------------------|-----------------|---------------------------|-----------------|
| Deportation 4M | -\$2.3T (-8.2%) | -\$60B remit | Agri -52%, Const -38% | -\$2.85T |
| Deportation 2M | -\$0.9T (-3.2%) | -\$29B remit | Agri -24%, Const -18% | -\$1.25T |
| Deportation 1M | -\$0.4T (-1.4%) | -\$14B remit | Agri -12%, Const -8% | -\$560B |
| Remittance tax 1% | ~\$500M revenue | -\$1.5B GDP | Migration +8-12% paradox | Net neg. |
| Trade war 25% | -\$95B (-0.34%) | -\$65B (-5%) | CPI +1.8%, ~45K auto jobs | — |
| Trade war + retaliation | -\$225B (-0.80%) | -\$110B (-8.5%) | -\$12B U.S. ag exports | — |

⚠️ Across all three scenarios, GDP losses exceed fiscal savings by 23×. Managed integration consistently outperforms.

Source: NAID CGE model · CBO 2024 · PIIE 2025 · ITEP 2024.

II

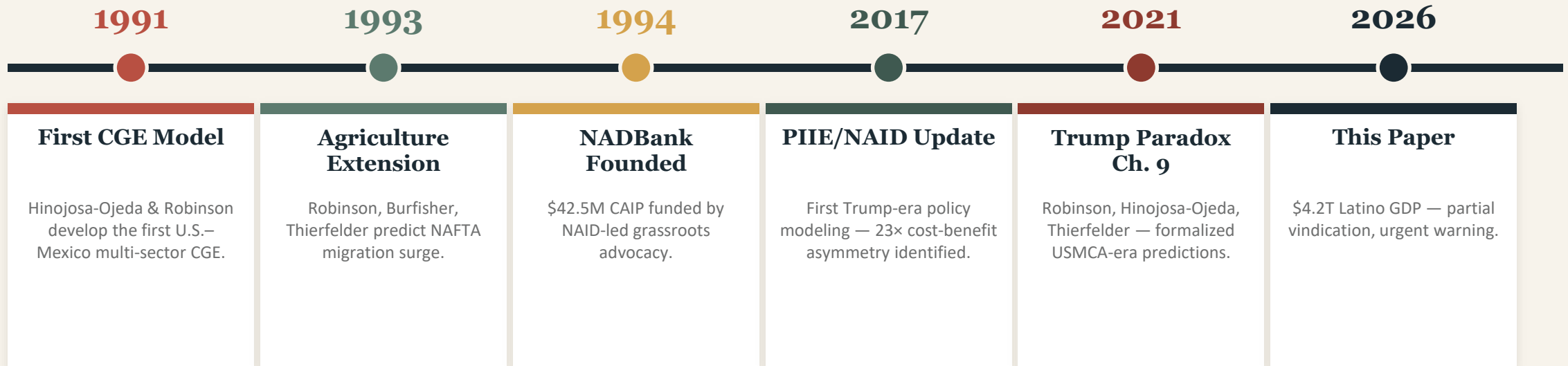
SECTION II

30 Years of Predictions, a \$4.2T Vindication

What CGE modeling foretold, what draconian policies suppressed, and what managed integration could still achieve.

Thirty years of CGE modeling — a timeline

From the 1991 Berkeley CUDARE working paper through The Trump Paradox (2021), NAID has consistently identified restrictionism as the worst-performing alternative.



Three pathways for North American integration

BEST

Managed Interdependence

Open trade + legal migration + labor standards + coordinated investment in human capital and infrastructure.

-
- ✓ Largest aggregate welfare gains
 - ✓ Greatest wage convergence
 - ✓ Lowest unauthorized migration

MIDDLE

Partial Liberalization

Trade liberalization + migration restriction. Modest gains but suppressed wages for low-skill workers in both countries.

-
- Modest welfare gains
 - Wage suppression continues
 - Migration via informal channels

WORST

Restrictionism

Trade barriers + enforcement-centered immigration policy. Models flagged this as the worst-performing alternative.

-
- X Trade contraction
 - X Persistent wage gaps
 - X Elevated unauthorized migration

Source: Hinojosa-Ojeda & Robinson, CUDARE WP No. 609, U.C. Berkeley, 1991.

The road partially built — and then abandoned

NADBank and the Community Adjustment & Investment Program (CAIP) were the analytically-grounded answer to the question NAID models had posed since 1991: how do you ensure integration gains are shared with workers and communities on both sides of the border?

What CAIP achieved within its scope:

20,000 jobs created · 12,000 preserved

262 designated counties across 19 states

Border wastewater treatment: 21% (1995) → 91% (2015)

3:1 leveraging ratio on each \$ invested

Source: Hinojosa-Ojeda 2021, *El Colegio de la Frontera Norte*; NAID Center.

THE GAP

\$22.5M

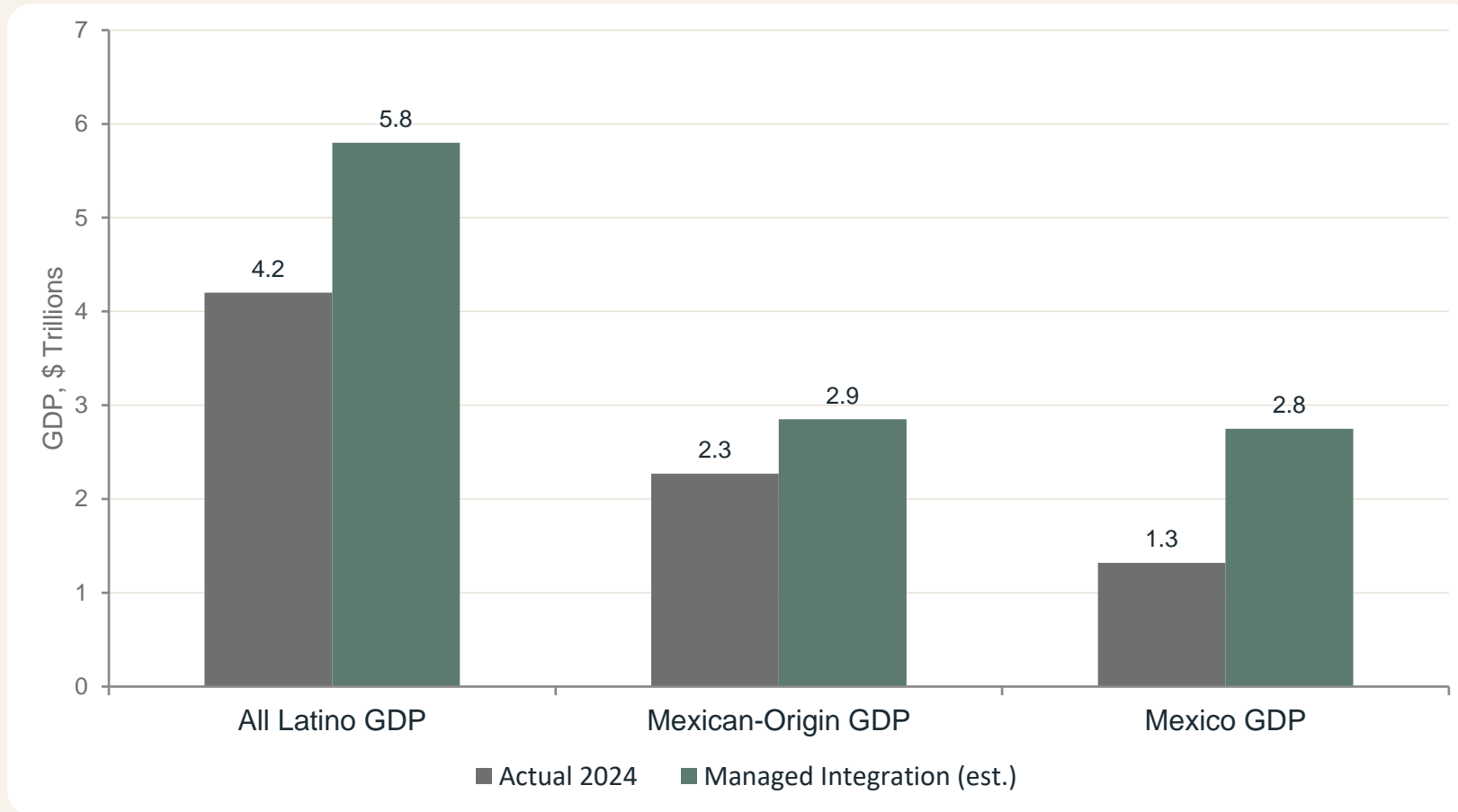
CAIP's initial capital allocation

vs.

\$10s of billions

in NAFTA-related trade adjustment needs identified by NAID Center employment-impact models. The road was partially built, then abandoned.

What managed integration would have produced



THE GAP TO MANAGED

+38%

Latino GDP gap

\$1.6T uncaptured

+26%

MO GDP gap

\$580B uncaptured

+108%

Mexico GDP gap

\$1.4T uncaptured

Source: NAID CGE model, retrospective counterfactual on 1991 managed integration scenario, calibrated to 2024 baseline.

III

SECTION 3

\$2.27 Trillion in Global Context

Where Mexican-origin and Latino diaspora economies stand among the world's largest.

25-year GDP trajectory — selected economies

| Economy | 2000 | 2010 | 2019 | 2023 | 2025e | CAGR |
|----------------------|---------|---------|---------|---------|---------|-------|
| China | \$1.21T | \$6.09T | \$14.3T | \$17.8T | \$19.5T | 10.2% |
| India | \$0.48T | \$1.71T | \$2.87T | \$3.73T | \$4.00T | 8.9% |
| ★ All Latino GDP | \$0.70T | \$1.60T | \$2.80T | \$4.20T | \$4.50T | 7.8% |
| ★ Mexican-Origin GDP | \$0.40T | \$0.96T | \$1.60T | \$2.27T | \$2.50T | 7.5% |
| United States | \$10.3T | \$15.0T | \$21.4T | \$27.4T | \$29.0T | 4.2% |
| Germany | \$1.90T | \$3.42T | \$3.89T | \$4.46T | \$4.30T | 3.3% |
| United Kingdom | \$1.67T | \$2.50T | \$2.83T | \$3.08T | \$3.20T | 2.6% |
| Japan | \$4.97T | \$5.70T | \$5.12T | \$4.21T | \$4.10T | -0.8% |
| Mexico | \$0.71T | \$1.05T | \$1.27T | \$1.32T | \$1.30T | 2.4% |

★ NAID estimates highlighted in terracotta. Source: IMF WEO 2023 · LDC/ASU 2025 · UCLA NAID Center.

Where do Latino and Mexican-Origin economies rank?

| | | | | | |
|-----------|-----------------------|----------------|-----------|-----------------------|----------------|
| 1 | United States | \$29.0T | 7 | United Kingdom | \$3.20T |
| 2 | China | \$19.5T | ★8 | Mexican-Origin | \$2.50T |
| 3 | Japan | \$4.10T | 9 | France | \$3.10T |
| ★4 | All Latino GDP | \$4.50T | 10 | Italy | \$2.30T |
| 5 | Germany | \$4.30T | 11 | Canada | \$2.20T |
| 6 | India | \$4.00T | 12 | Mexico | \$1.30T |

THE INSIGHT

If U.S. Latinos formed a sovereign nation, they would rank as the 4th-largest economy on Earth — ahead of Germany, India, and the UK.

Mexican-origin Americans alone would rank 8th — larger than Italy, Canada, and Brazil.

Source: IMF WEO 2023 · LDC/ASU 2025 · UCLA NAID Center.

Three distinct phases of Mexican-Origin GDP, 2000–2024

PHASE 1 · 2000–2007

Pre-Recession Expansion

Mexican immigration at historical peak. Latino population and wages growing rapidly.

