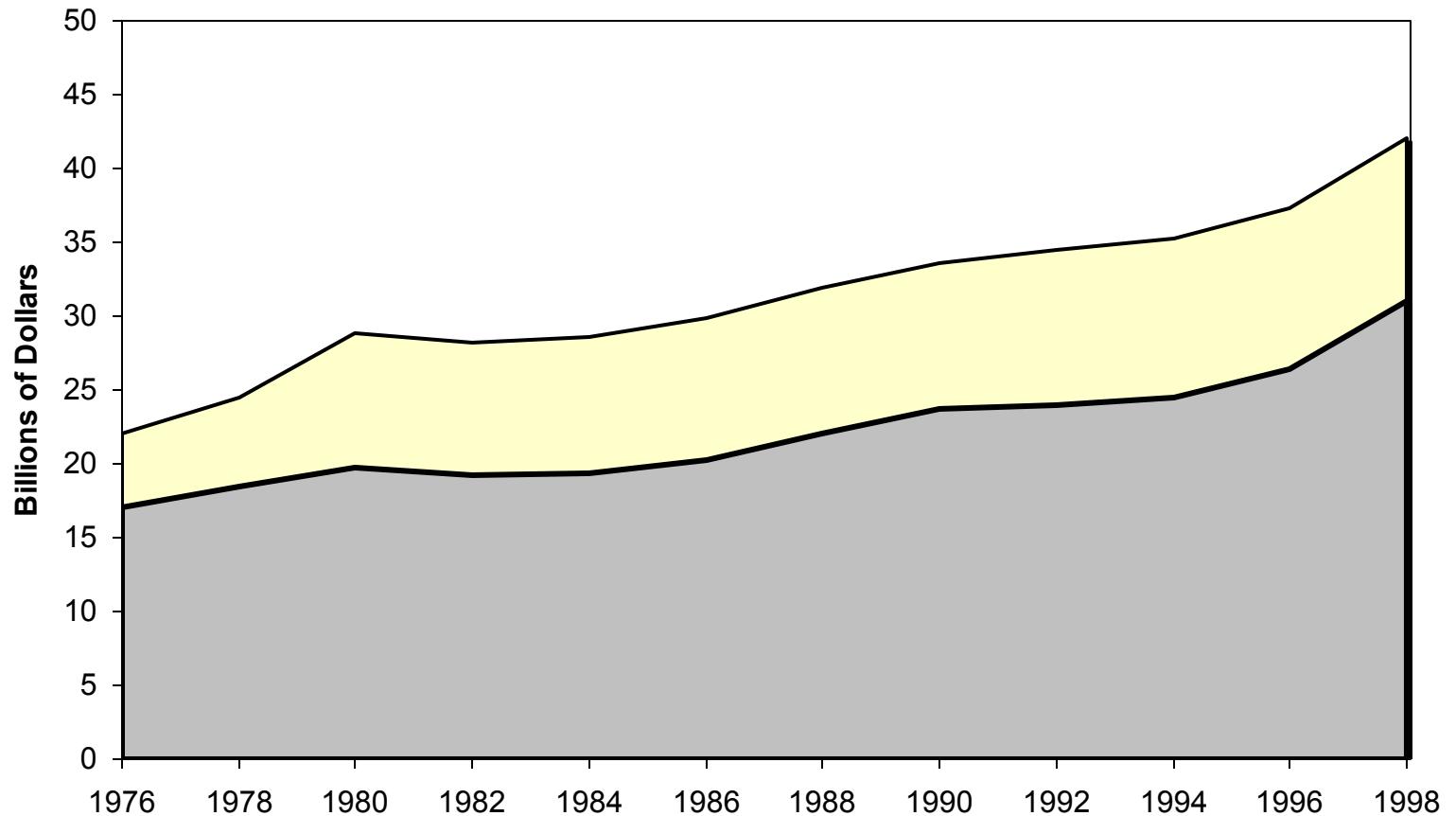


Presentation

Congressman Carlos Romero-Barceló

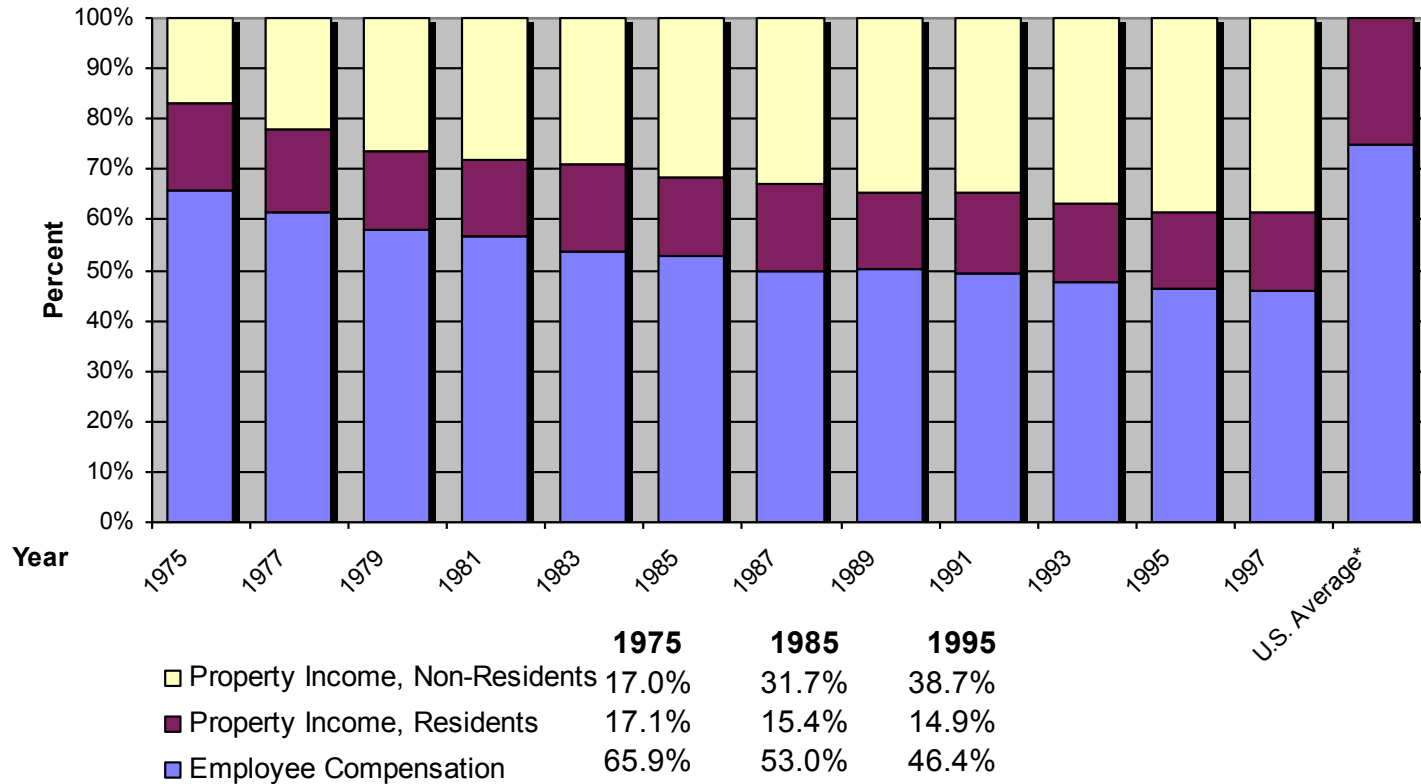
April 2000

Growth of Puerto Rican Economy

