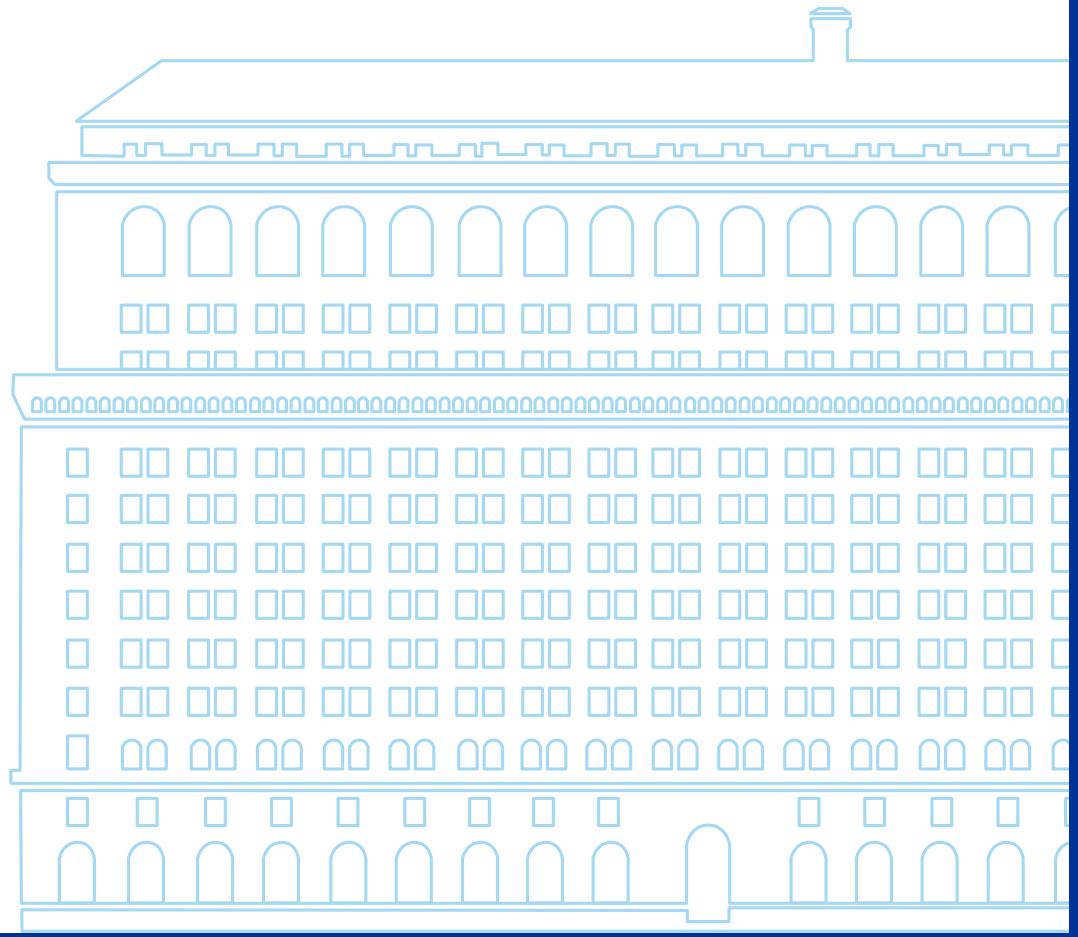
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Economic Conditions in Puerto Rico

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Economic Policy Advisor

2027 Economic Forecast Symposium
Puerto Rico Financial Oversight Management Board

November 4, 2026

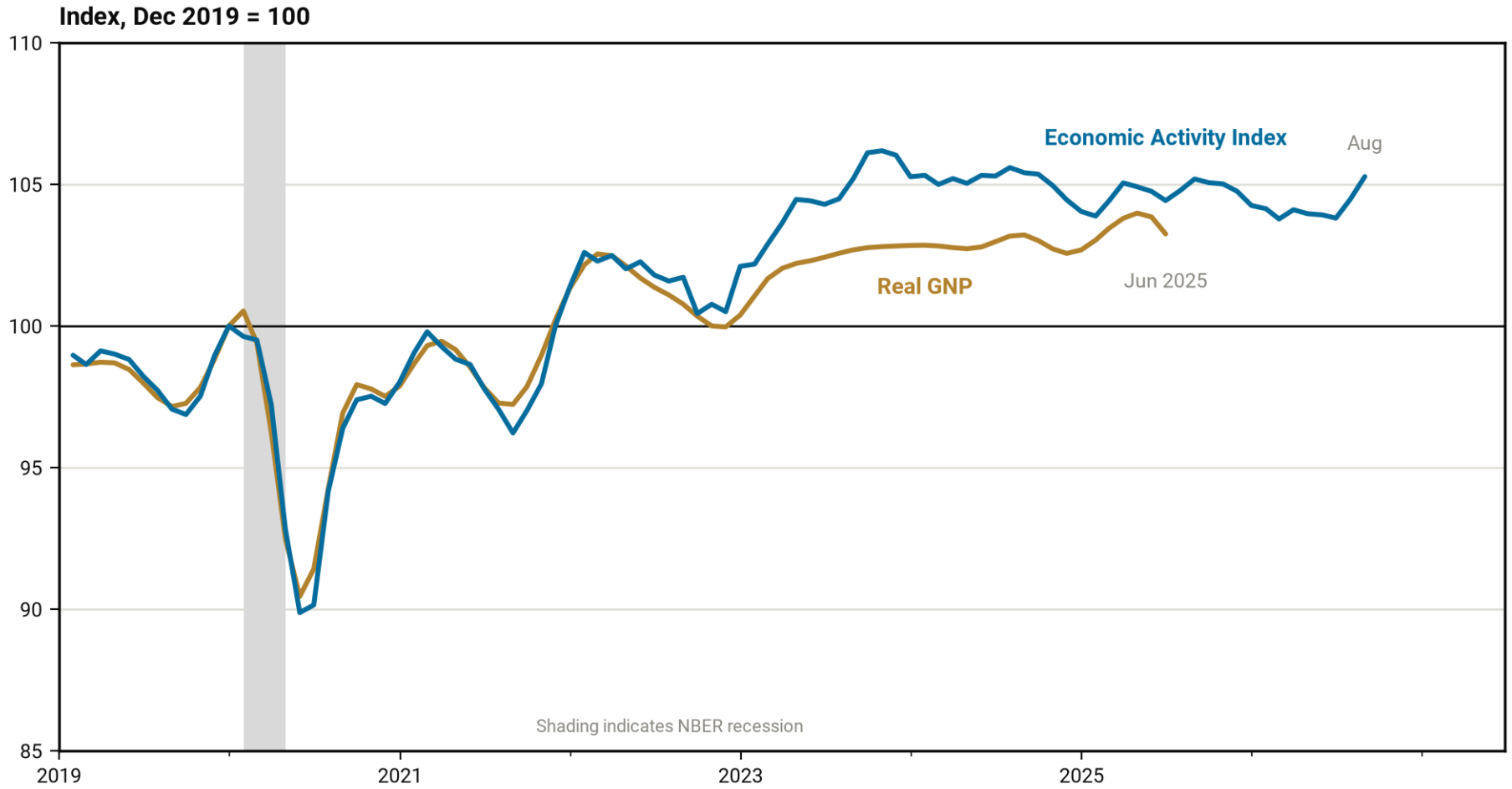


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Overview of Economic Conditions

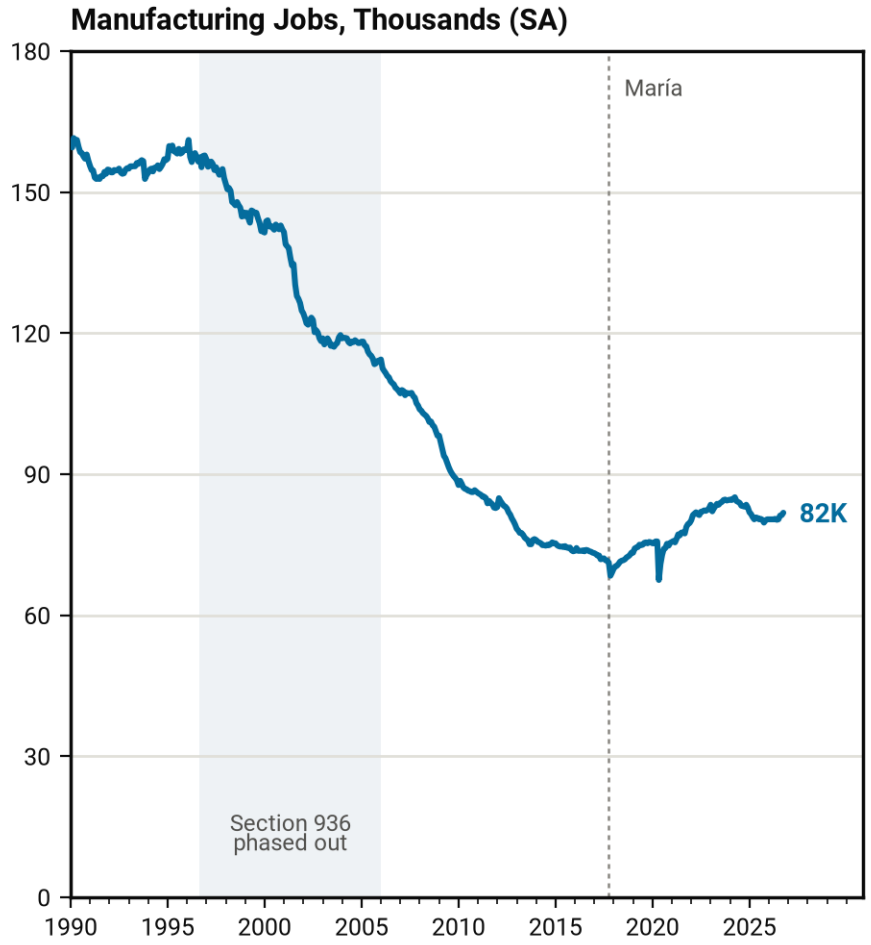
- The economy has seen little growth in the last two years.
- The job market has been stable, but has shown strength in tourism.
- There is some stress among households, with elevated credit card delinquency rates.
- Aging and out-migration are key challenges for Puerto Rico.