MO GDP

\$0.40T → \$0.85T

PHASE 2 · 2008–2012

Great Recession Disruption

Construction and manufacturing — the two industries most critical to MO output — suffered the deepest declines.

MO GDP

Stagnation

PHASE 3 · 2013–2024

Sustained Recovery

Demographic maturation — native-born majority reaching peak working age. Educational advancement. Supply chain integration deepens.

MO GDP

\$0.96T → \$2.27T

Source: LDC/ASU 2025 · BLS 2024 · UCLA NAID Center.

Unauthorized status systematically suppresses GDP contribution

Our 1991 and 1993 models showed integration produces the largest welfare gains when accompanied by labor rights for migrant workers. When workers migrate through unauthorized channels, they enter labor markets without legal protection, accept wages below comparable authorized workers, and are excluded from retirement savings, workers' comp, and professional development.

ITEP (2024) ESTIMATE

Granting work authorization to ~4M undocumented Mexican-origin workers would raise tax contributions by ~\$15B/year and increase their GDP contribution by an estimated 40% — the precise 'legalization gain' projected three decades ago.

LEGALIZATION PREMIUM

Current undoc. GDP contribution



With work authorization (+40%)



+\$134B

/year in unrealized GDP
plus \$15B/yr in tax revenue

Sources: ITEP 2024; Hinojosa-Ojeda 2010, 2021; National Academies of Sciences 2017.

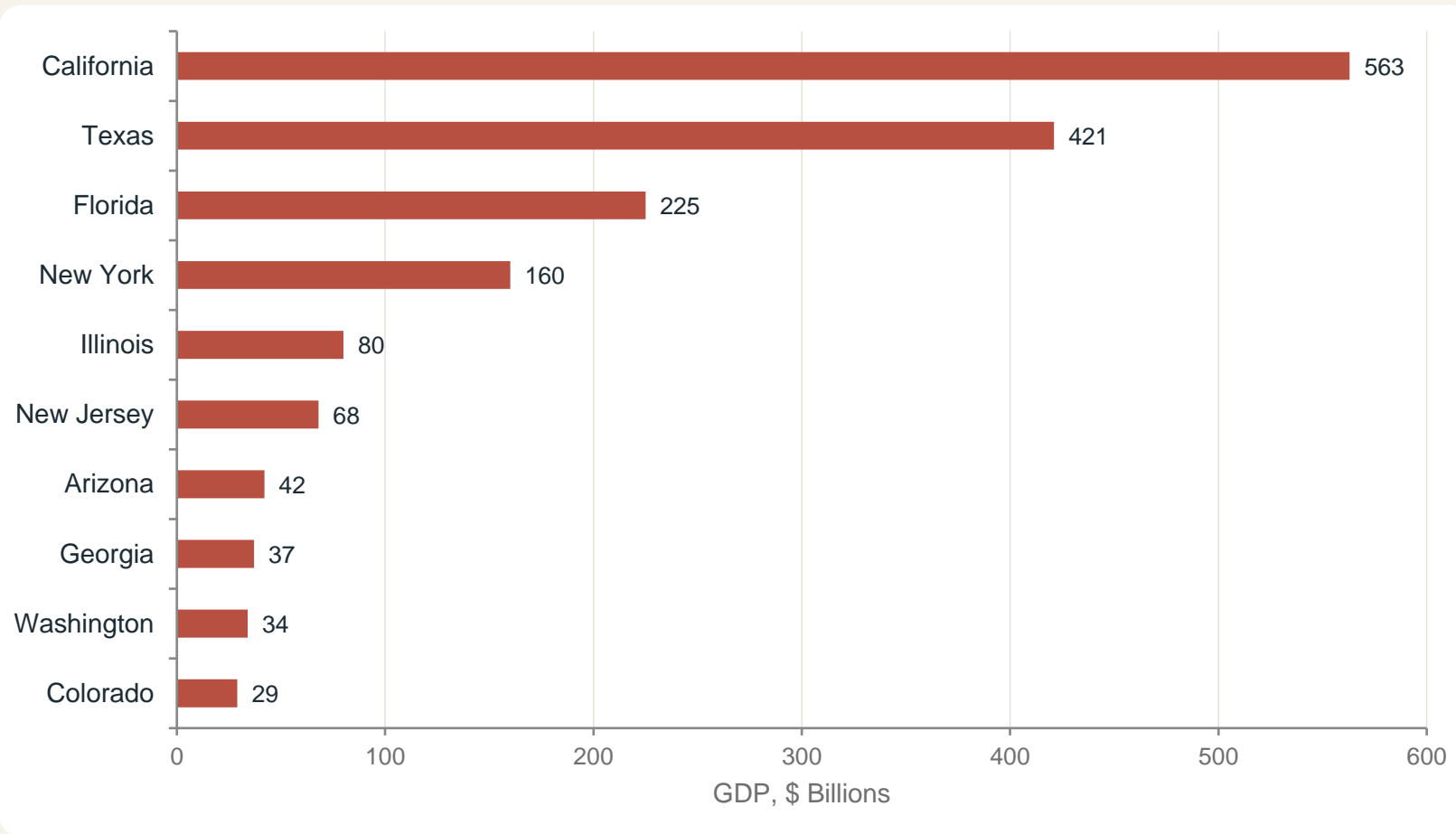
IV

SECTION 4

State Geography of \$2.27T

California and Texas alone account for 48% of Mexican-origin GDP — but the network reaches every state.

Top 10 states — Mexican-Origin GDP, 2024



\$984B

CA + TX combined

48% of national MO GDP

67%

of MO Americans

live in CA or TX

10

states cover

85%+ of national MO output

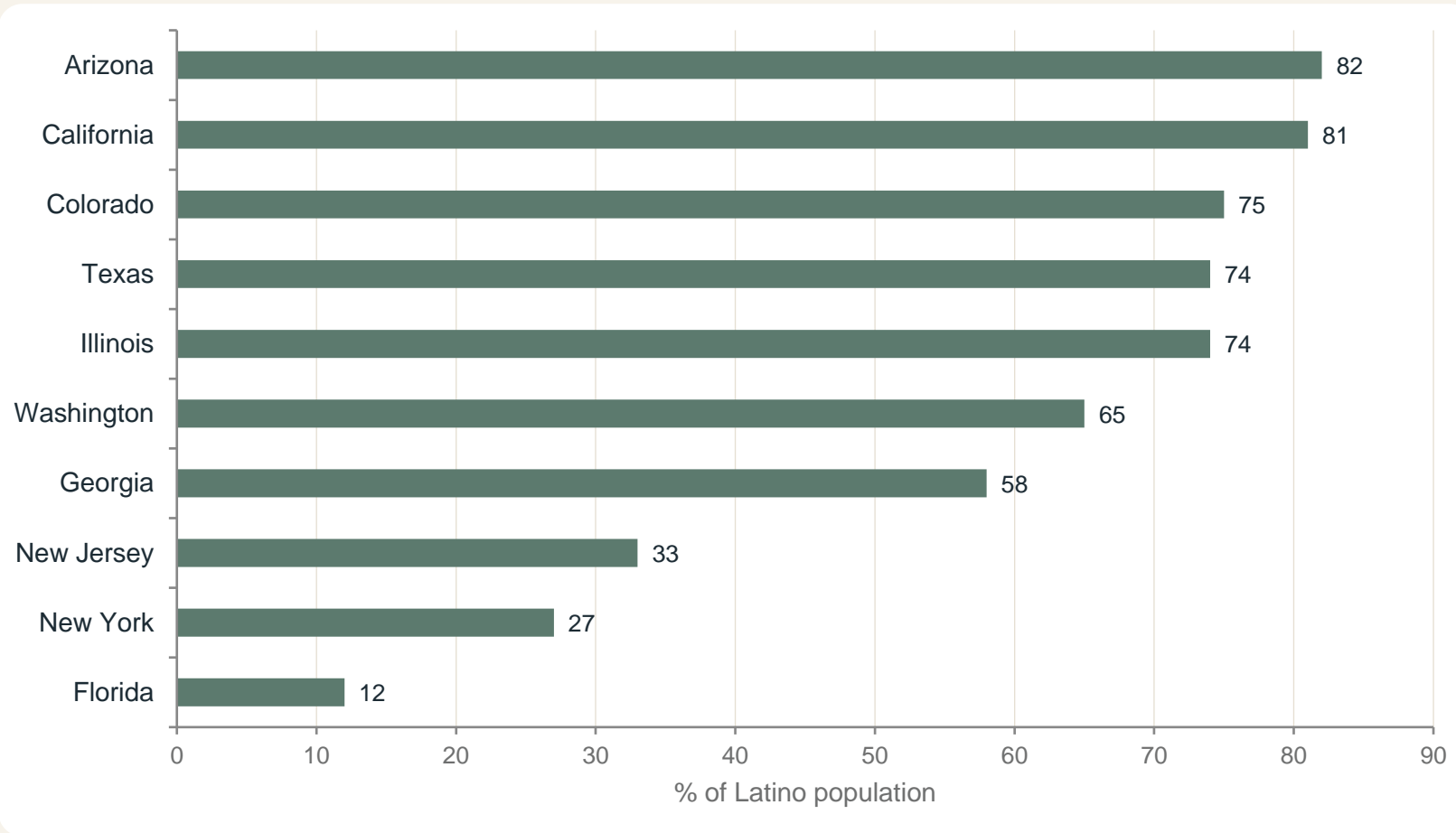
Source: LDC 2025 · NAID Center (MO ≈ 57% of state Latino GDP).

Mexican-Origin vs. Latino — 10-state dashboard

| State | Mex. Pop. | Lat. Pop. | Mex. % Lat. | Mex. GDP \$B | Lat. GDP \$B | Undoc. K | Remit. \$B |
|------------|-----------|-----------|-------------|--------------|--------------|----------|------------|
| California | 12.7M | 15.6M | 81% | \$563 | \$989 | 850K | \$20.4B |
| Texas | 9.5M | 12.0M | 74% | \$421 | \$739 | 780K | \$9.0B |
| Florida | 700K | 5.7M | 33% | \$225 | \$396 | 350K | \$2.2B |
| New York | 110K | 4.0M | 27% | \$160 | \$280 | 175K | \$1.9B |
| Illinois | 1.8M | 2.4M | 74% | \$80 | \$140 | 130K | \$4.5B |
| New Jersey | 105K | 1.8M | 33% | \$68 | \$120 | 140K | \$1.3B |
| Arizona | 1.9M | 2.3M | 82% | \$42 | \$73 | 90K | \$2.0B |
| Georgia | 480K | 1.0M | 58% | \$37 | \$65 | 95K | \$2.8B |
| Washington | 580K | 900K | 65% | \$34 | \$60 | 85K | \$1.5B |
| Colorado | 800K | 1.1M | 75% | \$29 | \$50 | 50K | \$2.4B |

Source: ACS/Neilsberg 2023 · LDC 2025 · Pew 2025 · ITEP 2024 · Banxico/BBVA 2024–25.

Mexican-Origin as % of state Latino population



THE PATTERN

Southwest dominance:

AZ (82%) and CA (81%) have the highest MO shares of state Latino populations.

Gateway diversity:

NY (27%) reflects Caribbean and Central American Latino majorities; FL (12% MO) is dominated by Cuban-origin.

Implication:

MO % of Latino GDP varies by state, between 37% and 58%.

Source: Pew Research Center · ACS 2023.

Six metropolitan engines of Mexican-Origin GDP

Mexican-origin Americans are not a uniformly distributed population but a geographic network of communities with deep roots in specific metropolitan economies — each transformed by Mexican-origin entrepreneurship, labor, and consumer demand over three decades.

CA

Los Angeles MSA

Largest MO metro economy. Entertainment, manufacturing, port logistics.

TX

Houston MSA

Energy, petrochemicals, port-of-Houston logistics, healthcare.

TX

Dallas-Fort Worth

Construction, transportation, financial services, telecom.