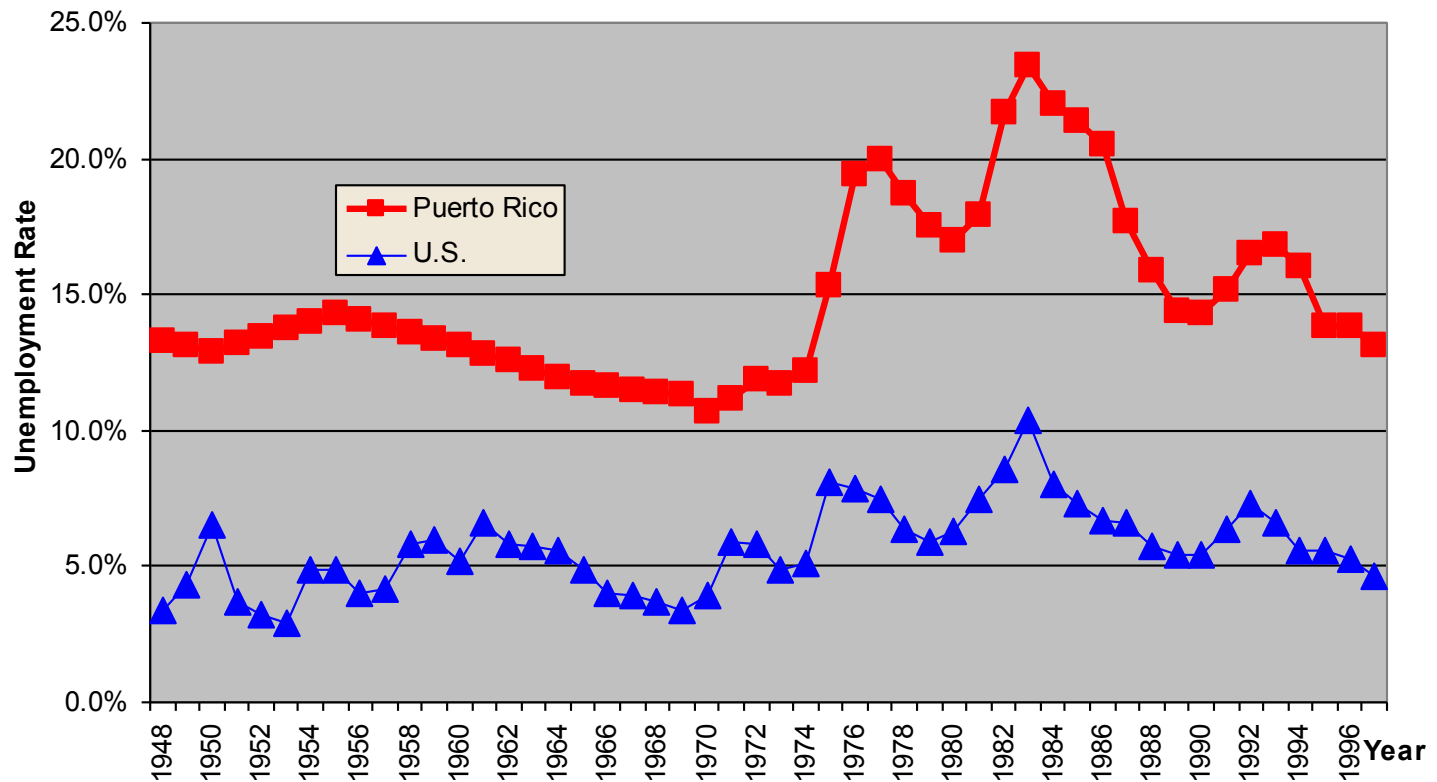


	1975	1985	1995	1998
Non-resident share of Puerto Rico economy	12.7%	26.1%	33.0%	33.3%
Resident share of Puerto Rico economy	87.3%	73.9%	67.0%	66.7%