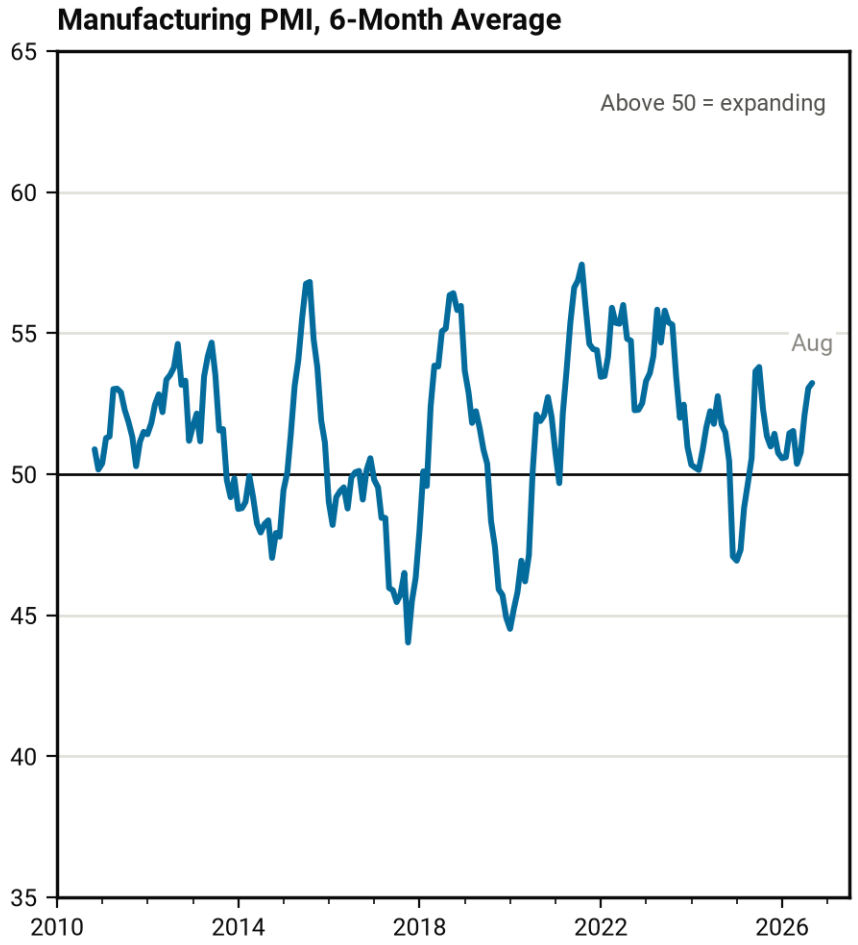
Economic Activity Has Been Flat for Two Years



Source: Puerto Rico Department of Economic Development and Commerce (Economic Activity Index, formerly published by the Economic Development Bank); Puerto Rico Planning Board and Moody's Analytics via Haver Analytics (real GNP, 2017 dollars; monthly estimates through June 2025, the end of fiscal year 2025).

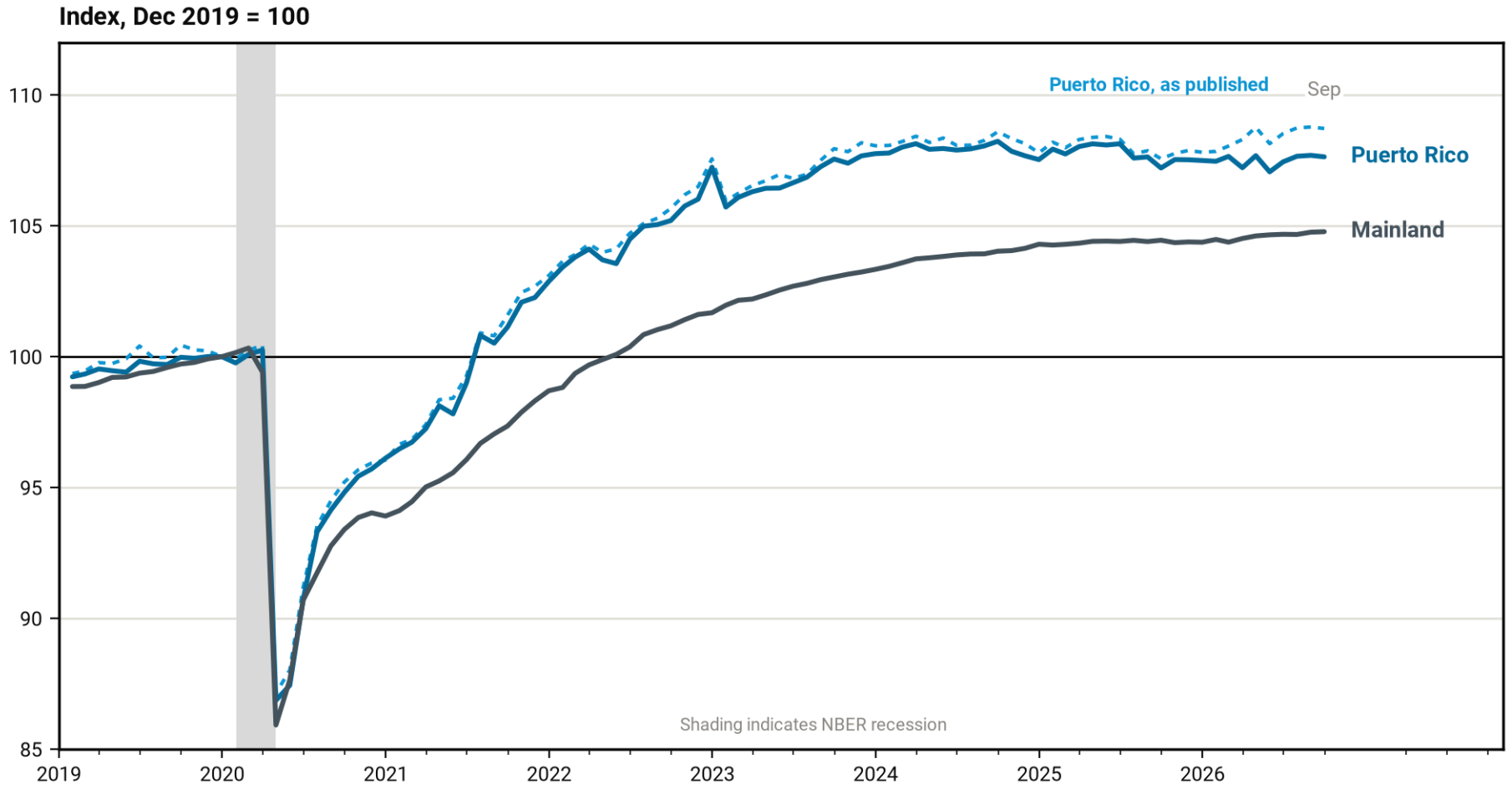
Manufacturing Has Stabilized





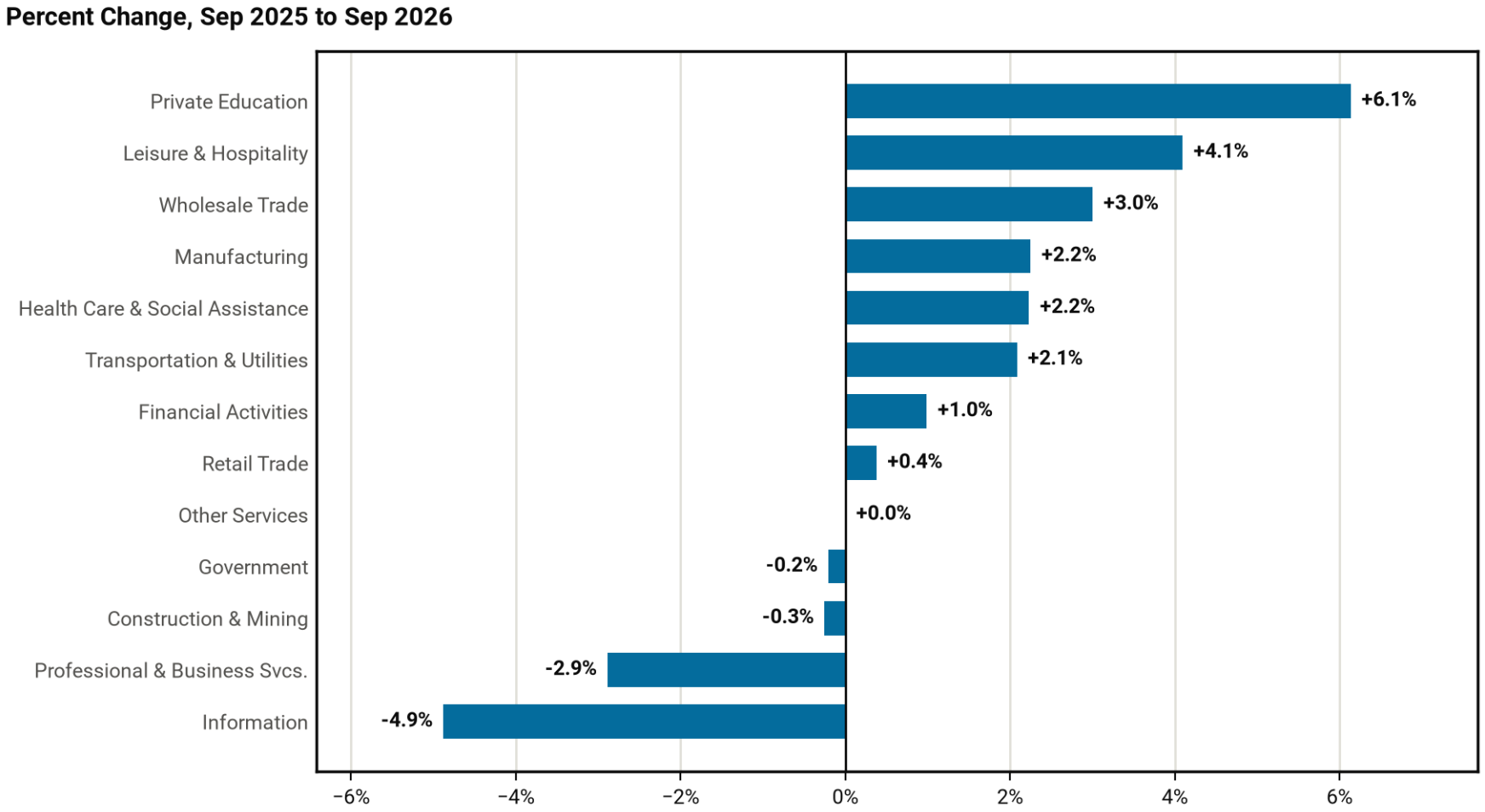
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, via Haver Analytics (jobs, seasonally adjusted); Puerto Rico Manufacturing Purchasing Managers' Index (PRM-PMI), via the Puerto Rico Institute of Statistics. Section 936 tax credits were phased out from 1996 through 2005.