IL

Chicago MSA

Food manufacturing, transportation, services, longest-tenured MO HTA.

CA

San Joaquin Valley

Agriculture core: 32% of U.S. crop farmworkers are MO.

GA

Atlanta MSA

Fastest-growing newer corridor. Construction, poultry, services.

Source: ACS 2023 · LDC 2025 · NAID Corridor Database.

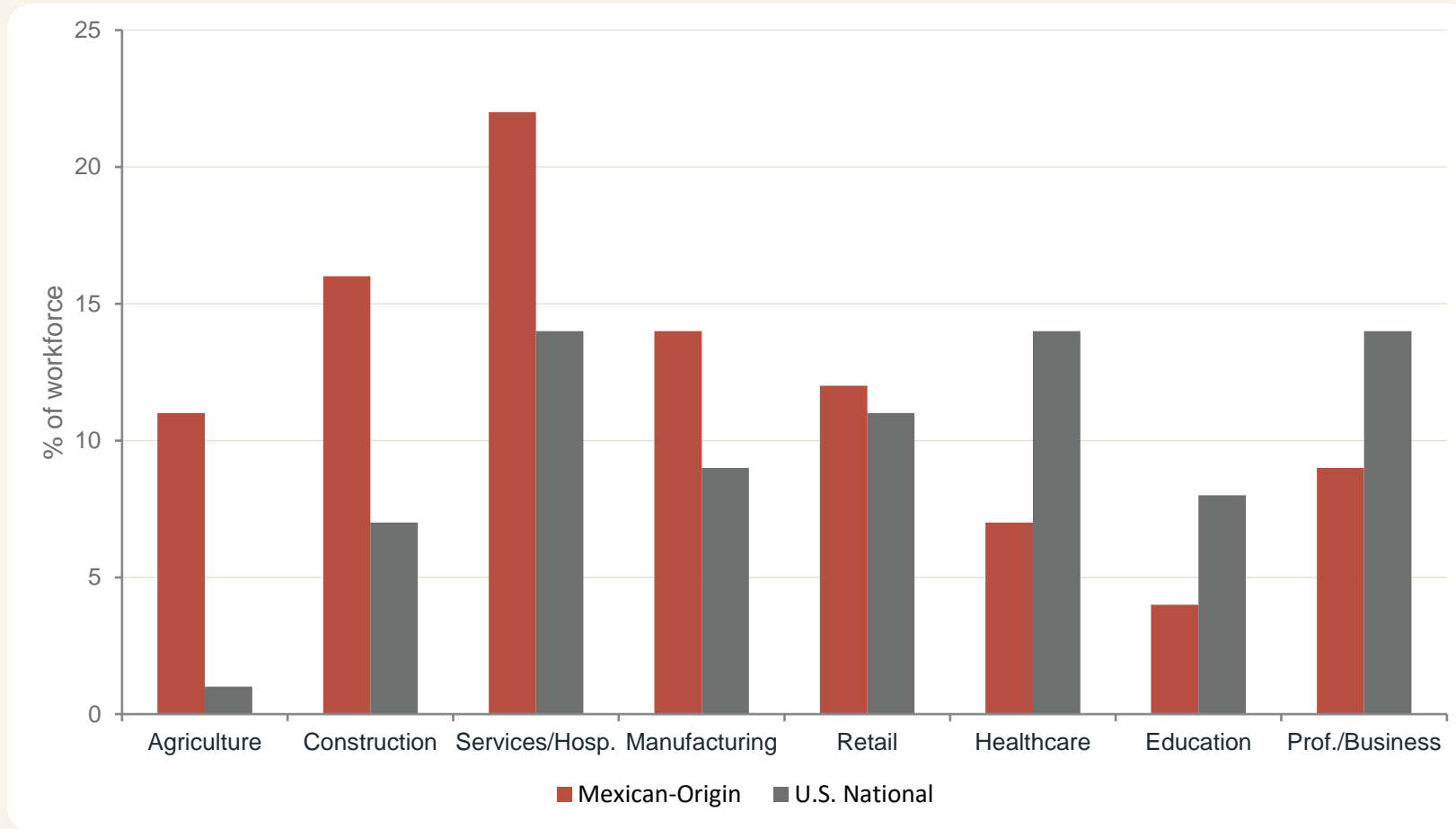


SECTION 5

Industry, Labor & Nativity

Three cohorts, dramatic differences — and structural irreplaceability in three sectors.

Where Mexican-Origin labor is structurally indispensable



+10 ppt

Agriculture

32% of crop farmworkers

+9 ppt

Construction

18% of FB MO men

+5 ppt

Manufacturing

Auto, food, electronics

Source: BLS 2024 · NCBI · USDA ERS 2023.

THREE COHORTS

Native-born, foreign-born authorized, and undocumented

73% · 27.3 M

Native-Born

~\$1,150B GDP

- BA attainment: 4.8% (1990) → 13% (2023)
- Homeownership: 52% — real wealth accumulation
- Median age 27.9 — peak years lie ahead

17% · 6.7 M

FB Authorized

~\$575B GDP

- LFP: 74% (selection effect)
- Median U.S. tenure: 14+ years
- Lower wages: occupational concentration + LEP

10% · ~4 M

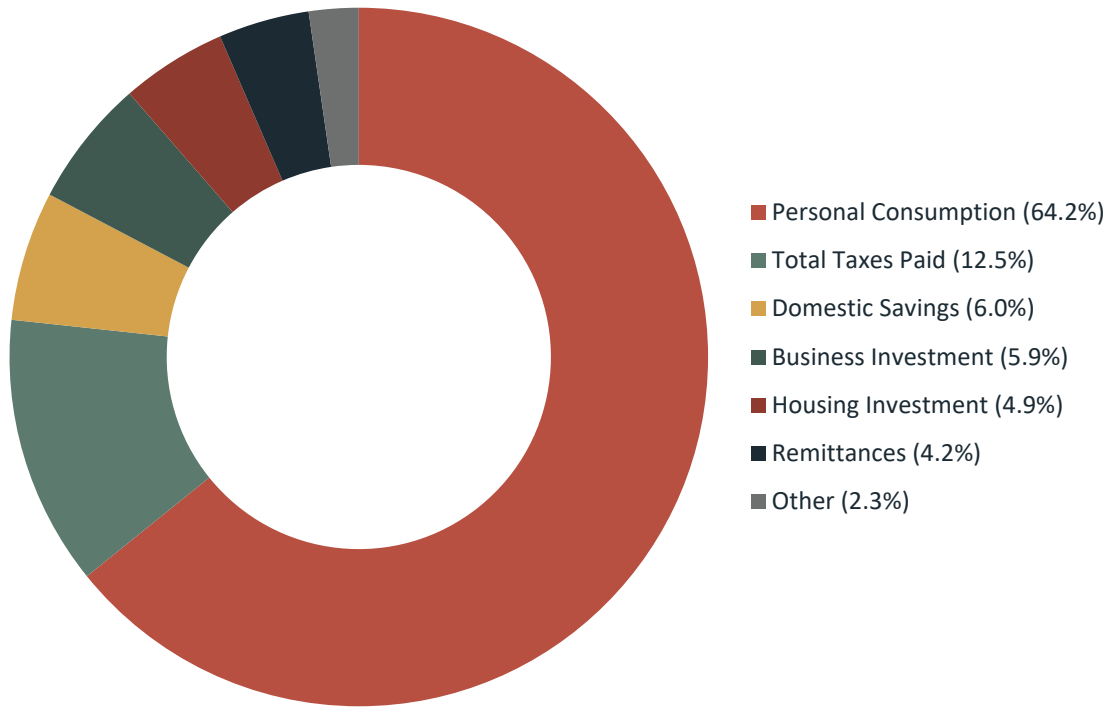
Undocumented

~\$335B GDP

- Median U.S. tenure: 15+ years (Pew)
- \$36B/yr in state & local taxes
- Effective tax rate: 8.9%

Source: ACS 2023 · ITEP 2024 · Pew 2025 · BLS 2024.

How \$2.27T flows: consumption, taxes, savings, remittances

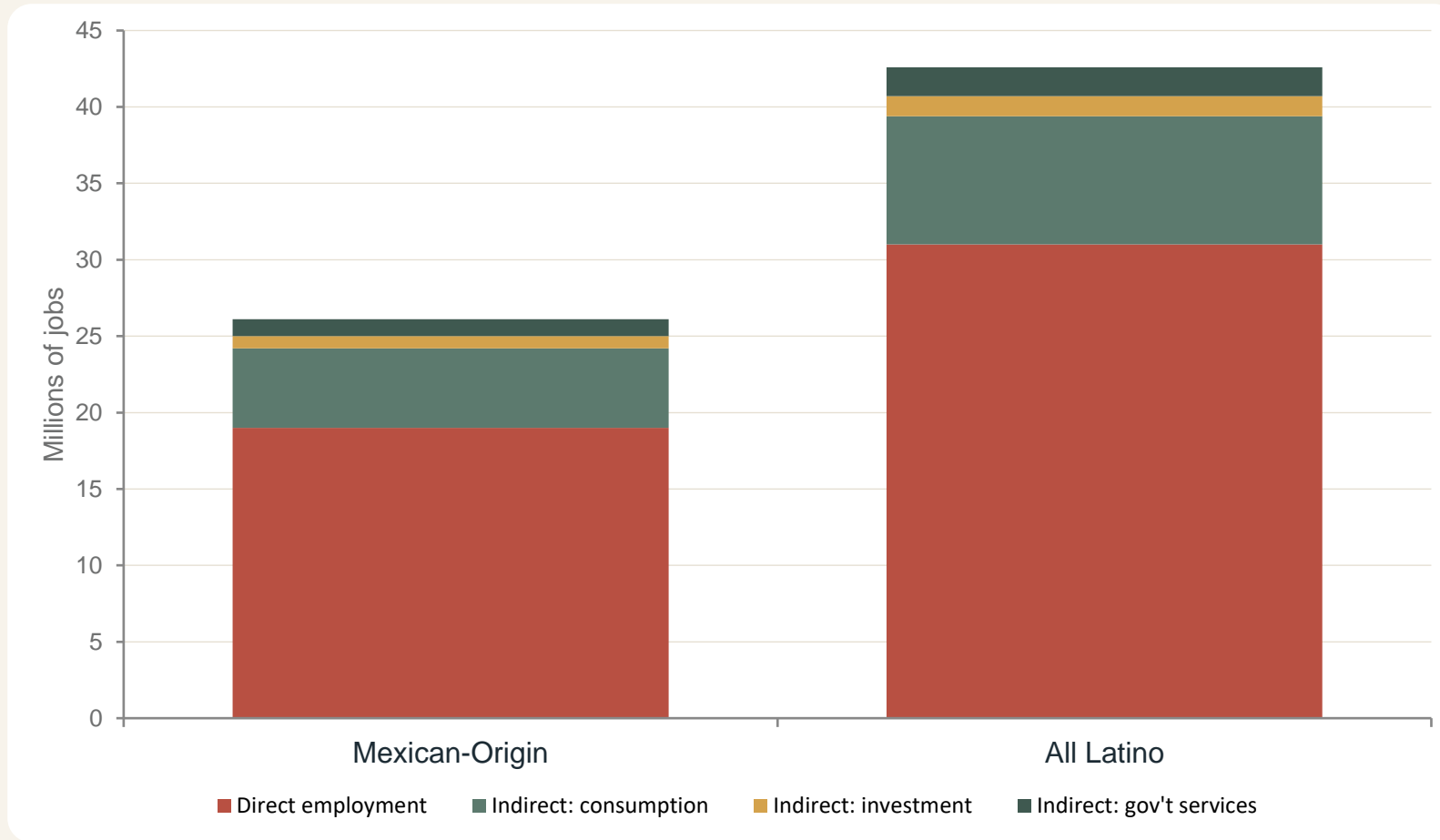


KEY ALLOCATIONS

| | |
|------------------------------|-----------------|
| Personal Consumption | \$1,412B |
| — Housing/Real Estate | \$373B |
| — Food & Consumer | \$345B |
| — Transportation | \$257B |
| — Healthcare | \$170B |
| Total Taxes Paid | \$276B |
| Remittances to Mexico | \$93B |
| Business Investment | \$130B |

Source: ITEP 2024 · BLS Consumer Expenditure Survey · Fed SCF · NAID Center.