Percentage Distribution of Puerto Rican Net Income

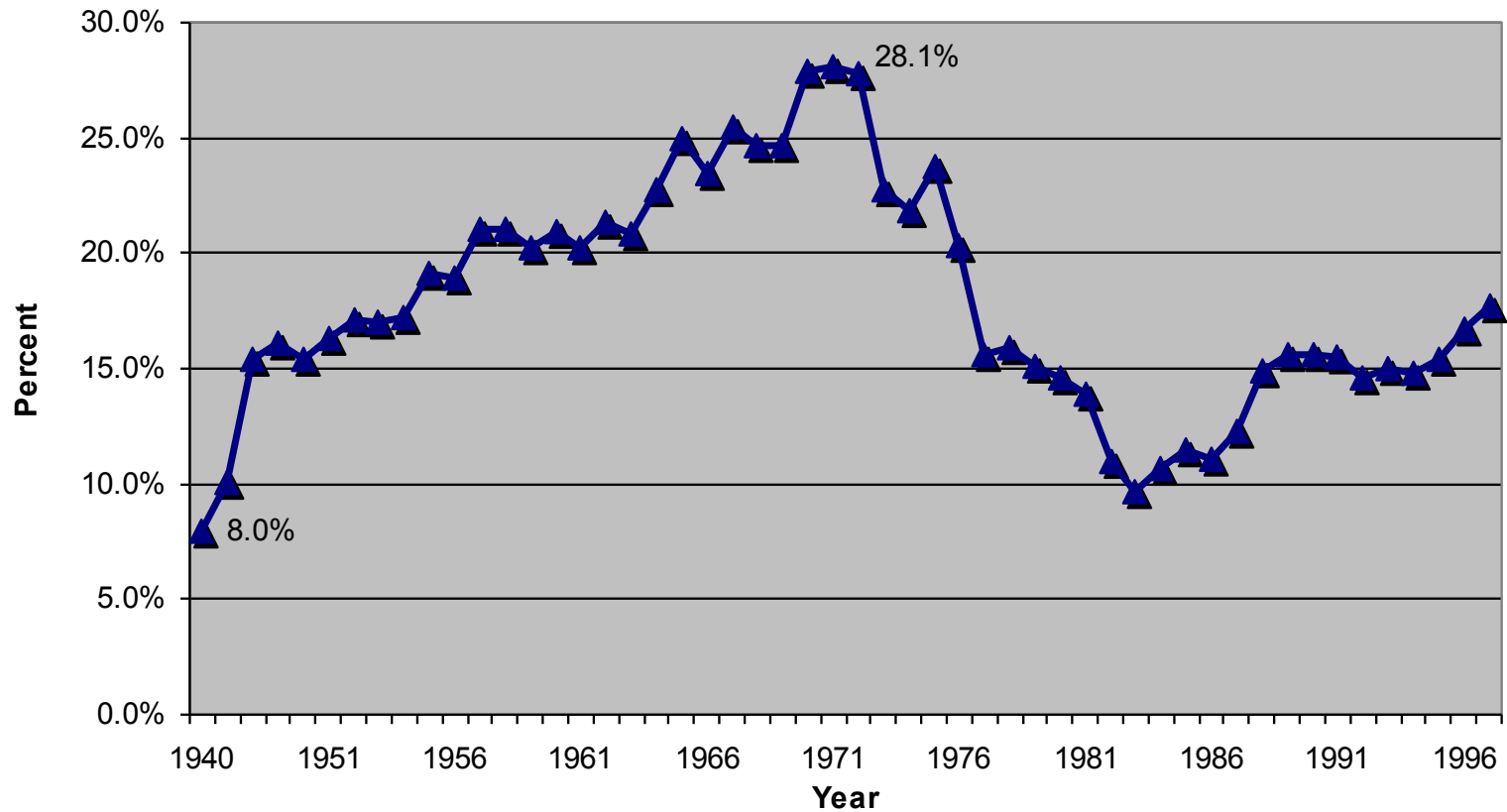


Puerto Rico and U.S. Unemployment Rates, 1948-1998



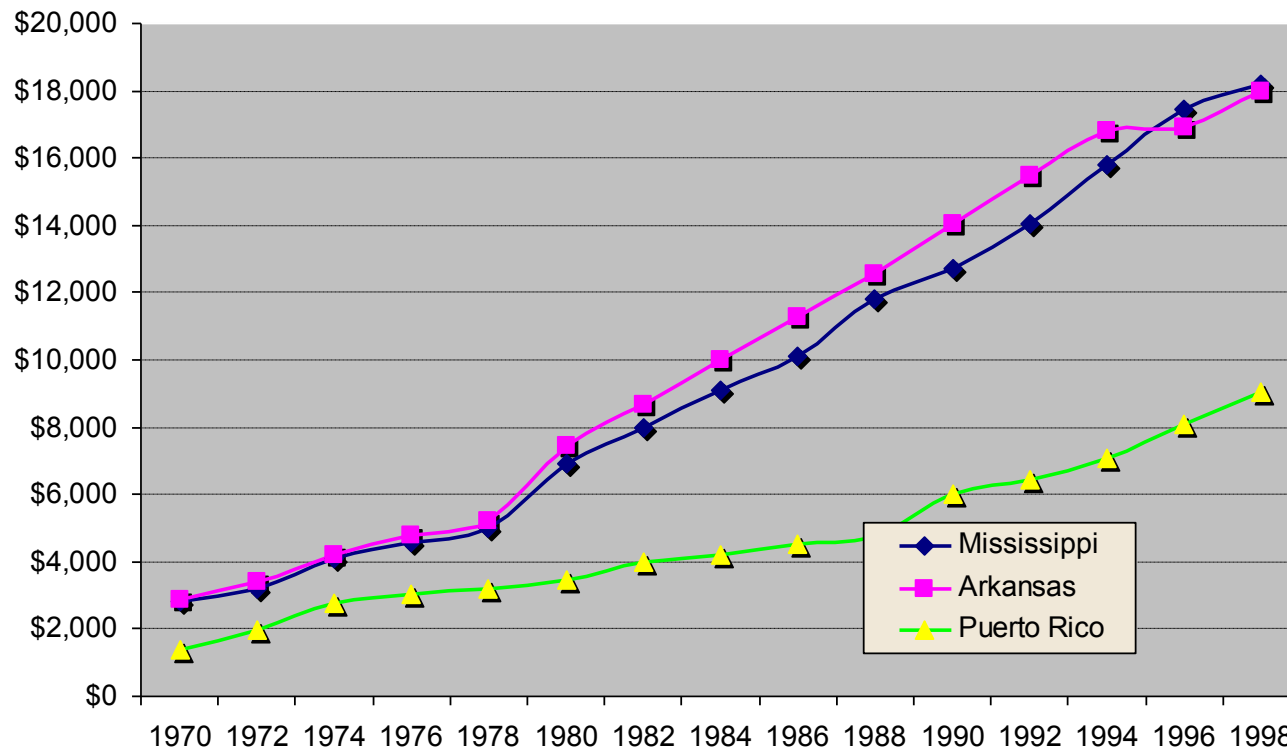
- High unemployment has historically plagued Puerto Rico. Rates consistently run twice as high as the mainland.

Investment as % of GDP



- Investment under commonwealth has been insufficient for strong growth.