Job Growth Has Stalled Over the Past Year



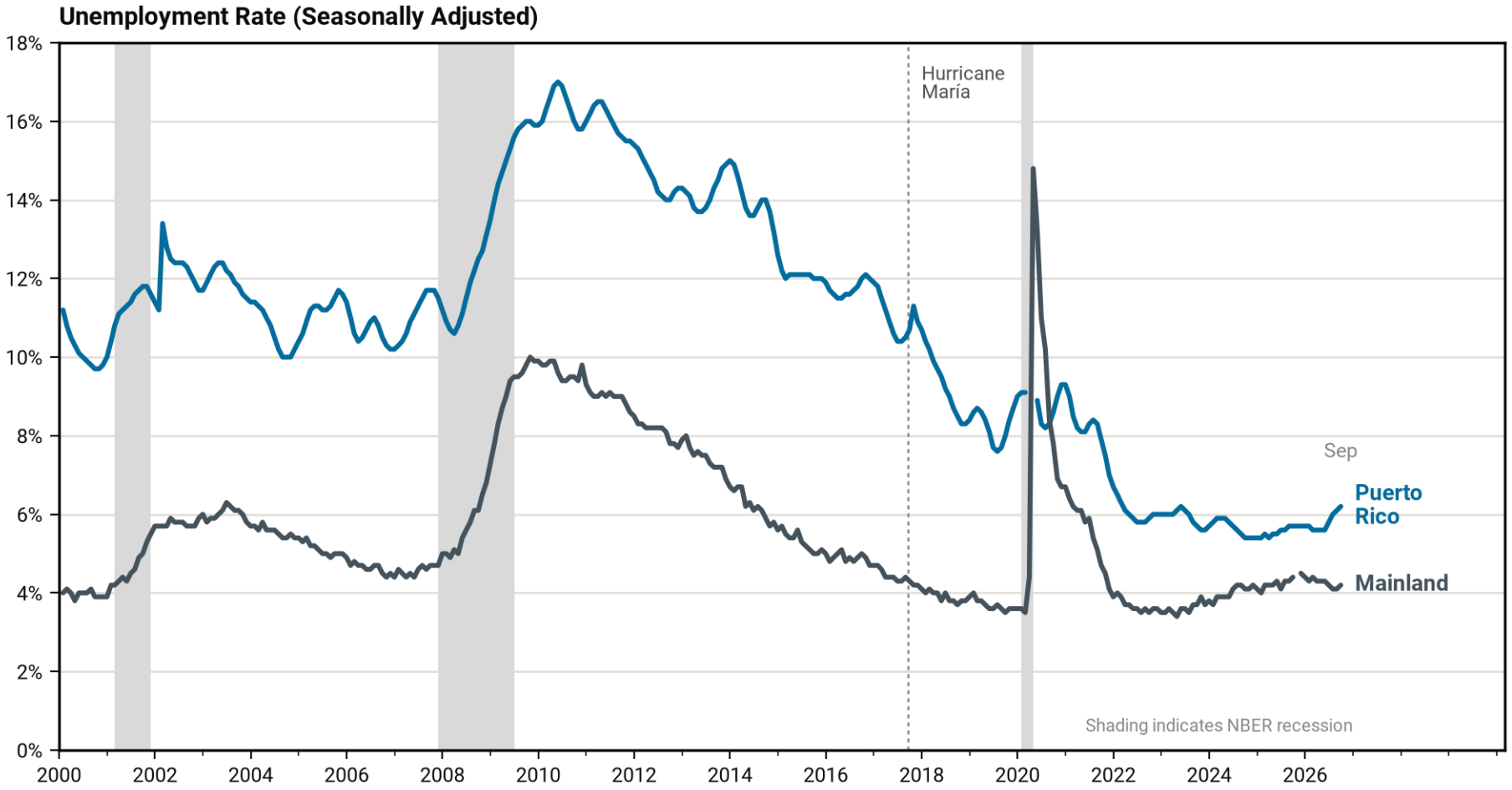
Source: U.S. Bureau of Labor Statistics and Moody's Economy.com via Haver Analytics. Puerto Rico data early benchmarked by NY Fed; dotted line is the BLS payroll survey as published. Mainland is the national payroll survey (50 states and DC). Seasonally adjusted.

Job Gains Led by Education, Tourism, and Wholesale Trade



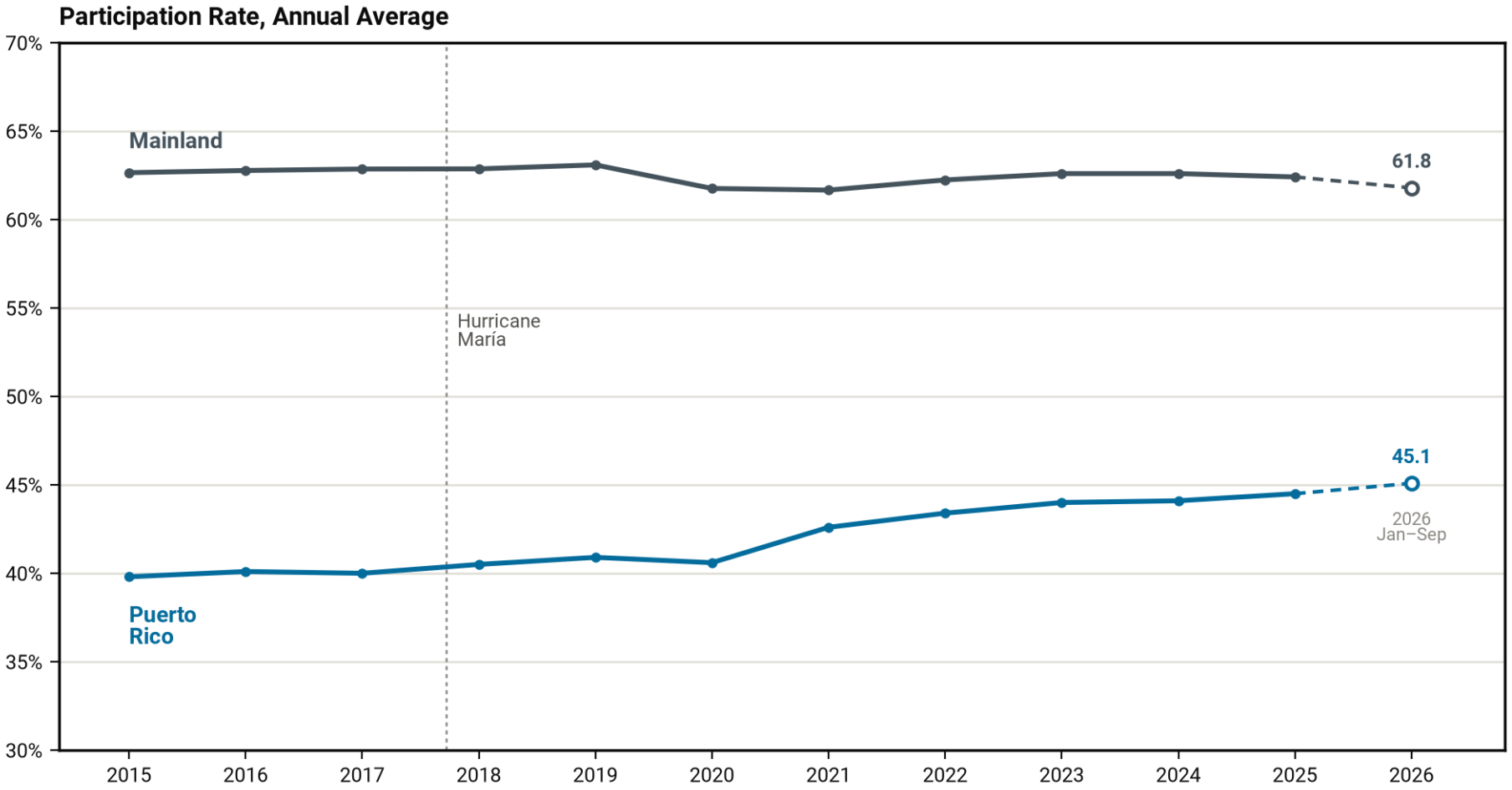
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, via Haver Analytics. Not seasonally adjusted. Published survey data, not early benchmarked.