Direct + indirect U.S. jobs powered by MO/Latino activity



26.1M

MO total supported jobs

15.7% of all U.S. jobs

42.6M

Latino total supported

25.7% of all U.S. jobs

1.7M

Hemisphere export jobs

From U.S. exports to Mexico + LatAm

Source: BLS 2024 · BEA RIMS II Regional I-O · ACS 2023 · NAID Center. Indirect multiplier $\approx 1.4 \times$ direct.

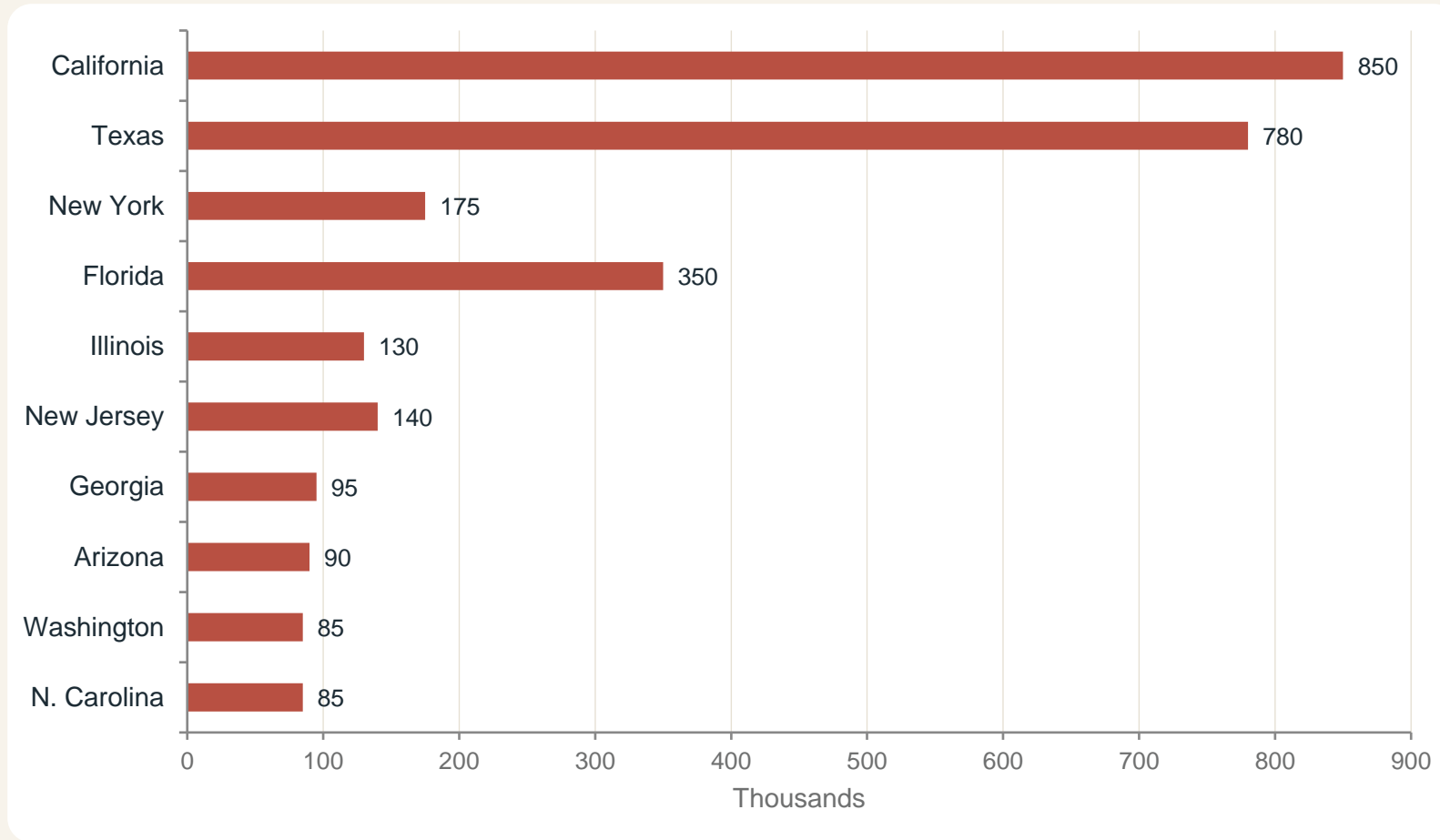
VI

SECTION 6

Undocumented Population & Tax Contributions

37% of the undocumented population is Mexican-origin — and they pay \$36B/yr in taxes.

Undocumented Mexican-Origin by state — top 10



~4M

MO undocumented adults

37% of total 11M undoc. pop.

15+ yr

Median U.S. tenure

Higher than many LPRs

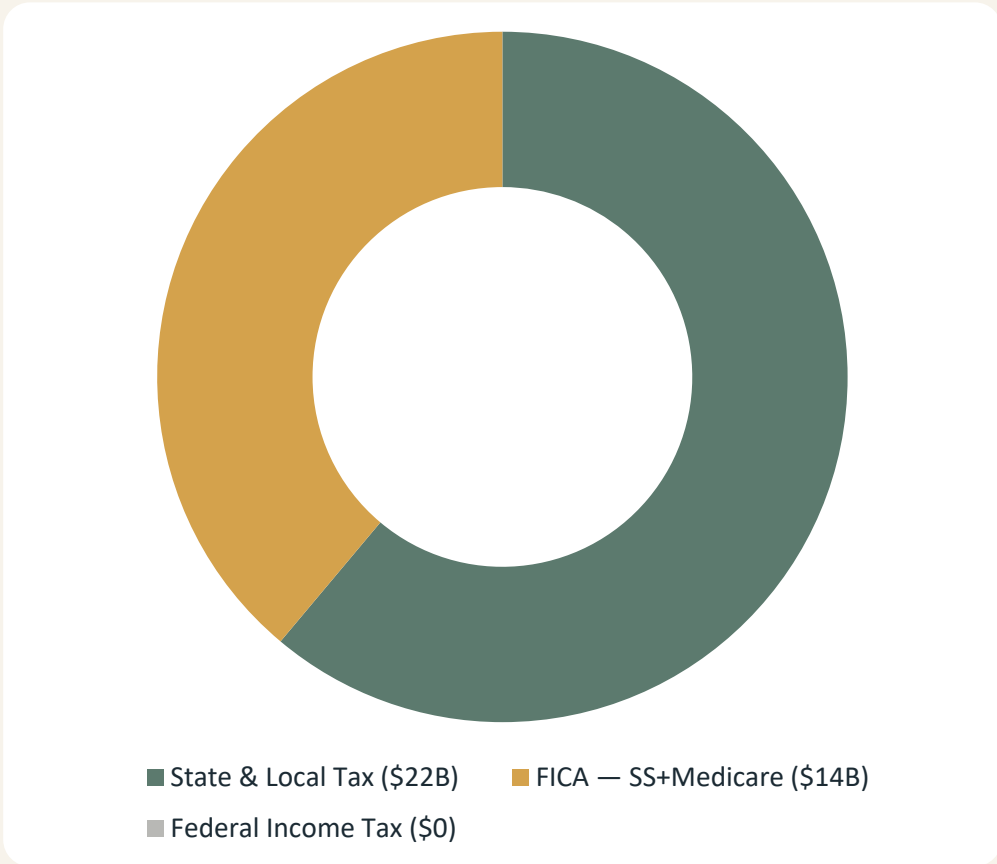
62% → 37%

MO share of all undoc.

Decline since 2010 reflects fewer new MX arrivals

Source: Pew Research Center 2025 · ITEP 2024.

\$36B/yr — and not a dollar of federal income tax



THE IRONY

\$36 billion

annual tax contribution from undocumented Mexican-origin workers — at an effective rate of 8.9%, higher than many higher-income U.S. households.

\$14B in FICA contributions

fund Social Security and Medicare benefits this cohort is ineligible to receive.

\$22B in state & local tax

funds public services including schools their U.S.-citizen children attend.

\$0 federal income tax

— because they are ineligible, not because they are avoiding it.

Source: ITEP 2024 · National Academies of Sciences 2017.

What work authorization for ~4M MO workers would unlock

+\$15B/yr

Federal tax revenue

From newly authorized workers contributing federal income tax

+25–40%

GDP contribution

From wage gains, productivity, formalization (NAID 2010, 2021)

18 mo.

Fiscal payback

Cost of legalization recovered through new tax revenue

HISTORICAL EVIDENCE — IRCA 1986

~2.7M workers were legalized — including 1.6M Mexican-origin. Average wages rose 15–20% within 3 years, reflecting the wage-suppression premium of unauthorized status. The economic logic is settled.

Source: Hinojosa-Ojeda 2010 · ITEP 2024.

V

M

SECTION 7

U.S.–Mexico Trade Integration

\$935B in bilateral trade. ~1.5M U.S. jobs. 18% wage premium for export-linked workers.

\$957B and growing — with deep supply-chain interdependence

\$957B

Combined U.S.–Mexico bilateral trade, 2024

More than tripled from \$263B in 1993, the year NAFTA was signed.