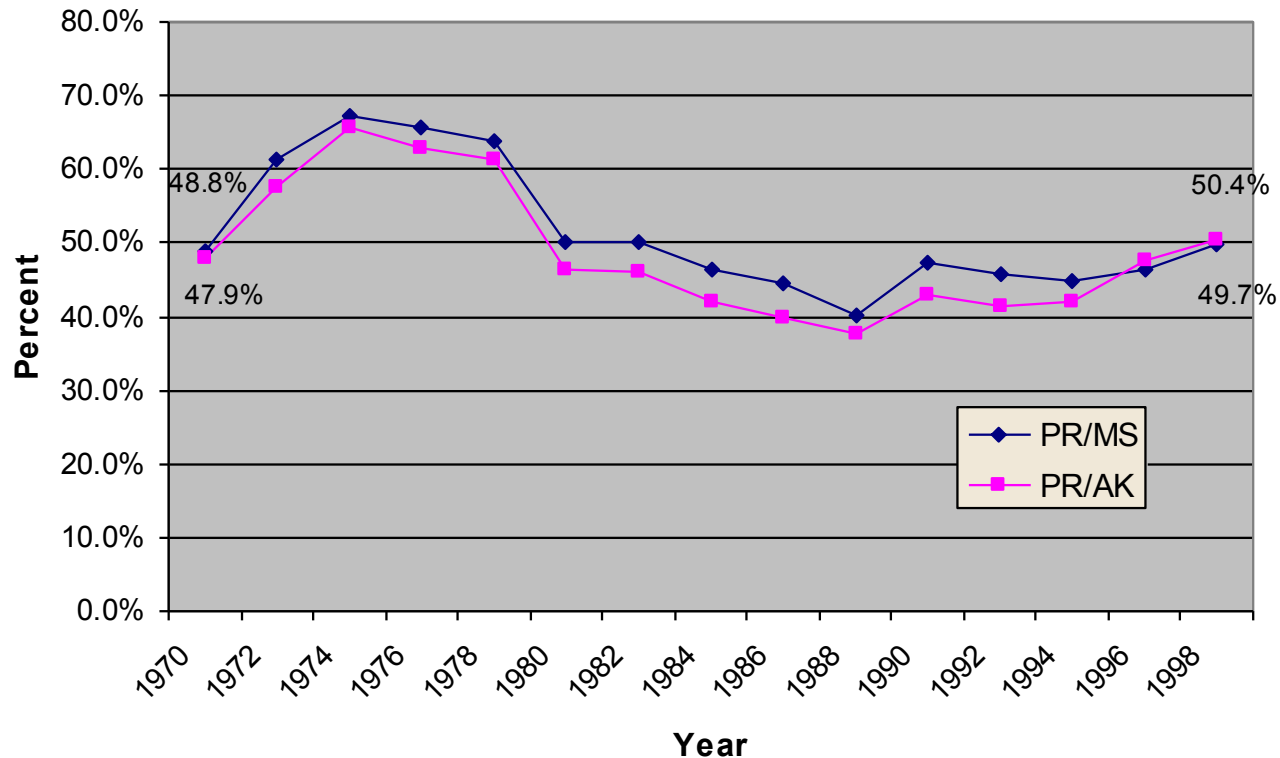
Puerto Rico's Per Capita Personal Income Vis-a-Vis Mississippi and Arkansas



Source. US Bureau of Economic Analysis;
Economic Report to the Governor, Puerto Rico Planning Board

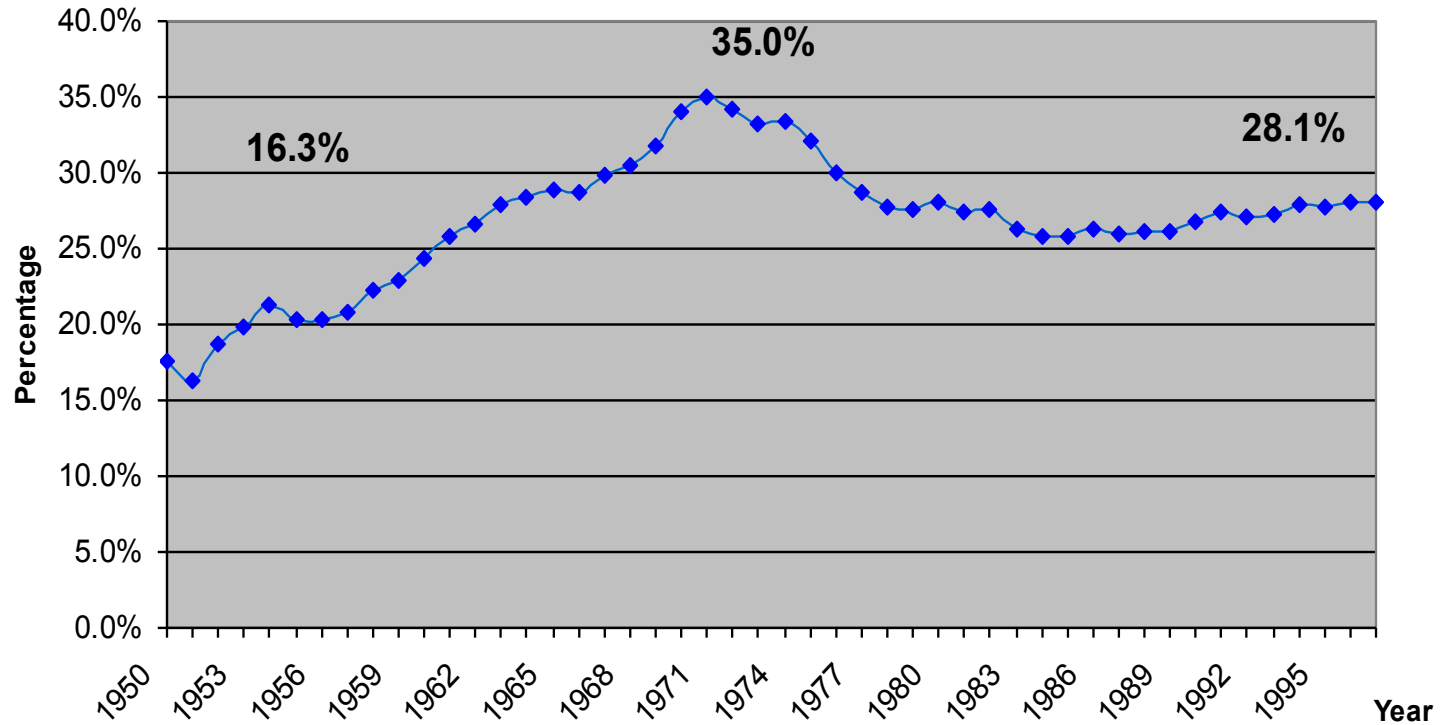
State/Years	1970	%	1980	%	1990	%	1992	%	1994	%	1996	%	1998	%
* Mississippi	2,626	190	6,915	200	12,710	212	14,069	219	15,793	223	17,471	216	18,200	201
* Arkansas	2,878	209	7,457	216	14,032	234	15,474	241	16,817	238	18,928	234	17,966	199
¥ Puerto Rico	1,379		3,455		6,009		6,429		7,079		8,084		9,050	