Unemployment Is Near Record Lows but Up This Year



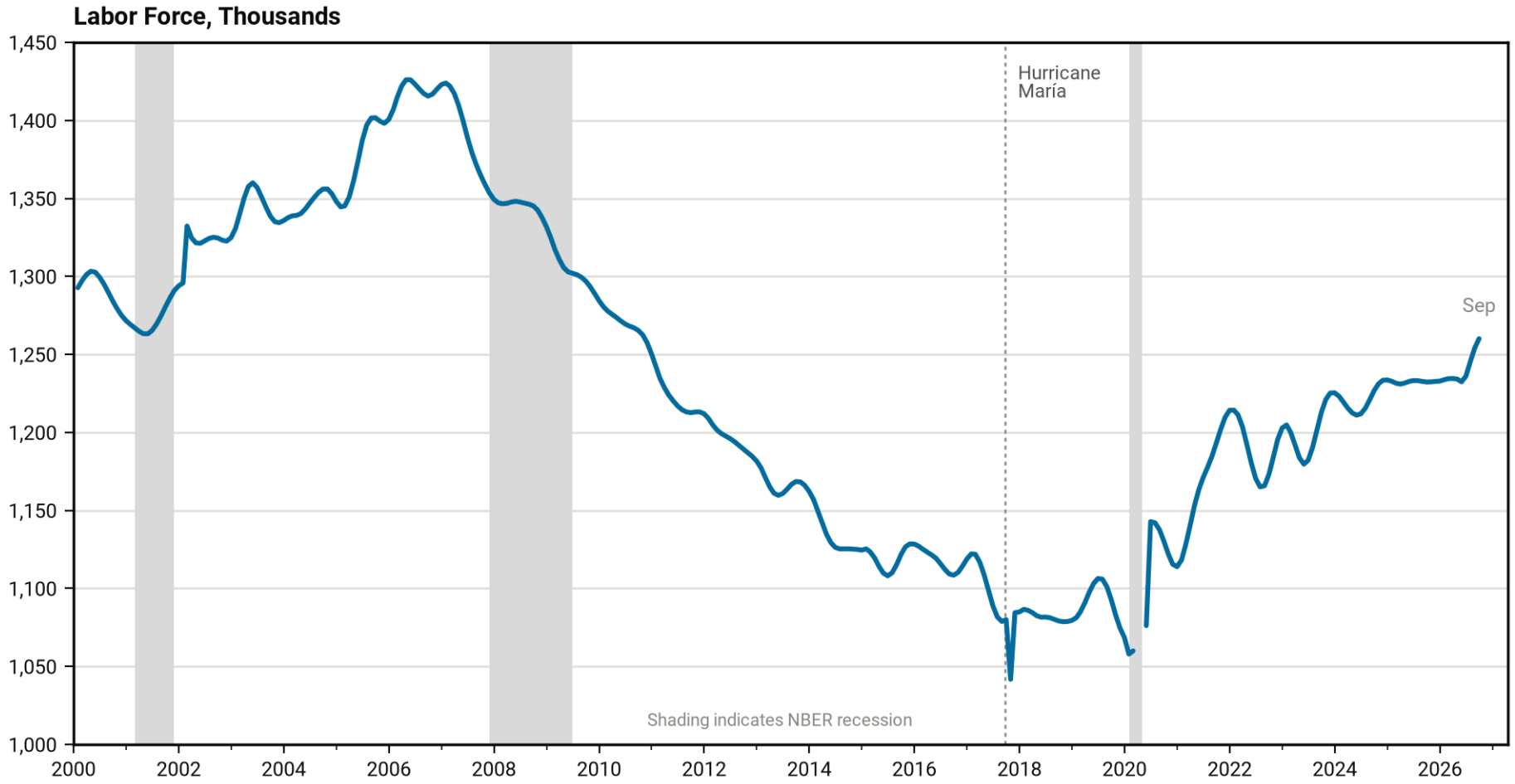
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (Puerto Rico) and Current Population Survey (mainland), via Haver Analytics. No Puerto Rico estimates for March–April 2020; no mainland estimate for October 2025 (federal government shutdown).

Participation Is Rising but Remains Far Below the Mainland's



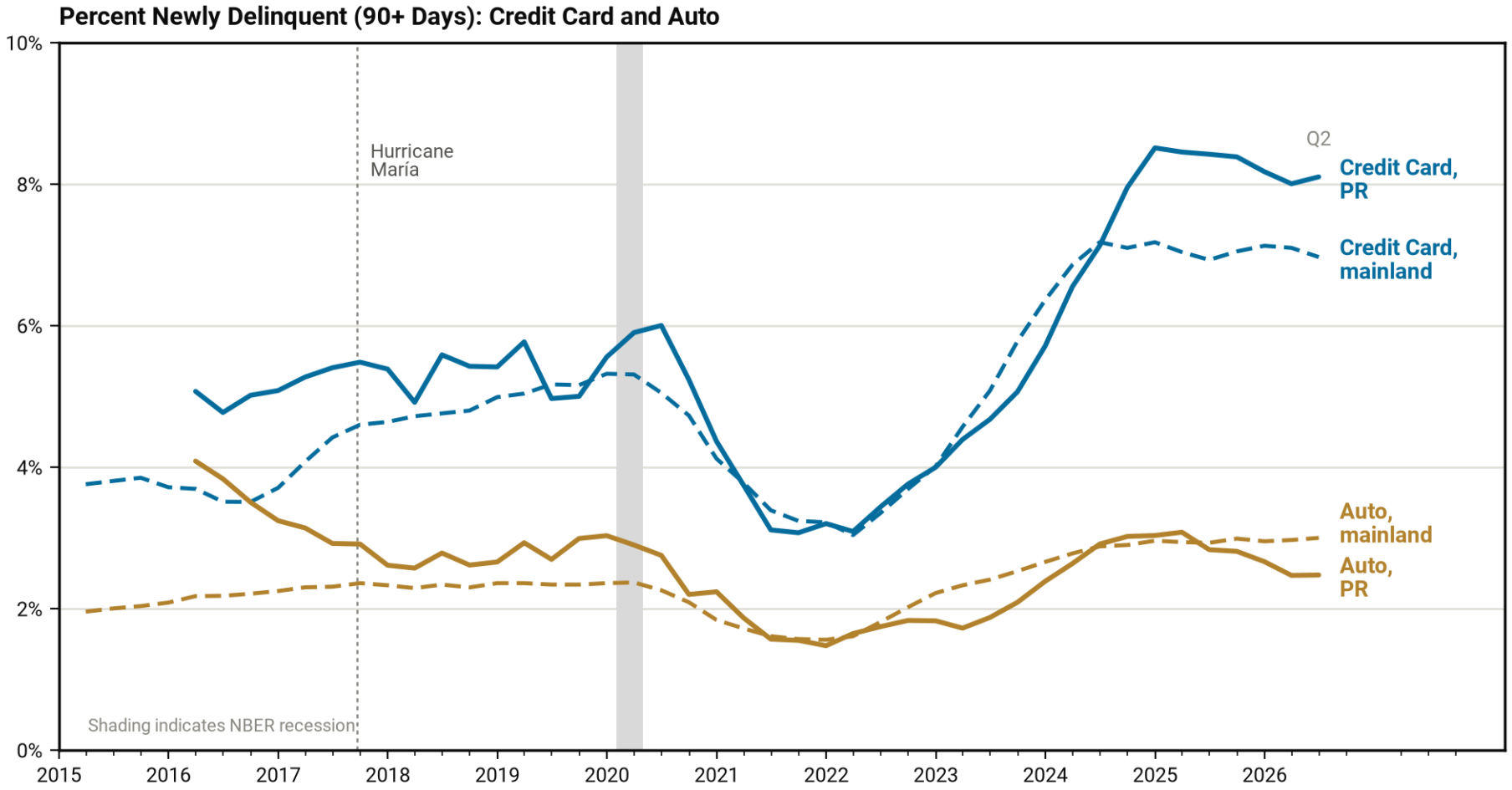
Source: Puerto Rico Department of Labor and Human Resources, Encuesta de Grupo Trabajador; U.S. Bureau of Labor Statistics, Current Population Survey, via FRED. Annual averages, not seasonally adjusted; the latest year is the average of the months so far. Puerto Rico's population controls were revised to the 2020 Census from 2024 on.