\$356B

U.S. Exports to Mexico

16.2% of U.S. goods exports — 2nd largest market

\$601B

U.S. Imports from Mexico

15.7% of imports. Mexico surpassed China in 2023

40¢

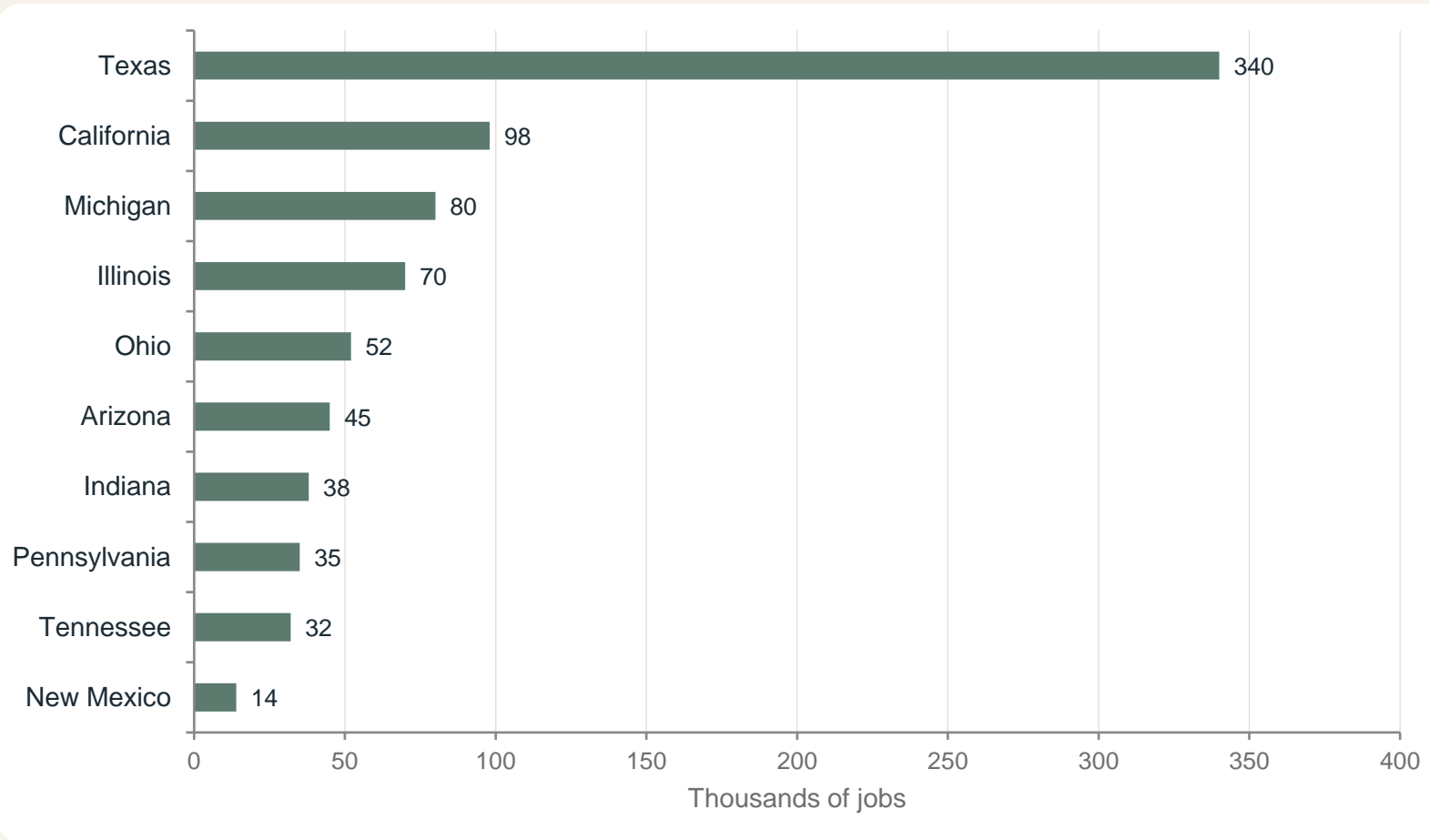
U.S. content per import \$

vs. 4¢ from China. The 'boomerang' supply chain

Tariffs on Mexican goods effectively tax U.S. manufacturers and workers, not just Mexican exporters — a central reason why the 2025 trade war is projected to cause significant U.S. job losses.

Source: USTR 2024–25 · U.S. Census USA Trade Online · Wilson & Schott 2022.

Top 10 states by jobs supported by Mexico exports



+18%

Wage premium

\$63,640 vs. \$53,860 average

340K

Texas export jobs

Largest state exposure to trade war

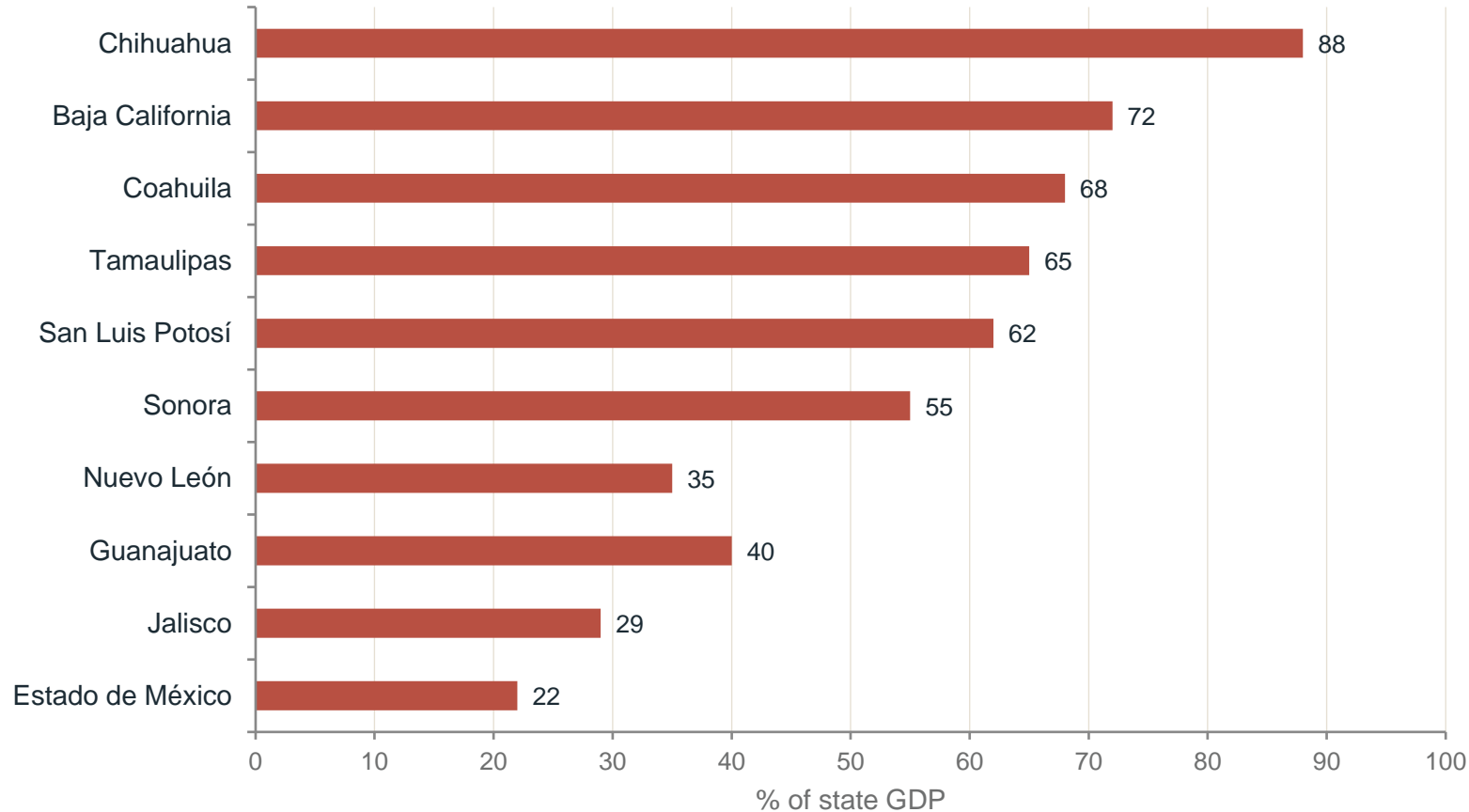
~1.5M

Total U.S. jobs

Supported by Mexico exports nationwide

Source: USTR 2024–25 · U.S. Census USA Trade Online · TECMA 2024.

Northern Mexican states most dependent on U.S. trade



ASYMMETRIC EXPOSURE

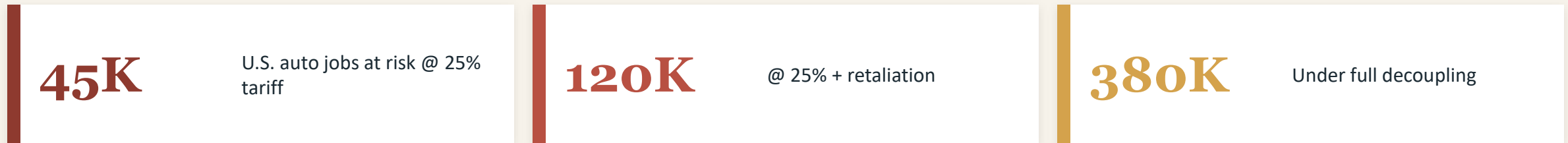
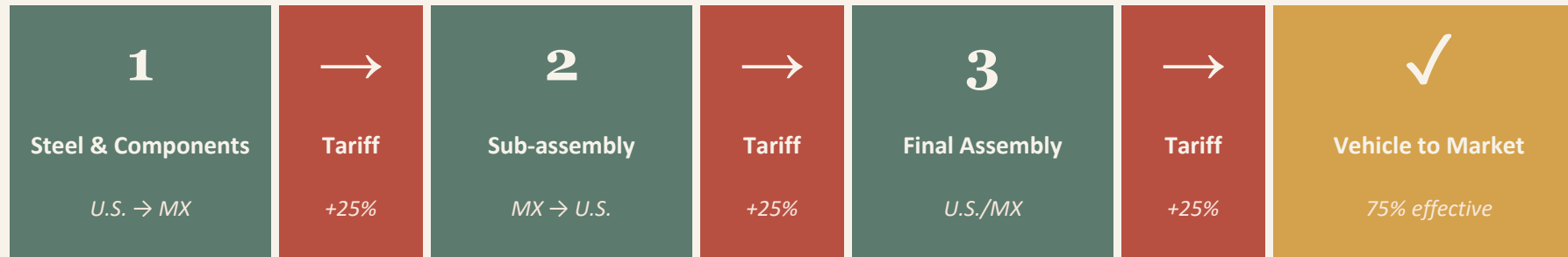
Chihuahua's 88% export-to-GDP ratio means a sustained 25% U.S. tariff effectively imposes a ~22% fiscal drag on the entire state economy — equivalent to a depression-level shock.

Mexico is far more exposed to U.S. trade conditions than U.S. states are to Mexican conditions.

Source: INEGI 2024 · BANCOMEXT · INEGI ENOE.

The auto industry — vehicle parts cross the border 3 times

Vehicle components cross the U.S.–Mexico border an average of three times before final assembly. A 25% tariff applied each time effectively imposes a 75% effective tariff on the cross-border content value.



Source: NAID CGE · PIIIE 2025.

VIII

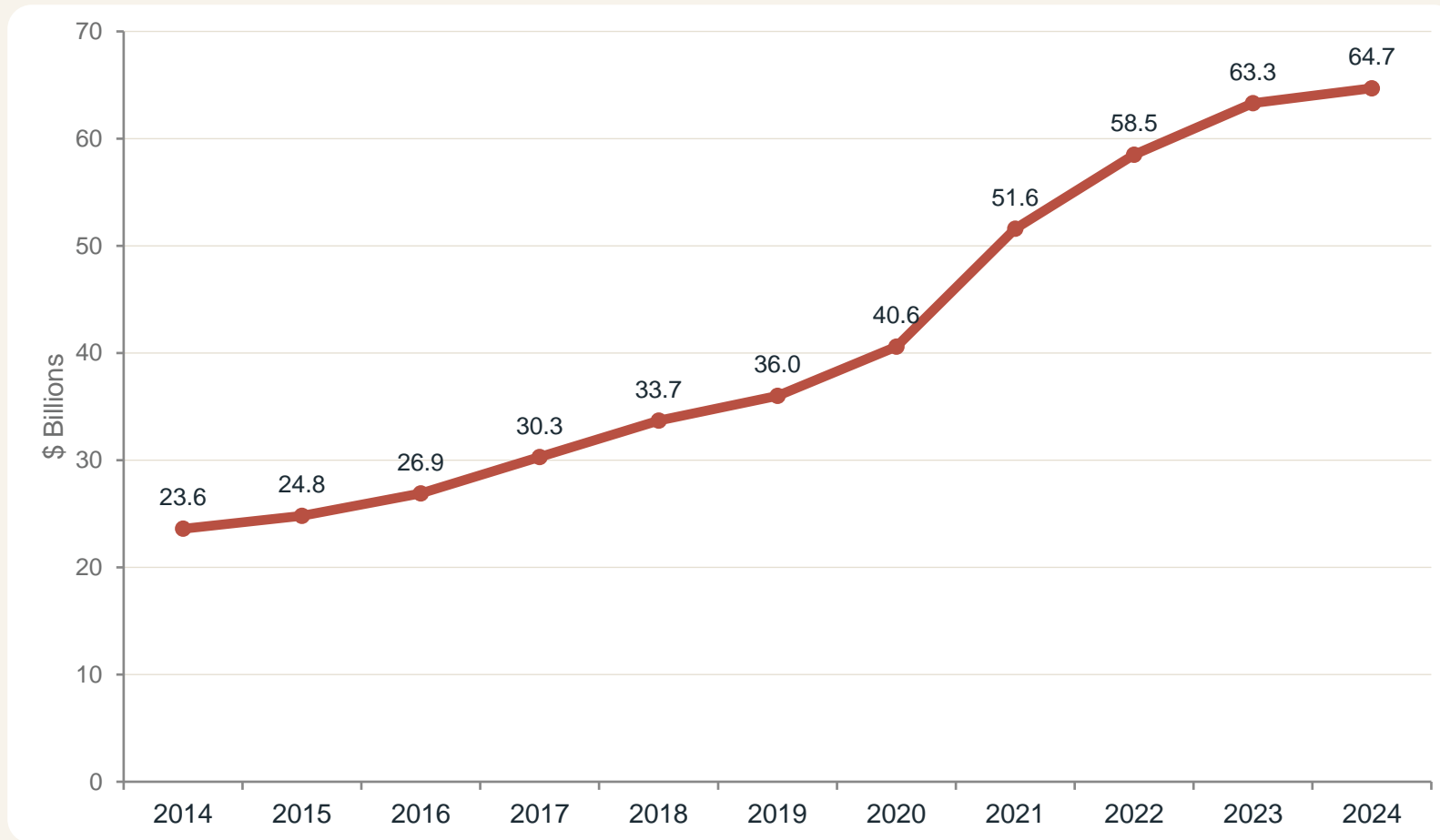
SECTION 8

Remittances & Diaspora Finance

\$64.7B record · 11 consecutive years of growth · the largest source of FX for Mexico.