Puerto Rico's Personal Income Per Capita as Percent of Mississippi and Arkansas



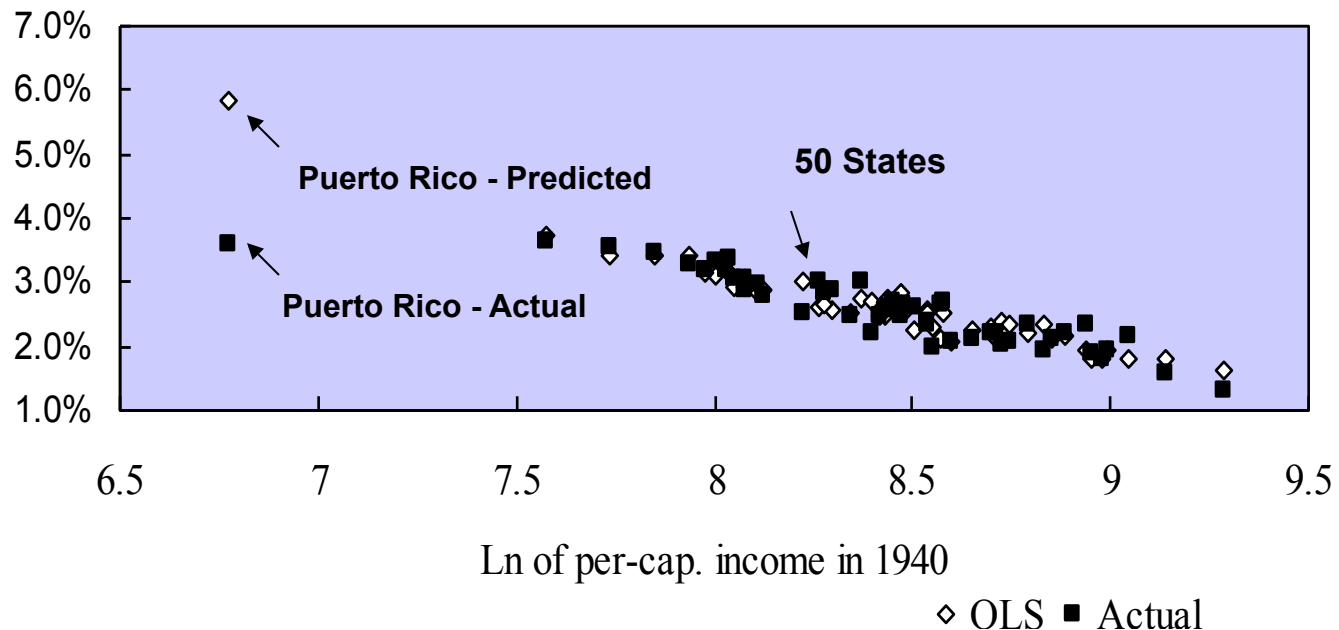
- While Mississippi and Arkansas have grown rapidly, Puerto Rico is not catching up.
- Puerto Ricans have been stuck earning half as much as these poorest states for over a generation.

Puerto Rico's GNP Per Capita as Percent of the U.S.



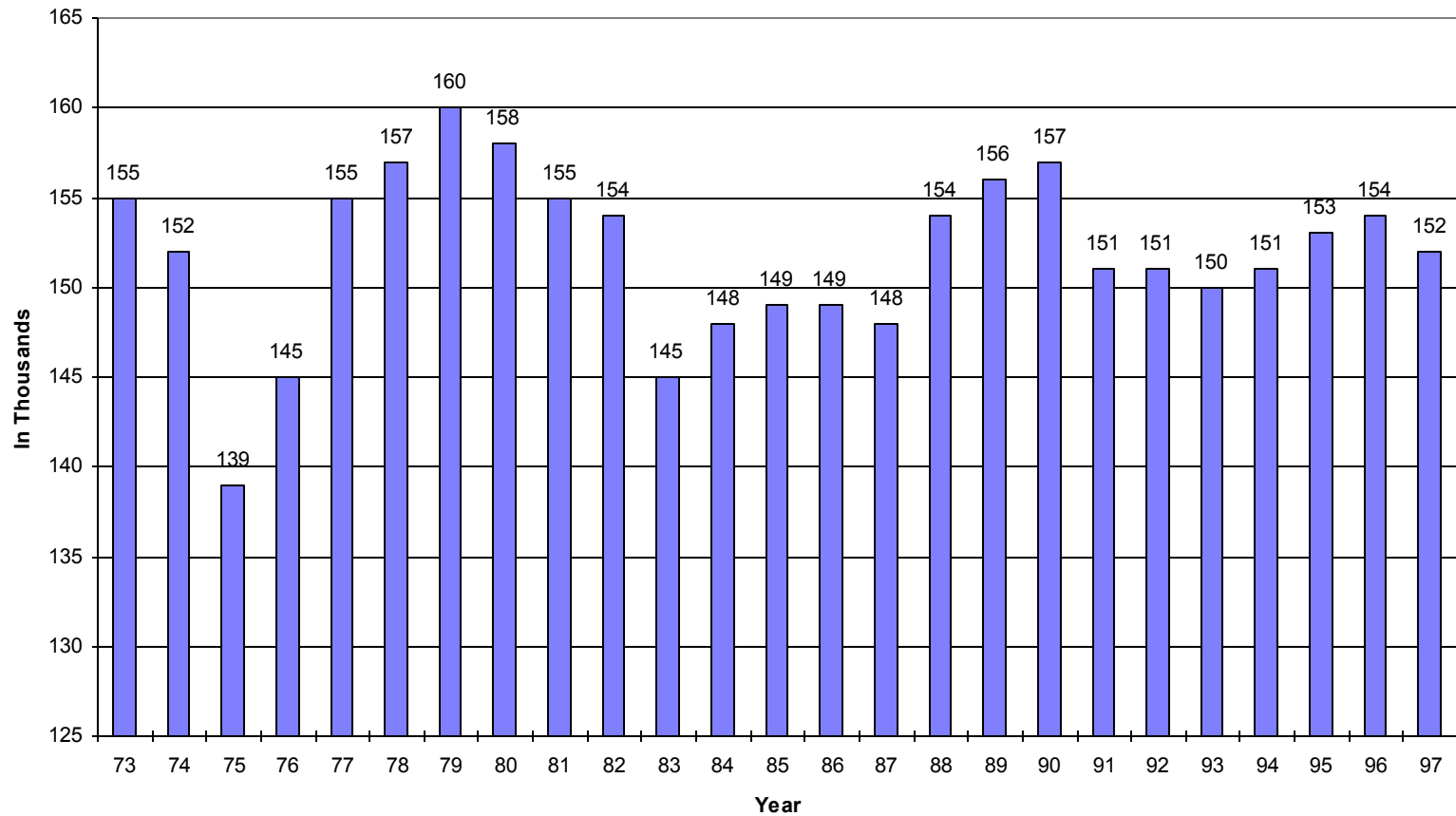
- Living standards in Puerto Rico have not been catching up with the mainland United States. In fact, since 1972 Puerto Rico has fallen further behind.