The Labor Force Has Rebounded From Its Post-María Low



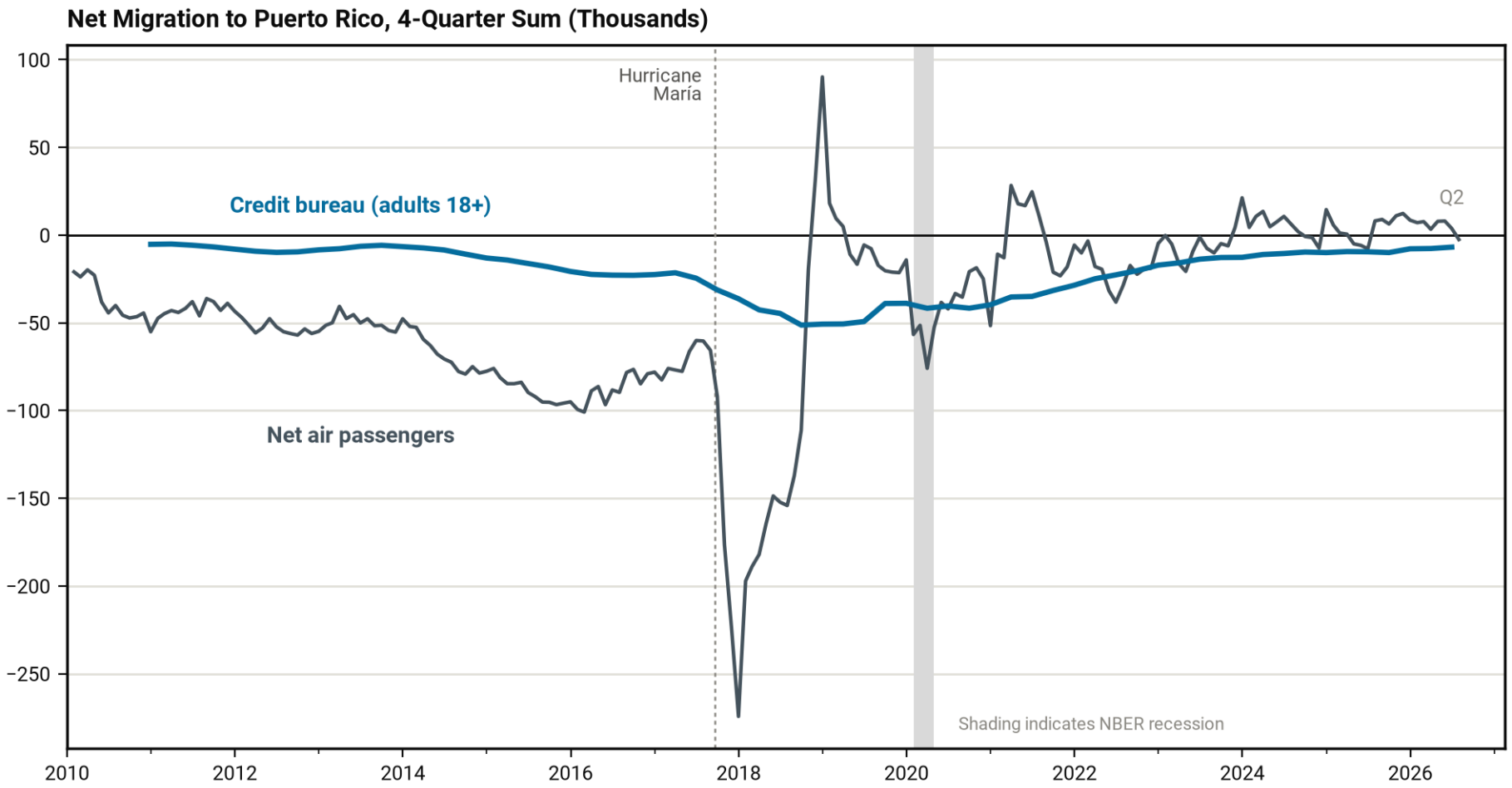
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, via Haver Analytics. Seasonally adjusted. No estimates were published for March–April 2020.

Card Delinquency Is Elevated; Auto Delinquency Has Improved



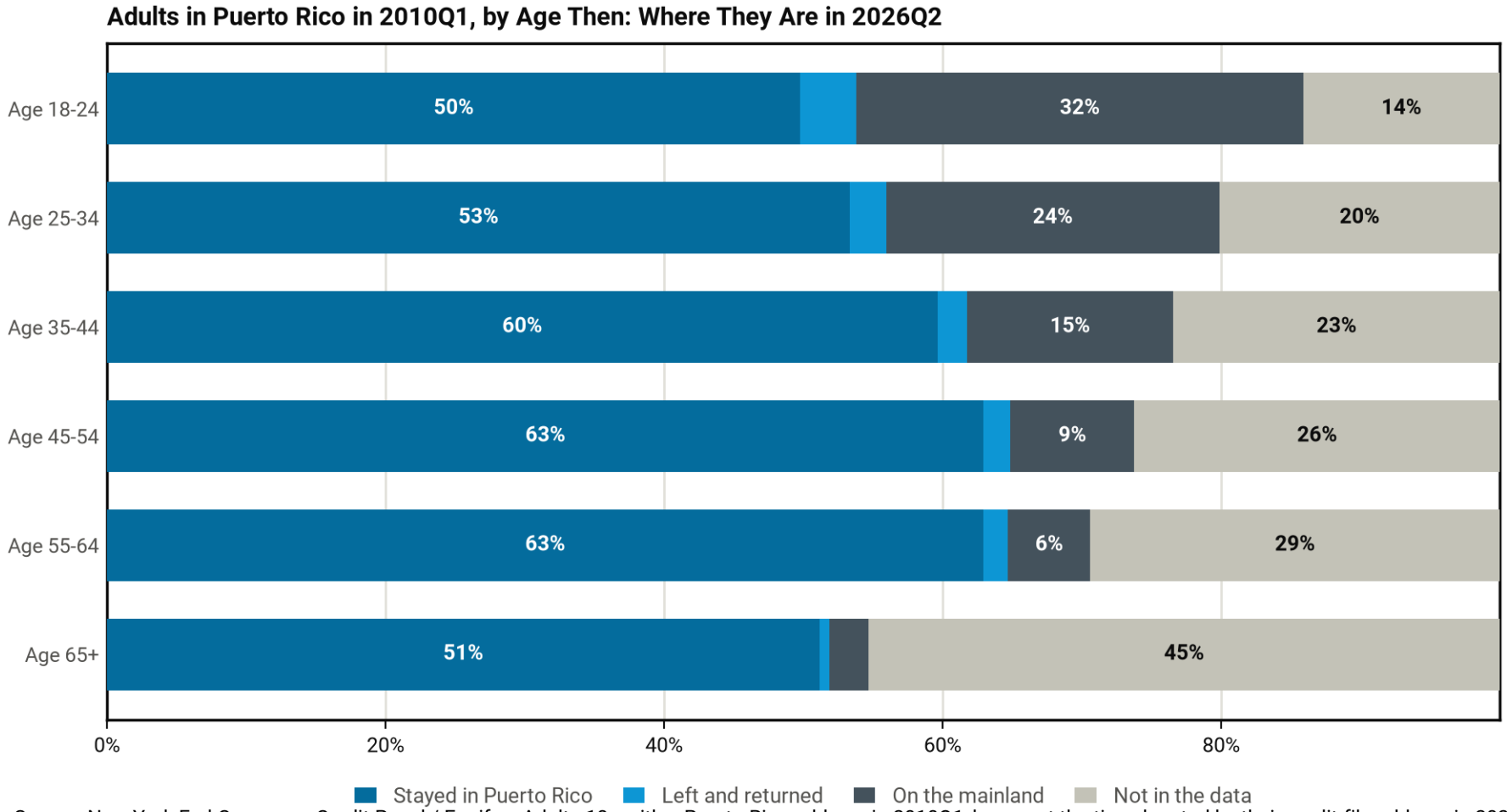
Source: New York Fed Consumer Credit Panel / Equifax. Share of balances that became 90+ days delinquent in the past four quarters (4-quarter moving sum of the quarterly flow).
Mainland = U.S. total.

Net Out-Migration Has Slowed



Source: New York Fed Consumer Credit Panel / Equifax. Adults 18+ whose credit-file address moved between Puerto Rico and the mainland, net, 4-quarter sum. 2024Q3 is interpolated from the adjacent quarters (an address-reporting anomaly that quarter inflated moves in both directions). Net air passengers: U.S. Bureau of Transportation Statistics (T-100 domestic segments), arrivals minus departures, 12-month sum. Mainland = the 50 states and DC.

A Third of Puerto Rico's 2010 Young Adults Now Live on the Mainland U.S.



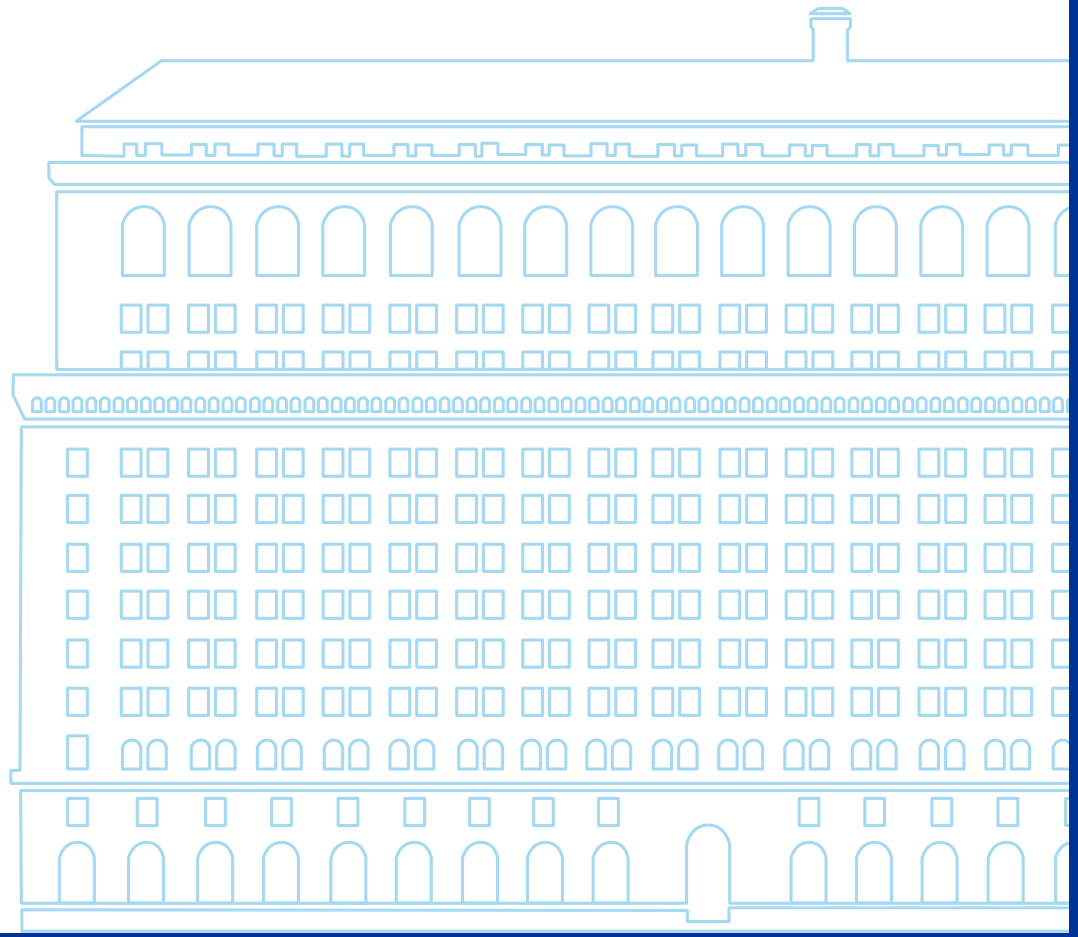
Source: New York Fed Consumer Credit Panel / Equifax. Adults 18+ with a Puerto Rico address in 2010Q1, by age at the time, located by their credit-file address in 2026Q2. "Not in the data" = deaths and credit files no longer observed. Mainland = the 50 states and DC.