RECORD YEAR

\$64.7B in 2024 — the 11th consecutive year of growth



\$64.7B

Total 2024 remittances

11th consecutive year of growth

165M

Annual transactions

≈\$393 average per transaction

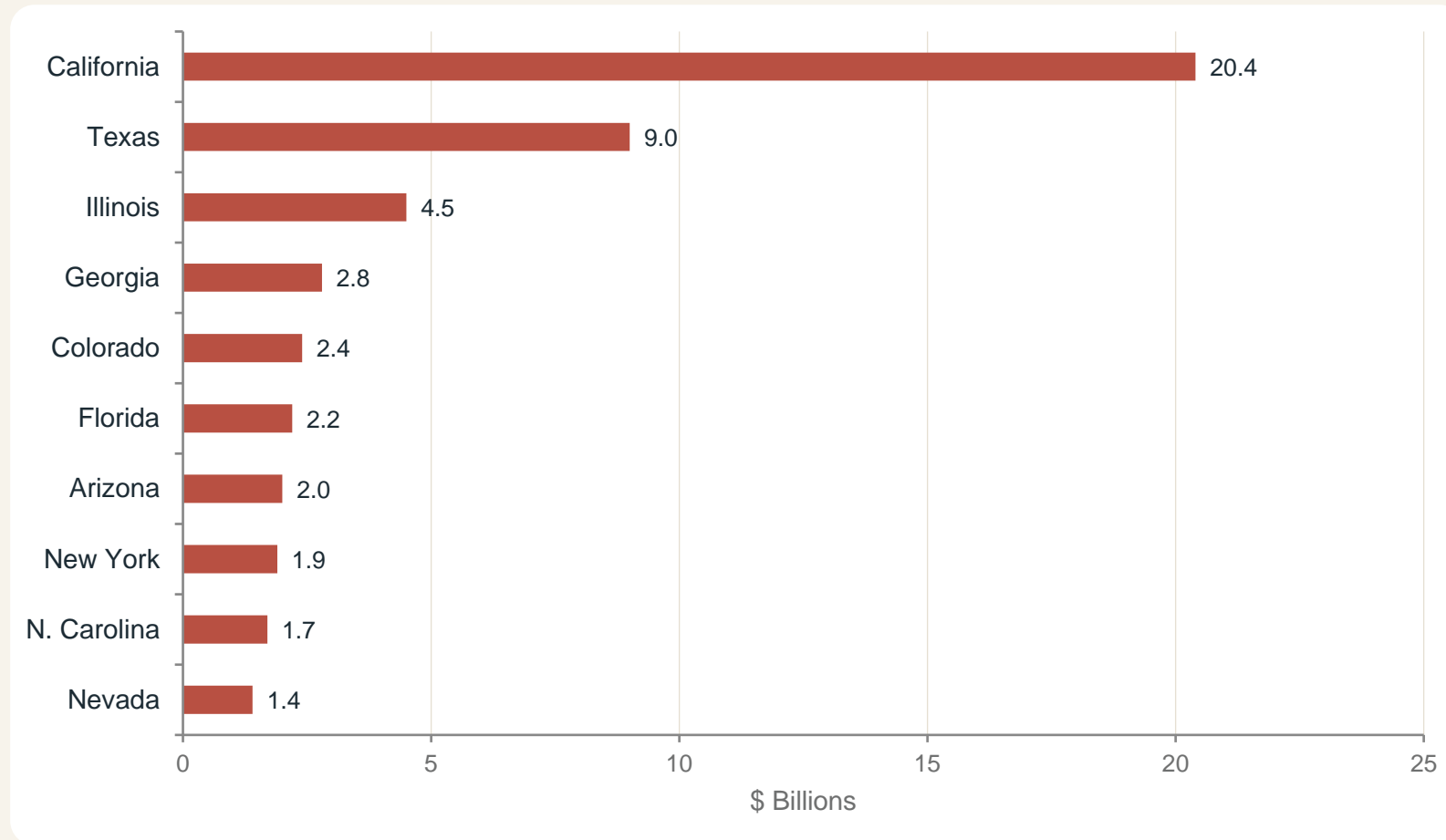
> Oil + FDI

Largest FX source

Exceeds Mexico's oil + FDI inflows combined

Source: Banxico 2024 · BBVA Research 2025.

Top 10 U.S. states sending remittances to Mexico



CONCENTRATION

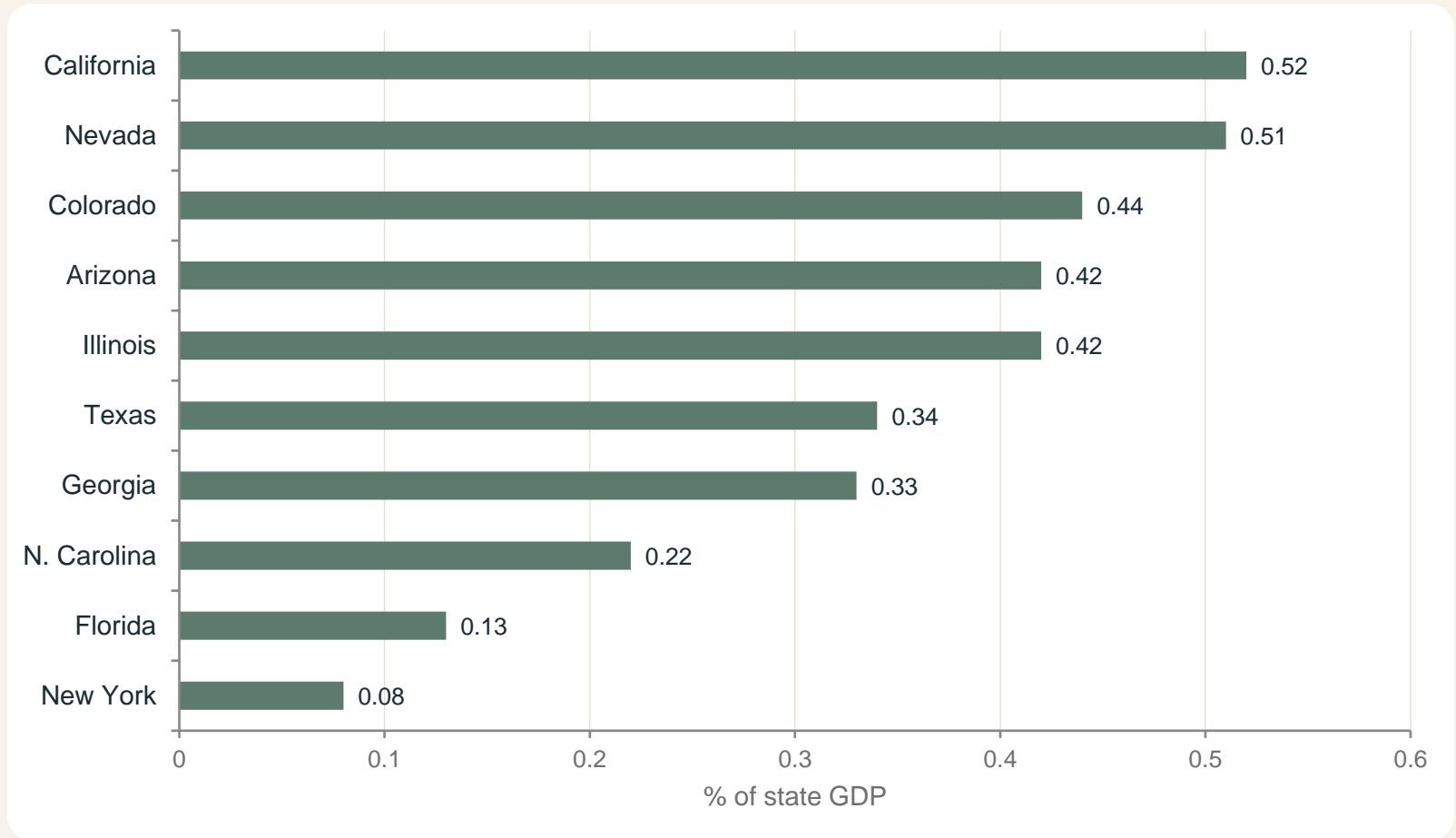
\$29.4B

CA + TX combined — 47% of all U.S.-to-Mexico flows.

These two states host 57% of all Mexican-origin Americans, with high concentrations of FB workers maintaining active family ties to Mexico.

Source: Banxico (CA+TX confirmed) · BBVA 2025 · RSM U.S. 2025.

Remittances as % of U.S. state GDP



CALIFORNIA LEADS

California sends 0.52% of its \$3.89T state GDP — equivalent to \$1,607 per Mexican-origin resident.

\$17,273

New York's per-MO-resident sending rate

Reflects the small but highly remittance-active Puebla-origin community in NY metro.

Source: Banxico 2024 · BBVA 2025 · BEA State GDP 2023.

Where remittances dominate state economies

MICHOACÁN

\$10.5B

30%+ of state GDP

Largest receiver. Single most important income source — larger than mfg., agri., or government.

GUERRERO

\$8.0B

~36% of state GDP

Highest dependency ratio. Indigenous Mixtec corridors to GA and NC.