The Cost of Commonwealth – Slow Growth and Economic Potential Wasted

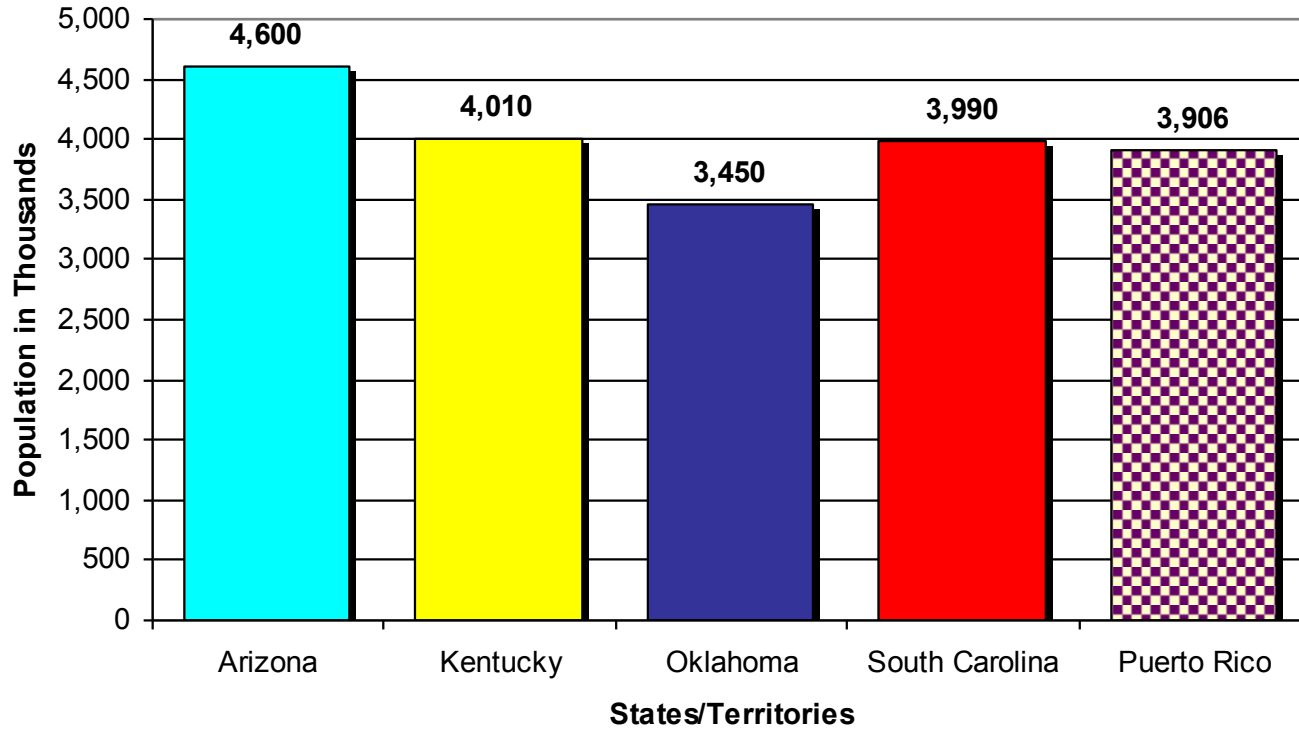


- Puerto Rico's economy would have grown almost 3% faster, had it been a state since 1955.
- The average Puerto Rican would now be earning \$6000 more a year, and would have earned \$110,000 more since 1955.

Manufacturing Jobs in Puerto Rico by Year 1973-1997

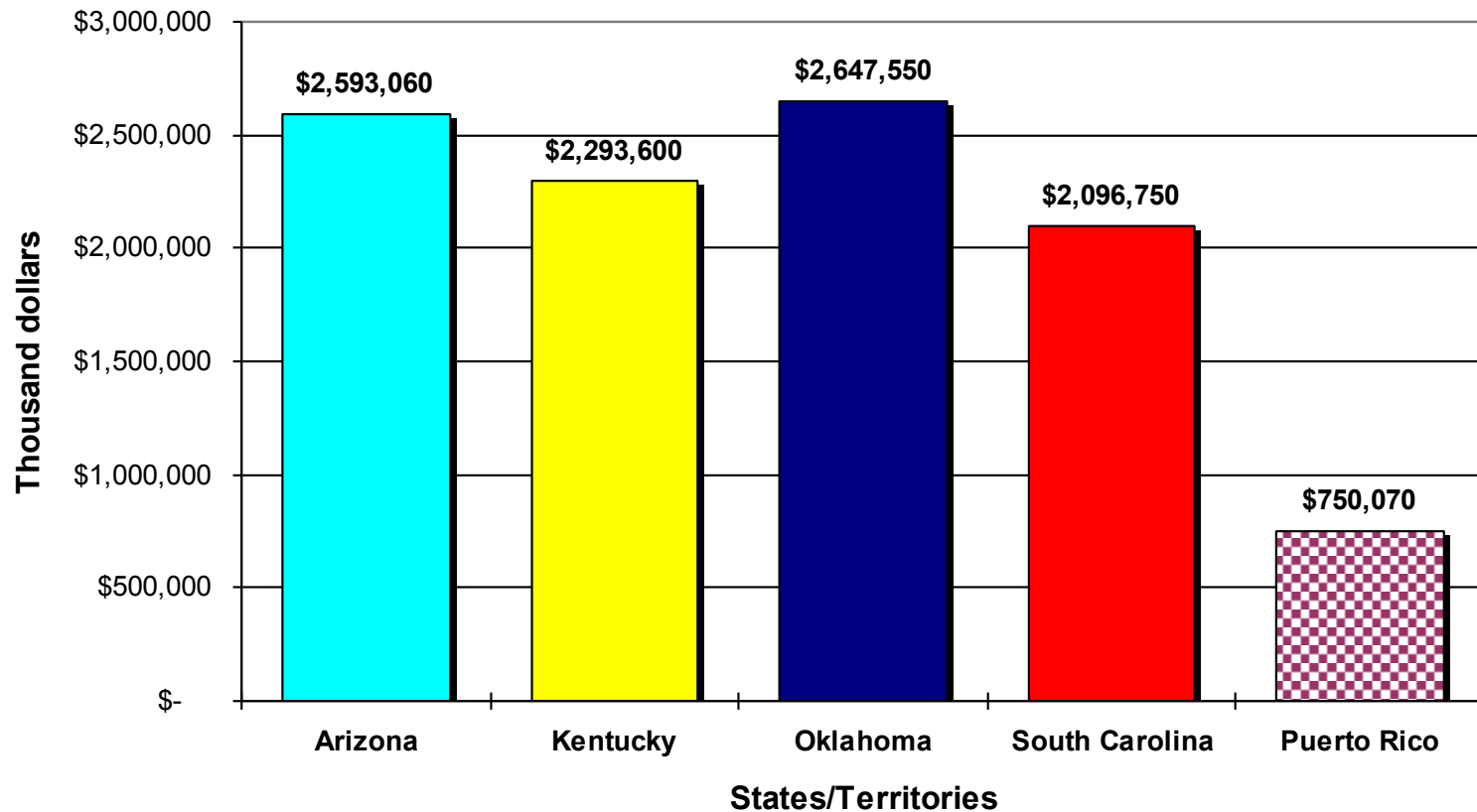


Resident Population 1998



- Despite having a population comparable to these U.S. states, Puerto Rico receives billions less annually in federal funding as a territory, in addition to weaker economic growth and a lower standard of living.