Wrap-Up

- The economy has been flat for about two years, with strength in tourism.
- Households remain resilient, but some stress is emerging.
- A longer-run challenge: out-migration of young adults compounds population decline and erodes economic dynamism.

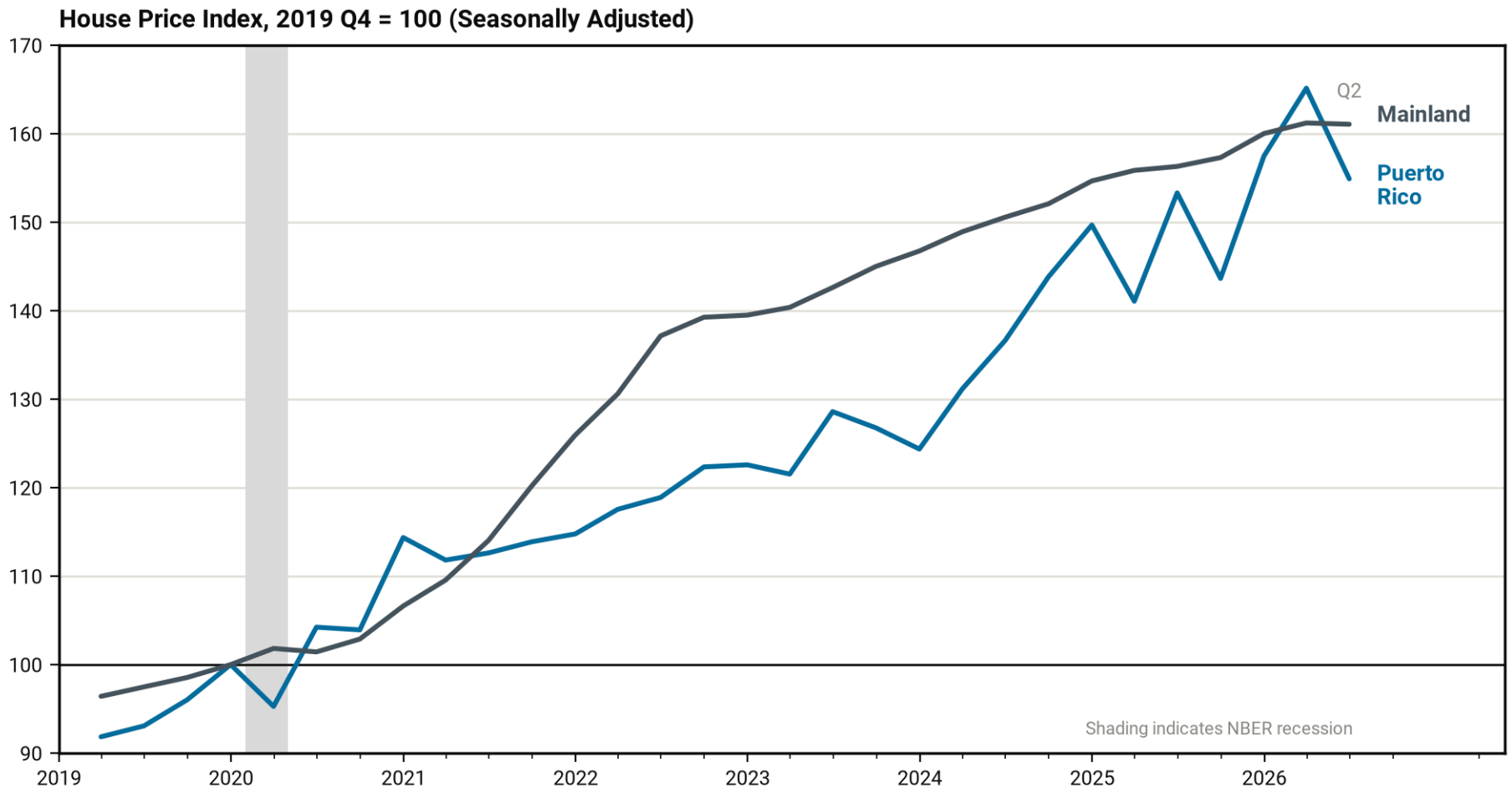
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Appendix



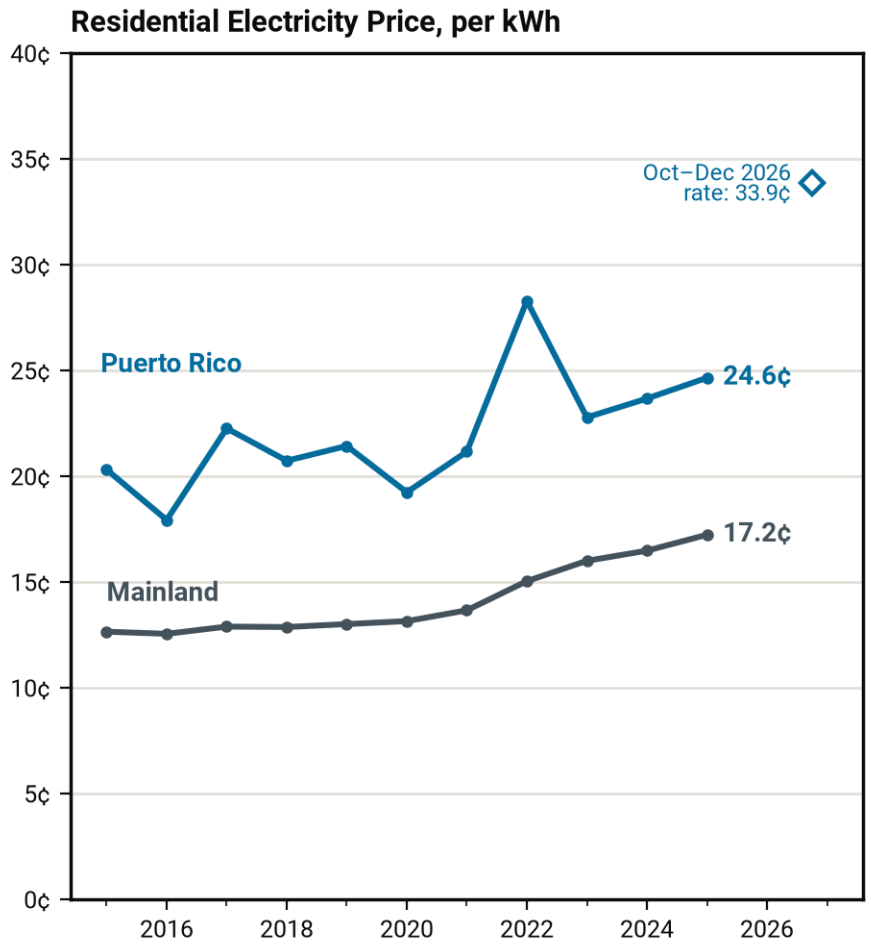
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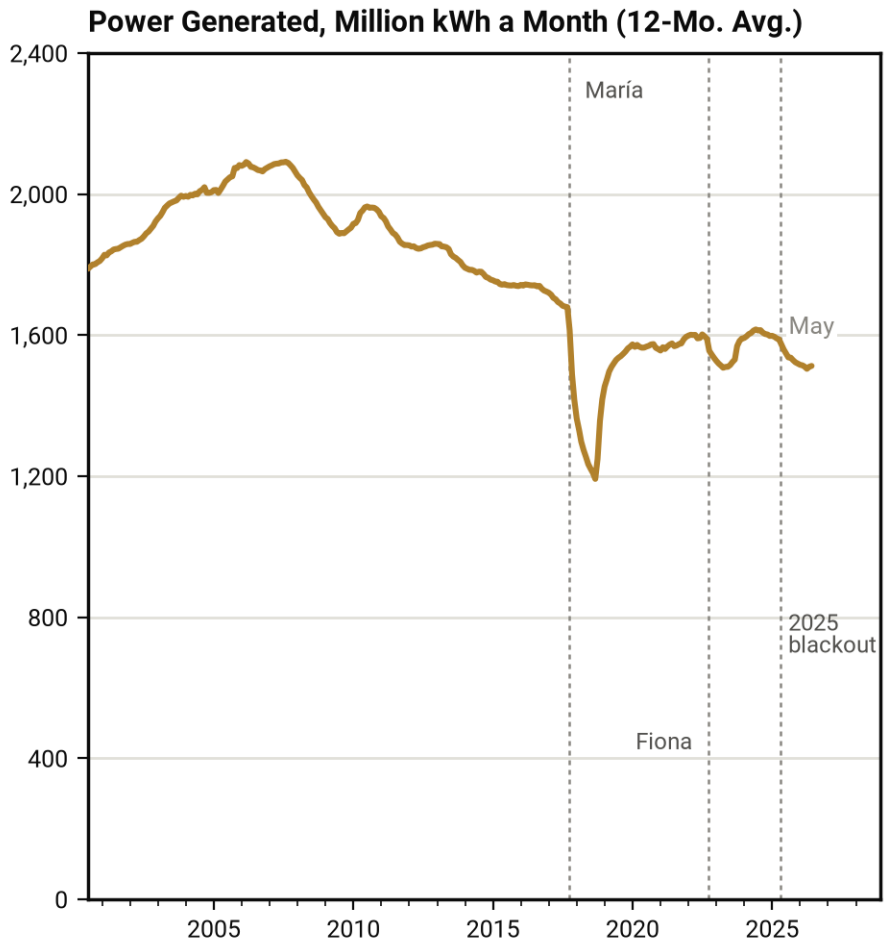
Home Prices Are Up Sharply Since 2019



Source: Federal Housing Finance Agency, all-transactions house price index (seasonally adjusted by Moody's Analytics), via Haver Analytics. Mainland = FHFA U.S. index (50 states and DC). The Puerto Rico index rests on few transactions and is volatile from quarter to quarter.