OAXACA

\$6.0B

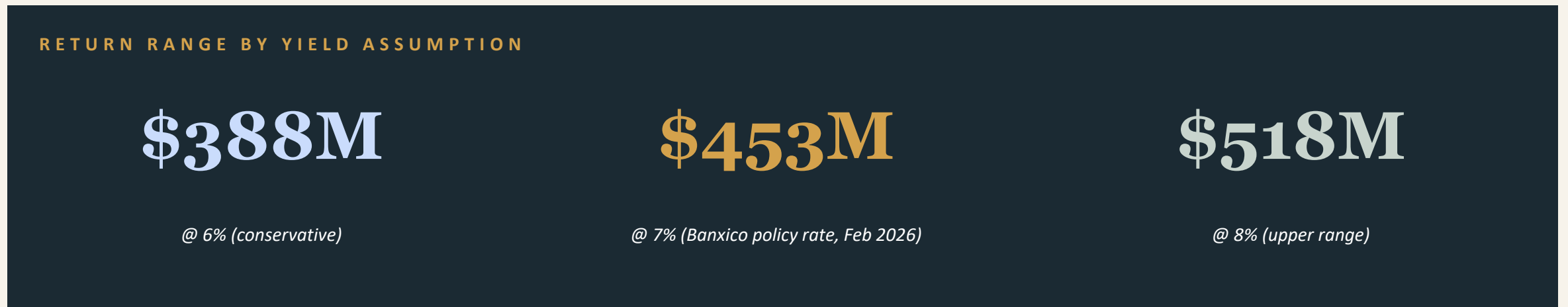
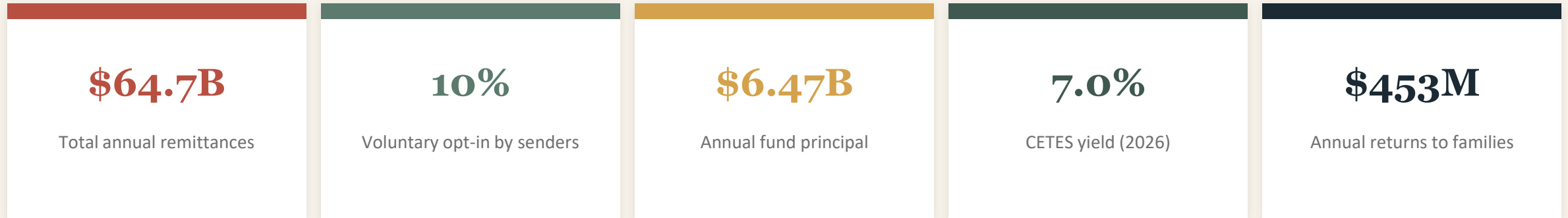
~28% of state GDP

Zapotec & Mixtec corridors to CA and NC. Strong HTA networks.

Reduction — via remittance tax or enforcement chilling — would constitute a humanitarian as well as an economic crisis for millions of families.

Source: BBVA Research 2025 · Banxico 2024.

The 10% diaspora investment fund model



Source: 10% of Banxico 2024 state flows · CETES yield range (Banxico/Etherfuse 2024–25) · CSIS 2025.

IX

SECTION 9

The NAID Corridor Database

30 years of bilateral subnational data — 50 U.S. states × 32 Mexican states.

Three geographic scales · Six fused data sources

NATIONAL

National-to-National

- U.S. ↔ Mexico aggregate flows
- Validation against official statistics
- All four integration channels

STATE

State-to-State

- 50 U.S. × 32 MX = 1,600 pairs
- ≈480 corridors with measurable flows
- 85 Tier-1 corridors (all 4 channels)

MUNICIPIO

County-to-Municipio

- ≈3,200 counties × 2,469 municipios
- ≈1,800 corridor pairs covered
- Hometown association registry linked

SIX FUSED PRIMARY DATA SOURCES

- CONAPO migration intensity indices
- Banxico remittance data (state-level)
- U.S. Census USA Trade Online
- INEGI/BANCOMEXT export data
- CONAPO Hometown Association registry
- NAID Center primary surveys 1996–2026

Source: NAID Center, 1996–2026.

Top U.S.–Mexico state corridors by integrated flow

| # | U.S. State | Mexican State | Migrants | Remit. | Trade | Tier | Industries |
|----|-------------|---------------|----------|--------|---------|------|----------------------------------|
| 1 | California | Jalisco | 1,420K | \$3.8B | \$6.2B | ★★★ | Electronics, agriculture, food |
| 2 | Texas | Nuevo León | 1,650K | \$1.8B | \$38.5B | ★★★ | Manufacturing, energy, logistics |
| 3 | California | Michoacán | 1,280K | \$4.2B | \$2.1B | ★★★ | Agriculture, food processing |
| 4 | Illinois | Michoacán | 680K | \$2.1B | \$1.8B | ★★★ | Food manufacturing, services |
| 5 | Texas | Tamaulipas | 1,340K | \$1.2B | \$29.4B | ★★★ | Auto, manufacturing, energy |
| 6 | California | Oaxaca | 520K | \$1.9B | \$0.9B | ★★ | Agriculture, textiles |
| 7 | Georgia | Guerrero | 195K | \$1.4B | \$0.8B | ★★ | Poultry, construction |
| 8 | Arizona | Sonora | 560K | \$0.8B | \$11.8B | ★★ | Mining, auto parts, agriculture |
| 9 | Texas | Coahuila | 820K | \$0.9B | \$24.1B | ★★★ | Auto assembly, steel |
| 10 | N. Carolina | Guerrero | 190K | \$0.9B | \$0.6B | ★★ | Poultry, construction |

★★★ = Tier 1 (all four integration channels measurable). Source: NAID Corridor Database · CONAPO 2020 · Banxico 2024 · INEGI/BANCOMEXT.

Selected county-to-municipio corridors

Los Angeles County, CA

↔ *León/Celaya, Guanajuato*

Migrants **~320K**

Remittances **~\$800M**

Federación de Guanajuatenses del Sur de CA

Cook County, IL

↔ *Apatzingán/Uruapan, Michoacán*

Migrants **~280K**

Remittances **~\$700M**

Oldest institutionalized HTA network in U.S.

Harris County, TX

↔ *Monterrey/Reynosa, NL/Tam.*

Migrants **~180K**

Remittances **~\$420M**

Trade + commuter corridor; \$12B cross-border commerce

Forsyth County, GA

↔ *Ometepec/Ayutla, Guerrero*

Migrants **~35K**

Remittances **~\$90M**

Fastest-growing corridor since 2010; primarily Mixtec

Wake County, NC

↔ *Sierra Juárez, Oaxaca*

Migrants **~25K**

Remittances **~\$65M**

Zapotec community; strong HTA & remittance network

Maricopa County, AZ

↔ *Hermosillo, Sonora*

Migrants **~420K**

Remittances **~\$380M**

Border trade + maquiladora labor circuit

Source: NAID Center surveys 1996–2026 · CONAPO migration intensity · Banxico state estimates.

X

SECTION 10

CGE Policy Scenarios

Three policy shocks modeled against 2024 baseline. Across all three: GDP loss >> fiscal savings.

Multi-region, multi-sector — 30 years in development

82

Regions

50 U.S. states + 32 MX states

57

Industries

Following ISIC/GTAP

6

Labor categories

Native/immig × 3 skill levels

2022

GTAP base year

Updated to 2024

THREE POLICY SCENARIOS MODELED

1

Mass Deportation

1M / 2M / 4M removed

2

Remittance Reduction

1% tax + chilling effects

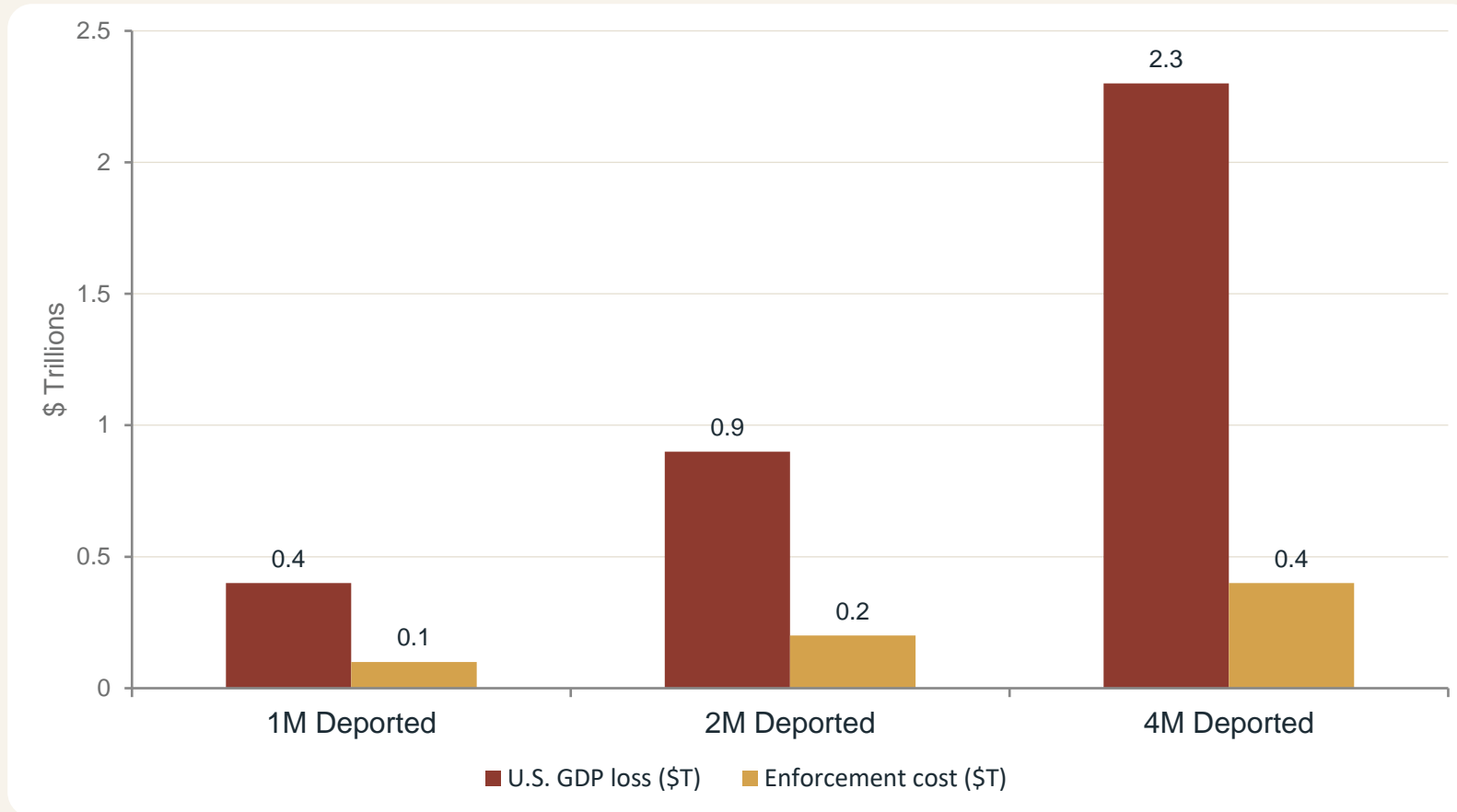
3

Trade War Escalation

25% tariffs + retaliation

Partners: INEGI · Peterson Institute for International Economics (PIIE).

Mass deportation — GDP loss vs. fiscal 'savings'



4M SCENARIO — SECTOR HIT

| | |
|-----------------|---------|
| Agriculture | -52% |
| Construction | -38% |
| Meat packing | -48% |
| Food processing | -41% |
| Food price CPI | +18-25% |