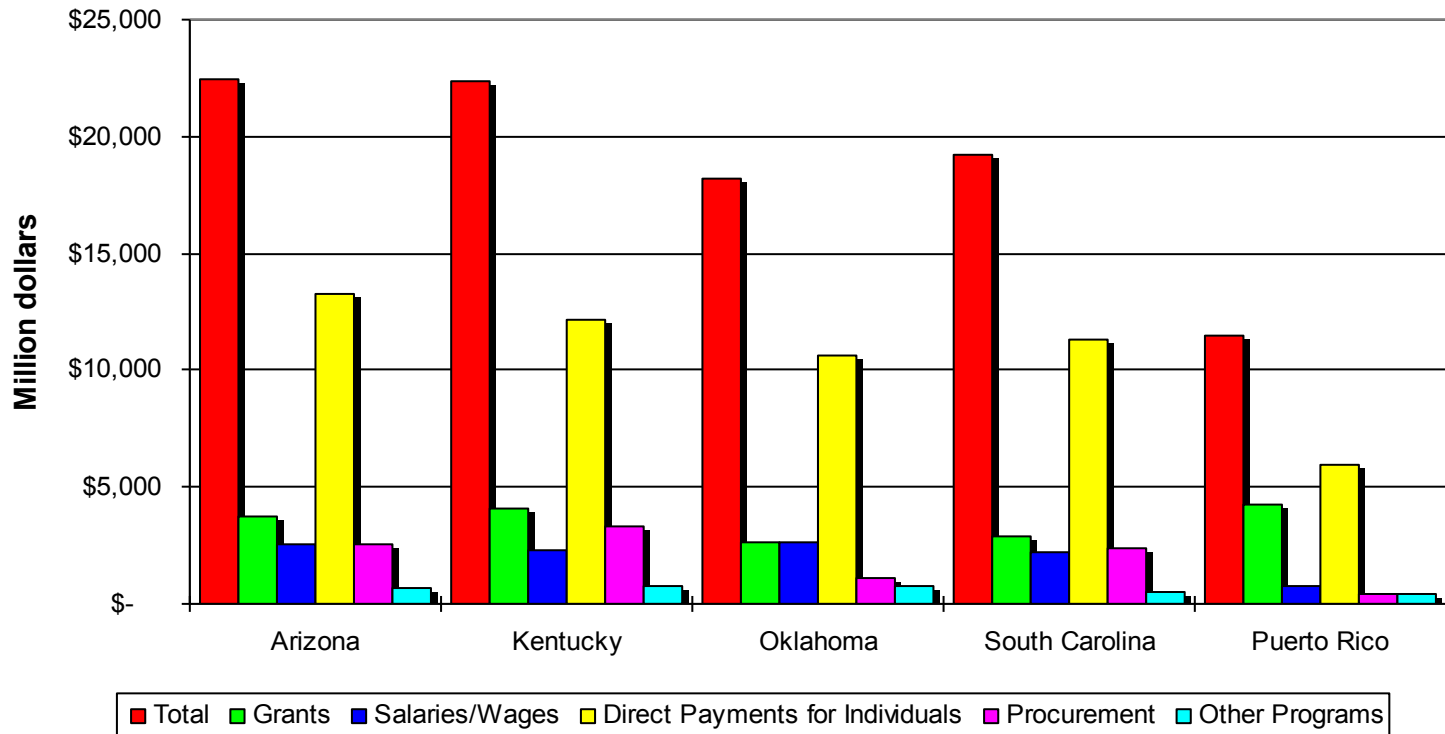
Federal Spending on Wages and Salaries – FY 1998



- Puerto Rico receives at least \$1.3 billion less in federal wages and salaries each year than these states of similar size. In fact, Puerto Rico receives **less than a third** as much on a per capita basis, \$191.45, as the rest of the United States, \$629.