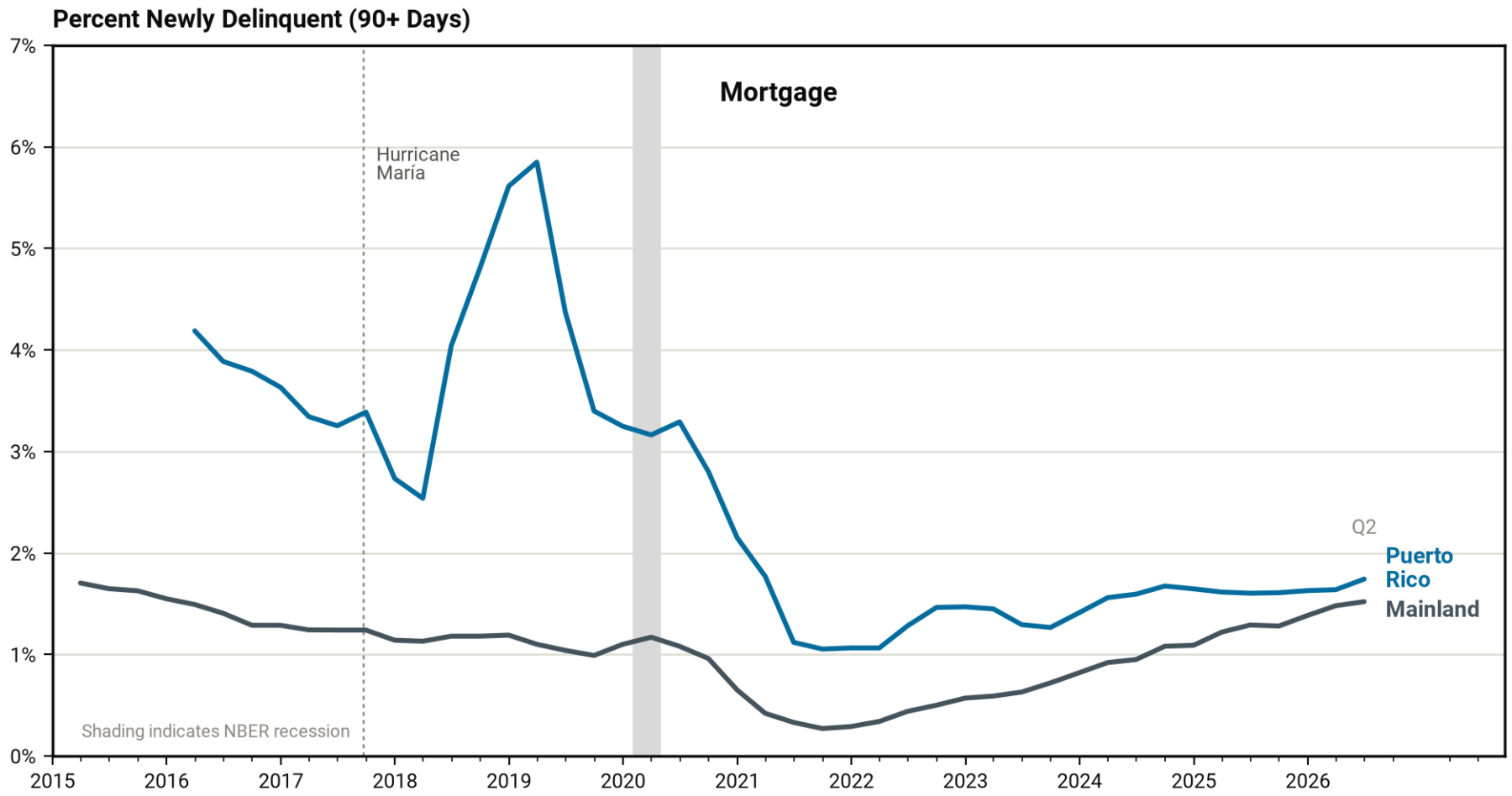
Electricity Costs Far More Than on the Mainland





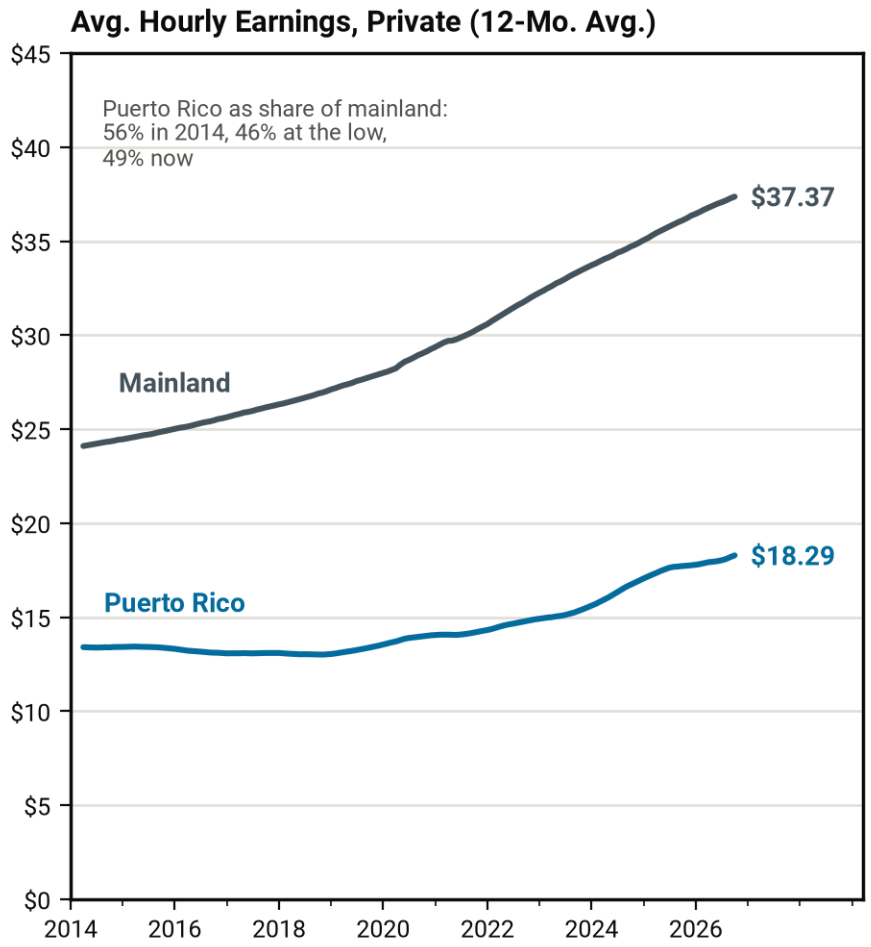
Source: U.S. Energy Information Administration, Electric Power Annual (annual average residential price; mainland = 50 states and DC); Oct–Dec 2026 rate from LUMA Energy and the Puerto Rico Energy Bureau, as reported by the Associated Press; Puerto Rico Planning Board (generation, not seasonally adjusted).

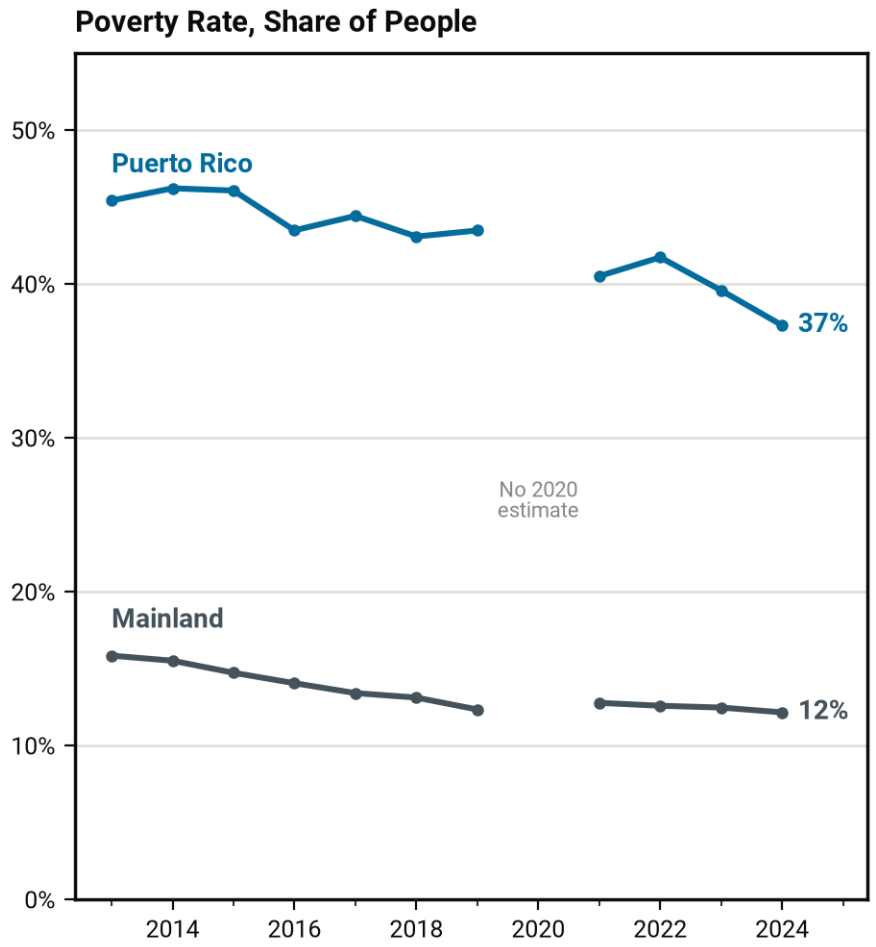
Mortgage Delinquency Has Been Lower



Source: New York Fed Consumer Credit Panel / Equifax. Share of balances that became 90+ days delinquent in the past four quarters (4-quarter moving sum of the quarterly flow).
Mainland = U.S. total.