23x
GDP loss vs. fiscal savings

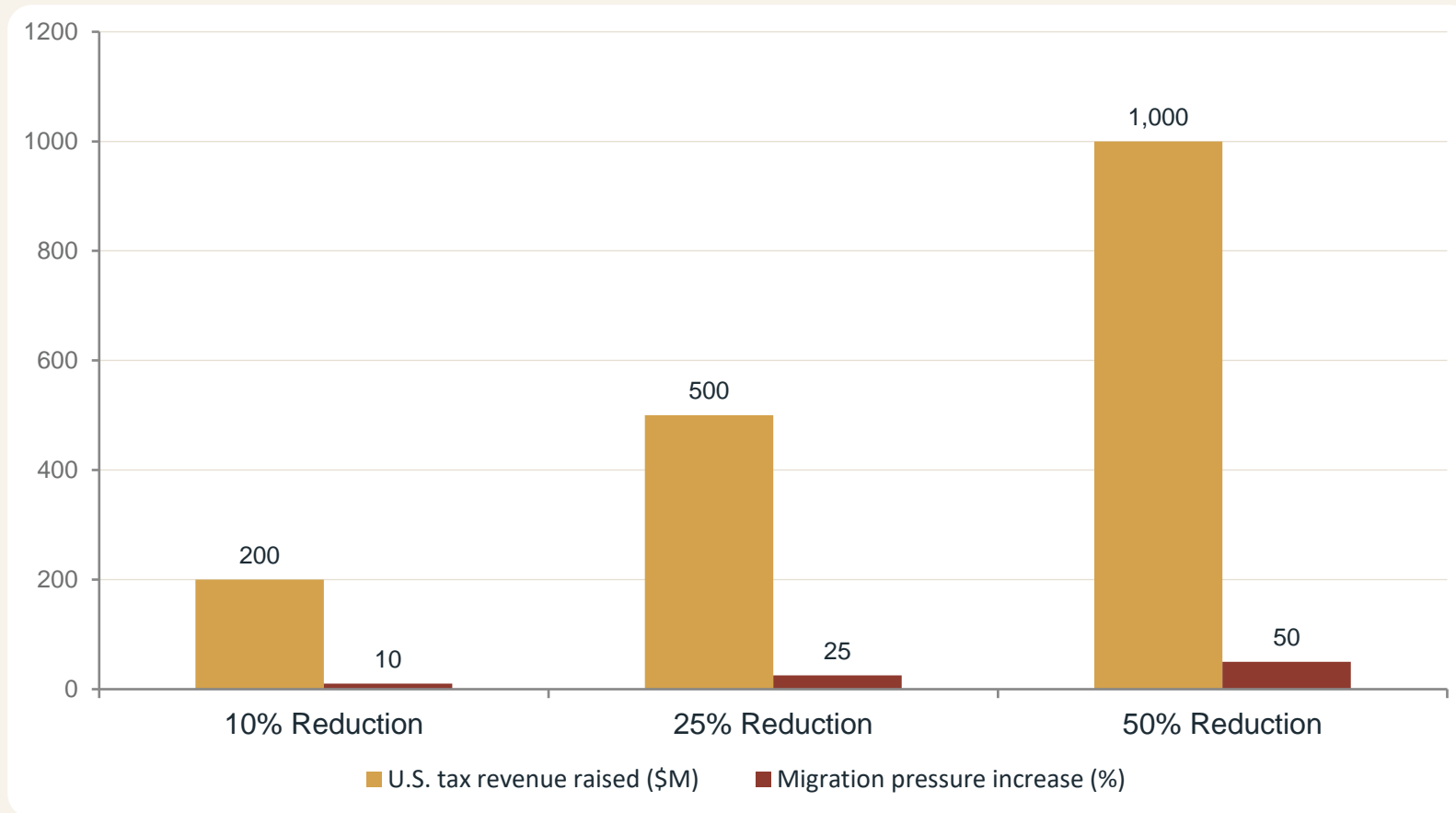
Source: NAID CGE · CBO 2024 · ITEP 2024 · Bay Area Council/UC Merced 2025.

Mass deportation — full economic effects

| Indicator | Baseline | 1M Deported | 2M Deported | 4M Deported |
|--------------------------|----------|-----------------|-----------------|-----------------|
| U.S. GDP impact | \$28.0T | -\$0.4T (-1.4%) | -\$0.9T (-3.2%) | -\$2.3T (-8.2%) |
| MO GDP at risk | \$2.27T | -\$130B | -\$305B | -\$750B |
| Annual tax revenue lost | \$97B/yr | -\$22B | -\$46B | -\$97B |
| Agriculture output | Baseline | -12% | -24% | -52% |
| Construction output | Baseline | -8% | -18% | -38% |
| Food price inflation | Baseline | +3-4% | +7-10% | +18-25% |
| Remittances to Mexico | \$64.7B | -\$14B | -\$29B | -\$60B |
| Enforcement cost | \$0 | ~\$100B | ~\$200B | ~\$400B |
| 5-year net fiscal impact | — | -\$560B | -\$1.25T | -\$2.85T |

Source: NAID CGE model · CBO 2024 · ITEP 2024 · PIIE 2025. Enforcement cost ≈\$100B per 1M deported.

Remittance reduction — the migration paradox



THE PARADOX

Cutting remittances increases northbound migration, not decreases it.

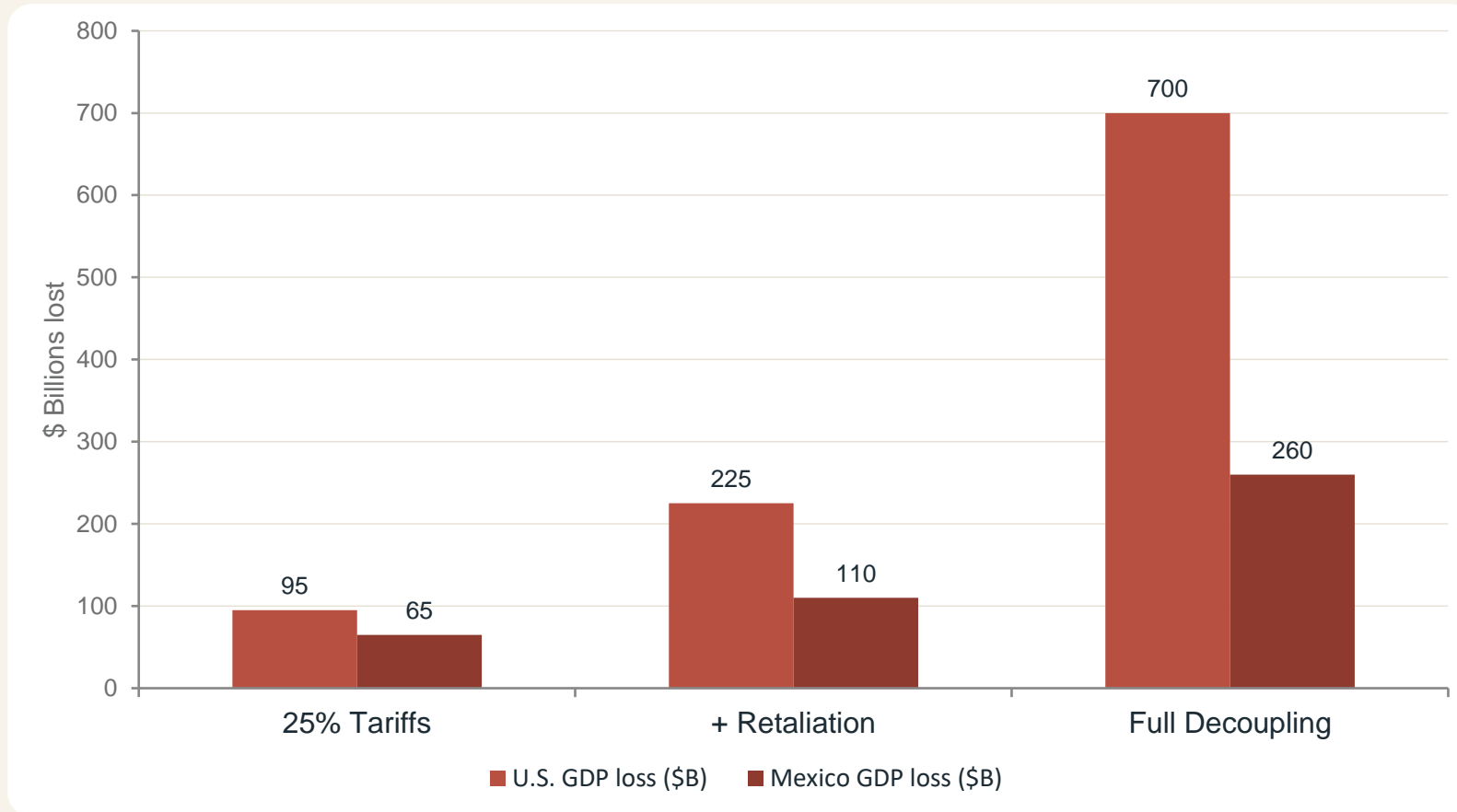
As household incomes fall below critical thresholds in high-dependency communities, migration becomes more attractive.

\$500M

max federal revenue — far below stated expectations

Source: NAID CGE · World Bank 2023 poverty-migration elasticity · BBVA Research 2025 · Banxico.

Trade war escalation — both economies lose



ESCALATION EFFECTS

| | |
|------------------------|-------------------|
| U.S. CPI | +1.2–1.8% → +5–8% |
| U.S. auto jobs at risk | 45K → 380K |
| MX manuf. jobs at risk | 410K → 2.8M |
| U.S. ag exports lost | -\$12B → -\$25B |
| Chihuahua GDP impact | -22% → -65% |
| Texas export jobs lost | -18K → -180K |

Source: NAID CGE · PII trade simulations 2025 · INEGI · Dallas Fed.

ACROSS ALL THREE SCENARIOS

23x

GDP losses exceed fiscal 'savings' by a factor of twenty-three.

Across deportation, remittance reduction, and trade war scenarios, the NAID CGE model finds enforcement-centered and protectionist policies impose large costs on both countries while generating minimal or negative fiscal returns.

\$2.3T

*U.S. GDP at risk under 4M
deportation*

-5.0%

Mexico GDP at 25% tariffs

-1.5%

Mexico GDP at 50% remittance cut

XI

SECTION 11

Six Policy Recommendations

Evidence-based interventions for managed integration.

The path forward for managed integration

1

Work Authorization Pathway

Convert ~4M MO undocumented to authorized status.

+\$15B/yr in tax revenue

2

USMCA Strengthening

Enhance labor standards, climate provisions, joint border infra.

Expand Rapid Response Mechanism

3

Diaspora Investment Infra.

10% remittance fund via CDFI intermediaries + CRA framework.

\$453M/yr at 7% CETES

4

Revive & Scale NADBank/CAIP

\$1B/yr NA structural fund — fraction of 4M deport cost.

Proven 3:1 leverage ratio

5

Educational Investment

Close half the BA gap (13% → 24%) over a decade.

+\$200B GDP within 10 yrs

6

Remittance Tax Repeal

Net fiscal effect of the 1% tax is negative; repeal it.

Reduces migration pressure

Source: NAID Center · Hinojosa-Ojeda 2010, 2021 · ITEP 2024 · CSIS 2025.

What the next thirty years could produce

| Indicator | Actual 2024 | Managed (NAID est.) | Gap |
|--|--------------|---------------------|--------------|
| All Latino GDP | \$4.2T | \$5.2–6.4T | +\$1.0–2.2T |
| Mexican-Origin GDP | \$2.27T | \$2.6–3.1T | +\$330–830B |
| Mexico national GDP | \$1.32T | \$2.5–3.0T | +\$1.2–1.7T |
| Unauthorized migration (vs. 2005 peak) | Reduced ~30% | Reduced 60–80% | –30–50pp |
| U.S. wage convergence (low-skill) | Modest | Substantial | Material gap |
| NADBank-style structural fund | Defunded | \$1B+/yr | Restoration |

The difference between what happened and what could have happened is the measure of three decades of policy choice.

Source: NAID CGE retrospective counterfactual · Hinojosa-Ojeda 1991, 2021.

Three policies that constitute the worst-case scenario

POLICY 1

Mass Deportation Enforcement

Targeting MO workers concentrated in agriculture, construction, and food services — sectors with no near-term substitutes.

-\$2.3T

Projected 4M scenario

POLICY 2

1% Federal Remittance Tax

First direct federal tax on remittances in U.S. history. Combined with enforcement chilling, drove 4.6% YoY decline early 2026.

+8-12%

Migration paradox

POLICY 3

25% Tariffs on Mexican Goods

Threats to renegotiate USMCA. Auto supply chains hit by 75% effective tariff via 3-crossing components.

-\$95B

U.S. GDP at 25%

Source: NAID CGE · Banxico · USTR · CSIS 2025.

THE THIRTY-YEAR VERDICT



Mexican-origin Americans are not a fiscal burden but a structural economic asset of the first order — the eighth-largest economy on Earth, the backbone of North American supply chains, and the most direct human link between the United States and its largest trading partner.

Evidence-based immigration, trade, and investment policy requires accurate measurement of this contribution — which this paper aims to provide.

Dr. Raul Hinojosa-Ojeda

Founding Director, UCLA NAID Center, 2026

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