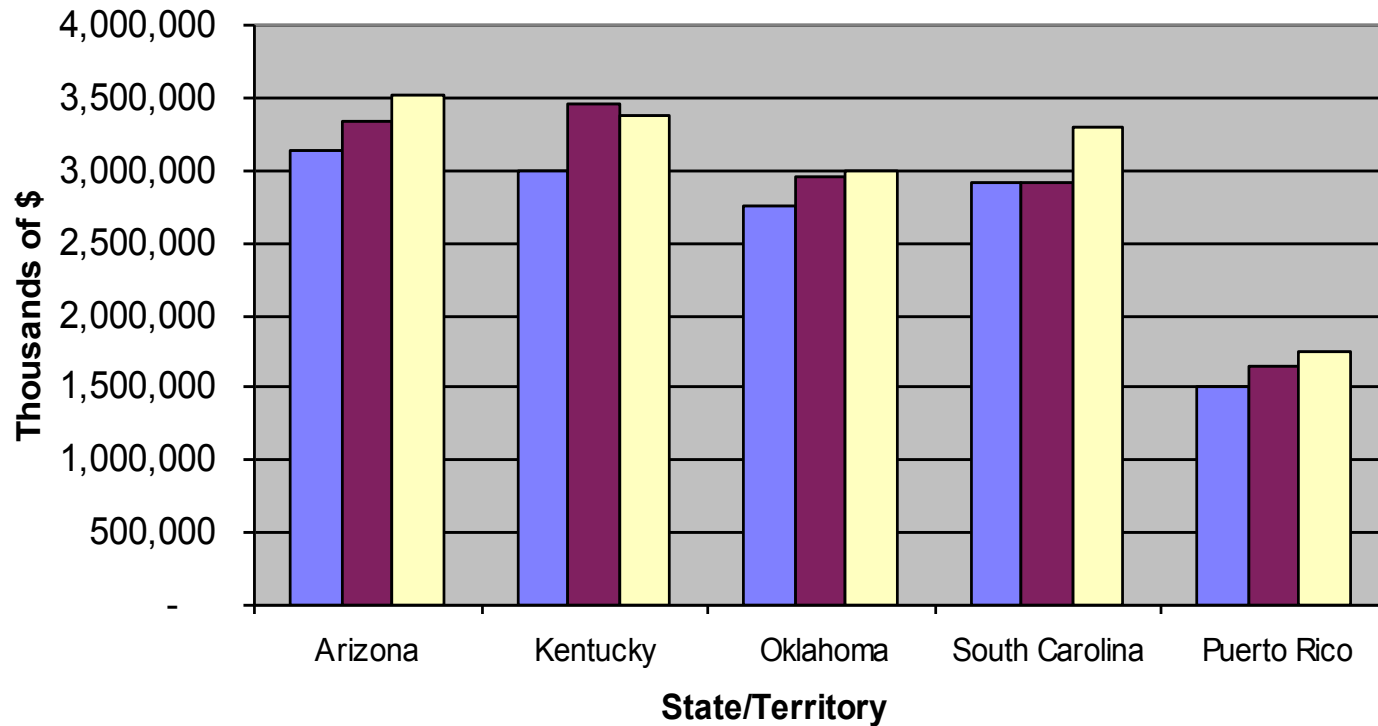
Distribution of Federal Funds – FY 1998

States/Territories	Total	Grants	Salaries/Wages	Direct Payments for Individuals	Procurement	Other Programs
Arizona	\$ 22,419	\$ 3,750	\$ 2,576	\$ 13,255	\$ 2,568	\$ 682
Kentucky	\$ 22,375	\$ 4,055	\$ 2,254	\$ 12,135	\$ 3,278	\$ 795
Oklahoma	\$ 18,237	\$ 2,635	\$ 2,600	\$ 10,668	\$ 1,075	\$ 802
South Carolina	\$ 19,200	\$ 2,885	\$ 2,170	\$ 11,337	\$ 2,350	\$ 495
Puerto Rico	\$ 11,504	\$ 4,215	\$ 745	\$ 5,962	\$ 455	\$ 450



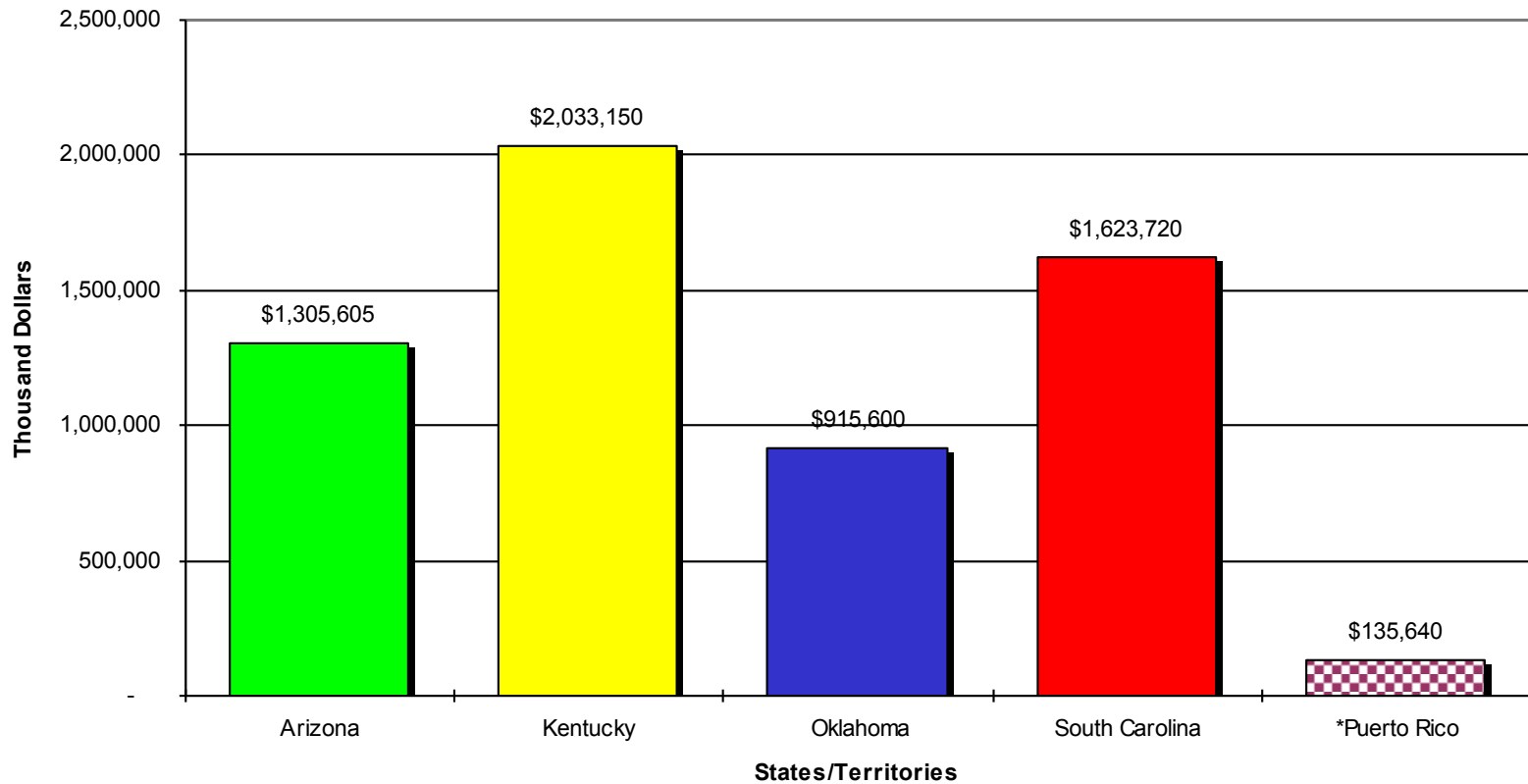
- Federal spending has jumped \$2.5 billion since 1992; over \$500 million more than it would had it grown at the same speed as total federal spending.
- However, total federal spending in Puerto Rico remains between \$7 and \$11 billion less each year than in these similarly sized states.

Current Expenditures for Public and Secondary Education, 1995-1997



	Expenditures 94-95	Expenditures 95-96	Expenditures 96-97	Children aged 5-17 enrolled
Arizona	3,144,540	3,331,835	3,527,473	743,566
Kentucky	2,988,892	3,460,737	3,382,062	659,821
Oklahoma	2,763,721	2,951,191	2,990,044	616,393
South Carolina	2,920,230	2,920,230	3,296,661	645,586
Puerto Rico	1,501,485	1,646,313	1,740,074	627,620

Federal Spending on Medicaid – FY 1998



Federal Spending per Capita – FY 1998