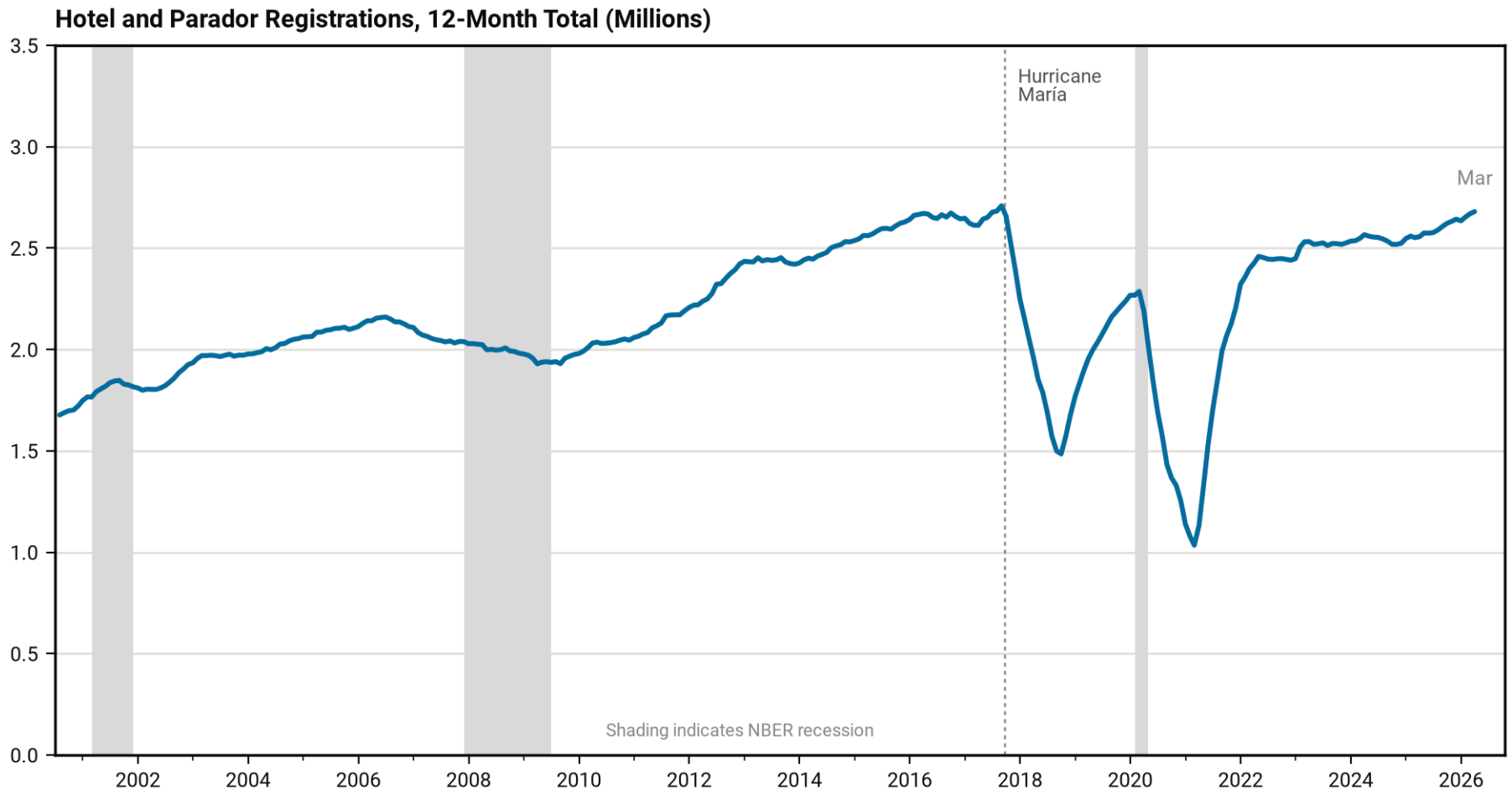
The Share of People in Poverty Has Fallen





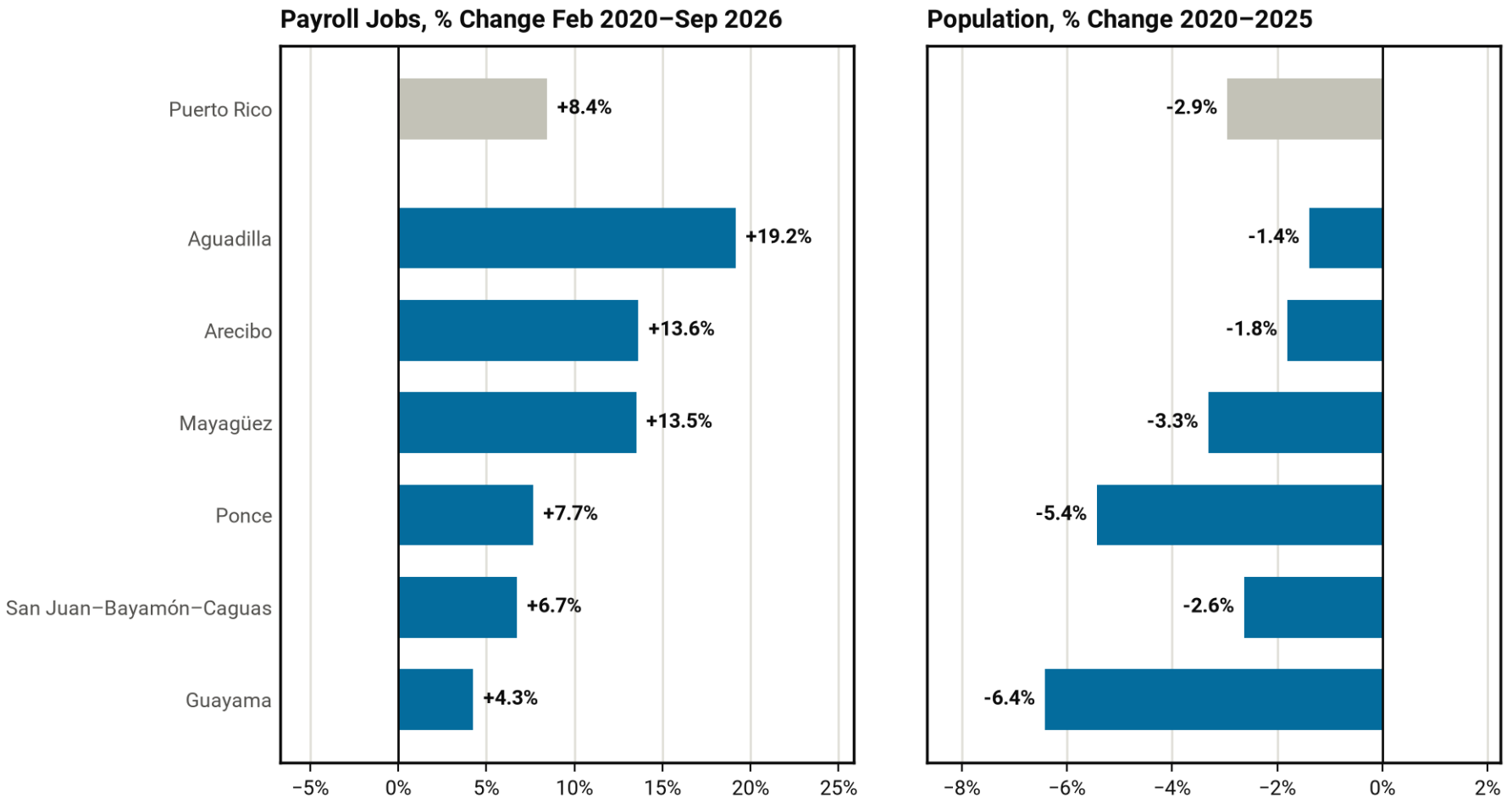
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (average hourly earnings, all private employees, not seasonally adjusted), via FRED; U.S. Census Bureau, American Community Survey and Puerto Rico Community Survey, 1-year estimates (none released for 2020). Mainland = the 50 states and DC.

Hotel Stays Are Back Near Their Pre-María Peak



Source: Puerto Rico Tourism Company, via the Puerto Rico Planning Board. Guest registrations at hotels and paradores, not seasonally adjusted.

Job Growth Has Been Strongest Outside San Juan



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (seasonally adjusted); U.S. Census Bureau population estimates, July 1, with Moody's Analytics metro estimates; via Haver Analytics. Published survey data, not early benchmarked. Metro areas don't cover every municipio.